

**'EXAMINATION OF ACCOUNTS OF ICAR'
'NON ACHIEVEMENT OF STATED
OBJECTIVE' AND 'BLOCKING OF FUNDS OF
COCONUT DEVELOPMENT BOARD'**

**MINISTRY OF AGRICULTURE AND FARMERS WELFARE
(DEPARTMENTS OF AGRICULTURAL RESEARCH &
EDUCATION AND AGRICULTURE, COOPERATION & FARMERS
WELFARE)**

**PUBLIC ACCOUNTS COMMITTEE
(2018-19)**

ONE HUNDRED AND TENTH REPORT

SIXTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

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Presented to Lok Sabha on:

Laid in Rajya Sabha on:

**LOK SABHA SECRETARIAT
NEW DELHI**

August 2018/ Shravana 1940 (Saka)

C O N T E N T S

REPORT

	PAGE
Part – I	
I. INTRODUCTORY	1
II. Significant Observations on the Accounts of Individual Central Autonomous Bodies	2
III. Non-achievement of stated objectives	7
IV. Blocking of Funds	13

Part – II

OBSERVATIONS/RECOMMENDATIONS	22
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APPENDICES *

- I. Minutes of the Thirtieth Sitting of the Public Accounts Committee (2016-17) held on 24-04-2017.
- II. Minutes of the Second Sitting of the Public Accounts Committee (2017-18) held on 19-05-2018.
- III. Minutes of the Eleventh Sitting of the Public Accounts Committee (2018-19) held on 07-08-2018.

*** Not appended**

MEMBERS
LOK SABHA

- RAJYA SABHA**

- SECRETARIAT**

1. Shri A.K. Singh - Additional Secretary
2. Shri Sanjeev Sharma - Additional Director
3. Shri Paolienlal Haokip - Deputy Secretary
4. Shri Shankarnath Sharma Laimayum - Committee Assistant

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2018-19) having been authorised by the Committee, do present this One Hundred and Tenth Report (Sixteenth Lok Sabha) on **'Examination of Accounts of ICAR' 'Non Achievement of Stated Objective' and 'Blocking of Funds of Coconut Development Board'** based on Para 1.4.2 (serial no. T and U) of C&AG Report No. 33 of 2011-12 and Para Nos. 2.2 & 2.1 of the C&AG Report No. 11 of 2016 relating to the Ministry of Agriculture and Farmers Welfare (Department of Agricultural Research and Education) & (Department of Agriculture, Cooperation & Farmers Welfare).

2. The above-mentioned Reports of the Comptroller and Auditor General of India was laid on the Table of the House on 8th May, 2012 and 2nd August, 2016.

3. The Public Accounts Committee (2016-17) & (2017-18) took up the subject for detailed examination and report. The Committee took evidence of the representatives of the Ministry of Agriculture and Farmers Welfare (Department of Agricultural Research and Education) & (Department of Agriculture, Cooperation & Farmers Welfare) on the subject at their sittings held on 24th April, 2017 & 09th May, 2018. Accordingly, a Draft Report was prepared and placed before the Public Accounts Committee (2018-19) for their consideration. The Committee considered and adopted this Draft Report at their sitting held on 7th August, 2018. The Minutes of the Sittings are appended to the Report.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type and form Part- II of the Report.

5. The Committee thank their predecessor Committee for taking oral evidence and obtaining information on the subject.

6. The Committee would like to express their thanks to the representatives of the Ministry of Ministry of Agriculture and Farmers Welfare (Department of Agricultural Research and Education) & (Department of Agriculture, Cooperation & Farmers Welfare) for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

7. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;
7 August, 2018
16 Shravana, 1940 (Saka)

MALLIKARJUN KHARGE
Chairperson,
Public Accounts Committee

REPORT

PART – I

I INTRODUCTION

The Committee's examination of this subject is based on Para 1.4.2 (serial no. T and U) of C&AG Report No. 33 of 2011-12 on the compliance Audit on 'Significant observations on the Accounts of Individual Central Autonomous Bodies' and Para No. 2.2 of C&AG Report No. 11 of 2016 on 'Non-achievement of Stated Objectives' relating to the Department of Agricultural Research and Education and Para No. 2.1 of the C&AG Report No. 11 of 2016 on 'Blocking of Funds' relating to the Coconut Development Board of the Department of Agriculture, Cooperation & Farmers Welfare, Ministry of Agriculture & Farmers Welfare.

2. The Public Accounts Committee (2016-17 and 2017-18) took up the subject for detailed examination and took oral evidence of the representatives of the Ministries of Agriculture and Farmers Welfare, Department of Agriculture, Cooperation and Farmers Welfare and Department of Agricultural Research and Education on 24.04.2017 and 19.05.2017 respectively and obtained written replies on the subjects. Based on these oral evidences and written replies, the Committee examined the subjects in detail which are enumerated in the succeeding paragraphs.

3. Para 1.4.2 (t & u) deals with fixed assets of Indian Council for Agricultural Research (ICAR), New Delhi wherein value of land (free hold and lease hold) of five institutes of ICAR was not included in the fixed assets of ICAR. Grants and subsidies worth ` 133.60 crore were being carried forward (unspent balance) to be adjusted in future grants refundable to Government of India. There was also overstatement of the interest accrued on the General Provident Fund (GPF) accounts of ICAR by ` 66.54 crore. Para 2.1 pertains to poor monitoring of a project resulting in blocking/idling of Government fund amounting to ` 1.61 crore for more than six years without serving the purpose for which it was sanctioned. Para 2.2 highlights the non-synchronisation of the building works of Feed Technology Processing Unit and Poultry Processing Lab with electricity and water supply works by Central Avian

Research Institute, Bareilly resulting in non-operationalisation even after completion of civil work at the cost of ` 135.12 lakhs and non-realisation of the stated objective of the project.

II. Significant Observations on the Accounts of Individual Central Autonomous Bodies

4. The Committee have found that in Para 1.4.2 (serial no. T and U) C&AG Report No. 33 of 2011-12 it has been brought out that the fixed assets of the Indian Council of Agricultural Research, New Delhi of ` 2591.35 crore did not include huge areas of land for utilisation on research for agriculture and other related activities and residential purpose in respect of various Institutes of ICAR and also the value of land (free hold and lease hold) was not shown in the accounts of five Institutes. Adequate records for the land were also not maintained and included in the accounts. There were cases of land which were received as grants/gifts, however, the same were either not valued or not included in the assets registers at the token price for control purposes. The Committee also found that there was also overstatement of ` 133.60 crore as the amount was being carried forward (unspent balance) and was to be adjusted in future grants or refundable to Government resulting in understatement of Liability by the same amount. The Council showed unutilized grants to be refunded as ` 67.99 crore under Schedule 4 Current Liabilities & Provisions. However, as per detailed account of all units of ICAR, a total of unutilized grant refundable to Government of India worked out to be ` 245.67 crore (Plan: ` 216.97 crore, Non-plan: 23.68 crore and AP Cess: ` 5.02 crore), leading to a difference of 177.68 crore. There was overstatement in the figures of interest accrued of ` 99.24 crore for the year 2010-11 in the Income and Expenditure account by ` 66.54 crore in the ICAR GPF Accounts. This comprised of ` 59.97 crore on interest on bank fixed deposits and ` 6.57 crore on bonds and other investments due to errors and misstatement in the estimation of accrued interest.

