

**COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1977-78)**

(SIXTH LOK SABHA)

THIRD REPORT

(Presented on

9.4. APR 1978



**LOK SABHA SECRETARIAT
NEW DELHI**

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TO
THIRD REPORT OF COMMITTEE ON PAPERS
LAID ON THE TABLE

(Presented on 14-4-1978)

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**COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON
THE TABLE**

(1977-78)

Shri Kanwar Lal Gupta—Chairman.

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SECRETARIAT

Shri K. K. Saxena—Chief Examiner of Bills and Resolutions.

Shri N. N. Mehra—Senior Table Officer.

*Nominated w.e.f. 20-2-1978 vice Shri Zulfikarulla resigned from the Committee.

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 this their Third Report.

2. On examination of certain papers laid during the Fifteenth, Sixteenth and Seventeenth Sessions (Fifth Lok Sabha) and First, Second and Fourth Sessions (Sixth Lok Sabha) the Committee have come to certain conclusions in regard to delay in laying of (i) Annual Accounts and Audit Reports thereon of Major Port Trusts and (ii) Annual Reports of the Indian Telephone Industries Limited, Bangalore and Hindustan Teleprinters Limited, Madras.

3. On the 5th October, 1977, the Committee took evidence of the representatives of the Ministry of Communications regarding delay in laying of Annual Reports of the Indian Telephone Industries Limited, Bangalore and Hindustan Teleprinters Limited, Madras.

4. The Committee wish to express their thanks to the Ministry of Communications for furnishing information desired by the Committee.

5. The Committee considered and adopted this Report at their sitting held on the 28th March, 1978.

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

NEW DELHI;
April 5, 1978

Chaitra 15, 1900 (Saka)

KANWAR LAL GUPTA,
Chairman,
Committee on Papers laid
on the Table.

CHAPTER I

DELAY IN LAYING ANNUAL ACCOUNTS AND AUDIT REPORTS THEREON OF MAJOR PORT TRUSTS

The Annual Accounts and Audit Reports thereon in respect of Major Port Trusts of Paradip, Kandla and Visakhapatnam for 1973-74 were laid on the Table of Lok Sabha on 8 January, 1976 under Section 103(2) of the Major Port Trusts Act, 1963 which reads as under:

“The Central Government shall cause every audit report to be laid for not less than thirty days before each House of Parliament as soon as may be after such report is received by that Government.”

No statement explaining the reasons for delay in laying the Audit Reports was laid on the Table.

1.2. When the Reports were being laid on the Table of Lok Sabha, a Member raised an objection to the delay in laying of the Reports relating to 1973-74 in 1976.

1.3. On being asked to intimate the reasons for delay in laying the above Reports, the Ministry of Shipping and Transport in their communication dated 8 July, 1976 explained the reasons as under:

“As per normal schedule, the Ports under reference were required to submit Annual Accounts for 1973-74 to Audit by 30-6-1974. Similarly, the Reports from the Audit were also required to be submitted to the Ministry by 31-12-1974..... Paradip, Visakhapatnam and Kandla Port Trusts submitted their Annual Accounts (1973-74) to Audit on 1-10-74, 2-7-74 and 16-7-74, respectively. While there was no delay in respect of Visakhapatnam, there was a minor delay of about 16 days in regard to Kandla Port Trust. There was, however, a delay of three months by the Paradip Port Trust. Paradip Port Trust informed that the delay was due to the deployment of staff for the election duties (1974 Election) and delay in receipt of printed ledgers from the presses for more than six months. Kandla Port Trust also explained that the delay was mainly due to certain discrepancies noticed on final balance drawn before closing the accounts and consequential

correction required therefor..... The reports from the audit in respect of the above Port Trusts were received in the Ministry only during the middle of 1975 and requisite copies of both Hindi and English versions of Reports from the concerned Ports were received during July to September, 1975. As there was no session thereafter, the reports were accordingly laid on the Table of the House in January, 1976."

1.4. So far as the delay in receiving the Audit Reports is concerned, the Ministry have furnished the following remarks of C.&A.G.:—

".....the accounts for 1973-74 for Kandla Port Trust were received with minor delay.

Paradip Port Trust delayed the submission of the initial accounts by three months and Visakhapatnam Port Trust, though it submitted the initial accounts on the due date, it had to revise the same and this delayed the submission by three months.

Thereafter, time was taken in obtaining clarifications in regard to audit and in making necessary verifications in response to audit queries. Hindi translation of the accounts also took some time. Every effort is being made to ensure that such delays are avoided in future."

1.5. In order to know the extent of delay in laying the Audit Reports in respect of all the Major Port Trusts for 1972-73, 1973-74 and 1974-75, the Ministry were asked to furnish requisite information in regard thereto. Three statements showing the date-wise position of Audit Reports of Major Port Trusts for the years 1972-73, 1973-74 and 1974-75 (prepared on the basis of information supplied by the Ministry and the information gathered from Lok Sabha Bulletin Part-1 dated 6-4-77) are at Appendix I, Appendix II and Appendix III respectively. These statements show that while the accounts have been submitted by various Port Trusts for audit more or less by due date i.e. 30th June every year, there has been a major delay of about 11 months in 1972-73, 5 months delay in 1973-74 and 1-1/2 months delay in 1974-75 in case of Cochin Port Trust. As regards Paradip Port Trust there has been a delay of 3 months in 1973-74 and of 2 months in 1974-75.

Delay in submission of accounts of Kandla Port Trust for the year 1973-74 came to 16 days only.

1.6. Reasons for delay in submission of Accounts of Cochin Port Trust for 1972-73 mentioned in the statement laid on the Table on 2-11-1976 are:

“The revised accounting system was introduced in the Port from 1969 onwards. There was considerable resistance from the staff to this new system. During August, 1971 the services of an officer from the Accountant General's office were obtained for training up the staff in accounting procedures. But the staff went on agitation on the induction of the new officer and ultimately the Administration had conceded the demand of the Port staff and the officer was sent back to his parent organisation in December, 1971. During the short period, the officer could not do anything practically to train the staff. The grave atmosphere of indiscipline which grew along with this, gained momentum and assumed a dangerously serious shape by the end of December, 1972. The Port staff struck work for 44 days from January, 1973 to February, 1973. The strike was settled at the level of Government. Discipline was at a low ebb from this period. The Dock labourers again went on strike in February, 1974 on certain demands. However the strike was settled amicably without the Administration surrendering to the unreasonable stand of the staff. Only after this the tide was turned and the Port could concentrate on the clearance of arrears accumulated by then.”

1.7. On perusal of the statements regarding reasons for delay in laying Audit Reports of Cochin Port Trust for the years 1973-74 and 1974-75 laid on the Table of Lok Sabha on 6-4-1977 the Committee observed that in both cases reasons assigned to the delay are identical to those given in respect of the Report for 1972-73.

1.8. In the case of Paradip Port Trust delay of 3 months in submission of Annual Accounts for 1973-74 has been attributed to the deployment of staff for the election duties (1974 Election) and delay in receipt of printed ledgers from the Presses for more than six months. As regards the delay of 2 months in case of Report for 1974-75 the position stated in the statement showing reasons for delay is:

“Even though the Accounts were ready and unauthenticated copies were furnished to Audit in time, there was delay of one month and 20 days in furnishing the authenticated copy of the Accounts by the Port Trust to the Accountant

General, Orissa after getting the approval of the Board of Trustees of the Port."

1.9. The Committee noted that according to internal arrangement between C.&A.G. and the Ministry, prescribed time for completion of audit and submission of Audit Report to the Government was 6 months and accordingly the due date for receipt of Audit Report by Government was 31st December every year. However, there was delay of 10 to 18 months in receipt of Audit Reports from the Audit for the period 1972-73 to 1974-75 in case of Cochin Port Trust. In other cases, the actual delay in receipt of Audit Report ranged from 2 to 5 months in the case of reports for 1972-73, 3 to 9 months in the case of reports for 1973-74 and 3 to 8 months in the case of reports for 1974-75. Again, an additional time of 1½ months (on an average) was taken by the Audit in supplying the Hindi version of the Audit Reports. So far as printing of English and Hindi version of Audit Reports is concerned the Port Trusts took, on an average, 2 to 3 months for the purpose. However, in 1972-73, 7 months were taken in case of Audit Reports of Kandla Port Trust and in 1973-74 more than 5 months were taken in case of Audit Report of Calcutta Port Trust.

