

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2023-2026)**

SEVENTY FIRST REPORT

(Presented on 8TH OCTOBER 2024)



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2024**

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on

**Paragraphs relating to Fisheries and Ports Department
contained in the Reports of the Comptroller and Auditor General
of India for the year ended 31st March 2016 and 31st March 2018
(Economic Sector)**

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COMMITTEE ON PUBLIC ACCOUNTS (2023-26)
COMPOSITION

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Legislature Secretariat

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Shri Selvarajan P. S, Joint Secretary

Shri Jomy K. Joseph, Deputy Secretary

Smt. Beena O. M, Under Secretary

INTRODUCTION

I, the Chairperson, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the 71st Report on paragraphs relating to Fisheries and Ports Department contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2016 and 31st March 2018 (Economic Sector).

The Report of the Comptroller and Auditor General of India for the year ended 31st March 2016 and 31st March 2018 were laid on the Table of the House on 08th August 2017 and 24th August 2020 respectively.

The Committee considered and finalised this Report at the meeting held on 18th September, 2024.

The Committee place on records our appreciation of the assistance rendered to us by the Accountant General in the examination of the Audit Report.

SUNNY JOSEPH

CHAIRPERSON,

COMMITTEE ON PUBLIC ACCOUNTS.

Thiruvananthapuram,

05th October, 2024.

REPORT FISHERIES AND PORTS DEPARTMENT

3.1 Regulation of House Boats

3.1.1 Introduction

Alappuzha, the 'Venice of the East', is an important backwater destination in Kerala attracting tourists every year. The Vembanad lake, a Ramsar site¹ is spread over 36,500 hectare covering the districts of Alappuzha, Ernakulam and Kottayam. This lake is connected to a network of rivers, canals and drains and is famous for Houseboat (HB) tourism. With the increased arrival of tourists, the HB industry began to grow and developed into a huge source of revenue for the people of the area.

All inland vessels, including HBs, are regulated by the Inland Vessels Act, 1917 (IVA), a Central Act, which came into force in the State of Kerala with effect from 01 December 1987. Subsequently, Government of Kerala (Coastal Shipping and Inland Navigation Department) notified (April 2010) the Kerala Inland Vessels Rules, 2010, under IVA, to regulate and control the operation of mechanically propelled vessels. Later, the Kerala Inland Vessels Rules, 2010, were amended by incorporating provisions for safety and security, pollution control and quality service with a view to foster backwater tourism without compromising on safety, efficiency and pollution aspects and notified the amended rules in April 2015. (The Kerala Inland Vessels Rules, 2010 and their amendment in 2015 are together defined as 'KIVR' hereinafter).

¹ The convention on wetland called the Ramsar convention, is an intergovernmental treaty that provides the framework for national action and international co-operation for the conservation and wide use of wetland and other resources.

For a vessel to ply in the backwaters, three procedures are mandatory according to KIVR, viz., initial survey/annual survey², registration³ and dry dock inspection⁴. KIVR also mandates adoption of measures to prevent and mitigate water pollution.

3.1.1.1 Organisational set up

Director of Ports (DoP), under the Government (Fisheries and Ports Department) regulates inland vessels, including HBs, by virtue of implementing KIVR. Six⁵ ports in Kerala are designated (September 2010) as Port Registries, which are places of survey of Inland Vessels. The DoP exercises his powers under KIVR, through multiple officials, such as the Chief Registering Authority, Chief Examiner, Chief Surveyor, Surveyor (Two) and Conservators of the six Port Registries. The functions of these officials with regard to inland vessels include conducting initial/annual survey, issuing Registration Certificates, issuing Competency Certificate to crew, and conducting periodical surprise inspection.

Since the HB industry is closely related to backwater tourism, Directorate of Tourism (DoT), under Government (Tourism Department), executes its tourism promotion activities in this industry through the District Tourism Promotion Council (DTPC). Activities of DTPC with regard to HBs includes fixing tariffs in consultation with HB owners' associations, establishing and operating Common Sewage Treatment Plant (CSTP) for discharging the effluents generated from the bio-tank of HBs etc.

Another stakeholder in the HB industry is the Kerala State Pollution Control Board (KSPCB), which functions under the administrative control of the Government (Environment Department). The main functions of KSPCB with

- 2 Initial Survey/Annual survey: Complete examination of hull, machinery, arrangements, safety and security, pollution aspects and quality of service as required under IVA by the Surveyor under the Directorate of Ports. Initial survey is done before the HB is put in service, whereas the annual survey is done periodically once in 12 months in respect of HBs which are in operation.
- 3 Registration: The Chief Registering Authority under the Directorate of Ports issues Registration Certificates to HBs on completion of initial survey. It is a process of documentation and also a proof of ownership of the vessel
- 4 Dry dock inspection: The Surveyor conducts detailed examination of vessels in slip way or dry dock in day light, once in three years, to ensure that all the portions of the hull external are intact.
- 5 Alappuzha, Azhikkal, Beypore, Kollam (Thangassery), Munambam (Kodungallur) and Vizhinjam.

regard to HB industry include issue of Integrated Consent to Operate (ICO) to HBs which is mandatory according to provisions contained in the Water Act, 1974, and the Environment Protection Act, 1986, and periodical inspections to check whether the prescribed parameters of sewage/effluents discharged from the CSTP/bio-tank of HBs are within the limits mentioned in the ICO conditions.

