

An Insight into the Management of Intermediaries of the Public Distribution System (PDS) in Tripura (India) – A Critical Accounting Analysis

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ABSTRACT

Deficit in food production in the maximum number of the states of India including its North-Eastern region not only depicts the necessity and importance of the Public Distribution System (PDS) but also underlines the significance of its intermediary's management. But maximum of the States and their PDS management system has still failed to touch upon public accountability in providing food security as well as assuring working capital sustainability in terms of system generated resources. They are still unable to ensure uninterrupted supply of essential commodities to the common people of this country. Although, other related factors such as improper transport & communication facilities in different parts of this country are also a major barrier of PDS operations, but its rapid rate of growth of population over the years has also been creating challenges to proper implementation of PDS where 23.60% population (2016) are living the below poverty line. Today in the consecutive plan periods of deficit budgets, the fulfillment of the basic objectives of PDS like food security with limited sources of fund is a big challenge of the Governments.

Keywords: Intermediary, Accountability, Sustainability, Resources, Food Security.

INTRODUCTION:

The Public Distribution System or PDS which were evolved by the British introducing 'Rationing System' in 1944 is presently operated in India jointly by the Government of India (GoI) and the State Governments of Indian union. Today, it is the largest distribution machinery of its type in the world by which commodities worth more than Rs. 15, 000 crores has distribute to 16 crores families of India every year. The Food Corporation of India (FCI) is a GoI or Central Government owned corporation which involved in procuring and supplying essential commodities like wheat, rice, sugar (levy sugar) for PDS after its establishment (1964). Along with these major food commodities other food and non-food commodities like salt, kerosene etc. are also distributed in affordable and subsidized prices through the network of State Governments operated PDS centre which are also known as the Fair Price Shop or FP Shop. In the state of Tripura, the Food, Civil Supplies & Consumer Affairs (FCS&CA) department of the Government of Tripura plays a key role to control the prices, supply and availability of essential commodities in the prevailing market of the state including keeping in focus to provide food security of the people. To ensure food security has been given the top priority amongst all the sub-sector of the Government's with charges of prime responsibility including to prevent black marketing of essential commodities in the open market and manage as well as maintain the food supply in all over the state. The deficit in food production and limited sources of funds disclose actual economic condition of this region where 90% of yearly state budget amounts were generally allotted and contributed by the Union Government. Although sometimes we can see that Governments still fails to fix-up any accountability in the PDS

management system and maximum possibilities of leakages were still existed in various types and stages of transactions. As a result sometimes various financial crime and malpractices are coming openly in public domain and the objectives for ensuring food security also has comes in a big challenges with increases of population over the years.

Banks, Transport Contractors and FP Shop Dealers are the intermediaries of PDS which are very important and significant components for keeping in function and expanding the distribution system considering cost and time economic in compare to broad based coverage in India. Without them it is absolutely impossible even imagine PDS system especially in developing and undeveloped countries where literacy level and vigilance level is comparatively low. For ensuring proper implementation of PDS not only intermediaries are needed but good management practices including intermediaries in PDS organization also needed so that benefit of management of PDS can be reaped to the maximum possible extent. Banks are playing vital role as one and only financial intermediary in execution of PDS from very beginning.

This study focuses to know some other reasons & facts also which are very relevant with the study which are; (i) What kinds of system is followed in books of account maintenance for PDS by the organization? (ii) Why the PDS failed to fulfill the duty of public accountability by their present financial system? (iii) What are the reasons for deficit in PDS Fund? (iv) Are there any scope to ensures sustainability of PDS by creating additional sources of working capital in terms of system generated resources or not?

OBJECTIVES OF THE STUDY:

The objectives of the study is to explore the functions and the important roles of financial intermediaries in every field of financial and accounts related transactions in PDS system. The aim of the study is to explore the success and achievement in management of banks as a financial intermediary in PDS of Tripura. The primary objectives of the study are:-

- (i) To examine and evaluate the financial functions and performance of the Banks as an intermediary of PDS of Tripura from 2008-09 to 2017-18 Financial Year (FY).
- (ii) To evaluate the financial record keeping processes and finding out the reasons for shortage of working capital for the purpose of finding best possible way of proper financial management of PDS organization.
- (iii) To know about what initiatives may be taken to utilize available facilities and opportunities in national financial market in generating additional financial resources for PDS.
- (iv) To discuss about the possibilities to implement a system in generating additional resources of fund for any organization in perspectives of the 'Time value of Money'.

LIMITATIONS OF THE STUDY:

This study is limited to the management of Bank and Bank Branches including all kind of financial transactions for PDS operation as financial intermediaries. Other intermediaries of PDS operation such as Transport Contractors, FP Shop Dealers are not incorporated in this study. All the monetary and financial transactions, preparation and maintenance of books of accounts of PDS activities like purchase & procurements, supply & distribution of commodities which are related and connected with Banking transactions from 2008-09 to 2017-18 are the area of this study. But account of any other unsold stock of food grains and its monthly lifting and off takes are not accounted in this study.

LITERATURE REVIEW:

Different literature reviewed for this study which is related with the management of different financial and non-financial intermediaries where different writers and scholars discussed about the role and function of intermediaries in executing every objective of any organization whether it is financial or non-financial organization.

According to Oxford Dictionary, intermediary is a person or an organization that helps other people or organization to make an agreement by being a means of communication between them (Hornby, 2015).

Jenson suggested in his study that whereas role describe what an intermediary does for a particular counterpart, position can usefully be employed to explain how an intermediary fits with the distribution system as a whole (Jensen, 2009).

Bessy & Chauvin stated in their study that new developments in economic theory justify the emergence of intermediaries by their role in reducing the cost of information search, or generally the transaction costs. In this perspective, intermediaries generally improve the functioning of markets (Bessy & Chauvin, 2013).