1.10. At their sitting held on 31st December, 1976 the Committee noted that the major reason for delay in laying the Audit Reports had been the delay on the part of Audit. The Committee, therefore, suggested that the Ministry of Shipping and Transport should take necessary steps to ensure that such delays were avoided in future and that the Ministry of Finance might be requested to suggest ways and means to avoid delay in Audit.

1.11. When asked to explain the reasons for delay on the part of Audit in completing the Audit Report within the stipulated period, the Ministry of Shipping and Transport intimated:

".....it has been observed that while majority of the Ports had submitted their initial accounts to the Audit within time specified for this purpose, delays took place after preliminary audit observations. Correspondence between the Audit on the one hand and Ports on the other was necessary for Audit to obtain clarifications and ports to furnish them to the satisfaction of Audit."

1.12. On being asked to suggest ways and means to cut down delay in auditing of accounts and laying before Parliament Audit Reports of the Port Trusts in time, the Ministry of Shipping and Transport, in consultation with the Comptroller and Auditor General

of India, revised their earlier time schedule and advised the Chairmen of all the Major Port Trusts vide their circular No. PGA-8/77 dated the 30th March, 1977 (Appendix-IV) to strictly follow the time schedule laid down by the Committee in respect of laying on the Table the accounts for the year 1976-77 and onwards.

1.13. According to the revised time schedule, the Accountant General would receive the approved accounts from the Ports by 30th June every year and during the next 5½ months all necessary formalities would be gone through and requisite number of printed copies of the Audit Report and Accounts made available to the Ministry by 15th December every year so as to enable them to lay the reports before Parliament in time.

1.14. The Audit Reports of all the major Port Trusts for the year 1975-76 were laid on the Table of Lok Sabha on the 6th April, 1977.

1.15. The Committee noted that the Audit Reports of the Port Trusts for the year 1976-77 had not been laid before Parliament till the end of 1977 by which time these Reports were required to be laid as per recommendation of the Committee contained in para 1.16 of the First Report (Fifth Lok Sabha). The reports of Mormugao, Bombay and Madras Port Trusts were laid on the Table on 1-3-1978 i.e. after a delay of about 2 months. The Audit Report of Visakhapatnam Port Trust was laid on the Table of Lok Sabha on 15-3-1978 and of Kandla and Paradip Port Trusts on 22-3-1978, again after a period of about 3 months of the prescribed period of 9 months of laying of the Reports.

Annual Reports

1.16. As regards Annual Reports of the Port Trusts, there is no statutory provision in the Major Port Trusts Act, 1963 for preparation and laying of such Reports before Parliament. However, Annual Administration Reports of Port Trusts are submitted to the Central Government every year under Section 106 of the Act. Section 106 of the Major Port Trusts Act lays down:

"106. As soon as may be after the first day of April in every year and not later than such date as may be fixed in this behalf by the Central Government, every Board shall submit to the Central Government a detailed report of the Administration of the port during the preceding year ending on the thirty-first day of March, in such form as the Central Government may direct."

The last date fixed by the Government for submission of the Annual Administration Report to the Central Government is 31st October, following the end of the financial year to which the report relates.

According to the form prescribed by the Government, the Annual Administration Reports should comprise of the following parts:—

Part I—Descriptive, covering Port operation, Shipping, Financial position and Labour Welfare and Industrial Relations.

Part II—dealing with Statistics other than Accounts.

Part III—dealing with accounts.

The Annual Administration Reports for 1975-76 for all the 8 Port Trusts were received in the Ministry in October/November, 1976. After the receipt thereof a 'review' of each Report was prepared in the Ministry and submitted to the Minister for information. These reports were not laid on the Table of the House.

1.17. The Committee are concerned to note that in spite of a time schedule laid down by the Ministry for submission of Annual Accounts by the Port Trusts to the Audit and submission of Audit Report by the Audit to Government, the Audit Reports in respect of all the Port Trusts for the years 1972-73, 1973-74 and 1974-75 were laid on the Table after considerable delay. The Audit Reports for 1972-73 of all the major Port Trusts were laid before Parliament after a lapse of 12 to 41 months of the close of the accounting year and the Audit Reports for 1973-74 after 13 to 35 months of the close of the accounting year. Similarly, in the case of the Audit Reports for 1974-75 the time taken in laying the same before Parliament ranges from 14 to 24 months after the close of the accounting year.

1.18. The Committee are not convinced with the reasons advanced by the Ministry for the delay in laying the Audit Report of Cochin Port Trust for the year 1972-73. The Committee are of the view that the first strike in the Cochin Port Trust being over in January-February, 1973, the Port Trust authorities got full one year till February, 1974, when the Dock labourers went on strike once again, and the intervening period was sufficient to complete the accounts and to submit the same to the Audit, whereas the Port Trust could send the accounts in May, 1974 only. The Committee are surprised that the reasons given for delay in respect of the Audit Reports for 1973-74 and 1974-75 are identical to those given in the case of 1972-73. Although the second strike of Dock labourers was called off in the early months of 1974 yet the time schedule laid down for completing the accounts was not adhered to in respect of the Reports for 1973-74, and 1974-75.

1.19. The Committee also note that the prescribed time for auditing of accounts and submission of Audit Reports for 1972-73, 1973-74 and 1974-75 to the Government was 6 months but the Audit

could not adhere to that time schedule. The Committee, after perusing the delay statements laid along with the Audit Reports before Parliament, feel that the time taken by the Audit could be reduced, if the accounts were prepared carefully leaving no scope for queries by the Audit. It is of no use if accounts are prepared within the time specified therefor and handed over to the Audit without ensuring that the accounts are complete in every respect. The Committee are, therefore, of the opinion that the Ministry should impress upon all the Major Port Trusts to ensure that their accounts are submitted to the Audit not only in time but also complete in every respect. Thereafter if, for any reason, a query is made by the Audit that should be attended to and resolved carefully and with promptitude. Where feasible clarifications sought by the Audit may be given at a meeting of the officers conducting the audit and the accounts officers of the Port Trust and all points settled thereat after discussion instead of entering into long and protracted correspondence.

1.20. The Committee are happy to note that the Audit Reports of all the Major Port Trusts for the year 1975-76 which were laid on 6-4-1977 were in time. Since Parliament was not in session during the month of December, 1976 when the Reports were required to be laid, the Reports could only be laid in the next session of Lok Sabha held from 23-3-1977 to 7-4-1977.

1.21. As regards the Audit Reports for 1976-77 which have not been laid before Parliament within nine months of the close of the accounting year i.e. by 31st December, 1977, the Committee feel that the instructions issued by the Ministry to the Major Port Trusts vide their Circular dated 30-3-1977 and the recommendation made by the Committee in this regard have not been followed. The Committee are of the view that in case the copies of the Audit Reports of Port Trusts are not forthcoming within the time prescribed for the purpose, the Ministry should promptly take up the question of delay with the Port Trusts to find out where the delay was and suggest measures to expedite the finalisation or printing etc. of the Reports.

1.22. The Committee need hardly stress that the Annual Accounts and Audit Reports thereon in respect of Port Trusts wherein huge investments have been made by Government should be laid before Parliament in time so that Parliament may be apprised of their actual working from year to year. Such belated action in laying these accounts defeats the very purpose of giving a true picture to Parliament of their activities and working and also prevents Parliament from suggesting corrective action in time where necessary.

1.23. The Committee, therefore, reiterate their earlier recommendation made in para 1.16 of the First Report (Fifth Lok Sabha) that after the close of the accounting year all the Major Port Trusts should also complete their accounts within a period of 3 months and make them available for auditing. Auditing of accounts and furnishing replies to audit objections, if any, and also translation and printing of Reports should be completed within the next six months so that the Reports and audited accounts are laid before Parliament within nine months, after the close of the accounting year. If for any reason the report and audited accounts cannot be laid within the stipulated period of nine months, the concerned Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period.

