

**COMMITTEE
ON
PAPERS LAID ON THE TABLE
(1993-94)**

(TENTH LOK SABHA)

FOURTEENTH REPORT

(Presented on 15 December, 1994)



**LOK SABHA SECRETARIAT
NEW DELHI**

November, 1994/Agrahayana, 1916 (S)

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**PERSONNEL OF THE COMMITTEE ON PAPERS LAID ON THE
TABLE OF LOK SABHA (1993-94)**

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2. Shri Ram Autar Ram—*Deputy Secretary*
3. Shri J. P. Jain—*Under Secretary*

*Nominated w.e.f. 19.3.1994 vice Shri Chhedi Paswan resigned.

INTRODUCTION

I, 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 Fourteenth Report.

2. As a result of examination of some papers laid during Seventh and Eighth sessions (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) Indian Institute of Forest Management, Bhopal for the year 1989-90; (ii) National Institute of Small Industry Extension Training, Hyderabad for the year 1990-91; (iii) National Airports Authority, New Delhi for the year 1989-90; (iv) Jawahar Institute of Mountaineering and Winter Sports (JIM), Batote (J & K) for the year 1990-91; and (v) North-eastern Regional Agricultural Marketing Corporation Ltd., Guwahati 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 30 November, 1994.

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

NEW DELHI;
November 30, 1994

Agrahayana 9, 1916 (S).

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

CHAPTER I

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR 1989-90 OF THE INDIAN INSTITUTE OF FOREST MANAGEMENT, BHOPAL

The Indian Institute of Forest Management was established in 1982 by Government of India, Ministry of Environment and Forests in response to the growing need for managerial manpower needs and development of managerial capacity in the forest and allied sectors.

During the Seventh Plan Period, Government of India provided a grant of Rs. 900 lakhs. The tripartite agreement, which was signed by the Institute, Government of India and Swedish International Development Authority (SIDA), provides for a financial assistance to the tune of Rs. 600 lakhs. These funds are to be canalised for the Institute through Government of India. Certain academic activities of the Institute are funded out of this assistance.

1.2 The Annual Report and Audited Accounts of the Indian Institute of Forest Management for the year 1989-90 were laid together with Review and Delay Statements on the Table of Lok Sabha on 2 March, 1993. 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 should have been laid within nine months of the close of the accounting year i.e. by 31 December, 1990. Thus the delay in laying the Annual Report and Audited Accounts comes to about 26 months.

1.3 The Statement, as laid alongwith the Annual Report and Audited Accounts, explained the reasons for delay as under:—

"The BOG in their XXVII meeting held on 8.8.1991 approved Annual Report and Audit Report for the year 1989-90. The reports were approved in the X Annual General Meeting of the IIFM Society held on 19.12.1991. Thereafter considerable time was consumed on translation, calling and actual printing of the reports. It was only on 21.12.1992 that the printed copies were received by the Institute.

The delay is partly attributable to the fact that no full time Director was working in the Institute from January, 1989 to March, 1992."

1.4 The Ministry of Environment and Forests, who were asked to furnish clarifications 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;	The appointment of statutory auditors is made by Board of Governors and not by Comptroller and Auditor General of India. The Board of Governors made appointment of statutory auditors for 1989-90 accounts on 20.2.1990.

	Points	Replies
(b)	when statutory auditor was appointed;	16.5.1990.
(c)	when accounts of IIFM were completed and ready for handing over to auditors;	First week of June, 1990.
(d)	when accounts were handed over to auditors for auditing;	First week of June, 1990.
(e)	when auditing of accounts commenced by the auditor and time taken by them;	First week of June, 1990. Report completed in September, 1990.
(f)	when the annual report was finalised;	July, 1991.
(g)	when annual report and audited accounts were approved by Board of Governors;	Approved by Board of Governors in their XXVII meeting held on 8.8.1991. Approved by Annual General Meeting on 19.12.1991.
(h)	when annual report and audited accounts were taken up for translation and printing and time taken in it;	February, 1992. Order for printing made in September, 1992. Printed Annual Report received in December, 1992.
(i)	when finalised annual report and audited accounts both in Hindi and English version sent to Ministry of Environment and Forests;	December 22, 1992 alongwith delay statement.
(j)	delay and review statement prepared by the Ministry;	25.1.1993.
(k)	Annual Report & Audited Accounts alongwith Delay Statement got approved by the Minister.	19.2.1993.
II	Remedial measures taken or proposed to be taken both in the Ministry & IIFM to ensure timely laying of Annual Reports & Audited Accounts within prescribed period of 9 months from close of the accounting year in future.	A Committee has been constituted to oversee the work of finalisation of Annual Administrative Reports. The Committee is headed by Director himself. A faculty member is made incharge of compilation of the report who will be assisted by Assistant Manager (Technical). A time schedule has been adopted for preparation of the Report. The

Points	Replies
	<p>Annual Reports of all the autonomous organisations of this Division have been included in the Annual Action Plan 1993-94. According to Plan, all the autonomous organisations will have to furnish these reports duly approved by BOG & AGM by the end of September, 1993. The autonomous organisations have been reminded in this regard.</p>

1.5 The matter was considered by the Committee at their sitting held on 12.4.1994.

1.6 The Committee are distressed to note that the Annual Report and Audited Accounts of Indian Institute of Forest Management, Bhopal for the year 1989-90, which were required to be laid on the Table by 31 December, 1990, were laid on 2 March, 1993 i.e. after a delay of about 26 months. The Committee regret to note from the Delay Statement laid alongwith the Annual Report and Audited Accounts and subsequent information furnished by the Ministry of Environment and Forests that the Institute took 16 months in finalising the Annual Report of the Institute for the year 1989-90. It is also noted that though the Annual Accounts of the Institute were handed over to the statutory auditors in first week of June, 1990, the auditing of the Annual Accounts could be completed in September, 1990 i.e. in 4 months. Thereafter the Institute took 3 months in getting the Annual Report and Audited Accounts approved by the General Body. The Committee take a serious view of the fact that the Institute took about one year after the documents were approved by the General Body, in translating and printing of the documents. It is regrettable that the Ministry of Environment and Forests took about 2 months in preparing Review and getting all the documents authenticated by the Minister.

1.7 The Annual Report and Audited Accounts for the years 1990-91 and 1991-92 were also laid after a delay of about 20 months and 8 months respectively i.e. on 24.8.1993. For the year 1992-93, these documents were laid after a delay of about 2 months i.e. on 8.3.1994.

1.8. The Committee, however, note with satisfaction that the delay in laying the Annual Report for the year 1992-93 has been reduced to 2 months, thus clearing the backlog of the Annual Reports and Audited Accounts of the Institute.

1.9 Keeping in view the efforts made by the Ministry of Environment and Forests and the Indian Institute of Forest Management in timely finalisation of the reports, the Committee trust that they would keep up their efforts and ensure that the Annual Report and Audited Accounts are laid within the prescribed period of 9 months of the close of the accounting year in future.

CHAPTER II

THE NATIONAL INSTITUTE OF SMALL INDUSTRY EXTENSION TRAINING, HYDERABAD—DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR 1990-91

The National Institute of Small Industry Extension Training (NISIET), Hyderabad, set up in 1962, has been assisting in the promotion and modernisation of Small Industries, through training, research and consultancy activities in the four related fields of small industry development, management, extension and information for development.

