

TAMIL NADU LEGISLATIVE ASSEMBLY

**COMMITTEE ON PUBLIC ACCOUNTS.
(2018-2019)**

(FIFTEENTH ASSEMBLY)

SEVENTY SIXTH REPORT

**REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS ON THE
PARAGRAPH CONTAINED IN THE REPORT OF THE COMPTROLLER
AND AUDITOR GENERAL OF INDIA (CIVIL) FOR THE YEAR
2009-2010 RELATING TO MICRO, SMALL AND MEDIUM
ENTERPRISES DEPARTMENT.**

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REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS ON THE PARAGRAPH CONTAINED IN THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (CIVIL) FOR THE YEAR 2009-2010 RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES DEPARTMENT.

MICRO, SMALL AND MEDIUM ENTERPRISES DEPARTMENT

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TAMIL NADU LEGISLATIVE ASSEMBLY
COMMITTEE ON PUBLIC ACCOUNTS (2018-2019)
(Constituted on 05.07.2018)

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Deputy Chief Minister,
(Ex-Officio)
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SECRETARIAT

Thiru. K. Srinivasan	.. Secretary
Thiru. P. Padmakumar	.. Joint Secretary
Tmt. P. Thenmozhi	.. Deputy Secretary
Tmt. B. Revathi	.. Deputy Secretary

INTRODUCTION

1. I, Chairman, Committee on Public Accounts having been authorized by the Committee (2018-2019) to submit the Report on their behalf present this **Seventy Sixth Report** on the paragraph pertaining to Micro, Small and Medium Enterprises Department included in the Report of the Comptroller and Auditor General of India (Civil) for the year 2009-2010.
2. The Report of the Comptroller and Auditor General of India for the year 2009-2010 (Civil) was laid on the Table of the House on 14.9.2011.
3. The Committee at its meeting held on 2.6.2017 examined the Principal Secretary to Government, Micro, Small and Medium Enterprises Department in connection with the important paragraphs pertaining to that Department.
4. The original notes submitted by the department and the particulars, clarifications etc., made available during evidence have been taken into account by the Committee in finalising this Report.
5. The Committee records its appreciation of the valuable assistance rendered by the Secretary, Tamil Nadu Legislative Assembly, Accountant General (Economic and Revenue Sector Audit) and the Joint Secretary to Government Finance Department. The Committee is also thankful to the Principal Secretary to Government, Micro, Small and Medium Enterprises Department for the co-operation extended to the Committee in its deliberations.
6. The Committee approved this Report at its' meeting held on 9.7.2019.

Chennai-600 009 ,
9th July 2019,
Vikari , Aani-24 ,
Thiruvalluvar Aandu-2050.

DURAI MURUGAN,
Chairman,
Committee on Public Accounts.

REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS ON THE
PARAGRAPH CONTAINED IN THE REPORT OF THE COMPTROLLER AND
AUDITOR GENERAL OF INDIA (Civil) FOR THE YEAR 2009-2010
RELATING TO MICRO, SMALL & MEDIUM ENTERPRISES DEPARTMENT.

MICRO, SMALL & MEDIUM ENTERPRISES DEPARTMENT

1. Unfruitful Expenditure (Para No.2.1.2)

1.1 The committee notes that in order to benefit small growers/producers of tea, coffee, rubber and tobacco, the Government of India (GOI) has been implementing the Price Stabilisation Fund (PSF) scheme since 2003. The scheme is based on the principle of contribution from growers and the Government depending on the normal/boom/distress periods of plantation crops with a provision for withdrawal by the growers during distress period. To operationalise the scheme, GOI established (2003) a PSF with a corpus of Rs.500 crore and contributed Rs.482.88 crore as a one time contribution to PSF. The remaining Rs.17.12 crore was to be contributed by participating growers in various States at the rate of Rs.500 per grower towards their non-refundable contribution as entry fee. The PSF was managed by the PSF Trust. Under the scheme, each member grower was required to open a special PSF savings bank account in a bank. In a boom year, when the commodity price was high, the member growers would have to deposit Rs.1,000 each and in a normal price year, both the PSF Trust and the member growers would have to deposit Rs.500 each in the PSF savings account of the member growers. In distress years, the PSF Trust was to deposit Rs.1,000 in the savings bank account of each member grower. A member grower was permitted to withdraw amounts from the PSF savings account in distress years as per conditions in PSF guidelines for opening and maintenance of accounts by banks.

Scrutiny (June 2009) of the records in the office of the Tea Board, Coonoor (Board) and in the Micro, Small and Medium Enterprises Department (Department) revealed that at the time of inception (2004) of the scheme, 23,000 small tea growers (STG) were estimated to be covered under the scheme in the State. To facilitate enrolment of 23,000 STGs under the PSF scheme, the State Government sanctioned (August 2004) an amount of Rs.1.15 crore to the Board towards non-refundable entry fees payable by the estimated 23,000 STGs. The Board, as well as the District Collector, were instructed to enroll all the 23,000 estimated tea growers under the scheme in the State. The Board, however, was able to enroll only 12,143 tea growers under the scheme and paid Rs.60.72 lakh to the PSF Trust in 2004. In addition, the board also spent Rs.0.85 lakh for covering the 12,143 growers under the personal accident insurance scheme and remitted (January 2009) the unutilised balance amount of Rs.53.43 lakh to the Government. Even though all the years from 2004 to 2008 were declared as normal years, the STGs had not deposited their contribution to the PSF. As the STGs had not paid their contribution, GOI also did not pay its contribution during 2004-2008 in respect of the STGs enrolled under the scheme in the State.