5. When asked to explain the reasons as to why value of land (free hold) was not shown in the accounts of five test checked institutes, the Department of Agricultural Research submitted that the significant Accounting Policies developed in 2003-04, forming

the basis/guiding principles for preparation of annual accounts by ICAR and its constituent units, contained a provision that "No depreciation is provided on Land and Livestock". Accordingly, many of the units were already depicting the value of land and were not charging any depreciation as per the accounting policy of ICAR. However, the 5 units which were not depicting the value of land in their schedule of Assets were instructed to do so in the subsequent years. Consequently, a policy was framed on treatment of lease hold lands and its amortization with the approval of the Governing Body in its 236th meeting based on the concerns of Audit and also to improve the accounting of assets of ICAR, which were being followed by the ICAR units for depiction of leasehold lands and their amortization. Subsequently, while preparing the annual accounts of 2016-17, these units were depicting the value of lands in their respective accounts. Moreover, according to Department of Agricultural Research, since the details of all types of land had now been digitized and brought on record, all concerted efforts would be made for reconciliation/depiction of such assets by the units in the Annual Accounts of the year 2017-18 to address the concern of audit and that of the Public Accounts Committee (PAC).

6. When the Committee desired the Department to furnish the detailed list of allocation of land of the various institutes of ICAR, it was submitted through a written note that the land details were already available/uploaded on the website of Ministry of Urban Development. Further, it was informed that all concerted efforts would be made for reconciliation/depiction of such assets by the units in the Annual Accounts of the year 2017-18.

7. When the Committee further asked the reasons for non-maintenance of land records and also non-inclusion of the same in the accounts in the test checked institutes, the Department submitted that the land records were being maintained at unit level even though those were not depicted in the Annual Accounts of the units. However, corrective measures had been taken and the units were showing such land in their annual accounts as per accounting policies of ICAR. They had also included the details of such lands in their note of accounts in their respective Annual Accounts of 2016-17. In reference to digitization and reconciliation, identical reply was provided by the Department as stated in Paras 5 and 6 supra.

8. When the Committee asked the reasons as to why the land received as grants/gifts were either not valued or not included in the assets registers at the token price for control

purposes, the Department intimated that as per the prevalent practice in ICAR, the entries in the assets registers were made on the basis of the vouchers/actual payments. However, the details of such gifted lands were invariably maintained separately at each unit's level. This may also be ascertained from the land details which had been uploaded on the website of Ministry of Urban Development. Hence, the mechanism of control has been in place in ICAR. In this reply also, the identical reply was furnished to the Committee in regard to digitization, reconciliation/depiction of assets.

9. When asked about the reason for overstating the grant and subsidies of ` 4806.94 crore by ` 133.60 crore though the amount carried forward was to be adjusted in future grants and refundable to Government which resulted in understatement of liability of the same amount, the Department through written reply submitted that there had not been any overstatement of Grants and Subsidies as such in ICAR's annual accounts. The consolidated annual accounts of ICAR depicted the exact 'Grants received from Government of India (GOI)' as 'Grants received' in Schedule -9A. However, the value of such grants as depicted by the ICAR units as shown in the detailed accounts of ICAR units carries the component of grants received from other ICAR units in respect of certain plan and non-plan schemes as well. Thus, due to multiple release points, the grants received figures were duplicated. Hence, in order to work out exact unspent amount, the precise value of Grants received from GOI were taken and the utilization done by all ICAR Units were taken into account to work out the exact amount refundable to the GOI, the details of which were always shown to the external audit during the time of certification audit. In other words, ICAR carries out necessary adjustments in its consolidated annual accounts every year in Schedule 9-A of Government Grants to reflect the Governments Grants received from the Ministry of Finance, balances carried forward to be refunded to the GOI and the unspent balances of the financial year for which Annual Accounts were prepared. As such, the grants were refunded in full, only after Separate Audit Report was received from the auditors which certify the grants refundable therein. There had never been any comments regarding refundable grants to GOI from the auditors as such. It was also informed that the details of such adjustments were elaborated in the notes to accounts every year since the year 2012-13 onwards. The reasons of differences in the figures of Institute data and that of the consolidated annual accounts of ICAR were due to precisely multiple releases factor and also due to the fact that the ICAR units refund amount to the source either in the same

year or in subsequent years. There were 119 accounting units which prepared their own balance sheets which were summed up to prepare consolidated annual accounts of ICAR although the 'Grants' value were modified to the extent grants received from the Government of India to work out the unspent amount to be refunded to the GOI which was refunded every year after the certification audit was over and separate Audit report was received from the C&AG indicating the value of refundable grants to Government of India. However, ICAR had been constantly working on addressing such concerns of the audit.

10. The Committee wanted to know whether the unutilized amount of ` 245.67 crore were recovered and if not, what was the reasons of the same, the Department submitted that as per prevalent practice in ICAR all the unspent balances of the previous year were recovered in the next financial year and as such ` 245.67 crores were recovered from units in the subsequent year. Further, it was also submitted that after the certification audit of the consolidated annual accounts of ICAR every year, ICAR refunded the unutilized grants to the Government of India on the basis of 'Grants Refundable' certified by C&AG. Accordingly, the unutilized portion of grants for the year 2010-11 had also been refunded to the GOI. As such, as per the provisions of GFRs, ICAR draws the funds beyond 75% of the budget after submission of Audited Utilization Certificate based on the certified Separate Audit Report (SAR) issued by the office of the C&AG.

11. When the Committee asked the reasons for the overstatement of interest accrued of ` 99.24 crore for the year 2010-11 as shown in the Income and Expenditure account by ` 66.54 crore, the Department through written submission intimated that it was a calculation mistake of working out the accrued interest and corrective measures were taken to correct the accounts in the GPF accounts of subsequent year, i.e. 2011-12. The concern was taken into cognizance and the schedule of accrued interest was recast while preparing the GPF Annual Accounts of 2011-12. The investment instruments and the detailed interest calculations were shown to the Auditors during certification Audit of 2011-12. Subsequent to this, no adverse comments regarding this concern was received from the office of C&AG until now with regard to GPF accounts of ICAR.

12. In this regard, a representative of the Department during evidence stated as under:

"Concern over the ICAR account including that of the accrued interest, it is stated that the concern shown by the audit has been taken into cognizance, all the corrective measures were taken to make all rectification in 2011-12, and 2012-13, and the audit was given all required assistance at the time of certification audit about re-casting of account in consultation with concerned officer. After that, no adverse comments post 2012 had been received by CAG. That was the mistake and we got it corrected."

