

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2020-2021)**

SEVENTEENTH LOK SABHA

39

THIRTY NINTH REPORT

**[Delay in laying the Annual Reports and Audited Accounts of the
National Centre for Cold-Chain Development (NCCD), New Delhi]**

(Presented on 10.08.2021)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI
August, 2021/ Shravan, 1943(Saka)**

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COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE
(2020-2021)

CHAIRPERSON

Shri Ritesh Pandey

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. | Smt. Suman Arora | - | Joint Secretary |
| 2. | Smt. B. Visala | - | Director |
| 3. | Shri Munish Kumar Rewari | - | Additional Director |
| 4. | Smt. Manjinder Pubbi | - | Under Secretary |
| 5. | Smt. Rajni Bhagat | - | Committee Officer |
| 6. | Shri Darpan Sharma | - | Assistant Executive Officer |

INTRODUCTION

I, Chairperson of the Committee on Papers Laid on the Table of the House (2020-2021), having been authorized by the Committee to present this Report on their behalf, present this Thirty Ninth Report in respect of the delay in laying the Annual Reports and Audited Accounts of the National Centre for Cold-Chain Development (NCCD), New Delhi.

2. In terms of the recommendations of the Committee on Papers Laid on the Table contained in their 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 Reports and Audited Accounts of the Organisation/Company are required to be laid on the Table of the House within nine months of the closure of the respective accounting year.

3. The Committee considered the matter of delays in laying the Annual Reports and Audited Accounts of the National Centre for Cold-Chain Development (NCCD), New Delhi and took oral evidence of the representatives of the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare) and the National Centre for Cold-Chain Development (NCCD), New Delhi in this regard at their sitting held on 04th March, 2020.

4. The Committee considered and adopted this Report at their sitting held on 20.07.2021.

5. The Committee wish to express their thanks to the officers of the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare) and the National Centre for Cold-Chain Development (NCCD), New Delhi 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
29 July, 2021
07 Shravana, 1943 (Saka)

Ritesh Pandey
Chairperson
Committee on Papers Laid on the Table
Lok Sabha

Report

Delay in laying of the Annual Reports and Audited Accounts of the National Centre for Cold-chain Development (NCCD), New Delhi.

A Task Force was constituted by the Ministry of Agriculture vide order dated 3rd May 2007 for developing a road map for cold chain development in the country. The Task Force submitted its report in August 2008 and assessed various criticalities in cold-chain development. It recommended establishing a National Centre for Cold-chain Development (NCCD) with an outlay of Rs 125 crore for its management and function. The Task Force recommended that it be setup as an autonomous body and the body must function in a two-tiered manner addressing needs of (i) advisory to the Government, and (ii) operational management.

NCCD was registered under Societies Registration Act 1860 on 27-1-2011 and structured to operate in Public-Private-Partnership (PPP) mode with stakeholders as members of the society. After approval by Cabinet on 09-2-2012, an amount of Rs 25 crore was received from National Horticulture Board in March and April, 2012 as capital fund. The interest accruing therefrom, and other income generated by NCCD from membership fees and charges for services rendered is to be used to meet its administrative, personnel and other costs, as decided by its Governing Council. NCCD is structured such that there is no further cost on account of its operation and maintenance on Government.

2. The dates and details of corpus released by the National Horticulture Board for setting up National Centre for Cold-chain Development is placed at **Annexure-I**.

3. On being enquired about the Act, Rule, Regulation and also, provision of time for laying of Annual Report and Audited Accounts of NCCD, the Ministry has submitted that:

" There is no mention of placing the accounts in Bye laws of NCCD. Therefore, annual reports and accounts of NCCD were placed in both Houses of Parliament as per directions of DAC&FW on file on 27.09.2018."

4. As per the decision of the Committee, the Societies/Organisations receiving one time assistance of Rs Five crore or above should be required to lay their Annual Reports and Audited Accounts before the Parliament.