1.24. The Committee find that additional time taken by the Audit for supply of Hindi version of the Audit Report as also the delay on the part of Port Trusts in getting the Reports printed, both the English and Hindi versions, further adds to the delay in laying the Reports before Parliament. The Committee would like to impress upon the Ministry to ensure compliance with their recommendations made in the First Report (Fifth Lok Sabha) vide paras 2.17 and 2.18 that the Hindi version of Reports and Accounts should be prepared concurrently with the English version thereof in order that both the versions can be laid on the Table simultaneously. To achieve that end action should be taken in advance to settle the rates etc. with the printing presses so that such negotiations at the eleventh hour are avoided.

1.25. The Committee also re-emphasise their recommendation contained in para 2.15 of First Report (Fifth Lok Sabha) which lays down that ordinarily both the English and Hindi versions of Reports should be laid on the Table simultaneously. However, in exceptional cases, where it is not possible to lay both the versions simultaneously Ministry while laying one version should invariably lay a statement explaining the reasons for not laying the other version. In such cases the other version should be laid on the Table either in the same Session or at the most by the end of the next session.

1.26. The Committee note that the Annual Reports of the Port Trusts are not laid before Parliament. The Committee also note that Section 106 of the Major Port Trusts Act, 1973, provides for submission of detailed report of administration of the Ports to the Central Government every year. The last date for submission of Annual Administration Reports to the Government is 31st October,

every year and thereafter a 'Review' of each Report is prepared and submitted to the Minister for his information. These Reports are not laid before Parliament.

1.27. The Public Accounts Committee in paragraph 18 of their 18th Report (1958-59) had recommended as under:—

"In Committee's opinion, Parliament is not fully informed of the working of these autonomous Boards. Since large sums of money are voted by Parliament for payment to these Boards as grants-in-aid it is only proper that Parliament and the Public Accounts Committee should be apprised of their activities. The Committee desire that the Annual Reports on the working of the autonomous Boards viz., Silk Board, etc. should be placed before Parliament. They also recommend that the C.&A.G. who is responsible for their audit should in addition to the normal expenditure audit undertake an achievement audit of these organisations indicating inter alia their original targets and achievement."

1.28. The Committee on Papers laid on the Table had also recommended in para 1.14 of their First Report (Fifth Lok Sabha) and para 1.12 of their Second Report (Sixth Lok Sabha) respectively as follow:—

"1.14. The Committee need hardly stress that the Annual Report and Accounts of Autonomous bodies like Indian Museum, Calcutta receiving grants from Government should be laid before Parliament in time so that Parliament may be apprised of their actual working from year to year. Such belated action in laying these Reports and Accounts defeats the very purpose of giving a true picture to Parliament of their activities and working and also disables Parliament from suggesting timely corrective action where necessary."

"1.12. all Statutory/Autonomous organisations, Public Undertakings, Corporations, Joint ventures, Societies etc., which are financed out of funds drawn from the Consolidated Fund of India, after being voted by the Parliament in the form of shares subsidies, grants-in-aid etc., either wholly or partly should lay their Annual Reports| Audit Reports (both English and Hindi versions) before both Houses of Parliament irrespective of the fact whether

- **the Statutes, Rules or Regulations of such organisations provide therefor or not and whether they are registered under the Companies Act, 1956 or not."**

1.29. The Committee are, therefore, of the opinion that the Annual Administration Reports which apart from dealing with accounts, cover many other important activities like Port operations, shipping, financial position, labour welfare and industrial relations etc. of the Port Trusts, should be laid before Parliament along with 'Review' thereof in addition to the laying of the Audit Reports so that Parliament may have the complete picture of the functioning and activities of the Port Trusts. The Committee trust that the Ministry will take necessary steps in this regard.

CHAPTER II

DELAY IN LAYING ANNUAL REPORTS FOR THE YEARS 1974-75 AND 1975-76 OF THE INDIAN TELEPHONE INDUSTRIES LIMITED, BANGALORE AND HINDUSTAN TELEPRINTERS LIMITED, MADRAS.

The Annual Reports of the Indian Telephone Industries Ltd. and the Hindustan Teleprinters Ltd. for the years 1974-75 and 1975-76 together with the statements giving reasons for delay were laid on the Table of Lok Sabha on the 23rd June, 1977 under Section 619A (1) of the Companies Act, 1956 which reads as under:—

“619A(1) Where the Central Government is a member of a Government Company, the Central Government shall cause an annual report on the working and affairs of that company to be—

- (a) prepared within three months of its annual general meeting before which the audit report is placed under sub-section (5) of section 619; and
- (b) as soon as may be after such preparation, laid before both Houses of Parliament together with a copy of the audit report and any comments upon, or supplement to the audit report, made by the Comptroller and Auditor-General of India.”

2.2. While the Annual Reports were being laid on the Table of the House on 23rd June, 1977, Shri Vayalar Ravi, M. P., raised an objection regarding delay in laying of the Reports. Thereupon the Speaker observed *inter alia* as follows:

“...These things will certainly be referred to the Committee
.....”

2.3. In the statements laid on the Table giving reasons for delay in laying the above-mentioned Reports, the Ministry of Communications have stated:

- (i) *Annual Report for 1974-75:*

“This Ministry had been laying Annual Reports of the public enterprises under the control of this Ministry before both Houses of Parliament both in English and

Hindi versions simultaneously. Hitherto, these undertakings had been sending English versions of their Annual Report to this Ministry for translation. After Hindi translation of the reports, the reports were got printed by the concerned public enterprises.

Printed Hindi versions of the Annual Reports of Indian Telephone Industries Ltd., Bangalore|Hindustan Teleprinters Ltd., Madras were received in this Ministry during the second half of 1976. After the receipt of the Hindi version of the Report (English version of the Report was received earlier), there was a short session of Parliament in November, 1976 which was devoted to the consideration of the Constitution's 42nd Amendment Bill. There was another short session of the new Lok Sabha and the Rajya Sabha in March, 1977.

Commencing from the year 1975-76, the public undertakings under the control of this Ministry have made their own arrangements for translation of their Annual Reports in Hindi to avoid delay in placing the reports in Parliament. The Reports for 1975-76 are also being placed on the Table of both the Houses."

(ii) *Annual Report for 1975-76:*

"This Ministry had been laying the Annual Reports of the public enterprises under the control of this Ministry before both Houses of Parliament both in English and Hindi versions simultaneously. The printed Hindi versions of the Annual Reports of the two Companies for 1975-76 were received in this Ministry during early 1977. As there was only a very short and busy session of Lok Sabha and Rajya Sabha in March, 1977, these reports could not be placed on the tables of the two Houses during that session.

Instructions have been issued to both ITI and HTL to ensure that both the Hindi and English versions of the Annual Reports for the year 1976-77 onwards should be sent to this Ministry sufficiently in time so that these are placed on the Tables of the two Houses of Parliament, within a period of nine months from close of the financial year."

2.4. The Committee considered at their sitting held on the 1st September, 1977 the explanation given by the Ministry of Communications. The Committee felt that the reasons advanced by the

Ministry for delay in laying the Reports were not satisfactory. The Committee, therefore, invited the representatives of the Ministry to place before the Committee on 5th October, 1977 the facts which led to delay in laying the reports.

2.5. On being asked during evidence the date on which the Annual Reports for 1974-75 and 1975-76 of the Indian Telephone Industries Limited and Hindustan Teleprinters Limited were required to be laid the representative of the Ministry of Communications stated that guidelines laid down by the Committee in the matter were received by them in May, 1976 according to which the Reports were to be laid within nine months of the close of the financial year i.e. by the 31st December, 1976. The witness further stated that as provided under the Companies Act, 1956 the Annual General Meetings of these two companies were held within six months of the close of the financial year and at these sittings the reports were approved.

