



TAMIL NADU LEGISLATIVE ASSEMBLY

**COMMITTEE ON PUBLIC
UNDERTAKINGS**

B R O C H U R E

**Legislative Assembly Secretariat
Chennai-600009**

**B R O C H U R E
ON
COMMITTEE ON PUBLIC UNDERTAKINGS**

P R E F A C E

This Brochure contains a brief note on the nature, scope, functions and procedure of work of the Committee on Public Undertakings. It is based on the Rules of Procedure and Conduct of Business of the Tamil Nadu Legislative Assembly and the conventions established. It is primarily meant for the use of the Members of the Committee.

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TAMIL NADU LEGISLATIVE ASSEMBLY

COMMITTEE ON PUBLIC UNDERTAKINGS

INTRODUCTION

The Legislature is one of the three wings of the State, the other two being the Executive and the Judiciary. It is the duty of every democratic Legislature to keep a close watch and oversee through Committee on the administration of public expenditure, in addition to the control naturally exercised by the Finance Department in the course of its duties.

The Financial Committees of the Legislature-The Estimates Committee, the Public Accounts Committee and the Public Undertakings Committee exercise control over Government expenditure and receipts. The Estimates Committee examines current estimates while the Public Accounts Committee scrutinises the Appropriation Accounts of the State placed on the Table of the Legislature and the Report of the Comptroller and Auditor-General thereon. The Public Undertakings Committee scrutinises the working of the Public Corporations and Government Companies. The Estimates Committee seeks to find out what economies can be achieved within the estimates approved by the Legislature; the Public Undertakings Committee endeavours to see that money has been spent as Legislature intended; the Public Undertakings Committee will ensure a proper balance between the requirements of autonomy which is necessary for the successful working of the undertakings and the need to maintain effective legislative control. The Estimates Committee and the Public Accounts Committee are to be treated as complementary in their scope and functions.

2. The term 'Public Undertakings' refers to enterprises of an industrial, commercial or financial nature set up by Government. In a Welfare State, the Government takes upon itself huge economic undertakings and Public utility Services. The Government cannot directly administer or run those undertakings. Hence Statutory Corporations and Government Companies are formed under the relative status. They have freedom of action in the efficient management of the organizations with the least interference from the Government in their day-to-day administration and those organizations function with a great degree of autonomy. When huge public funds are invested in such Corporation, it is but natural that the Legislature which votes such funds should have the necessary control over them and such control is exercised through a Legislature Committee like the Public Undertakings Committee. As the custodian of public funds, the Legislature has to see that these Corporations are run with utmost efficiency from the economic and utilitarian points of view. Of course, there are certain Undertakings functioning more with emphasis on public utility than on profit. Even there we have to see that they produce the goods/services at economic cost.

3. In the United Kingdom the question was considered soon after the Second World War. Several industries were nationalised and it was felt that there should be greater Parliamentary supervision over these Enterprises. However, in 1945 the Labour Government which was in office were not in favour of the suggestion. In 1951, a Select Committee was appointed to make a study in the matter. On the basis of the Committee's recommendation a Select Committee was appointed in 1955. There are no departmentally managed industrials (except for defence) and no Government Companies. The Public Corporation is the type favoured. The Ownership of each undertaking is vested in a Board

which is responsible for day-to-day management. Accounts and Audit Reports of each Nationalised Industry are laid before Parliament. The Select Committee of the House of Commons examines these accounts and reports.

4. There is a fairly large number of public enterprises in U.S.A. They are governed by the Government Corporation Control Act, 1945. The Act envisages two types of Public Corporations, Wholly Owned Corporations and Mixed Ownership Corporations. Congressional Committees are closely concerned with the policy of the Corporations.

5. In India the Question of setting up of a Parliamentary Committee on Public Undertakings was first discussed in the Lok Sabha in 1953 and the creation of a separate Parliamentary Committee to look into the affairs of the various categories of Public Corporations, Companies and Institutions was suggested, but it was not accepted by the Government. Only in 1963, the Committee was constituted in the Lok Sabha. In Tamil Nadu Legislative Assembly, the Committee was constituted in April 1973.

2. CONSTITUTION

6 (a) The Committee consists of 16 Members elected by the Assembly from amongst its members according to the principle of proportional representation by means of the single transferable vote, besides the Chairman of the Committee on Estimates and the Chairman of the Committee on Public Accounts who are member's ex-officio. The Chairman of the Committee shall be appointed by the Speaker from amongst the members of the Committee. The person so appointed presides at the meetings of the Committee. In his absence one of the members elected by the Committee presides. The term of the Committee is one year.

(b) A Minister is not eligible to become a member of the Committee. If a member after his election to the Committee is appointed as a Minister or a Parliamentary Secretary ceases to be a member of the Committee from the date of such appointment.

