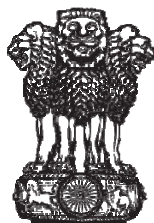


SIXTEENTH LOK SABHA

**Draft report on Delay in laying of the Annual Reports and Audited Accounts of the
National Institute of Pharmaceutical Education and Research (NIPER), Mohali.**

FORTY SIXTH REPORT

(Presented on 12.02.2019)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI
February, 2019 / Magha, 1940 (Saka)**

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COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE
(2018-2019)

Shri Chandrakant B. 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 Uday Pratap Singh
12. Shri Virendra Singh
13. Shri P.R. Sundaram
14. Vacant
15. Vacant*

SECRETARIAT

- | | | | |
|----|---------------------------|---|---------------------|
| 1. | Dr. Preeti Srivastava | - | Joint Secretary |
| 2. | Smt. Maya Lingi | - | Additional Director |
| 3. | Shri.S Lal Engzau Ngaihte | - | Committee Officer |

*Consequent upon resignation of Shri Manohar Untwal w.e.f. 21.12.2018

INTRODUCTION

I, Chairperson of the Committee on Papers Laid on the Table of the House (2018-19), having been authorized by the Committee to present this Report on their behalf, present this Forty Sixth Report in respect of delay in laying of the Annual Reports together with Audited Accounts of the National Institute of Pharmaceutical Education and Research, Mohali.

2. In terms of the recommendations of the Committee on Papers Laid on the Table 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 organization/company are required to be 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 National Institute of Pharmaceutical Education and Research, Mohali and took oral evidence of the representatives of the Ministry of Chemicals and Fertilizers (Department of Pharmaceutical) at their sitting held on 06 February, 2018

4. The Committee considered and adopted this Report at their sitting held on 12 February, 2019.

5. The Committee wish to express their thanks to the officers of the Ministry of Chemicals and Fertilizers (Department of Pharmaceutical) 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
February, 2019
Magha, 1940(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 National Institute of Pharmaceutical Education and Research (NIPER), Mohali.

National Institute of Pharmaceutical Education and Research (NIPER), S.A.S. Nagar, Mohali is an autonomous body set up under the aegis of Department of Pharmaceuticals, Ministry of Chemical and Fertilizers, Government of India and declared as the 'Institute of National Importance' under NIPER Act, 1998. The Institute, is funded by the Ministry of Chemical and Fertilizers, Department of Pharmaceuticals. The statement showing funds released to the Institute for the years 2012-13 to 2017-18 is at **Annexure –I**.

2. In term of recommendations of the Committee on Papers Laid on the Table contained in Paras 1.16 and 3.5 of its First Report (5th Lok Sabha), Paras 4.16 and 4.18 of Second Reports of 5th Lok Sabha and Paras 1.12 and 3.6 to 3.8 of Second Report of 6th Lok Sabha presented to the House on 08.03.1976, 12.05.1976 and 22.12.1977 respectively, the Annual Report and Audited Accounts together along-with Review Statement of the Institutes/Organizations (Statutory/Autonomous Organization, Public Undertakings, corporations, Joint ventures, Societies etc.) are required to be laid within 09 months of the closer of the respective Accounting Year. To comply with this requirement proper time schedule should be laid down for compilation of Annual Report and Accounts and their auditing. The Committee felt that normally a period of 3 months would be sufficient for compilation of accounts and their submission to audit; the next 6 months might be given for auditing of accounts; printing of the Report and sending it to Government for laying. If for any reason, the Annual Reports and Audited Accounts of the Institute could not be laid within the prescribed period of 09 months, the Ministry concerned should lay a Statement within 30 days of the expiry of the said period or as soon as the House meets whichever is later, explaining the reasons as to why the documents could not be laid in time.

3. As per Section 23(4) of the NIPER Act, 1998, Annual Accounts of the Institute, as certified by the comptroller and Auditor-General of India alongwith the Audit Report thereon shall be laid before each House of Parliament. As per GFR 2005 Audited Accounts are to be laid before Parliament within the nine months of the close of accounting year i.e., by 31st December.

