

COMMITTEE ON PAPERS LAID ON THE TABLE

(2019-2020)

01

SEVENTEENTH LOK SABHA

FIRST REPORT

**Report on
delay in laying of the Annual Reports and Audited Accounts of the Bharat Broadband
Network Limited, New Delhi**

(Presented on 20.03.2020)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

March 2020/ Phalguna, 1941(Saka)

C O N T E N T S**PAGE**

COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (2019-2020)	(iii)	
INTRODUCTION	(iv)	
<u>REPORT</u>		
Delay in laying of the Annual Reports and Audited Accounts of the Bharat Broadband Network Ltd., New Delhi	01	
<u>ANNEXURES</u>		
Annexure-I	Statement showing the funds released to the Bharat Broadband Network Ltd., New Delhi for the years 2012-2013` to 2018-2019.	6
Annexure-II	The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the Bharat Broadband Network Ltd., New Delhi for the years 2015-2016 to 2017-2018.	7
<u>APPENDICES</u>		
Appendix-I	The Extracts of the Minutes of the sitting of the Committee held on 27 December, 2018	8
Appendix-II	Extracts of the Minutes of the sitting of the Committee held on 04 March, 2020	10

COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE
TABLE
(2019-2020)

Shri Shyam Singh Yadav - **Chairperson**

MEMBERS

2. Shri Shafiqur Rahman Barq
3. Shri Margani Bharat
4. Dr. A. Chellakumar
5. Shri Pallab Lochan Das
6. Shri Chowdhury Mohan Jatua
7. Choudhary Mehboob Ali Kaiser
8. Dr. Amol Ramsing Kolhe
9. Shri Raja Amareshwara Naik
10. Shri Jamyang Tsering Namgyal
11. Smt. Aparupa Poddar
12. Shri T.N. Prathapan
13. Shri S. Ramalingam
14. Shri Saptagiri Ulaka
15. Shri Ashok Kumar Yadav

SECRETARIAT

1. Shri B. Srinivasa Prabhu - Joint Secretary
2. Shri Kushal Sarkar - Director
3. Shri Munish Kumar Rewari - Additional Director
4. Smt. Rajni Bhagat - Committee Officer

INTRODUCTION

I, Chairperson of the Committee on Papers Laid on the Table of the House (2019-20), having been authorized by the Committee to present this Report on their behalf, present this First Report in respect of delay in laying of the Annual Reports together with Audited Accounts of the Bharat Broadband Network Ltd., New Delhi.

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 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 Bharat Broadband Network Ltd., New Delhi for the years 2015-2016 and 2016-2017 and took oral evidence of the representatives of the Ministry of Communications (Department of Telecommunications) at their sitting held on 27 December, 2018.

4. The Committee considered and adopted this Report at their sitting held on 04 March, 2020.

5. The Committee wish to express their thanks to the officers of the Ministry of Communications (Department of Telecommunications) 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
March, 2020
Phalgun, 1941 (Saka)

Shyam Singh Yadav
Chairperson
Committee on Papers Laid on the Table

Report

Bharat Broadband Network Limited (BBNL) is a Special Purpose Vehicle (SPV), set up by the Government of India under the Administrative Ministry of Communication and IT, Department of Telecommunications for the establishment, management and operation of National Optical fibre Network (NOFN). BBNL has been incorporated on 25-02-2012 as a Public Sector Undertaking (PSU)/Company under the Companies Act, 1956 with an Authorized Share Capital of INR 1000 Cr. The paid up capital of the Company is INR Sixty Crore and Thirty.

2. BBNL is executing Bharat Net, and the entire funding of the capex and the net operating expenses (net of revenue) are being funded from the Universal Service Obligation Fund (USOF). The year-wise release of funds by USOF to BBNL is at Annexure -I

3. With regards to the relevant rules and regulations and the time limit for laying the Annual Reports along with the Audited Accounts of the BBNL on the Table of the House, the Ministry/BBNL in its written note replied as stated under: -

"The annual report of BBNL is being laid on the table of both houses of Parliament in accordance with Section 394 of the Companies Act, 2013.

The annual report of BBNL is required to be laid within 3 months from the date of its Annual General Meeting."

