

**COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1995-96)**

(TENTH LOK SABHA)

EIGHTEENTH REPORT

(Presented on 24 August, 1995)



समर्थन करो

**LOK SABHA SECRETARIAT
NEW DELHI**

August, 1995/Sravana, 1917 (Saka)

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CORRIGENDA TO EIGHTEENTH REPORT OF COMMITTEE ON
PAPERS LAID ON THE TABLE (1995-96)

Sl. No.	Page	Para	Line	For	Read
1	(v)	-	3 from bottom	August, 1995	8 August, 1995
2.	2	Replies to point(c) may be read for point(d) also.			
3.	6	1.16	8	close of the 8 accounting year	clause of the accounting year
4.	7	2.4	7	with the prescribed period	within the prescribed period
5.	17	3.7	4	after 5 months	after 6 months
6.	21	-	6 & 7	period of 18½ months	period of 17½ months
			11	took about 3½-2 months	took about 2½ months
			3	Institute	Institute
			6	after 5 months	after 6 months
7.	21	Sl.No. 14	9	period of 18½ months	period of 17½ months
			15	took about 3½ months	took about 2½ months
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COMMITTEE ON PAPERS LAID ON THE TABLE (1995-96)

COMPOSITION OF THE COMMITTEE

Shri T.J. Anjalose

— *Chairman*

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3. Shri M. Krishnaswamy
4. Dr. N. Murugesan
5. Shri Subash Chandra Nayak
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13. Shri Khelsai Singh
14. Shri Braja Kishore Tripathy
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SECRETARIAT

- | | |
|-----------------------|-------------------------------|
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| 2. Shri G.C. Malhotra | — <i>Joint Secretary</i> |
| 3. Shri Ram Autar Ram | — <i>Deputy Secretary</i> |
| 4. Shri J.P. Jain | — <i>Under Secretary</i> |

INTRODUCTION

I, the Chairman of the Committee on Papers Laid on the Table of Lok Sabha, having been authorised by the Committee to present the Report on their behalf, present this their Eighteenth Report.

2. As a result of examination of some papers laid on the Table of the House (Tenth Lok Sabha) the Committee have come to certain conclusions in regard to delay in laying of the Annual Reports and Audited Accounts of the (i) Bihar Fruit and Vegetable Development Corporation Ltd., Patna for the year 1988-89; (ii) Indian Institute of Technology, Madras for the year 1991-92; and (iii) Central Tool Room & Training Centre, Jamshedpur for the years 1991-92 and 1992-93 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 8.8.1995.

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

*New Delhi;
August, 1995*

17 Sravana, 1917 (Saka)

T.J. ANJALOSE,
*Chairman,
Committee on Papers Laid
on the Table.*

CHAPTER I

Delay in laying Annual Report and Audited Accounts for the year 1988-89 of Bihar Fruit and Vegetable Development Corporation Ltd. Patna.

Bihar Fruit and Vegetable Development Corporation, Patna was established on 8th October, 1980 under the Companies Act, 1956 with an object to promote and pursue all round development of Horticulture in the State of Bihar. The Corporation was financially assisted by the Government of India by giving a loan of Rs. 70 lakhs. Government of India had also invested Rs. 49 lakhs towards equity participation in this Corporation.

1.2 The Annual Report and Audited Accounts of Bihar Fruit and Vegetable Development Corporation Ltd., Patna for the year 1988-89 were laid together with Review and Delay Statements on the Table of the House on 29 March, 1993. As per recommendation of the Committee contained in para 4.16 of their Second Report (Fifth Lok Sabha) the aforementioned documents should have been laid by 31 December, 1989 i.e. within nine months of the close of the accounting year. Thus the period of delay in laying Annual Report and Audited Accounts came to about 39 months.

1.3 In the statement laid alongwith the Annual Report, the reasons for delay have been explained as under:—

“The copies of the Ninth Annual Report of M/s. Bihar Fruit & Vegetable Development Corporation Ltd., Patna for the year 1988-89 were received in the Ministry in January, 1993. The Parliament was not in Session at that time. Hence, the report is now being laid on the Table of both the Houses of Parliament.”

1.4. The Ministry of Food Processing Industries who were requested to furnish information on certain additional points in this regard, had furnished the same as under:—

POINTS	REPLIES
I. The dates when—	
(a) The Company Law Board/ C&AG was approached for appointment of statutory auditors;	Dy. Accountant General (I&C), Bihar, Patna was requested by the Corporation vide their letter No. 281 dated 18.1.1990 for appointing a Statutory Auditor.
(b) The statutory auditors were appointed;	M/s. Anand Rungta and Co., Patna were thereupon appointed for Statutory Auditing vide Company Law Board, New Delhi letter No. 4/178/88-I&C dated 25.4.1990.