Also, Section 238(6) of the General Financial Rules states that, "...The Annual Reports and Audited Accounts of Private and Voluntary Organizations or Societies registered under the Registration of Societies Act, 1860, receiving one-time assistance/non-recurring Grants of Rupees Fifty lakhs and above should also be laid on the Table of the House, within nine months of the close of the succeeding financial year of the grantee Organisations".

5. The Committee have, in their First Report (5th Lok Sabha) presented to the House on 08 March, 1976, emphasized that the Autonomous Organizations should lay their Annual Report, Audited Accounts and Review Statements within nine months of the close of the respective Accounting Year. Further, it is the responsibility of the Administrative Ministry to lay the Annual Report and Audited Accounts of the Organisation on the Table of the House. However, if for any reason, the Annual Report and Audited Accounts could not be laid within the prescribed period of nine 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.

6. On 30th July 2019, the Ministry of Agriculture and Farmers Welfare laid before the Parliament the Annual Reports and Audited Accounts of the NCCD for the years 2011-12 to 2017-18. The scrutiny of these papers by the Parliamentary Committee on Papers Laid on the Table, Lok Sabha revealed prolonged delays in laying of these documents ranging between 07 months to 06 years and 07 months. Also, the requisite documents for the year 2018-19 have been laid with delay of 13 months on 02.02.2021.

Further, the Annual Report and Audited Accounts of NCCD for 2019-2020* have not been laid on the Table of the House till date. The actual dates of laying of the Annual Reports/Audited Accounts of the NCCD alongwith the extent of delay are placed at **Annexure-II**.

7. On the query about the reasons for delay in laying of the Annual Reports and Audited Accounts of NCCD for the years 2011-12 to 2017-18, the Ministry in its written reply has stated that:-

“NCCD received directions for placing Annual Reports and Audited Accounts for the period 2011-12 to 2017-18 in House of Parliament on 27.09.2018”

8. On the question whether the Ministry agrees that persistent delays in laying the documents indicate that due importance was not given to timely laying of the papers before the Parliament and things were taken in a casual manner, the Ministry has replied:

“There is no mention of placing the accounts in Bye laws of NCCD and NCCD was not aware that Annual Reports are required to be placed before both Houses of Parliament.”

9. On the question as to whether the Ministry/NCCD has identified the stages in which delays have occurred during all these years and how does the Ministry propose to curtail the same, the Ministry submitted that:-

“NCCD henceforth will take timely action for completing the task”

10. The Committee desired to know as to whether there has been any delay in the appointment of auditors for the purpose of auditing the Annual Accounts of the NCCD, New Delhi, during these years. The Ministry in its reply has submitted that :-

“ First auditor`s M/s Umesh Babu Agarwal, Chartered Accountants were appointed in August 2014 for F.Y. 2010-11 to 2013-14 after NCCD executive team including CEO joined in March 2014. Thereafter, M/s APN associates, Chartered Accountants empanelled with CAG were appointed each year up to F.Y. 2018-19.”

* Annual Report and Audited accounts for the year 2019-2020 have been laid on 09.03.2021

11. The Committee also desired to know whether there is any Internal Auditing mechanism to ensure timely compilation of accounts and also to minimize the audit queries at the time of auditing. The Ministry in its written reply has submitted that:-

" NCCD is very small set up with interest income of Rs 2.25 crore and expenses on salary and administrative expenses of Rs 95 lakh only. Advisor finance in NCCD is a chartered accountant and he is also looking at internal checks functions in NCCD. Therefore, need for separate internal audit team, besides statutory audit is not felt."