Sawant & Jadav, conclude in their study that it is very pathetic to see public lining up in long queues after

wasting their precious time and current public distribution system fails to ensure timely supply of commodities with good quality to fair price shops and it is found that it is not reaching to the needy section of the society in the era of modern technology (Sawant & Jadhav, 2013)'.
Mr. Khera found evidence of corruption in the secondary data of his study. He also stated that as the commissions in PDS are low, corruption are rampant at the higher level as because of cost for running ration shop were gone up and for earning excess revenues this corruption has become a requirement for economic survival for PDS dealers (Khera R. , 2008)'.
Cyriac, Sam & Jakob proposed in their study with focusing a need to explore possibility of introducing innovative ideas with cost effective manner such as smart cards, food credit/debit cards, food stamps and decentralized procurement in order to eliminate hunger and make food available to the poor (Cyriac, Sam, & Jakob, 2008)'.
Dhanabhakyaam and Kavitha, stated in their study that the Indian public sector banks by earning at least a nominal profit, have to serve the economy through extension of advances and safeguard the interest of their investors by providing the expected return on their investment in banks (Dhanabhakyaam & Kavitha, 2012)'.
METHODOLOGY:
This study is driven by theoretical and arithmetical information as it would be closely connected with the collections of primary data as well as secondary data of PDS in Tripura. The primary and secondary data form the base for conducting this study which has been supplemented by conducting spot visit to the respective Head Office (HO) of the organization namely, the Directorate of FCS&CA Department, Govt. of Tripura, PN Complex, Gurkhabasti, Agartala, West Tripura. For collecting necessary primary data its District, Sub-Divisional and Block level branch offices has also been visited.
Target Population on the research context:
The target population of this study is the entire PDS organization including all departmental staffs members not only of HO but also different district offices namely O/C Central Stores Agartala, Dy. Director office at Dharmanagar and Udaipur and total 30 (thirty) numbers of Branch or Deliver Order Issuing Authority (DOIA) offices of the department who are involved with banking transaction and accounting and record keeping processes. The national and regional bank and bank branches are also the target population of this study which is functionally connected with the system.
Data Collection Methods:
It has been done comprehensive review of all documents including all kind of financial records which are related with banking transaction of PDS. Different schedules have been used in purpose of data collection by applying judgment sampling method which is partially structured having direct and open ended questions for arriving at the conclusion of this study.
FINDINGS AND DISCUSSION:
The supply and distribution functions of PDS are basically quasi commercial in nature. Two separate accounts namely Cash Credit Account and Revolving Fund Account are maintaining by the PDS organization under 'Non-operable Collection Accounts'. 'Non-operable' means these accounts are only operable by the Director of FCS&CA, where transactions for Rice & Wheat has been maintaining through Cash Credit Account and Sugar & Salt has been maintaining through Revolving Fund Account from the year 1994 and 2005 respectively. This section has been discussed with the sub-sections of Findings and Discussion separately as under;
FINDINGS:
Number of findings has comes out after following the methodological process in analysis of collected data. The findings are the basis results of this research study in which some recommendations and outcomes has also been discussed with some initial results of the study. After analysis and verification of all the collected data as well as limitations, problems and prospects found in all kind of transactional procedures followed by the PDS organization the findings of the study are as under:
(i) All books of accounts such as Journal, Ledger & Cash Book etc. for both the accounts has been maintained separately in the Head office only but in irregular, inconsistent and unsystematically, not in accounting and record keeping procedures whereas for these two separate accounts, organization has maintaining total 08

- (Eight) numbers of Bank A/c in four different national and regional banks for primary transactions of PDS.
- (ii) All DOIA are maintaining their transaction records by in plain paper registers only and there is no any specific and uniform format of register to maintain the records of financial transactions for PDS. Even though there is no any specific guideline to maintain such records and books of accounts.
 - (iii) Neither any reconciliation of Cash Book and Bank Pass Book nor cross checking for deposited amount in between every DOIA and its Bank Br. and nor any cross checking of remitted / transferred amount from DOIA's Bank A/c to the Director's Bank A/c.
 - (iv) As because of lack in proper monitoring and coordination in between organization and bank, deposited amount was remain parked 'Idle' in the Bank A/c of all DOIA, as a results HO suffered serious shortage of fund up to 2011-12.
 - (v) The Audited Reports (from 2008-09 to 2009-10) of the Chartered Accountant Firm are also failed to present actual financial position of PDS fund. That report not only unable to disclose the reasons for shortage of working capital but also showed wrong account statements of both the accounts with Non- Accounting principles based information.
 - (vi) Organization lost huge amount of PDS fund due to improper maintenance of financial transactional records, lack of proper cross checking of transactions and improper management of financial intermediaries of PDS.

RECOMMENDATIONS:

The following are the recommendations which has been proposed for executing & implementing as early as possible for mitigating primary drawbacks in PDS operations in Tripura:-

- (i) Organization must upgrade its entire accounting and record keeping systems of PDS either in Computer software based transactional data recording system or at least in Pro-forma based Books of Accounts transaction recording processes for 02 (two) different accounts.
- (ii) It is proposed and recommended to upgrades entire accounting process and maintains other books of accounts considering the various transactional process of PDS at least in 'PROFORMA' based registers which would be maintained in the Head Office (HO) and DOIA or Branch offices. The books of accounts such as; (a) Release Order (R.O.) Register; (b) Sales Analysis & Remittance Control Register; (c) Fund Control Register; along with Journals, Ledger and Cash Books are necessary to be maintained in the Head Office and (d) Delivery Order (D.O.) Register; (e) Contingency Fund Utilization Register; (f) Contingency Fund Control Register along with Cash Books are require to maintain in the DOIA or Branch Offices of the organization after following all accounting principles. The above mentioned Resisters' formats are given in the Table-6.
- (iii) The organization must take an initiative to establish sound coordination between departmental and banking personnel in sharing and exchanging all kind of PDS related financial records and information for proper accounting purposes.
- (iv) The organization must consider utilizing available service opportunities offered by different schedule banks after opening and maintaining interest bearing accounts other than Savings A/c including core banking facilities in creating additional resources of fund for mitigating shortage of funds in PDS operation by means of 'Interest'.

