

**COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1991-92)**

(TENTH LOK SABHA)

FIFTH REPORT

(Presented on 1 December, 1992)



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**LOK SABHA SECRETARIAT
NEW DELHI**

November, 1992 / Agrahayana, 1914 (Saka)

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Corrigenda to
Fifth Report (Tenth Lok Sabha)
of Committee on Papers Laid on
the Table of Lok Sabha (1991-92)

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TABLE OF LOK SABHA (1991-92)

- | | |
|-------------------------------------|-----------|
| 1. Shri Chhedi Paswan | —Chairman |
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| 3. Shri Ishwarbhai Khodabhai Chavda | |
| 4. Dr. Parshuram Gangwar | |
| 5. Shri Khelan Ram Jangde | |
| 6. Shri Arvind Tulsiram Kamble | |
| 7. Prof. M. Kamson | |
| 8. Shri Shailendra Mahto | |
| 9. Shri Mrutyunjaya Nayak | |
| 10. Shri Channaiah Odeyar | |
| 11. Shri Balraj Pasi | |
| 12. Shri Ram Sagar | |
| 13. Shri Asht Bhuj Prasad Shukla | |
| 14. Shri Kodikunnil Suresh | |
| 15. Shri Tarit Baran Topdar | |

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- | | |
|-------------------------|-----------------------|
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| 2. Shri S.C. Gupta | —Joint Secretary |
| 3. Shri R.K. Chatterjee | —Deputy Secretary |
| 4. Shri Ram Autar Ram | —Under Secretary |

INTRODUCTION

1, the Chairman of the Committee on Papers Laid on the Table of the House, having been authorised by the Committee to present this Report on their behalf, present their Fifth Report.

2. As a result of examination of some papers laid during the Second and Third Sessions (Ninth Lok Sabha) and First Session (Tenth Lok Sabha), the Committee have come to certain conclusions in regard to delay in laying Annual Reports and Audited Accounts of the (i) National Horticulture Board, Gurgaon for the year 1987-88, (ii) Coir Board, Cochin for the period April to September, 1989, (iii) Medical Council of India, New Delhi for the year 1988-89, (iv) Pawan Hans Ltd., New Delhi for the year 1986-87, (v) Chittaranjan National Cancer Research Institute, Calcutta for the year 1987-88, and (vi) Mahanagar Telephone Nigam Ltd., New Delhi for the year 1988-89 and have made certain recommendations. The conclusions of the Committee are reflected in the Report.

3. The Committee considered and adopted this Report at their sitting held on 17 November, 1992.

4. A statement showing summary of recommendations/observations made by the Committee is appended to the Report (Appendix).

NEW DELHI;
November, 1992

Kartika, 1914 (S)

CHHEDI PASWAN,
Chairman,

Committee on Papers Laid on the Table.

CHAPTER I

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE NATIONAL HORTICULTURE BOARD, GURGAON, FOR THE YEAR 1987-88

The National Horticulture Board was set up in 1984 as a Registered Society under Societies Registration Act of 1860. The objectives of the Board are to bring about integrated development of horticulture in the Country.

1.2. The Annual Report and Audited Accounts of the National Horticulture Board, Gurgaon, for the year 1987-88 were laid on the Table of the House on 12.4.1990, together with Review and delay statement. As per recommendation of the Committee on Papers Laid on the Table contained in para 3.5 of their First Report (5th Lok Sabha), the aforementioned documents should have been laid before Parliament by 31.12.1988 i.e. within nine months of the close of the accounting year. Thus the delay involved in this case came to about 15½ months.

1.3. In the delay statement the reasons for delay had been explained as under:—

“The Accounts of the National Horticulture Board for the accounting year 1987-88 were compiled by 30th April, 1988 and were handed over to the Statutory Auditors and the audited report from the Statutory Auditors was received on 14.9.1988 and Annual Report was prepared and approved by the Managing Committee of the Board on 27.5.1989 and immediately thereafter the same was given to the printer who has taken undue long time as colour photographs / processing was involved. The Annual Report was approved by the Board on 30.8.1989.

In view of the above, the delay in submission of the Annual Report may be condoned as a special case.

Date on which the accounts of the Board were compiled	30.4.1988
Date on which the Statutory Auditors were appointed	3.6.1988
Date on which the appointed Auditors were requested to start the audit	8.6.1988
Date on which the comments were received	8.7.1988

Date on which the accounts were handed over to National Horticulture Board by the Statutory Auditors	14.9.1988
Date on which the accounts were authenticated and submission of the draft Annual Report by the Board's authorities	16.11.1988
Date of preparation / recasting of the Annual Report as amended by authorities	20.5.1989
Date on which the approval of the Managing Committee was given	27.5.1989
Date of preparation of Annual Report in Hindi	26.6.1989
Date of approval of the Annual Report by the Board	30.8.1989
Date of receipt of the final set of papers	11.10.1989"

1.4. The Ministry of Agriculture (Department of Agriculture and Cooperation) who were requested to furnish information on certain points, had furnished the same on 12-3-1991. The points and the replies received thereto are as under:—

1. The reasons for taking about 5 months for approval of amended Annual Report of the Board by the Managing Committee

The Annual Report was initially prepared and submitted for approval to the authorities on 11.11.1988. On 23.12.1988 the then Additional Secretary desired it to be 'recast in several places'. The recast report prepared with the assistance of the Consultant (PHM) was submitted for approval on 20.5.1989 and subsequently approved by the Chairman of the Managing Committee on 27-5-1989. Thus the delay was more in the recasting of the report and the date indicated against the Column: date of preparation / recasting of the Annual Report as amended by the authorities was incorrectly indicated as 23.12.1988. The Executive Director, NHB is being asked to fix the responsibility for this lapse.

2. The reasons for taking two months by the Board for approval of the Annual Report after preparation of Hindi version

After approval of Annual Report and the Balance Sheet and Accounts by the Managing Committee on 27-5-1989, the same were sent for printing on 30-5-1989 while the Annual Report in Hindi was got photo copied. The printed version of the report was received from the printing Press only on 30-7-1989 and thereafter considered by the Board in the Annual General Meeting held on 30-8-1989. During the intervening period on meeting was held.

3. The reasons for laying the Annual Report and Audited Accounts on the Table of the House after 6 months of their receipt in the Ministry of Agriculture

The Report in question was received in the Ministry on 11th October, 1989 for arranging to lay the same on the Table of the Houses of Parliament. During the Winter Session of Parliament, the process to obtain authentication of the document from the DPM and AM was initiated on 14-12-1989. The papers were received back in the Division on 27-12-1989 at about 11.30 AM and efforts were made to send the documents on 27th and 28th December, 1989 but the same were not accepted by the Lok Sabha Secretariat as the same were required to be made available by 12 noon of 27th December, 1989. Thereafter the documents were sent to the Lok Sabha Secretariat on 5th / 6th April, 1990.

Necessary action is being initiated against the official for non-forwarding of the documents to the Lok Sabha Secretariat from 12th March, 1990 to 5th April, 1990.

1.5. The Annual Reports and Audited Accounts of the National Horticulture Board, for the subsequent years 1988-89, 1989-90 and 1990-91 were laid on the Table of Lok Sabha on 4.1.1991, 9.8.1991 and 2.4.1992 after a delay of about 12 months, 7 months and 3 months respectively. In the statement laid alongwith these reports, the reasons for delay have been explained as under:—

Delay Statement for the year 1988-89

“The Accounts of the National Horticulture Board for the accounting year 1988-89 were compiled by 30th April, 1989 and were handed over to the Statutory Auditors and the audited report from the Statutory Auditors was received on 9.1.1990. The Annual Report was prepared and approved by the Deputy Prime Minister/ Agriculture Minister, President of the Board on 16.6.1990 and immediately, thereafter the same was given to the printer and copies of the report duly printed have been received only on 22.8.1990.

In view of the above, the delay in submission of the Annual Report may be condoned as a special case.

Date on which the accounts of the Board were compiled	30.4.1989
Date on which the Statutory Auditors were appointed	3.6.1988
Date on which the Statutory Auditors were requested to start the audit	18.7.1989
Date on which the comments were received	9.1.1990
Date on which the accounts were handed over to the Board	9.1.1990

Date on which the accounts were authenticated and submission of the draft Annual Report by the Board's authorities	16.5.1990
Date of preparation/recasting of the Annual Report as amended by the authorities	30.5.1990
Date on which the approval of the President of the Board was given	16.6.1990
Date of preparation of Annual Report in Hindi	22.8.1990
Date of submission of Annual Report to the Ministry of Agriculture	22.8.1990

Delay Statement for the year 1989-90

The accounts of the National Horticulture Board for the accounting year 1989-90 were compiled by 30.4.1990 and were handed over to the Statutory Auditors on 28.6.90. The accounts of the Board were audited by the Statutory Auditors on 27.12.90. As the Annual General Meeting of the Board could not be held, the Annual Report and Accounts of the Board were approved by the Minister of State (Agriculture), who is the Vice President of the Board on 13.2.91. The Annual Report in Hindi was prepared on 28.2.91. The Annual Report was submitted to the Ministry of Agriculture on 11.3.91. The Lok Sabha was adjourned *sine die* on 12.3.91 and the Rajya Sabha was adjourned on 13.3.91.

A Delay Statement was laid on the Table of Lok Sabha on 11.3.91. The Committee on Papers laid on the Table of Rajya Sabha had granted time upto 30th June, 1991 to lay the Report. Further extension of time upto 31st August, 1991 has been sought from the Committee on 24.6.91.