POINTS	REPLIES
(c) the accounts of Bihar Fruit and Vegetable Development Corporation Ltd., Patna were compiled and were ready for being handed over to auditors;	The Account of Bihar Fruit and Vegetable Development Corporation Ltd., Patna were compiled and sent to M/s. Anand Rungta and Co., Patna for Statutory Auditing vide Corporation's letter No. 314 dated 29.7.1991.
(d) the accounts were handed over to auditors for auditing;	
(e) the auditing of accounts commenced by the auditors and the time taken on it;	The Statutory Auditing was completed on 4.11.91 and it took around 3 months.
(f) the annual report was finalised;	The work of Annual Report for 1988-89 was completed on 19.11.1991.
(g) the Annual Report and Audited Accounts were approved from the Governing Body;	The Annual Report and Audited Accounts of the Corporation were approved in the meeting of Board of Directors held on 10.12.1991 and the 9th Annual Meeting of General Body held on 10.12.1991.
(h) the Annual Report and Audited Accounts were taken up for translation and printing and the time taken on it;	The Annual Report and Audited Accounts for 1988-89 were got translated into Hindi and their printing took about 11 months.
(i) the finalised Annual Report and Audited Accounts in both Hindi and English version were sent to the Ministry of Food Processing Industries for being laid in Parliament;	The finalised Annual Report and Audited Accounts in both Hindi and English versions were received from the Corporation in required number in January, 93.
(j) the delay statement and Review were prepared by the Ministry; and	The Delay Statement was prepared on 26.2.1993 and the performance review was prepared on 24.3.1993 in the Ministry of Food Processing Industries.
(k) the Annual Report and Audited Accounts alongwith Review Statement and Delay Statement were got authenticated from the Minister.	The Annual Report and Audited Accounts alongwith Review Statement and Delay Statement were got authenticated by the Minister on 21.3.93/25.3.93.

POINTS	REPLIES
<p>II. The latest position regarding finalisation of the Annual Report and Audited Accounts for the subsequent years 1989-90, 1990-91 and 1991-92. When these are expected to be laid in Parliament?</p>	<p>It has been intimated by the Corporation that Statutory Auditing of Accounts for the year 1989-90 is in process and that the internal auditing for 1990-91 and 1991-92 is expected to be completed shortly.</p>
<p>III. The remedial measures taken or proposed to be taken both in the Ministry and Bihar Fruit and Vegetable Development Corporation Ltd., Patna to ensure timely laying of the Annual Reports and Audited Accounts within the prescribed period of 9 months from the close of the accounting years, in future.</p>	<p>The Annual Report and Audited Accounts for 1989-90, 1990-91 and 1991-92 are expected to be submitted to the Ministry by the Corporation by December' 93. Immediately thereafter, this Ministry will lay those papers on the Table of both the Houses of Parliament in the prescribed manner. It has been submitted by the Corporation that the main reason for Delay in Auditing of Accounts is due to non-availability of Chartered Accountant. The Chartered Accountant in the Corporation relinquished the job in June' 90 and new incumbent could not be appointed by the Corporation due to economic reasons. It has also been stated that the production in Hazipur Preservative Plant of the Corporation has stopped since May' 90 due to economic difficulties. The State Cabinet has decided in its meeting held on 17.9.1991 either to lease this unit or dispose it of by sale. The audit for 1989-90, 1990-91 and 1991-92 of the Corporation is in process. The Statutory Auditing for 1989-90, internal audit for 1990-91 and 1991-92 is in process and efforts are being made by the Corporation to get the auditing of above 3 years' accounts completed by December' 93. The Corporation in their letter dated 22.5.1993 addressed to this Ministry has regretted the delay in submission of Audit Statement and Annual Report for 1988-89.</p>

1.5 The Committee on Papers Laid on the Table (1985-86) who had earlier examined the delay in laying the Annual Reports and Audited Accounts of the Corporation for the years 1980-81 and 1981-82 had in their Eighth Report (Eighth Lok Sabha) presented to Lok Sabha on 17 April, 1986 *inter-alia* recommended as under:—

“....the Annual Reports and Audited Accounts of the Corporation for the years 1983-84 and 1984-85 which are in arrears, should be laid on the Table of the House without further delay. The Committee find that each year, the Corporation has to approach the Company Law Board for appointment of Statutory Auditors and this process takes long time. The Committee hope that in future the Corporation will approach and Company Law Board for the appointment of Auditors well in advance, compile the accounts within 3 months of the close of the accounting year and complete all other formalities in the next six months and furnish to the Ministry of Food and Civil Supplies for placing before Parliament within nine months of the close of the accounting year as recommended earlier by the Committee. The Committee would also like the Ministry of Food and Civil Supplies to explore the possibility of having a standing arrangement for statutory auditing in consultation with the Company Law Board or for a block of years so as to avoid delay in appointment of and settlement with the statutory auditors each year.”