2.6. When asked about the action taken thereafter, the witness stated that printed copies of English version of the Report of Indian Telephone Industries Limited for 1974-75 were received by the Ministry on 1-11-75 i.e., within two months. The practice followed by the Ministry was to lay both Hindi and English versions together. Typed copy of Hindi version was received for scrutiny on 19-12-75 and the Ministry took about six months in vetting that Report. In between two reminders were received from the Indian Telephone Industries Limited but no reply was sent to the undertaking; only the Hindi Section of the Ministry was reminded. When asked whether English and Hindi Reports were not prepared simultaneously, the witness replied in the negative and added that the Hindi version was prepared only for laying before Parliament. The witness further stated that at the time of issuing notice for the annual general meeting of either company, only cyclostyled report was circulated.

2.7. In reply to a question about the date of receipt of the Second Report of Committee on Papers laid on the Table (Fifth Lok Sabha) and the time taken for its circulation to the concerned undertakings, the witness informed the Committee that the Report was received on 18-5-1976 and was circulated on 19-6-1976, with detailed instructions.

2.8. On being asked about the machinery set up or any officer appointed by the Ministry to pursue this matter, the witness stated that every month delay cases were reviewed. Cases which were delayed for more than one month were shown as pending cases.

2.9. In a written note furnished on 19th October, 1977 giving information about the number of monthly pending cases during June—November, 1976, the Ministry have stated:

“The cases relating to the placing of Annual Reports of Indian Telephone Industries and Hindustan Teleprinters Limited before Parliament were not included in the statements of monthly pending cases from June—November, 1976 due to oversight which is regretted.”

2.10. When asked about the officer responsible for delay, the witness stated:—

“The responsibility is that of the Section Officer because in his Section a particular thing is being delayed. The procedure is that every month a report relating to this must be submitted to the Under Secretary or the Deputy Secretary concerned and after every three months, cases are supposed to be submitted to the Joint Secretary or the Additional Secretary.”

He, however, admitted that in the present case no action seemed to have been taken.

2.11. Asked about the steps proposed to be taken to avoid delay in laying, the witness stated that the job was being entrusted to the Deputy Secretary incharge of Parliament Section.

2.12. It was pointed out to the witness that according to the recommendation of the Committee, when both the versions were not ready, the version which was ready could be laid on the Table and the other version could be laid later on. Explaining non-compliance of the recommendation, the witness stated that the Ministry followed the practice which was being followed in the earlier years. When pointed out that in the face of a specific recommendation of the Committee, there was no question of following the past practice, the witness stated that no officer of the Ministry had pointed out that the Hindi version could be laid subsequently. The witness also admitted that no action had been taken by the Ministry to implement this recommendation.

2.13 The witness informed the Committee that printed copies of Hindi version of the Report were received on 12-11-1976 and were laid on the Tables of Lok Sabha and Rajya Sabha on 23-6-1977 and 24-6-1977 respectively. When asked about the reasons for not laying the Reports during the Lok Sabha Sessions held in November, 1976 and March, 1977 the witness stated that these were short Sessions and further their practice was to lay these papers on the

day allotted to that Ministry for questions. It was however, pointed out to the witness that the November, 1976 session was from 25-10-76 to 5-11-76 and when the report was received only on 12-11-76, the question of laying it in November session could not arise.

2.14. Asked about the reasons for not sending the Reports to Lok Sabha Secretariat soon after their receipt on 12-11-76, the witness stated that the procedure was that the Ministry ascertained the wishes of the Minister as to when he would like to lay them on the Table and further such papers were laid before the House on a day allotted to the Minister for answering questions. Asked about the date on which these reports were put to the Minister, the witness stated that these were put up in March, 1977. The Committee pointed out that the Ministry was perhaps not serious even in preparing the delay statement and it contained factual inaccuracy inasmuch as the Hindi version of the report was received only after termination of the session in November, 1976 whereas the Ministry had stated that it was not laid in November session as the session was of short duration. This clearly showed that the note prepared for being laid on the Table of Lok Sabha had not been checked carefully even though it passed through the Deputy Secretary and Secretary. The witness tried to explain that this confusion had arisen because delay statement related both to the reports of the Hindustan Teleprinters Ltd. and Indian Telephone Industries Ltd. At the same time he admitted that the officers had not applied their mind to this aspect and the report given to the House was not correct in this case. He also admitted that before June, 1977 orders of the Minister had not been sought about laying of these reports and the reports could be laid even if the session was for a day. When asked as to whether the explanation given was an after-thought, the witness stated:

“The explanation is given afterwards, to that extent it is an after-thought.”

2.15. Subsequently, in a note furnished to the Committee on 19-10-77 the Ministry have stated that the reports were submitted to the Minister for his information and authentication on 16-6-1977 and were authenticated by him on 17-6-1977.

2.16. Asked about the reasons for delay in laying the annual report of Hindustan Teleprinters for 1974-75, the witness stated that annual meeting was held on 26-9-1975 and printed copies of English version were received on 27-2-1976. Asked about the action taken by them thereafter, the witness stated that the following reminder was sent to the Secretary, Hindustan Teleprinters Limited on 10-12-1975:—

"Kindly send us 220 copies of the English version of the annual report of Hindustan Teleprinters Ltd. if printed copies are ready. The annual report has to be translated into Hindi and placed before both Houses of Parliament as early as possible."

The attention of the witness was drawn that the Hindustan Teleprinters Ltd. was not told by the Ministry that the report should be laid within nine months.

2.17. Referring to the provisions of section 619A(1) of the Companies Act, 1956, it was pointed out that when the annual general meeting was held in September, 1975, the report should have been prepared by December, 1975 and the undertaking reminded to lay it within three or four months. On the other hand the reminder was sent only in December.

2.18. The Committee were informed that reminders were issued to the Company on 9-6-76, 6-7-76 and 28-7-76 regarding Hindi translation of the Report. Asked as to whether any reference to the recommendation of the Committee was made in the reminders issued to Hindustan Teleprinters Ltd., the witness stated that a specific reference to it was made. When asked whether on receipt of the report it was brought to the notice of the Minister that it was to be laid on the Table, the witness replied in the negative.

2.19. Asked about the specific arrangements made for printing and laying of Reports in future, the witness stated that within one month of the date of the annual meeting, the reports would be got printed both in English and Hindi and for this purpose Hindi Cells had been opened in Madras and Bangalore. Further the Deputy Secretary dealing with Parliamentary Cell would ensure that the reports were placed on the Table immediately in the next session after its receipt. The witness agreed with the suggestion that the reports should be laid whether there was Question Hour or not and whether it was a short session or not.

2.20. Asked about the position with regard to 1976-77 reports*, the witness stated that the reports would be laid in the next session of Lok Sabha. In regard to a suggestion that if printing caused delay, cyclostyled copies could be laid on the Table, the witness stated that there was no difficulty in getting the reports printed.

2.21. The Committee enquired about the money invested in the two Undertakings; viz. Indian Telephone Industries Ltd. and

*Laid on 1-12-1977.

Hindustan Teleprinters Ltd. The representative of the Ministry stated as follows:—

“The paid up capital of the I.T.I. is Rs. 5 crores. The total invested amount was of the order of Rs. 20 crores by Government in the I.T.I. but in the H.T. Ltd., it would be about 1.23 crores. Karnataka Government has a share. There are some foreign shareholders also. ISEC is a private company who have got some share. Previously there were two foreign shareholders. Now, the total share capital is held by three parties. In the I.T.I. there are three of which one is the Government of India who holds about 80 per cent of shares out of Rs. 5 crores invested.”

Asked about the exact figures for 1975-76, the representative of the Ministry stated that they had lumped up in the balance sheet, share of the three. So, the exact figures were not available at that time.