2.2 The Annual Report and Audited Accounts for the year 1990-91 of National Institute of Small Industry Extension Training, Hyderabad were laid alongwith Review and Delay Statement on the Table of Lok Sabha on 3 March, 1993. In terms of the recommendation of the Committee contained in para 3.5 of their First Report (Fifth Lok Sabha), the aforementioned documents should have been laid by 31 December, 1991 i.e. within 9 months from the close of the accounting year. Thus, the delay in laying the above mentioned documents came to about 14 months.

2.3 In the statement laid alongwith the Annual Report and Audited Accounts, the reasons for delay in Laying these documents had been explained as under:—

"The Annual Report, Annual Accounts and Audit Report for the year 1990-91 in respect of National Institute of Small Industry Extension Training, Hyderabad, a registered Society under the Ministry of Industry could not be laid on the Table of the House within the stipulated period due to administrative reasons."

2.4 The Ministry of Industry (Department of Small Scale, Agro & Rural Industries), who were requested to furnish information on certain points, had furnished the same as under:—

Points	Replies
I. The dates when—	
(a) the C&AG/AG Andhra Pradesh was approached for appointment of statutory auditors;	The question of C&AG/AG Andhra Pradesh being approached for appointment of statutory auditors did not arise as the auditors are to be appointed by the Society as per Rule 50 (ii) of Memorandum of Association.

Points	Replies
(b) the statutory auditors were appointed;	<p>M/s. B.C. Seetharamayya & Co. who were appointed during 1990 as statutory auditors for a term of three audit years commencing from 1989-90, had completed the audit of accounts of 1989-90 only on 27.2.91, after protracted persuasion. They tried the NISIET in vain to agree for three-fold increase in the contracted audit fee. The issue was discussed in the EC meeting dated 1.8.91 when it was decided that no fee enhancement would be possible and if the auditors were not agreeable, it would imply that they were unilaterally withdrawing from contract and hence their appointment would have to be formally terminated. In that eventuality, M/s. Leo Amalraj & Associates (recommended by the C&AG) were to be appointed on a remuneration of Rs. 12,500/- per annum plus out of pocket expenses. M/s. B.C. Seetharamayya did not, however, unilaterally withdraw after doing the audit of 1989-90 accounts. Instead, they went on delaying the audit on some pretext or the other till 22.1.92 when they finally promised to complete the audit within 30 days. But they did not keep it up although the accounts of 1990-91 were already handed over to them on 26.9.91. Finally, they tendered resignation on 12.5.92. In accordance within the EC resolution of 1.8.91, the NISIET appointed M/s. Leo Amalraj & Associates on 17.8.92 of statutory auditors for a three audit years term commencing from 1990-91. However, on a technical objection raised by M/s. Seetharamayya & Co. to the new auditors that it was only the Society competent to either appoint or accept the resignation</p>

Points	Replies
	of Statutory new auditors and not Executive Committee (EC), the new auditors insisted on a formal approval by the competent authority of the Society to be communicated to them. We have obtained on file the approval of competent authority of the Society, <i>i.e.</i> MOS (I) and this was communicated by NISIET to the new auditors on 17.8.92. Subsequently, the new and present auditors, M/s. Leo Amalraj & Associates had accepted the offer of appointment only on 13.10.92 who later started the audit of 1990-91 accounts immediately.
(c) the accounts of National Institute of Small Industry Extension Training, Hyderabad were compiled and ready for being handed over to auditors;	The accounts for 1990-91 were compiled and readied on 25.9.91 and they were handed over to the then statutory auditors, M/s. B.C. Seetharamayya & Co. on the next date.
(d) the accounts were handed over to auditors for auditing;	As in (b) & (c) above.
(e) the auditing of accounts commenced by the auditors and the time taken on it;	The auditing of accounts for 1990-91 was commenced by the new statutory auditors, <i>viz.</i> M/s. Leo Amalraj & Associates on 13.10.92 and was completed by 5.11.92 <i>i.e.</i> within 22 days.
(f) the annual report was finalised;	The annual reports were finalised on 18.9.92.
(g) the Annual Report and Audited Accounts were approved by the Governing Body;	The annual report and audited accounts were approved by the Governing Body on 18.12.92.
(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 were taken up for translation in Hindi are printing on 26.10.92 and 25.11.92 respectively.
(i) the finalised Annual Report and Audited Accounts both in Hindi and English versions were sent to the Ministry of Industry for being laid in Parliament;	The finalised report and audited accounts both in English and Hindi versions were sent to the DC (SSI), Min. of Industry, for being laid in Parliament on 18.1.93 and were received in the office of DC (SSI) on 27.1.93.

Points	Replies
(i) the delay and review statement were prepared by the Ministry; and	The delay and review statements were prepared by the Ministry [Office of DC (SSI)] on 11.2.93.
(k) The Annual Report and Audited Accounts alongwith review and delay statements were got authenticated by the Minister.	The annual report and audited accounts alongwith review and delay statements were got authenticated by the MOS(I) on 12.2.93.
The latest position regarding finalisation of the Annual Report and Audited Accounts for the subsequent year 1991-92. When these are expected to be laid in Parliament.	As regards the audit of 1991-92 accounts is concerned, it is in progress and the annual report is under compilation by NISIET. The ongoing work is likely to be completed by the end of August'93, when they are expected to be placed before the EC, Governing Council and the Society. The final documents are likely to be laid in Parliament during mid-October, 93.
II. The remedial measures taken or proposed to be taken both in the Ministry and National Institute of Small Industry Extension Training, Hyderabad 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.	The remedial measures meant to ensure speedy compilation of accounts, their audit and timely tabling of the subsequent annual accounts in the Parliament have been taken with abundant caution. The credentials of the present auditors, <i>viz.</i> M/s. Leo Amalraj & Associates have already been verified and recommended by the C&AG before formally appointing as statutory auditors for the accounts of three years commencing from 1990-91. The audited accounts of 1991-92 are likely to be laid in Parliament by mid-Oct.'93. Thereafter, the audit of 1992-93 accounts will be taken up forthwith and they are likely to be tabled in the Parliament by March 94, <i>i.e.</i> with a delay of only 3 months. In this manner, we are ensuring the tabling of 1993-94 accounts to be on time.

2.5 At their sitting held on 12 April, 1994, the Committee considered the matter and decided to take oral evidence of the representatives of the Ministry of Industry (Department of Small Scale Industries).

Accordingly, the representatives of the Department of Small Scale Industries appeared before the Committee on 11 May, 1994 to tender oral evidence.

2.6 When asked to explain the reasons for the delay in laying Annual Report and Audited Accounts of NISIET for the year 1990-91, the representative of the Department stated that the delay had really occurred for the year 1989-90 report. When the auditors took 5½ months in auditing the accounts and the total delay was of 8 months. Further, M/s. B.C. Seetharamayya and Company who were appointed as auditors to audit the accounts for 3 years i.e. for 1989-90, 1990-91 and 1991-92, started creating trouble while auditing the accounts for the year 1990-91 by asking for stepping up of their remuneration from Rs. 10,000 to Rs. 32,000 which could not be agreed to. Then the auditors followed delaying tactics till January, 1992 though the accounts were handed over to them in September, 1991. Later on they decided to replace them with the new auditors who then completed the auditing of accounts for the year 1990-91. So, it had delayed the reports for the subsequent years also.