4. 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 Organization/Company are required to laid on the Table of the House within nine months of the closure of Accounting Year. To comply with this requirement proper time schedule should be laid down for compilation of Annual Report and Annual Accounts and their auditing. The Committee felt that normally a period of 3 months would be sufficient for compilation of Annual Accounts and their submission for 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 Institutes could not be laid within the prescribed period of 9 months, the Ministry concerned should lay a Statement within 30 days of the expiry of

the aforesaid period or as soon as the House meets whichever is later, explaining the reasons as to why the documents could not be laid.

5. The chronological sequence of different activities involved in finalization of Annual Reports and Audited Accounts of BBNL for the years 2015-2016 to 2017-2018 are given in **Annexure-II.**

6. On scrutiny of papers laid on the Table of the House, the Committee reveals that that the Ministry/BBNL did not comply with the aforesaid provisions of the Companies Act, 2013, as after getting approval of the documents of the BBNL for the years 2015-2016 to 2017 – 2018 the Ministry/BBNL took more than 03 months to 7 months in the process of laying these documents on the Table of the House.

7. As regard the time frame prescribed in the recommendations of the Committee, the Ministry/BBNL has laid the Annual Reports and Audited Accounts of the BBNL for 2015-2016 and 2018-2019 on 05.04.2017, 25.07.2018, 04.01.2020 and 03.02.2020 with delays of 3 days to 07 months respectively.

8. The Committee took oral evidence of the representatives of the Ministry of Communications (Department of Telecommunications) and BBNL in the this regard on 27.12.2018.

9. Regarding the reasons for delay in laying of the Annual Reports and Audited Accounts of Institutes, the Ministry in its written reply submitted as under:-

Years	Date of holding of AGM	Submission of Annual Report to Department of Telecom	Reasons for delay by BBNL	Date of Laying of Annual Report on the table of the houses	Reasons for delay in submission.
2015-16	29.11.2016	22.02.2017	Selection of printing agency, transfer of staff and proof reading process (2 months and 23 days)	05.04.2017	Annual Report received late from BBNL due to delay in finalization of Annual Accounts and translation of Annual Report. The file was immediately processed for approval of MoC. The file received back on 23.03.2017 and submitted to Lok

					Sabha/Rajya Sabha Secretariat on 24.03.2017.
2016-17	27.12.2017	06.02.2018	Within reasonable time (1 month & 10 days)	25.07.2018	Annual Report received late from BBNL due to delay in AGM and finalization of Annual Accounts. The file was immediately processed for approval of MoC. The file received back on 04.04.2018 and since no session was in progress Annual Reports submitted to Lok Sabha/Rajya Sabha Secretariat on 16.07.2018 on commencement of Monsoon Session.

10. On being asked by the Committee whether the Ministry/Institute had identified the stages in which delays have occurred during all these years 2015-16 and 2016-17 and measures taken to curtail delays in future, the Ministry in its submitted stated that-

"2015-16: Change in Director(Finance), BBNL

2016-17: Change in accounting policy

Measures taken:

Strengthening of accounts section, automation/ customization of Tally ERP,

Decision to shift to ERP"

11. Regarding the finalization of Annual Accounts, the Ministry in its written reply have submitted that:

"BBNL has appointed the Internal Auditors for each year. The queries raised by the internal auditors are put up to the audit committee along with management comments and remedial action taken."

12. The Ministry of Communications (Department of Telecommunications) have stated that a strict time line is being enforced and as a result of that BBNL has reduced the overall

process time and has held the AGM for 2017-18 within the time prescribed as per the Companies Act.

13. As regards remedial measures taken by the Ministry, it has been informed that the time for compilation of accounts is being rationalized to ensure holding of AGM within 6 months and laying within 9 months. It has also been informed that the annual report of BBNL for the financial year 2017-18 was submitted to DOT on 27.12.2018.

14. The Secretary, Department of Telecommunication during evidence stated that-

“...we have completed course of action for the report which is required to be laid I the House for the last year 2017-18. Now the file has been submitted to the Minister for authentication. We have already sought permission to lay the report on and on 2nd January in Lok Sabha and on 4th of January in Rajya Sabha.

...As you also noted, this year we have abolished such a delay which was caused earlier; whatsoever the reason may be for it, no matter they may be convincing, but there should not be delay in laying the report in Parliament. We understand this fact. We will make all efforts towards it and our efforts will be that there should not be delay in laying the report this time and we could lay it timely.”