2.22. When enquired whether the Ministry had reviewed the report after its receipt, the witness stated that the report was reviewed by the Ministry and they had no comments to offer. Asked whether the review was treated a mere formality and the same text was repeated without applying the mind, the witness stated that either they agreed or did not agree and where they did not agree they made their comments. On being asked about the persons who looked into this matter, the witness stated:

“The Board of Directors of the Companies have on their Boards the representatives of the Ministry. Even before the report is presented to the company, they examine the report and they attend the meetings of the companies. After hearing the comments in the meetings, they decide what should be done in the next meeting. To that extent, the report is amended and corrected and approved. Now once it is approved in a meeting of the Board of Directors in which most of the officers are from the Government of India, the Government of India accepts the report.”

2.23. Asked as to whether the review report would be the same in all the coming years, the witness stated that whenever they differed, they gave their comments.

2.24. The Committee are concerned to note that Annual Reports for 1974-75 and 1975-76 of the Indian Telephone Industries Limited, Bangalore and Hindustan Teleprinters Limited, Madras were laid together on the Table of Lok Sabha as late as 23-6-1977 in spite of

their recommendation made in para 4.16 of Second Report (Fifth Lok Sabha)—presented on 12-5-1976—that reports of Government companies pertaining to the periods upto the end of 1974-75 should be laid on the Table alongwith statements showing reasons for delay in laying, by 31st December, 1976. The Committee had also recommended that reports for the year 1975-76 and subsequent years should be laid on the Table within 9 months of the close of the accounting year. The Committee had further recommended that where it was not possible for the Government to lay the Report of any company within that period they should lay on the Table within 30 days from the expiry of the period of nine months a statement explaining the reasons for not laying the Reports and if the House was not in session reasons for not laying the Reports and if the House was not in session days of re-assembly of the House.

2.25. The Committee are constrained to observe that despite the clear guidelines laid down by them for laying the reports of Government Companies on the Table neither the prescribed time schedule has been observed by the Ministry in laying the reports of Indian Telephone Industries Limited and Hindustan Teleprinters Limited for the years 1974-75 and 1975-76 nor any statements showing reasons for not laying the reports within prescribed time, laid within time.

2.26. The Committee need hardly re-emphasise that with a view to give timely information to Parliament of the activities of these companies, reports of Government Companies should in future be laid on the Table within 9 months of the close of the accounting year as laid down in para 4.16 of their Second Report (Fifth Lok Sabha) and where this is not possible for any reasons, a statement should be laid on the Table of the House explaining the reasons why it is not possible to lay the report within the prescribed time and when was the report expected to be laid on the Table.

2.27. The Committee note that printed copies of English version of the Reports of Indian Telephone Industries Limited and Hindustan Teleprinters Limited for 1974-75 were received in the Ministry on 1-11-1975 and 27-2-1976, respectively, but the same were laid on the Table on 23-6-1977 i.e. after 20 months and 16 months, respectively, of their receipt from the concerned company.

2.28. From the explanation of the Ministry the Committee also find that printed copies of Hindi version of the Reports for 1974-75 of both the companies were received in the Ministry on 12-11-1976 and for 1975-76 in early 1977. The Committee further note that

typed copy of Hindi version of the report for 1974-75 of the Indian Telephone Industries Limited was received in the Ministry for scrutiny on 19-12-75 but the Ministry took about six months in vetting that report.

2.29: The Committee are not convinced with the explanation of the Ministry that the reports for 1974-75 and 1975-76 could not be laid on the Table earlier than 23-6-77 as there were only two short sessions of Lok Sabha held from 25-10-1976 to 5-11-1976 and 25-3-1977 to 7-4-1977. The Committee also feel that the practice being followed by the Ministry to lay the English and Hindi versions of the Reports together only on a day allotted to the Ministry for answering questions should not be blindly followed and under no circumstances it should be made a ground for delaying the laying of papers before Parliament.

2.30. The Committee are sorry to say that the statements of reasons for delay, laid alongwith the reports, were not prepared by the Ministry with due care. The Committee are not convinced with the explanations of the Ministry given in support of their having delayed the laying of reports and are constrained to observe that:

- (i) short sessions do not prohibit Ministries from laying their reports on the Table. As there is always a time gap between the date of issue of notification regarding commencement of the session and the actual date of commencement of the session, each Ministry is expected to initiate action as soon as date for commencement of the session is announced, for laying on the Table of the House the papers, which are ready; at the earliest opportunity during the session;
- (ii) the question of laying of reports for 1974-75 in either version during the short session held from 25-10-76 to 5-11-1976 does not arise as the Hindi versions of the reports were received in the Ministry on 12-11-1976 whereas the session had terminated on 5-11-1976. The Ministry have misled the House by giving the incorrect information. Steps should be taken to ensure that similar situations do not recur.
- (iii) it is not necessary that reports and other papers should be laid on the Table only on days allotted to the Ministry for answering questions. Under no circumstances the mere fact that no day had been allotted to a Minister for answering questions should be made a ground for delaying the laying of the paper.

(iv) it is clear from the written information furnished to the Committee that the matter regarding laying of reports of both the companies (for both the years) before Parliament was brought to the notice of the Ministry of Communications only in June, 1977 although the papers to be laid were available much earlier. There has been avoidable delay on the part of the Ministry in laying on the Table the report.

2.31. The Committee feel that if the Ministry had been vigilant and had taken prompt action in the matter, the reports for 1974-75 and 1975-76 could have been laid during the Session held in March, 1977.

2.32. The Committee are of the view that if both the Hindi and English versions of the reports were not ready for laying within the prescribed period of nine months, the English version, which was ready, should have been laid in time. The procedure for meeting such contingencies is already laid down by the Committee in para 2.15 of their First Report (Fifth Lok Sabha) which provides that ordinarily both the English and Hindi versions of Reports/Documents should be laid on the Table simultaneously, however, in exceptional cases, where it is not possible to lay both the versions simultaneously, the Ministry/Department should lay the version which is ready and while laying that version they should invariably lay a statement explaining the reasons for not laying the other version. In such cases the other version should be laid on the Table either in the same session or at the most by the end of the next session.

2.33. The Committee are surprised to note that no officer of the Ministry had pointed out that Hindi version could be laid subsequently in terms of the recommendation of the Committee. The Committee take a serious view of non-compliance of their recommendation. The Committee reiterate their recommendation made in para 2.15 of First Report (Fifth Lok Sabha) and trust that the Ministries would follow in future directions of the Committee in their letter and spirit.

2.34. The Committee note that in order to cut delays in laying the reports in future the job of translation and printing of reports has been entrusted to Hindi Cells which have been opened in Bangalore and Madras and that within one month of the date of holding of Annual General Meeting of the Company both versions of the reports would be got printed and placed before Parliament in the Session following the receipt of reports in the Ministry. The

Committee trust that the Ministry will observe these norms in future.

2.35. The Committee also note that the job of supervising the work relating to the laying of reports before Parliament within the stipulated period is being entrusted to the Deputy Secretary in-charge of Parliament Section of the Ministry. The Committee trust that the Ministry would be quite watchful in future and the work relating to the laying of reports before Parliament would not be allowed to fall into arrears. The Committee hope that the Ministry will keep rapport with the concerned company and see that the report is laid on the Table within the scheduled time. The Committee also hope that progress of papers required to be laid on the Table of the House will be reviewed by the Ministry every month. The Committee feel that had the statement of pending cases prepared by the Ministry for the period from June to November, 1976 correctly reflected the position regarding laying of reports of Indian Telephone Industries Limited and Hindustan Teleprinters Limited, the delays in laying these reports would have been cut short. Wherever any delay is involved the statement of pending cases will show a faithful record of the progress and steps taken to cut delay and no case relating to a paper to be laid on the Table will be left unrecorded.

2.36. The Committee recommend that Ministries before laying reports or other papers on the Table of the House should thoroughly check them to ensure that the facts stated therein are correct in all respects. In this connection it may be noted that presentation of incorrect statement of facts before the House is a serious matter and may be taken to constitute a breach of privilege and contempt of the House.

2.37. The Committee also recommend that Ministries|Departments should lay their Reports and other documents on the Table of the House, within the prescribed time limit, no matter if session held after the papers are ready is a short one or no day has been allotted to a Ministry for answering question in that session.

NEW DELHI;

March 28, 1978.