1.6 In their action taken replies, the erstwhile Ministry of Food and Civil Supplies *inter-alia* stated as under:—

“....The need for finalising the accounts in time was reiterated in several letters issued thereafter and in June, 1985. The Department laid down a time-table for updating the annual report and audited accounts of the Corporation. This time-table was as follows:—

Year	Programme for submission to Parliament	Actual submission to the Parliament
1982-83	Winter Session of 1985	December 1985
1983-84	Monsoon Session of 1986	August 1986
1984-85	Winter Session of 1986	December 1986
1985-86	Monsoon Session of 1987	—
1986-87	Winter Session of 1987	—

It may be pointed out that this time-table has been strictly adhered to and the accounts for the years 1983-84 and 1984-85 have been submitted to the Parliament during August and December, 1986 respectively. All efforts are being made to similarly submit the accounts for 1985-86 during the Monsoon Session of 1987 and for 1986-87 during the Winter Session of 1987. This would bring the position up-to-date.

As pointed out above, the annual report and audited accounts for the year 1985-86 would be submitted to the Parliament during the Monsoon Session of 1987. In fact, the Rajya Sabha Secretariat has already granted extension of time for submitting these documents for 1985-86 to the Rajya Sabha during the Monsoon Session of 1987.

It may also be pointed out that the Company Law Board have already appointed statutory auditors for the year 1985-86. The suggestion made by the Committee for having a standing arrangement for statutory auditing of the accounts of the Corporation or appointing Statutory auditors for a block of years has been brought to the notice of the Company Law Board for necessary action at their end."

1.7 The Committee considered the matter at their sitting held on 12.4.1994. Taking note of the inordinate delay of 39 months in laying the documents for the year 1988-89, the Committee decided to call the representatives of the Ministry of Food Processing Industries to further elucidate the matter. Accordingly, the representatives of the Ministry of Food Processing Industries appeared before the Committee on 11.5.1994.

1.8 When asked to explain the reasons for the inordinate delay in laying the Annual Report and Audited Accounts of the Corporation for the year 1988-89, the representative of the Ministry attributed the delay mainly to the industrial sickness of the Corporation. He stated that since May, 1990, the Corporation could not continue with its production activities because of non-availability of working capital. Due to accumulated losses and non-availability of working capital, the Corporation was not in a position to revive its productive activities.

1.9 On the question of meeting out various expenditure of the Corporation, the representative of the Ministry stated that the Corporation was eating away its share capital. The Government had been thinking to convert the loan, given to Corporation, into equity.

1.10 On being asked to state the latest position regarding finalisation of the documents for the subsequent years, the representative of the Ministry stated that the documents for the year 1989-90 had been approved by the Board of Directors in January, 1994. For the years 1990-91 and 1991-92, the documents had been sent for auditing and that for 1992-93, internal auditors had been appointed.

1.11 The Committee were distressed to note that the Annual Report and Audited Accounts of Bihar Fruit and Vegetable Development Corporation Ltd. for the year 1988-89 were laid after an inordinate delay of about 39 months *i.e.* on 29.3.1993. In terms of recommendation of the Committee on Papers Laid on the Table contained in para 4.16 of their Second Report (Fifth Lok Sabha) these documents should have been laid on the Table of Lok Sabha by 31 December, 1989, *i.e.* within nine months of the close of the accounting year.

1.12 From the information furnished by the Ministry, the Committee find that the delay had taken place mainly in (i) appointment of statutory auditors; (ii) compilation of annual accounts and annual report; and (iii) translation and printing of the documents.

1.13 The Committee regret to note that the Corporation did not initiate timely action for appointment of statutory auditors. For auditing the accounts for the year 1988-89, Dy. Accountant General (I&C), Bihar was approached as late as on 18.1.1990 i.e. after 9½ months of the close of the accounting year. In Committee's opinion, steps should have been taken much before the close of the accounting year for appointment of statutory auditors.

1.14 The Committee further note with displeasure that in compiling the annual accounts for the year 1988-89, the Corporation took an unduly long period of 28 months instead of 3 months prescribed by the Committee for this purpose. Further, 11 months were taken in translation and printing of the Annual Report and Audited Accounts which is also a very long period for this purpose.

1.15 The Committee are concerned to note that the Corporation and the Ministry did not make sincere efforts in implementing the recommendations of the Committee contained in their Eighth Report (Eighth Lok Sabha) for obviating recurrence of delay. They simply framed the time table for laying the pending reports in Parliament without going into the reasons for delay with a view to eliminating the delay in future. In regard to having a standing arrangement for statutory auditing, the Ministry after having informed the Company Law Board, it seems, did not make concerted efforts or pursue the matter with them vigorously. As a result, the causes, which were earlier responsible for the delay continued to exist even now.