Observations/Recommendations

15. The Committee note that the Ministry of Communications (Department of Telecommunications) itself has not adhered to the stipulated time frame for laying of the Annual Reports and Audited Accounts of the Bharat Broadband Networks Ltd.(BBNL), New Delhi for the years 2015-2016 to 2018-2019.

16. While examining reasons for delay in laying of the Annual Reports and Audited Accounts of BBNL for the years 2015-2016 and 2016-2017, the Committee was apprised that Change in Director (Finance) Selection of printing agency, transfer of Staff and proof reading process were the reasons for delay for the year 2015-2016 and Change in Accounting Policy for the year 2016-2017. These procedural matters should have been taken care of well within the stipulated time frame. The Committee note that due to remedial measures taken by the Ministry/Institute like Strengthening of accounts section, automation/customization of Tally ERP and also assurance for timely laying of the documents given by the representative of the Ministry, the Annual Report and Audited Accounts of the BBNL for the year 2017-2018 were laid on 04.01.2019 with a delay of 03 days and for the year 2018-2019 have been laid on 03.02.2020 with a delay of one month. The Committee, therefore, direct the Ministry to monitor the progress at

regular intervals in order to adhere to the time schedule and to ensure that in future Annual Reports and Audited Accounts of BBNL are laid on the Table of the House within the stipulated time.

17. If due to unavoidable reasons, the Annual Reports and Audited Accounts of the BBNL could not be laid on the Table of the House within 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 reports.

March, 2020
Phalguna, 1941(Saka)

Shyam Singh Yadav
Chairperson,
Committee on Papers Laid on the Table

Annexure-I
vide para 01 of the Report

Statement showing the funds released by the Ministry to the Bharat Broadband Networks Ltd. for the years 2012 -13 and 2018-19.

Years	Amount (in Rs Cr)
2012-13	405
2013-14	514
2014-15	1352
2015-16	2415
2016-17	5600
2017-18	6000
2018-19 (to date)	1500
Total	17,785

Annexure-II
vide para 05 of the Report

The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the Bharat Broadband Network Ltd., New Delhi for the years 2015-2016 to 2017-2018.

Sub-Question	Points	Financial Years		
		2015-16	2016-17	2017-18
7(a)	Date of communication from o/o C&AG regarding appointment of statutory auditors	7.7.2015	11.7.2016	25.07.2017
	Date of appointment of statutory auditors by BBNL	10.2.2016	05.10.2016	15.11.2017
	Appointment after closure of financial year	NA	NA	NA
7(b)	Date of compilation of annual accounts	23.07.2016	15.10.2017	09.07.2018
	Time taken after the closure of the respective accounting year	4 months	6 ½ months	3 months
7(c)	Date of submission of annual accounts to auditors	23.07.2016	15.10.2017	09.07.2018
	Time taken after appointment	5 ½ months	1 year	8 months
7(d)	The date and duration for auditing the Annual Accounts Statutory Auditors	23.08.2016 (1 month)	15.11.2017 (1 month)	09.08.2018 (1 month)
	Time taken by o/o C&AG	29.09.2016 (1 month)	18.12.2017 (1 month)	25.09.2018 (1½ months)
7(e)	The date of queries (first query) raised by Auditors during auditing of Annual Accounts (o/o C&AG)	No supplementary audit	28.11.2017	27.08.2018
	Time taken after submission of Annual Accounts to Audit Authorities	NA	13 days	18 days
7(f)	The date on which the replies (last reply) to the audit queries was furnished to the Auditors and	NA	6.12.2017	04.09.2018
	The time taken to resolve the queries	NA	7 days	8 days
7(g)	The date on which draft Audit Report was issued by Audit Authorities	NA	13.12.2017	14.09.2018
	Time taken after receipt of Annual Accounts	NA	28 days	1 month & 6 days
7(h)	The date on which the final Audit Report received by Organization	29.09.2016	18.12.2017	25.09.2018

	Time taken after issue of draft report	NA	5 days	11 days
7(i)	The date on which documents were got approved from the Competent Authority and Time taken after finalization of Annual Report	29.11.2016	27.12.2017	27.09.2018
7(j)	The date on which documents were taken up for translation & printing and	30.11.2016	28.12.2017	28.09.2018
	The time taken for completing the task at each stage.	2 ½ months	1 month & 10 days	2 ½ months
7(l)	The date and time taken for sending the documents to the Ministry for being laid in House after the completion the task at each stage.	22.02.2017 (same day)	06.02.2018 (same day)	21.12.2018 (same day)
7(m)	The date of laying of the documents on the Table of the House and time taken by the Ministry in the process of laying of the documents after receipt of the Annual Report and Audited Accounts from the BBNL.	05.04.2017 (Reasons already mentioned in reply to Point-5)#	25.07.2018 (Reasons already mentioned in reply to Point-5)#	Not yet laid (File under submission)*

Mentioned at Para 10 of the Report.