2. In view of the reasons stated above, the Annual Report could not be laid before 31.12.90.

3. In view of the above, the delay in submission of the Annual Report may be condoned as a special case.

The date when/of:

Accounts were compiled by the Board	30.4.1990
Statutory Auditors were appointed	3.6.88
Accounts were handed over to them	28.6.90
The account were audited by the Statutory Auditors	27.12.90
The accounts were reported to the Controller and Auditor General of India	Not applicable
Audit certificates were received from Controller and Auditor General of India	-do-

*The Annual General Meeting of the Board approved the Accounts	13.2.91
*The Annual Report was presented and approved by the AGM	13.2.91
Preparation of the Annual Report in Hindi	28.2.91
Submission of Annual Report to the Ministry of Agriculture	11.3.91

Delay Statement for the year 1990-91

"The Accounts of the National Horticulture Board for the accounting year 1990-91 were compiled by 30.5.1991 and were handed over to the Statutory Auditors on 2.7.1991. The accounts of the Board were audited by the Statutory Auditors on 22.11.1991. As the Annual General Meeting of the Board could not be held, the Annual Report and Accounts of the Board were approved by the Minister of State (Agriculture), who is the Vice-President of the Board, on 28.11.1991. The Annual Report in Hindi was prepared on 9.12.1991. The Annual Report was submitted to the Ministry of Agriculture on 16.12.1991 and since the Session was to close on 20.12.1991, the Reports could not be laid on the Table of the Lok Sabha during that Session.

In view of the above, the delay in submission of the Annual Report may be condoned as a special case.

The date when/of:

Date on which accounts were compiled by the Board	30.5.91
Statutory Auditors were appointed	15.3.91
Accounts were handed over to them	2.7.91
The accounts were audited by the Statutory Auditors	22.11.91
The accounts were referred to the Comptroller and Auditor General of India	Not applicable
Audit certificates were received from Comptroller and Auditor General of India	-do-
the Annual General Meeting of the Board approved the Accounts	28.11.91
*The Annual Report was presented and approved by the Annual General Meeting	28.11.91
Preparation of the Annual Report in Hindi	9.12.91
Submission of Annual Report to the Ministry of Agriculture.	16.12.91

*Minister of State (Agriculture), who is the Vice-President of the Board has approved the accounts as also Annual Report. The AGM of the Board is yet to be held at the convenience of the President of the Board.

1.6 The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 28 January, 1992.

1.7 The Committee regret to note that the Annual Report and Audited Accounts of the National Horticulture Board, Gurgaon for the years 1987-88, 1988-89, 1989-90 and 1990-91 were laid on the Table of the House after a delay of about 15½ months, 12 months, 7 months and 3 months respectively. The Committee find from the delay statements laid and subsequent information furnished by the Ministry of Agriculture (Department of Agriculture and Cooperation) that the delay in respect of the documents for the year 1987-88 took place in preparation and recasting of the Annual Report and in laying these documents on the Table of the House after their receipt in the Ministry. In respect of these documents for the years 1988-89 and 1989-90 the delay was caused in auditing of accounts by the Statutory Auditors. The Ministry of Agriculture (Department of Agriculture and Cooperation) took about 3 months after receipt of the required documents in respect of the year 1990-91 for laying on the Table of Lok Sabha.

1.8 The Committee recommend that the delay at the stage of auditing should be eliminated in order to ensure timely finalisation and laying of the documents. The Ministry should not take unduly long period in laying on the Table of the House the Annual Reports and Audited Accounts after their receipt in the Ministry. The Committee hope that the progress made in reducing the delays might be sustained to ensure that the required documents are laid in Parliament within nine months of the close of the accounting years, in future.

CHAPTER II

DELAY IN LAYING HALF YEARLY REPORT OF THE COIR BOARD, COCHIN FOR THE PERIOD APRIL TO SEPTEMBER, 1989

The half yearly Report of the Coir Board, Cochin for the period April to September, 1989 was laid on the Table of Lok Sabha on 31 May, 1990 and the Annual Report for the year 1988-89 was laid together with the 'Review' on 22 May, 1990. The half yearly Report ought to have been laid by February, 1990 and the Annual Report for the year 1988-89 by 31 December, 1989, *i.e.* within nine months of the close of the accounting year. Thus the period of delay involved in the case of half yearly Report and the Annual Report of the Board came to about 2 months and 5 months respectively. The Ministry of Industry (Department of Small Scale Industries and Agro and Rural Industries) did not lay delay statement while laying the half yearly report of the Board.

2.2 The Ministry of Industry (Department of Small Scale Industries & Agro and Rural Industries) were requested on 27 July, 1990 to furnish information on certain points. The points on which the information was sought and replies of the Ministry thereto are as under:—

POINTS

REPLIES

- | | |
|--|--|
| I. The reasons for not laying the delay statement while laying the Reports with delay on the Table of the House. | Through an oversight the statement explaining the reasons for not laying the Annual Reports within the prescribed time alongwith the reports could not be forwarded which is regretted. The Annual Report for the year 1988-89 contained the developmental activities pursued by the Board and the activities pursued by the State Governments for development of the Coir Industry. The reports from some of the State Governments regarding the Coir development activities in their States were not received in time. Hence, there was delay in the compilation and preparation of the Annual Report for 1988-89. Further Annual Report for 1988-89 also contains a great deal more of factual information relating |
|--|--|

to the activities in the coir sector. Strenuous efforts were made to make the Annual Report more comprehensive and distinct one from earlier reports. Collection and compilation of the information had been time consuming and had led to delay in the final submission of the report. However, in the absence of adequate facility for printing of reports in Hindi in Kerala, it had to be published from New Delhi. This also led a little more delay in submission of the reports.

- II. The reasons for incorporating in the Coir Industry Act, 1953 the provisions for preparing a half yearly report and then an annual report for the preceding six months and the preceding year respectively and laying both the reports before the House.

Rationale behind incorporating in the Coir Industry Act, 1953, the provision for preparing both half yearly report and annual report and laying the same before the Houses of Parliament may not be known at such a distance of time. However, it is felt that there is duplication of work in preparation of half yearly as well as the annual reports. The Board, therefore, proposes to amend section 19 of the Coir Industry Act so as to avoid duplication of half yearly Report. This matter is being brought before their Board in its forthcoming meeting.

- III. Whether the Government feels that preparation of half yearly report and then the annual report covering the half yearly report is duplication of work besides wastage of stationery, labour and time. If so, the reasons for not having amended the said Act.

- IV. Whether the Government have communicated the recommendations of the Committee on Papers Laid on the Table for laying before Parliament the Annual Reports and Audited Accounts together with 'Review' of the Government on the Table of the House within 9 months of the close of the relevant accounting year.
- V. Whether the aforementioned recommendations of the Committee have suitably been incorporated in the Coir Industry Act and the Rules framed thereunder. If not the reasons therefor.
- VI. The action proposed to be taken to avoid duplication of work in preparation of Half Yearly and then Annual Reports of the Board.
- The Coir Board is well aware of the recommendations of the Committee. Recently the recommendations of the Committee were brought to the notice of the Coir Board *vide* this Ministry's letter No 3(1)/90-Coir, dated 16th March, 1990.
- The Coir Board is being requested to examine incorporating the recommendations of the Committee in the Coir Industry Act and the Rules made thereunder.
- As in 2 & 3 above. However, Coir Board has promised that every care will be taken to avoid delay in submission of Annual Reports in future.

2.3 The Annual Reports and Audited Accounts of the Board for the subsequent years 1989-90 and 1990-91 were laid separately on 7.1.1991, 7.8.1991, 26.2.1992 and 18.3.1992 after delay ranging from 2 months to 7 months respectively. The half yearly reports of the Board for the subsequent periods 1.4.1990 to 30.9.1990 and 1.4.1991 to 30.9.1991 were laid on 11.9.1991 and 29.4.1992 after a delay of about 1 month and 5½ months respectively. The Ministry of Industry did not lay any statement explaining the reasons for delay in laying the aforesaid Annual Reports, Audited Accounts and half yearly Reports.

2.4 The matters were considered by the Committee on Papers Laid on the Table at their sitting held on 19th February, 1992

2.5 The Committee regret to note that the Annual Reports of the Coir Board, Cochin for the years 1988-89, 1989-90 and 1990-91 were laid on the Table of the House on 22-5-1990 on 7-1-1991 and 26-2-1992 respectively with delays ranging from 2½ months to 5 months while Audited Accounts in respect of the years for 1989-90 and 1990-91 were laid on 7-8-1991 and 18-3-1992 after delay of about 7 months and 2½ months. The Ministry did not lay any statement explaining the reasons for delay as per requirement. The half yearly Reports of the Board for the periods 1st April to 30 September, 1989, 1st April, 1990 to 30 September, 1990 and 1st April, 1991

to 30 September, 1991 were laid after delay ranging from 1 month to 5½ months. No statement was laid alongwith these documents explaining the reasons for delay.

2.6 The Committee take a serious view of the repeated failure of the Ministry of Industry to lay a statement explaining the detailed reasons in a chronological orders for the delay in laying the Annual Reports and Audited Accounts and half yearly Reports of the Board for the years 1988-89, 1989-90 and 1990-91. What is more regrettable is that the Annual Reports and Audited Accounts for these years were not laid together as per requirement. This is contrary to the recommendations of the Committee on Papers laid.

2.7 The Committee recommend that the Ministry of Industry should draw up a time schedule in consultation with the Coir Board for timely finalisation and submission of the Annual Reports and Audited Accounts to the Ministry for being laid on the Table of Lok Sabha within 9 months of the close of the relevant accounting years and ask the Board to adhere to it in letter and spirit.

