

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2018-2019)**

SIXTEENTH LOK SABHA

36

THIRTY SIXTH REPORT

**[Action Taken by Government on the recommendations/observations made by the
Committee in their Fifteenth Report (Sixteenth Lok Sabha)]**

Presented on 28.12.2018



सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

December, 2018/Pausha, 1940(Saka)

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COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE

(2018-2019)

Shri Chandrakant Khaire

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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 Manohar Untwal
12. Shri Uday Pratap Singh
13. Shri Virendra Singh
14. Shri P.R. Sundaram
15. Vacant*

SECRETARIAT

1. Dr. Preeti Srivastava - Joint Secretary
2. Smt. Maya Lingi - Additional Director
3. Shri Munish Kumar Rewari - Deputy Secretary
4. Smt. Rajni Bhagat - Committee Officer

INTRODUCTION

I, the Chairperson of the Committee on Papers Laid on the Table, having been authorized by the Committee to present the Report on their behalf, present this Thirty Sixth Report on the action taken by Government on the recommendations/observations contained in the Fifteenth Report (Sixteenth Lok Sabha) of the Committee.

2. The Committee considered and adopted this Report at their sitting held on 18.12.2018 and the Minutes of the sitting are given at Appendix.

3. For facility of reference, observations/recommendations of the Committee have been printed in bold type in the body of the Report.

NEW DELHI
December, 2018
Agrahayana, 1940 (Saka)

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

REPORT

This Report of the Committee deals with the Action Taken by the Government on the Recommendations/Observations made in their Fifteenth Report (16th Lok Sabha) which was presented to Lok Sabha on 28th December, 2017 .

2. The Fifteenth Report dealt with delay in laying of the Annual Reports and Audited Accounts of Pawan Hans Helicopters Ltd., New Delhi. In all, the Committee made 04 Observations / Recommendations in the Report. The Action Taken replies have since been received from the Government in respect of all the Recommendations/Observations contained in the aforesaid Report.

3. The Committee note that the Government have accepted all the recommendations of the Committee made in the aforesaid Report of the Committee. The Committee now deal with the action taken by the Government on the following recommendation/observation:-

4. In paragraphs 22 (15th Report, 16th Lok Sabha) relating to delay in laying of the documents of Pawan Hans Helicopters Ltd., New Delhi, the Committee had recommended as follows :-

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 2011-12 to 2015-16, 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 state 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 2014-15 and 2015-16 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.

5. Responding to the aforesaid recommendation of the Committee, the Ministry of Civil Aviation in their Action Taken Note, have stated as under:-

"Regular CMD has taken number of further initiatives for avoiding delay in laying of annual report by setting up of Internal Audit Department, appointment of manpower in the Finance

department, frequent and regular coordination with the operational bases, regular compilation of data and follow up with the regions and bases for timely providing details for finalization of accounts and audit work. In this direction the e-office system has also been further strengthened along with video conferencing among the corporate office/regions/bases. Regular meetings with the Statutory Auditors and C&AG teams are held to expedite in getting audit queries resolved. The printers are also appointed well in advance and directed to complete the printing work at each stage of finalization of documents till receipt of C&AG comments. The Company is ensuring that immediately after holding the Annual General Meeting, the printed Annual Reports are submitted to the Ministry of Civil Aviation for laying before the Parliament."

6. Accordingly, the Statements showing the action taken by the Government on the recommendations/observations contained in the Sixth Report (16th Lok Sabha) is given in Appendix.