The Local Self Government Institutions (LSGI) are another stakeholder from the Government side in the HB industry. LSGIs are mainly responsible for collection, segregation, and disposal of solid waste generated by HBs in terms of the Solid Waste (Management and Handling) Rules, 2000.

3.1.2 Audit objectives and scope

The objectives of the Compliance Audit were to assess whether:

- the registration and operation of HBs were in accordance with the above Rules and the concerned environmental laws;
- Rules and regulations were in place to standardise the facilities provided, regulate the fees/tariff charged from tourists and regulate the number of people that can be carried in HBs; and
- mechanisms existed for effective monitoring of adherence to these rules.

As of April 2016, out of a total of 926 tourist inland vessels registered with the six Port Registries of Kerala, 847 were registered with the Port Registry, Alappuzha. Hence, compliance audit was limited to the activities under the Port Registry at Alappuzha.

Audit scrutiny covered the records of the Directorate of Ports, Directorate of Tourism and KSPCB, their Administrative departments⁶ and relevant subordinate offices with special focus on survey, registration, safety of passengers and environmental aspects relating to IIBs covering the period from 2010-11 to 2015-16. Audit also examined the records of KSPCB and DTTC in Alappuzha and Kottayam districts and that of Alappuzha Municipality, interacted with various stakeholders and raised audit queries. In addition, the audit team along with departmental officers jointly verified 42 HBs, which operated in Vembanad lake. (Detailed in Appendix –III(1))

⁶ Department of Fisheries and Ports, Department of Tourism and Environment Department.

An Entry Meeting with the departmental officials concerned was held on 20 July 2016 and an exit meeting at the close of audit was conducted on 30 December 2016 to share and discuss the audit findings.

3.1.3 Audit findings

3.1.3.1 Registration of Houseboats

i) Houseboats operating without valid registration

Rule 5(1) of KIVR requires all HB owners to intimate the Chief Surveyor regarding construction of new vessels. After the Surveyor completes the stage inspection, KSPCB verifies the HBs and issues the ICO. On receipt of ICO, the vessel is registered with the Port Registry concerned. Initially the registration had to be renewed annually. Subsequently, the validity period of registration was increased (March 2013) to five years. Further, in terms of Rule 31(2) (c) of KIVR, the Surveyor is duty-bound to conduct surprise inspection of vessels to ensure that they comply with mandated requirements. On detecting violations, the Surveyor recommends suspension/cancellation of the Registration Certificate (RC) /Survey Certificate of the vessel to the DoP and serves detention order to defaulting HB owners.

We observed that, as of 31 March 2016, 326 (44.41 per cent) out of the 734 HBs registered under Port Registry, Alappuzha, had not renewed their registration as detailed in Table 3.1.

Table 3.1.

Details of Hbs which had not renewed registration

Sl. No.	Year from which renewal of registration was pending	Number of HBs pending renewal of registration
1	2011-12	238
2	2012-13	70
3	2013-14 ⁷	18
Total		326

(Source: Records of Port Office Alappuzha)

7 Since 2014-15, registration is issued for five years; hence audit observation is up to 2013-14.

A joint verification of 42 HBs revealed that 23 of them were plying in Vembanad lake without registration (Appendix – III(2)). Of the 42 HBs subjected to physical verification, we found that seven out of the eight HBs operated by M/s Kerala Backwaters were unregistered. Further, as per the DoTs estimation, there were 1,500 HBs operating in Alappuzha. However, we observed that only 734 (48.93 per cent) HBs were registered with the Port Registry Alappuzha, as on 31 March 2016.

Detection of a substantial proportion of unregistered boats pointed to ineffective monitoring by the Surveyor causing threat to the safety and security of the passengers on board.

ii) Rule 14 (2) of KIVR stipulates that RC issued to a vessel shall be valid for a maximum period of five years, but the registering authority may issue RC for a shorter period considering the ecological parameters of each water body.

We observed that the Registering authority under DoP issued RC subject to fulfillment of certain conditions regarding certificate of survey (including stability), third party insurance, competency certificate of crew, pollution control aspect, provision of fire fighting equipment and life-saving appliances etc. These conditions were to be satisfied by the HBs within 30/60/90 days of the issue. The Port Registry, after the issue of RC did not verify compliance of those conditions by the HB owners even though many of these conditions related to safety of passengers. During joint verification it was found that HBs operating with conditional RCs had not fulfilled the prescribed conditions and hence were not safe for operation. Further, absence of third party insurance could deprive passengers of compensation and protection under law in the event of an accident.

Port Officer, Alappuzha, replied that prior to implementation of KIVR (September 2010), HBs were registered under Canals and Public Ferries Act, 1890. On implementation of KIVR, the existing HBs were issued registration certificates conditionally. The reply of the Port Officer, Alappuzha, was silent about the HBs operating without fulfilling the RC conditions and the consequent risk to the safety of passengers.

iii) According to Section 19 C of IVA, a book containing all particulars of the RC shall be kept by the Registering Authority after due authentication by the authority. Further, a true copy of the book should be sent to the State government within a month, together with the number of every RC granted. We observed that registration details were not completely recorded in the Registration book and not duly authenticated by the Registering Authority, as prescribed. Moreover, the copy of the Registration book was not sent to Government every month as mandated. Hence, veracity of the registrations recorded in the book could also not be assured by Audit.

iv) In terms of Section 71 of IVA, all fees payable may be recovered as fines. Schedules I and II of KIVR prescribes the rate of fees payable by HB owners for the registration, survey etc. According to Rule 26 of KIVR, registration fee was to be collected by the registering authority at the rate of ₹50 per ton of vessel weight, subject to a minimum of ₹ 3,000. A scrutiny of the records revealed that as on 31 March 2016, registration fees amounting to ₹11.26 lakh was pending from 326 HB owners who had not renewed their registration as detailed in Table 3.2.