2.8 The Ministry should strictly monitor the time schedules drawn for the purpose at a higher level to prevent recurrence of delays. It should also be strictly ensured that the Annual Reports and Audited Accounts of the Board are laid together with Review and a statement, in case of delay, explaining the reasons for delay in laying these documents. The Ministry may examine whether there is any need for laying both half yearly reports and thereafter the Annual Reports every year so that the duplication of work involved in preparation of these two reports every year is obviated.

CHAPTER III

DELAY IN LAYING ANNUAL REPORT, ANNUAL ACCOUNTS AND AUDIT REPORT THEREON OF THE MEDICAL COUNCIL OF INDIA FOR THE YEAR 1988-89

The Medical Council of India, New Delhi was established as Statutory Body under the provisions of the Indian Medical Council Act, 1933, which was later replaced by the Indian Medical Council Act, 1956. The main responsibility of the Medical Council of India is the maintenance of standards of medical education at all levels in the country.

3.2. The Annual Report, Annual Accounts and Audit Report thereon of the Medical Council of India for the year 1988-89 were laid together with Review and delay statement on the Table of Lok Sabha on 12.8.1991. In terms of recommendation of the Committee on Papers laid on the Table contained in para 3.5 of their First Report (5th Lok Sabha), the aforementioned documents should have been laid by 31.12.1989 *i.e.* within 9 months of the close of the accounting year. Thus the delay in laying Annual Report and Audited Accounts of the Council comes to about 19 months.

3.3. In the statement laid alongwith the Report, the reasons for delay had been explained as under :—

“The Annual Report and Audit Report on the Annual Accounts of the Medical Council of India for the year 1988-89 was to be laid on the Table of both the Houses of Parliament before the 31st December, 1989. This Ministry had been requesting the Medical Council of India from time to time to send these documents for laying on the Table of the House in time. The Audit Report on the Annual Accounts of the Council was received from the Director of Audit on the 8th November, 1989. Copies of Annual Report and Audit Report were received in this Ministry on 21st June, 1991. The delay has been mainly due to non-receipt of the documents from the Council in time. Hence, these reports are now being laid on the Table of the House.”

3.4 In this connection, the Ministry of Health and Family Welfare (Department of Health) who were requested to furnish information on certain points, had furnished the same as under :—

POINTS

REPLIES

I. The dates when -

- | | |
|--|--|
| (a) C&AG was approached for appointment of Statutory Auditors; | Ministry of Finance was requested by the Ministry of Health & Family Welfare on 17-8-1988 to approach the C&AG for the continuation of the Audit of Medical Council of India by C&AG for a further period of 5 years <i>i.e.</i> from 1988-89 to 1992-93. <i>Vide</i> Ministry of Finance Endorsement No. F. 1(48)-B(AC)/88 dated 5-10-1988, C&AG was requested to undertake the Audit of accounts of MCI for a further period of 5 years from 1988-89 to 1992-93. |
| (b) Statutory Auditors were appointed by C&AG; | Statutory Auditors are appointed by C&AG and hence, their date of appointment would be known to the C&AG only. We are not aware. |
| (c) the Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing; | The Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing on 28-6-1989. |
| (d) the accounts were handed over to the Auditors; | The Accounts of Medical Council of India were handed over to the Auditors on 3-7-1989. |
| (e) the auditing of accounts commenced and the time taken in it; | The auditing of accounts commenced on 31-7-1989 and ended on 4-8-1989. |
| (f) the Auditors furnished final Audit Report to the Council; | The Auditors furnished the final Audit Report on 9-11-1989. |

- (g) the Annual Report and Audited Accounts together with the Audit Report were placed before the Executive Committee of the Council for their consideration;
- The Annual Report (1988-89) was placed before the Executive Committee of the Council for its approval on 23-11-1989. The Audited Accounts together with the Audit Report (1988-89) was placed before the Executive Committee of the Council for approval on 18-12-1989.
- (h) the Annual Report and Audited Accounts were taken up for translation and printing and time taken in it;
- Hindi translation of the Annual Accounts (1988-89) of the Council was done in the Second week of January 1990 and Hindi translation of Annual Report was done on 19-6-1991.
- (i) the Review Report was prepared and furnished to the Ministry/Department;
- The Review statement by the Government was prepared and put up for approval of Minister of Health & Family Welfare on 5-7-1991.
- (j) the delay statement was prepared and submitted to the Ministry/Department; and
- The delay statement by the Government in connection with laying of Annual Report and Audited Accounts of Medical Council of India was prepared and put up for approval of Minister of Health & Family Welfare on 5-7-1991.
- (k) the Annual Reports and Audited Accounts of the Council were laid on the Table of Lok Sabha for the preceding 5 years.
- Since the Medical Council of India was given grant-in-aid of less than Rs. 10 lakhs, during the year 1983 to 84, a decision was taken by the Ministry of Health & Family Welfare in 1984 that the Audit Report on the Annual Accounts of the Council for the years where the grant-in-aid is less than Rs. 10 lakhs need not be laid on the Table of both the Houses of Parliament. However, since the Council has given grant-in-aid of Rs. 12.15 lakhs during the year 1986-87, it was decided to

lay the Annual Report and Audit Report before the Houses of Parliament from 1986-87. Director of Audit (I), Central Revenues, New Delhi was also kept informed of this vide Ministry of Health & Family Welfare O.M.No. V.11025/6/87-ME(P) dated 20th April, 1988. The Annual Report and Audited Accounts of the Council for the years 1986-87 and 1987-88 were laid on the Table of Lok Sabha on 28-4-1988 and 15-5-1989 respectively.

- II. When the printed copies of the Annual Report and accounts are expected to be supplied to Members of Parliament? Council has been sending to the Ministry only cyclostyled copies of the Reports for being laid on the Table of the House.
- III. The latest position regarding finalisation of the Annual Report and Audited Accounts of the Council for the years 1989-90 and 1990-91. When these are expected to be placed before the Parliament. As regards laying of reports for the year 1989-90, copies of Annual Reports/ Audited Accounts alongwith Audit Report thereon were received in this Ministry by 31-7-1991. However, the Council was requested to furnish details as to when the Annual Accounts were submitted to DACR; when Audit Report was received in the Council; when Hindi translation was done; when Audited Accounts alongwith Audit Report and Annual Report were submitted/ approved by competent body of the Council and reasons for delay. This information has since been received on 26-8-1991. Efforts are being made to lay the documents at a very early date. As regards laying of Annual Report and Audited Accounts of the Council for the year 1989-90, the Council has informed that the reports will

be sent to the Ministry of Health & Family Welfare in due course.

- IV. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Council within the stipulated period of nine months from the close of the accounting year, in future.
- Every effort is being made to lay these reports in Parliament in time.

3.5 The Annual Reports and Audited Accounts of the Council for the subsequent years 1989-90 and 1990-91 were laid on the Table of the Lok Sabha on 16-9-1991 and 14-7-1992 after a delay of about 8½ months and 6½ months respectively. In the statements laid alongwith these Reports, the reasons for delay have been explained as under :—

Delay statement for the year 1989-90

“The Annual Report and Audit Report on the Annual Accounts of the Medical Council of India for the year 1989-90 was to be laid on the Table of both the Houses of Parliament before the 31st December, 1990. This Ministry had been advising the Medical Council of India from time to time to send these documents for laying on the Table of the House in time. The Council has stated that the annual accounts of the Council were submitted to DACR on 2-7-90; final audit report was received in the Council on 8-2-91; translation of the Annual Report and Audit Report was done on 20-6-91; the Audited accounts along with audit report was submitted/approved by the competent body on 24-6-91; the annual report for the year 1989-90 was submitted/approved by the competent body on 17-7-91 and there was no regular meeting of the Council during the year 1990-91 due to a court case and hence, there was delay in submission of these reports to the Ministry. Copies of Annual Report and Audit Report on the Annual Accounts of the Council for the year 1989-90 were received in this Ministry by 31st July, 1991. Details regarding date of submission of accounts to DACR; date of approval of Annual Report and Audit Report by the Competent body of the Council; date of Hindi translation of reports, etc. were received in this Ministry on 26-8-91. The delay in laying of these documents on the Table of the House has been mainly due to non-receipt of these reports in time from the Council. Hence, these reports are now being laid on the Table of the House.”

Delay statement for the year 1990-91

"The dates on which various activities relating to auditing of accounts of the Council for the year 1990-91 and the preparation of Annual Report were completed are indicated below :—

The Annual Accounts of the Council were submitted to DACR on	3-7-91
The final Audit Report was received in the Council on	6-1-92
Hindi Translation of Annual Report/Accounts were done on	28-1-92
Approval of the Annual Report by the Executive Committee	21-8-91
Submission of Complete Annual Report/Audit Report (Bilingual) to the Ministry	4-2-92
Approval of the Audit Report by the Executive Committee	16-4-92

The delay in laying of these documents on the Table of the House has been mainly due to non-receipt of requisite information in time from the Council. Hence, these reports are now being laid on the Table of the House."

3.6. The matter was considered by the Committee on Papers Laid on the Table at their sitting held on 27 May, 1992.

3.7. The Committee are concerned to note that the Annual Reports and Audited Accounts of the Medical Council of India, New Delhi, for the years 1988-89, 1989-90 and 1990-91 were laid on the Table of the House after a delay of about 19 months, 8½ months and 7½ months respectively. From the delay statements laid and subsequent information furnished by the Ministry of Health and Family Welfare (Department of Health) the Committee note that the delay in respect of the documents for the year 1988-89 was mainly due to the abnormal period of 19 months taken by the Council in getting the Annual Report translated into Hindi. While for the year 1989-90 the delay was mainly due to period of 7 months taken by the auditor in auditing and furnishing the final audit report to the Council. During the year 1990-91, the delay was caused again at the stage of auditing of accounts and in getting the final Audit Report approved from the Executive Committee of the Council. The Ministry as well as the Council should have taken the required corrective measures to prevent the delays that have occurred at the aforesaid stages.