12. On the question as to whether any time schedule has been laid down for completion of various tasks at each stage and any remedial measures have been taken/proposed to be taken both by the Ministry/NCCD to ensure timely laying of the documents before the Parliament in future, the Ministry has furnished the following schedule :-

" In future, accounts are proposed to be finalised as follows:

- (a) To prepare draft accounts and provide to Statutory Auditors by 31st May;*
- (b) Completion of audit by Statutory Auditors by 31st July;*
- (c) To place Annual Report and Audited Accounts for approval of Executive Committee by 30th September;*
- (d) To place Annual Report and Audited Accounts for approval of Governing Council by 31st October;*
- (e) To place Annual Report in both Houses of Parliament by 31st December."*

*A statement showing actual time taken at different stages, i.e. from approaching the Auditors to the laying of Annual Reports and Audited Accounts of NCCD before Parliament, for the years 2011-12 to 2017-18, is placed at **Annexure-III**.*

13. On being asked about any mechanism in the Ministry to monitor the progress of work in this regard to ensure timely laying of documents, the Ministry has submitted that:-

"Accounts of NCCD for 7 years 2011-12 to 2017-18 were first time placed in House in July 2019. Now a mechanism for monitoring timely submission of accounts will be followed."

14. The Committee also desired to know whether the Ministry would like to give any other information/suggestion for consideration of the Committee for improving the procedure for timely laying of documents in the House, the Ministry in their written reply has submitted that:-

“DAC&FW had requested CAG through Dept. of Economic Affairs to conduct audit of NCCD accounts. Accordingly, they have conducted audit of NCCD accounts u/s 20(1) of the Comptroller and Auditor General’s Act 1971 for 5 years from 2013-14 to 2017-18 in May 2019. They have issued separate Audit Report for each financial year (2013-14 to 2017-18) with the request to place the same in House.”

Based on the above reply, the Committee sought further clarification from the Ministry regarding certain queries about the process of auditing of accounts adopted by NCCD. The Ministry clarified and submitted that :-

- a) *“As per the Bye-laws of National Centre for Cold-chain Development [para 12(iv)], Accounts of NCCD shall be audited annually by the Auditors of NCCD appointed by the Governing Council. As such, chartered accountants empanelled with CAG office are appointed as statutory auditors of NCCD for audit of NCCD accounts.*
- b) *..... CAG conducted audit of NCCD accounts for the period 2013-14 to 2017-18 in April/May 2019 and their audit reports were received in September 2019. By the time, we had already placed Annual Reports along with audited accounts on the Table of House on 30-7-2019 as per directions of DAC&FW.*
- c) *DEA had entrusted audit of accounts of NCCD to CAG for the specific period of 5 years i.e., 2013-14 to 2017-18 only and hence they have not conducted audit for F.Y. 2011-12 and 2012-13.”*

15. On 04th March, 2020, the Committee took oral evidence of the representatives of the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare) and National Centre for Cold-Chain Development (NCCD) to consider the matter of delays in laying of Annual Reports and Audited Accounts of NCCD for the years 2011-12 to 2017-18.

16. During the evidence, the Secretary to the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare) reiterated that NCCD was unaware about laying of Annual Reports and Audited Accounts before the Parliament. However, he submitted before the Committee that their target is to submit the requisite documents for the year 2018-2019 in April 2020 and, for the year 2019-2020 by December this year.

Observations/Recommendations

17. The Committee is dismayed to note that the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare) has shown a lackluster approach in supervising the functioning of National Centre for Cold-Chain Development (NCCD), as it is the duty of the Nodal Ministry to ensure that all the Organizations/Institutions etc. under its administrative control follow the Rules regarding timely laying of Annual Reports and Audited Accounts before the Parliament.

The Committee is highly disappointed to note that not only the Ministry had laid the Annual Reports and Audited Accounts of NCCD on the Table of the House, Lok Sabha for the years 2011-12 to 2017-18, together, on 30.07.2019 with extensive delays ranging between 07 months to 06 years and 07 months, but also laid the accounts for the said seven years before the Parliament, audited by a Private Auditor instead of Auditors appointed by CAG. Besides, the Committee was also apprised that later, on being requested, the CAG had conducted the audit of accounts of NCCD for the period of 5 years i.e., 2013-14 to 2017-18 in April/May 2019 and a Separate Audit Report was issued in September 2019. However, by that time, the Annual Reports and Audited Accounts for the years 2011-12 to 2017-18 were already laid before the Parliament. This is in complete contradiction with the GFR Rules and the Recommendations of the Committee on Papers Laid on the Table. Also, the requisite documents for the year 2018-19 have now been laid with a delay of over 13 months, which is in contradiction to the assurance given by the Secretary during the evidence.