13. Asked whether any responsibility had been fixed or not for the errors and mis-statement in the estimation of accrued interest on bank deposits, bonds and other investment, the Department submitted that prima facie, while calculating the accrued interest, there occurred some mistake without any malafide intention of anyone. Moreover, due to this, the interest disbursed to the subscribers was not more than the prescribed rate of interest then. However, changes were made in the accounts to depict the correct values of accrued interest to present the true and fair picture of ICAR GPF Accounts during 2011-12 and the concerned officers have been advised to be careful in future. ICAR continued to take utmost care regarding the calculation of accrued interest on each of the investment instruments and gave detailed sub-schedules in the annual accounts since 2011-12. As such, no adverse comments had been received in this regard from C&AG since then.

14. When the Committee asked as to whether any accountability has been fixed for rectifying the errors in the implementation of Significant Accounting Policy (SAP) after Audit objection, the Department submitted that all ICAR Units had been following significant Accounting Policies to prepare their annual accounts since 2003-04. Hence, there had not been any errors as such in implementation of Significant Accounting Policies in ICAR and its constituent units. It is also pertinent to mention here that ICAR was preparing its accounts on cash basis until 2002-03 when it was asked to switch over to the accrual system of accounting. Hence, the Significant Accounting Policies (the guiding principles for preparation of Annual Accounts by ICAR and its units) were framed for the first time in the year 2003-04 for preparation of its financial statements at ICAR units' level. As such, ICAR's accounts have progressed in a better way since its shifting to accrual accounting system from the year 2002-03, i.e. a lot of accounting reforms have taken place which also included the reforms suggested by the Audit from time to time. Since the revision in Significant Accounting Policies were felt necessary post change in the rates of depreciation, a consultant, well versed in the accounting for Autonomous Bodies, was hired to look into the accounting reforms that were needed and as such, the accounting policies were modified for change of rates of depreciation and leasehold land and its amortization in the

year 2015-16. ICAR continued to undertake such reforms for continuous improvement and to prepare accounts to the satisfaction of external auditors/all stakeholders.

III. Non-achievement of stated objectives

15. The Committee have found that the C&AG Para No. 2.2 of Report No. 11 of 2016 highlights the proposed construction of Experimental Poultry Feed Technology and quality control Lab (Feed Technology Processing Unit) in January, 2004 and Experimental Poultry Processing Lab (Poultry Processing Unit) in July, 2004 at Bareilly in order to create modern infrastructure for human resource development in terms of teaching, to impart practical training to PG diploma holders and Ph.D students of poultry science discipline by the Central Avian Research Institute, Bareilly. Accordingly, on the request of Institute, CPWD submitted (February 2004) preliminary estimates for the Feed Technology Processing Unit at an amount of ` 18.40 lakh and for Poultry Processing Unit (October 2004) at an amount of ` 33.67 lakh. The approval for the same was communicated by Institute in March 2004 and November 2004 and one third advance for the same amounting to ` 17.35 lakh was released to CPWD alongwith the same. The Council then decided (March 2005) to shift the Institute at a new site at Pilibhit road. Consequently, a fresh requisition for construction of these buildings (Feed Technology Processing Unit and Poultry Processing Lab) was sent (April 2007) to CPWD as per approved Master Plan without making provisions for electrical and water supply works. CPWD submitted (August 2007) the revised estimates for both buildings at the revised cost of ` 57.46 lakh and ` 63.52 lakh respectively, which were vetted by Director (Works) and approved by the Council under XI Plan, but no provisions for electrical and water supply works were made in the estimates. Thus, due to non-synchronisation of the building works of Feed Technology Processing Unit and Poultry Processing Lab with the electricity and water supply works, resulted in non-operationalisation even after completion of civil work at the cost of ` 135.12 lakh and thereby non-realisation of the stated objective of the project.

16. When the Committee asked the reasons for the non-inclusion of provision for water and electricity in the Master Plan for the construction of the Feed Technology Processing Unit and the Poultry Processing Unit at Central Avian Research Institute (CARI), the

Department of Agricultural Research submitted that Feed Technology Processing Unit and the Poultry Processing Unit at CARI were originally to be constructed during X-Plan at the existing old site of CARI, where facilities for electric and water supply already existed. In the meantime decision was taken to expand and shift CARI at new site within IVRI campus. Accordingly, both these labs were constructed at the new site during XI-Plan prior to the construction of other buildings at new site as per Master Plan. The component of electric sub-station and water supply system including overhead tank were the part of Institute's Master Plan but were not taken in the first phase during XI Plan as sufficient electric load and water supply was made available temporarily from IVRI for both these structures till the completion of all other buildings at the new site.

17. When asked about the reasons for escalation of costs in shifting in regard to electricity and water supply, the Secretary, Department of Agricultural Research and Education during evidence deposited as under:

"In respect of Bareilly institute, I would like to say that it was again conceived that electricity and water supply will be taken from the parent institute of IBRI. Now, subsequently, because of the overload, it was decided that a separate electrical connection should be made. That is why a new project has been sanctioned for new water and electrical connection and that will be completed."

18. When the Committee desired to be apprised of the compelling circumstances which made the Council to shift the Institute at a new site at Pilibhit Road ultimately leading to cost revision/escalation from ` 52.07 lakh to ` 120.98 lakh in 2007, the Department submitted that the buildings under reference were originally planned to be constructed at the present (OLD) location of the Institute with limited availability of space at an estimated cost of ` 55.07 lakh sanctioned during 2004 (X Plan), which later increased to ` 120.98 lakh during the year 2007 (XI Plan) at new site due to scope enhancement, design improvement and associated time lag of 3 years in approval of EFC of XI Plan. In view of the old infrastructure facilities and severe space shortage in the Institute at the old site and with the expansion of research and associated activities besides catering to the needs of the even expanding Indian poultry sector, it was considered necessary to establish new infrastructure with independent entry on additional land on Pilibhit Road which was provided by the Indian Veterinary Research Institute (IVRI) in March 2005.

19. Clarifying the position, the Director of the Institute during evidence stated as under:

"With due permission from the hon. Chairman, IVRI is a big campus and within the IVRI, another institute called CARI was created. When these two proposals were submitted, they were within the same premises. But it was felt that it was too small. So, extra land was given to it by IVRI within its campus. That area is called as Philibhit Road."

20. When asked why the estimates prepared by the CPWD without provision for electrical and water supply works was approved by the Council under XI plan, the Department submitted that the buildings under reference were originally approved to be constructed in X Plan at existing old site where facilities for electricity and water supply already existed. Consequently with the approval of new site for CARI, it was decided to construct these facilities at the new site as per the allocation of budget without electricity and water supply for the time being and made these facilities operational taking temporary electricity and water supply from IVRI till all the infrastructure is developed fully at the new site as per Master Plan. It is submitted here that provision for providing electricity and water supply for both the buildings alongwith other buildings was made in the Master Plan.