1.16 The Committee are not convinced with the replies given by the Ministry for the delayed laying of Annual Report and Audited Accounts for the year 1988-89 of the Corporation. The industrial sickness of the Corporation does not in any way justify the delay in compilation of accounts and in approaching the Dy. Accountant General (I&C), Bihar for appointment of Statutory Auditors. The Committee need hardly stress that for laying the documents within the stipulated period, necessary steps should have been taken immediately after the close of the 8 accounting year. The Committee feel that neither the Corporation nor the Ministry gave due importance to the timely compilation and auditing of accounts and thereafter finalisation of the documents for being laid before Parliament within the stipulated period. The Committee do not approve of this laxity on the part of the Corporation as well as on the part of the administrative Ministry.

1.17 The Committee reiterate their earlier recommendations contained in their Eighth Report (Eighth Lok Sabha) in regard to timely appointment of statutory auditors, compilation and finalisation of Annual Accounts & Annual Reports. Immediate steps should be taken to finalise the Annual Reports and Audited Accounts of the Corporation for the years 1990-91 to 1993-94 and place them before Parliament without further delay.

CHAPTER II

Delay in laying Annual Report and Audited Accounts of Indian Institute of Technology, Madras for the year 1991-92

I.I.T. Madras is an autonomous statutory organisation functioning within the "Institutes of Technology Act, 1961", as amended by "The Institute of Technology (Amendment) Act, 1963". The five Institutes of Technology (others being at Bombay, Kanpur, Kharagpur and Delhi) are administered centrally by the Council of IITs, an apex body established by the Government of India to coordinate activities of these Institutes. The Human Resource Development Minister of the Government of India is the Chairman of the Council.

2.2 The Annual Report and Audited Accounts of I.I.T., Madras for the year 1991-92 were laid on the Table of Lok Sabha alongwith the Review and delay statement on 14 December, 1993. As per recommendation of the Committee contained in para 3.5 of their First Report (Fifth Lok Sabha), the aforementioned documents should have been laid within 9 months of the close of the accounting year i.e. by 31 December, 1992. Thus, the period of delay in laying these documents came to about 12 months.

2.3 The Annual Report and Audited Accounts for the preceeding 3 years 1988-89, 1989-90 and 1990-91 were laid on the Table on 27.8.1990, 19.8.1992, 20.8.1992 respectively.

2.4 In the statement laid alongwith the Annual Report and Audited Accounts for the year 1991-92 the reasons for delay had been explained as under:

"The Annual Reports/Audited Reports alongwith audited statement of accounts in respect of Indian Institute of Technology (IIT), Madras were received after 31st December, 1992. As such, these could not be laid before the House with the prescribed period. The same are being laid now."

2.5 The Ministry of Human Resource Development (Department of Education) who were requested to furnish information on certain points in this regard, had furnished the same as under:—

POINTS	REPLIES
I. The dates when — (a) the Company Law Board/ C & AG was approached for appointment of statutory auditors; (b) the statutory auditors were appointed;	The Accountant General (Tamil Nadu & Pondicherry) is the Statutory auditor as per Section 23(2) of the IIT Act.

POINTS	REPLIES
(c) the accounts of Indian Institute of Technology, Madras were ready for being handed over to auditors;	The compilation of the accounts was completed on 30.6.1992.
(d) the accounts were handed over to auditors for auditing;	The Accounts were handed over to the auditors for scrutiny on 13.7.1992.
(e) the auditing of accounts commenced by the auditors and the time taken in it;	The audit of the accounts by Accountant General (TN & Pondicherry) commenced on 13.7.1992 and completed on 1.10.1992 (nearly 3 months).
(f) the annual report was finalised;	Annual Report was finalised and approved by Board of Governors in their 140th meeting dated 30.11.1992.
(g) the annual report and audited accounts were got approved from the Governing Body/Executive Committee/Finance Committee of IIT, Madras;	
(h) The Annual Report and Audited Accounts were taken up for translation and printing and the time taken in it;	So far the translation of the Audit Report and Accounts of the Institute is concerned, the same are done by Accountant General (TN & P)/Comptroller & Auditor General of India. As regards, the annual report, the translation of Hindi version of the report was completed and sent to the Ministry on 5.3.1993.
(i) the finalised Annual Report and Audited Accounts in both Hindi and English versions were sent to the Ministry of Human Resource Development (Deptt. of Education) for being laid in Parliament;	Finalised version of the annual reports and audited documents was sent on 13.5.93 and Hindi version of the same was sent on 13.10.93 which was received from the Accountant General (TN & P) on 10.11.1993.