Table 3.2

Details of unrealised registration fee

Sl.No.	Year from which registration was pending	Number of HBs pending renewal of registration	Amount pending realisation (in ₹)
1	2011-12	238	8,19,250
2	2012-13	70	2,45,250
3	2013-14 ⁸	18	61,100
Total		326	11,25,600

(Source: Records of Port Office Alappuzha)

The Port Officer, Alappuzha, stated in this regard, that due to non-receipt of application from HB owners for renewal of registration, it could not realise the fee

⁸ Since 2014-15, registration is issued for five years; hence audit observation is up to 2013-14.

from them.

The above reply was not acceptable, as the main reason for non-realisation of registration fee was the lack of a monitoring system whereby the Port Officer would be alerted of the due dates of RC renewal without waiting for the HB owners to submit applications. Also, had the Surveyor carried out surprise inspections as mandated in KIVR, a substantial number of HB owners could not have escaped from renewing their registration.

v) Issue of Registration Certificates without considering the carrying capacity of Vembanad lake

The Government (Fisheries and Ports Department) accorded (June 2012) administrative sanction for conducting 'Environmental Study of Vemabanad lake', considering the large number of HBs operating in the lake and resultant pollution. Accordingly, the DoP entrusted (September 2012) the Centre for Water Resources Development and Management (CWRDM), Kozhikode to identify the carrying capacity of the lake for each category of vessels. CWRDM reported (November 2013) that the recreational carrying capacity of the lake was 262 HBs. Subsequently, DoP directed (June 2014) the Port officials that only those applicants who had submitted their application for survey on or before 31 December 2013 but had not presented their vessels for survey on or before 31 March 2014 could be permitted to present their vessel till 30 June 2014. Further, according to note below rule 54 of KIVR, new RC shall be issued only against deregistration and condemnation of existing vessels.

But, as reported (December 2013) by DoP, registrations were issued to 588 HBs, which was nearly double the carrying capacity of the lake, thus threatening the environmental stability of the lake.

Further, the directions (June 2014) of the DoP were violated by the registering authority as it had issued RC to 22 HBs during 2014-15, 55 during 2015-16 and nine during 2016-17 respectively, even though the owners of these vessels had not presented their vessels for survey on or before 30 June 2014.

Further, the new RCs issued were not against deregistration or condemnation of existing HBs. Also, this direction of the DoP issued in June 2014 was irregular because the CWRDM had reported to the DoP in December 2013 itself that the carrying capacity of the lake was only 262 HBs as against 588 in operation. Hence, permission granted by the DoP for conducting further survey to enable registration of new HBs without ensuring decommissioning of old HBs was in total disregard to the recommendations of CWRDM for the environmental sustainability of the lake and actually enabled increasing the number of HBs in the lake.

The Port Officer, Alappuzha replied that registration was given only to those HBs who had submitted their application prior to 31 December 2013. The reply was factually incorrect, as the department had issued fresh RCs to 86 HBs which were presented for survey even after the cut-off date of 30 June 2014.

[Audit paragraphs 3.1 to 3.1.3.1 contained in the Report of the C & A G of India for the year ended 31st March 2016(Economic Sector)]

[Notes received from the Government on the above audit paragraph are included as Appendix – II]

Excerpts from the discussion of Committee with the officials concerned

1) When the Committee enquired about the details regarding the audit paragraph, the Chairman, Kerala Maritime Board informed that registration process of house boats had been done at all the six Port of Registries which were under the control of the Board. It had been decided in a meeting chaired by Honorable Chief Minister that new registration shouldn't be given to the house boats under the Alappuzha Port of Registry limits. He further pointed out that other Port of Registries were issuing registrations as per Kerala Inland Vessels Rules and that the board which was established by Kerala Maritime Board Act 2017 was reconstituted in 2022. He added that the parliament had enacted a New Vessels Act in 2021 and framed the rules thereon and that preparations were going on to conduct registration and survey procedures as per the central Act within two years.

2) As to the registration process of Houseboats, the Chairman, Kerala Maritime Board explained that till 2010, the registration process of Irrigation Department was applicable to houseboats. The Port Department was authorised to grant houseboat registration in 2010. As there was no provision regarding the duration of registration in Kerala Inland Vessels Rules, it was amended in 2015 to fix the duration of registration as five years. In addition, every year boats were subjected to survey and a certificate from the surveyor that all safety norms and related facilities were in place was mandated.

3) The Committee wanted to know the reason for temporary suspension of new registrations at Alappuzha, and the Chairman, Kerala Maritime Board replied that the temporary suspension of registration was on account of the study of CWRDM in 2013 which found acute pollution in Vembanadu Lake due to the services of more boats than the carrying capacity of the lake. The Committee enquired whether the license was issued by the Board directly and the Chairman, Kerala Maritime Board replied that the registration and survey of boats with mechanised system used for Inland Navigation was done by the Board.