21. The Department further submitted that the estimates for electrical and water supply works for both the facilities were not included in the XI Plan as sufficient electric load and water supply was available from IVRI to cater the research needs of CARI during XI Plan including both these buildings. The construction of electric sub-station and water supply system during XI plan would have resulted in blocking of funds as the demand for electricity and water supply would have increased only after construction of approved buildings and infrastructure in XII Plan. In fact, Institute would have to pay recurring fixed charges to local electricity supplier (Uttar Pradesh Power Corporation Ltd.) and water supply department even without using the same to fullest extent. Rather, with proper planning and prioritization, this infructuous expenditure had been avoided by the Institute. However, the component of electric sub-station and water supply system and overhead tank were the part of master plan for the new site and accordingly were taken up in XII Plan.

22. When the Committee wanted to know whether any responsibility had been fixed for the non-availability of records for the proposals of water and electricity of the building, the Department in a written reply submitted that all the relevant records were available at the time of inspection. However, some of the required records could not be located and presented at that juncture of time, hence no responsibility needs to be fixed.

23. Audit further pointed out that both the works were completed by CPWD and handed over (April 2011) to the institute after incurring an expenditure of `135.12 lakh. Subsequently proposal for electrical and water supply was sent to the Indian Council of Agricultural Research (ICAR) in March 2014 by the Institute and administrative and financial sanction for water supply and electrical system was accorded in September 2015 and November 2015 respectively. As a result, both the buildings were yet to be operationalised. Thus, due to non synchronization of the building works of Feed Technology Processing Unit and Poultry Processing Lab, with the electricity and water supply works, resulted in non-operationalisation even after completion of civil work at the cost of ` 135.12 lakh and thereby non-realization of the stated objective of the project. After completion of the civil work of both the labs in 2011 at new site, temporary arrangements were made in 2012 to make these labs/buildings functional with the help of IVRI. Therefore, the buildings were used for the intended purposes of research and trainings.

24. When asked about the reasons for the delay in sending the proposal for electrical and water supply works to ICAR in March, 2014 only though the civil work of both the Feed Technology Processing Unit and Poultry Processing lab were completed in April, 2011, the Department intimated that the delay in sending the proposal for electrical and water supply works to ICAR was due to allocation of funds on 28.01.2014 under XII – Plan. However, after completion of the civil work of both the labs in 2011 at new site temporary arrangements were made in 2012 to make these labs functional pending the civil work at the new site as per the approved Master Plan.

25. In this regard a representative of the Department clarified during evidence as under:
"Sir, there are two buildings. One is for processing and another is feed preparation plant. Obviously, feed processing building will store the feed ingredients. In poultry, we take different ingredients. They are stored in those buildings. In the processing, we are still working with the available electricity and water from IVRI."

26. When the Committee asked as to whether the works of electricity and water had been completed till date, the Department submitted that the work of water supply system had been initiated through CPWD after approval of the same in XII Plan EFC. The work pertaining to construction of overhead water tank and water supply gird in the campus had been completed by the CPWD. The work of electrical cabling and providing service connection was near completion. Further the Electric Sub-station was targeted to be

completed by the CPWD by July, 2018. The transformers, control panels and other accessories for the sub-station had already been delivered on site by the CPWD. The installation of the same was in progress. The Instituted had also installed a 70.4 KWp solar power unit in the new campus to augment the existing electricity supply.

27. A representative of the Department during evidence further added:

"The present status is that the work on electrical and water supply for the new building has been approved. The civil work on water supply is in progress and is expected to be completed within three months."

28. When asked further as to whether the building is being used for intended purpose, the Department informed that after connecting Feed Technology Processing Unit and Poultry Processing Lab with electrical and water supply from IVRI in October 2012 both these facilities were being used for their intended purposes. The Feed Technology Processing Unit was being used for the intended purpose, that is, for preparing compounded feeds for various species of poultry such as Japanese quails, Turkey, Guinea fowl and native fowls etc. besides preparing experimental rations for research work of the students/scientists. The capacity of the unit for preparing/processing of poultry feed had also been increased with installation of higher capacity mixer and grinder (16 tons in 8 hours). The demonstrations for the physical quality evaluation of feed ingredients were also given to the trainees and students. Similarly, Poultry Processing Lab was being used for its intended purpose that is, for quality evaluation of dressed poultry carcass, evaluation of innovative methods for decontamination of pathogens from the carcasses besides carrying out experiments for conducting research work of scientists and students and demonstration to the trainees.

29. The Department further submitted that the earlier reply submitted by the Institute on 07.01.2016 inadvertently overlooked some of the documents which were available in the Institute to substantiate that the arrangements for electricity and water supply were actually made in October 2012 itself with the help of IVRI and the buildings were put to intended use. Moreover, the Institute had also installed recently a 70.4 KWp solar power unit in the new campus to augment the existing electricity supply. After connecting Feed Technology Processing Unit and Poultry Processing Lab with electrical and water supply for IVRI in October 2012 both these facilities were being used to their intended purposes. The Feed Technology Processing Unit was being used for the intended purpose, that is, for preparing

compounded fees for various species of poultry such as Japanese quails, Turkey, Guineas fowl and native fowls etc. besides preparing experimental rations for research work of the students/scientists. The capacity of the unit for preparing/processing of poultry feed has also been increased with installation of higher capacity mixer and grinder (16 tons in 8 hours). The demonstrations for the physical quality evaluation of feed ingredients were also given to the trainees and students. Similarly, Poultry Processing Lab was being used for its intended purpose that is, for quality evaluation of dressed poultry carcass, evaluation of innovative methods for decontamination of pathogens from the carcasses besides carrying out experiments for conducting research work of scientists and students and demonstration to the trainees.

30. When categorically asked whether the basic objective of imparting training has been achieved through the Feed Technology Processing Unit and Poultry Processing Lab as the same have been used for storage of feed product, the Department through written reply intimated that the basic objective of imparting training had been achieved by using both these facilities. During last 5 years (2012-13 to 2016-17), a total of 44 training courses were organized in which 908 farmers/entrepreneurs were trained as per information available in the annual reports of the Institute. In the same duration a total of 49 M.V. Sc. and 32 Ph.D completed their degree courses. Besides this, a total of 49 M.V. Sc. and 32 Ph.D. scholars had used these facilities for experimentation and research work from time to time. During 2017-18 a total of 335 farmers/unemployed youth/entrepreneurs etc. have been imparted training on various aspects of poultry farming by the Institute. In all 14 training programmes were organized. Further, during 2017-18, 7 M.V.Sc. and 5 PhD scholars have used these facilities for experimentation and research work.