3.8. The Committee recommend that the Ministry of Health and Family Welfare in consultation with the Council should prepare a time schedule for ensuring timely finalisation and submission of the required

documents to the Ministry for being laid in Parliament within nine months of the close of the accounting years in future.

3.9. The Ministry and Council should monitor the time schedules so prepared and take timely corrective steps to prevent delays at the stages of auditing, translation and printing in future.

CHAPTER IV

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF PAWAN HANS LIMITED, NEW DELHI FOR THE YEAR 1986-87.

Pawan Hans limited was registered under the Companies Act, 1956 on the 15th October, 1985 with an authorised capital of Rs. 50 crores for providing helicopter support services to meet the requirements of oil sector in off shore operations and running helicopter services in inaccessible areas and difficult terrains.

4.2 The Annual Report, Audited Accounts and Audit Report thereon of the Pawan Hans Limited, New Delhi for the year 1986-87 were laid together with Review and delay statement on the Table of Lok Sabha on 14-9-1991. In terms of the recommendation of the Committee on papers Laid on the table contained in para 4.16 of their Second Report (5th Lok Sabha), the aforementioned documents should have been laid by 31-12-1987 i.e. within nine months of the close of the accounting year. Thus the delay in laying Annual Report and Audited Accounts of the Company comes to about 3 years 8-1/2 months. In the statement laid alongwith the Report, the reasons for delay had been explained as under:—

“The finalisation of the Accounts of Pawan Hans Ltd. for 1986-87 took some time because prolonged interaction between the Management and the Auditors appointed by the Company Law Board was required. The Audit Report was finally submitted by the Auditors in September, 1988. The same had to be referred to the Controller and Auditor General for his comments, as required under Section 619 of the Companies Act. By the time C&AG's comments were received in March, 1989, the tenure of the Board of Directors of Pawan Hans Ltd. had expired, and accounts could not, therefore, be adopted in the Annual General Meeting, which can be convened only under the authority of the Board of Directors. The Board of Directors of the Company was reconstituted only on 17.1.1991. The Annual Report and the Audited Accounts of the Company for 1986-87 was adopted at the Annual General Meeting of the Company held on 19.4.1991. Thereafter, the Report / Accounts was translated into Hindi, and English/Hindi copies printed.”

4.3. In this connection, the Ministry of Civil Aviation and Tourism, who

were requested to furnish information on certain points had furnished the same as under :—

POINTS

REPLIES

I. The dates when—

- | | |
|--|---|
| (a) Company Law Board was approached for appointment of Statutory Auditors; | The Company Law Board was approached for the appointment of Statutory Auditors on 5-2-1987. |
| (b) Statutory Auditors were appointed by the Board; | The Statutory Auditors were appointed by the Company Law Board <i>vide</i> their orders dated 9-4-87, which, however, were received by Pawan Hans Limited on the 5th May, 1987. |
| (c) the Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing; | The accounts were compiled by the end of July, 1987. |
| (d) the accounts were handed over to the Auditors; | The trial balance was submitted to the Statutory Auditors on the 4th August, 1987. |
| (e) the auditing of accounts commenced and the time taken in it; | <div style="display: flex; align-items: center;"> <div style="font-size: 4em; margin-right: 10px;">}</div> <div> <p>The Statutory Auditors were requested to commence the audit for the financial year 1986-87 immediately on receipt of the letter of appointment. The audit commenced on 7th September, 1987. Detailed sequence of events commencing from the appointment of auditors till the final approval of the Annual Accounts for 1986-87 is given in the <i>Annexure</i>.</p> </div> </div> |
| (f) the Audit Report was referred to C&AG for comments; | |
| (g) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it; | Orders were placed on the printer on 8th May, 1991 allowing 30 days. The copies of English version were received on 13-6-1991. |
| (h) the 'Review' report was prepared and furnished to the Ministry/Department; | The "Review" Report was prepared in the Ministry itself on 28.8.1991. |

POINTS

- (i) delay statement prepared and submitted to Ministry/Department; and

- (j) Annual Report and Audited Accounts together with Review & delay statement were sent to the Ministry for laying on the Table of the House.

- II. The reasons for about 22 months taken from March 1989 to January, 1991 in having the Board of Directors of the Company reconstituted after expiry of their tenure in March, 1989.

REPLIES

The delay statement was also prepared in the Ministry itself on 28.8.1991.

The Annual Report and Audited Accounts for the year 1986-87 were sent by Pawan Hans Limited on 22.7.1991 (English version) and 26.7.1991 (Hindi version).

The term of the Board of Directors of Pawan Hans Limited, constituted on 7.1.87, was to last till 6th January, 1989. Action had accordingly been initiated in November, 1988 for reconstitution of Board for another two years with the following:-

1. Part-time Chairman
2. Managing Director, Pawan Hans Limited.
3. Joint Secretary, Ministry of Civil Aviation.
4. Director-General of Civil Aviation.
5. Director of Operations, Air Headquarters.
6. Member (Technical), (ONGG).
7. Secretary, North-Eastern Council.
8. Shri M.P. Wadhawan.
9. Air Marshal L.S. Grewal.

Approval of the Minister to the nomination of above persons was obtained on 13.12.88. Since the last two persons i.e. Shri M.P. Wadhawan and Air Marshal L.S. Grewal nominated as non-official Directors on the Board were to cross the age of 65 years during the tenure of the new Board, the case was submitted on 19.12.88. For con-

sidering substitution of these two nominations. The revised proposal for reconstitution of the Board comprising Joint Secretary, Ministry of Civil Aviation, JS(F), Ministry of Civil Aviation, Director General of Civil Aviation, Member, Technical (ONGE), Secretary, North-Eastern council, Managing Director, Pawan Hans Limited and Director of Operations, Air Headquarters as *Ex-officio* Directors and Shri J.S. Iyer, Shri R.P. Kapur and Air Marshal R.D. Sahni as non-official Directors, was approved by the Minister of State of Civil Aviation and Tourism on 14.7.89 and a reference was made to Establishment Officer on 21.7.89 requesting him for obtaining approval of the Appointments Committee to the reconstitution of the Board. This Ministry was informed by the Establishment Officer on 1.12.89 that the proposal was submitted to ACC and that this may be reprocessed after the new Government takes over. After formation of the new Government, the case was re-submitted on 8.12.89. By this time, there had been a new development in regard to nomination of Part-time Chairman which necessitated a slight change in the composition of the Board as a result of a recommendation of Public Enterprises Selection Board in recommending appointment of a retired Army Officer to be the Chairm-cum-Managing Director of Pawan Hans Limited as against the post of Managing Director then lying vacant.

After consideration, a proposal was submitted in first week of February, 1990 suggesting following nominations of the Board:-

1. Chairman-cum-managing Director
2. Joint Secretary Ministry of Civil Aviation
3. Director (Finance), Ministry of Civil Aviation.
4. Deputy Director General of Civil Aviation
5. Member (Technical), ONGE
6. Director of Operations, Air Headquarters.

Minister accorded approval to the proposal on 5.6.90. Before, however, this could be referred to Establishment Officer for approval of ACC, there had been another development. As stated above, Public Enterprises Selection Board had recommended name of an Army Officer as Chairman-cum-Managing Director against the post of Managing director of Pawan Hans but on reconsideration it was felt to seek a fresh panel from Public Enterprises Selection Board. The Board after assessing suitability of candidates recommended appointment of A/Cdr. C.M. Singla as Managing Director, Pawan Hans Limited and this recommendation had been approved by the Minister. The file suggesting revised constitution of the Board was accordingly sent for orders/approval of Minister on 25.6.90 but was received back from Minister's Office on 12.11.90 without any

orders. As there had been a change of Government in the meanwhile, it was decided on 12.11.90 to submit the proposal as and when the New Minister takes over. After taking over by new Minister, a proposal containing nominations of official Directors comprising of DGCA (as Chairman), Joint Secretary, Ministry of Civil Aviation and Joint Secretary (F), Ministry of Civil Aviation, Managing Director, Pawan Hans Limited, Member (Technical) ONGE and Director of Operations, Air Headquarters, was submitted on 11.12.90 and approval was accorded by Minister on 22.12.90. Thereafter, orders reconstituting Board of Directors of Pawan Hans Limited were issued on 17.1.91.

III. The reasons for about 3 months taken from 17.1.1991 to 19.4.1991 by the Company in having the Annual General Meeting convened for getting the Annual Report and Audited Accounts approved from it.

The Board of Directors was reconstituted on 17.1.91 and its first informal meeting was held on 8.2.91 as the Company Secretary was on leave till 30.1.91. During this meeting on 8.2.91, it was decided that the first formal meeting of the Board be convened on 16.3.91 based on the availability of Chairman and other Directors. Accordingly the notice for this meeting was circulated on 4.3.91. There was a gap of slightly over a month in convening the first formal Board meeting of the new Board primarily on account of the fact that apart from the approval of the accounts for the financial year 1986-87, the Auditors Report, CAG's comments and replies thereon, various other agenda notes on

important issues had to be prepared for submission for the Board meeting, this being the first meeting after a lapse of two years.

- IV. The latest position of the Annual Report and Audited Accounts of the Company for the year 1987-88, 1989-90 and 1990-91. When these are expected to be placed before Parliament?