Outcomes of the Study:

There were huge deficiencies in existing accounting systems till March, 2011. On the basis of findings and recommendation of the study some instant initiatives had been taken by the competent authority of the organization for knowing actual reasons & facts of deficiencies in PDS. It is a very positive and constructive thought of the higher authority of the organization by which this study able to examine the existing accounting and entire records keeping system up to March, 2011 including the performance, reliability and functional activity assessment of the Banks for the purpose of accounting process up gradation in PDS. According to the tenure of the affects and results of taken initiatives, outcomes of the study are classified into two categories such as below:

Short-term Outcomes:

- (a) The serious shortage of working capital has creates new challenges in continuation of PDS till 2011-12. With a proper permission from the higher authority of the organization a cross checking and reconciliation works on fund transfer in between Bank A/c of DOIA and Bank A/c of the Director had been initiated in the month of June, 2011 for the period from 2008-09 to 2010-11 which accounts are maintained in the Tripura Gramin Bank (TGB), United Bank of India (UBI) and other nationalized bank. From this crosschecking work it is found that more than Rs. 5.26 crores has found which still un-accounted and not been credited into the Bank A/c of the Director till March, 2012 after debiting from DOIA Bank A/c. Details are given in Table No -1.

(b) After positive initiative taken by the department for accounting up gradation, it was instructed to apply Core-Banking facility to the Banks for the purpose of immediate transfer of amounts so deposited by all D.O issuing authorities with 'No Parking' condition to the Director's Bank A/c at Agartala from April, 2012. As a result the positions of Total Working Capital or Total Net Sales Amount in the PDS accounts were increases. For example, where it was only Rs. 35 crores (approx.) in the month of April, 2011 there it is increased more than Rs. 120 crores within the month of November, 2012.

Long-term Outcomes:

(a) In the month of March, 2012, the PDS organization opens interest bearing Bank accounts in the Tripura Gramin Bank (TGB) and United Bank of India (UBI) namely 'Flexi Fixed Deposit (FFD) A/c' and 'Bonanza A/c' respectively after setting numbers of Conditions/Parameters for smooth functioning of the accounts. From inception of the previous accounting process in 1994-95 the organization earned total amount of interest Rs. 1.01 Crore under Savings Bank (SB) A/c in PDS operation up to 2011-12. But after introduction of new accounting process with Flexi Fixed Deposit (FFD) A/c system the earning of the interest were increased from Rs. 8.18 Crores in 2012-13 to Rs. 19.01 Crores in 2017-18 per annum. The amount of interest received from banks is showed in the Table -2 and Figure-1.

(b) The major outcome of overall intermediary management and accounting up gradation process is that it is become unnecessary to conduct further any kind of audit in financial transaction of PDS operation after 2012-13 except normal auditing procedures of the Government. All kinds of financial transactions of PDS are systematic and automatically cross checked & verified and reconciled from each and every level such as; from procurement level to distribution level of cost of food grains; deposited amount remittance and transfer from DOIA to Director's A/c; from calculation of credited interest of Term Fixed Deposit (TFD) to show it into the updated total fund position of PDS in Cash Book and reconciliation with Pass Book. After implementing this system accountability of each and every PDS financial transaction is increases which give assurance comparatively leakage free and sustainability of such a public welfare scheme of the government like PDS by generating its own financial resources.

DISCUSSION:

In this section it has been discussed the Process of PDS in brief, Discussion on related matters of findings and recommendations of the study, Limitations of the Study and Scope and possibilities of future research in this field.

PDS Process:

Generally, the financial process of PDS starts with purchase and procurement of commodities and deposit and placement of fund of the cost of commodities by the Director in the Bank A/c of FCI and accordingly a Release Order (R.O) is issued by the FCI to lifting the purchased commodities. The purchased commodities are stocked and transferred in all over the state through 108 (One hundred eight) Transit and Feeder godowns and finally those commodities are supplied to the total 9,25,694 PDS Card Holders by total 1,798 FP Shops in all over the state (up to May, 2018). Those FP Shop dealers are controlled and monitored by the 30 (thirty) DOIA or Sub-Divisional Magistrate or Block Development offices which were under full controlled & supervision of the Directorate of the organization.

The FP Shop dealer purchase and collected essential commodities through DOIA on the basis of total card holders specified in its own jurisdiction and following the Government's allotted monthly per card quantity of commodities for distribution of the same at the government specified rate. The FP shop dealers deposit the cost of commodities into the Bank A/c of respective DOIA through Statutory 'Challan Form No.21' after making adjustment of their receivable Transport Commission (TC) and Dealer Commission (DC) from the Total Distribution Price (TDP) and after that 'Delivery Order' or 'D.O.' of commodities are issued by their respective DOIA. The commodities which amounts are so deposited into the Bank by the FP Shop dealer are supplied from the nearest feeder godowns of the government in which feeder godown it is supplied from the transit godowns located at Dharmanagar, Central Stores of Agartala and Udaipur. The PDS Process is showed in Figure-2.

A 'Money Transfer Note' is made by the Bank of all DOIA for the purpose of transfer the cost of commodities into the Director's respective Bank A/c at Agartala and it was continued till 2011-12. At the end of any particular month all every DOIA has to prepared separate Monthly Sales Analysis Report for two different accounts and supplied to the directorate for further accounting process.

The Scheme Wise Yearly Government of India (GOI) allotted State Quota of food grains, Cost of Food Grains and Supply & Distribution Price other than Other Welfare Schemes or OWS of the PDS Organization of

Government of Tripura (GOT) (As per 2014-15) and after implementation of the National Food Security (NFS) Act w.e.f. 1st October, 2015 (As per 2015-16 & 2016-17) are given in Table No. 3 and 4 respectively.