4. The scrutiny by the Parliamentary Committee on Papers Laid on the Table (Lok Sabha) revealed that the Audited Accounts of the NIPER, Mohali for the years 2014-15 and 2015-16 are laid on the Table of the House on 25.07.2017 with delay of about 19 months and 07 months respectively. The dates of laying and extent of delay in laying the Audited Accounts and Annual Reports of the NIPER, Mohali have been given at **Annexure –II**.

5. The chronological sequence in respect of finalization of Audited Accounts of the Institute for the years 2014-15 to 2016-17 are given in **Annexure –III**.

6. The Ministry in their written note have submitted the reasons for delays in laying the Annual Reports and Audited Accounts of NIPER, for the year 2014-15 and 2015-16 as under:-

"Laying of the Annual Reports and Audited Accounts of the Institute of the years 2014-2015 and 2015-2016 were delayed, as the Board of Governors(BoG) of the Institute was under constitution. CAG office vide its letter no. MAB-II/GID-1/86-1/A/cs/NIPER/2015-16/400 dated 09.07.2015 intimated the Institute that audit certification of the Accounts of NIPER will be taken up after receiving the accounts duly approved by theBoG. However, the Institute has submitted the Annual Accounts of the respective years to the CAG office by due date i.e. 30th June of the respective year after the closure of the accounting years and Institute had regular correspondence/follow-up with CAG office for auditing of the accounts for FY 2014-15 and 2015-16. After long pursuance by the Institute with the CAG office, audit of the accounts for FY 2014-15 and 2015-16 was conducted by the Audit Party w.e.f. 18.07.2016 but the Draft Separate Audit Report(SAR) report was issued by CAG office only after the constitution of the BoG of the Institute on 03-10-2016 and approval of the annual accounts for FY 2014-15 & 2015-16 by the BoG in its 66th meeting held on 01.11.2016.

Final SAR for FY 2014-15 was received on 23.03.2017 and for FY 2015-16 on 05.04.2017. Immediately after receipt of the SAR report on the Annual Accounts from CAG office, Institute started the Hindi translation and printing of the audited annual accounts of the FY 2014-15 & 2015-16.

Printed Annual Accounts of NIPER, Mohali for FY 2014-15 & 2015-16 were submitted to Department on 02.06.2017 and same along with the SAR have been laid before the Parliament (LokSabha on 25.07.2017 & RajyaSabha on 28.07.2017)."

7. As regard to the internal auditing mechanism to ensure timely compilation of Accounts of the Institute and also to minimize the audit queries at the time of auditing, the Ministry in its written note, stated as under:-

"Institute had an Internal Audit Cell which was carrying out the Internal Audit of the different sections /departments of the Institute. Compilation of the final accounts is the responsibility by Finance and Accounts section of the Institute."

8. The Committee considered the matter of delay in laying Annual Reports and Audited Accounts of NIPER, Mohali for the year 2014-15 to 2015-16 and took evidence of the representatives of the Ministry of Chemicals and Fertilizers, (Department of Pharmaceuticals) and National Institute of Pharmaceutical Education and Research, SAS Nagar, Mohali on the issue on 06 February, 2018. During the evidence, the Secretary, Ministry of Chemicals and Fertilizers Department of Pharmaceutical reiterated the reasons for delay in laying the Annual Report and Audited Accounts and informed the Committee that the Annual Statement of Accounts for Financial Year 2016-17 was likely to be laid in the ongoing session of Parliament.

9. During the evidence, the Committee desired to know as to why the Annual Reports of the National Institute of Pharmaceutical Education and Research, SAS Nagar, Mohali are not laid on the Table of the House, the Secretary, Ministry of Chemicals and Fertilizers (Department of Pharmaceuticals) stated that the NIPER Act provide for laying of Annual Audited Account which are being laid every year. The Annual Reports are not being laid as the Act does not mention about the same.

10. The Committee then informed the Representatives of the Ministry that the Autonomous organizations are required to lay both the Annual Report and Audited Accounts of the Institute on the Table of the House. The representatives of the Ministry then agreed that henceforth the Annual Reports of the Institute will be laid in terms of the recommendations of the Committee.