2.7 Asked whether the C&AG was informed about the delaying tactics followed by M/s. B.C. Seetharamayya and Company in auditing the accounts, the representative of the Department stated that the appointment was made earlier and at the that time there was possibly nothing against the auditors.

2.8 On the question of suing against the defaulting auditors for breach of contract, the representative of the Department stated that they did not consider suing the auditors because that course of action would have only added to the delay.

2.9 When asked to state the latest position of finalisation of the Annual Reports and Audited Accounts for the years 1991-92 and 1992-93, the representative stated that the Annual General Meeting (A.G.M.) of 1991-92 had been held on 19.1.1994. The annual accounts for the year 1992-93 had been given to the auditors for auditing in April, 1994 and the audit report was expected to be ready by the end of May, 1994. He also stated that all out efforts would be made to submit the reports before the end of Monsoon Session of 1994.

2.10 On being asked about the remedial measures taken by the Department to ensure timely laying of the documents in future, the representative stated that they had made an arrangement for giving proper attention to the accounts of NISIET. The officer who used to deal with both Accounts and Administration had now been asked to devote his full attention to accounts only till the reports are finalised. He added that they had planned in such a way that the reports for the years 1991-92 and 1992-93 would be laid in Monsoon Session, 1994 and for the year 1993-94 in Budget Session, 1995. Thereafter from the year 1994-95 onwards the Annual Reports and Audited Accounts would be laid within the prescribed period of 9 months from the close of the financial year.

2.11 The Committee regret to note that the annual report and audited accounts of National Institute of Small Industry Extension Training, Hyderabad (NISIET) for the year 1991 which were required to be laid on the Table of the Lok Sabha by 31st December, 1991, were actually laid on 3rd March, 1993, i.e after a delay of about 14 months. The Committee find from the information furnished by the Department of Small Scale Industries that the delay took place at the stages of compilation of annual accounts, auditing of accounts, taking approval of the General Body and thereafter in sending the documents to the Ministry for being placed before Parliament.

2.12 The Committee take a serious view of the fact that the Institute took an unduly long period of 18 months in finalising the annual report as against six months prescribed by the Committee in this regard. While agreeing for the delay caused by the auditors, the Committee feel that the Institute and the Ministry of Industry are equally responsible for the inordinate delay. In case of deliberate delay in auditing of accounts by Auditors, the Institute as also Ministry of Industry should have acted with promptitude to take up the matter with Comptroller and Auditor-General to replace the auditors. The Committee are of the view that neither the Ministry nor the Institute moved in the matter and allowed the auditors to audit their accounts leisurely. Had the Institute and the Ministry felt their joint responsibility and made efforts in finalisation and placing the required documents in Parliament in time much of the delay could have been avoided. The Annual Report contained only administrative matters of the Institute and, as such, no outside agency was involved. It was also delayed to the extent of 12 months.

2.13 Since the representative of the Department have regretted for the delay that has occurred and assured the Committee to take necessary remedial steps to curtail the delay and lay the required documents as per time schedule, the Committee hope that the Department would strictly adhere to the time schedule drawn by them for laying the Annual Reports and Audited Accounts and clear the backlog of laying the required documents. The Committee also recommend that they should also prepare a time schedule for completion of various stages involved in finalisation of the Annual Report and Audited Accounts. The time schedule so drawn up should be monitored by some senior officers both in the Ministry as well as in the National Institute of Small Industry Extension Training, Hyderabad to obviate delay in future. The Committee may be apprised of the action taken in this regard.

CHAPTER III

NATIONAL AIRPORTS AUTHORITY—DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR 1989-90

The National Airports Authority (NAA) was formed in June, 1986 under the National Airports Authority Act, 1985 (No. 64 of 1985) with the objectives to provide safe, efficient air traffic services, aeronautical communication services for effective control of the Indian Airspace and to plan, develop, construct aerodromes and allied facilities for sustained growth of civil aviation.

3.2 The Annual Report and Audited Accounts of National Airports Authority for the year 1989-90 were laid together with Review and Delay statement on the Table of Lok Sabha on 29.3.1993. 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, 1990 i.e. within 9 months from the close of the accounting year. Thus, the period of delay in laying these documents comes to about 27 months.

3.3 Earlier, the annual report alongwith the audited accounts for the years 1986-87, 1987-88 and 1988-89 in respect of the organisation were laid on the Table of Lok Sabha on 14.9.91, 20.4.92 and 20.8.92 with the delay of about 44½ months, 40½ months and 28 months respectively.

3.4 In the delay statement laid alongwith Annual Report and Audited Accounts for the year 1989-90, the reasons for the delay were explained as under:

"National Airports Authority (NAA) had faced a number of constraints in finalising the first Annual Accounts for the year 1986-87. Switching over to mercantile system of accounting, fixation of commencing capital and finalising the form in which NAA was to prepare the Annual Accounts were the constraints because of which finalising the first Annual Report got delayed. In view of these constraints, the Annual Report for 1986-87, 1987-88 and 1988-89 alongwith the Audited Accounts prescribed under Section 25 of National Airports Authority Act 1985, could be laid on the Table of Lok Sabha only on 14.9.1991, 20.4.1992 and 20.8.1992 respectively.

The delay in finalisation and submission of the Annual Report and Accounts for 1986-87, 1987-88 and 1988-89 has affected the finalisation of the Annual Reports and Accounts for subsequent years.

The Accounts for the year 1989-90 were completed by the NAA and submitted to Member Audit Board on 22nd October, 1992. After interaction between Audit and NAA regarding the former's comments on the accounts, the Audit Certificate was received from the Audit on 4th February, 1993. Thereafter, the report/accounts were translated to Hindi, and both Hindi and English versions were got printed.

For the aforesaid reasons it is regretted that the Annual Report and Audited Accounts of NAA for 1989-90 are being laid on the Table of the House only in the current Session."

3.5 In this connection, the Ministry of Civil Aviation (Department of Civil Aviation) 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;	As per provisions contained in Sub-Sections 2 & 4 of Section 24 of the National Airports Authority Act, 1985 (No. 64 of 1985), the accounts of the Authority are to be audited annually by the C & AG of India and the accounts of the authority as certified by C & AG of India or any other person appointed by him in this behalf together with Audit Report thereon is required to be forwarded annually to Central Government and that Government shall cause the same to be laid before the Parliament.
(b) the Statutory Auditors were appointed;	In view of these provision no action is required for appointment of Statutory Auditors.
(c) the accounts of NAA were compiled and were ready for being handed over to the Auditors;	21.10.1992
(d) the accounts were handed over to Auditors for Auditing;	22.10.1992
(e) the auditing of accounts commenced by the Auditors and the time taken in it;	As understood from C & AG, the audit commenced immediately on receipt of Accounts from NAA. The Audit Certificate was received on 4th February, 1993.