Discussion on related matters of findings and recommendations of the study:

It is already mentioned in the above that there is no any specific guideline for maintaining any books of accounts of PDS transactions in the organization. In that conditions numbers of bank accounts maintenance in different banks like State Bank of India (SBI), United Bank of India (UBI), Tripura Gramin Bank (TGB) and Tripura State Co-operative Bank (TSCB) for two separate accounts under 'Non-operable collection' also totally unjustifiable in the context of authenticity and practicability of the mechanism of entire accounting system. Entire PDS organization has operated on the basis of collection of per day Bank account statements for the purpose of checking daily Bank accounts balance amount for purchase and procurement of monthly allotted commodities. Improper maintenance of necessary books of accounts results unavailability of PDS transactions records which leads no any cross checking and reconciliation of financial transactions are initiated by the organization till 2011-12.

Further, organization has appointed a Chartered Accountant (CA) Firm for the purpose of auditing and maintaining of the records, transaction and books of accounts of PDS for particular periods. In the cross checking and reconciliation work under this study and review work of the CA Firm's submitted Audit Report (2008-09 & 2009-10), it is comes to know that the main purpose of appointment of CA Firm is not fulfilled. Out of many points some points may be mentioned here that; the closing balances of both the accounts which are showed in 31st March of every FY are not comes as opening balance in 1st April of next proceeding FY. In the report some figures are shows as 'Surplus' in the balance sheet. But it may be mentioned here that the organization is not involved in any such transactional activities for making surplus in PDS operation. The Bank A/c balance is not reflects actual fund position of the organization, where in the report it is also found that the Bank Pass Book and Audit Report's declared figure is not similar even in a particular specific date.

Since, lack of coordination in between Head Office and Branch Offices and improper monitoring and management of financial intermediary like Banks and Bank Branches relating to fund transfer and remittance of cost of food grains, huge amount was remain parked month after month in the bank accounts of DOIA. As a result Directorate suffered serious shortage of fund for purchase and procurement of essential commodities from FCI. For example, During April, 2011 average monthly requirement of fund for purchasing & procurement of monthly quota of essential commodities (food grains) in the Cash Credit & Revolving Fund (under Non-operable Collection) Account is amounted to Rs. 40 Crores (Approx.) whereas the available fund is Rs. 35 Crores (Approx.) only. In this condition of PDS fund, maintenance of buffer stock for minimum (03) three months for the period of unfavorable natural condition (e.g., during rainy season) was not possible for the Government. By this kind of idle parking and unused condition of working capital the department was not in position to avail any kind of short of facilities available from the Banks and any other financial institutions.

It is nothing but non preparation of books of accounts, lack of crosschecking and reconciliation an amounting to Rs. 5.26 Crores is recovered within March, 2012 from the cross checking of amount transferred which had been so deposited as the cost of food grains into the Bank A/c of different DOIA which had also been showed as debited and remitted by the Bank from those particular DOIA's A/c but practically not credited into the Director's Bank A/c. Due to unavailability of financial transactional records in PDS organization as well as in the Banks, such type of reconciliation work still incomplete and couldn't initiate by the department for the period from the inception to 2007-2008 till date. Most probably, such a crosschecking work couldn't be done and also may not be in future because Banks declared their inability to provide any transactions records for the period before 2007-08. Now, one question is generally arises that from inception (1994) how much of PDS fund has being lost by the organization due to improper preparation & maintenance of books of accounts and lack of reconciliation of PDS transactions? Not yet known.

Finally, from 1st April, 2012 proposed new accounting system has been adopted and implemented by the organization with core banking facility in place of 'Money Transfer Note' in transferring cost of food grains which are so deposited into DOIA. By this new accounting system it is tried to assure channelized the uninterrupted cyclical flow of PDS fund without parking of cost of food grains in different bank branches of DOIA. On the basis of implementation of new accounting process of PDS, organization finally able to decide to open interest bearing account other than Savings Bank A/c with the consideration of transactional variability and for the purpose to fulfill shortage of PDS fund by utilizing maximum financial benefit facilities available into the Banks by means of interest. A statement showing fund flows and financial transactions under PDS operation through Banks are given in Table No.5. It may be mentioned here that there are almost equal quantity

of food gains allocation for the state during the period from 2008-09 to 2014-15 (Table-3). Further after implementing the National Food Security (NFS) Act w.e.f 1st October, 2015 the allotted quantities of food grains in maximum of PDS schemes (Table-4) are decreases but the position of fund is increases. Amount parking in all DOIA Bank A/C starts to decreases from 2012-13 and become Zero (0) from 2014-15 FY. The process for execution of the new management and accounting system for PDS was started from 2011-12 and it is fully implemented from April, 2012-13. After implementation of the new accounting system from 2012-13, the fund position of central account of PDS i.e. Fund positions of Director's Bank A/c are rapidly increased.

Before opening interest bearing account the basic requirements of the organization, smooth functioning of PDS transactions, systematized accounts preparation has also been considered so that organization can earn maximum interest amount in compare to maintained Saving Bank (SB) A/c up to 2011-12 without any kind of interruptions in PDS operation. In order to maintain 'FFD' and 'Bonanza' Bank Accounts 02 (two) Fund Control Registers started to being maintained by the organization for two separate accounts. It may be mentioned here that the 'Bonanza A/c' which was maintained in UBI were closed after 06 (Six) month of the A/c opening date due to some technical problem in operation. By this new management and accounting system total Rs. 82 Crores approximately has been earned as a means of interest till date excluding Saving Bank interest which is more than 35% of the present total working capital available in PDS fund excluding interest amount. It may be mentioned here that the average working capital of the organization up to 2011-12 is Rs. 35 crores where average monthly requirement of fund is Rs. 45 Crores. Now, only interest earned by this new accounting process of the organization is 135% more which is more than the fund position of the financial year 2011-12.