The Annual Report and the Audited Accounts of the Pawan Hans Limited for the year 1987-88 have since been received and are being processed for laying in Parliament during the next session. The audit for the financial year 1988-89 is presently in progress and it is expected that the final report would be submitted by Pawan Hans to Ministry by December, 1991. These will, as already communicated in our statement explaining delay, submitted to Lok Sabha Secretariat *Vide* O.M. No. Av. 18027/1/90-AC-VL dated 4.1.91 be laid in Parliament by the 31st March, 1992. The audit for the financial year 1989-90 and 1990-91 would be taken up on the completion of Audit for 1988-89. The accounts for 1989-90 will, as communicated in statement explaining delay, sent *vide* this Ministry's O.M. dated 4.1.91, be laid in Parliament by 30.6.92. The accounts for 1990-91 are expected to be laid by 31st December, 1992, barring any unforeseen eventuality.

- V. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Company within the stipulated period of nine months from the close of the accounting year, in future.

Pawan Hans Limited has expressed the view that timely appointment of the Statutory Auditors by the Company Law Board would help in completion of the audit within the stipulated period and it expects that as soon as the backlog of the audit relating to the previ-

ous years is cleared, the annual accounts would, in future, be completed within the prescribed time frame.

4.4. The Annual Reports and Audited Accounts of the Pawan Hans Limited, New Delhi for the years 1987-88 and 1989-90 were laid on the Table of the House on 17.12.1991, 6.4.1992 and 13.7.1992 after a delay of about 36 months, 27 months and 18½ months respectively. In the delay statements laid for the years, the reasons for delay have been explained as under:—

Delay statement for 1987-88

“Accounts for 1987-88 could be finalised only after final adoption of previous year's accounts i.e. for 1986-87, by shareholders in the Annual General Meeting held on 19.4.91. For the year 1987-88, the Auditors submitted their report on 19.4.91. Comptroller and Auditor General's comments thereon were received on 13.6.91. The accounts for 1987-88 were finally adopted by shareholders in the Annual General Meeting held on 12.8.1991. Thereafter, the Report/Accounts were translated into Hindi and English/Hindi copies printed.

For the aforesaid reasons, it is regretted that the Annual Report and Audited Accounts of Pawan Hans Limited for 1987-88 are being laid on the Table of the House only in the current session.”

Delay statement for 1988-89

“The delay in finalisation and submission of the Annual Reports and Accounts for 1986-87 affected the finalisation of the Annual Reports and Annual Accounts for the subsequent years. The Report and Accounts of the company for 1987-88 was laid on the Table of Rajya Sabha/Lok Sabha in December, 1991 as mentioned earlier. Action for finalising the accounts for 1988-89 could be initiated only after the final adoption of the accounts for 1987-88 by the shareholders.

The Auditors submitted their report on the accounts of 1988-89 on 24.10.1991. The comments of the Comptroller and Auditor General of India thereon were received on 25.11.1991. The Accounts for 1988-89 were finally adopted by the shareholders in the Annual General Meeting held on 4.12.1991. Thereafter the report/accounts were translated to Hindi and English/Hindi copies printed.

For the aforesaid reason it is regretted that the Annual Report and Audited Accounts of Pawan Hans Limited for 1988-89 are being laid on the Table of the House only in the current session.”

Delay statement for the year 1989-90

"The delay in finalisation and submission of Annual Report and Accounts for 1986-87 affected the finalisation of the Annual Report and Annual Accounts for the subsequent years. The Report and Accounts of the company for the year 1987-88 were laid on the Table of Rajya Sabha/Lok Sabha on 16.12.91 and 17.12.91 respectively whereas those for the year 1988-89 were laid on the Table of Rajya Sabha/Lok Sabha on 3.4.92 and 6.4.92 respectively. Action for finalising the accounts for 1989-90 could thus be initiated only after the final adoption of the accounts for 1988-89 by the share holders.

The Auditors submitted their report on the accounts of 1989-90 on 31.12.91. The comments of Comptroller and Auditor General of India thereon were received on 20.2.92. The accounts for 1989-90 were finally adopted by the share holders in the Annual General Meeting held on 24.2.92. Thereafter the report/accounts were translated to Hindi and English/Hindi copies printed.

For the aforesaid reason it is regretted that the Annual Report and Audited Accounts of Pawan Hans Limited for 1989-90 are being laid on the Table of the House only in the current session."

4.5 At their sitting held on 27 May, 1992, the Committee on Papers Laid considered the abnormal delays in laying the Annual Reports and Audited Accounts of the Pawan Hans Limited for the years 1986-87, 1987-88 and 1988-89 and noted that these documents were laid after a delay of about 44½ months, 36 months and 27 months respectively. In view of the abnormal delays involved in the matter, the Committee decided to hear oral evidence of the representatives of the Ministry of Civil Aviation and Tourism in the matter.

4.6 Accordingly, representatives of the Ministry of Civil Aviation and Tourism appeared before the Committee on 15.6.1992.

4.7 Asked to explain the reasons for the prolonged inter-action between the Statutory Auditors and the Management of the Company which had caused delay in auditing of accounts, the Secretary (Ministry of Civil Aviation and Tourism) stated that the Auditors had adopted from the beginning an attitude of confrontation with the Management of the Company on several points with regard to auditing of accounts and payment of fee for their auditing work. Asked to state whether the recurrence of abnormal delays like 44 months, 36 months and 27 months was justified, the Secretary stated that he would regret the delay that had already taken place. The Secretary assured that the Annual Report and Audited Accounts for the year 1989-90 which are ready would be laid in the Lok Sabha in the Monsoon Session of Parliament 1992 and these documents for the year 1990-91 would be laid by September, 1992. The documents for the year 1989-90 were laid accordingly on 13.7.1992.

4.8 The Committee are distressed to note that abnormal delays of 44 months, 36 months and 27 months had taken place in laying the Annual Reports and Audited Accounts of the Pawan Hans Ltd. for the years 1986-87, 1987-88 and 1988-89. The Committee feel that the Management should have referred the matter relating to adoption of attitude of confrontation by auditors to the C&AG at the earliest to obviate much of the delay that had taken place in auditing the accounts for the year 1986-87. Had the delay at the auditing stage been prevented, the subsequent delay in getting the finalised Annual Report and Audited Accounts approved from the reconstituted Board of Directors would not have taken place. The Committee hope that the Ministry and the Company would take appropriate measures to prevent such delays at the stages of auditing of accounts and getting the finalised documents approved from the Board of Directors. The Committee trust that, as assured by the Ministry, the Annual Reports and Audited Accounts of the Company for the year 1990-91 would be laid by September, 1992.

ANNEXURE

PAWAN HANS LIMITED

CALENDAR OF EVENTS RELATING TO 1986-87 ACCOUNTS

<i>Description</i>	<i>Date</i>
1. Date of appointment of Statutory Auditors	February, 1987
2. Auditors requested to start the audit by PHL. Auditors wanted a very high fees. PHL offered Rs.20,000/- being reasonable.	May/June, 1987
3. Reminder sent on	June/July, 1987
4. Auditors insisted on submission of accounts duly approved by the Board before they could start the audit vide their letters dated	18th July and 21st August, 1987
5. This stand of the auditors being unprecedented, PHL approached CAG for necessary instructions to the auditors	July/August, 1987
6. CAG instructed the Auditor to start the audit pending approval of the accounts by the Board	August, 1987
7. Auditors started audit	September, 1987
8. Auditors however adopted a very difficult and uncompromising posture throughout the audit period, even threatened the staff frequently	September to November, 1987
9. Accounts prepared by the corporation for submission to the Board	November, 1987
10. Before the accounts were submitted to the Board the Company requested the Auditors if they had any comments/observations during the course of their routine audit which could be considered for incorporation in the accounts before being put up to the Board for their approval.	
11. No comments received from the Auditors to the above.	
12. In the absence of any comments from the Auditors, the accounts were presented to the Board and the Board approved the same in their meeting held on	14th December, 1987
13. Immediately after the Board's approval, the approved accounts were forwarded to the Auditors for their certification	December, 1987

<i>Description</i>	<i>Date</i>
14. Immediately after the accounts were received by the Auditors, they raised number of observations which they had clandestinely withheld apparently to embarrass the management	December, 1987
15. Auditors submitted their formal report on (it is pertinent to mention that Auditors at no stage deemed it fit to discuss the draft report with the management. In addition the report itself contained a number of factual inaccuracies and blamed the management for not providing details which it is reiterated were made available and some of them are even on record)	11 January, 1988
16. The Auditors disclaimed the accounts and made about 73 observations and eventually concluded that the accounts do not show a true and fair view.	
17. The management made parawise replies to Auditors observations and the same were put up to the Board in their meeting which the Statutory Auditors were also requested to attend	April, 1988
18. Statutory Auditors mentioned in the Board Meeting that he is not responsible to the Board and therefore there is little that he could do to recertify the accounts	
19. The Board decided to forward the accounts, the audit report and the company's comments there on to the CAG which were sent on	25 April, 1988
20. CAG instructed the Auditor to recertify the accounts	May, 1988
21. CAG also verbally advised the Company to get the accounts recertified	
22. The account were slightly modified in the light of the observations made by the auditors and the revised accounts were approved by the Board	6th July, 1988
23. Revised accounts submitted to the Auditors for their certification	19th July, 1988
24. Matter relating to Audit fees referred by Auditors to Company Law Board, who upheld the contention of PHL and also remarking that auditor was out to blackmail the Company	4th August, 1988

<i>Description</i>	<i>Date</i>
25. Auditors report on the revised accounts giving about 54 observations received by the Company on	3rd October, 1988
26. Revised audited accounts submitted to CAG for their certification	5th October, 1988
27. In view of the serious differences between the management and the auditor and the general controversies about PHL, CAG made a very indepth audit and submitted their report on	17th March, 1989
28. In an unprecedented move, CAG report mentioned that about 25 comments of the auditor had no bearing on the true and fair view of the Accounts	
29. Meanwhile the term of the Board of Directors expired on	7th January, 1989
30. The new Board was reconstituted in	January, 1991
31. The Board adopted the accounts after noting CAG comments and management's replies thereto	16th March, 1991
32. Annual General Meeting held on	19th April, 1991

CHAPTER V

DELAY IN LAYING THE ANNUAL REPORT AND AUDITED ACCOUNTS OF THE CHITTARANJAN NATIONAL CANCER RESEARCH CENTRE, CALCUTTA, FOR THE YEAR 1987-88

The Chittaranjan National Cancer Research Centre, Calcutta (CNCRC) was established by the Government of India in 1957 as an all India Institute for post-graduate training and research in Cancer and allied subjects. This Institute was registered as a Society in February, 1961 under Societies Registration Act, 1960.