4) The Committee further enquired whether the registration process was made online, to which the Chairman, Kerala Maritime Board replied that the process was not completely online. It was further stated that though the Board had 530 employees, only 240 employees are in service at present. He further revealed that the Board was in the process of being reconstituted and a new organogram was being prepared to be submitted to the Government.

5) To the query of the Committee whether the limited number of employees could manage numerous boats being registered, the Chairman, Kerala Maritime Board, informed that the Surveyors were managing the process on a war-footing. The Committee wanted to know about the penal provision in the case of non-renewal of registration. The Chairman, Kerala Maritime Board replied that an enforcement wing headed by DySP was formed in three Port of Registries as per KIVR of

2015, but employees had not been deployed by the Home Department. As far as imposition of penalty was concerned, the available employees impose penalty after random checking. He also added that the penalised boats could not be detained for want of sufficient yards.

6) The Committee wanted to know whether the Board had details regarding the number of boats with registration and those who had not renewed registration and enquired whether notices had been issued to the owners of boats for the non-renewal of registration. The Chairman, Kerala Maritime Board informed that non-renewal was being penalised at the rate of two times of the actual amount. Prior to giving notices to the owners of house boats for non renewal, a data base of registered boats was necessary and added that present facilities were limited. The Committee noticed that the Board did not have sufficient number of employees and surveyors and that Enforcement wing was non functional even though years have passed since the rules came into effect.

7) The Chairman, Kerala Maritime Board submitted that the Maritime Board was in the evolution stage and once the evolution was completed, issues could be sorted out. The Secretary, Port Department informed that computer management information system was in force to give provisional survey certificate to boats after monitoring them through SMS and email and that steps would be taken to improve the software. He added that the proposals for post creations and approval of the new organogram were submitted to the Finance Department and action was initiated to amend the act to effect those proposals.

8) The Committee wanted to know the status of houseboats for which arrears had been recovered. The Chairman, Kerala Maritime Board submitted that the State had to adopt the Central Rules and expressed optimism that every system would be enforced as per the said rules. The Secretary, Port Department supplemented that all actions would be initiated as per the Central Act and Rules within six months. Regarding the issue of registration certificates without considering the

carrying capacity of Vembanadu Lake, the Chairman, Kerala Maritime Board informed that a decision was taken not to give registration to new boats to provide service in Vembanadu Lake in a meeting chaired by Chief Minister in 2018.

9) The Chairman, Kerala Maritime Board elaborated that the above decision was taken on the basis of a study report by CWRDM and added that excessive pollution issues also led to the decision. Issuance of registration could be taken up after establishing treatment plants for disposing off waste and framing stringent waste disposal rules.

10) To the query of the Committee on the status of registration after the ban in 2013 in the wake of CWRDM report, the Chairman, Kerala Maritime Board replied that no new registration was being issued except for boats with registration of Water Resources Department which had been under maintenance or destroyed due to fire. He further informed that registration was issued to about 200 boats which could not obtain registration despite fulfilling all stipulations and rules. In similar way an adalat was conducted in 2015 and registration was issued. When the Committee referred to the loss of revenue due to non-issuance of registration, the Chairman, Kerala Maritime Board responded that income would be collected by way of penalty imposed on unauthorized boats.

Conclusions/Recommendations

11) **The Committee directs the Department to conduct surprise inspections on Vessels to ensure that all mandatory requirements, including that of valid registration, are being complied with and to take strict action in cases of violations. The Committee also urges the Department to strictly adhere to the fulfillment of conditions in the Registration Certificate to ensure the safety of passengers on board.**

12) **The Committee observes that the main reason for the non-realisation of the registration fee was the lack of adequate monitoring system which resulted in the failure of the House boat owners to submit their applications**

for renewal on due dates. Therefore, the Committee directs the Department to put in place an internal monitoring mechanism to prevent the recurrence of such flaws in future.

3.1.3.2 Survey of houseboats

i) Failure to conduct surveys, enforce compliance with certificate conditions and recover survey fees

- In terms of Rules 3 (1)(ii) and 3(3) of KIVR, every vessel shall be subjected to survey before it is put in service. The Surveyors in the Port Registry conduct survey before the vessel is put in service, annual survey once in 12 months, additional survey as occasion demands and dry dock inspection once in 36 months in a dry dock or slip way in day light to ensure that the external hull is undamaged.

The initial survey includes inspection of hull, machinery and equipment to ensure that they are in satisfactory condition and fit for service for which the vessel is intended. Further, the HB owners shall make an application for survey to the Surveyor, who fixes the date, time and place of survey and intimates the same to the applicant.

Though conduct of annual survey for HBs was mandated under KIVR to ensure their operational worthiness, we observed that as of 31 March 2016, out of 734 registered HBs under the jurisdiction of Port Registry, Alappuzha, 304 HBs (41.42 per cent) did not renew their periodical annual certificate and 85 had not been subjected to annual survey. During joint verification of 42 HBs, we observed that, 27 HBs had not presented themselves for even a single survey (Appendix –III(2)) and five HBs had not got their survey certificate renewed (January 2013-March 2016). This scale of non-compliance existed even though Surveyors were empowered to conduct surprise inspections onboard the HBs.

We further observed that in order to fully automate implementation of KIVR, a Computerised Management Information System (CMIS) was introduced in the Port Registries. But due to ineffectiveness of CMIS, expiry of validity of these mandatory certificates could not be monitored as the system did not alert the

Port Registry of such expiry in advance for it to take necessary action.