Government in reply (April 2010) stated that despite sincere efforts taken by the District Collectors and Tea Board, Coonoor, more non-cooperative grower members could not be enrolled under the scheme.

Thus, failure of the department to popularise the scheme effectively amongst the growers of tea and to persuade the enrolled STGs to contribute their dues to PSF resulted in non-implementation of the scheme in the State even after a lapse of five years. Consequently, the expenditure incurred by the Government towards the non-refundable entry fee of Rs.60.72 lakh paid to the PSF Trust for enrolling members under the scheme remained unfruitful.

1.2 The Department in the Explanatory Notes stated that the Government in G.O. Ms. No. 54, SID, dated 02.08.2004 had sanctioned and released a sum of Rs.115.00 lakh as subscription amount at the rate of Rs.500/- per member to the eligible 23,000 Small Tea Growers (STG) in Nilgiris District under Price Stabilization Fund Scheme. The amount was drawn and disbursed to the implementing Authority i.e., the Executive Director, Tea Board, Coonoor on 26.08.2004.

In order to implement the scheme, the Special Officer, Indcoserve was requested to furnish the list of 23,000 STGs who are under Indco Fold to the Executive Director, Tea Board. The District Collector, Nilgiris was also requested to identify STGs other than Indco members. The District Collector, Nilgiris had in turn issued instructions to the Executive Director of Tea Board, Coonoor, Managing Director of UPASI, all Tahsildars, Joint Director of Horticulture and Nilgiris Small Tea Growers Association in this regard.

The details of amount sanctioned, utilized and remitted back into Government account are furnished below:-

	Rs.	Rs.
1 Amount sanctioned vide G.O. (Ms). No.54, SID, dated 02.08.2004	1,15,00,000.00	
2 Amount utilised towards subscription for 11,929 small tea growers at Rs.500/- each		59,64,500.00
3 Amount refunded to Government by Tea Board on 06.01.2009		53,43,499.00
4 Amount refunded to Government by Tea Board on 20.06.2011		89,381.00
5 Amount refunded to Government by Tea Board on 20.10.2011		1,02,620.00
Total	1,15,00,000.00	1,15,00,000.00

Further, interest amount of Rs.10,19,919.00 on the total deposit amount accrued thereon was also remitted into Government account. The above report was submitted to Government on 28.12.2011 and also to the Accountant General on 04.04.2012. As per G.O. (D) No.88, Micro, Small and Medium Enterprises (A) Department, dated 17.10.2008, it was proposed

..3..

to utilise the scheme for 12,143 growers for which the total subscription amount was worked out as Rs.60,71,500.00 and rounded to Rs.60,72,000.00 as per details of Accountant General. Whereas, as per the Departmental Statistics only 11,929 growers were enrolled for which the amount spent was Rs.59,64,500.00.

The details of amount utilised and remittance of unutilised amount to Government account for the scheme were furnished below.

		Rs.
1	Amount utilised towards enrolling 11,929 growers (11,929* 500)	59,64,500.00
2	Unutilised amount remitted into Government account <ul style="list-style-type: none">• Challan dated 06.01.2009 = 53,43,499• Challan dated 20.06.2011 = 89,381• Challan dated 20.10.2011 = 1,02,620 <div style="text-align: right; margin-top: 10px;">----- 55,35,500.00 -----</div>	55,35,500.00
Total amount = 59,64,500+55,35,500 = 1,15,00,000		

The accrued interest of Rs.10,19,919/- was also remitted into Government account.

1.3 During evidence, the Principal Secretary to Government stated that the scheme came into existence from 2003 based on the principle of contribution from small tea growers and the Government. It was further stated that there is a necessity to have an PSF account in the bank for their contribution, in which Small Tea Growers have initially to deposit a non-refundable one time Membership deposit of Rs.500/- which was done by the Government.

The amount paid by the Government is still in the PSF Trust Account and the Ministry of State, Department of Commerce & Industries has replied in the Parliament during question hour that the scheme is under review by the Government of India. He has also informed that if there is any change the Government will decide.

1.4 1. Committee expresses its displeasure on non-enrolment of STG members despite efforts taken by the Department, which led to non-achievement of envisaged objective.

2. The details of reconciliation of subscription amount accounted for by the department with reference to the Accountant General's figures may be furnished to the Committee.

3. Why Non-co-operative Sector-214 members have not been registered as members as in the G.O.No.88, Micro, Small and Medium Enterprises Department, dated 17.10.2018?

Whether the PSF Trust released its share as it was announced as normal price year to the 11,929 small tea growers who have opened PSF account? whether any amendment was issued to the above G.O.?

4. What was the action taken to get the share amount from the small tea growers as their contributions to the PSF Trust as the subsequent years were also announced as normal price years?

5. When the accrued interest amount on unutilised amount was deposited in the Government account?

6. Latest position may be updated to the Committee.

2. General

2.1. Committee desires that expeditious action should be taken by the Department on the recommendation in paragraph no.1.4 of this report and final reply should be sent to the Committee within six months.

Chennai-600 009 ,
9th July 2019,
Vikari , Aani-24 ,
Thiruvalluvar Aandu-2050.

DURAI MURUGAN,
Chairman,
Committee on Public Accounts.
