

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2017-2018)**

SIXTEENTH LOK SABHA

FIFTEENTH REPORT

(Presented on 28.12.2017)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI
December, 2017/Pausha, 1939(Saka)**

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COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE
(2017-2018)

Shri Chandrakant Khaire

-

Chairperson

M E M B E R S

2. Shri Dushyant Chautala
3. Shrimati Veena Devi
4. Shri P.C. Gaddigoudar
5. Shri Laxman Giluwa
6. Shri Choudhury Mohan Jatua
7. Shrimati Mausam Noor
8. Shri Bheemrao B. Patil
9. Shri Sanjaykaka Ramchandra Patil
10. Shri Bishnupada Ray
11. Shri Midhun Reddy
12. Shri Uday Pratap Singh
13. Shri Virendra Singh
14. Shri P.R. Sundaram
15. Shri Manohar Untwal

SECRETARIAT

- | | | | |
|----|-----------------------|---|-------------------------|
| 1. | Dr. Preeti Srivastava | - | Joint Secretary |
| 2. | Smt. Rita Jailkhani | - | Director |
| 3. | Smt. Maya Lingi | - | Additional Director |
| 4. | Shri Rajni Bhagat | - | Sr. Executive Assistant |

INTRODUCTION

I, Chairperson of the Committee on Papers Laid on the Table of the House (2017-18), having been authorized by the Committee to present this Report on their behalf, present this Fifteenth Report in respect of delay in laying of the Annual Reports together with Audited Accounts of the Pawan Hans Helicopter Ltd., Noida.

2. In terms of the recommendation of the Committee on Papers Laid on the Table contained in its First Report, Second Report (5th Lok Sabha) and Second Report (6th Lok Sabha) presented to the House on 08 March 1976, 12 May 1976 and 22 December 1977 respectively, the Annual Report and Audited Accounts of the Organisation/Company are required to laid on the Table of the House within nine months of the closure of Accounting Year.

3. The Committee considered the matter of delays in laying of the Annual Reports and Audited Accounts of the Pawan Hans Helicopter Ltd., Noida and took oral evidence of the representatives of the Ministry of Civil Aviation at their sitting held on 25 August, 2015.

4. The Committee considered and adopted this Report at their sitting held on 01 November, 2017.

5. The Committee wish to express their thanks to the officers of the Ministry of Civil Aviation for furnishing the written replies, other material/information and for placing their views in the matter before the Committee.

6. The Observations / Recommendations of the Committee have been printed in bold letters at the end of the Report.

New Delhi
30 November, 2017
09 Agrahayana, 1939 (Saka)

Chandrakant B. Khaire
Chairperson
Committee on Papers Laid on the Table

Report

Delay in laying of the Annual Reports and Audited Accounts of the Pawan Hans Helicopter Limited, Noida

Pawan Hans was incorporated on 15 October 1985 as the Helicopter Corporation of India (HCI), the country's national helicopter company with the objective of providing helicopter support services to the oil sector for its off-shore exploration operations, services in remote areas and charter services for promotion of tourism. It is a government owned enterprise with 51% in government hands and 49% with Oil and Natural Gas Commission (ONGC).

2. As regard provision for laying of the Annual Report and Audited Accounts of the PHHL the Ministry in their written Note stated as under:-

"In terms of the provisions of Section 619 A of the Companies Act, 1956 (Section 394 of Companies Act, 2013), the Central Government shall cause an Annual Report on the working and affairs of the Government Companies to be:

(a) Prepared within 3 months of its Annual General Meeting (AGM) before which the comments given by C&AG and Audit Report is placed under proviso of sub section (6) of Section 143, and

(b) As soon as may be after such preparation, laid before both the Houses of Parliament together with copy of Audit Report along-with the report of C&AG."

3. It has also been stated by the Ministry that in terms of Section 166 of the Companies Act, 1956 (Section 96 of Companies Act, 2013) time for holding AGM for adoption of Audited Accounts is 30th September of each year. However, the Section has provision for 3 months extension by the Registrar of Companies for holding the AGM and adoption of Annual Accounts i.e. up to 31st December each year. Therefore the Government Companies are permitted to convene their AGM up to 31st December each year where the Annual Report is approved by the shareholders and thereafter these are submitted to the Administrative Ministry to lay the Annual Report on the Table of both Houses of Parliament.