Chaitra 7, 1900 (Saka)

KANWAR LAL GUPTA,

Chairman,

Committee on Papers laid on the Table

APPENDIX I

Statement showing the date-wise position of the Annual Accounts & Audit Reports of Major Port Trusts for the year 1972-73 at various stages

Port Trusts	Date when Accounts were sent to Audit	Date of receipt of Audit Report by Govt.		Date of receipt of Audit Report by Board		Date of receipt of Printed copies of Audit Report by Govt.		Date of laying of Audit Report and Accounts on the table
		Eng.	Hindi	Eng.	Hindi	Eng.	Hindi	
1	2	3	4	5	6	7	8	9
Calcutta	25-6-73	27-2-74	9-3-74	21-2-74	20-3-74	19-4-74	16-7-74	12-8-74
Bombay	28-6-73	25-1-74	2-3-74	21-1-74	27-2-74	4-3-74	19-3-74	15-4-74
Cochin	20-5-74	12-3-76	17-7-76	18-5-76	17-7-76	5-8-76	19-8-76	31-8-76
Madras	30-6-73	10-4-74	20-5-74	5-4-74	10-3-74	8-7-74	8-7-74	5-8-74
Visakhapatnam	29-6-73	17-1-74	17-1-74	10-1-74	10-1-74	13-2-74	19-2-74	25-3-74
Mormugao	30-6-73	23-2-74	30-3-74	25-2-74	29-3-74	14-5-74	14-5-74	22-7-74
Kandla	29-6-73	28-5-74	28-5-74	13-6-74	19-6-74	20-12-74	20-12-74	20-2-75
Paradip	30-6-73	17-6-74	16-7-74	7-6-74	22-7-74	21-8-74	21-8-74	2-9-74

APPENDIX II

Statement showing the date-wise position of the Annual Accounts and Audit Reports of Major Port Trusts for the year 1973-74 at various stages.

Port Trusts	Date when Accounts were sent to Audit	Date of receipt of Audit Report by Govt.		Date of receipt of Audit Report by Board		Date of receipt of Printed copies of Audit Report by Govt.		Date of laying of Audit Report and accounts on the table
		Eng.	Hindi	Eng.	Hindi	Eng.	Hindi	
1	2	3	4	5	6	7	8	9
Calcutta	28-6-74	4-10-75	19-11-75	26-9-75	14-11-75	30-1-76	3-5-76	20-3-76
Bombay	28-6-74	21-1-75	18-2-75	14-1-75	11-2-75	4-3-75	4-3-75	8-3-75
Cochin	28-11-74	14-10-76	27-11-76	6-10-75	..	8-12-76	..	6-4-77
Madras	29-6-74	6-1-75	19-2-75	31-12-74	14-2-75	23-4-75	23-4-75	21-7-75
Visakhapatnam	2-7-74	30-5-75	15-7-75	30-5-75	16-7-75	22-8-75	22-8-75	8-1-76
Mormugao	29-6-74	6-2-75	18-3-75	5-2-75	13-3-75	6-5-75	6-5-75	21-7-75
Kandla	16-7-74	5-5-75	24-6-75	9-5-75	24-6-75	23-8-75	23-8-75	8-1-77
Paradip	1-10-74	24-7-75	8-8-75	24-1-75	20-8-75	10-10-75	10-10-75	8-1-76

APPENDIX III

Statement showing the date-wise position of the Annual Accounts and Audit Reports of Major Port Trusts, for the year 1974-75 at various stages.

Post Trusts	Date when Accounts were sent to Audit	Date of receipt of Audit Report by Government		Date of receipt of Audit Report by Board		Date of receipt of Printed copies of Audit Report by Govt.		Date of laying of Audit Report & Accounts on the table		
		Eng.	Hindi	Eng.	Hindi	Eng.	Hindi			
		1	2	3	4	5	6	7	8	9
Calcutta	27-6-75		30-8-76	30-8-76	21-10-76	26-8-76	16-10-76	13-12-76	22-6-76	6-4-77
Bombay	27-6-75		19-4-76	19-4-76	29-5-76	15-4-76	26-5-76	25-5-76	22-6-76	19-8-76
Cochin	11-8-75		7-12-76	7-12-76	6-4-77
Madras	30-6-75		6-5-76	6-5-76	22-6-76	1-5-76	18-6-76	26-7-76	26-7-76	19-8-76
Visakhapatnam	30-6-75		30-6-76	30-6-76	7-8-76	30-6-76	3-8-76	10-8-76	28-8-76	31-8-76
Mormugao	30-6-75		5-3-76	5-3-76	18-4-76	1-3-76	12-4-76	10-5-76	10-5-76	20-5-76
Kandla	23-7-75		31-3-76	31-3-76	6-7-76	1-6-76	5-7-76	6-8-76	6-8-76	24-8-76
Paradip	30-8-75		4-10-76	4-10-76	6-10-76	7-9-76	5-10-76	19-11-76	19-11-76	6-4-77

APPENDIX IV
GOVERNMENT OF INDIA
MINISTRY OF SHIPPING AND TRANSPORT
(Transport Wing)

No. PGA-8/77.

New Delhi, the 30th March, 1977

To

The Chairman,
Major Port Trusts.

SUB: Revised time schedule for finalisation of Audit Reports and Accounts of the Major Port Trusts.

Sir,

I am directed to refer to this Ministry's letter No. 10-PG (76)/72 dated the 30th April, 1972, communicating a time schedule for submission of accounts and finalisation of audit reports of the Major Port Trusts and further instructions issued in this behalf vide our letter No. PGA-21/76 dated the 1st May, 1976. It has been observed that in spite of the instructions issued on the subject, there have been delays in the submission and finalisation of audit reports in certain cases. Since the Committee on Papers laid on the Table of Parliament have expressed concern over such delays, the matter was further examined in consultation with the Comptroller and Auditor General of India and it has been agreed that every attempt should be made to complete the audit well in time and have the reports ready for discussion between the Financial Adviser and Chief Accounts Officer and the Accountant Generals at the end of the three months from the date of receipt of the accounts. At such a meeting the outstanding issues should be further considered and sorted out so that reports can be finalised by Audit by 22nd October. For this purpose, it would be necessary for the Port Trusts to see that the accounts are submitted to audit in complete shape by the due date.

2. In order to enable the Financial Adviser and Chief Accounts Officer and the Chairman of the Port Trusts and the A.G. concerned

to sort out the outstanding issues and verify the facts etc. at meetings suggested above, a revised time schedule has been drawn up in consultation with the C & AG which is as under:—

- | | |
|--|--------------------------|
| 1. Receipt of approved accounts by Accountant General from the Ports. | By

30th June |
| 2. Completion of audit and issue of objection memos, inspection reports and draft separate audit reports with copy endorsed to C & AG. | 31st August |
| 3. Receipt of reply from Port Trust to the separate audit report. | 22nd September |
| 4. Discussion between FA & CAOs and AGs. | 1st October |
| 5. Finalisation of audit report in the light of observations by C & AG and replies of port trusts and after sorting out the issues, if necessary in the meetings with the FA & CAO and Chairman of Port Trust and forwarding to C & AG for final approval. | 22nd October |
| 6. (a) Issue of approved audit reports (English version) to Ministry with 2 copies to C & AG for translation into Hindi. | 21st November |
| (b) Issue of approved audit report (Hindi version) to Ministry by Ports. | 30th November |
| 7. Furnishing of required number of printed copies of the Audit Report and Accounts to the Ministry by Ports. | 15th December. |

It is requested that the above time schedule may kindly be followed strictly in respect of the accounts for the year 1976-77 to enable this Ministry to lay the Audit Reports on the Table of the Parliament in time..

Yours faithfully,

Sd|-

(M. R. GATHWAL)

Under Secretary to the Govt. of India.

Copy forwarded to the Comptroller and Auditor General of India, Bahadurshah Zafar Marg, New Delhi with reference to his letter No. 1322-Rep(C)|302-76 dated the 27th December, 1976, with the request that necessary instructions may please be issued to the concerned AGs with a copy to this Ministry.