Points	Replies
(f) the Annual Report was finalised;	28.1.1993
(g) the Annual Report and Audited Accounts were approved by the Governing Body;	Annual Accounts on 21.10.92. Annual Report on 16.2.93.
(h) the Annual Report and Audited Accounts were taken up for translation and printing and time taken in it;	Translation and printing taken up on 17.2.93 completed on 1.3.93. Time taken 12 days.
(i) the finalised Annual Report and Audited Accounts both in Hindi and English versions, were sent to the Ministry of Civil Aviation and Tourism for being laid in Parliament.	2nd March, 1993.
j) the delay and review statements were prepared by the Ministry; and	The Annual Report and the Audited Accounts alongwith Review and Delay Statements were prepared in the Ministry on 20.3.1993. After these were authenticated by Hon'ble Minister on 24.3.1993, these were laid in the Lok Sabha on March 29, 1993.
k) the Annual Report and Audited accounts alongwith Review and Delay Statements and were got authenticated by the Minister.	
I. The latest position regarding finalisation of the Annual Report and Audited Accounts for the subsequent years 1990-91 and 1991-92. When these are expected to be laid in Parliament?	The accounts for the year 1990-91 were approved by NAA Board on 28.4.93. It is hoped that NAA will be able to submit to the Ministry the Annual Report and Audited Accounts for the year 1990-91 on receipt of final Audit Certificate from Government Audit which is expected in July, 93 so that these could be laid on the Table of Lok Sabha on the 1st day of the Session commencing after 1.8.93. The accounts for the year 1991-92 are likely to be finalised and submitted to audit by October, 93. These shall be submitted during Budget Session, 1994.

Points	Replies
<p>III. The remedial measures taken or proposed to be taken both in the Ministry and the National Airports Authority to ensure timely laying of the Annual Report and Audited Accounts within the prescribed period of nine months from the close of the accounting years in future.</p>	<p>The Ministry of Civil Aviation has already requested the Rajya Sabha to approve the following schedule for laying of Annual Report and audited accounts on the Table of Rajya Sabha.</p>

Year	Scheduled Date
*1990-91	On the 1st day of the Session commencing after 1.8.93.
**1991-92	Budget Session 1994.
1992-93	On the 1st day of the Session commencing after 1.6.94.

The systems & procedures have been streamlined in such a way that NAA will be able to adhere to above mentioned schedule of submission of Annual Report and Audited Accounts.

3.6 The Committee considered the matter at their sitting held on 12th April, 1994 and decided to take oral evidence of the representative of the Ministry of Civil Aviation.

3.7 Accordingly, the representatives of the Ministry of Civil Aviation appeared before the Committee on 11th May, 1994 to tender oral evidence.

3.8 When asked to explain the reasons for delay in laying the Annual Report and Audited Accounts of National Airports Authority for the year 1989-90, the representatives of the Ministry stated that the National Airports Authority was formed in June, 1986. Prior to 1986, the work was being looked after by the Director-General of Civil Aviation. After the formation as a National Airports Authority, it took a lot of time for the Authority in preparing accounts due to non-submission of the accounts by CPWD to the Authority for executing the construction work. The CPWD was requested repeatedly to furnish the accounts in time, but they failed to do so with the result that the figures relating to the year 1986-87 were received by them only in July, 1991. This affected preparation and finalisation of the accounts for the subsequent years also.

* 1990-91—Laid on the Table on 27.8.1993.

** 1991-92—Laid on the Table on 26.8.1994.

3.9 On being asked about the steps taken to ensure timely laying of the Annual Report and Audited Accounts for the subsequent years, the representatives of the Ministry stated that they had strengthened the Accounts Department which was suffering from shortage of staff. He added that earlier no accounts were being maintained at the airport, but they have now set up an Accounts Unit at the airport itself. They have also now prepared a time schedule for finalisation of the reports in time. They hoped that the Annual Report and Audited Accounts for the year 1993-94 might be laid in Parliament within the prescribed period of nine months from the close of the accounting year.

3.10 The Committee are not convinced with the reasons indicated by the Ministry of Civil Aviation (Department of Civil Aviation) that the first Annual Report of the Authority for the year 1986-87 was delayed on account of constraints due to switching over to mercantile system of accounting, fixation of commencing capital and finalising the format in which the Authority was to prepare the Annual Accounts. The Committee do not appreciate the fact that the delay that took place in 1986-87 persisted and continued till 1989-90 and onwards. The Committee also do not appreciate the argument that the accounts were not submitted by CPWD, Authority in time and hence auditing and other actions on the part of the Authority were delayed. The Ministry of Civil Aviation failed to sort out the problem of non-submission of accounts by CPWD by holding meetings at the appropriate levels instead of entering into protracted correspondence with CPWD. The Committee, however, trust that the Ministry of Civil Aviation would henceforth clear the arrears of Annual Reports and Audited Accounts as per schedule drawn by them and ensure that the Annual Reports and Audited Accounts from the year 1993-94 onwards would be placed before Parliament within the stipulated period of nine months from the close of the accounting year.

CHAPTER IV

JAWAHAR INSTITUTE OF MOUNTAINEERING AND WINTER SPORTS, BATOTE, JAMMU AND KASHMIR — DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR 1990-91

The Jawahar Institute of Mountaineering and Winter Sports (JIM) registered under the Societies Registration Act, 1860 was established at Aru (Pahalgam) in Jammu and Kashmir in October, 1983 with the main objectives of (a) imparting theoretical and practical training in mountaineering and rock climbing techniques; and (b) awaking interest in the mountains and explorations.

4.2 The Annual Report and Audited Accounts of the Jawahar Institute of Mountaineering and Winter Sports for the year 1990-91 were laid together with delay statement on the Table of Lok Sabha on 28-4-1993. As per the recommendation of the Committee contained in para 3.5 of their First Report (5th Lok Sabha), the aforementioned documents should have been laid by 31 December, 1991 i.e. within 9 months from the close of the accounting year. Thus, the period of delay involved in the case came to about 16 months.

4.3 In the statement laid alongwith the Annual Report and Audited Accounts, the reasons for delay had been explained as under:—

“...Jawahar Institute of Mountaineering and Winter Sports (JIM), was set up at Aru (J&K) in October, 1983. As this Institute also gets grants from the Central and State (J&K) Governments, it was decided to lay the accounts and annual report of this Institute also before Parliament. Accordingly, at the request of the Ministry of Defence, in July 1988, the audit of the accounts of JIM was entrusted to the Comptroller & Auditor General (C&AG), of India by the Ministry of Finance from the year 1984-85.

3. Based on the instructions of Ministry of Finance the Institute and the Ministry of Defence had been requesting the Accountant General, J&K for early audit of the accounts of the Institute. However, as the Accountant General, J&K could not send an audit party to the Institute, the Institute got its accounts for the years 1984-85 to 1989-90 audited through Chartered Accountants. Consequently, at the instance of Comptroller & Auditor General of India, the Ministry of Finance issued modified instructions for conduct of audit of the accounts of JIM for these years, providing for superimposed

audit not involving certification of accounts and preparation of the separate audit report for laying before Parliament. Therefore, the audit of the Institute for the years 1984-85 to 1989-90 was conducted by Accountant General, J&K under the revised terms and conditions and audit inspection reports issued without certification of accounts and preparation of separate audit reports for the purpose of laying before Parliament. The accounts for the years 1984-85 to 1989-90, as certified by the C&AG, are, therefore, not to be laid on the Table.

4. The accounts of the Institute for the year 1990-91 were audited by Accountant General, J&K in April-May, 1992 as primary audit involving certification of the accounts and preparation of separate audit report for laying before Parliament. The final audit report was received in this Ministry on the 1st of October, 1992. It is a requirement of audit that accounts may be laid before Parliament only after these are approved/adopted by the Executive Council of the Institute. Accordingly, approval of the members of the Executive Council of the Institute was obtained by circulation and the requisite number of copies of the audit report were made, and the audit report was got translated into Hindi. Accordingly, the Audit Report of JIM for the period 1990-91 is being laid before the Parliament in the present session."