7. **The Committee expressed their concern over recurring delays in laying of the Annual Reports and Audited Accounts of Pawan Hans Helicopters Ltd., New Delhi for the years 2011-2012 to 2015-2016 vide 15th Report (16 Lok Sabha). The Committee feel that the measures taken by the Ministry have not proved effective enough to ensure timely laying of these documents before Parliament. Taking a very serious note thereof the Committee direct to explain the reasons for delay in laying of these documents within three months from the date of presentation of this Report. The Committee also direct the Ministry to ensure that such kind of lapse do not recur in future and the documents of the PHHL are laid within stipulated time in future.**

December, 2018
Agrahayana, 1940(Saka)

CHANDRAKANT B. KHAIRE,
Chairperson,
Committee on Papers Laid on the Table

STATEMENT SHOWING ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE CONTAINED IN THEIR FIFTEENTH REPORT (16TH LOK SABHA)

Pawan Hans Helicopter Limited, New Delhi

Recommendation (Paragraph No. 21)

The Committee have time and again emphasized that both the Annual Reports and Audited Accounts of an Organization 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 Organization. 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 was 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.

Reply of the Government

Keeping in mind the observations of the Committee, the Ministry of Civil Aviation and PHL have made efforts to plug the systemic loopholes and formulated action plan to ensure that requisite documents are laid on the Table of the House within the stipulated time period. Accordingly, the time period of delay in laying annual reports of Pawan Hans was brought down to only 2 months and 1 month in respect of financial years 2014-15 and 2015-16 respectively.

The reduction in laying in laying of annual report during 2014-15 and 2015-16 was achieved by plugging the systemic loop holes. Pawan Hans made appointment of regular officers in the Internal Audit department with the approval of the Board for setting up of in-house Internal Audit Department to minimize the audit queries by made available with the Internal Audit Department itself and by providing full support and taking care of queries of auditors to expedite the audit process. Further, the Company appointed additional staff for Hindi Translation work. The Company also selected in advance the printers and provided them documents forming part of annual accounts and annual reports at each state of clearance and thus minimized the time leg in the printing process. This has resulted in substantial reduction in time for laying of printed annual report of PHL.

The Company formulated action plan for ensuring the exercise of finalization of Annual Accounts and audit as under:-

- i) The finalization of Annual Accounts immediately after closure of the financial year with collection/reconciliation of records from the Bases and audit to go simultaneously in the Western Region as well as Northern Region and Corporate Office.
- ii) The Company had requested the Branch Auditors and Statutory Auditors to start their audit work immediately after close of financial year so that the Branch Auditors and Statutory Auditors can finalize their report early.
- iii) The Company directed the concerned officers to facilitate all the required information and give reply to the observations of the Auditors. The Internal Audit department along with the Finance department to coordinate with all the concerned departments and provide final accounts to the Auditors for their audit observations and report.
- iv) Hold discussions of the concerned departmental heads and regional heads with the auditors on the observations of auditors.
- v) After receiving draft audit report immediately place the same to the Audit Committee of the Board of Directors for discussions. The audit Committee of the Board holds detailed discussions with the Auditors and explanations from concerned departmental heads on the observations of auditors and based on the discussions some of the observations are dropped/amended/updated by the Statutory Auditors and a revised draft report prepared by the Statutory Auditors and is again placed before the Board of Directors for approval. The Statutory Auditors are requested to immediately issue the Audit Report for submission to C&AG. For compliance of Companies Act requirements, Ministry of Corporate Affairs are approached with the approval of the Board for extension in time to hold the Annual General Meeting till December end.
- vi) While the accounts are under audit by the Statutory Auditors, the Company has also requested the C&AG to commence their audit work of Western and Northern Region so that time of C&AG audit of two months is reduced.
- vii) A dedicated team has been set up to immediately provide desired information by the C&AG team and reply to number of Half margins issued by the Government Audit team of C&AG. Immediately after reply of the Half Margins discussions should take place with Government audit party and Dy. Director (C&AG). Further, the Company also makes regular visits and follow up to the C&AG office by furnishing any additional replies/explanations to the satisfaction of the C&AG.
- viii) Simultaneously the process of selection of printer, Hindi translation and printing of documents at each stage of approval have been commenced so that immediately after receipt of C&AG comments the accounts are submitted to Annual General Meeting and got printed as well as submitted to Ministry for laying.