Possibilities for future research:

Overall management of PDS including its other intermediaries like Transport Contractors and Fair Price Shops (FPS), quantity of monthly off take & lifting, stock positions and other non banking transactions has not been incorporated in area of this study. There are various scopes and opportunity for conducting study in development of smooth supply and distribution machinery using technology enable system for the purpose of overall development of PDS management other than financial related matters so that actual objectives of PDS can materialize and can provide actual food security to the people.

Scope & opportunities of the system:

Mobilization and utilization of flows of funds are highly appreciable in compare to unused stock until its utilization process has not been started. The shortage of fund is a reflection of unhealthy financial condition, huge amount of unused fund also a sign of institutional inability for proper financial management which always leads inability to use of opportunities in future chances. For implementing proper financial management this system may very helpful in systematically use of working capital of any organization and in ensuring proper utilization of available fund so that the organizations whether it is private or public can maintain 'Time Value of Money' of budget allotted fund. This system is very helpful in ensuring non-parking of a single amount of fund not more than 24 hrs after its deposit into the sub accounts. Further entire management and accounting assures earning of highest rate of compound interest from available fund which would be very helpful in strengthening the financial position of every organization.

In perspective of Tripura, considering its limited sources of fund of the State Government this system is require to implement in all the probable sector of organization of the government. For fast outcomes from this system it may be implemented in that departments those are involve in: (i) collection of 'Non-tax revenue'; (ii) receiving fund (except budgeted fund) from Central Govt. or any organization on the Special Purpose Vehicle (SPV); (iii) project based financial operational functions. After proper implementation in all the suitable sector including the sectors of Special Purpose Vehicle (SPV) and 'Non-Tax Revenue' it can be implemented in the other sectors also so that government can earn more 'Interest' than followed traditional system. This system can be implemented after keeping all the present security provisions of the fund where there is no any risk in fund management and maintenance. It may be mentioned here that in the Budget of 2018-19 the Government of Tripura reflects total interest received in 2017-18 amounting to Rs. 47 crores only. By this management and accounting process government can earn high return of interest which would be minimum 100% more than the earning from present mechanism as per 2017-18.

CONCLUSION:

In this globalized world, functions of the bank as a financial service provider, intermediary and facilitator are played very significant role in public as well as private sector organizations. A systematic and effective record

keeping system is an important key element for ensuring achievement of financial goals and also very helpful for searching another scope and opportunities for the purpose of development of any organization. It can provide positive strength for taking necessary steps in working capital management towards achieving ultimate organizational goals. Whereas, the proper working capital management is one of the important factors for achieving organizational goals, but the roles of the financial intermediaries are also very significant and incomparable for organization not only in the field of finance & ensuring financial security but also in achieving financial self sufficiency.

It may be mentioned here that, presently the FCS&CA department is the highest revenue earning department among all the departments of the Government of Tripura by utilizing its own capital resources towards achieving departmental goals. The financial advantages which are presently availing by the FCS&CA Department has become possible only when the management of the department including intermediaries management and upgrade & modified its entire system of accounting and record keeping mechanism in PDS operation took place from April, 2011. The success and achievement of FCS&CA department in creation of additional sources of fund may provide a ray of hope towards establishing more properly managed departments in all fields as well as making additional revenue earnings and more financially empowered department of the Government where savings bank accounts' benefits are considered.

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FIGURES:

Figure 1: Graphical Presentation of Interest Earned in PDS Operation

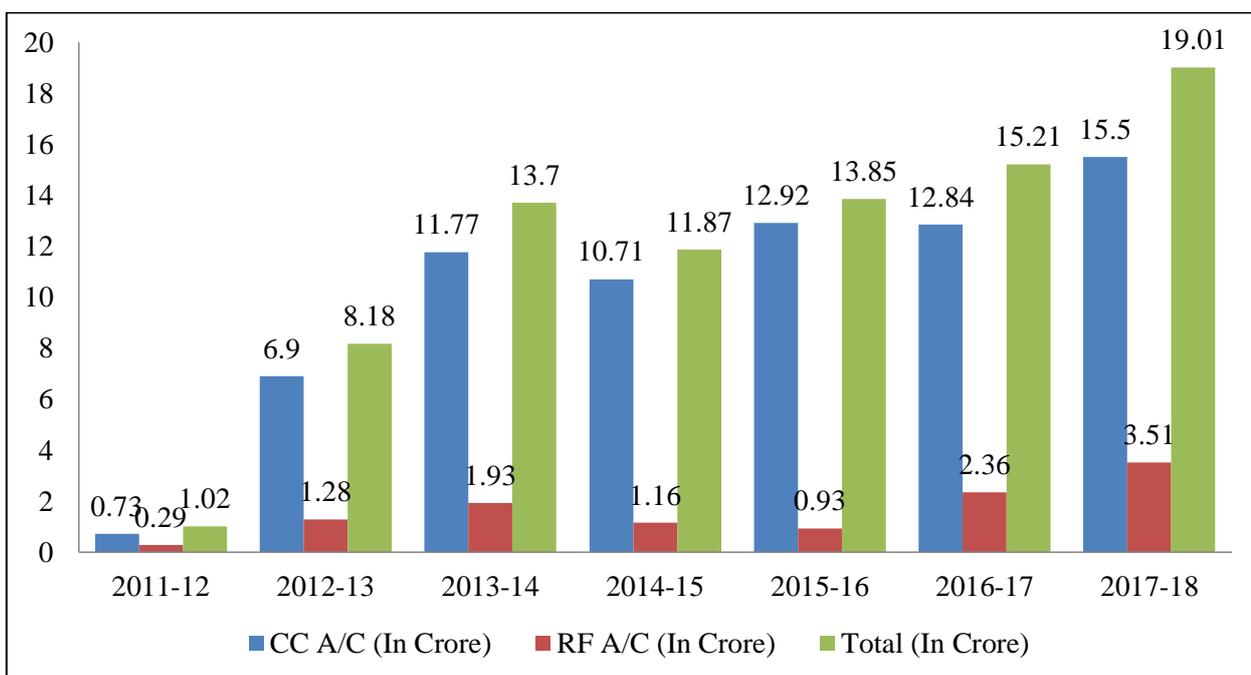
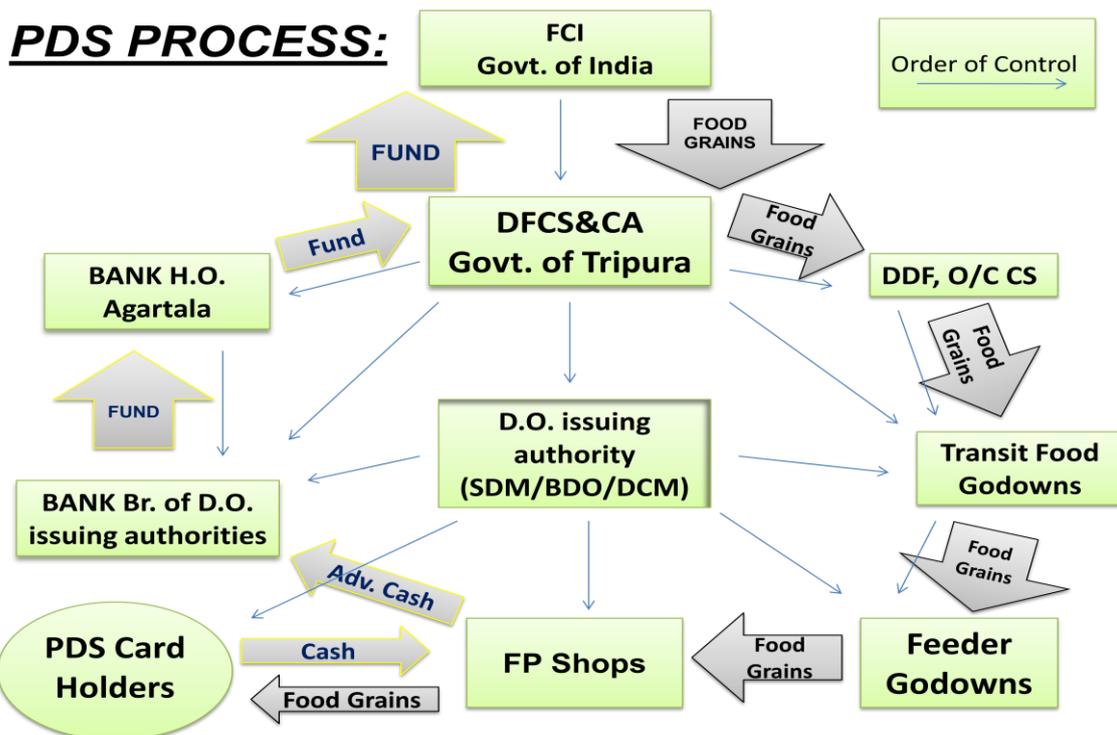


Figure 2: Process of PDS



TABLES:

Table No 1: Statement of Amounts Recovered from Banks from Cross Checking & Reconciliation Work of the Study

Sl. No.	Name of DOIA (Bank)	Date of Amount Debited from DOIA Bank A/c	Amount recovered from Bank which are debited but not credited into DFCS&CA A/c		Date of Amount Credited into DFCS&CA Bank A/c
			Cash Credit A/c (Rs.)	Revolving Fund A/c (Rs.)	
01	BDO-Mandwi (TGB)	09/03/2010	16,26,202/-	34,540/-	26/11/2011
02	BDO-Hezamara (TGB)	10.07.2009	---	2,02,628/-	26/11/2011
03	DCM-Rajnagar (TGB)	11/02/2009	18,58,869/-	---	26/11/2011
04	SDM-Udaipur (TGB)	24/08/2009	17,24,814/-	1,17,664/-	07/12/2011
05	SDM-Kanchanpur (TGB)	23/07/2008	25,54,048/-	3,51,338/-	15/03/2012
06	DCM-Kumarghat (TGB)	01/06/2010	8,72,823/-	---	29/06/2012
07	SDM-Longtoraivalley (TGB)	23/03/2010	9,766/-	66,290/-	06/06/2012
		04/10/2010	35,44,151/-	1,54,252/-	Do
		07/10/2011	38,14,299/-	9,19,794/-	28/11/2012
		31/10/2011	12,28,464/-	72,462/-	Do
		21/11/2011	91,443/-	3,94,975/-	Do
		17/01/2012	26,82,917/-	6,62,388/-	Do
08	SDM-Gondachera (TGB)	04/02/2009	20,80,604/-	2,76,109/-	21/07/2012
09	BDO-Kalyanpur (TGB)	02/11/2011	9,62,669/-	5,76,936/-	30/08/2013
10	SDM-Sonamura (UBI)	22/07/2008	37,80,418/-	3,65,500/-	04/08/2011
		17/10/2008	64,78,876/-	21,50,176/-	04/08/2011
11	DCM-Nutan Bazar (UBI)	21/01/2009	48,45,369/-	10,06,138/-	04/08/2011
12	SDM-Khowai (UBI)	04/04/2007	56,35,168/-	14,93,239/-	28/10/2011
Total			4,37,90,900/-	88,44,429/-	5,26,35,329/-

Table 2: Statement of Interest Earned under PDS Transactions

Financial Year (FY)	Types of A/C	Rate of Interest (%)	Name of the Accounts		Total (Rs.)
			Cash Credit (Rs.)	Revolving Fund (Rs.)	
Up to 2011-12	SB	4.00%	72,59,659	28,58,769	1,01,18,428
2012-13	FFD	9.25%	6,90,13,199	1,27,61,010	8,17,74,209
2013-14	FFD	9.25%	11,76,83,840	1,92,66,199	13,69,50,039
2014-15	FFD	9.00%	10,71,36,077	1,16,43,215	11,87,79,292
2015-16	FFD	8.50%	12,91,89,102	93,17,913	13,85,07,015
2016-17	FFD	6.90%	12,84,31,869	2,36,26,222	15,20,58,091
2017-18	FFD	6.75%	15,50,35,197	3,50,63,506	19,00,98,703
Total ()			71,37,48,943	11,45,36,834	82,82,85,777