POINTS	REPLIES
(j) the delay statement and review were prepared by the Ministry; and	15.10.93
(k) the Annual Report and Audited Accounts alongwith Review Statement and Delay Statement were got authenticated from the Minister.	1.12.93
II. The latest position regarding finalisation of the Annual Report and Audited Accounts for the subsequent year 1992-93. When these are expected to be laid in Parliament.	<p>The position regarding finalisation of the Annual Report and Audited Accounts for the year 1992-93 is as under:—</p> <p>Audit Report 1992-93*</p> <ol style="list-style-type: none"> 1. Date of finalisation of Accounts by the Institute 28.6.93 2. Date of submission of Accounts to A.G. 5.7.93 3. Commencement of Inspection of Accounts by A.G. 5.7.93 4. Completion of Inspection of accounts by A.G. 6.9.93 5. Date of Approval of Accounts by the Inspection Officer 6.9.93 6. Date of despatch of Audited accounts by A.G. 17.2.94

*Laid on the Table on 13.12.94. These documents for the year 1993-94 have not been laid till 2.6.1995.

POINTS	REPLIES
7. Date of approval of BOG/PC of the Institute	4.3.93
8. Date of despatch of Audit Report and Audited Accounts to the Ministry by IIT.	
English	18.2.94
Hindi	Still awaited from A.G. of Tamil Nadu
Annual Report 1992-93*	
9. Date of submission of the Report to BOG/PC	8.11.93
10. Date of Approval by BOG/PC	8.11.93
11. Date of despatch to the Ministry by IIT.	
English	10.1.94
Hindi	7.2.94
III. The remedial measures taken or proposed to be taken both in the Ministry and the I.I.T., Madras to ensure timely laying of the Annual Reports and Audited Accounts within the prescribed period of 9 months from the close of the accounting years, in future.	The Ministry have been writing to the Institute stating that Grant-in-Aid of last quarter would be released only on submission of the Annual Report and Audit Report by the 31st December. The Institute, on its part, closed their accounts on 31st March every year and the accounts are kept ready by 30th June every

*Laid on the Table on 13.12.94. These documents for the year 1993-94 have not been laid till 2.6.1995.

POINTS	REPLIES
	<p>year for inspection by Accountant General, Tamil Nadu & Pondicherry. The Accountant General conducts the audit of the Institute's accounts from July to September. Thereafter the Institute awaits the final audit report on the accounts and audit certificate from the Accountant General through the Ministry. As soon as the audit report and annual accounts are received from the Accountant General approval of the Board of Governors is obtained and forwarded to the Ministry for submission to Rajya Sabha/Lok Sabha session for laying before the House.</p>

2.6 The Committee considered the matter at their sitting held on 14.6.1994. Taking note of the inordinate delay in laying the documents on the Table, the Committee decided to call the representatives of the Ministry of Human Resource Development (Department of Education) to tender oral evidence before the Committee. Accordingly, the representatives of the Department of Education appeared before the Committee on 12 September, 1994.

2.7 When asked to explain the reasons for delay in laying on the Table of the House the Annual Report and Audited Accounts for the year 1991-92 of Indian Institute of Technology, Madras, the representatives of the Ministry stated that the main delay had taken place in auditing and furnishing audit report and then its translation into Hindi. In this connection, the A.G. was reminded several times to furnish audit report and its Hindi version.

2.8 When asked as to why Hindi translation of the audit Report could not be done in the Ministry or the Institute, the representative of the Ministry stated that it was primarily the responsibility of the A.G. If Hindi translation is done in the Ministry or in the Institute, in that case A.G. would not be responsible for authenticity of the audit report.

2.9 In regard to forwarding the finalised documents to the Ministry after 11 months of their approval from the Board of Governors, the representative of the Ministry stated that Indian Institute of Technology, Madras sent the documents to the Indian Institute of Technology, Delhi where centralised translation was done which took 3 months. Since Hindi version of the audit report was received late, the other documents also got delayed.

2.10 The Committee are distressed to note that the Annual Report and Audited Accounts of Indian Institute of Technology, Madras for the year 1991-92, which in terms of the recommendations of the Committee contained in Para 3.5 of their First Report (Fifth Lok Sabha) were required to be laid on the Table of Lok Sabha by 31 December, 1992 i.e. within 9 months of the close of the accounting year, were actually laid after a delay of about 12 months i.e. on 14.12.1993.

2.11 From the information furnished by the Ministry of Human Resource Development (Department of Education) the Committee observe that though the annual accounts were handed over to the Auditors on 13.7.1992, the Audited Accounts and the Audit Report thereon were received from the Accountant General on 10.11.1993 i.e. after 15 months of the submission of accounts to the Auditors. The Committee are not satisfied with the reply of the Ministry for taking so much time at the stage of auditing of accounts. The Committee feel that neither the Institute nor the Ministry took the matter seriously and did not sort out the problem. The Ministry should have pursued the matter vigorously with the Accountant General impressing upon the need for laying the documents within the stipulated period.

2.12 The Committee also note with displeasure that even the Annual Report was not finalised in time where no outside agency was involved for its finalisation. Again, the Annual Report and Audited Accounts for the year 1992-93 were laid on the Table also with delay of about 12 months and these documents for the year 1993-94 which were due for laying by 31 December, 1994 have not been laid so far. The Committee can not but observe that the Institute and the Ministry did not give due importance to the timely finalisation of documents with a view to lay them on the Table of the House within the prescribed period.