4. In terms of recommendation of the Committee on Papers Laid on the Table contained in Para 4.16 of Second Reports of 5th Lok Sabha and presented to the House on 12 May 1976, the Annual Report and Audited Accounts along-with Review Statement of Company are required to be laid within 09 months of the close of the respective Accounting Year. Where it is not possible for the Government to lay the Report of any Company within that period they should lay on the Table a Statement explaining the reasons for not laying the Report within 30 days from the expiry of the period of nine months and if the House is not in Session at that time, the Statement should be laid on the Table within seven days of re-assembly of the House.

5. The scrutiny by the Parliamentary Committee on Papers Laid on the Table reveals that the Annual Reports and Audited Accounts of the PHHL for the years 2011-12 to 2015-2016 were laid on the Table of the House with delays ranging from 01 months to 14^{1/2} months. The dates of laying and extent of delay in laying of the Annual Reports/Audited Accounts of the PHHL have been given at **Annexure-I**. But, the delay statements as referred in Para 4 above, were not laid on the Table of the House within a stipulated time period.

6. The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of PHHL for the years 2011-2012 to 2013-2014 as furnished by the PHHL have been given at **Annexure-II**

7. The Ministry in its written Note has also stated that:

" The delay has occurred due to the following reasons:

- Implementation of TCS financial and accounting software package (F.Y. 2011-12).
- Revised scheduled-VI with major changes in presentation in Balance Sheet w.e.f F.Y. 2011-12.
- Reconciliation of Shortage/excess of stocks in view of audit observations.
- Delay in submission of Branch Audit Report from Western Region and thereafter consolidation of Accounts of Branches and Corporate Office and Audit Report.
- Large Number of queries raised by Branch Auditors, Statutory Auditors and thereafter by the C & AG.
- The delay was also at the stage of translation of Annual Report documents in Hindi and Printing process due to tender process for appointment of new printers for 2013-14. Delay in finalisation of proof reading both in English and Hindi and thereafter printing of the Annual Reports.
- The delay in the F.Y. 2013-14 also occurred due to sudden resignation of 4 Sr. Officers in Finance & Account Department."

8. As regards the Annual Reports and Audited Accounts of the PHHL for the years 2014-2015 and 2015-2016, in the statement explaining reasons for delay in laying of the documents on the Table of the House, the Ministry has stated as under:-

2014-15

- i. Both the Statutory Auditors and Branch Auditors for Western region for Pawan Hans are appointed by C&AG. They had commenced their preliminary audit from first week of June 2015 and during the period of July to September, 2015 they had raised large number of queries which were replied by the Company. While the exercise of finalization of Annual Accounts and audit was going simultaneously, the Western Region had submitted the Annual Accounts of Western Region to the Branch Auditors in July End 2015, however, the branch Auditors had initially finalized their report on 07.09.2015 with a number of observations which were put up to the Board of Directors

in the Meeting held on 23.09.2015. The Board of Directors, had detailed discussions with the Statutory Auditors and directed for discussions with the Branch Auditors to reconsider their observations in view of further submissions by the Company on correct position on the issues. Accordingly, after discussions with the Branch Auditors and having their revised Branch Audit Report, the Statutory Auditors had revised their observations which were finally put up to the Board of Directors in the Meeting held on 06.10.2015 and the Board has approved the Annual Accounts for 2014-15. The Statutory Auditors had given their report on 07.10.2015 on the Annual Accounts.

- ii. Ministry of Corporate Affairs had granted extension in time to hold the Annual General Meeting till 31.12.2015.
- iii. The Annual Accounts along with Statutory Auditors Report was submitted to the C&AG on 12.10.2015 for their comments. The CAG team had carried out audit of Western Region Mumbai, Northern Region at New Delhi and Corporate Office at Noida. A number of Half Margins had been issued by the Government Audit Team of C&AG and replies prepared after obtaining details from Regions and discussion took place with Government audit party and Dy. Director (C&AG). After number of visits and follow up and after furnishing replies of the satisfaction of the C&AG, they had finally given NIL comments Report on 11.12.2015. The C&AG had taken complete 60 days in finalization of their reports.
- iv. Immediately after receipt of C&AG report the AGM was convened on 18.12.2015 and Annual Report was adopted by the AGM.
- v. After approval of accounts by the Board of Directors and receipt of Statutory Auditors Report on 07.10.2015, the same was given for translation in Hindi. After receipt of translated Annual Account the English and Hindi Version were sent to printers for printing. The printing task also involves designing, proof reading, art work, printing, binding etc. The Annual Reports has now been printed and submitted to the Ministry of Civil Aviation on 28.12.2015 for laying before the Parliament.