5.2 The Annual Report of the Chittaranjan National Cancer Research Centre, Calcutta, for the year 1987-88 was laid together with Review and Delay statement on the Table of the House on 3.5.1989 while the Audited Accounts and Audit Report were laid separately on 22.8.1990. As per recommendation of the Committee on Papers laid on the Table contained in para 3.5 of their First Report (5th Lok Sabha) all these documents should have been laid together by 31.12.1988 *i.e.* within nine months of the loss of the accounting year. Thus the period of delay in laying the Annual Report and Audited Accounts of the Institute came to about 4 months and 20 months respectively.

5.3 In the statement laid alongwith the Audited Accounts the reasons for delay had been explained as under:-

“The audited statement of accounts for the year 1987-88 along with audit report thereon in respect of Chittaranjan National Cancer Research Centre, Calcutta were required to be laid on the Table of the Sabha by 31.12.1988. We reminded the Director of the Centre in the matter in September, 1988. There was delay in auditing of accounts of the Centre by Director of Audit, Central, Calcutta because of formation of new Society called Chittaranjan National Cancer Institute and Director of Audit sought instructions from Government of India, Ministry of Finance for taking up the audit. The copies of the audited statement of accounts for 1987-88 have been received from the Director of the Centre in English on 9.2.90 and in Hindi on 22.5.90. The documents both in English and in Hindi are being laid on the Table of the Sabha now.”

5.4 The Ministry of Health and Family Welfare who were requested to furnish information on certain points in this regard, have furnished the same on 11.7.1991. The points and the replies received are as under:-

I. The dates when—

- | | |
|--|---|
| (a) C&AG/AG West Bengal was approached for appointment of Statutory Auditors; | The C&AG was the Statutory Auditor for Chittaranjan National Cancer Research Centre, Calcutta. On the request made by the Ministry of Finance, C&AG appointed Statutory Auditors in October, 1988 to audit the accounts of the Amalgamated body, viz. Chittaranjan National Cancer Institute, Calcutta. Ministry of Finance (Department of Economic Affairs—Budget Division) New Delhi entrusted the job of audit to Director of Audit, Central, Calcutta <i>vide</i> letter No. F.1(8)-B(R)/89, dated 30.1.89. |
| (b) Statutory Auditors were appointed by C&AG/AG, West Bengal; | |
| (c) The Annual Accounts were compiled and were ready for being handed over to the Statutory Auditors for auditing; | The accounts for 1987-88 were ready by 30.6.1988. |
| (d) The accounts were handed over to the Auditors; | July, 1988. They however suspended the work and requested that Ministry of Finance be approached for entrusting the job to them formally for the amalgamated institute viz. Chittaranjan National Cancer Institute, Calcutta. This was done on 30.1.89. |
| (e) The auditing of accounts commenced and the time taken in it; | The audit party took up the auditing from 29.7.88 but suspended the work after 7 days. |
| (f) Queries, if any, raised by Statutory Auditors; | Routine queries raised by the auditors were replied to immediately. |
| (g) Queries of the Statutory Auditors resolved; | |

- (h) The Auditors furnished final Audit Report to the Organisation; The Audit Report for 1987-88 was received by the Organisation in July, 1989.
- (i) The Annual Report and Audited Accounts together with the Audit Report were placed before the Annual General Meeting of the Organisation; The Annual Report for 1987-88 was placed before the Governing Body in October, 1990. As Health Minister is the Chairman of the Governing Body of CNCI, Calcutta, the documents were approved by him while authenticating the document for being laid on the Table of the Sabha.
- (j) Annual Report and Audited Accounts were taken up for translation and printing and time taken in it; August/September, 1989.
- (k) Delay statement prepared and submitted to the Ministry/Department; and The delay statement, both in English and Hindi were prepared by the Ministry.
- (l) Annual Report and Audited Accounts together with Review and delay statement were sent to the Ministry of Health and Family Welfare for laying on the Table of the House. The Audited Accounts (English version) were received in the Ministry in February, 1990 and the copies in Hindi version were received in May, 1990.
- II. The latest position of the Annual Report and Audited Accounts of the Organisation for the years 1988-89 and 1989-90. When these are expected to be placed before the Parliament. The Annual Report of the Organisation for 1988-89 was sent to Lok Sabha Secretariat on 21.5.1990 and laid on the Table of the Sabha on 23.5.1990. The Annual Accounts for 1988-89 together with Audit Report was laid on the Table of the Sabha on 5.9.1990.
- The Annual Report and Annual Accounts of the CNCI for 1989-90 are expected to be placed before the Parliament in the budget session of 1991.

- III. The remedial measures taken or proposed to be taken to ensure laying of Annual Reports and Audited Accounts of the Organisation within the stipulated period of nine months from the close of the accounting year, in future.
- The Institute have reported that w.e.f. 1991-92, both the Annual Scientific Report and Audited Reports will be prepared/published financial year-wise and this will ensure timely submission before the Parliament in future.

5.5 The Annual Report and Audited Accounts of the Chittaranjan National Cancer Research Centre, Calcutta for the year 1988-89 were laid separately on 23.5.1990 and 5.9.1990 after a delay of about 5 months and 8 months respectively and these documents for the year 1989-90 were laid together on 12.8.1991 after a delay of about 7½ months. In statement laid alongwith the Reports for these years, the reasons for delay had been explained as under:-

Delay statement for the year 1988-89

“The Annual Report for the year 1988-89 in respect of Chittaranjan National Cancer Research Centre, Calcutta was required to be laid on the Table of the Sabha before 31.12.1989. We took up the matter with the Director of the Centre in October, 1989. Since the Annual Report for the year 1988-89 was not received before December, 1989, the same could not be laid on the Table of the Sabha in the last session. There was delay in auditing of accounts of the Centre by Director of Audit, Central, Calcutta because of formation of new Society called Chittaranjan National Cancer Institute and instructions were sought for from Government of India, Ministry of Finance for taking up the audit by C&AG. The audit report for the year 1988-89 has not yet been made available and the same will be laid during the next session of the Sabha. The Annual Report 1988 in respect of Chittaranjan National Cancer Research Centre, Calcutta is now being laid on the Table of the Sabha.

The Annual accounts for the year 1988-89 in respect of Chittaranjan National Cancer Institute (Research Centre), Calcutta along with audit report thereon were required to be laid on the Table of the Sabha by 31.12.89. The Director of the Institute was duly reminded in October, 1989 for submission of the documents. There was, however, delay in auditing of accounts of the Institute by Director of Audit, Central, Calcutta, because of formation of new Society called Chittaranjan National Cancer Institute and instructions were sought for from Government of India, Ministry of Finance for taking up the audit by the Comptroller and Auditor General of India. The copies of Annual statement of accounts along with audit report thereon for the year 1988-89 in respect of

Chittaranjan National Cancer Institute (Research Centre), Calcutta have been made available by the Director of the Institute to the Ministry on 30th July, 1990 and the same are now being laid on the Table of the Sabha."

Delay statement for the year 1989-90

"The Annual Report and Audited statement of accounts for the year 1989-90 in respect of Chittaranjan National Cancer Institute, Calcutta, which is recognised as one of the Regional Cancer Centres, were required to be laid on the Table of the Sabha by 31.12.90. Since the Report and the Audited Statement of Accounts for 1989-90 were not received before the end of December, 1990, these documents could not be laid on the Table of the Sabha before the due date. The copies of the Annual Report and the Statement of Accounts have now become available and the same are now being laid on the Table of the Sabha."

5.6 The matter was considered by the Committee on Papers laid at their sitting held on 8 April, 1992. The Committee noted that the Annual Reports and Audited Accounts of the National Cancer Research Centre, Calcutta, for the years 1987-88, 1988-89 and 1989-90 were laid separately with delays ranging from a minimum of 4 months to a maximum of 20 months. In view of the recurring inordinate delays in laying the Annual Reports and Audited Accounts of the Centre year after year, the Committee decided to hear oral evidence of the representatives of the Ministry of Health and Family Welfare, in the matter.

5.7 Accordingly, the representatives of the Ministry of Health and Family Welfare (Department of Health) appeared before the Committee on 15 June, 1992 to tender oral evidence.

5.8 Asked to explain the reasons for delay in auditing of accounts of the Centre for the year 1987-88 the Joint Secretary (Department of Health) explained that the present Chittaranjan National Cancer Institute was formed in February, 1989 by merging the Chittaranjan National Cancer Research Centre, an organisation under the Government of India and the Chittaranjan Cancer Hospital, an organisation under the Government of West Bengal. Inadequate staff in the accounting section caused delay in the compilation of accounts. The Auditors also did not take up auditing of accounts of the Institute until a formal order was obtained from the Ministry of Finance. When asked to explain in detail the steps taken to overcome the problem of staff, the Director of the Institute informed the Committee that they have now recruited and posted adequate staff in the Institute to ensure timely compilation of accounts and that they had been making sincere efforts to progressively reduce the delays. They also assured the Committee that the Annual Report and Audited Accounts of the Institute for the year 1990-91 would be laid in Lok Sabha in the ensuing monsoon Session of 1992.