Sources: FCS & CA Department, Govt. of Tripura

Table 3: Scheme Wise Yearly Allocation of Food Grains, Procurement Price and Supply & Distribution Price other than Others Welfare Scheme or OWS (As per 2014-15 FY)

Sl. No.	Name of Schemes	GOI Allotted Qty. (In Mt)	Purchase & Procurement Price Per MT (Rs.)	Distribution Price of the Organization (Including Transporter's, Dealer's Commission and Others) Per MT (Rs.)
1	2	3	4	5
Cash Credit A/c				
01	APL (Above Poverty Line) Rice	1,50,060	8,300	10,350
02	APL (Ad-hoc) Rice	1,196	8,300	10,350
03	BPL (Below Poverty Line) Rice	76,380	5,650	3,000 (Balance Subsidy amount Rs. 2,650 Per MT credited by the Government of Tripura)
04	BPL (Ad-hoc) Rice	22,384	5,650	6,150
05	AAY(Antyodaya Anna Yojana) Rice	47,520	3,000	2,000 (Balance Subsidy amount Rs. 1,000 Per MT is credited by the Government of Tripura)
06	APL Wheat	28,044	6,100	10,000
07	APL (Ad-hoc) Wheat	48	6,100	10,000
08	BPL (Ad-hoc) Wheat	567	4,150	7,700
Revolving Fund A/c				
01	Levy Sugar	31,764	36,180	13,500 (Balance Subsidy amount Rs. 22,680 Per MT is credited by the Government of Tripura)
02	Salt	18,000	4,500	6,000

Sources: FCS & CA Department, Govt. of Tripura and tripurainfo.com

Table 4: Scheme Wise Yearly Allocation of Food Grains, Procurement Price and Supply & Distribution Price other than Others Welfare Scheme (OWS) after implementation of NFS Act. w.e.f. 1st Oct. 2015 (As per 2015-16 & 2016-17)

Sl. No.	Name of Schemes	GOI Allotted Qty.(In Mt)	Purchase & Procurement Price Per Mt (Rs.)	Distribution Price of the Organization (Including Transporter's, Dealer's Commission and Others) Per MT (Rs.)
Cash Credit A/c				
01	Tide Over Rice	68,400.00	8,300	13,000
02	Priority Group Rice	1,19,092.80	3,000	2,000 (Balance Subsidy amount Rs. 1,000 Per MT is credited by the Government of Tripura)
03	AAY (Antyodaya Anna Yojana) Rice	46,040.40	3,000	2,000 (Balance Subsidy amount Rs. 1,000 Per MT is credited by the Government of Tripura)
04	Tide Over Wheat	37,466.76	6,100	13,000
Revolving Fund A/c				
01	Levy Sugar	24,432.12	32,490	26,000 (Balance Subsidy amount Rs. 6,490 Per MT is credited by the Government of Tripura)
02	Salt	24,362.65	6,500	7,000

Sources: FCS & CA Department, Govt. of Tripura and tripurainfo.com

Table 5: Statement Showing Financial Transactions under PDS Operation through Banks

Financial Year (FY)	Opening Balance of Director's Bank A/c	Opening Balance of DOIA's Bank A/c	Total Amount Deposited into DOIA Bank A/c against Sale of Food Grains	Total Amount Available Into Bank A/c of DOIA	Deposited Amount Remitted and Transfer to Director's A/c	Closing Balance of DOIA's Bank A/c	Total Amount Available in the Director's Bank A/c	Yearly Purchases and Other Exptd. for PDS Operation	Interest Received under FFD A/c Scheme	Closing Balance of Director's Bank A/c
1	2	3	4	5 = (3 + 4)	6	7 = (5-6)	8 = (2+6)	9	10	11 = (8-9 + 10)
Cash Credit A/c (Rs. In Crore)										
2008-09	18.45	6.05	191.64	197.69	189.44	8.25	207.89	185.06	0.16	22.67
2009-10	22.67	8.25	207.60	215.85	206.45	9.40	229.12	203.65	0.17	25.30
2010-11	25.30	9.40	207.01	216.41	207.78	8.63	233.08	214.82	0.19	18.07
2011-12	18.07	8.63	233.35	241.98	237.95	4.03	256.02	213.70	0.21	42.11
2012-13	42.11	4.03	199.90	203.93	202.73	1.20	244.84	119.66	6.90	118.28
2013-14	118.28	1.20	222.85	224.05	224.05	0.00	342.33	124.21	11.77	135.98
2014-15	135.98	0.00	256.26	256.26	256.26	0.00	392.24	129.12	10.71	139.83
2015-16	139.83	0.00	234.97	234.97	234.97	0.00	374.80	187.63	12.92	174.25
2016-17	174.25	0.00	186.80	186.80	186.80	0.00	361.05	145.85	12.84	202.36
2017-18	202.36	0.00	216.94	216.94	216.94	0.00	419.30	242.13	15.50	257.63

Revolving Fund A/c (Rs. In Crore)										
1	2	3	4	5 = (3 + 4)	6	7 = (5-6)	8 = (2+6)	9	10	11 = (8- 9 + 10)
2008-09	7.39	1.29	31.13	32.42	30.51	1.91	37.90	27.90	0.06	9.94
2009-10	9.94	1.91	41.27	43.18	41.97	1.21	51.91	44.91	0.07	6.93
2010-11	6.93	1.21	45.65	46.86	45.23	1.63	52.16	37.69	0.09	14.38
2011-12	14.38	1.63	46.31	47.94	47.22	0.72	61.60	46.98	0.07	14.55
2012-13	14.55	0.72	37.15	37.87	37.66	0.21	52.21	29.77	1.28	21.16
2013-14	21.16	0.21	41.44	41.65	41.65	0.00	62.81	39.43	1.93	21.45
2014-15	21.45	0.00	47.24	47.24	47.24	0.00	68.69	38.38	1.16	29.15
2015-16	29.15	0.00	113.85	113.85	113.85	0.00	143.00	95.66	0.93	46.41
2016-17	46.41	0.00	52.12	52.12	52.12	0.00	98.53	51.07	2.36	45.10
2017-18	45.10	0.00	53.84	53.84	53.84	0.00	98.94	37.67	3.51	57.76