Copy also forwarded to:—

- Accountant General, Central, Calcutta.
- Accountant General, Orissa, Bhubaneswar.
- Accountant General, Tamil Nadu, Madras.
- Accountant General, Kerala, Trivandrum.
- Accountant General, Central Bombay.
- Accountant General, Gujarat, Ahmedabad.
- Accountant General, Andhra Pradesh, Hyderabad.

Sd/-

(M. R. GATHWAL)

Under Secretary to the Government of India

APPENDIX V

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 are concerned to note that in spite of a time schedule laid down by the Ministry for submission of Annual Accounts by the Port Trusts to the Audit and submission of Audit Report by the Audit to Government, the Audit Reports in respect of all the Port Trusts for the years 1972-73, 1973-74 and 1974-75 were laid on the Table after considerable delay. The Audit Reports for 1972-73 of all the major Port Trusts were laid before Parliament after a lapse of 12 to 41 months of the close of the accounting year and the Audit Reports for 1973-74 after 13 to 35 months of the close of the accounting year. Similarly, in the case of the Audit Reports for 1974-75 the time taken in laying the same before Parliament ranges from 14 to 24 months after the close of the accounting year.
2	1.18	The Committee are not convinced with the reasons advanced by the Ministry for the delay in laying the Audit Report of Cochin Port Trust for the year 1972-73. The Committee are of the view that the first strike in the Cochin Port Trust being over in January-February, 1973, the Port Trust authorities got full one year till February, 1974, when the Dock labourers went on strike once again and the intervening period was sufficient to complete the accounts and to submit the same to the Audit, whereas the Port Trust could send the accounts in May, 1974 only. The Committee are surprised that the reasons given for delay in respect of the Audit Reports for 1973-74

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(2)

(3)

and 1974-75 are identical to those given in the case of 1972-73. Although the second strike of Dock labourers was called off in the early months of 1974 yet the time schedule laid down for completing the accounts was not adhered to in respect of the Reports for 1973-74 and 1974-75.

3

1.19

The Committee also note that the prescribed time for auditing of accounts and submission of Audit Reports for 1972-73, 1973-74 and 1974-75 to the Government was 6 months but the Audit could not adhere to that time schedule. The Committee, after perusing the delay statements laid along with the Audit Reports before Parliament, feel that the time taken by the Audit could be reduced if the accounts were prepared carefully leaving no scope for queries by the Audit. It is of no use if accounts are prepared within the time specified therefor and handed over to the Audit without ensuring that the accounts are complete in every respect. The Committee are, therefore, of the opinion that the Ministry should impress upon all the Major Port Trusts to ensure that their accounts are submitted to the Audit not only in time but also complete in every respect. Thereafter if, for any reason, a query is made by the Audit that should be attended to and resolved carefully and with promptitude. Where feasible clarifications sought by the audit may be given at a meeting of the officers conducting the audit and the accounts officers of the Port Trust and all points settled thereat after discussion instead of entering into long and protracted correspondence.

4

1.20

The Committee are happy to note that the Audit Reports of all the Major Port Trusts for the year 1975-76 which were laid on 6-4-1977 were in time. Since Parliament was not in session during the month of December, 1976 when the Reports were required to be laid, the

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Reports could only be laid in the next session of Lok Sabha held from 23-3-1977 to 7-4-1977.

5

1.21

As regards the Audit Reports for 1976-77 which have not been laid before Parliament within nine months of the close of the accounting year i.e. by 31st December, 1977, the Committee feel that the instructions issued by the Ministry to the Major Port Trusts *vide* their circular dated 30-3-1977 and the recommendation made by the Committee in this regard have not been followed. The Committee are of the view that in case the copies of the Audit Reports of Port Trusts are not forthcoming within the time prescribed for the purpose, the Ministry should promptly take up the question of delay with the Port Trusts to find out where the delay was and suggest measures to expedite the finalisation or printing etc. of the Reports.

6

1.22

The Committee need hardly stress that the Annual Accounts and Audit Reports thereon in respect of Port Trusts wherein huge investments have been made by Government should be laid before Parliament in time so that Parliament may be apprised of their actual working from year to year. Such belated action in laying these accounts defeats the very purpose of giving a true picture to Parliament of their activities and working and also prevents Parliament from suggesting corrective action in time where necessary.

7

1.23

The Committee, therefore, reiterate their earlier recommendation made in para 1.16 of the First Report (Fifth Lok Sabha) that after the close of the accounting year all the Major Port Trusts should also complete their accounts within a period of 3 months and make them available for auditing. Auditing of accounts and furnishing replies to audit objections, if any, and also translation and printing of Reports should be

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completed within the next six months so that the reports and audited accounts are laid before Parliament within nine months, after the close of the accounting year. If for any reason the report and audited accounts cannot be laid within the stipulated period of nine months, the concerned Ministry should lay within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, a statement explaining the reasons why the report and accounts could not be laid within the stipulated period.

8

1.24

The Committee find that additional time taken by the Audit for supply of Hindi version of the Audit Report as also the delay on the part of Port Trusts in getting the Reports printed, both the English and Hindi versions, further adds to the delay in laying the Reports before Parliament. The Committee would like to impress upon the Ministry to ensure compliance with their recommendations made in the First Report (Fifth Lok Sabha) *vide* paras 2.17 and 2.18 that the Hindi version of Reports and Accounts should be prepared concurrently with the English version thereof in order that both the versions can be laid on the Table simultaneously. To achieve that end action should be taken in advance to settle the rates etc. with the printing presses so that such negotiations at the eleventh hour are avoided.

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1.25

The Committee also re-emphasise their recommendation contained in para 2.15 of First Report (Fifth Lok Sabha) which lays down that ordinarily both the English and Hindi versions of Reports should be laid on the Table simultaneously. However, in exceptional cases, where it is not possible to lay both the versions simultaneously Ministry while laying one version should invariably lay a statement explaining the reasons

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for not laying the other version. In such cases the other version should be laid on the Table either in the same Session or at the most by the end of the next session.

10

1.26

The Committee note that the Annual Reports of the Port Trusts are not laid before Parliament. The Committee also note that Section 106 of the Major Port Trusts Act, 1963, provides for submission of detailed report of administration of the Ports to the Central Government every year. The last date for submission of Annual Administration Reports to the Government is 31st October, every year and thereafter a 'Review' of each Report is prepared and submitted to the Minister for his information. These Reports are not laid before Parliament.

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The Public Accounts Committee in paragraph 18 of their 18th Report (1958-59) had recommended as under:—

"In the Committee's opinion, Parliament is not fully informed of the working of these autonomous Boards. Since large sums of money are voted by Parliament for payment to these Boards as grants-in-aid it is only proper that Parliament and the public Accounts Committee should be apprised of their activities. The Committee desire that the Annual Reports on the working of the autonomous Boards viz., Silk Board, etc. should be placed before Parliament. They also recommend that the C.&A.G. who is responsible for their audit should in addition to the normal expenditure audit undertake an achievement audit of these organisations indicating *inter alia* their original targets and achievement."

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The Committee on Papers laid on the Table had also recommended in para 1.14 of their First

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Report (Fifth Lok Sabha) and para 1.12 of their Second Report (Sixth Lok Sabha) respectively as follows:—

“1.14. The Committee need hardly stress that the Annual Report and Accounts of Autonomous bodies like Indian Museum, Calcutta receiving grants from Government should be laid before Parliament in time so that Parliament may be apprised of their actual working from year to year. Such belated action in laying these Reports and Accounts defeats the very purpose of giving a true picture to Parliament of their activities and working and also disables Parliament from suggesting timely corrective action where necessary.”

“1.12. . . . all Statutory|Autonomous Organisations, Public Undertakings, Corporations, Joint Ventures, Societies etc., which are financed out of funds drawn from the Consolidated Fund of India after being voted by the Parliament, in the form of shares, subsidies, grants-in-aid etc., either wholly or partly should lay their Annual Reports|Audit Reports (both English and Hindi versions) before both Houses of Parliament irrespective of the fact whether the Statutes, Rules or Regulations of such organisations provide therefor or not and whether they are registered under the Companies Act, 1956 or not.”