* Subsequently the Annual Report and Audited Accounts of BBNL for the year 2017-2018 have been laid on 04.01.2019 near about within the stipulated time period.

**EXTRACTS OF THE MINUTES OF THE THIRD SITTING OF THE
COMMITTEE ON PAPERS LAID ON THE TABLE (2019-2020)**

The Committee sat on Wednesday, 04th March 2020 from 15:00 hrs to 16:00 hrs. in Committee Room 'E', Parliament House Annexe Building, New Delhi.

PRESENT

Shri Shyam Singh Yadav - **Chairperson**

MEMBERS

2. Shri Shafiqur Rahman Barq
3. Shri Pallab Lochan Das
4. Choudhary Mehboob Ali Kaiser
5. Dr. Amol Ramsing Kolhi
6. Shri Raja Amareshwara Naik
7. Shri Jamyang Tsering Namgyal
8. Shri T.N. Prathapan
9. Shri Saptagiri Ulaka
10. Shri Ashok Kumar Yadav

SECRETARIAT

1. Shri B. Srinivasa Prabhu - Joint Secretary
2. Shri Kushal Sarkar - Director
3. Shri Munish Kumar Rewari - Additional Director

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2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee and explained the purpose of convening the meeting.

3. The Committee then took up for consideration Eight Draft Reports (Original) regarding delay in laying of the Annual Report and Audited Accounts of :-

- i. Bharat Broadband Network Limited (BBNL), New Delhi;

- ii. SEZ- FALTA Kolkata, SEEPZ Mumbai and NOIDA;
- iii. Rashtriya Madhyamik Shiksha Abhiyan (RMSA), New Delhi;
- iv. National Council for Teachers Education, New Delhi;
- v. Science & Engineering Research Board, New Delhi;
- vi. National Sports Development Fund (NSDF);
- vii. Five Zonal Cultural Centres i.e., South Zone Cultural Centre (SZCC) Thanjavur, West Zone Cultural Centre (WZCC) Udaipur, South Central Zone Cultural Centre (SCZCC) Nagpur, North Central Zone Cultural Centre (NCZCC) Allahabad and North East Zone Cultural Centre (NEZCC), Dimapur;
- viii. Export Inspection Council of India (EIC),

After deliberations, the Committee adopted the Eight Original Reports without modifications.

4. Thereafter, the Committee took up for consideration Fifteen Action Taken Reports regarding Recommendations/Observations made by the Committee in their Original Reports regarding delay in laying of the Annual Reports and Audited Accounts of:-

- i. Central Pollution Control Board (CPCB), New Delhi;
- ii. National Council of Educational Research & Training (NCERT), New Delhi;
- iii. Banaras Hindu University, Varanasi;
- iv. Aligarh Muslim University, Aligarh;
- v. Nehru Yuva Kendra Sangathan (NYKS), New Delhi;
- vi. National Institute of Solar Energy (NISE), New Delhi;
- vii. Office of the Chief Commissioner for Personswith Disabilities (CCPD), New Delhi;
- viii. National Commission for Scheduled Castes (NCST), New Delhi
- ix. National Commission for Safai Karamcharis (NCSK), New Delhi
- x. National Institute of Technology, Meghalaya;
- xi. National Institute of Technology, Mizoram;
- xii. National Mission for Clean Ganga (NMCG), New Delhi;
- xiii. AIIMS (Bhopal, Bhubaneswar, Jodhpur, Patna and Rishikesh);
- xiv. Centre for Development for Telematics (CDOT), New Delhi; and
- xv. National Institute of Pharmaceutical Education Research (NIPER), Mohali.

After deliberations, the Committee adopted the Fifteen Action Taken Reports without modifications.

5. The Committee authorized the Hon'ble Chairperson to present both the Original and Action Taken Reports to the Parliament.

6-12	xx	xx	xx	xx
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The Committee then adjourned.