2015-16

- i. Both the Statutory Auditors of the Company and Branch Auditors for Western Region for Pawan Hans Limited are appointed by C&AG. They had commenced their preliminary audit from first week of June 2016 and during the period of July to September 2016 they had raised large number of queries which were replied by the Company. Branch Auditors of WR had submitted the Audit Report on 29.09.2016 but Statutory Auditors took lot of time in finalizing its main audit report and also took additional time for issuing report on Internal Financial Control under clause (i) of Sub-section -3 of Section 143 of the Companies Act, 2013 which is first time applicable from F.Y. 2015-16.
- ii. Immediately after the Statutory Auditors finalised their draft Auditors report, the Board meeting was held on 02.11.2016 to discuss the same and approve the Annual accounts for 2015-16. The Statutory Auditors signed both reports on 02.11.2016 and handed over to PHHL on 04.11.2016. The audited accounts along with Statutory Audit Report were submitted to C&AG on 07.11.2016.
- iii. C&AG has issued 38 nos. of Half Margins which was replied promptly to C&AG on 16.12.2016. The Company has made efforts for obtaining report from C&AG. Since the final C&AG report was awaited as on 27.12.2016 the 31st AGM held on 27.12.2016 was to be adjourned.

- iv. C&AG has finally given its report on 06.01.2017 and accordingly the Adjourned Annual General Meeting has been held on 13.01.2017.
- v. In order to avoid time in printing process, the Company has carried out process of printing of Annual Report for 2015-16 as well as Hindi translation. The printed Annual Report is ready immediately after adoption of annual accounts in the adjourned AGM on 13.01.2017 and copies are submitted to the Ministry.
- vi. The Company is making efforts for completion of accounts for 2016-17 and laying of Annual Report in the Parliament in the prescribed time.

9. Regarding appointment of auditors for the purpose of auditing of Annual Accounts of the PHHL for the years 2011-2012 to 2013-2014, the Ministry in its written note stated as under:-

"There has not been any delay in appointment of auditors over the years. However, once new set of auditors were appointed, they took time in understanding the accounting of Aviation Industry which resulted in delay."

10. On being enquired by the Committee as to how the issue of auditing of Accounts and finally timely receipt of the Final Audit Report from the Audit Authorities was dealt with the Ministry/PHHL, the Ministry, in its written note stated as under:-

"Pawan Hans Ltd had been regularly following up with the Auditors for early commencement and finalisation of Branch Audit Report as well as consolidated Audit Reports. Further, C & AG Team had also been requested for expediting their audit."

11. Regarding steps taken to avoid delay at the stage of translation of documents in Hindi Version and subsequent printing thereof, the Ministry in its written Note stated as under:-

"In order to overcome the problem of translation of documents into Hindi, Translators have been appointed at Corporate Office including proof reading. The new Printing Agency, which had been selected in the tender process for printing of Annual Report for 2013-14, has been regularly followed up for completion of printing job including stationing the concerned Managers and other staff at the printer premises."

12. On a query as to whether the Ministry/PHHL had faced procedural difficulties associated with convening the meeting of Competent Authority for getting approval and documents of PHHL, the Ministry, in their written Note stated as under:-

"During the F.Y. 2013-14 there had been difficulties associated with convening of Annual General Meeting due to frequent changes of Chairman and Managing Director. Immediately after the joining of regular incumbent, the Annual General Meeting was convened on 19.03.2015 for adoption of Annual Accounts."

13. About the status of computerization of Accounts to facilitate speedy and timely compilation of Accounts of the PHHL, the Ministry in its written note submitted as under:-

"The process of implementation of Financial and Accounting Software package has now been implemented."

14. To a query about the internal auditing mechanism to ensure timely compilation of Accounts of the PHHL and also to minimize audit queries at the time of auditing, the Ministry in its written note, stated as under:-

"Pawan Hans did not have an Internal Audit Department and Internal Audit was being carried through external chartered Accountant Firms. Recently Pawan Hans Board has approved setting up of in-house Internal Audit Department. With the in-house Internal Audit it is expected that the audit process shall be more streamlined."