4.4 The Ministry of Defence, who were requested to furnish information on certain points, had furnished the same as under:—

Points	Replies
I. The dates when—	
(a) The Registrar of Societies/ C&AG was approached for appointment of statutory auditors;	The Ministry of Defence/JIM had not approached the Registrar of Societies/C&AG for appointment of statutory auditors. The Ministry of Defence had approached the Ministry of Finance on 12.11.87 to entrust the audit of the Accounts of the Institute to C&AG as per laid down procedure.
(b) the statutory auditors were appointed;	The Ministry of Finance after consulting C&AG, entrusted the audit of JIM to C&AG of India under Section 20(i) of the C&AGs (DP&CS) Act, 1971 on 8.7.88 for a period of five years from 1984-85 to 1988-89. A request was again made to the Ministry of Finance on 6.4.89 to entrust the audit of the Institute to C&AG for a further period of 5 years i.e. from 1989-90 to 1993-94. This was agreed to by the Ministry of Finance on 16.8.89

Points	Replies
(c) The accounts of JIM & WS Batote were compiled and were ready for being handed over to auditors;	Accounts for the year 1990-91 were duly compiled and sent by special messenger by the Institute to AG, J&K on 28.8.91.
(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 audit of the Institute accounts for 1990-91 was taken up by AG, J&K on 20.4.92 and completed on 12.5.92 (23 days).
(f) the audit report was finalised;	The final Audit report for 1990-91 was received by the Ministry and the Institute on 1.10.92.
(g) the Annual Report and Audited Accounts were approved from the Governing Body;	Copies of the audit report were called for from the Institute on 5.10.92 for obtaining the approval of Executive Council which were received in the Ministry on 20.10.92 and approval of the Members of Executive Council was obtained on 30.11.92.
(h) the Annual Report and Audited Accounts were taken up for translation and printing and the time taken on it;	Copies of the Audit Report and Audited Accounts together with Annual Report of the Institute for 1990-91 both in English and Hindi versions were called for from the Institute on 5.10.92. A reply was received from the Institute on 6.11.92 sending copies of Audit Report and certified accounts alongwith the Annual Report in English version only. As regards the Hindi version, the Institute stated that they had no arrangements for Hindi translation.
(i) the finalised Annual Report and Audited Accounts in both Hindi and English versions were sent to the Ministry of Defence for being laid in Parliament.	The Audit Report and Audited Accounts were sent to the Hindi Cell of the Ministry for Hindi translation on 19.11.92 and Hindi version thereof (stencils) was received on 8.12.92.
	The Annual Report sent by the Institute was recast and sent to Hindi Cell for its Hindi translation on 24.12.92 and translation (stencils) were received on 6.1.93.

Points	Replies
(j) the delay statement and review were prepared by the Ministry; and	Delay statement and Review were prepared by the Ministry on 16.3.93 and sent to the Hindi Cell for its Hindi translation on 17.3.93 which was received on 24.3.93.
(k) the Annual Report and audited Accounts along with Review statement and delay statement were got authenticated from the Minister.	Copies of Audit Report, annual Report, Review Report and delay statement both in English and Hindi versions were got authenticated by RRM on 23.4.93.
II. The latest position regarding finalisation of the Annual Report and Audited Accounts for the subsequent year 1991-92. When these are expected to be laid in Parliament.	Audit for the Accounts of the Institute for 1991-92 is in progress and a report from AG, J&K is expected by 15.8.93. Which will be laid before Parliament in the next session.
III. The remedial measures taken or proposed to be taken both in the Ministry and Jawahar Institute of Mountaineering and Winter Sports, Batote 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.	For streamlining the procedure for laying the audited accounts of the Institute before Parliament, the Institute has been directed to enforce a system of monthly, quarterly and half-yearly compilation of the accounts and the Principal has been directed to ensure the following time schedule:—
<p>(i) Enforce a system of monthly and quarterly compilation of accounts in the prescribed formats. The time schedule will be 15 days from the commencement of the succeeding month for the compilation of each month's Accounts (i.e. Accounts for March should be finalised by 15th April and so on). Similarly, the 30th September half-yearly Accounts will be compiled not later than 15th October.</p>	
<p>(ii) The compilation of half-yearly Accounts will be furnished to the Secretary of the Institute by 15th April and 15th October respectively for check and verification.</p>	

Points	Replies
	(iii) Close of the Annual Accounts of the Institute by the third week of April.
	(iv) Arrangements to arrive at with the Accountant General, J&K, Jammu for deputing Auditors and taking up the Audit work in the first week of May, so that the Audit may be completed before 15th of May and the Auditor Report with Audited Accounts is made available by the end of May each year.
	(v) Furnish 85 copies of the Audited Accounts (50 copies with endorsement) with comments along with a draft Annual Report of the Institute for the year ending 31st March to the Secretary of the Institute by 15th June.
	(vi) Furnish 50 copies of the Audited Accounts in Hindi version (with endorsement) to the Secretary of the Institute not later than 31st July.
	(vii) Approval of the Executive Council either by circulation or in a meeting to be obtained by the Secretary of the Institute not later than 31st July.

By following the above time-schedule it would be possible for the Ministry to arrange for preparation of the Annual Report and the Review Report alongwith the Audit Report and their placement before the Parliament within the prescribed period in future.

4.5 The Committee considered the matter at their sitting held on 14.6.1994. Taking into account the inordinate delay in laying the documents, the Committee decided to hear the representatives of the Ministry of Defence on the matter. Accordingly, the representatives of the Ministry of Defence appeared before the Committee at their sitting held on 12.9.1994.

4.6 When enquired as to why the Audited Accounts of the Institute for the years 1984-85 to 1989-90 were not laid on the Table of Lok Sabha, the witness stated that they thought that the audited accounts were not required to be laid. They added that if those were to be laid they would lay them.

4.7 On being asked to explain the reasons for delay in compilation of annual accounts for the year 1990-91, the witness stated that the delay had occurred because the accounts were sent to A.G., J&K on 28.8.1991. However, he admitted that there was a delay on their part.

4.8 In regard to commencement of auditing of accounts after 8 months of its submission to A.G., J&K, the witness stated as under:—

“We had been requesting to the Accountant General for sending audit team as early as possible. The delay in sending the audit team is probably due to the disturbed conditions in the valley. We have been reminding the Accountant General in these intervening eight months. Special messengers were also sent in this regard.”

4.9 When asked as to whether the Accountant General mentioned the reasons for delay in conducting the audit, the witness replied in negative.

4.10 On being asked to explain the reasons for taking 4 months in laying the documents by the Ministry after its receipt from the Institute, the witness stated that after approval of the audit report by the Executive Council the documents were got translated. The translated version was received in January, 1993 by which time the Winter Session of Parliament was over. Thereafter, all the preparations were made according to the revised time.

4.11 In regard to laying of Annual Reports and Audited Accounts for the years 1991-92 and 1992-93, the documents were stated to have been sent for laying on the Table of Lok Sabha in August, 1994 but those could not be laid. In respect of 1993-94 reports, he stated that auditing had been completed and the audit report was awaited.