On this being pointed out, Port Officer, Alappuzha, replied that due to non-receipt of application for renewal from the HB owners in time and absence of CMIS, the port authorities could not conduct the survey periodically. The reply was not acceptable as KIVR mandated that Surveyors should conduct these surveys annually. By not doing so, port authorities were being indifferent to the safety of passengers onboard.

- We also observed that the survey certificates issued by the Surveyor were provisional, subject to certain conditions such as valid crew certificate, insurance certificate, approved stability booklet etc., to be complied with within stipulated period. Many of these conditions were related to the safety of passengers. There was nothing on record to establish that the boat owners had fulfilled the prescribed conditions. Further, Surveyor did not take any steps to ensure that the HBs fulfilled the conditions within the stipulated time.

Port Officer, Alappuzha replied that due to heavy work load, shortage of staff and absence of CMIS in Port Department, follow-up action in respect of conditional survey certificate could not be carried out within the stipulated time.

- DoP fixed the fees for annual survey based on the gross tonnage of vessel. As on 31 March 2016, the total fees forgone by the DoP due to non-renewal of annual survey certificates in respect of 389 HBs for the period from 2010-11 to 2015-16 worked out to ₹44.46 lakh (Appendix – III(3)).

Port Officer, Alappuzha, stated that, if annual survey application was not received within the stipulated time, double the rate was imposed even for a lapse of one day. The reply was silent about the department's failure in collection of annual survey fees due from the HB owners. This also enabled the HB owners to ply without displaying the mandatory distinguishing mark as required under Rule 18 of KIVR. Of the 42 HBs jointly verified, only one had the distinguishing mark.

ii) Non-conducting of dry dock inspection

- In terms of Rule 3(4) of KIVR, all vessels shall be inspected once in every 36

months by the Surveyor in a dry dock during the hours of day light. The Surveyor shall go on board any vessel and inspect it or any part thereof or any machinery or article thereon relevant to the purpose of the Act.

We observed that as on 31 March 2016, 476 HBs were pending to be inspected in dry dock, of which 251 had not undergone even a single dry dock inspection since the vessel was put to use (Appendix – III(4)). This compromised the safety of passengers.

Port Officer, Alappuzha, replied that Surveyor could not conduct the dry dock inspection unless the vessel was dry docked. Besides, due to non-availability of sufficient dry dock yards, all vessels could not be dry docked in time. The reply is not tenable, as KIVR required the Surveyor to conduct surprise inspection to ensure that the HBs plying in the backwaters were dry docked in time.

- According to Schedule I of KIVR, the fee for dry docking was ₹3,000 per vessel which was enhanced (October 2014) to ₹3,750 with effect from 01 October 2014. We observed that as on 31 March 2016, the Department had forgone revenue of ₹17.66 lakh due to non-enforcement of mandatory dry dock inspection (Appendix – III(5)).

Port Officer, Alappuzha, replied that the operators evaded dry docking due to personal interest and lack of awareness and that lack of CMIS prevented effective monitoring by them. The reply is not acceptable as the Surveyor failed to ensure mandatory dry docking survey, leaving the safety of the passengers to the mercy of the HB owners.

[Audit paragraph 3.1.3.2 contained in the Report of C & A G of India for the year ended 31st March 2016(Economic Sector)]

[Notes received from the Government on the above audit paragraph are included as Appendix – II]

Excerpts from the discussion of Committee with officials concerned

13) The Committee noticed that the audit team, along with the Department, conducted 42 joint verifications in limited period. At the same time the Department could not conduct such verifications during the period from 2013-2017.

14) The Committee also wanted to know about the usage of modern technological equipment including camera in detecting unauthorized services. The Chairman, Kerala Maritime Board informed that there was no enforcement wing in the Board and Surveyors were conducting inspection as and when complaints were received and added that inspections, to be fruitful, should be conducted at various places simultaneously. This would be more effective when police force was used to carry out the inspections. The Committee felt that inspections of unauthorised boat service should have been undertaken either by the Board itself or, in the absence of required facilities, with the help of Government Departments possessing such facilities, system and staff and rejected the justification put forward by the Board for not conducting inspections. The Chairman, Kerala Maritime Board admitted the lapses pointed out by the Committee and informed that the suggestions made by the Committee could be put to practice only on the basis of the necessary law and rules.

15) The Committee cautioned that the matter should be dealt with very carefully and opined that justification would be pointless in the unfortunate event of an accident and urged that required measures should be taken to rectify such impasse in the future.

16) Regarding the issue of non conducting of dry dock inspection, the Chairman, Kerala Maritime Board informed the Committee that random inspections were carried out in dry docking areas and such inspections would be conducted more strictly in the future.

Conclusions/Recommendations

17) **The committee observes that surveys of Houseboats and dry dock inspections are not being conducted properly by the Department and the surveyors are conducting inspections only when complaints are received. The Committee opines that the matter should be dealt with very carefully and justification would be pointless in the event of an accident. Therefore, the**

Committee urges the Department to take stringent measures to conduct annual survey of House boats and dry dock inspection.

3.1.3.3 Deployment of crew in the houseboats

In terms of Section 21 of IVA and Rule 33 of KIVR, when the mechanically propelled vessel proceeds on any voyage, the crew shall possess Competency Certificate (CC) and that every vessel shall have a minimum of one Serang, Driver and a Lascar⁹ possessing CC on board. Further, according to Section 59 of IVA, any crew proceeding on any voyage without possessing a CC shall be punishable with fine extending to five hundred rupees.