The Committee, therefore, strictly directs the Ministry to lay the pending documents of NCCD for the year 2019-2020* at the earliest and to ensure timely laying of requisite documents in future. The Committee further instructs the Ministry to get the Accounts of NCCD audited by CAG for all the remaining years since its inception and lay all such pending Separate Audit Reports before the Parliament, without further delay.

** Annual Report and Audited accounts for the year 2019-2020 have been laid on 09.03.2021*

The Committee is displeased with the apathetic approach of the Ministry, in the instant case, and strictly instructs them to be more vigilant in future to avoid similar instances.

18. The Committee was also apprised by the Ministry that the delay in laying of requisite documents of NCCD, before the Parliament, occurred as there was no mention of placing the accounts in Bye laws of NCCD and that NCCD was not aware that Annual Reports are required to be placed before both the Houses of Parliament.

The Committee directs the Ministry/NCCD to make necessary amendment(s) in the Bye laws of the NCCD in accordance with the GFR Rules 238(6) and as per the earlier recommendations of the Committee on Papers Laid on the Table, Lok Sabha.

19. The Committee also strongly impress upon the Ministry to note that in case of delay in laying of the Annual Reports and Audited Accounts of the Organisations/Institutions etc., under its administrative control, due to unavoidable reasons, 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.

**New Delhi
20 July, 2021
29 Ashadha, 1943 (Saka)**

**Ritesh Pandey
Chairperson
Committee on Papers Laid on the Table
Lok Sabha**

Statement showing the corpus released by for setting up National Centre for Cold-Chain Development (NCCD), New Delhi.

Amount	-	Date
Rs 12.50 crore (out of DAC&FW grant)	-	30 th March 2012
Rs 12.50 crore (from internal accrual of NHB)	-	11 th April 2012

No other funds were released by the Government of India to NCCD.

Annexure-II
vide para 06 of the Report

Statement showing the dates of laying of the Annual Reports and Audited Accounts of the National Centre for Cold-Chain Development (NCCD), New Delhi for the years 2011-12 to 2018-2019.

Year	Date by which Annual Reports and Audited Accounts were required to be laid	Actual Date of laying of Annual Reports and Audited Accounts	Extent of delay
2011-12	31.12.2012	30.07.2019	06 years and 07 months
2012-13	31.12.2013	30.07.2019	05 years and 07 months
2013-14	31.12.2014	30.07.2019	04 years and 07 months
2014-15	31.12.2015	30.07.2019	03 years and 07 months
2015-16	31.12.2016	30.07.2019	02 years and 07 months
2016-17	31.12.2017	30.07.2019	01 years and 07 months
2017-18	31.12.2018	30.07.2019	07 months
2018-19	31.12.2019	02.02.2021	01 year and 01 month
2019-2020	31.12.2020	Not laid*	-

** Annual Report and Audited accounts for the year 2019-2020 have been laid on 09.03.2021*

Annexure-III
vide para 12 of the Report

The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the National Centre for Cold-Chain Development (NCCD), New Delhi for the years 2011-12 to 2017-2018.