15. When the Committee desired to know about the mechanism in place, in the Ministry to monitor the progress of work so as to ensure timely laying of the documents, the Ministry in its written note stated as under :-

"The Ministry of Civil Aviation is regularly monitoring the progress of work of the organization and laying of Annual Report by way of review meetings. The Ministry has also been issuing directions in this regard from time to time."

16. As regards the remedial measures taken to ensure timely laying of the documents in the House, within the prescribed period of nine months from the close of accounting year, the Ministry in its written reply stated as under:-

"PHHL is making all efforts for completion of audit of annual accounts for the F. Y. 2014-15 and laying of report within nine months by simultaneously taking action for completion of Statutory Audit, Audit by C & AG , Hindi Translation and printing process, by placing dedicated teams for the purpose."

17. It has also been informed by the Ministry that the Finance and Account Department is being further strengthened by filling up the posts fell vacant due to resignations of four Senior Officers in the last six months and also establishing in-house Internal Audit Department.

18. In the matter of delays in laying of the Annual Reports and Audited Accounts of PHHL for the years 2009-2010 to 2013-2014, the Committee took oral evidence of the representatives of the Ministry of Civil Aviation and PHHL on 25th August, 2015.

19. Elaborating further the reasons for delay in laying of the Annual Reports and Audited Accounts of the PHHL, the Joint Secretary to the Ministry during the evidence mentioned that:

"PHHL did not have regular CMD. It was changing continuously and that regular CMD has been posted w.e.f. February.."

The CMD PHHL, assured the Committee that:-

"For the year 2014-15 these papers would be submitted within stipulated time frame. It was further explained by him that Pawan Hans Limited, works on 21 bases spread all over the country. It covers a number of States i.e. from Kashmir to Port Blair, Port Blair to Lakshdweep and lot of States of Northern States. It has small units

called station units. Arunachal Pradesh, Itanagar, Shillong, Mizoram, Himachal Pradesh, Port Blair, Andaman & Nicobar, Mumbai & Guwahati are the main regions. Whenever Annual Audit takes place, it is conducted on each base. However, being small bases, regular officers belonging to Accounts and Finance are not posted there. So officers from Delhi or Mumbai are deputed. It is an internal process so it takes some times. The Committee was also apprised that efforts are being made to introduce e-office for the last two years. This would enable to management accounts properly. So far as audit is concerned, it is managed on physical basis. In the absence of departmental internal audit facility, every year a company used to be hired from outside for internal Audit. It used to take some time for procedures like initiation of tender, appointment of agency etc. before the C & AG statutory Audit. He mentioned about the decision taken to set up an internal Board in the company with which the procedure of internal audit will be streamlined and with this internal arrangement work can be completed in lesser time. Another reason for delay, as mentioned by him was that there was no Hindi Officer for Hindi translation. He apprised that appointment has been made within the Department for translation, The CMD assured the Committee that report for the year 2014-15 would be laid with in stipulated time."

20 The Committee, however, note that despite the assurance given by the CMD, PHHL for timely laying of the Annual Reports and Audited Accounts for the years 2014-15 and 2015-16, the reports for the year 2014-15 and 2015-16 were actually laid on 11.03.2016 and 09.02.2017 with a delay of 02 and 01 months respectively.

Observations/Recommendations

21. The Committee have time and again emphasized that both the Annual Reports and Audited Accounts of an Organisation should be laid on the Table of the House simultaneously so as to enable the Members of Parliament to get a complete picture of the working and activities of the Organisation. However, the Committee are disappointed to note that the Ministry of Civil Aviation has failed to comply with the specific recommendations of the Committee in laying the requisite documents of the PHHL, New Delhi before Parliament during the years 2011-2012 to 2015-2016. The Committee consider it as a grave irregularity on the part of the Administrative Ministry/PHHL which simply cannot be overlooked. The Committee, therefore, recommend that the Ministry/PHHL should make all out efforts to plug the systemic loopholes so as to eliminate avoidable delays and formulate an action plan to ensure that requisite documents are laid on the Table of the House within the stipulated time period. The Committee would like to be apprised of the initiatives taken/ being taken by the Ministry in this regard.