5.9 The Committee regret that the Institute had been laying its Annual Reports and Audited Accounts with delay since 1985-86 and no effort was made to cut down the delay. The reasons explained for the delay since 1987-88 could not justify the delays that had taken place during the Calendar year *i.e.*, 1985-86 and 1986-87 when the required documents were laid with delays ranging from $3\frac{1}{2}$ months to 8 months. The Committee, however, trust that with the remedial measures taken to prevent delays, the Annual Reports and Audited Accounts of the Institute would be laid together in future within the prescribed period of 9 months from the close of the accounting year.

CHAPTER VI

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE MAHANAGAR TELEPHONE NIGAM LIMITED, NEW DELHI FOR THE YEAR 1988-89

The year 1988-89 was the third year of operations of the Mahanagar Telephone Nigam Limited (MTNL) after its formation on 1.4.1986 as a company wholly owned by the Government of India under the Department of Telecommunications of the Ministry of Communications. MTNL has been entrusted with the Management Control and operations of Delhi and Bombay telephone districts excluding Public Telegraph Service of the Department of Telecommunications. The main objectives of the Nigam are the upgradation of quality of service to international level, expansion of telecom network, provision of new services, special attention to human resource development and raising of necessary financial resources for the developmental needs of telecom services both for the Department of Telecommunications, including the MTNL needs.

6.2. The Committee on Papers Laid recommended that if the Annual Report/Accounts cannot be laid on the Table within 9 months of the close of the accounting year, Government should lay on the Table a statement explaining reasons for not laying the documents. Accordingly the Ministry of Communications laid on the Table of 29th March, 1990 a statement explaining the reasons for not laying the Annual Report and Audited Accounts of the Mahanagar Telephone Nigam Limited, New Delhi for the year 1988-89. In the statement, Ministry stated as under:—

“The Mahanagar Telephone Nigam Limited, New Delhi a Government of India Undertaking under the Department of Telecommunications of Ministry of Communications has reported that the Annual Accounts of the Company for the year 1988-89 could not be finalised within the stipulated period of 9 months from the close of the financial year *i.e.* 31.3.89. In terms of Section 619A of the Companies Act, 1956, due to the following reasons:—

(i) Due to late settlement/finalisation of the accounts for the year 1987-88 which was adopted by the shareholders in their adjourned Annual General Meeting held on 15th May, 1989 only, the finalisation of accounts for the year 1988-89 has also correspondingly been delayed.

(ii) With the formulation of the new accounting policy for “Store Transaction” by the MTNL during the financial year 1988-89, a considerable time was taken for adopting the new material accounting procedure and this could be completed only by the end of November, 1989.

(iii) The Statutory Auditor for the financial year 1988-89 were

appointed/notified by the Company Law Board only on 12th July, 1989. As a result of which, the finalisation of accounts and audit work could not be completed within the stipulated period.

As provided Under Section 160 of the Companies Act, 1956, the Company (MTNL) has also approached the Department of Company Affairs for obtaining extension of time for holding the Annual General Meeting for the year ended 31.3.1989.

The Annual Report/Accounts of Mahanagar Telephone Nigam Limited, New Delhi for the year 1988-89 will be placed on the Table of Lok/Rajya Sabha as soon as they are finalised, considered adopted and approved by the shareholders in the Annual General Meeting. This is submitted to the Lok/Rajya Sabha for information only."

6.3 The Annual Report and Audited Accounts of the Mahanagar Telephone Nigam Limited, New Delhi for the year 1988-89 were laid on the Table of Lok Sabha on 23 August, 1990 alongwith a "Review".

6.4 In terms of recommendation of the Committee on Papers Laid on the Table, made in paragraph 4.16 of their Second Report (Fifth Lok Sabha), these papers were required to be laid on the Table within 9 months of the close of the accounting year *i.e.* by 31 December, 1989. The period of delay involved in laying the Annual Report and Audited Accounts for 1988-89, therefore, came to about 8 months.

6.5 On 5 September, 1990, the Ministry of Communications (Department of Telecommunications) was requested to furnish information on certain points. The points on which the information was sought and the replies of the Ministry thereto received on 11 October, 1990 were as under:—

POINTS

REPLIES

I. The dates when—

- | | |
|---|--|
| (a) C&AG was approached for appointment of Statutory Auditors; | C&AG is not approached by MTNL for the appointment of Auditors. The proposal is initiated by Director of Audit (P&T) who undertakes the audit of the Nigam on behalf of the C&AG. It is understood that this recommendation was sent by them in the first week of May, 1989. |
| (b) the appointment of Statutory Auditors was made by the C&AG; | As per the information furnished by MTNL, the C&AG sent his recommendations for the appointment of Auditor to the Company Law Board on 21st June, 1989 who in turn notified the appointment on 12th July, 1989. |

(c), (d) & (e) In practice during the process of compilation of accounts, Statutory Auditors take up audit concurrently. However, the information in respect of these items as available in MTNL records is given below :

	Delhi	Bombay	Corp. Office	Consolidation
(c) The accounts of the Nigam were compiled and handed over to the Statutory Auditors;	Nov./89	Mid Dec./89	Oct./89	6.3.1990
(d) the Auditors commenced auditing of accounts and the time taken by them;	7.10.89 15.11.89 3½ months	Concurrently w.e.f. Dec. 89 3 months	Oct. 89 2 months	6.3.1990 10 days
(e) the Auditors furnished Audit Report to the Nigam.	5.3.90	20.2.90	16.3.90	16.3.90
(f) the Annual Report and Audited Accounts were placed before the Board of Directors for their approval;	The accounts were placed before the Board of Directors in their 24th meeting held on 16th March, 1990 and they were finally adopted in the Adjourned Annual General Meeting of the Nigam held on 11th May, 1990.			
(g) The Annual Report and Audited Accounts were taken up for translation into Hindi and printing and the time taken in it; and	Date of commencement of translation into Hindi..... 11.5.1990 Date of completion of Hindi translation 18.5.1990 Time taken in translation..... 7 days Date of placement of printing Order 19.4.1990 Material handed over with photograph 19.5.1990 Date of availability of printed copies 17.7.1990 Time taken 2 months			
(h) The Annual Report, Audited Accounts together with Review were received from the Nigam for being placed before Parliament?	The documents together with the Review were received from the MTNL on 31st July, 1990.			

- II. The reasons for not laying delay statement while laying on the Table of the House the Annual Report and Audited Accounts of the Nigam for the year 1988-89. A statement explaining reasons for not laying the Annual Report and Audited Accounts of the Nigam within 9 months of closing of the year was laid on the Table of Lok Sabha on 29th March, 1990.
- III. The present position of the finalisation of Annual Report and Audited Accounts of the Nigam for the subsequent year 1989-90. As per the information furnished by MTNL, the finalisation of accounts for the year 1989-90 is in hand. It is likely to be completed by 31st October, 1990. In the meantime, the Statutory Auditors have started auditing, Bombay, Delhi Units and Corporate Office.
- IV. The remedial measures taken or proposed to be taken to ensure laying before Parliament the Annual Reports and Audited Accounts of the Nigam within the stipulated period of nine months from the close of the accounting years in future. The Mahanagar Telephone Nigam Limited is being asked to chalk out a scheduled programme of preparation of Annual Report for the year 1989-90 so that the Annual Report could be laid on the Table of Lok Sabha in time.

6.6 The Annual Reports and Audited Accounts of the Mahanagar Telephone Nigam Ltd. for the subsequent year 1989-90 and 1990-91 were laid on the Table of the House on 18 July, 1991 and 4 May, 1992 after a delay of about 6½ months and 4 months respectively. In the delay statement laid alongwith these reports the reasons for delay had been explained as under :

Delay statement for the year 1989-90

"The Mahanagar Telephone Nigam Ltd., New Delhi, a Govt. of India Undertaking under the Department of Telecommunications, Ministry of Communications has reported that the Annual Accounts of the company for the year 1989-90 could not be finalised within the stipulated period of 9 months from the close of the financial year on 31st March, 1990 in terms of Section 619-A of the Companies Act, 1956 due to the following reasons:—

- i) The finalisation of the Accounts for the year 1988-89 was delayed and it was adopted by the A.G.M. on 11.5.90. As a result the finalisation of accounts for 1989-90, the succeeding year, is also correspondingly affected.
- ii) The appointment of Statutory Auditors was notified by the Company Law Board on 9.7.90. The delay in appointment

resulted in late commencement of Audit both in the Corporate Office and the two Units viz. Bombay and Delhi Telephones.

The Annual Report/Accounts of the Mahanagar Telephone Nigam Limited, New Delhi for the year 1989-90 will be placed on the Table of Lok Sabha as soon as they are finalised, considered, adopted and approved by the Shareholders in the Annual General Meeting. This is submitted to Lok Sabha for information only."

Delay statement for the year 1990-91

- "(i) The finalisation of the Accounts for the year 1989-90 were closed on 16.1.1991. The magnitude of the work has significantly increased. There are lakhs and lakhs of Transactions. On the top of it there is acute shortage of staff in the Accounts branch due to ban on recruitment. Computerisation is the only answer for such massive operations. To speed up the work of computerisation, MTNL wanted to recruit computer professionals and programmers. On the representation of the staff unions further recruitment could not be made. So the progress of computerisation could not be speeded up.
- (ii) The process of reconciliation of accounts involves a lot of time and effort because the whole thing is done manually.
- (iii) The statutory auditors were appointed by the Company Law Board only in April/May, 1991.