The above systemic improvements and action plan have resulted in minimizing delay in laying of annual reports.

(Ministry of Civil Aviation O.M. No. H-11013/8/2018-GA dated: 13.02.2018).

Recommendation (Paragraph No. 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 2011-12 to 2015-16, 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 state 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 2014-15 and 2015-16 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.

Reply of the Government

Regular CMD has taken number of further initiatives for avoiding delay in laying of annual report by setting up of Internal Audit Department, appointment of manpower in the Finance department, frequent and regular coordination with the operational bases, regular compilation of data and follow up with the regions and bases for timely providing details for finalization of accounts and audit work. In this direction the e-office system has also been further strengthened along with video conferencing among the corporate office/regions/bases. Regular meetings with the Statutory Auditors and C&AG teams are held to expedite in getting audit queries resolved. The printers are also appointed well in advance and directed to complete the printing work at each stage of finalization of documents till receipt of C&AG comments. The Company is ensuring that immediately after holding the Annual General Meeting, the printed Annual Reports are submitted to the Ministry of Civil Aviation for laying before the Parliament.

(Ministry of Civil Aviation O.M. No. H-11013/8/2018-GA dated: 13.02.2018).

Recommendation (Paragraph No. 23)

The Committee also note that in the process of auditing the Annual Accounts of PHL, 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 2011-12 to 2015-16. The Committee could not find the reasons for queries raised by Audit Authorities at each stage for each of the year since 2011-12 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 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 to the action taken in this regard.

Reply of the Government

The systemic improvements and action plan prepared by the Company including remedial measures for internal audit, early commencement of audit process have resulted in minimizing the delay in laying of annual reports. Further, the Company at all the levels has taken measures of regular internal audit and discussions with the auditors for expeditious resolving the queries raised by the audit authorities.

(Ministry of Civil Aviation O.M. No. H-11013/8/2018-GA dated: 13.02.2018).

Recommendation (Paragraph No. 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.

Reply of the Government

Noted

(Ministry of Civil Aviation O.M. No. H-11013/8/2018-GA dated: 13.02.2018).

**MINUTES OF THE 2ND SITTING OF THE
COMMITTEE ON PAPERS LAID ON THE TABLE (2018-2019)**

The Committee sat on Tuesday, 18 December, 2018 from 15:00 hrs to 16:30 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Chandrakant Khaire - **Chairperson**

MEMBERS

2. Shri Dushyant Chautala
3. Shrimati Veena Devi
4. Shri P.C. Gaddigoudar
5. Smt Mausam Noor

SECRETARIAT

1. Dr. Preeti Srivastava - Joint Secretary
2. Smt. Maya Lingi - Additional Director
3. Shri Munish Kumar Rewari - Deputy Secretary

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2. At the outset, Chairperson welcomed the Members to the sitting of the Committee.
3. Thereafter, the Committee took up following Draft Reports for considerations :-
 - (i) Delay in laying of the Annual Report and Audited Accounts of the National Commission for Schedule Castes, New Delhi;
 - (ii) The Action Taken by Government on the recommendations/observations made by the Committee in their Fourteenth Report on Delay in laying of Annual Report and Audited Accounts of the Biecco Lawrie Ltd., Kolkata;
 - (iii) The Action Taken by Government on the recommendations/observations made by the Committee in their Fifteenth Report on Delay in laying of Annual Report and Audited Accounts of the Pawan Hans Helicopter Ltd., Noida; and

- (iv) The Action Taken by Government on the recommendations/observations made by the Committee in their Seventeenth Report on Delay in laying of Annual Report and Audited Accounts of the Indian Institute of Forest Management, Bhopal

4. After deliberations, the Committee adopted the Reports without modifications.

5. The Committee authorized the Hon'ble Chairperson to present the same to the Parliament during ongoing Session.

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The Committee then adjourned.