2.13 The Committee recommend that necessary steps be taken to lay on the Table immediately, the Annual Report and Audited Accounts of the Institute for the year 1993-94.

2.14 The Committee also recommend that the Ministry of Human Resource Development (Department of Education) in consultation with the Institute should chalk out a time bound schedule for completion of various stages involved in finalisation of the documents. A senior officer both in the Ministry and in the Institute should be made responsible to ensure that the

time schedule so drawn up is strictly adhered to and the Annual Report and Audited Accounts are laid within 9 months of the close of the accounting year in future. If the need arises, the matter of delay at the stage of auditing be sorted out with the Accountant General, Madras and a permanent mechanism be evolved to solve the problem.

CHAPTER III

Delay in laying Annual Report and Audited Accounts of Central Tool Room & Training Centre, Jamshedpur for the years 1991-92 and 1992-93

The Central Tool Room & Training Centre, Jamshedpur has been established under the Technical Cooperation programme between Government of India and Government of Denmark. It has been established as Government of India Society. The management of affairs of the Centre rests with the Governing Council constituted by Government of India.

3.2 The Annual Reports and Audited Accounts of Central Tool Room & Training Centre, Jamshedpur for the years 1991-92 and 1992-93 were laid together with Review and delay statement on the Table of Lok Sabha on

2 March, 1994. As per recommendation of the Committee on Papers Laid on the Table as contained in para 3.5 of their First Report (Fifth Lok Sabha), the said documents were to be laid within 9 months of the close of the accounting year i.e. by 31 December, 1992 and 1993 respectively. Thus, the delay in laying these documents came to about 14 months and 2 months for the years 1991-92 and 1992-93 respectively.

3.3 The statement, as laid along with the Annual Reports and Audited Accounts explained the reasons for delay as under:—

“The CTTC at Jamshedpur started its operation only in the later half of 1991-92. In view of this, the Accounts for the year 1991-92 were prepared along with the ones for 1992-93 and finalisation of the same took some time for putting up for approval in the AGM held on 3rd December, 1993.

This caused delay in laying the Accounts on the Table of Rajya Sabha/Lok Sabha and the same is regretted.”

3.4 The Ministry of Industry (Department of Small Scale Industries, Agro & Rural Industries), who were requested to furnish clarification on certain points in this connection, furnished the same as under:—

POINTS	REPLIES
I The dates when— (a) the Company Law Board/C&AG was approached for appointment of statutory auditors;	The Governing Council approved the engagement of P. K. Verma & Co. as Auditor for auditing the accounts for the period 1991-92 and 1992-93 in its meeting held on 15.2.93 (Coupling of 1991-92 with 1992-93 was done because the CTTC started functioning only in the later half of 1991-92).

POINTS	REPLIES
(b) the statutory auditors were appointed;	The approval of the appointment of Auditors by AS & DC (SSI) was communicated to CTTC, Jamshedpur on 25.2.1993.
(c) the accounts of CTTC were compiled and were ready for being handed over to auditors;	The regular General Manager to the CTTC joined duty on 16th December, 1992 at Jamshedpur. Till then the Managing Director of Adityapur Industrial Authority, Jamshedpur was holding the charge of the General Manager, and accounts were being maintained by the office of the Adityapur Industrial Development Authority. All the vouchers were, therefore, to be obtained from Adityapur Industrial Development Authority and produced for audit. These were received from Adityapur Industrial Development Authority only on 31.7.1993.
(d) the accounts were handed over to auditors for auditing;	The Annual Accounts for the periods were then handed over to the Auditors in the first week of September, 1993.
(e) the auditing of accounts commenced by the auditors and the time taken in it;	The Accounts of the Centre were audited by the Auditor and were finally signed on 5.10.1993.
(f) the annual report was finalised;	the annual report for the period 1991-92 and 1992-93 were finalised on 12.10.1993.
(g) The annual report and audited accounts were got approved from the Annual General Meeting/ Governing Body/Executive Committee/Finance Committee of the CTTC;	The Annual Report and Audited Accounts were got approved from the Annual General Meeting held on 3.12.1993.
(h) the Annual report and audited accounts were taken up for translation and printing and the time taken in it;	The Annual Report and Audited Accounts were taken up for translation & printing and completed by 14.12.1993.