The Annual Report/Accounts of the Mahanagar Telephone Nigam Ltd., New Delhi for the year 1990-91 will be placed on the Table of the Lok Sabha as soon as they are finalised, considered, adopted and approved by the shareholders in the Annual General Meeting, but latest by end of May, 1992. This is submitted to Lok Sabha for information."

6.7 At their sitting held on 8 April, 1992 the Committee on Papers Laid considered the delay in laying the Annual Report and Audited Accounts of the Mahanagar Telephone Nigam Ltd., New Delhi for the years 1988-89 and 1989-90 and noted that these documents were laid after a delay of about 8 months and 5½ months respectively. Considering the recurrence of delays in laying the requisite documents year after year the Committee decided to invite the representatives of the Ministry of Communications (Department of Telecommunications) to tender oral evidence in the matter.

6.8 Accordingly, the representatives of the Ministry of Communications (Department of the Telecommunications) before the Committee on 15 June, 1992.

6.9 When asked to explain the reasons for delay of about 8 months in laying the Annual Reports and Audited Accounts of the Nigam for the

year 1988-89, the Chairman (Telecommunications) (Department of Telecommunications) stated that the Nigam which was earlier working as part of the Govt. was converted into a Public Sector Corporation with effect from 1st April, 1986 resulting in change of procedure of work. Though the work of the Nigam increased there was no corresponding increase in its staff. Despite these difficulties the Nigam had been making sincere efforts to progressively reduce the delays.

6.10 Asked about the steps taken to cope with the increased volume of work, the Chairman (Telecommunications) informed that they had decided to train the staff as per latest requirements of the Nigam and introduce computerisation to prevent delays in compilation of accounts. He further informed the Committee that they had set May 31st of every year as the deadline for compilation of their accounts for handing over them to auditors for auditing. He assured the Committee that the Annual Report and Audited Accounts of the Nigam for the year 1991-92 would be laid without much delay.

6.11 The Committee regret to note that the Annual Reports and Audited Accounts of the Mahanagar Telephone Nigam Ltd., New Delhi for the years 1988-89, 1989-90 and 1990-91 were laid with delay of about 8 months, 6½ months and 4 months respectively. The remedial measures proposed by the Ministry such as training of the staff and introduction of Computerisation should have been resorted to much earlier to prevent the recurrence of delays in compilation of their accounts. The Committee hope that the Ministry would effectively implement the proposed remedial measures and ensure monitoring of the time schedule drawn so that the Annual Reports and Audited Accounts of the Nigam are in future laid in Parliament within the prescribed period of 9 months from the close of the accounting year.

APPENDIX

Summary of recommendations/observations contained in the Report

Sl. No.	Reference to Summary of Recommendations/Observations Para No. of the Report	
1	2	3
1	1.7	The Committee regret to note that the Annual Report and Audited Accounts of the National Horticulture Board, Gurgaon for the years 1987-88, 1988-89, 1989-90 and 1990-91 were laid on the Table of the House after a delay of about 15½ months, 12 months, 7 months and 3 months respectively. The Committee find from the delay statements laid and subsequent information furnished by the Ministry of Agriculture (Department of Agriculture and Cooperation) that the delay in respect of the documents for the year 1987-88 took place in preparation and recasting of the Annual Report and in laying these documents on the Table of the House after their receipt in the Ministry. In respect of these documents for years 1988-89 and 1989-90 the delay was caused in auditing of accounts by the Statutory Auditors. The Ministry of Agriculture (Department of Agriculture and Cooperation) took about 3 months after receipt of the required documents in respect of the year 1990-91 for laying on the Table of Lok Sabha.
2	1.8	The Committee recommend that the delay at the stage of auditing should be eliminated in order to ensure timely finalisation and laying of the documents. The Ministry should not take unduly long period in laying on the Table of the House the Annual Reports and Audited Accounts after their receipt in the Ministry. The Committee hope that the progress made in reducing the delays might be sustained to ensure that the required documents are laid in Parliament within nine months of the close of the accounting years, in future.
3	2.5	The Committee regret to note that the

1	2	3
		<p>Annual Reports of the Coir Board, Cochin for the years 1988-89, 1989-90 and 1990-91 were laid on the Table of the House on 22-5-1990, 7-1-1991 and 26-2-1992 respectively with delays ranging from 2½ months to 5 months while Audited Accounts in respect of the years for 1989-90 and 1990-91 were laid on 7-8-1991 and 18-3-1992 after delay of about 7 months and 2½ months. The Ministry did not lay any statement explaining the reasons for delay as per requirement. The half yearly Reports of the Board for the periods 1st April to 30 September, 1989, 1st April, 1990 to 30 September, 1990 and 1st April, 1991 to 30 September, 1991 were laid after delay ranging from 1 month to 5½ months. No statement was laid alongwith these documents explaining the reasons for delay.</p>
4	2.6	<p>The Committee take a serious view of the repeated failure of the Ministry of Industry to lay a statement explaining the detailed reasons in a chronological order for the delay in laying the Annual Reports and Audited Accounts and half yearly Reports of the Board for the years 1988-89, 1989-90 and 1990-91. What is more regrettable is that the Annual Reports and Audited Accounts for these years were not laid together as per requirement. This is contrary to the recommendations of the Committee on Papers Laid.</p>
5	2.7	<p>The Committee recommend that the Ministry of Industry should draw up a time schedule in consultation with the Coir Board for timely finalisation and submission of the Annual Reports and Audited Accounts to the Ministry for being laid on the Table of Lok Sabha within 9 months of the close of the relevant accounting years and ask the Board to adhere to it in letter and spirit.</p>
6	2.8	<p>The Ministry should strictly monitor the time schedules drawn for the purpose at a higher level to prevent recurrence of delays. It should also be strictly ensured that the Annual Reports</p>

1	2	3
6	2.8	and Audited Accounts of the Board are laid <i>together</i> with Review and a statement, in case of delay, explaining the reasons for delay in laying these documents. The Ministry may examine whether there is any need for laying both half yearly reports and thereafter the Annual Reports every year so that the duplication of work involved in preparation of these two reports every year is obviated.
7	3.7	The Committee are concerned to note that the Annual Reports and Audited Accounts of the Medical Council of India, New Delhi, for the years 1988-89, 1989-90 and 1990-91 were laid on the Table of the House after a delay of about 19 Months, 8½ months and 7½ months respectively. From the delay statements laid and subsequent information furnished by the Ministry of Health and Family Welfare (Department of Health) and Committee note that the delay in respect of the documents for the year 1988-89 was mainly due to the abnormal of 19 months taken by the Council in getting the Annual Report translated into Hindi. While for the year 1989-90 the delay was mainly due to period of 7 months taken by the auditor in auditing and furnishing the final audit report to the Council. During the year 1990-91, the delay was caused again at the stage of auditing of accounts and in getting the final Audit Report approved from the Executive Committee of the Council. The Ministry as well as the Council should have taken the required corrective measures to prevent the delays that have occurred at the aforesaid stages.
8	3.8	The Committee recommend that the Ministry of Health and Family Welfare in consultation with the Council should prepare a time schedule for ensuring timely finalisation and submission of the required documents to the Ministry for being laid in Parliament within nine months of the close of the accounting years in future.

1	2	3
9	3.9	The Ministry and Council should monitor the time schedules so prepared and take timely corrective steps to prevent delays at the stages of auditing, translation and printing in future.
10	4.8	The Committee are distressed to note that abnormal delays of 44 months, 36 months and 27 months had taken place in laying the Annual Reports and Audited Accounts of the Pawan Hans Ltd. for the years 1986-87, 1987-88 and 1988-89. The Committee feel that the Management should have referred the matter relating to adoption of attitude of confrontation by auditors to the C&AG at the earliest to obviate much of the delay that had taken place in auditing the accounts for the year 1986-87. Had the delay at the auditing stage been prevented, the subsequent delay in getting the finalised Annual Report and Audited Accounts approved from the reconstituted Board of Directors would not have taken place. The Committee hope that the Ministry and the Company would take appropriate measures to prevent such delays at the stages of auditing of accounts and getting the finalised documents approved from the Board of Directors. The Committee trust that, as assured by the Ministry, the Annual Reports and Audited Accounts of the Company for the year 1990-91 would be laid by September, 1992.
11	5.9	The Committee regret that the Institute had been laying its Annual Reports and Audited Accounts with delay since 1985-86 and no effort was made to cut down the delay. The reasons explained for the delay since 1987-88 could not justify the delays that had taken place during the Calendar year <i>i.e.</i> , 1985-86 and 1986-87 when the required documents were laid with delays ranging from 3½ months to 8 months. The Committee, however, trust that with the remedial measures taken to prevent delays, the

1	2	3
12	6.11	<p>Annual Reports and Audited Accounts of the Institute would be laid together in future within the prescribed period of 9 months from the close of the accounting year.</p> <p>The Committee regret to note that the Annual Reports and Audited Accounts of the Mahanagar Telephone Nigam Ltd., New Delhi for the years 1988-89, 1989-90 and 1990-91 were laid with delay of about 8 months, 6½ months and 4 months respectively. The remedial measures proposed by the Ministry such as training of the staff and introduction of Computerisation should have been resorted to much earlier to prevent the recurrence of delays in compilation of their accounts. The Committee hope that the Ministry would effectively implement the proposed remedial measures and ensure monitoring of the time schedule drawn so that the Annual Reports and Audited Accounts of the Nigam are in future laid in Parliament within the prescribed period of 9 months from the close of the accounting year.</p>