IV. Blocking of Funds

31. The Committee considered and found that Para No. 2.1 of the C&AG Report No. 11 of 2016 pertained to the approval of a project of the Department of Agriculture, Cooperation and Farmer Welfare and the Coconut Development Board CDB "Control of Eriophyid Mite on coconut on pilot basis during 2007-08" to the Department of Agriculture, Government of Tamil Nadu in October 2007. Envisaging treatment of 94.892 lakh mite infected palms in 10 districts of the State by adopting root feeding of Azadirachtin at the rate of 10 mille litre/tree for three rounds at an interval of 45 days. The total cost of the project was ` 22.77 crore with

` 5.69 crore (25 per cent) as Board's share. As per Memorandum of Understanding (MoU) of December 2007 signed between the Chairman, Coconut Development Board CDB and the Department of Agriculture, Government of Tamil Nadu, the due date of completion of the project and submission of final project report was on or before 31 March 2009 and 31 May 2009 respectively. The Joint field inspection conducted (November 2008) by CDB and the Department of Agriculture revealed that due to good rainfall during 2008-09 and less occurrence of mite attack, the demand for chemical was less. Hence, the Department of Agriculture decided (2009) to stop further procurement of chemicals. Thus, out of ` 2.85 crore released by CDB only ` 1.23 crore could be utilised for the project leaving a balance of ` 1.61 crore as unspent with the Government of Tamil Nadu from 2009 onwards.

32. When asked as to whether any documents had been relied upon to consider favorably the project for 'Control of Eriopyid Mite in Coconut on Pilot basis during 2007-08' from Government of Tamil Nadu, the Department of Agriculture, Cooperation and Farmers Welfare submitted that the project report "Control of Eriophyid Mite in Coconut on Pilot Basis" submitted by the Government of Tamil Nadu had been relied upon.

33. Giving background and clarifications on Audit findings the Secretary, Ministry of Agriculture and Farmers Welfare during evidence stated as under:

"..... The C&AG had observed regarding poor monitoring by the Coconut Development Board for an amount which was released to the Tamil Nadu Government and it was lying for more than six years. Actually, this amount was released to control the eriophyid mite which manifested in the coconut plantations in the year 2007. In 2007, due to widespread infestation of coconut plantation, the then Government of Tamil Nadu formulated a programme and submitted it to the Coconut Development Board which is in charge of overall development of coconut in the country. This project was prepared at a cost of Rs. 22.77 crore and the CDB's share in it was 25 per cent which meant Rs. 5.69 crore. The CDB approved this project and released a sum of Rs. 2.84 crore in 2007. The Tamil Nadu Government spent a total of Rs. 4.93 crore and our share in Rs. 4.93 crore would have been Rs. 1.23 crore. So, the remaining amount of Rs. 1.61 crore was supposed to be returned back to the CDB. The Tamil Nadu Government did not return this amount in time for which the audit has made an observation."

34. When the Committee asked the Department to explain as to how the CDB satisfy itself about the number of mite infected palms, it was submitted that Coconut Development Board (CDB) vide letter no: 1272/2006-Dev (Mite-TN) dated 10.12.2007 requested to

furnish the details of the clusters and schedule with milestones for monitoring of the implementing of the project. Accordingly Department of Agriculture Tamil Nadu vide letter no. OSC 1/120174/05 dated 27.12.2007 and letter no. OSC1/198828/07 dated 10.03.2008 submitted the details.

35. When the Committee desired to know as to how compliance with the GFRs by an autonomous body was being ensured, the amount allowed to remain with the recipient Department for so many years without monitoring the utilization of the same and the receipt of the utilization certificate, the Department submitted that the Coconut Development Board complied with the GFRs by obtaining utilization certificate from the implementing agency for considering the release of fund. The State Government of Tamil Nadu informed that since Eriophyid-Mite was airborne in nature, there could be recurrence of the attack at any time hence the State Government adopted the 'wait and watch' policy during 2011-12 and 2012-13. But fortunately there was no severe damage noticed by Mite that could cause damage beyond economic threshold level in those two years. Hence the time limit could not be adhered to refund the unutilized amount. The progress of the project was reviewed on 28th February 2013. Considering the justification for the delay discussed in the review meeting the State Department was permitted to submit the final report by 31.03.2013. The utilization certificate showing the unspent balance of the fund released was submitted vide letter vide letter No.OPC3/198828/07 dated 17-9-2013. After that the subsequent follow up was made by the Board vide letters dated 17.10.2013, 05.02.2014, 30.06.2014, 24.07.2015 and dated 31.12.2015.

36. Elaborating further on the background, the Chairman Coconut Development Board during evidence stated as under:

"The Tamil Nadu Government was supposed to give us the report on account of the utilization of fund and also how this has helped farmers in combating this particular menace of the insect. Sir, mite is a very tiny insect but the effect of that is very mighty. After the application of the recommendation of the Tamil Nadu Agriculture University, Coimbatore, the effectiveness was noticed in the field because the number of trees were more than 95 lakhs. If I convert the whole number of trees into area, that is a massive area that was occupied by coconut which was badly affected and most of the farmers to our information, by the State Government were either small farmers or the medium sized farmers. After we noticed, there is a change in the attack of the insect and farmers have started reporting this also that damage has minimized and fruiting and flowering both has improved over a period of time. Then, we wrote a letter. Since the control is tune of more than 80 per cent or something, then you should prepare a report and submit to us and submit the utilization certificate. But in some areas, there were some sporadic incidents of the mite

because there was change in the environmental conditions. Then, they told us that let us apply a policy of wait and watch for few more years and that period was extended to five years, after their request. After 2013, we have written six letters and reminders to them that lease return the money but they continued saying that you have seen that the re-occurrence of mites although at a smaller areas in some regions, so let us again re-adopt the policy of the wait and watch policy for more time in more areas also."

37. The Committee enquired as to when the requirement of submission of utilization certificate was decided for the project and whether the same was submitted as late as February 2013, the Department stated that the Department had submitted the progress report up to September 2008 showing both physical and financial vide letter no. OPC3/198828/06 dated 29th September 2008 and provisional utilization certificate vide letter no. OPC3/198828/2006 dated 03.11.2008 against the fund utilized by them not indicating the unspent balance. However, the utilization certificate showing the unspent balance of the fund released was submitted vide letter No.OPC3/198828/07 dated 17.09.2013.

38. When the Committee desired to know as to why penal interest as per section 14 of MoU had not been imposed even though there was considerably delay in submission of project report, the Department in a post evidence reply submitted as under:-

"No penal interest as per section 14 of Memorandum of Understanding (MoU) had been imposed keeping in view of the following explanations as submitted by the Department of Agriculture, Govt. of Tamil Nadu : –

- (i). 25% of the total requirement of Azadirachtin i.e 71169 liters was taken for distribution among farmers in 2008-09. He pointed out that Tamil Nadu received good south West monsoon rain in 2008-09 and incidence of mite attack was under natural check and farmers showed less interest in taking up control measures as 50% was the farmers share in the project and hence the pace of scheme slowed down. The department informed that the validity of chemical expired by 2008-09 and firms were directed to take back botanicals and new batch was supplied only in 2009-10.
- (ii). The department further informed that before placing the indent for next supply a quick survey to assess the incidence of mite was undertaken by the Joint Directors of Agriculture in 10 districts. Based on the survey report that the incidence of mite attack has been considerable reduced in 2009, department decided that further purchase of chemicals need not be taken up. However the entire quantity of 71159.5 litres of Azadirachtin procured has been distributed to farmers. At the same time the Department has adopted wait and watch policy and final utilization certificate for the fund released by the Board may be submitted by 31-3-2013.