22. While examining the reasons for delay ranging from 01 to 14^{1/2} months in laying of the documents of the PHHL for the years 2011-2012 to 2015-2016, the Committee note that collection of data/information and accounts from 21 operational base stationed spread all over the country working under different regions, compilation of data, late receipt of Annual Accounts from Western Region, time taken by the PHHL in the process of auditing of Annual Accounts, getting the documents translated in Hindi version and Printing thereof, absence of Director in PHHL and resignation of 04 Senior Officers in Finance and Accounts Department were the reasons for delay. During evidence the Committee was apprised by the Ministry that a regular Director in PHHL has since been appointed. The representative of the PHHL explained that in order to curtail delay at the

stage of finalization of Annual Report and Annual Accounts, efforts are being made to introduce e-office system. To avoid delay at the stage of getting the documents translated in Hindi Version, Translators have been appointed. The matter for timely printing of Report was also taken by the PHHL with Printers. The Committee note that as remedial measures taken by the PHHL and assurance given by the representative of the PHHL for timely laying of the documents of PHHL, the delay in laying of the Annual Reports and Audited Accounts of the PHHL for the years 2014-2015 and 2015-2016 has been decreased upto 02 and 01 month respectively. While appreciating the fact that the extent of delay in laying of the documents of PHHL has been brought down over the years, the Committee desire that much concerted efforts are required to be taken by the Ministry/PHHL to lay the documents within the stipulated time period.

23. The Committee also note that in the process of auditing the Annual Accounts of PHHL, a large Number of queries were raised by Branch Auditors, Statutory Auditors appointed by C&AG and thereafter again by C & AG itself for the years 2011-2012 to 2015-2016. The Committee could not find the reasons for queries raised by Audit Authorities at each stage for each of the year since 2011-2012 to 2015-16. The Committee feel that had the Ministry/PHHL paid timely attention to the reasons for recurring queries raised by the Audit Authorities in this regard, the delay in the laying of the documents of the PHHL could have been avoided or minimized. The Committee hope that with the remedial measures taken for internal audit and other measure, the Ministry/PHHL will be able to lay the Annual Report and Audited Accounts on the Table of the House within the stipulated time. The Committee would like to be apprised of the action taken in this regard.

24. The Committee also impress upon the Ministry that if for any reasons, the Annual Reports and Audited Accounts of the PHHL could not be laid on the Table of the House within the stipulated time; a statement explaining the reasons as to why the requisite documents could not be laid within prescribed period should be laid on the Table of the House strictly within 30 days as recommended by the Committee in its earlier Report.

**New Delhi
01 November, 2017
10 Kartika, 1939 (Saka)**

**Chandrakant B. Khaire
Chairperson
Committee on Papers Laid on the Table**

Annexure-I

vide para 05 of the Report

Statement showing the dates of laying of the Annual Reports and Audited Accounts of the Pawan Hans Helicopters Ltd., New Delhi.

Year	Date by which required to be laid	Date of laying of Annual Reports and Audited Accounts	Extent of delay
2011-2012	31.12.2012	22.03.2013	03 months
2012-2013	31.12.2013	16.03.2015	14 ^{1/2} months
2013-2014	31.12.2014	17.12.2015	11 ^{1/2} months
2014-2015	31.12.2015	11.03.2016	2 months
2015-2016	31.12.2016	09.02.2017	01 months

Annexure-II
vide para 06 of the Report

The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the
Pawan Hans Helicopters Ltd. for the year 2011-12 to 2013-14