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The Committee are therefore, of the opinion that the Annual Administration Reports which apart from dealing with accounts, cover many other important activities like Port operations, shipping, financial position, labour welfare and industrial relations etc. of the Port Trusts, should

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be laid before Parliament along with 'Review' thereof in addition to the laying of the Audit Reports so that Parliament may have the complete picture of the functioning and activities of the Port Trusts. The Committee trust that the Ministry will take necessary steps in this regard.

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2.24

The Committee are concerned to note that the Annual Reports for 1974-75 and 1975-76 of the Indian Telephone Industries Limited, Bangalore and Hindustan Teleprinters Limited, Madras were laid together on the Table of Lok Sabha as late as 23-6-1977 in spite of their recommendation made in para 4.16 of Second Report (Fifth Lok Sabha)—presented on 12-5-1976—that reports of Government companies pertaining to the periods upto the end of 1974-75 should be laid on the Table, alongwith statements showing reasons for delay in laying, by 31st December, 1976. The Committee had also recommended that reports for the year 1975-76 and subsequent years should be laid on the Table within 9 months of the close of the accounting year. The Committee had further recommended that where it was not possible for the Government to lay the Report of any company within that period they should lay on the Table within 30 days from the expiry of the period of nine months' a statement explaining the reasons for not laying the Reports and if the House was not in session at that time, the statement should be laid on the Table within seven days of re-assembly of the House.

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The Committee are constrained to observe that despite the clear guidelines laid down by them for laying the reports of Government Companies on the Table neither the prescribed time schedule has been observed by the Ministry in laying the reports of Indian Telephone Industries Limited and Hindustan Teleprinters Limited for the years 1974-75 and 1975-76 nor any statements

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		showing reasons for not laying the reports within prescribed time, laid within time.
16	2.26	The Committee need hardly re-emphasise that with a view to give timely information to Parliament of the activities of these companies, reports of Government Companies should in future be laid on the Table within 9 months of the close of the accounting year as laid down in para 4.16 of their Second Report (Fifth Lok Sabha) and where this is not possible for any reasons, a statement should be laid on the Table of the House explaining the reasons why it is not possible to lay the report within the prescribed time and when was the report expected to be laid on the Table.
17	2.27	The Committee note that printed copies of English version of the Reports of Indian Telephone Industries Limited and Hindustan Teleprinters Limited for 1974-75 were received in the Ministry on 1-11-1975 and 27-2-1976, respectively, but the same were laid on the Table on 23-6-1977, i.e., after 20 months and 16 months, respectively, of their receipt from the concerned company.
18	2.28	From the explanation of the Ministry the Committee also find that printed copies of Hindi version of the Reports for 1974-75 of both the companies were received in the Ministry on 12-11-1976 and, for 1975-76 in early 1977. The Committee further note that typed copy of Hindi version of the report for 1974-75 of the Indian Telephone Industries Limited was received in the Ministry for scrutiny on 19-12-1975 but the Ministry took about six months in vetting that report.
19	2.29	The Committee are not convinced with the explanation of the Ministry that the reports for 1974-75 and 1975-76 could not be laid on the Table earlier than 23-6-1977 as there were only two

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short sessions of Lok Sabha held from 25-10-1976 to 5-11-1976 and 25-3-1977 to 7-4-1977. The Committee also feel that the practice being followed by the Ministry to lay the English and Hindi versions of the Reports together only on a day allotted to the Ministry for answering questions should not be blindly followed and under no circumstances it should be made a ground for delaying the laying of papers before Parliament.

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The Committee are sorry to say that the statements of reasons for delay, laid along with the reports, were not prepared by the Ministry with due care. The Committee are not convinced with the explanations of the Ministry given in support of their having delayed the laying of reports and are constrained to observe that—

- (i) short sessions do not prohibit Ministries from laying their reports on the Table. As there is always a time gap between the date of issue of notification regarding commencement of the session and the actual date of commencement of the session, each Ministry is expected to initiate action as soon as date for commencement of the session is announced, for laying on the Table of the House the papers, which are ready, at the earliest opportunity during the session;
- (ii) the question of laying of reports for 1974-75 in either version during the short session held from 25-10-1976 to 5-11-1976 does not arise as the Hindi versions of the reports were received in the Ministry on 12-11-1976 whereas the session had terminated on 5-11-1976. The Ministry have misled the House by giving the incorrect information. Steps should be taken to ensure that similar situations do not recur.

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(iii) It is not necessary that reports and other papers should be laid on the Table only on days allotted to the Ministry for answering questions. Under no circumstances the mere fact that no day had been allotted to a Minister for answering questions should be made a ground for delaying the laying of the paper.

(iv) It is clear from the written information furnished to the Committee that the matter regarding laying of reports of both the companies (for both the years) before Parliament was brought to the notice of the Minister of Communications only in June, 1977 although the papers to be laid were available much earlier. There has been avoidable delay on the part of the Ministry in laying on the Table the report.

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The Committee feel that if the Ministry had been vigilant and had taken prompt action in the matter, the reports for 1974-75 and 1975-76 could have been laid during the Session held in March, 1977.

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The Committee are of the view that if both the Hindi and English versions of the reports were not ready for laying within the prescribed period of nine months, the English version, which was ready, should have been laid in time. The procedure for meeting such contingencies is already laid down by the Committee in para 2.15 of their First Report (Fifth Lok Sabha) which provides that ordinarily both the English and Hindi versions of Reports/Documents should be laid on the Table simultaneously, however, in exceptional cases, where it is not possible to lay both the versions simultaneously, the Ministry/Department should lay the version which is ready and while laying that version they should invariably lay a statement explaining the reasons

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		for not laying the other version. In such cases the other version should be laid on the Table either in the same session or at the most by the end of the next session.
23	2.33	The Committee are surprised to note that no officer of the Ministry had pointed out that Hindi version could be laid subsequently in terms of the recommendation of the Committee. The Committee take a serious view of non-compliance of their recommendation. The Committee reiterate their recommendation made in para 2.15 of First Report (Fifth Lok Sabha) and trust that the Ministries would follow in future directions of the Committee in their letter and spirit.
24	2.34	The Committee note that in order to cut delays in laying the reports in future the job of translation and printing of reports has been entrusted to Hindi Cells which have been opened in Bangalore and Madras and that within one month of the date of holding of Annual General Meeting of the Company both versions of the reports would be got printed and placed before Parliament in the Session following the receipt of reports in the Ministry. The Committee trust that the Ministry will observe these norms in future.
25	2.35	The Committee also note that the job of supervising the work relating to the laying of reports before Parliament within the stipulated period is being entrusted to the Deputy Secretary in-charge of Parliament Section of the Ministry. The Committee trust that the Ministry would be quite watchful in future and the work relating to the laying of reports before Parliament would not be allowed to fall into arrears. The Committee hope that the Ministry will keep rapport with the concerned company and see that the report is laid on the Table within the scheduled time. The Committee also hope that progress of

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papers required to be laid on the Table of the House will be reviewed by the Ministry every month. The Committee feel that had the statement of pending cases prepared by the Ministry for the period from June to November, 1976 correctly reflected the position regarding laying of reports of Indian Telephone Industries Limited and Hindustan Teleprinters Limited, the delays in laying these reports would have been cut short. Wherever any delay is involved the statement of pending cases will show a faithful record of the progress and steps taken to cut delay and no case relating to a paper to be laid on the Table will be left unrecorded.

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The Committee recommend that Ministries before laying reports or other papers on the Table of the House should thoroughly check them to ensure that the facts stated therein are correct in all respects. In this connection it may be noted that presentation of incorrect statement of facts before the House is a serious matter and may be taken to constitute a breach of privilege and contempt of the House.

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The Committee also recommend that Ministries/Departments should lay their Reports and other documents on the Table of the House, within the prescribed time limit, no matter if session held after the papers are ready is a short one or no day has been allotted to a Ministry for answering questions in that session.