Moreover, the objective of the project was achieved and the fund released was utilized for the purpose to which it has been sanctioned. Since the project was sanctioned to State Government, the penal interest was not imposed."

39. On a specific query the Secretary was candid during evidence to admit:

"So far, not a single paisa of penal interest has been collected."

40. The Secretary further deposed as under:

"..... So far as, charging of interest is concerned, the Coconut Development Board is still insisting on getting this amount from Tamil Nadu Government. But, the Tamil Nadu Government has again written a letter to waive this off in terms of the agreement and we have not taken a decision so far."

41. When the Committee desired the Ministry to clarify the nature of follow up that had been resorted to for non-imposition of penalty by the Board since the scheme was regularly followed up, it was submitted that the Board was regularly monitoring from 2009 onwards with the state Government Vide DO letters dated 03.07.2009 and 30.09.2009 and letters dated 21.12.2012, 17.10.2013, 05.02.2014, 30.06.2014, 24.07.2015 and DO letter dated 31.12.2015.

42. In this regard the Secretary further deposed as under:

"..... In the interim, the Coconut Development Board held a meeting with Tamil Nadu Government on 30.03.2009 and subsequently, we have written to them on 3.7.09, 13.9.09, 28.2.13, 17.10.13, 5.2.14, 30.6.14, 24.7.15, 31.12.15. All these letters have been marked and we are submitting them separately. As a result of our continuous efforts, this amount was finally returned on 14.3.16."

43. Throwing light on the subject, the Chairman Coconut Development Board during evidence stated as under:

"Sir, after 2009, the Tamil Nadu Government adopted a policy for wait and watch. They said that first of all in 2009 they wanted to increase the share of the Coconut Board. As per the agreed MoU, 25 per cent is from Coconut Board; 25 per cent is from the Tamil Nadu Government; and 50 per cent from the farmers side. This is the sharing pattern. So, the Tamil Nadu Government moved saying that can the Coconut Board increase the share of Coconut Board, which then the Chairman written to Chief Secretary said that we could not increase. Then, they have also been told to study the impact by Tamil Nadu Agricultural University (TNAU) in 2009. After that, the University did a study on its impact and the Tamil Nadu Government wanted to exercise a wait and watch policy because the damage was very extensive as 2,23,000,00 plants were infested initially and steps were taken for 10 Districts in Tamil Nadu covering 123 blocks, that is, almost 94 lakh plants. Since the damage was extensive, the State Government requested for having a wait and watch policy and a study by TNAU."

44. When Committee sought the reasons for delay in distribution of Azadiractin chemicals which were procured in 2007-08 and distributed up to 2010-11 though the Department of Agriculture, Tamil Nadu decided (2009) to stop further procurement, the Department

submitted that as per the project approved by the Project Approval Committee under TMoC, the financial assistance of the Board was 25% and the balance 25% was the share of Tamil Nadu Government and 50% was the contribution of beneficiary farmers. During the year 2008, Tamil Nadu received good South West monsoon rain and Eriophyid mite attack was much less and hence the response from coconut growers for the purchase of pesticide @ 50% rate, being their share, was poor. The farmer was not coming forward for the purchase of the pesticide since the loss occurred is below the economic threshold level. The same matter was informed by the Government of Tamil Nadu in the review meeting held on 28.02.2013 at CDB, Kochi that though the Department of Agriculture, Tamil Nadu decided (2009) to stop further procurement, the balance stock procured only was distributed. Hence delay happened in distribution of chemicals.

45. To a pointed query of the Committee as whether the project has been a success, the representative of the Department during evidence deposed as under:

"It has been successful. That is why, the incidence was reduced to less than 20 per cent. However, with the change in the humidity and dryness periodically, in some new areas, the emergence of these attack appeared and then requested let us give more time for wait and watch policy and then we will submit the report. We will enquire about it. If you permit me Sir, then I would state here one here. During that time, the production and productivity of coconut in Tamil Nadu was very low but now with the changes that have been brought into the production process, now in Tamil Nadu the growth of coconut is very high and the second highest productivity has been registered in the country. The quality of the nut which is being produced in Tamil Nadu is giving a very tough competition to the traditional producers like Karnataka and even Kerala also. As a result, our total production of coconut has gone very high and we attained the highest position in the world. We are now producing 22 billion nuts every year and the share of Tamil Nadu is more than 27 per cent. We feel this technology has really helped to contain the incidence of mite and for various details we will conduct an inquiry and a study to report."

46. The Committee desired to know as to whether any action was initiated by CDB to either get the remaining funds back/monitor subsequent utilization by the Department after the joint inspection was conducted in November by CDB and the Department of Agriculture, Tamil Nadu which indicated less occurrence of mite attack due to rain fall, hence demand for chemical was less. In response the Department in post evidence reply submitted as under:

"After the joint field the joint field inspection during November 2008, Board had taken action vide letter No. 1272/2006-Dev Mite TN dated 12.12.2008 to convene the monitoring committee meeting under the Chairmanship of APC to decide future course of action for further continuation of the project. Accordingly the state level

high level monitoring committee meeting held on 05.01.2009 where representative of CDB also attended. The committee had taken the following decisions:-

- In the districts where 60% distribution of chemicals was completed, the remaining quantity will be supplied.
- Since the chemicals purchased were due for expiry in February 2009/ March 2009, took up speedy action in re- distributing the chemicals without any further delay.
- Placing the indent for further supplier 70% of the chemicals might be considered on completion of the entire distribution of 71,1680.75 litres of chemicals."

47. When the Committee asked as to whether the Department of Agriculture, Tamil Nadu communicated to the CDB to stop further procurement of chemicals in 2009 and whether the same was not a requirement of the MoU that CDB would be kept informed about the progress in utilization, the Department submitted in the affirmative and stated that as per the Clause No. 8, 9 and 10 of MoU a state level high level monitoring committee was constituted vide Order No. GO Ms. No.126 dated 18.03.2008 to monitor the implementation of the project. Accordingly the Government of Tamil Nadu communicated the minutes of the state level high level monitoring committee meeting held on 05.01.2009. The committee had taken the following decisions:-

- In the districts where 60% distribution of chemicals was completed, the remaining quantity will be supplied.
- Since the chemicals purchased were due for expiry in February, 2009/ March 2009, took up speedy action in re- distributing the chemicals without any further delay.
- Placing the indent for further supplier 70% of the chemicals might be considered on completion of the entire distribution of 71,1680.75 litres of chemicals.

Also vide letter OPC3/198828/06 from Commissioner of Agriculture, Government of Tamil Nadu dated 19.01.2009 informed that on completion of the distribution of the entire quantity of 71,168.75 litres of chemical purchased further action would be taken in this regard.