Of the 42 HBs (Appendix – III(6)) jointly verified, in 29 HBs the Serang did not possess CC, in 31 HBs the Drivers did not possess CC and in 27 HBs, the Lascars did not possess CC. In six HBs, validity of CC of all the crew had expired. In 13 HBs sufficient number of competent crew were not in place and in four HBs the cook, helper or lascar operated the HB. Port Officer stated that during peak season sufficient competent crew were not available which resulted in operation of HBs by unauthorised persons. The reply of the Port Officer is not acceptable since the operation of HBs by unauthorised persons affects the safety of passengers. Further, increasing number of HBs by granting RCs to new HBs without considering the directions of DoP regarding the carrying capacity of HBs in lake also contributes to the shortage of sufficient crew members. Out of the 42 HBs jointly verified, 36 HBs did not have competent crew. No action was taken by Surveyor even against the HBs mentioned in the joint verification report.

We also observed that of the 17 surprise inspections conducted by Port /Police departments during the period 2011-12 to 2015-16, fine was imposed in the case of 38 HBs which did not have crew with valid CC. Lack of monitoring and failure to enforce rules by Port/Police Departments facilitated the owners to operate their HBs in violation of the rules, which endangered the safety of the passengers.

⁹ Serang is the person who controls the wheel of the HB while the vessel is on voyage and acts as the master of the vessel. Driver is the person in charge of the engine (operation and maintenance) of the HB. Lascar is the person who assists the Serang during embarking and disembarking of the vessel.

[Audit paragraph 3.1.3.3 contained in the Report of the C & A G of India for the year ended 31st March 2016(Economic Sector)]

[Notes received from the Government on the above audit paragraph are included as Appendix – II]

Excerpts from the discussion of Committee with officials concerned

18) The Committee enquired about the strength of prescribed staff for a house boat, the basic qualification of the crew and their mode of appointment. The Chairman, Kerala Maritime Board replied that Surveyors were making inspection to ensure that there were minimum three staff in a house boat. As to the basic qualification of the crew, the chairman informed that a pass in matriculation had been prescribed as per the central law and that a training module had been fixed as per central law and rules and two institutes, affiliated to the Indian Maritime University, were provided to carry out training. Regarding the mode of appointment of the crew, the Chairman, Kerala Maritime Board submitted that the appointment of crew was being made by the houseboat owners and their competency was tested by the Port Department and a four day training for the crew of the boat under the registration of Water Resources Department was provided by the Port Department and that competency certificate was made mandatory by the Central Government. The Secretary, Port Department, added that more qualified crew could be appointed if the certificate of completion of training from Kerala Maritime Institute, Kodungallur was prescribed for appointment as crew.

19) The Committee suggested to prescribe the certificate of completion of training from the Kerala Maritime Institute, Kodungallur as a basic qualification for appointment as crew. The Committee noticed that serangs in 29 houseboats out of 42 house boats, drivers in 31 houseboats and lascars in 27 houseboats did not possess competency certificate and asked for an explanation from the Department and wanted to know the action taken to rectify the deficiencies.

20) The Chairman, Kerala Maritime Board explained that registration to house

boats was being issued as per the act and rules at present. Inspections were being conducted to ensure that the houseboats possessed insurance, jackets and safety devices. The Committee decided to include recommendation about strengthening of the enforcement wing to detect the irregularities in house boats.

21) To a query of the Committee whether steps were being taken to start the implementation of central rules, the Chairman, Kerala Maritime Board informed that as part of the implementation, about 25 draft notifications to be issued by the State Government would be prepared within one month. When the committee asked for details regarding the number of projects proposed by the Board under Sagarmala Scheme, the Chairman, Kerala Maritime Board submitted that marine infrastructure development, port development, port related tourism, port related industries and coastal community development were the components of the scheme and that the project cost would be funded in the ratio of 1:1 between Central and State Maritime Boards. He further elaborated that construction of a berth in Kollam district was completed in 2016 under the scheme and four other projects would be proposed under the scheme, viz, a ₹600 crore road connectivity project at Beypore, the DPR of which was to be prepared by a railway company - IPRCL, a ₹30 crore berth construction project at Ponnani for which preparation of DPR was entrusted with Harbour Engineering Department, a road connectivity project at Kollam and a Marine cargo tourism project at Alappuzha.

22) The Committee wanted to know whether projects under the concept of industrial ports were considered for implementation. The Chairman, Kerala Maritime Board informed that Adani Port & Malabar Port were under the administrative control of the Board and that efforts were on to measure the total area of land in possession of the Board and Expression of Interest would be invited to start suitable industries therein after assessing the environment impact.

Conclusions/Recommendations

23) The Committee notes that a significant number of Houseboats are operated by unlicensed personnel in violation of the relevant rules. As such instances adversely affect the safety of passengers they must be addressed immediately. So the Committee strongly recommends that a robust enforcement wing be established to monitor the operation of Houseboats.

24) The Committee also suggests that a certificate of completion of training from the Kerala Maritime Institute, Kodungallur be made a basic qualification for the appointment of crew in the Houseboats operating in the State.

3.1.3.4 Safety and security of houseboats

i) Insufficient life saving appliances and fire fighting equipment in houseboats

- Rule 103 of KIVR stipulates that each vessel shall be provided with one life jacket for each passenger and crew onboard plus 10 per cent extra and one lifebuoy for two persons onboard and these should be kept in position for quick deployment in case of emergency.