Sl. No.		2011-12	2012-13	2013-14
1.	(i) The date on which the organization approached the Audit Authorities to appoint the auditors for auditing the Accounts (ii) date of their appointment. (iii) Time taken in Appointment after closure of F/Y	- 19.09.2011 -	- 02.08.2012 -	- 12.08.2013 -
2.	• Preliminary Audit started by Statutory Auditors	1 st week of June, 2012	1 st week of June, 2013	1 st week of July, 2014
3.	The date of compilation of Annual Accounts of the organization (Board approval) after preliminary audit; Time taken after close of Accounting Year	25.09.2012 5 M 25 days	30.10.2013 7 M	25.11.2014 7 M 25 days
4.	The date on which the annual accounts of the organization were submitted to Auditors for final auditing (Statutory Auditors) Time taken after compilation of annual account	25.09.2012 -	30.10.2013 -	25.11.2014 -
5.	The date and duration for auditing of the annual accounts of the organisation by auditors;	25.09.2012	30.10.2013	12.12.2014
6.	The date of queries raised by the auditors during auditing of Annual Accounts	Aug/ Sept, 2012	Aug/Sept, 2013	04.12.14, 05.12.2014 and 09.12.2014
7.	The date on which the replies to the audit queries was furnished to the Auditors;	Aug/Sep., 2012	Aug/Sept., 2013	05.12.2014, 09.12.2014 and 11.12.2014
8.	The date on which draft Audit Report was issued by Audit Authorities; Time taken after receipt of Annual Accounts	25.09.2012 -	30.10.2013 -	11.12.2014 16 days
9.	The date on which the final Audit Report received by organisation (Statutory Auditors);	25.09.2012 -	30.10.2013 -	12.12.2014 1day
10.	• Audited Accounts submitted to C&AG	03.10.2012 8 days	30.10.2013 -	15.12.2014 3 days
11.	• Date on which C&AG Report received by Organisation Time taken by C&AG after receipt of Audit Accounts	20.12.2012 2 M 17 days	06.12.2013 1 M 7 days	09.02.2015 1 M 29 days
12.	The date of finalization of Annual Report (Board /Audit Committee) Time taken after receipt of final Audit Report	27.12.2012 7 days	18.12.2013 12 days	19.03.2015 1 M 10 days
13.	The date on which documents were got approved from the Competent Authority (AGM); Time taken after finalization of Annual Report	27.12.2012 -	18.12.2013 -	19.03.2015 -
14.	The date on which documents were take up for translation & printing Time taken after in translation and printing of documents after approval of documents	28.12.2012 to 01.03.2013 2 M 4 days	19.12.2013 to 20.08.2014 8 M 1day	20.03.2015 1 day
15.	The date on which documents were sent to the Ministry for being laid on the Table of House; and Time taken after printing	04.03.2013 3 days	22.08.2014 2 days	31.08.2015 11 days
16.	The date of laying of the documents on the Table on the House. Time taken by the Ministry after receipt of the Annual Report and Audited Account	22.03.2013 18 days	16.03.2015 6 M 25 days	17.12.2015 3 M 17 days

**MINUTES OF THE SIXTEENTH SITTING OF THE
COMMITTEE ON PAPERS LAID ON THE TABLE (2014-2015)**

The Committee sat on Tuesday, 25 August, 2015 at 1100 hours in Committee Room G - 074, Parliament Library Building, New Delhi.

PRESENT

Shri Chandrakant Khaire - Chairperson

MEMBERS

2. Shri P.C.Gaddigoudar
3. Shri Laxman Giluwa
4. Shri Choudhary Mohan Jatua
5. Shri Bheemrao B. Patil
6. Shri Bishnu Pada Ray
7. Shri P.R.Sundaram
8. Shri Dushyant Chautala

SECRETARIAT

1. Shri Shiv Kumar - Joint Secretary
3. Smt. Rita Jaiikhani - Director
2. Smt. Maya Lingi - Additional Director

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee.

3. Thereafter, the representatives of the Ministry of Civil Aviation and the Pawan Hans Limited, New Delhi were ushered in. The following were present:

REPRESENTATIVES OF MINISTRY OF CIVIL AVIATION

Ms. Usha Padhee Joint Secretary
Ms Rubina Ali Director

REPRESENTATIVES OF PAWAN HANS LIMITED, NEW DELHI

Dr. B.P. Sharma CMD
Shri D.S. Sahai GM (F&A)
Shri Sanjiv Agarwal CS&GM (Legal)

4. At the outset, the Chairperson welcomed the representatives of the Ministry of Civil Aviation and the Pawan Hans Limited, New Delhi to the sitting of the Committee.

5. The Committee, thereafter, took evidence by the representatives of the Ministry and the PHL on the issue of delay in laying of the Annual Reports and Audited Accounts of the PHL for the years 2008-2009 to 2013-2014.

6. The representative of the Ministry and PHL during the evidence, regretted the delays that had occurred in laying of the documents of the PHL for the aforesaid years. The representative of the PHL informed the Committee that in the absence of a regular Chairman cum Managing Director (CMD) in PHL, time taken in collection of data for compilation of Annual Accounts from 21 Station Units spread all over the country and lack of Internal Audit Mechanism in the organisation were some of the reasons for delay in laying of the documents of the PHL. In this context, the representatives further submitted that delay in translation of Annual Reports and Audited Accounts from English Version to Hindi Version was also one of the reason for delay. The Committee were apprised about certain remedial measures undertaken by PHL viz. implementation of E-accounting system; formation of Internal Auditing Mechanism and appointment of Hindi Officials. The Committee impressed upon the Ministry/Organization to take every corrective measure to curb any future delays - in laying of the documents in the House.