(c) The quorum for a meeting of the Committee is five including the Chairman or the member presiding. All questions at any sitting are determined by a majority of the members eligible to vote present and voting. In the case of an equality of votes on any matter, the Chairman has a second or casting vote. In actual practice, however the questions are not formally put to vote and as far as possible unanimous decisions are taken. Minutes of dissent are recorded in the proceedings of the Committee but not appended to the report of the Committee. The sittings of the Committee are usually held within the precincts of the House.

3. FUNCTIONS

7. The Committee has to examine the Reports and Accounts of the Undertakings which have been specially allotted to the Committee and the Reports of the Comptroller and Auditor-General on these Undertakings and ascertain whether, the affairs of the Undertakings are being managed in accordance with sound business principles and prudent commercial practices having regard to autonomy and efficiency in management. The Committee may also consider what economies and improvement in organisation, efficiency or administrative reform consistent with the general policy of the undertakings can be affected in them. The Committee shall not examine and investigate any matter of day-to-day administration and matters of major Government policy as distinct from business or commercial functions of the undertakings. In short, the function of the Committee is generally

to evaluate the performance of Undertakings covering all aspects like implementation of policies, programmes, management, financial working, etc. The rules relating to the Committee on Public Undertakings in the Tamil Nadu Legislative Assembly Rules are reproduced in Appendix-I. The Committee has power to require the attendance of persons or the production of records and documents. The guidelines in regard to the tendering of evidence before the Committee and the production of records to the Committee are given in Appendix-III.

4. PROCEDURE

8. At present 11 Statutory Corporations, 66 Public Undertakings and one other Company (Covered by Section 619 B of the Companies Act, 1956) come under the scrutiny of the Committee, under the Legislative Assembly Rules. Hon. Speaker may notify such other Public Undertakings from time to time.

9 (a) In examining the Reports of the Comptroller and Auditor-General of India on the Public Undertakings which come under its purview, the Committee follows the procedure adopted by the Committee on Public Accounts for examination of the Reports of the Comptroller and Auditor-General of India and is assisted by the Accountant-General. As soon as the Audit Report for each year is placed before the Legislature, it is taken up for the examination by the Committee on Public Undertakings. Hon. Speaker has issued permanent direction that whenever necessity arises, even before the Report is placed before the Legislature, it may be taken up for examination by the Committee. This is, however, subject to the condition that the Audit Report is treated as confidential until it is placed before the Legislature and that the Report of the Committee should be presented to the Assembly after the Audit Report is placed on the Table of the House.

(b) A list of important points relating to the various Department Undertakings is extracted from the Audit Report for consideration of the Committee in consultation with the Accountant-General. These points are forwarded to the Departments concerned and the explanatory notes in roneoed or printed form received from them are circulated to the Members of the Committee.

(c) Prior to the actual commencement of the examination of the Reports with the departmental witnesses being present to answer questions, a preliminary meeting is held at which an informal discussion between the Accountant-General and the Members of the Committee takes place. The proceedings of this meeting are also reported verbatim and copies thereof communicated to the members of the committee the very same day so as to enable them to have the proceedings for the guidance at the regular meeting of the committee to be held subsequently.

(d) The Committee then proceeds to examine the Reports by way of interrogation of the witnesses. It has powers to call for any person whom it considers necessary to aid its deliberations, and has a right, to call for papers as well to determine the circumstances in which it would allow information to be withheld from it. The Chairman is the Chief interrogator. Any Member of the Committee can raise any questions on his own initiative.

(e) The departmental witnesses are examined and cross-examined by the Committee in respect of the irregularities pointed out and other audit comments about their working by the Accountant-General in his Report and they are called upon to explain these irregularities for which they were directly or indirectly responsible. After such examination the Committee formulated its recommendations.

10 (a) In addition to the examination of the Audit Report the Committee also selects from time to time for review the working of such Public Undertakings or such subjects as they may choose. The Committee, in a year invariably selects two or three undertakings/subjects for detailed examination. The Committee may, from time to time, appoint one or more study groups for this purpose.

(b) The Undertakings so selected is asked to furnish necessary preliminary materials relating to its working for the information of the Committee. The material will be circulated to the members, who after perusal frame questions on points on which further information may be required by them. A questionnaire in respect of the functioning of the Undertaking is prepared and sent to departments/undertakings concerned to furnish replies within a specified period. Soon after the replies are received, they are circulated to members of the Committee. The Committee may also invite memoranda from non-official organizations and also from private individuals besides Chief Office Bearers of Registered Unions/Associations of the Undertakings taken up for examinations. The Committee undertakes tours in districts in the State for an on the spot study in regard to the working of the Undertakings taken up for scrutiny. The Committee also undertakes study tours in other States. As and when the Committee visits the Undertakings under examination, representations will be heard from Registered Associations or Unions. The views of the Associations/Unions on matters like productivity, cost of production, avoidance of waste, efficiency, economy are taken into consideration; but the Committee does not go into individual cases or matters pertaining to industrial disputes. When the Committee is on study tour, only informal sittings are held at the place of visit and at such sittings neither evidence is recorded nor are any decisions taken. Later, in the light of these informal discussions of the Committee and the

memoranda and other information received, non-official and official witnesses are invited to give evidence at formal sittings of the Committee.