4.12 When asked about the steps taken to streamline the procedure for laying the documents in time in Parliament, the representative of the Ministry stated that the Institute had been directed to prepare the time table for submission of monthly and quarterly reports on the accounts. The Accountant General had also been requested to depute statutory auditors immediately after the accounts were ready for auditing.

4.13 The Committee take a serious view of the fact that the Annual Report and Audited Accounts for the years from 1984-85 to 1989-90 were not laid on the Table of Parliament. The Committee find that the delay statement, as furnished by the Ministry, itself include that “...the audit of the Institute for the years 1984-85 to 1989-90 was conducted by Accountant General, J&K under the revised terms and conditions and audit inspection reports for the purpose of laying before Parliament...” The Committee are unable to understand, how the Ministry had arrived at this decision of not laying the reports and accounts of the Institute. The Committee would have appreciated if the Ministry had sought clarifications from them in case of any doubt. The Committee deprecate the manner in which the matter was dealt with.

4.14 The Committee further note with regret that the Annual Report and Audited Accounts of the Institute for the year 1990-91 were also laid with an inordinate delay of 16 months. The Committee find from the information furnished by the Ministry that the delay had occurred at the stages of compilation of Annual Accounts, auditing the accounts, translation of the Annual Report and Audited Accounts and preparing Review and Delay statement.

4.15 The Committee are unhappy to note that the annual accounts of the Institute were handed over to the statutory auditors after 5 months of the close of the accounting year as against 3 months prescribed by the Committee. The Committee are not able to appreciate the reply given for this delay. As soon as the accounts were ready for being handed over to the auditors, it should have been submitted to them immediately for its auditing.

4.16 In regard to delay at the stage of auditing of accounts, the Committee are not satisfied with the reply given by the Ministry. The Ministry should have asked the audit authority in a definite way for conducting the audit immediately. They should have also found out from the A.G., J&K about the problem, if any, being faced by them in auditing the accounts of the Institute. In case of disturbed conditions in J&K being the reason for delay in conducting the audit at Aru (Pahalgam) the records should have been brought to some other convenient place.

4.17. The Committee are distressed to note that the Annual Report, which was required to be finalised within 6 months of the close of the accounting year, was finalised in 19 months. Moreover, proper care was not taken while preparing the Annual Report by the Institute which resulted in another avoidable delay of about 2 months. The Committee feel that the Institute did not pay due attention and importance to the finalisation of the Annual Report and their placing before Parliament within the stipulated period. The Ministry of Defence allowed the Institute to take their own time in finalising the documents. Had the Ministry been monitoring the progress effectively, much of the delay could have been avoided.

4.18 The Committee recommend that the annual accounts should be compiled and made available for auditing within 3 months of the close of the accounting years. These should be handed over to the statutory auditors without wasting any time. For timely completion of audit work sincere efforts should be made by the Institute by pursuing the matter vigorously with the auditors.

4.19 The Committee further recommend that since translation of the documents into Hindi is done by the Ministry, the Institute should forward the documents to the Ministry well before the time of its laying thus giving sufficient time to the Ministry for its translation and preparing Review etc. on the Report.

4.20 The Committee also recommend that for ensuring timely completion of each stage of finalisation of the documents, the Ministry, in consultation with the Institute and audit authorities should prepare a time schedule. Some senior officer, both in the Ministry and in the Institute should monitor adherence of the time schedule so drawn up and ensure that the documents are laid in Parliament within 9 months from the close of the accounting year.

CHAPTER V

DELAY IN LAYING ANNUAL REPORT AND AUDITED ACCOUNTS OF THE NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LTD., GUWAHATI FOR THE YEAR 1988-89.

The Annual Report and Audited Accounts of North Eastern Regional Agricultural Marketing Corporation Ltd., Guwahati for the year 1988-89 were laid alongwith Review and Delay Statement on the Table of Lok Sabha on 21 December, 1993. In terms of the 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 9 months from the close of the accounting year. Thus, the delay in laying the above mentioned documents came to about 48 months.

5.2 Earlier the Annual Reports and Audited Accounts of the North Eastern Regional Agricultural Marketing Corporation Ltd., for the years 1985-86, 1986-87 and 1987-88 were laid on the Table of Lok Sabha on 5.12.1986, 10.12.1987 and 1.12.1988 respectively i.e. within the prescribed period of nine months from the close of the accounting years recommended by the Committee on Papers Laid on the Table of Lok Sabha.

5.3 In the statement laid alongwith the Annual Report and Audited Accounts, the reasons for delay in laying these documents for the year 1988-89 had been explained as under:—

“A Special Audit of the accounts of North Eastern Regional Agricultural Marketing Corporation Limited (NERAMC) was got conducted. Comments of the Comptroller and Auditor General of India on the accounts for the year 1988-89 were received by NERAMC on 26.07.1993. Thereafter, the Board of Directors of NERAMC received and adopted the Annual Report and Accounts for the year 1988-89 in its 7th adjourned Annual General Meeting held on 30th September, 1993 and forwarded the same to the Ministry on 30th November, 1993. Hence, the 7th Annual Report and accounts of North Eastern Regional Agricultural Marketing Corporation for the year 1988-89 are now being laid on the Table of both the Houses of Parliament.”

5.4 The Ministry of Food Processing Industries who were requested to furnish information on certain points, have furnished the same as under:—

Points	Replies
I. The dates when	
(a) the C&AG was approached for appointment of auditors and auditors were appointed;	C&AG was approached for appointment of Auditor on 26.8.1988 and Statutory Auditor was appointed on 25.4.1989.
(b) the accounts for the year 1988-89 of the Corporation were ready for being handed over to the Auditors;	The Accounts for the year 1988-89 were finalised and were ready for placing before the Auditor during the month of March, 1990.
(c) the accounts were handed over to the Auditors for auditing;	The accounts were handed over to the Auditor for audit during the month of April, 1990.
(d) the auditing of accounts commenced by the Auditors and the time taken on it;	Auditing of accounts was commenced by the Auditor during the month of April, 1990 and the report was submitted during the month of August, 1990.
(e) the auditors furnished the final Audit Report to the Corporation;	The Auditors had furnished the final Audit Report during the month of August, 1990 to the Corporation.
(f) the annual report was finalised;	The Annual Report was finalised during the month of September, 1993.
(g) the annual report and audited accounts were got approved from the Governing Body/Executive Council of the Corporation;	The Annual Report and Audited Accounts were got approved at the Annual General Meeting during the month of September, 1993.
(h) the annual report and audited accounts were taken up for translation and printing and time taken on it;	The Annual Report was taken up for translation and printing during the month of October, 1993.

Points	Replies
(i) the finalised annual report and audited accounts in both version were sent to the Ministry for being laid in Parliament;	The finalised Annual Report was sent to the Ministry on 30.11.1993 and 8.12.1993 for being laid on the Table of Parliament.
(j) the delay statement and review were prepared by the Ministry; and	Draft of the delay statement and review were prepared by the Ministry on 1.12.93 and were approved by MOS(FPI) on 7.12.93.
(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 Delay Statement and Review Statement were got authenticated from MOS(FPI) on 14.12.1993.
II. The latest position regarding finalisation of the annual reports and audited accounts for the subsequent years 1989-90, 1990-91 and 1991-92 and 1992-93. When these are expected to be laid in Parliament?	The latest position regarding finalisation of accounts for the subsequent years i.e. 1989-90, 1990-91, 1991-92 and 1992-93 is summarised as under:—
Accounts for 1989-90:	
The Annual Report and Accounts for the year 1989-90 are being laid on the Table of the two Houses of Parliament during the current session.	
Accounts for 1990-91:	
The Auditors report on the accounts has been forwarded to CAG for their comment Annual General Meeting is expected to be held during the month of May, 1994.	