POINTS	REPLIES
(i) the finalised annual report and audited accounts in both Hindi and English version were sent to the Ministry of Industry for being laid in Parliament;	Finalised Annual Report and Audited Accounts (both in Hindi and English version) were sent to Ministry of Industry for being laid in Parliament on 18.12.1993.
(j) the delay statement and review were prepared by the Ministry;	The delay statement and review were prepared on 22.3.1994.
(k) the annual report and Audited Accounts alongwith review statement and delay statement were got authenticated by the Minister; and	The Annual Report and Audited Accounts alongwith the review statement were got authenticated by the Honourable Minister on 29.12.1993. The delay statements were got authenticated by the Honourable Minister on 5.4.1994. The Annual Report and Audited Accounts of the CTTC, Jamshedpur for 1991-92 and 1992-93 were laid on the Table of the Lok Sabha (in between) on 1.3.1994 [The Questionnaire sent by the Lok Sabha Secretariat has mentioned period of 1988-89, 1989-90 and 1990-91. These are not applicable in the case of CTTC, Jamshedpur as it started functioning in the later half of 1991-92 only].
(l) the annual reports and audited accounts of the CTTC for the last three years i.e. 1988-89, 1989-90 and 1990-91 were laid on the Table of Lok Sabha.	
II. The remedial measures taken or proposed to be taken both in the Ministry and the CTTC to ensure timely laying of the annual reports and audited accounts within the prescribed period of nine months from the close of the accounting years, in future.	Remedial measures as such are not applicable because delay in the present case is due to the Tool Rooms having started functioning in the later half of 1991-92 and preparation of accounts of 1991-92 and 1992-93 together. All steps will be taken in future to ensure timely laying of the annual report and audited accounts within the prescribed period of nine months from the close of the accounting year.

3.5 The Committee considered the matter at their sitting held on 14.6.1994.

3.6 The Committee regret to note that the Annual Reports and Audited Accounts of the Central Tool Room and Training Centre for the years 1991-92 and 1992-93 which were required to be laid on the Table of the House by 31 December, 1992 and 31 December, 1993 respectively, were actually laid on the Table of Lok Sabha with delay of 14 months and 2 months respectively.

3.7 The Committee find from the information furnished by the Ministry of Industry that the decision to appoint the statutory auditors was taken as late as on 15 February, 1993 and the accounts were handed over to the auditors in the first week of September, 1993 i.e. after 5 months of their appointment. The Committee note with displeasure that the Annual Report for the year 1991-92 was finalised after an unduly long period of 18¹/₂ months from the close of the accounting year. Though the Annual Reports were finalised on 12 October, 1993, they were got approved from the Annual General Meeting on 3 December, 1993 i.e. after about 2 months. On the other hand, the Ministry, after receipt of the documents from the Centre took about 3¹/₂ months in laying the documents in Parliament.

3.8 The Committee, however, note with satisfaction that the Ministry have laid the Annual Report and Audited Accounts for the year 1993-94 within the stipulated period of nine months from the close of the accounting year i.e. on 21 December, 1994. The Committee hope that in future also, the same spirit of timely laying of the documents in the House will be maintained by the Ministry and the Centre.

NEW DELHI;

8 August, 1995

17 Sravana, 1917 (Saka)

T.J. ANJALOSE,
Chairman,

Committee on Papers Laid on the Table

APPENDIX

Summary of recommendations/observations contained in the Report

Sl. No.	Reference to Para No. of the Report	Summary of recommendations/observations
1	2	3
1.	1.11.	The Committee were distressed to note that the Annual Report and Audited Accounts of Bihar Fruit and Vegetable Development Corporation Ltd. for the year 1988-89 were laid after an inordinate delay of about 39 months <i>i.e.</i> on 29.3.1993. In terms of recommendations of the Committee on Papers Laid on the Table contained in para 4.16 of their Second Report (Fifth Lok Sabha) these documents should have been laid on the Table of Lok Sabha by 31 December, 1989, <i>i.e.</i> within nine months of the close of the accounting year.
2.	1.12.	From the information furnished by the Ministry, the Committee find that the delay had taken place mainly in (i) appointment of statutory auditors; (ii) compilation of annual accounts and annual report; and (iii) translation and printing of the documents.
3.	1.13.	The Committee regret to note that the Corporation did not initiate timely action for appointment of statutory auditors. For auditing the accounts for the year 1988-89, Dy. Accountant General (I&C), Bihar was approached as late as on 18.1.1990 <i>i.e.</i> after 9 ¹ / ₂ months of the close of the accounting year. In Committee's opinion, steps should have been taken much before the close of the accounting year for appointment of statutory auditors.
4.	1.14	The Committee further note with displeasure that in compiling the annual accounts for the year 1988-89, the Corporation took an unduly long period of 28 months instead of 3 months prescribed by the Committee for this purpose. Further, 11 months were taken in translation and printing of the Annual Report and Audited Accounts which is also a very long period for this purpose.