11. In all cases involving examination of witnesses, a verbatim record of the proceedings approved by the Chairman is kept. The verbatim proceedings are forwarded to the witnesses for confirmation and return by a specified date. If corrected copies of the proceedings are not received back by the specified date, the reporter's copy is treated as authentic. The verbatim proceedings are for the use of the Committee only and are treated as confidential. The observations/recommendations of the Committee are embodied in its Reports which are presented to the Assembly.

5. REPORT

12 (a) The Report of the Committee is presented to the House either by the Chairman or on his behalf by any Member of the Committee. As a convention the Report is not discussed by the House.

(b) The work of the Committee, however, does not end with the presentation of a Report to the Legislature on the Public Undertakings for any particular financial year. It has to keep a watch on the administration and see how far its recommendations are implemented by the Government. If they are not implemented, the reasons for which the Government differ from them should be intimated to the Committee. In the light of the Government's views the Committee has to reconsider the matter and come to further conclusions. The implementation of the recommendations of the Committee is watched by the Legislative Assembly Secretariat and a statement of action taken thereon is prepared and placed before the Committee from time to time. The replies of the Government are examined by the Committee and an Action Taken Report is presented to the House.

APPENDIX – I

EXTRACTS FROM THE TAMIL NADU LEGISLATIVE ASSEMBLY RULES

COMMITTEE ON PUBLIC UNDERTAKINGS

211. (1) There shall be a Committee on Public Undertakings for the examination of the working of the Public Undertakings specified in Appendix E (reproduced in the Annexure) and such other undertakings as may be notified by the Speaker from time to time.

(2) The Committee on Public Undertakings shall consist of sixteen members elected by the Assembly from among its members, according to the principle of proportional representation by means of single transferable vote in addition to the Chairman of the Committee on Estimates and the Chairman of the Committee on Public Accounts who shall be Members *ex-officio*.

Provided that a Minister shall not be elected as a member of the Committee, and that if a member after his election to the Committee appointed as a Minister he shall cease to be a member of the Committee from the date of such appointment.

(3) The term of office of the members of the Committee shall not exceed one year. There shall be fresh election before the end of the year for constituting a Committee for the ensuing year; and if under any circumstances such an election is not held, the existing members of the Committee will continue to hold office until new members are elected.

212. If any new Public Undertakings is formed by the Government, the same shall be intimated to the Speaker immediately after such constitution together with a memorandum of objects of its formation and the need for such formation, if the House is not in session. If the House is in session a statement shall be made or shall be placed on the Table of the House by the Minister concerned on the first opportunity, explaining the objects and need for such formation.

213. The Chairman of the Committee shall be appointed by the Speaker from among the members of the Committee. The person so appointed shall preside at the meetings of the Committee and in his absence one of the members of the Committee elected by the Committee shall preside.

214. In order to constitute a meeting of the Committee the quorum shall be five including the Chairman or the member presiding.

215. The Committee may appoint one or more Sub-Committees to examine any matter that may be referred to them, and the reports of such Sub-Committee or Sub-Committees shall be deemed to be the reports of the whole Committee if they are approved at a meeting of the whole Committee.

216. The functions of the Committee shall be-

(a) to examine the Reports and Accounts of the Public Undertakings specified in the Appendix E (reproduced in Annexure) and such other undertakings as may be notified by the Speaker from time to time;

(b) to examine the reports, if any, of the Comptroller and Auditor-General, on the Public Undertakings;

(c) to examine, in the context of the autonomy and efficiency of the Public Undertakings, whether the affairs of the Public Undertakings are being managed in accordance with sound business principles and prudent commercial practices; and

(d) to exercise such other functions vested in the Committee on Public Accounts and the Committee on Estimates in relation to the Public Undertakings specified in Appendix E (reproduced in the Annexure) as are not covered by sub-clauses (a), (b) and (c) above as may be allotted to the Committee by the Speaker from time to time;

Provided that the Committee shall not examine and investigate any of the following matters, namely:-

- (i) matters of major Government policy as distinct from business or commercial functions of the Public Undertakings;
- (ii) matters of day to day administration;
- (iii) Matters for the consideration of which special machinery is established by any special statute under which a particular Public Undertaking is established.

217. (1) The Committee may, if it thinks fit, make available to Government any completed part of its report before presentation to the Assembly. Such reports shall be treated as confidential until presented to the Assembly.

(2) There shall be no minute of dissent to the report of the Committee.

218. Except as aforesaid, the rules applicable to a Select Committee of the Assembly shall apply.

ANNEXURE TO APPENDIX – I

LIST OF PUBLIC UNDERTAKINGS

[Vide rule 211(1).]