Points	Replies
	Accounts for 1991-92:
III. The detailed remedial measures taken or proposed to be taken both in the Ministry and the Corporation to ensure timely laying of the Annual Reports and Audited Accounts within the prescribed period of 9 months from the close of the accounting year, in future.	After adoption of the accounts for 1990-91 by the Annual General Meeting, the auditors will submit the Auditors report of accounts for 1991-92 to the Corporation. The Auditors have already checked and varified the accounts of 1991-92. It is expected to get the accounts cleared on or before August, 1994 for laying before the Parliament.
IV. The dates on which the annual reports and audited accounts for the years 1985-86, 1986-87 and 1987-88 were laid on the Table of Lok Sabha.	Accounts for 1992-93: The Statutory Auditors have been appointed during March, 1994 for auditing the accounts of 1992-93. It is expected to get the accounts audited and finalised on or before August, 1994. The Board of Directors of the Corporation have constituted a Committee consisting of three Directors of the Board to expedite clearance of the backlog of Accounts and also to ensure timely laying of the Annual Reports and Audited Accounts within the prescribed period of time.
5.5 At their sitting held on 14.6.1994, the Committee on Papers Laid on the Table considered the reasons given by the Ministry of Food Processing Industries in regard to the delay in laying the Annual Report and Audited Accounts of the North Eastern Regional Agricultural Marketing Corporation Ltd., Guwahati for the year 1988-89 and decided that the representatives of the Ministry might be called to appear before them to explain the delay.	The Annual Reports and Audited Accounts for the years 1985-86, 1986-87 and 1987-88 were laid on the Table of Lok Sabha on 5.12.1986, 10.12.1987 and 1.12.1988 respectively.

5.6 At the sitting of the Committee held on 2.9.1994 the representatives of the Ministry of Food Processing Industries appeared before the Committee to tender oral evidence on the subject.

5.7 During evidence when asked to explain the reasons for delay in laying these documents on the Table of the House, the representative of the Ministry apologised for the delay and admitted that it should not have taken place. He attributed the delay to the late finalisation of accounts by the Corporation and adopting the wrong procedure for handing over the accounts to the Statutory Auditors for auditing.

5.8 On being asked what action had been taken against those responsible for the delay, the representative of the Ministry informed that the services of the Financial Adviser were terminated and CMD had left the Corporation and the CBI inquiry was still going on against them. He also informed that for the subsequent years there had been some improvement. For instance, the documents for the year 1989-90 have already been placed before Parliament, accounts for the year 1990-91 have been approved by the AGM, accounts for the year 1991-92 have been approved by the Board and have been handed over to statutory auditors for auditing. Accounts for the year 1992-93 had also been approved and the statutory auditors would take them for audit after auditing of the accounts for the earlier year i.e. 1991-92. Accounts for the year 1993-94 are under compilation. He assured the Committee that from the year 1995-96 onwards there would not be any delay in finalisation of the Annual Reports and Audited Accounts of the Corporation and their placing before Parliament.

5.9 The Committee note that the Annual Report and Audited Accounts of the North Eastern Regional Agricultural Marketing Corporation Ltd., Guwahati for the year 1988-89 were laid alongwith review and delay statement on the Table of Lok Sabha on 21 December, 1993 after a delay of about 48 months.

5.10 The Committee are constrained to observe that the Statutory Auditor for auditing the accounts of the Corporation was appointed on 25 April, 1989 but the accounts could be compiled and made available for auditing in April, 1990 i.e. after a lapse of about 1 year. Further, the statutory audit was completed and the final Audit Report was furnished to the Corporation in August, 1990 but the Annual Report was finalised by the Corporation in September, 1993 i.e. after about 3 years. As a result thereof, the Annual Reports and Audited Accounts for the subsequent years i.e. for 1989-90, 1990-91, 1991-92, 1992-93 and 1993-94 have fallen into arrears. The Committee are of the view that the Ministry failed to monitor the finalisation of the Annual Report and Accounts of the Corporation. The inordinate delay in placing before the Parliament the Annual Report and Audit Accounts of the Corporation exhibits total lack of accountability to the Parliament by the Ministry of Food Processing Industries. The

Committee take a serious view of the lapse and recommend that immediate steps should be taken by the Government and the Corporation to draw up a time bound programme for clearance of their arrears of Annual Reports and Accounts and devise a suitable mechanism to ensure that the required documents of the Corporation would be placed before Parliament in future within 9 months of the close of the accounting years of the Corporation.

NEW DELHI;
November 30, 1994

Agrahayana 9, 1916 (Saka)

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

APPENDIX

Summary of recommendations/observations contained in the Report

S. No.	Reference to Para No. of the Report	Summary of recommendations/observations
1	2	3
1	1.6	<p>The Committee are distressed to note that the Annual Report and Audited Accounts of Indian Institute of Forest Management, Bhopal for the year 1989-90, which were required to be laid on the Table by 31 December, 1990, were laid on 2 March, 1993 i.e. after a delay of about 26 months. The Committee regret to note from the Delay Statement laid alongwith the Annual Report and Audited Accounts and subsequent information furnished by the Ministry of Environment and Forests that the Institute took 16 months in finalising the Annual Report of the Institute for the year 1989-90. It is also noted that though the Annual Accounts of the Institute were handed over to the statutory auditors in first week of June, 1990, the auditing of the Annual Accounts could be completed in September, - 1990 i.e. in 4 months. Thereafter the Institute took 3 months in getting the Annual Report and Audited Accounts approved by the General Body. The Committee take a serious view of the fact that the Institute took about one year after the documents were approved by the General Body, in translating and printing of the documents. It is regrettable that the Ministry of Environment and Forests took about 2 months in preparing Review and getting all the documents authenticated by the Minister.</p>
2	1.7	<p>The Annual Report and Audited Accounts for the years 1990-91 and 1991-92 were also laid after a delay of about 20 months and 8 months respectively i.e. on 24.8.1993. For the year 1992-93, these documents were laid after a delay of about 2 months i.e. on 8.3.1994.</p>

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3	1.8	<p>The Committee, however, note with satisfaction that the delay in laying the Annual Report for the year 1992-93 has been reduced to 2 months, thus clearing the backlog of the Annual Reports and Audited Accounts of the Institute.</p>
4	1.9	<p>Keeping in view the efforts made by the Ministry of Environment and Forests and the Indian Institute of Forest Management in timely finalisation of the reports, the Committee trust that they would keep up their efforts and ensure that the Annual Report and Audited Accounts are laid within the prescribed period of 9 months of the close of the accounting year in future.</p>
5	2.11	<p>The Committee regret to note that the annual report and audited accounts of National Institute of Small Industry Extension Training, Hyderabad (NISIET) for the year 1991 which were required to be laid on the Table of the Lok Sabha by 31st December, 1991, were actually laid on 3rd March, 1993, i.e., after a delay of about 14 months. The Committee find from the information furnished by the Department of Small Scale Industries that the delay took place at the stages of compilation of annual accounts, auditing of accounts, taking approval of the General Body and thereafter in sending the documents to the Ministry for being placed before Parliament.</p>
6	2.12	<p>The Committee take a serious view of the fact that the Institute took an unduly long period of 18 months in finalising the annual report as against six months prescribed by the Committee in this regard. While agreeing for the delay caused by the auditors, the Committee feel that the Institute and the Ministry of Industry are equally responsible for the inordinate delay. In case of deliberate delay in auditing of accounts by Auditors, the Institute as also Ministry of Industry should have acted with promptitude to take up the matter with Comptroller and Auditor-General to replace the auditors. The Committee are of the view that neither the Ministry nor the Institute moved in the matter and allowed the auditors to</p>