48. When the Committee wished to know whether the MoU between the CDB and Government of Tamil Nadu, Department of Agriculture was drafted after taking into consideration of technical experts so as to the effect of monsoon in controlling the Eriophyid Mite infestation, the Department submitted that a common MoU was designed for implementation of TMoC scheme and was being executed between CDB and the implementing agency after approval of the project by the Project Approval Committee of the

TMoC consisting of Technical expert. Besides the state level high level committee formed for monitoring the implementation of the project reviewed the project in their meeting held on 05.01.2009. In the meeting, the Director of Research, Tamil Nadu Agricultural University, Coimbatore being the member of the committee informed that due to good monsoon rain the level of mite infestation came down to a larger extent.

49. A representative of the Department during evidence further elaborated as under:

"Sir, regarding non-anticipation of effect of monsoon, I would like to clarify that the whole project was taken up by a study funded by the CDB undertaken by TNAU and what would be the methodology and package of practice for addressing the Eriophyid Mite infestation, it was done on the recommendation of the TNAU – the whole project. I am not a technical person, but technically, it is said that the heat, temperature and humidity has an impact on multiplication of Eriophyrid."

50. When the Committee asked through a post evidence reply the reasons for delay in initiating action by CDB to get the unutilized amount refunded, the Department reiterated its earlier response by stating that the State Government of Tamil Nadu informed that since Eriophyid-Mite was airborne in nature, there could be recurrence of the attack at any time. Hence the State Government adopted the wait and watch policy during 2011-12 and 2012-13. However, the Board issued letters as follow up vide letters dated 17.10.2013, 05.02.2014, 30.06.2014, 24.07.2015 and dated 31.12.2015.

51. When the Committee asked the Department to furnish details of any efforts made by CDB to get the amount refunded over the period when the funds remained blocked, it was submitted that the Board had been regularly following up the matter with the Government of Tamil Nadu. It was noticed that the progress of implementation of the project was slow, Chairman, CDB vide D.O letters no.1272/2006-Dev dated 3.07.2009 and 30.09.2009 requested the State Government to issue necessary instructions to the concerned either to chalk out time bound action plan for completing implementation of the project or to refund the entire amount sanctioned by the Board. The matter had been taken up with the State Government vide letters dated 21.12.2012 and review of the project was conducted on 28.02.2013 at CDB, Kochi where in the following decisions were taken:-

- (i). The final report along with full beneficiary list and outcome of the project to be submitted by Department of Agriculture Tamil Nadu before 31.03.2013
- (ii). The final utilization certificate for the funds released may be furnished by 31.03.2013

- (iii). The unspent balance available with Department of Agriculture, Tamil Nadu may be refunded.

In this regard, continuous follow up were made vide letters dated 17.10.2013, 05.02.2014, 30.06.2014, 24.07.2015 and dated 31.12.2015.

52. When the Committee asked whether the amount of ` 1,61,41,212 refunded recently by the Government of Tamil Nadu to CDB been refunded to the Ministry or been utilized for some other purpose as the amount was refunded by the Tamil Nadu Government recently, the Department submitted that the amount refunded by the state Government was deposited in the unspent Grant in aid account maintained by the Board and the same was utilized during 2016-17.

53. In this connection the Secretary during evidence stated as under:

"It goes once and for all. It belongs to the corpus of the Coconut Development Board. They do not return that money to us. Because it is grant-in-aid. This is our organization. This organization is directly under us. Every year, they receive certain funds like ` 50 crores or ` 100 crores depending on what the action plan they submit. Once it goes, it becomes their fund. When they give it to third parties, they obtain the details and it is credited back to them. They do not return it to us. Regarding the State Governments, we give the funds to them and they give the UCs to us, then we release the next installment. Sir, I do agree with what you are saying. Unutilized fund is definitely accounted for. I am not denying that. But we do not get it back from that. That is all I am saying. Sir, the liabilities and everything are reflected in the annual accounts and the audited statement of the annual accounts. I want to distinguish that we are not getting back the money. That is all I wanted to say. I did not mean that we are not monitoring."

54. When the Committee asked as to whether there is any system of monitoring currently in place in CDB to ensure that such blocking of funds does not recur elsewhere, as had happened in the project involving Department of Agriculture, Government of Tamil Nadu, the Department submitted that as per the MoU executing with the Government/private agencies the agency has to submit quarterly progress report showing the physical and financial achievements to the Board. Besides there was an Internal Screening Committee as well as Project Approval Committee was there under TMoC to monitor the progress of the schemes sanctioned under TMoC.

55. When the Committee desired the Department to explain the reasons for the poor monitoring of the funds earmarked to CDB by the Department of Agriculture, Cooperation and Farmers Welfare, it was submitted that before releasing funds to CDB, this Department

was asking for utilization certificates of previous release along with Physical and financial progress is taken. Besides, review meetings were held to review progress.

56. When the Committee enquired whether the CDB made it mandatory requirement in all schemes for timely submission of utilization certificates now and how it was being ensured that the money had actually been utilized for the purpose for which it was intended, the Department submitted in the affirmative and was based on the audited utilization certificate along with the quarterly physical and financial progress report submitted by the implementing agencies to whom the project is sanctioned on approval of PAC of Technology Mission on Coconut Scheme of Board.

PART II

OBSERVATIONS/RECOMMENDATIONS

- 1) The Committee's examination of the subject is based on 3 Audit Paragraphs on 'Significant observations on the Accounts of Individual Central Autonomous Bodies', 'Non-achievement of Stated Objectives' and 'Blocking of Funds'. Out of these three, the first and the third Audit Paragraphs/subjects fall within the purview of Department of Agricultural Research and Education and the second paragraph falls within the purview of Department of Agriculture, Cooperation & Farmers Welfare, Ministry of Agriculture & Farmers Welfare. Accordingly, the Committee's examination has proceeded in that sequence.

Significant observations on the Accounts of Individual Central Autonomous Bodies

- 2) On gleaning through the oral evidence tendered before the Committee and the material/information supplied, they are perturbed to note that the test checked five units/Institutes of ICAR were not depicting the value of land (free hold and lease hold) in their schedule of assets in contravention of the Significant Accounting Policies (SAP) developed as early as in the year 2003-04. The Committee, are, also astonished to note that the Department of Agricultural Research instructed five units/institutions to depict the value of land in their schedule of assets only after the audit observation and the same have been reflected in their annual accounts from 2016-17 only. The Committee find that the Ministry have assured that all types of lands have now been digitalized and brought on record, so all concerted efforts would be made for reconciliation/depiction of such assets by the units in the annual accounts of the year 2017-18. It is evident that such an assurance is primarily consequent to the audit findings and subsequently the Committee's intervention. The Committee, therefore, in no uncertain words, at this stage, can only aver that such concerted efforts should bring fruits and the annual accounts of not only the year 2017-18 but for the coming years also invariably depict a true

reconciled picture of lands and put in place a system for integrated data of assets.