STATUTORY CORPORATIONS

1. The Tamil Nadu Electricity Board, Chennai.
2. The Tamil Nadu Khadi and Village Industries Board, Chennai.
3. The Tamil Nadu Warehousing Corporation.
4. The Tamil Nadu Housing Board.
5. The Tamil Nadu Slum Clearance Board.
6. The Tamil Nadu Water Supply and Drainage Board.
7. The Tamil Nadu State Bhoodan Yagna board.
8. The Chennai Metropolitan Development Authority.
9. The Tamil Nadu Pollution Control Board.
10. The Chennai Metropolitan Water Supply and Sewerage Board.
11. The Tamil Nadu Maritime Board.

OTHER PUBLIC UNDERTAKINGS

1. The Tamil Nadu Industrial Development Corporation Limited.
2. The State Industries Promotion Corporation of Tamil Nadu Limited.
3. The Tamil Nadu Small Industries Corporation Limited.
4. The Tamil Nadu Small Industries Development Corporation Limited.
5. The Tamil Nadu Textile Corporation Limited.
6. The Tamil Nadu Zari Limited.
7. The Tamil Nadu Industries Investment Corporation Limited.

8. The Tamil Nadu Civil Supplies Corporation Limited.
9. The Tamil Nadu Film Development Corporation Limited.
10. The Tamil Nadu Dairy Development Corporation Limited.
11. The Tamil Nadu Tourism Development Corporation Limited.
12. The Tamil Nadu Agro-Industries Development Corporation.
13. The Tamil Nadu Poultry Development Corporation.
14. The Tamil Nadu State Farms Corporation.
15. The Tamil Nadu Fisheries Development Corporation.
16. The Tamil Nadu Forest Plantation Corporation Limited.
17. The Tamil Nadu Ceramics Limited.
18. The Tamil Nadu Sugarcane Farm Corporation Limited.
19. The Tamil Nadu Handicrafts Development Corporation Limited.
20. The Tamil Nadu Adi-Dravidars Housing Development Corporation Limited.
21. Poompuhar Shipping Corporation Limited.
22. Transport Development Finance Corporation Limited.
23. Tamil Nadu Salt Corporation Limited.
24. Tamil Nadu Sugar Corporation Limited.
25. Tamil Nadu Goods Transport Corporation Limited.
26. Tamil Nadu Tea Plantation Corporation.
27. Dharmapuri District Development Corporation Limited.
28. Tamil Nadu Minerals Limited.
29. Tamil Nadu Cements Corporation Limited.
30. Electronics Corporation of Tamil Nadu Limited.
31. Perambalur Sugar Mills Limited.

32. State Engineering and Servicing Company of Tamil Nadu Limited.
33. Overseas Man Power Corporation Limited.
34. Tamil Nadu Handlooms Development Corporation Limited.
35. Tamil Nadu State Construction Corporation Limited.
36. Tamil Nadu Magnesites Limited.
37. Tamil Nadu Police Housing Corporation.
38. Tamil Nadu State Tube Wells Corporation.
39. Tamil Nadu State Marketing Corporation Limited.
40. The Tamil Nadu Leather Development Corporation Limited.
41. Southern Structural Limited.
42. Tamil Nadu Corporation for Development of Women.
43. Tamil Nadu State Sports Development Corporation Limited.
44. Chit Corporation of Tamil Nadu Limited.
45. Tamil Nadu Steels Limited.
46. Pallavan Transport Consultancy Services.
47. Tamil Nadu Medicinal Plant Farms and Herbal Medicine Corporation Limited.
48. Arasu Rubber Corporation Limited.
49. Tamil Nadu Industrial Explosives Limited.
50. Tamil Nadu Backward Classes Economic Development Corporation Limited.
51. Tamil Nadu Ex-Servicemen's Corporation Limited.
52. Tamil Nadu Paints and Allied Products Limited.

53. Tamil Nadu Magnesium and Marine Chemicals Limited.
54. Tamil Nadu Spirit Corporation.
55. Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited.
56. Tamil Nadu Power Finance and Infrastructure Development Corporation Limited.
57. Tamil Nadu Medical Services Corporation Limited.
58. Tamil Nadu Minorities Economic Development Corporation Limited.
59. Tamil Nadu Graphite Limited.
60. Tamil Nadu State Express Transport Corporation (Tamil Nadu) Limited.
61. Metropolitan Transport Corporation (Chennai) Limited.
62. Tamil Nadu State Transport Corporation (Villupuram) Limited.
63. Tamil Nadu State Transport Corporation (Salem) Limited.
64. Tamil Nadu State Transport Corporation (Coimbatore) Limited.
65. Tamil Nadu State Transport Corporation (Kumbakonam) Limited.
66. Tamil Nadu State Transport Corporation (Madurai) Limited.