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		audit their accounts leisurely. Had the Institute and the Ministry felt their joint responsibility and made efforts in finalisation and placing the required documents in Parliament in time much of the delay could have been avoided. The Annual Report contained only administrative matters of the Institute and, as such, no outside agency was involved. It was also delayed to the extent of 12 months.
7	2.13	Since the representatives of the Department have regretted for the delay that has occurred and assured the Committee to take necessary remedial steps to curtail the delay and lay the required documents as per time schedule, the Committee hope that the Department would strictly adhere to the time schedule drawn by them for laying the Annual Reports and Audited Accounts and clear the backlog of laying the required documents. The Committee also recommend that they should also prepare a time schedule for completion of various stages involved in finalisation of the Annual Report and Audited Accounts. The time schedule so drawn up should be monitored by some senior officers both in the Ministry as well as in the National Institute of Small Industry Extension Training, Hyderabad to obviate delay in future. The Committee may be apprised of the action taken in this regard.
8	3.10	The Committee are not convinced with the reasons indicated by the Ministry of Civil Aviation (Department of Civil Aviation) that the first Annual Report of the Authority for the year 1986-87 was delayed on account of constraints due to switching over to mercantile system of accounting, fixation of commencing capital and finalising the format in which the Authority was to prepare the Annual Accounts. The Committee do not appreciate the fact that the delay that took place in 1986-87 persisted and continued till 1989-90 and onwards. The Committee also do not appreciate the argument that the accounts were not submitted by CPWD Authority in time and hence auditing and other actions on the part of the Authority were delayed. The Ministry of Civil Aviation failed to sort out the problem of non-submission of accounts by CPWD by holding

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		meetings at the appropriate levels instead of entering into protracted correspondence with CPWD. The Committee, however, trust that the Ministry of Civil Aviation would henceforth clear the arrears of Annual Reports and Audited Accounts as per schedule drawn by them and ensure that the Annual Reports and Audited Accounts from the year 1993-94 onwards would be placed before Parliament within the stipulated period of nine months from the close of the accounting year.
9.	4.13	The Committee take a serious view of the fact that the Annual Report and Audited Accounts for the years from 1984-85 to 1989-90 were not laid on the Table of Parliament. The Committee find that the delay statement, as furnished by the Ministry, itself include that "...the audit of the Institute for the years 1984-85 to 1989-90 was conducted by Accountant General, J&K under the revised terms and conditions and audit inspection reports for the purpose of laying before Parliament..." The Committee are unable to understand, how the Ministry had arrived at this decision of not laying the reports and accounts of the institute. The Committee would have appreciated if the Ministry had sought clarifications from them in case of any doubt. The Committee deprecate the manner in which the matter was dealt with.
10.	4.14	The Committee further note with regret that the Annual Report and Audited Accounts of the Institute for the year 1990-91 were also laid with an inordinate delay of 16 months. The Committee find from the information furnished by the Ministry that the delay had occurred at the stages of compilation of Annual Accounts, auditing the accounts, translation of the Annual Report and Audited Accounts and preparing Review and Delay statement.
11.	4.15	The Committee are unhappy to note that the annual accounts of the Institute were handed over to the statutory auditors after 5 months of the close of the accounting year as against 3 months prescribed by the Committee. The Committee are not able to appreciate the reply given for this delay. As soon as the accounts were ready for being handed over to the auditors, it should have been submitted to them immediately for its auditing.

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12.	4.16	In regard to delay at the stage of auditing of accounts, the Committee are not satisfied with the reply given by the Ministry. The Ministry should have asked the audit authority in a definite way for conducting the audit immediately. They should have also found out from the A.G., J&K about the problem, if any, being faced by them in auditing the accounts of the Institute. In case of disturbed conditions in J & K being the reason for delay in conducting the audit at Aru (Pahalgam) the records should have been brought to some other convenient place.
13.	4.17	The Committee are distressed to note that the Annual Report, which was required to be finalised within 6 months of the close of the accounting year, was finalised in 19 months. Moreover, proper care was not taken while preparing the Annual Report by the Institute which resulted in another avoidable delay of about 2 months. The Committee feel that the Institute did not pay due attention and importance to the finalisation of the Annual Report and their placing before Parliament within the stipulated period. The Ministry of Defence allowed the Institute to take their own time in finalising the documents. Had the Ministry been monitoring the progress effectively, much of the delay could have been avoided.
14.	4.18	The Committee recommend that the annual accounts should be compiled and made available for auditing within 3 months of the close of the accounting years. These should be handed over to the statutory auditors without wasting any time. For timely completion of audit work sincere efforts should be made by the Institute by pursuing the matter vigorously with the auditors.
15.	4.19	The Committee further recommend that since translation of the documents into Hindi is done by the Ministry, the Institute should forward the documents to the Ministry well before the time of its laying thus giving sufficient time to the Ministry for its translation and preparing Review etc. on the Report.

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16.	4.20	<p>The Committee also recommend that for ensuring timely completion of each stage of finalisation of the documents, the Ministry, in consultation with the Institute and audit authorities should prepare a time schedule. Some senior officer, both in the Ministry and in the Institute should monitor adherence of the time schedule so drawn up and ensure that the documents are laid in Parliament within 9 months from the close of the accounting year.</p>
17.	5.9	<p>The Committee note that the Annual Report and Audited Accounts of the North Eastern Regional Agricultural Marketing Corporation Ltd., Guwahati for the year 1988-89 were laid alongwith review and delay statement on the Table of Lok Sabha on 21 December, 1993 after a delay of about 48 months.</p>
18.	5.10	<p>The Committee are constrained to observe that the Statutory Auditor for auditing the accounts of the Corporation was appointed on 25 April, 1989 but the accounts could be compiled and made available for auditing in April, 1990 i.e. after a lapse of about 1 year. Further, the statutory audit was completed and the final Audit Report was furnished to the Corporation in August, 1990 but the Annual Report was finalised by the Corporation in September, 1993 i.e. after about 3 years. As a result thereof, the Annual Reports and Audited Accounts for the subsequent years i.e. for 1989-90, 1990-91, 1991-92, 1992-93 and 1993-94 have fallen into arrears. The Committee are of the view that the Ministry failed to monitor the finalisation of the Annual Report and Accounts of the Corporation. The inordinate delay in placing before the Parliament the Annual Report and Audit Accounts of the Corporation exhibits total lack of accountability to the Parliament by the Ministry of Food Processing Industries. The Committee take a serious view of the lapse and recommend that immediate steps should be taken by the Government and the Corporation to draw up a time bound programme for clearance of their arrears of Annual Reports and Accounts and devise a suitable mechanism to ensure that the required documents of the Corporation would be placed before Parliament in future within 9 months of the close of the accounting years of the Corporation.</p>