11. The Committee subsequently noted that Audited Accounts for the year 2016-17 were laid on the Table of the House on 13.03.2018 with delay of 2 months and 13 days. Though a declining trend was noted this year as compared to the previous years but it was disappointing to note that the Annual Reports and Audited Accounts for the year 2017-18 have not been laid on the Table of the House yet, though the Secretary, Ministry of Chemicals and Fertilizers Department of Pharmaceutical had assured the Committee during the evidence that in future these documents will be laid on Table of the House in time.

Observations/Recommendations

12. The Committee note that there have been inordinate delays of 07 and 19 months in laying of the Annual Report and Audited Accounts of the NIPER, Mohali for the years 2014-15 and 2015-16. During examination, the Committee was apprised by the Secretary that the Board of Governor (BoG) of the Institute was constituted on 03.10.2016 and that the Audit Certification of the Accounts of NIPER could be taken up only after receiving the accounts duly approved by the BoG. The Committee observed that only Audited Accounts of NIPER, Mohali for the year 2014-15 and 2015-16 were laid on the Table of the House on 25.07.2017, with the delay of about 7 and 19 months respectively. The Committee are of view that had the Ministry/Institute taken pro-active measures to convene the BOG meeting on time, such delay could have been avoided. The Committee urge that this should be stream lined to avoid the delay in laying of the documents.

13. The Committee note with concern that NIPER Act provides for laying of only Audited Accounts, not the Annual Report and that the Ministry of Chemicals and Fertilizers(Department of Pharmaceutical) has not taken note of Parliamentary Committees recommendations and provision in GFR for laying of Annual Report and Audited Accounts together on the Table of the House within 9 months of closure of accounting year. The Committee urge the Ministry/Institute to ensure laying of both Annual Report and Audited Accounts on the Table of the House within the stipulated time frame.

14. The Committee impress upon the Ministry that if due to unavoidable reasons, the Annual Reports and Audited Accounts of the NIPER 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 the

prescribed period should be laid on the Table of the House within 30 days or as soon as the House meets, whichever is later.

New Delhi
Febraury, 2019
Magha, 1940 (Saka)

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

Statement showing the funds released to the National Institute of Pharmaceutical Education and Research (NIPER), MOHALI for the years 2012-13 to 2017-18.

(A) Recurring (Salary and General):-

Years	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Release (Rs. In crore)	22.82	19.20	20.87	27.48	27.48	27.73

(B) Non-Recurring (Creation of Capital Assets)

Years	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Release (Rs. In crore)	0	0	0	9.79	0	0

(C) Fund released to Anti TB and Kala Azar Project

Year	Anti TB	Kala Azar
2013-14	1.22	1.22
2014-15	1.22	1.22

**Statement showing the dates of laying of the Annual Reports and Audited
Accounts of the National Institute of Pharmaceutical Education and Research
(NIPER), Mohali**

Year	Date by which required to be laid	Date of laying of Audited Accounts	Extent of delay
2013-14	31.12.2014	28.04.2015	03 months 28 days
2014-15	31.12.2015	25.07.2017	18 months 26 days
2015-16	31.12.2016	25.07.2017	06 months 26 days
2016-17	31.12.2017	13.03.2018	02 months 13 days
2017-18	Not laid	Not laid	Not laid
ANNUAL ADMINISTRATIVE REPORTS			
NOT LAID ON THE TABLE OF THE HOUSE			

The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the National Institute of Pharmaceutical Education and Research (NIPER), Mohali for the years from 2014-15 to 2016-17.