OTHER COMPANIES

(Section 619 B – Companies Act)

1. Tamil Nadu Newsprint and Papers Limited

APPENDIX – II

RULES OF PROCEDURE (INTERNAL WORKING) OF THE COMMITTEE ON PUBLIC UNDERTAKINGS

The following rules approved by the Committee on Public Undertakings at its meeting held on 3rd June 1981 are supplemental to the provisions contained in Rules 211 to 218 of the Tamil Nadu Legislative Assembly Rules, which relate to the Composition, Scope, Functions and Conduct of Business of the Committee on Public Undertakings:-

1. Selection of Subjects for Examination.- (i) The Committee shall select from time to time for examination such Public Undertakings from the list of Public Undertakings Specified in Appendix “E” to the Tamil Nadu Legislative Assembly Rules or such subjects as they may deem fit.

(ii) The Committee shall also examine the paragraph relating to Public Undertakings in the Audit Report (Commercial) and Audit Report (Civil).

(iii) The Committee shall also select points for examination from the Annual Accounts of the Tamil Nadu Electricity Board, Tamil Nadu housing Board and such other accounts placed on the Table of the House.

2. Programme of sittings.- (i) A detailed programme for the sittings of the Committee for the year may be drawn up based on the business on hand to be transacted, and placed before the Committee in its

first sitting and its approval therefor obtained. The Committee shall meet at such time and for such period as the Chairman may determine from time to time. In the absence of the Chairman, Secretary is authorized to fix the dates of the meeting. Notice of sittings as and when decided shall be communicated to all concerned including Members of the Committee well in advance.

(ii) If the Committee is divided into Sub-Committees, the procedure of each Sub-Committee shall be the same as that of the whole Committee.

3. Materials to be furnished to the Committee.- (i) In respect of each Undertaking selected, Assembly Secretariat will call for 75 copies of preliminary materials (on the lines indicated in Annexure) from the Secretariat Department concerned.

(ii) The Secretariat will then prepare a detailed questionnaire covering all aspects of the Undertakings and circulate the same along with the preliminary materials to the Members of the Committee with a request to suggest additions/modifications to the questionnaire, if any by a specified date.

(iii) The Questionnaire is then placed before the Committee for approval.

(iv) After approval, the questionnaire is communicated to the Department concerned for sending its replies (75 sets both in English and Tamil) by a specified date.

(v) The Committee may also invite memoranda from non-official organizations, experts in the concerned field of activity and chief office bearers of Registered Associations/Unions of the respective Undertakings. It may also request any of them to appear before it for giving oral evidence.

(vi) The replies to the questionnaire received from the Undertakings/Department and the memoranda received from experts of non-official organizations, are circulated to the members with a request to indicate points on which further information/clarification are required from the Department/Undertaking. The Department/Undertaking will be asked to furnish 75 copies both in English and Tamil of such additional information/clarification by a specified date.

(vii) The Committee may also undertake an on the spot study of the working of the Undertaking. During the study tour, representations may be heard from the Registered Associations/Unions.

(viii) The Secretariat will then prepare a list of points and/or questions for oral examination of witnesses. After approval by the Chairman, this list of points will be circulated to the Members before the meeting for examination of witnesses.

4. Examination of Audit Reports and Annual Accounts of Public Undertakings.-

(i) The Accountant-General/Chief Internal Auditor and Chief Auditor of Statutory Boards shall be requested to send a memorandum of important points in their Audit Reports relating to the Public Undertakings and the Annual Accounts of the Tamil Nadu Electricity Board and Tamil Nadu Housing Board soon after their presentation to the Assembly.

(ii) These points shall be communicated to the departments concerned for furnishing explanatory notes thereon (75 copies both in English and Tamil) by a specified date for circulation to the members, Accountant-General's Office and the departments.

(iii) A brief is then prepared by the Accountant-General/Chief Internal Auditor and Chief Auditor of Statutory Boards for oral examination of witnesses and circulated to the members of the Committee before the meeting for the examination of witnesses.

5. Papers circulated to the Committee to be treated as confidential.- The papers circulated to the Committee shall be treated as confidential and the contents thereof shall not be divulged to anyone nor shall any reference be made to such information outside the Committee at any time before the report on the subject has been presented to the House. Thereafter reference may be made only to such information as is available in the documents or records laid on the Table of the House.

6. Members not to raise in the House matters regarding Public Undertakings under examination.- Members of the Committee shall not ask questions or otherwise raise in the House any matter which are specifically under examination by the Committee until the reports of the Committee thereon have been presented to the House.

7. Summoning of witnesses to give oral evidence.- (i) The Secretary to the Government of the Department concerned and the principal Executive Officer of the Undertaking to be examined shall appear in person before the Committee to give oral evidence on the date or dates fixed by the Committee. If any such Officer is unable to appear in person due to unavoidable reasons, the second line Officer may appear on his behalf with the prior permission of the Chairman. The witness may bring with him for his assistance other Officers who may be allowed to give evidence with the permission of the Chairman.

(ii) The Committee, may, wherever necessary take the oral evidence of the representatives of the Undertakings under examination separately from those of the Government.

(iii) The Committee may call upon individual experts/representatives of non-official organizations who have submitted memoranda on the subject under examination to appear before it to give evidence.