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5. 1.15. The Committee are concerned to note that the Corporation and the Ministry did not make sincere efforts in implementing the recommendations of the Committee contained in their Eighth Report (Eighth Lok Sabha) for obviating recurrence of delay. They simply framed the time table for laying the pending reports in Parliament without going into the reasons for delay with a view to eliminating the delay in future. In regard to having a standing arrangement for statutory auditing, the Ministry after having informed the Company Law Board, it seems, did not make concerted efforts or pursue the matter with them vigorously. As a result, the causes, which were earlier responsible for the delay continued to exist even now.
6. 1.16. The Committee are not convinced with the replies given by the Ministry for the delayed laying of Annual Report and Audited Accounts for the year 1988-89 of the Corporation. The industrial sickness of the Corporation does not in any way justify the delay in compilation of accounts and in approaching the Dy. Accountant General (I&C), Bihar for appointment of Statutory Auditors. The Committee need hardly stress that for laying the documents within the stipulated period, necessary steps should have been taken immediately after the close of the accounting year. The Committee feel that neither the Corporation nor the Ministry gave due importance to the timely compilation and auditing of accounts and thereafter finalisation of the documents for being laid before Parliament within the stipulated period. The Committee do not approve of this laxity on the part of the Corporation as well as on the part of the administrative Ministry.
7. 1.17. The Committee reiterate their earlier recommendations contained in their Eighth Report (Eighth Lok Sabha) in regard to timely appointment of Statutory Auditors, compilation and finalisation of Annual Accounts & Annual Reports. Immediate steps should be taken to finalise the Annual Reports and Audited Accounts of the Corporation for the years 1990-91 to 1993-94 and place them before Parliament without further delay.
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8.	2.10.	The Committee are distressed to note that the Annual Report and Audited Accounts of Indian Institute of Technology, Madras for the year 1991-92, which in terms of the recommendations of the Committee contained in Para 3.5 of their First Report (Fifth Lok Sabha) were required to be laid on the Table of Lok Sabha by 31 December, 1992 <i>i.e.</i> within 9 months of the close of the accounting year, were actually laid after a delay of about 12 months <i>i.e.</i> on 14.12.1993.
9.	2.11.	From the information furnished by the Ministry of Human Resource Development (Department of Education) the Committee observe that though the Annual Accounts were handed over to the Auditors on 13.7.1992, the Audited Accounts and the Audited Report thereon were received from the Accountant General on 10.11.1993 <i>i.e.</i> after 15 months of the submission of accounts to the Auditors. The Committee are not satisfied with the reply of the Ministry for taking so much time at the stage of auditing of accounts. The Committee feel that neither the Institute nor the Ministry took the matter seriously and did not sort out the problem. The Ministry should have pursued the matter vigorously with the Accountant General impressing upon the need for laying the documents within the stipulated period.
10.	2.12.	The Committee also note with displeasure that even the Annual Report was not finalised in time where no outside agency was involved for its finalisation. Again, the Annual Report and Audited Accounts for the year 1992-93 were laid on the Table also with delay of about 12 months and these documents for the year 1993-94 which were due for laying by 31 December, 1994 have not been laid so far. The Committee can not but observe that the Institute and the Ministry did not give due importance to the timely finalisation of documents with a view to lay them on the Table of the House within the prescribed period.
11.	2.13.	The Committee recommend that necessary steps be taken to lay on the Table immediately, the Annual Report and Audited Accounts of the Institute for the year 1993-94.
12.	2.14.	The Committee also recommend that the Ministry of Human Resource Development (Department of Education) in consultation with the Institute should chalk

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out a time bound schedule for completion of various stages involved in finalisation of the documents. A senior officer both in the Ministry and in the Institute should be made responsible to ensure that the time schedule so drawn up is strictly adhered to and the Annual Report and Audited Accounts are laid within 9 months of the close of the accounting year in future. If the need arises, the matter of delay at the stage of auditing be sorted out with the Accountant General, Madras and a permanent mechanism be evolved to solve the problem.

13. 3.6.

The Committee regret to note that the Annual Reports and Audited Accounts of the Central Tool Room and Training Centre for the years 1991-92 and 1992-93 which were required to be laid on the Table of the House by 31 December, 1992 and 31 December, 1993 respectively, were actually laid on the Table of Lok Sabha with delay of 14 months and 2 months respectively.

14. 3.7.

The Committee find from the information furnished by the Ministry of Industry that the decision to appoint to Statutory Auditors was taken as late as on 15 February, 1993 and the accounts were handed over to the auditors in the first week of September, 1993 *i.e.* after 5 months of their appointment. The Committee note with displeasure that the Annual Report for the year 1991-92 was finalised after an unduly long period of 18½ months from the close of the accounting year. Though the Annual Reports were finalised on 12 October, 1993, they were got approved from the Annual General Meeting on 3 December, 1992 *i.e.* after about 2 months. On the other hand, the Ministry, after receipt of the documents from the Centre took about 3½ months in laying the documents in Parliament.

15. 3.8.

The Committee, however, note with satisfaction that the Ministry have laid the Annual Report and Audited Accounts for the year 1993-94 within the stipulated period of nine months from the close of the accounting year *i.e.* on 21 December, 1994. The Committee hope that in future also, the same spirit of timely laying of the documents in the House will be maintained by the Ministry and the Centre.