S No	Questions	2014-15	2015-16	2016-17
1.	The date on which the Institute approached the audit authorized to appoint the auditors for auditing the accounts Date of their appointment	30.06.2015	29.06.2016	30.06.2017
2.	The date of compilation of Annual Accounts of the Institute	29.05.2015	29.05.2016	29.05.2017
3.	The date on which the Annual Accounts were submitted to auditors for auditing. Time taken after appt. of auditors....	30.06.2015 Approx 02 to 03 weeks	29.06.2016 Approx 02 to 03 weeks	30.06.2017 Approx 02 to 03 weeks
4.	The date and duration for auditing the annual accounts of the Institute by the auditors.	18.07.2016 to 17.08.2016 (30 days)	18.07.2016 to 17.08.2016 (30 days)	05.07.2017 to 11.08.2017 01 month 06 days (including thematic Audit)
5.	The date of queries raised by auditors during auditing of annual accounts	18.07.2016 to 17.08.2016	18.07.2016 to 17.08.2016	05.07.2017 to 11.08.2017
6.	The date on which the replies to the audit queries was furnished to the auditors.	During the audit period, as at 5 above.		
7.	The date on which Draft Audit Report was issued by Audit Authorities. Time taken after receipt of Annual Accounts	13.12.2016	28.12.2016	25.08.2017 91 days
8.	The date on which the Final Audit Report received by the Institute. Time taken after receipt of draft Audit Report	24.03.2017 Approx. 101 days	05.04.2017 Approx. 98 days	13.11.2017 Approx. 80 days

9.	The date of finalization of annual reports			
10.	The date on which documents were got approved from the Competent Authority. Time taken after finalization of Annual Report	15/3/17 -	07-08/05/17 -	12/12/17
11.	The date on which documents were taken up for translation and printing. The time taken for completing the task.	10.05.2017 Approx. 56 days	02.06.2017 Approx. 25 days	28.12.2017 Approx. 16 days
12.	The date on which documents were sent to the Ministry for being laid in House. Time taken after printing	01.06.2017 Approx. 22 days	01.06.2017 -	28.12.2017
13.	The date of laying of the documents on the Table of the House.	Audited Accounts		
		25.07.2017	25.07.2017	13.03.2018
		Annual Report		
		Not laid	Not laid	Not laid

**MINUTES OF THE FIFTH SITTING OF THE
COMMITTEE ON PAPERS LAID ON THE TABLE**

The Committee sat on Monday, 11 February, 2019 from 15:00 hrs to 15:30 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Chandrakant Khaire - **Chairperson**

MEMBERS

2. Smt. Veena Devi
3. Shri P.C. Gaddigoudar
4. Shri B.B. Patil
5. Shri Virendra Singh
6. Shri P.R. Sundaram

SECRETARIAT

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

2. At the outset, Chairperson welcomed the Members to the sitting of the Committee.
3. Thereafter, the Committee took up for consideration the following Draft Reports for consideration :-

(i) Draft Reports regarding delay in laying of the Annual Report and Audited Accounts of the Centre for Development of Telematics, New Delhi;

(ii) Draft Reports regarding delay in laying of the Annual Report and Audited Accounts of the National Institute of Technology, Mizoram;

(iii) Draft Reports regarding delay in laying of the Annual Report and Audited Accounts of the National Commission of Safai Karamchari, New Delhi;

(iv) Draft Reports regarding delay in laying of the Annual Report and Audited Accounts of the Indian Drugs and Pharmaceutical Limited, Gurgaon;

(v) Draft Reports regarding delay in laying of the Annual Report and Audited Accounts of the National Institute of Pharmaceutical Education and Research, SAS Nagar, Mohali.

(vi) Draft Report relating to the Action Taken by Government on the recommendations/observations made by the Committee in their First Report on Delay in laying of Annual Report and Audited Accounts of the Prasar Bharti, New Delhi;

(vii) Draft Report relating to the Action Taken by Government on the recommendations/observations made by the Committee in their Fourth Report on Delay in laying of Annual Report and Audited Accounts of the Navodaya Vidyalaya Samiti, New Delhi;

(viii) Draft Report relating to the Action Taken by Government on the recommendations/observations made by the Committee in their Fourth Report on Delay in laying of Annual Report and Audited Accounts of the National Institute of Disaster Management, New Delhi;

(ix) Draft Report relating to the Action Taken by Government on the recommendations/observations made by the Committee in their Fifth Report on Delay in laying of Annual Report and Audited Accounts of the Central Zoo Authority, New Delhi; and

(x) Draft Report relating to the Action Taken by Government on the recommendations/observations made by the Committee in their First Report on Delay in laying of Annual Report and Audited Accounts of the All India Council of Technical Education, New Delhi;

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.

Then the Committee adjourned.