(iv) The Committee may request the Accountant-General/Chief Internal Auditor and Chief Auditor of Statutory Boards to assist them during oral evidence when audit paragraphs and comments relating to various undertakings are examined.

8. Power of the Committee to call persons or Officers.- The Committee may in its discretion call upon any other officer or person who in its opinion may be able to throw light on any question pertaining to the Undertaking under examination.

9. Procedure for taking oral evidence.- The Chairman shall put questions one by one to the witness. Thereafter, with the permission of the Chairman, Members may put such questions as they desire, in case the witness is not in a position to elucidate any point immediately he shall take a note of it and shall seek permission from the Chairman to furnish such information in writing to the Secretariat as soon thereafter as may be possible for him. Normally this information shall be furnished within a week.

10. Supply of further information to the Committee.- The Secretariat shall note down points on which further information is required by the Committee and, under the directions of the Chairman, take such action in the matter as may be necessary.

11. Recall of witness.- The Committee may recall any witness to give further evidence on any point which is under consideration of the Committee.

12. Production of documents.- (i) The Committee may require the attendance of persons and the production of records required in connection with the examination of the Undertaking/Department. In accordance with an established convention, secret documents required by the Committee are confidentially made available by the Department to the Chairman in the first instance, unless it is certified by the Minister concerned that the document could not be made available on the ground that its disclosure would be prejudicial to the interest of the State.

(ii) The Chairman gives due consideration to the wishes of the Government/Undertakings before making any such documents available to the Members of the Committee. Any difference of opinion between the Government and Chairman is settled by discussions and in the last resort by reference to the Speaker.

13. Record of Proceeding of the Committee.- (i) A verbatim record of the proceedings of each sitting of the Committee approved by the Chairman shall be kept.

(ii) The verbatim proceedings shall be for use of the Committee only and only such papers as have been laid on the Table of the House will be made public.

(iii) Two copies of the uncorrected proceedings of the meeting of the Committee will be sent to the Department in the Secretariat concerned

with a request to return one copy of the same after verification by a specified date (the other copy is to be retained in the Department for sending further notes and details required by the Committee). If corrected copies of the proceedings are not received back by the specified date, the reporter's copy will be treated as authentic.

14. Report. - (i) After the examination of any subject is concluded a draft report will be prepared by the Secretariat in consultation with the Accountant-General in cases where the examination relates to Audit paragraphs.

(ii) A Tamil version of the Report is then prepared.

(iii) The draft report shall be considered at a sitting of the Committee. The report of the Committee shall embody the decisions of the majority of the Members present and voting.

(iv) In the case of equality of votes the Chairman shall decide the issue by a casting vote.

(v) In actual practice, the questions are not put to vote and decisions are arrived at by consensus.

(vi) There shall be no minute of dissent to the Reports of the Committee.

15. Supply of advance copies of report for factual verification.- (i) Advance Copies of the report as finalized by the Committee shall be marked "secret" and sent to the concerned Undertakings/Department and also to the Finance Department (wherever necessary) for verification of factual details. They are not expected to comment on the recommendations contained in the draft Report.

(ii) It shall be enjoined on them to treat the contents of report as secret until the report is presented to the House.

(iii) On receipt of the reply of the Department/Undertakings, after factual verification, the Chairman may make suitable modifications in the Report to correct factual inaccuracies, if any, or may direct that the matter be placed before the Committee for consideration.

16. Presentation of the Report.- (i) The report, after approval by the Committee, shall be signed by the Chairman on behalf of the Committee.

(ii) The reports are then got printed for presentation to the House. Where the time is too short to get a report printed, the report may be presented to the House in a cyclostyled or typed form, a few copies being placed in the Library for reference by members. The report is printed as soon as possibly thereafter.

(iii) The report shall be presented to the House by the Chairman and in his absence by any other Member of the Committee.

17. Distribution of Report.- As soon as possible after presentation of the report to the House, copies thereof shall be made available to persons who are in the mailing list. Copies of the report are also supplied to press correspondents immediately after presentation of the report to the House.

18. Statement of action taken by Government.-

(i) While forwarding the report of the Committee to the Government, the Department concerned shall be asked to furnish a

statement showing the action taken by the Government on the recommendations contained in the reports within six months from the date of presentation of the report in the Proforma prescribed.

(ii) As soon as final action taken reports are received from the Departments, a statement of action taken in respect of each report of the Committee is prepared by the Secretariat and placed before the Committee. The Committee considers them, at a sitting and decides which of the items can be treated as implemented / settled or closed with reference to the report given by the Departments and which of the items are to be pursued and the lines on which they are to be pursued.

(iii) The Secretariat then prepares a draft report on the action taken by the Departments, accompanied by two statements namely Statement-I-Statement showing the recommendations which have been treated as implemented/settled/closed; and Statement-II- Statement showing recommendations which the committee desires to be pursued indicating also the observations / Comments of the Committee. Wherever the reports relate to Audit Reports of the Accountant-General, the Accountant-General is consulted before finalizing the draft report.