Table 6: Format of Different Registers under New Accounting System of PDS

6(a): Format of RELEASE ORDER (R.O.) REGISTER:

Page No:												
Name of Scheme: GOI Allocation No. & Date: For the Month/ Period: Yearly Allocation: MT												
Monthly Allocation (in MT)	R.O. No. and Date (By Cash)	R.O. No. and Date (On Value Adjustment)	Total R.O. Qty. (in MT)	FCI Depot	R.O. Validity	Name of *PDC	Opening Balance (in MT)	Lifting Month	Lifting Qty. in the specific Month (in MT)	Balance Qty. (in MT)	Balance Qty. Adjusted (in MT)	Date of *DCC Received
1	2	3	4	5	6	7	8	9	10	11 = 4 or 8 - 10	12	13

*PDC = Public Distribution Centre (Feeder Godown),

*DCC = Declaration of Completion Certificate

6(b): Format of SALES & REMITTANCE CONTROL REGISTER:

Page No:											
Name of D.O. issuing authority (DOIA):											
Bank A/C No: Year: 201... - 201...											
Month	Opening Balance (Rs.)	Qty. (in Kg.)	Gross Sales (Rs.)	TC & DC (Rs.)	Net Sales / D.O. Amount (Rs.)	Bank & others Deposit (Rs.)	Total Bank Deposit (Rs.)	Amount Remitted by Bank Br. (Rs.)	Bank Charge & others (Rs.)	Closing Balance (Rs.)	Amount credited to DFCS & CA A/C (Rs.)
1	2	3	4	5	6 = 4 - 5	7	8 = 2 + 7	9	10	11 = 8 - 9-10	12

6(c): Format of FUND CONTROL REGISTER:

Fund Control Records										For the month:, 201....					
Date	Particulars	J/F No.	Opening Balance (Rs.)	Deposit & Credit (Rs.)	Analysis of Financial Transactions of Banks under Flexi Fixed Deposit Account						Grand Total (Rs.)	Payment & Debit (Rs.)	Closing Balance (Rs.)		
					Balance (Rs.)	Deposit & Credit (Rs.)	Total (Rs.)	Term Fixed Deposit (TFD)	Balance (Rs.)	Cumulative TFD (Rs.)				Payment & Debit (Rs.)	Bal. after Payment (Rs.)
1	2	3	4	5	6	7	8 = 6 + 7	9	10 = 8 - 9	11 = (^11+9) or (^11 - ^9)	12	13 = 10 (+ 9 + ^9) - 12	14 = (4+5) or (10+11) or (11+12) +13	15	16 = (14 - 15) or (10 + 11) or (11 + 13)
Total															

6(d): Format of DELIVERY ORDER (D.O) REGISTER:

Name of D.O. Issuing Authority (DOIA):													Page No:		
Delivery Order (D.O.) Register under the Scheme:													Year: 20.... - 20....		
D.O. No.	Date	Challan No. & Date	Name & Address of FP op	Total Card Strength of the Month	Total Requirement of the Month (Mt/ Kg.)	Total Sales Quantity (in Kg.)	Rate / kg. (Rs.)	Total Gross Sales (Rs.)	Total TC (Rs.)	Total DC (Rs.)	Total TC & DC (Rs.)	Total Net Sales / D.O. Amount (Rs.)	Bank Deposit Scroll No. & Date	Signature of DOIA	Remarks
1	2	3	4	5	6 = (5 X Per Card Allocation)	7	8	9 = (7 X 8)	10	11	12 = (10 + 11)	13 = (9 - 12)	14	15	16

6(e): Format of CONTINGENCY FUND UTILIZATION REGISTER:

Name of D.O. Issuing Authority (DOIA):												Page No:	
Utilization of fund under the scheme:												Bank A/C No:	
For the Month:												Year: 20.... - 20....	
Date	Particulars *(Add= Receipt Less=Payment)	Opening Balance (Rs.)	Total Qty. Off take / Lifted (In Kg.)	Total No. of Std. Bag Off take/ Lifted	Govt. Rate of Per Std. Bag (Rs.)	Total Estimated Expenditure (Rs.)	Total Fund Requisition (Rs.)	Total Fund Sanction (Rs.)	Total Available Fund (Rs.)	Total Payment/ Expenditure (Rs.)	Closing Balance (Rs.)	Signature of DDO	Remarks
1	2	3	4	5 = (4 / 50kg or 100kg)	6	7 = (5 * 6)	8 = (7 - 3)	9	10 = (3 + 9)	11	12 = (10 - 11)	13	14

6(f): Format of CONTINGENCY FUND CONTROL REGISTER:

Name of D.O. Issuing Authority (DOIA):											Bank A/C No:		Page No:
For the Month:											Year: 20.... – 20....		
Date	Particulars *(Add = Receipt Less = Payment)	Opening Balance (Rs.)	Labour Handling Charges of Food grains(Rs.)	T/C & D/C of ATTA (Rs.)	T/C & D/C of ANP (Rs.)	T/C & D/C of WBNP (Rs.)	T/C & D/C of MDM (Rs.)	Others Expenditure (Rs.)	Miscellan-eous Expenditure (Rs.)	Closing Balance (Rs.)	Remarks	Checked and Signature of DDO	
1	2	3	4	5	6	7	8	9	10	11	12	13	
