

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2019-2020)**

45

SEVENTEENTH LOK SABHA

FORTY FIFTH REPORT

[Action Taken by Government on the Recommendations/Observations made by the Committee in their Second Report (Seventeenth Lok Sabha)] on delay in laying of the Annual Reports and Audited Account of (i) Falta SEZ Authority, Kolkata (ii) SPEEZ SEZ Authority, Mumbai and (iii) Noida SEZ Authority Noida.]

(Presented on 10 August, 2021)



सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

August, 2021/Sravana, 1943(Saka)

CONTENTS

PAGE

COMPOSITION OF THE COMMITTEE (2020-2021)		(iii)
INTRODUCTION		(v)
REPORT	Action Taken by Government on the Recommendations/Observations made by the Committee on Papers Laid on the Table in their Second Report (Seventeenth Lok Sabha)	01
Appendix	Statement showing Action Taken by Government on the Recommendations/Observations of the Committee on Papers Laid on the Table in their Second Report (Seventeenth Lok Sabha)	02
Annexure	Minutes of the sitting of the Committee held on 26 July,2021	04

COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE

(2020-2021)

Shri Ritesh Pandey - **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. 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

(iii)

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 Forty Fifth Report on the Action Taken by Government on the Recommendations/Observations contained in the Second Report (Sixteenth Lok Sabha) of the Committee regarding the delay in laying the Annual Reports and Audited Accounts of the (i) Falta SEZ Authority, Kolkata (ii) SPEEZ SEZ Authority, Mumbai and (iii) Noida SEZ Authority Noida.

2. The Committee considered and adopted this Report at their sitting held on 26 July, 2021.
3. For facility of reference, observations/recommendations of the Committee have been printed in bold type in the body of the Report.

NEW DELHI
July, 2021
Sravana, 1943 (Saka)

RITESH PANDEY
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 Second Report (17thLok Sabha) which was presented to Lok Sabha on 20.03.2020.

2. The Second Report dealt with the delay in laying the Annual Reports and Audited Accounts of (i) Falta SEZ Authority, Kolkata (ii) SPEEZ SEZ Authority, Mumbai and (iii) Noida SEZ Authority Noida. In all, the Committee made 03 Observations/Recommendations in the Report. The action taken replies have been received from the Government in respect of all the recommendations/observations contained in the aforesaid Report. Accordingly, the Statement showing the action taken by the Government on the recommendations/observations contained in the Second Report (17thLok Sabha) is given in **Appendix**.

3. **The Committee in their aforesaid Report had expressed concern over the delay in laying the Annual Reports and Audited Accounts of the (i) Falta SEZ Authority, Kolkata (ii) SPEEZ SEZ Authority, Mumbai and (iii) Noida SEZ Authority Noida for the years 2009-10 to 2018-19 and recommended that documents of the SEZs should be laid within the stipulated time in future.**

4. **From the action taken replies furnished by the Ministry of Commerce and Industry (Department of Commerce), the Committee feel dismayed to note that the measures taken by the Ministry have not proved effective enough to ensure timely laying of these documents before the Parliament as documents of the (i) Falta SEZ Authority, Kolkata; (ii) Noida SEZ Authority Noida for the year 2018-19; and (iii) SPEEZ SEZ Authority, Mumbai have been laid with delays of 13 month. The documents for these SEZs for the year 2019-2020 have not been laid as yet. Taking a very serious note thereof, the Committee strongly desire to know the reasons for delay in laying these documents, within three months from the date of presentation of this Report. The Committee also recommend that pending documents should be laid at the earliest and for succeeding years should be laid within the stipulated time in future.**

NEW DELHI
July, 2021
Sravana,1943 (Saka)

RITESH PANDEY
Chairperson
Committee on Papers Laid on the Table
Lok Sabha

**STATEMENT SHOWING ACTION TAKEN BY GOVERNMENT ON THE
RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE CONTAINED IN
THEIR SECOND REPORT (17TH LOK SABHA)**

Recommendation (Paragraph No. 16)

The Committee are disappointed to note that the Ministry of Commerce and Industry as well as the Authorities of the Falta SEZ, NOIDA SEZ, and SEEPZ SEZ did not comply with the requirements of laying the Annual Reports and Audited Accounts of the aforesaid three SEZs for the years 2009-10 to 2018-19 within the stipulated time period of nine months from the closure of the respective Accounting years. As per the Ministry's submission the delay for the years 2009-2010 to 2014-2015 has occurred due to various stages involved in the finalization of Annual Accounts of the SEZs and due to a lack of clarity on legal provision made in SEZ Act, 2005 regarding laying of the Annual Reports and Audited Accounts before both the Houses of Parliament and that the matter got delayed as Department of Legal Affairs had to be consulted in the matter.