A joint verification of 42 HBs (Appendix -III(7)) revealed that, 23 HBs did not have adequate number of life jackets and lifebuoys. Further, 11 HBs were plying without any life jackets and 10 HBs were plying without any lifebuoys. We observed that life-saving appliances were kept on the upper deck of the HBs, which is not easily accessible by passengers in an emergency. The Surveyor did not ensure that HBs were provided with adequate number of life-saving appliances through periodical surveys as required under Rule 31 (2) (c) of KIVR.

Port Officer, Alappuzha, replied that they ensured that the required number and type of life-saving appliances were available on board at the time of survey. But, later the owners of HBs remove some of these items, which would only come to the notice of the team which conducts surprise inspections to ensure compliance. The reply was not tenable because, Surveyors were responsible for conducting periodical surprise inspections in terms of KIVR. Large scale non-

compliance to KIVR mandating provision of lifesaving appliances, as found out during joint verification by Audit, revealed lapse on the part of the authorities concerned in ensuring safety and security of passengers onboard.

- According to Rule 109 of KIVR, all inland vessels shall be provided with the approved type of firefighting equipment on board. Fire alarm and smoke alarm should be located in gallery and engine room, fire pump should be capable of being switched on from main deck and LPG used onboard should have gas fuse/spark arrester fitted. A joint verification in 42 HBs (Appendix – III(8)) revealed that fire and smoke alarm was not provided in 38 HBs and fire pump in 33 HBs. Besides, none of the HBs had gas fuse /spark arrester for LPG cylinder and 19 HBs did not have sufficient number of fire extinguishers. During joint inspection the Audit team witnessed a fire incident in HB bearing KIV No. 1149/13. This HB did not have any firefighting equipment and the fire was suppressed using firefighting equipment from adjacent HBs. Even though the Surveyor issued survey certificate after conducting detailed survey of HBs, including firefighting equipment, the Surveyor did not conduct frequent surprise inspections to ascertain the presence of the equipment on board the HBs, as mandated by KIVR.

Port Officer, Alappuzha, replied that it ensured compliance with the requirements at the time of survey and it was the responsibility of HB operators to maintain sufficient number of lifesaving appliances on board during operation. However, the Surveyor had conducted annual survey in only 345 cases out of 734 HBs registered with Port Registry, Alappuzha, as referred in Para 3.1.3.2(i). Absence of continued monitoring enabled non-compliance to safety measures.

ii) Lack of data on passengers on board and schedule of journey

According to Rule 148 of KIVR, owner of the vessel has to maintain a passenger register in its on-shore office and it is the responsibility of the DoP to ensure that these requirements are adhered to by the HB owners. Further, as per

sub Rule 6(h) of Rule 136, schedule of journey shall be made available at the off-shore office.

We observed that the 42 jointly verified HBs had neither maintained the passenger register nor the schedule of journey. Consequently, in the event of an accident, it would not be possible to identify the persons on board. By virtue of being the competent authority under KIVR, the DoP was responsible to ensure that HB owners maintained passenger lists and schedules of journey, as mandated by KIVR.

The Port Officer, Alappuzha, replied (March 2017) that all HBs which had applied for survey had been given instructions and further a circular was displayed at various offices to instruct HBs in this regard. The reply was unacceptable because by virtue of being the implementing authority for KIVR, the DoP was responsible to ensure compliance to provisions in this regard in KIVR and moreover displaying a circular at various offices did not ensure compliance to provisions in this regard. We suggest compulsory display of mandatory conditions in all HBs at a prominent place where passengers can read them.

iii) Non-establishment of enforcement wing

Rule 143 of KIVR made it mandatory for the DoP to establish an enforcement wing with three divisions, one each at Alappuzha, Emakulam and Kottayam for periodical inspection of the operation of the HBs. The wing was to be constituted under a Deputy Superintendent of Police assisted by a Sub-Inspector in each division. The main objective of this was to carry out patrolling in inland waters to ensure the safety of the passengers on board including at night halt centres.

However, the DoP had not constituted the enforcement wing as of November 2016. The Department did not contest the audit observation.

iv) Non-conduct of annual safety audit of inland vessels jetties

Rule 140 (1) of KIVR stipulates that as a precaution against accidents during embarking and disembarking of passengers, overcrowding of vessels at

jetties should be avoided and each jetty shall have safe boarding arrangements. With this end in view, KIVR mandates that jetties have to be identified and selected as approved jetty for vessels and that safety audit be conducted every year. The safety measures prescribed by Port officials for approving jetties included road connectivity, depth of pile, materials used, present condition, draft¹⁰ available, hand rails and their strength, handling capacity etc.

We observed that though there were 78 jetties in Alappuzha, none had been approved as a safe jetty. Further, as safety audit was pending (March 2017) in all cases, it could not be ensured whether these jetties had the requisite safety measures to prevent accidents during embarking and disembarking of passengers.

The Port Officer, Alappuzha, replied (March 2017) that a Safe Jetty Inspection Committee had been formed for this purpose and safety auditing is pending. Thus, on the one hand there were 734 HBs as against the recreational carrying capacity of the lake being 262 HBs, unsafe jetties further added to the risk to safety of passengers.