(iv) A draft report is then placed before the Committee at a sitting for its approval. After approval by the Committee, the Report, is sent to the Government Press for Printing.

(v) When the final printed copies are received from the Press, the report is presented to the Assembly by the Chairman of the Committee or in his absence, by any other Member of the Committee.

19. Attendance of persons other than Members of the Committee at its sittings.- A member of the Assembly who is not a Member of the

Committee or a Member of Parliament and other State Legislatures in India or an Officer of Parliament and other State Legislatures, may with the permission of the Chairman, attend a sitting of the Committee when evidence is being taken by it; but not when the Committee is deliberating or formulating its views on any matter or considering a draft report. Such Members or officer shall not, however, take part in any manner in the proceedings of the Committee nor sit in the body of the Committee.

20. Study tours.- (i) The Committee may undertake “on the spot study” of various public understandings connected with the subjects under examination.

(ii) When the Members of the Committee are on a study tour informal meetings may be held at the place of the visit, but at such meetings neither any decision shall be taken nor any evidence recorded.

(iii) During study tours no person who is not a member of the Committee except officials of the Assembly Secretariat, shall be allowed to accompany the Committee, without the specific permission of the Chairman.

(iv) No information or interviews should be given by any Member to the press regarding his tour impressions of any Public Undertakings or subjects under examination.

(v) Staff members seeking to approach press regarding their grievances should be discouraged. Representatives of registered labour association which have already furnished a written memorandum may, however, be interviewed at the discretion of the Chairman.

21. Incorporation of additional points of procedure in the rules.- Any addition or alteration to these rules from time to time shall be incorporated in these rules.

ANNEXURE TO APPENDIX-II

[Vide Rule 3 (i).]

Points to be covered in the preliminary material to be furnished by a Department/Undertaking--

(i) Historical background together with copies of Statutes/Memorandum and Articles of Association of the Corporation/Company, Rules, Regulations issued thereunder, if any.

(ii) Note giving briefly the objects and present functions of the Corporation/Company together with copy of the Instrument of Instructions issued by Government, if any.

(iii) (a) Organisational set-up of the Corporation/Company including that of its various Projects/Offices. This information may be shown in the form of a chart supported by short explanatory notes.

(b) Organisational set-up in the administrative department which coordinates/controls the work of the Corporation/Company.

(iv) A detailed account of the working (the financial as well as physical terms) of the Corporation/Company year wise since its inception with reference to programme or plan. Reasons for variation between the programme and the achievement, if any, may be furnished.

(v) The original estimates, revised estimates and actual expenditure or the various projects for the last three years together with a brief note indicating the reasons for variations, if any.

(vi) Current programme and future plans of the Corporation/Company.

(vii) (a) Copies of the annual reports and accounts for the last three years, together with administrative reports and reviews of Government, if any.

(b) Copies of monthly/quarterly reports submitted by the Chairman and the Financial Controller to Government during the last one year.

(viii) Copies of reports of any enquiry or investigation conducted into the working of the Corporation/Company.

(ix) Notes giving main features of the project reports, if any relating to each Project undertaken by the Corporation/Company i.e., their estimated cost, scheduled dates of commissioning of the various units in each project annual rated capacity (both in terms of quantity and value) and the year of reaching that capacity, staff required (category-wise), etc., together with the latest position with reference to each aspect.

(x) Copies of agreement, if any, entered into with Consultants Collaborators.

(xi) Copies of directives, if any, issued by Government.

(xii) A brief-note indicating the position of similar undertaking in other States and Government of India.

(xiii) Any other information which the department/undertaking would like to place before the Committee.

APPENDIX – III

GUIDELINES TO WITNESSES WHO APPEAR BEFORE THE COMMITTEE ON PUBLIC UNDERTAKINGS FOR TENDERING EVIDENCE AND PRODUCTION OF RECORDS TO THE COMMITTEE

1. The Committee has power to examine representatives of the Undertakings and the Government.

2. The Undertakings should be represented by its Principle Executive. The Government should be represented by its Secretary. If for any reason such an Officer cannot attend the Committee on any particular occasion, the Chairman may, on a request being made to him, permit any other Senior Officer to represent the Undertakings/Government. The witness may bring with him for his assistance other officers who may be allowed to give evidence with the permission of the Chairman.

3. Due respect to the Chairman and the Committee/Sub-Committee should be shown by the witness by bowing while taking his seat.

4. The witness should take the seat earmarked for him opposite to the seat of the Chairman.

5. The witness should answer specific questions put to him either by the Chairman or by a Member of the Committee or by any other person authorized by the Chairman. The witness may be asked to place before the Committee any other points that have not been covered and which witness thinks are essential to be placed before the Committee.

6. All submission to the Chair and the Committee should be couched in courteous and polite language.

7. When the evidence is over and the witness is asked to withdraw, he should, while leaving, bow to the Chair.

8. The witness should not smoke or chew when he is appearing before the Committee.

9. The following acts will constitute breach of privilege and contempt of Committee:-

(a) refusal to answer questions.