- 3) It is disconcerting for the Committee to find that the overstating of grant and subsidies of ` 4806.94 crore by ` 133.60 crore in the annual accounts of ICAR, though the amount carried forward was to be adjusted in future grants and refunded to the Government, resulted in understatement of liability. The Committee also note that the consolidated annual accounts of ICAR depicts the value of grants received from the Government of India and carry the component of grants received from other ICAR units and as such due to multiple release points the figures of grants received were duplicated. The precise value of grants received from the Government of India and the utilization done by all ICAR units are taken into account to work out the exact unspent amount refundable to the Government of India. The Committee note with concern that the differences in the figures of ICAR Institute data and the consolidated annual accounts of ICAR were due to multiple release factor and refunding of the amount either in the same year or in subsequent years. The Committee therefore, recommend the Department/ICAR to put a mechanism in place to streamline/reconcile the difference in the figures of ICAR units and the consolidated annual accounts of ICAR.
- 4) Upon examining the subject, the Committee are further perturbed to note that there are errors and mis-statements in the estimation of accrued interest on bank deposits, bonds and other investments in the ICAR GPF accounts. The Department while admitting the above observation submitted that necessary changes have been made in the ICAR GPF accounts during 2011-12 and the officers concerned have been advised to be vigilant in calculating accrued interest from the investments/instruments. However, the Committee are not satisfied with the mere advisory issued in this regard and desire the Department/ICAR to fix responsibility for the lapse/errors in the estimation of accrued interest of ICAR GPF accounts and also to devise a foolproof mechanism to avoid recurrences of this nature in future.
- 5) During the course of examination, the Committee find that since the year 2003-04, ICAR units have undergone substantive change in their accounting

system. They have switched over from cash accounting basis to the accrual system and have been implementing significant accounting policy (SAP) after audit objection. The Committee trust the assertion of ICAR that their accounts have progressed in a better way due to shifting to accrual accounting system and also take note of the fact that a consultant well-versed in accounting of Autonomous Bodies has been hired to look into the accounting reforms and as such the accounting policies were modified for change of rates of depreciation and lease-hold lands and its amortization in the year 2015-16. Nevertheless, the Committee would desire that such a trend should continue and ICAR moves abreast with more modern and up-to-date accounting methodology to adhere to the best accounting principles. Significant progress since the year 2015-16 be intimated to the Committee while furnishing the action taken notes.

Non-achievement of Stated Objectives

- 6) The Committee find that the proposal to create modern infrastructure for human resource development at Central Avian Research Institute, Bareilly and its eventual construction was fraught with lack of planning, foresight and lackadaisical attitude *ab initio*. Moreover, the time factor, in the opinion of the Committee, is also important as the approval for new infrastructure was communicated as early as in March 2004 and November 2004, nevertheless the works were completed and hand over in April, 2011 and that too without the sanction for supply and electrical system which was accorded in September, 2015 and November, 2015 respectively.

Coming back to the core issue, the Committee find that Central Avian Research Institute, Bareilly decided to shift the Institute in March, 2005 to a new site at Pilibhit Road. In the sequel, it sent a fresh requisition for construction of the Feed Technology Unit and the Poultry Processing lab in April 2007 to CPWD at a revised cost of ` 57.46 lakh and ` 63.52 lakh respectively. The Committee note with concern that while sending the original proposal provisions were not made for electrical and water supply as the same were decided to be used from Indian Veterinary Research Institute (IVRI). The

Committee are astounded to note that the Feed Technology Unit and the Poultry Processing Unit which are very important part of the Institute, creating modern infrastructure for human resource development in terms of teaching, imparting practical training to PG diploma holders and Ph.D students of Poultry Science was initially built without any provision for electrical and water supply which are undoubtedly basic requirements for such facilities. The Committee also observe that the civil work for both the Feed Technology Processing Unit and the Poultry Processing Lab were completed by CPWD and handed over to the Institute after incurring an expenditure of ` 135.2 lakh in April 2011. What can be more appalling to the Committee than to note that the proposal for electrical and water supply was sent to the Indian Council for Agricultural Research ICAR only in March 2014 by the Institute and approved in 2015. The Department submitted that the delay in sending the proposal for the same was due to allocation of funds in January 2014 only under XII plan and temporary arrangements were made from IVRI in 2012 to make the labs functional pending the civil work. The Committee are of the opinion that the plea of the Ministry that provisions for electricity and water supply were not incorporated as it was decided to source them from IVRI, and their subsequent contention that a new project for electricity and water supply had to be conceived due to overload at the IVRI supply source is untenable because the capacity of supply at IVRI and the additional requirement that would arise from the supply to the new units/Laboratories could have been worked out at the planning stage itself. The lapse in planning and the oversight in approval without independent electricity and water supply evidently resulted in inordinate delay which needs to be taken serious note of so that such instances do not recur in future and the stated objectives are achieved in scientific studies such as the one in question. At this stage, the Committee has no option but to recommend in unequivocal terms that an in-house inquiry be instituted within timeframe which should look into the feasibility of fixing responsibility for the lapses.

Blocking of Funds

- 7) In regard to the Committee's enquiry on Blocking of Funds, they find that their exist not only lack of planning, implementation but also a non-serious approach in leading to this issue to finality. It is disturbing to note that the settlement/refund of funds took more than six years during which Coconut Development Board (CDB) remained a mute spectator and could not effectively watch its own interests. The Committee's rendition of the enquiry is discussed in the subsequent paragraphs.

The Committee note that in 2007, the Department of Agriculture, Cooperation and Farmer's Welfare through the Coconut Development Board had sanctioned a project "Control of Eriophyid Mite on Coconut to be carried out by the Department of Agriculture, Government of Tamil Nadu. The total cost of the Project was estimated to be Rs. 22.77 crores and the CDB had released 50% of its share amounting to Rs. 2.85 crore. It envisaged treatment of 94.892 lakh palms in 10 districts. The date of completion of the project was to be before 31 March 2009 and final project report was to be submitted on or before 31 May 2009. Out of the sanctioned amount, only 1.23 crore was utilized and the balance of Rs. 1.61 crore remained unspent with Government of Tamil Nadu for over 6 years. The Committee note with constraint that the Government of Tamil Nadu had, in breach of the Terms of the MoU, retained the unutilized amount for a "wait and watch" policy during 2011-12 and 2012-13 and returned the sum only on 14.03.2016, while all accounts of the projects should have been settled in May 2009. The Committee, therefore, express their grave concern at the serious lapse on the part of CDB to closely monitor the project implementation. The Committee understands that good rains created propitious conditions during the project tenure in the form of good rains which largely controlled the mite infestation. This led to savings and obviated spending of the entire project funds. However, the Committee feels that holding of funds for over six years as an aberration and lapse on the part of administrative authorities for timely realizing the same. In the normal case and in the interest of public financial probity, the unutilized project grant received from CDB should have been returned within the stipulated time

frame. The Committee, therefore, recommend that the Ministry should contemplate on the elements of lapses in this regard and fix responsibility in the CDB for failure to monitor the implementation of the project under intimation to the Committee.

Further, the Committee recommended that since retention of unspent balance by Government of Tamil Nadu was intentional, the accrued interests/penalties must be recovered, pending which no further sanctions be released to the State Government.

NEW DELHI;
7 August, 2018
16 Shravana, 1940 (*Saka*)

MALLIKARJUN KHARGE
Chairperson,
Public Accounts Committee