S. No.	Particulars	2011-12 to 2017-18
a)	The date on which NCCD approached the Audit Authorities to appoint the auditors for auditing the accounts.	M/s Umesh Agrawal & Co., Chartered accountants were appointed in August 2014 for audit of NCCD accounts for F.Y. 2011-12 to 2013-14 and M/s APN & Associates, Chartered accountants, were appointed in August 2015 for audit of NCCD accounts for 2014-15 and thereafter re-appointed for one year each up to F.Y. 2018-19.
b)	The date of appointment of statutory auditors	NA
c)	The date of compilation of Annual Accounts	NA
d)	The date on which the Annual Account were submitted to Auditors for auditing	NA
e)	The date of queries raised by Auditors during auditing of Annual Accounts	NA
f)	The date on which the replies to the audit queries was furnished to the Auditors	NA
g)	The date of submission of report by CAG	NA
h)	The date on which documents got approved from the Competent Authority.	Annual Reports for seven years (2011-12 to 2017-18) were prepared and placed before Executive Committee and Governing Council in their meetings held on 21.12.2018 for consideration and approval
i)	The date on which documents were taken up for translation and printing and the time taken for completing the -task.	Hindi translation and printing work for Annual Reports of F.Y. 2011-12 to 2017-18 were taken up in June 2019 and completed in one-month time.
j)	The date on which the documents were sent to the Ministry for being laid in House	Annual reports for F.Y. 2011-12 to 2017-18 were sent to DAC&FW for placing in House in July 2019 and thereafter, placed by them on 30.07.2019
k)	The date of laying of the documents on the Table of the House.	30.07.2019

**EXTRACTS OF THE MINUTES OF THE THIRD SITTING OF THE
COMMITTEE ON PAPERS LAID ON THE TABLE (2019-2020) HELD ON 04.03.2020.**

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

X	X	X	X	X
X	X	X	X	X

**REPRESENTATIVES OF
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
(DEPARTMENT OF AGRICULTURE AND COOPERATION)**

1. Shri Sanjay Agarwal - Secretary
2. Shri Rajbir Singh - Joint Secretary, MIDH & Director, NCCD

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

3-12. X X X X X

13. Lastly, the representatives of the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare) and National Centre for Cold-Chain Development (NCCD), New Delhi were ushered in to tender oral evidence before the Committee.

14. The Chairperson then welcomed the representatives of the Ministry and the NCCD, New Delhi to the sitting of the Committee and explained to them that the meeting has been called to discuss the reasons for delays in laying of the Annual Reports and Audited Accounts of the NCCD, New Delhi. 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.

15. The Representative of the Ministry submitted a brief introduction about the NCCD before the Committee. It was further submitted that both the Ministry and the employees of NCCD were not aware that laying of documents was required for a body given a one-time grant by the Government of India. However, after a Joint Secretary in the Ministry examined the matter, it was decided that requisite documents have to be laid in even in cases where one-time grant has been received. And as a result, in 2018, NCCD was directed to lay the records before its Official committee. Subsequently, the records were passed by the Committee and were laid together before the Parliament.

The Representative of the Ministry assured the Committee that the Annual Report for 2018-19 will be laid in April this year and for 2019-20 will be laid by December.

16. Thereafter, the Hon'ble Chairperson thanked the representatives of the Ministry and the NCCD, New Delhi for useful discussion in connection with examination of the subject.

The witnesses then withdrew.

17-18. X X X X X

The Committee then adjourned.

**THE EXTRACTS OF THE MINUTES OF THE EIGHTH SITTING OF THE
COMMITTEE ON PAPERS LAID ON THE TABLE (2020-2021) HELD ON 20.07.2021**

The Committee sat on Tuesday, 20th July 2021 from 15:00 hrs to 16:00 hrs. in Committee Room '01', Parliament House Annexe Extension Building, New Delhi.

PRESENT

Shri Ritesh Pandey - **Chairperson**

MEMBERS

2. Shri Shafiqur Rahman Barq
3. Dr. A. Chellakumar
4. Shri Pallab Lochan Das
5. Smt Aparupa Poddar
6. Shri S. Ramalingam
7. Shri Saptgiri Ulaka

SECRETARIAT

1. Smt. Suman Arora - Joint Secretary
2. Shri Munish Kumar Rewari - Additional Director

X X X X X

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

3. The Committee then took up for consideration xxxx original draft Reports regarding delay in laying of the Annual Report and Audited Accounts of the:-

- (a) X X X X X
- (b) National Center for Cold-chain Development (NCCD), New Delhi.

After deliberations, the Committee adopted the xxxx original Reports without modifications.

4. X X X X X

5. The Committee authorized the Hon'ble Chairperson to present xxxx Reports to the Parliament.

6-10. X X X X X

The Committee then adjourned.