7. Thereafter, the Hon'ble Chairperson thanked the representatives of the Ministry and the PHL for responding to queries raised by the Members - in connection with examination of the subject.

8. The witnesses then withdrew.

9. A copy of the verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee then adjourned.

**MINUTES OF THE 2nd SITTING OF THE
COMMITTEE ON PAPERS LAID ON THE TABLE (2017-2018)**

The Committee sat on Friday, 13 October, 2017 from 12:00 hrs to 13:00 hrs. in Committee Room No. 03, Parliament House Annexe Extension, New Delhi.

PRESENT

Shri Chandrakant Khaire - Chairperson

MEMBERS

2. Shri P.C. Gaddigoudar
3. Shri Laxman Giluwa
4. Shri Choudhary Mohan Jatua
5. Shrimati Mausam Noor
6. Shri Bheemrao B. Patil
7. Shri Bishnu Pada Ray
8. Shri Manohar Untwal

SECRETARIAT

1. Dr. Preeti Srivastava - Joint Secretary
2. Smt. Rita Jailkhani - Director
3. Smt. Maya Lingi - Additional Director

**REPRESENTATIVES OF THE MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)**

1. Smt. Rita Teotia Commerce Secretary
2. Shri B.S. Bhalla Joint Secretary
3. Shri T.V. Ravi Director

REPRESENTATIVES OF THE (i) FALTA SEZ AUTHORITY;(ii) SEEPZ SEZ AUTHORITY AND (iii) NOIDA SPECIAL ECONOMIC ZONE AUTHORITY

- | | | |
|----|---------------------|--|
| 1. | Shri L.B.S. Singhal | Development Commissioner, NSEZ |
| 2. | Shri J.M. Gupta | Development Commissioner, FSEZ |
| 3. | Shri V.P. Shukla | Joint Development Commissioner,
SEEPZ SEZ |

At the outset, Chairperson welcomed the Members to the sitting of the Committee.

2. Thereafter, the Committee took up for consideration the draft Fourteen Report regarding delay in laying of the Annual Reports and Audited Accounts of the Biecco lawrie, Ltd., Kolkata.

3. After deliberations, the Committee adopted the Report without modifications.

4. The Committee authorized the Hon'ble Chairperson to present the same to the Parliament.

5. The Committee then called the representatives of the Ministry of Commerce and Industry (Department of Commerce) and (i) Falta SEZ Authority, Kolkata; (ii) SEEPZ SEZ Authority, Mumbai; and (iii) Noida Special Economic Zone Authority, Noida.

6. The Chairperson welcomed the representatives of the Ministry and the SEZs as mentioned above to the sitting of the Committee and explained the purpose of convening the meeting. The Chairperson also explained to the witnesses the provisions of Direction 58 of Directions issued by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

7. The Committee then desired to know the reasons for delay in laying of the Annual Reports and Audited Accounts of the aforesaid SEZs. The Secretary apprised the Committee that as per SEZ Act the Annual Accounts of SEZs should be put up annually. The time limit for its finalization has been fixed by the next financial year. She also submitted before the Committee that as per SEZs Act, there is no specific provision but it is very specific for finalizing the accounts. Admitting the reasons for delay in laying of the documents of SEZs on the Table of the House, the Secretary apprised to the Committee that they have instituted a proper mechanism to monitor the work so that the Annual Reports and Audited Accounts of the

SEZs are laid on the Table of the House within stipulated time The Committee expect that with the remedial Measure taken by the Ministry, the documents of SEZs will be laid on the Table of the House within stipulated time period in future.

8. Thereafter, the Hon'ble Chairperson thanked the representatives of the Ministry and the SEZs for useful discussion - in connection with examination of the subject. The Chairperson also directed to the representatives of the Ministry and (i) Falta SEZ Authority, Kolkata; (ii) SEEPZ SEZ Authority, Mumbai; and (iii) Noida Special Economic Zone Authority, Noida to furnish the information on certain other points desired by the Committee, which was not readily available with them, within two weeks' time to the Secretariat.

9. A copy of the verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee then adjourned.