The Committee do not appreciate this reply. The SEZ Act clearly provides for laying of the Audited Accounts prepared by the Authorities and Audited by C&AG annually by the Central Government before each House of Parliament. Ignorance of time lines for laying of the Reports/Annual Accounts of the statutory bodies as given GFR and the recommendations of the Committee made in Second Report (5th Lok Sabha) is not excusable. The representative of the Ministry rightly admitted the delay. The Committee note that efforts have been made to clear the backlog of pending Annual Reports and Audited Accounts of SEZs.

Reply of the Government

This Department vide letter no. H-11020/1/2017-SEZ dated 1st November, 2017 has laid down the schedule for finalizing the Audited accounts and Annual report of SEZ authorities which is as follows:

S. No	Activity	Time Schedule
1.	Preparation of Annual Accounts	30 th April
2.	Auditing of Account by independent Chartered accountant	31 st May
3.	Forwarding to Auditors & Requesting Auditors to depute Audit team	30 th June
4.	Auditing by Audit team	31 st August
5.	Submission of Draft SAR by Auditors	20 th September
6.	Reply by Authority for Draft SAR	25 th September
7.	Submission of Final SAR by Auditors	30 th September
8.	Getting translation in Hindi	10 th October
9.	Forwarding to Department of Commerce for laying it before the Parliament	31 st October

2. Further, recommendations of the Committee have been conveyed to all the Zones, vide letter, dated 17th August, 2020 and it has been emphasized that in case a zone is unable to provide the report within the stipulated time, they need to send the report before the prescribed time along with a statement explaining the reasons as to why the requisite documents could not be laid within the prescribed time period and indicating a probable time by which the report would be furnished.

**(Ministry of Commerce and Industry (Department of Commerce) vide OM No.
H11020/1/2017SEZ dated 07.09.2020 and 23.10.2020)**

Recommendation (Paragraph No. 17)

The Committee note that a detailed time schedule indicating the target dates for completion of each stage of the finalization of the documents for laying them on the Table of the House has been drawn up by the Ministry. The Committee hope that the efforts will continue to ensure timely laying of the documents in future.

Reply of the Government

This Department vide letter no. H-11020/1/2017-SEZ dated 1st November, 2017, has laid down the schedule for finalizing the audited accounts and annual report of SEZ authorities which is as follows:

S. No	Activity	Time Schedule
1.	Preparation of Annual Accounts	30 th April
2.	Auditing of Account by independent Chartered accountant	31 st May
3.	Forwarding to Auditors & Requesting Auditors to depute Audit team	30 th June
4.	Auditing by Audit team	31 st August
5.	Submission of Draft SAR by Auditors	20 th September
6.	Reply by Authority for Draft SAR	25 th September
7.	Submission of Final SAR by Auditors	30 th September
8.	Getting translation in Hindi	10 th October
9.	Forwarding to Department of Commerce for laying it before the Parliament	31 st October

2. Further, in case a zone is unable to provide the report within the stipulated time, they need to send the report along with a statement explaining the reasons as to why the requisite documents could not be laid within the prescribed time period. The statement is examined by this department and with the approval of the CIM, they are laid on the Table of the House.

(Ministry of Commerce and Industry (Department of Commerce) vide OM No. H11020/1/2017SEZ dated 07.09.2020 and 23.10.2020)

Recommendation (Paragraph No. 18)

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

Reply of the Government

Suggestion has been noted and in future and the annual reports and audited accounts of the SEZ will be laid on the table of the houses well within time. However, in case of failure, a statement will be placed on the table of the houses explaining the reasons as to why the requisite documents could not be laid within prescribed time limit.

(Ministry of Commerce and Industry (Department of Commerce) vide OM No. H11020/1/2017SEZ dated 07.09.2020 and 23.10.2020)