(b) Prevarication or willfully giving false evidence or suppressing the truth or misleading the Committee.

(c) Trifling with the Committee, returning insulting answers.

(d) Destroying or damaging a material document relevant to the enquiry.

10. The Committee has also power to call for the production of records and documents. Government, may however, decline to produce a document on the ground that its disclosure would not be in the public interest.

11. If any time any question arises whether the production of document is relevant for the purpose of the Committee the question is referred to the Speaker whose decision is final.

12. In accordance with an established convention, secret documents required by the Committee are confidentially made available by the Government to the Chairman in the first instance unless it is certified by the Minister concerned that such document could not be made available on the ground that its disclosure would be prejudicial to public interest. The Chairman gives due consideration to the wishes of the Government before making any such document available to the Members of the Committee. Any difference of opinion between the Government and the Chairman is settled by discussion and in the last resort by reference to the Speaker.

13. A list of officers who would be appearing before the Committee should be furnished to the Committee in advance. Once such a list is furnished, officers mentioned therein should attend the meeting without fail, in exceptional circumstances, when such attendance is not possible, the position should be intimated to the Secretary, Legislative Assembly in advance by a D.O. letter giving reasons for the absence and seeking permission of the Chairman to be absent. Normally such occasions should be rare.

14. Witnesses should not withdraw from the meeting in the middle of the Session as soon as their items are over without prior permission of the Chairman. On such occasions, proper course should be either for the Secretary of the Department or the concerned officer to seek permission of the Chairman to withdraw and if permission is granted then such witnesses can withdraw.

APPENDIX IV

DIRECTIONS OF THE COMMITTEE ON PUBLIC UNDERTAKINGS

1. Explanatory notes on important points on the Audit Reports and Annual Accounts of Public Undertakings called for by the Committee should be sent within two months. In respect of Public Undertakings subjects selected for suo-moto examination, replies to the questionnaire on the working of such Undertakings should be sent within a month. If extension of time is required by the Department, the Department should address the Secretary, Legislative Assembly, who will place the request before the Chairman of the Committee and communicate his orders. On no account such extension of time will be granted for more than one month. If notes or replies to the questionnaire are not received within the period of extension allowed, they will be construed as notes or replies not received.

2. The explanatory notes on important points on the Audit Reports and Annual Accounts of Public Undertakings and replies to questionnaire on the working of Public Undertakings or on the selected subjects should not be sent piecemeal/item, but in a consolidated shape covering all item pertaining to the Department and Undertakings in respect of each Audit Report and also in respect of each point in the questionnaire. Even if the items relate to different sections in the same Department, one section should co-ordinate and send the consolidated notes in a single batch separately for English and Tamil versions. The Tamil version should be sent along with English version. In case of Public Undertakings subjects selected, 75 copies (both in Tamil and English) of replies to questionnaire should be sent to the Committee.

3. The explanatory notes/replies furnished by the department should contain complete details relating to the Audit points and the Points in the questionnaire and should be supported by documentary evidence. It is always presumed that the facts mentioned in the Audit paras are indisputable as the department had an opportunity to offer their comments when the Draft Para was included in the Audit Report. If the department wants to point out any factual disagreement, it should be clear and should also be indicated as to why it was not pointed out to Audit before inclusion of the Draft Para in the Audit Report. Replies should not be based on surmises or prepared on hypothetical basis. The facts furnished in the explanatory notes should not be controverted when tendering oral evidence before the Committee. The departmental Secretary is personally responsible to the Committee for the correctness of the facts placed before it. The reply besides being complete and comprehensive, should indicate further developments, explanation for the lapses pointed out the corrective action/remedial measures taken and any additional information that may be relevant for consideration of the paragraph/review without reproducing the points mentioned therein. The replies should also contain the current stage of the particular item if it is a continuing activity.

It is open to the Committee to base its recommendation with reference to the explanatory notes furnished by the department without giving further opportunity to the department to submit the oral evidence before the Committee.

The department should not dispute the factual position mentioned in the recommendations of the Committee at a later stage viz., at the time of consideration of action taken.

4. If any of the item in the list of important points does not relate to the department to which it is sent, that department should transfer the items to the concerned department under intimation to the Legislative Assembly Secretariat within 15 days from the receipt of the list of important points.

5. The notes should be consolidated and printed/roneoed by the concerned department itself and sent to the Legislative Assembly Secretariat in accordance with the requirements.

6. The Undertakings should be represented by the principal Executive. The Government should be represented by the Secretary. If for any reason such an officer cannot attend the Committee on any particular occasion, the Chairman may, on a request being made to him, permit any other senior officer to represent the Undertakings/Government.

7. All the witnesses who appear before the Committee should come prepared with full facts and figures.

8. The evidence tendered by them should be complete and accurate in all respects and the officer is responsible for the accuracy of the statement made by him before the Committee.