[Audit paragraph 3.1.3.4 contained in the Report of C & A G of India for the year ended 31st March 2016(Economic Sector)]

[Notes received from the Government on the above audit paragraph are included as Appendix – II]

Excerpts from the discussion of Committee with officials concerned

25) The Committee enquired about the enforcement of safety equipment like life jacket in house boats and the Chairman, Kerala Maritime Board submitted that much progress was achieved in the enforcement at present and that hefty fine was being imposed on unauthorised services. The Committee suggested to include a recommendation on taking proper action in cases of detection of lack of safety equipment in houseboats.

Conclusion/Recommendation

26) The Committee notices that adequate number of life-saving appliances and

¹⁰ The draft of a ship or boat is the distance between the surface of the water and lowest point of vessel.

firefighting equipment are not provided in the Houseboats and the Surveyors do not conduct frequent surprise inspection to ascertain the availability of such equipment in the Houseboats as mandated by rules. Therefore, the Committee directs the Department to ensure proper monitoring in such cases and also to take action against the Houseboat owners, if such flaws are found during inspection.

3.1.3.5 Operation of houseboats without third party insurance

Section 54 C of IVA mandates that every mechanically propelled vessel shall take insurance against third party risks and further in terms of section 62 B of IVA non-compliance in this regard is punishable with a fine extending to ₹1,000. In addition, Rule 15 (2) (d) of KIVR stipulates that copy of such insurance certificate shall be submitted along with the application for registration to the Port Registry.

We observed that out of 734 registered HBs (against recreational carrying capacity of only 262 HBs), only 225 had valid insurance certificate against third party risks. The remaining 509 HBs (69.35 per cent) were operating without valid third party insurance. It was also noticed that 196 HBs (26.70 per cent) had never taken a policy. Further, during joint verification of 42 HBs, we noticed that 23 did not have third party insurance.

We also observed that during the 17 surprise inspections conducted by Port/Police departments during the period 2011-12 to 2015-16, fine was imposed on 49 HBs which did not have valid third party insurance. Absence of valid insurance could deprive the passenger and the crew of legal benefits and compensation in the event of any mishap.

The Port Officer, Alappuzha, replied (November 2016) that the survey certificate was issued only on production of valid insurance certificate. The reply was not acceptable as conditional survey certificates were issued by the Surveyor directing the HB owners to produce third party insurance certificate within the period prescribed in the certificate. But, it was clear that HBs did not comply with

this condition, as was seen from the fact that 69.35 per cent of HBs operated without valid third party insurance. Laxity in monitoring was the reason behind non-compliance of conditions relating to third party insurance.

3.1.3.6 Non-conduct of surprise inspections by the Port Registering Authority

According to Section 19 (O) (2) of IVA, the registering authority can either suspend or cancel the registration if the vessel is found unfit for service during inspection. Further, in terms of Rule 31(2) (c) of KIVR, the Surveyor shall conduct surprise inspection on board vessels and verify all the mandatory requirements. In case of default, he shall detain the vessel and make necessary recommendations for suspension/cancellation of the RC/survey certificate, to the registering authority. Further, according to Sections 55 to 64 of IVA and Rule 139 of KIVR, penalties can be imposed on HBs for non-compliance to various Sections/Rules in the Act/Rules. Further, the DoP had instructed (April 2011) that inspection of vessels under KIVR shall be carried out based on a quarterly inspection plan to be prepared by Registering Authority/Chief Surveyor/Chief Examiner and approved by the DoP.

We observed that out of the 237 HBs inspected, though provisional detention order was issued to 170 HBs, none was detained due to non-availability of safe place for keeping the detained vessels. Further, 117 HBs were penalised, of which 31 HBs only remitted the fine to Government (Appendix – III(9)). In the remaining 86 cases, no further action was initiated by the Port Officer, Alappuzha, to recover unpaid fines. No monitoring was done by the DoP to ensure that HBs had rectified the shortfalls noticed during inspection. Further, the Registering Authority/Chief Surveyor/Chief Examiner had never prepared and presented the quarterly inspection plan as directed by DoP for his approval.

Port Officer, Alappuzha, replied that Government had not constituted a separate inspection team and the department did not have sufficient space for keeping seized vessels in safe custody. The Port Officer also added that service of more personnel were required for the safe custody of confiscated vessels which

were not presently available with the department. The reply was silent about the department's failure to prepare inspection plan, recover unpaid fines, and follow up on rectification of shortfalls by HB owners or suspend registration of violators.

[Audit paragraphs 3.1.3.5 and 3.1.3.6 contained in the Report of C & A G of India for the year ended 31st March 2016(Economic Sector)]

[Notes received from the Government on the above audit paragraphs are included as Appendix – II]

Excerpts from the discussion of Committee with officials concerned

27) In regard to the issue of operation of houseboats without third party insurance, the Chairman, Kerala Maritime Board informed that insurance companies weren't inclined to provide third party insurance to houseboats on account of excessive accidents. After earnest efforts put in by the District Collectors and Port Officials the insurance companies agreed to provide third party insurance at present. It has been decided not to grant licence/renewal to houseboats without third party insurance.

Conclusions/Recommendations

28) No Comments

3.1.3.7 Inadequate manpower to monitor compliance of KIVR

In terms of Rule 31 and 32 of KIVR, the duties and powers of surveyor includes conducting of initial/annual survey, dry dock inspection and surprise inspection of all inland vessels such as HBs, passenger boats, motor boats, speed boats and barges. The sanctioned strength of surveyors in DoP was one Chief Surveyor and two surveyors (contract basis) for all the six port registries in Kerala.

The shortfall in renewal of registration and conduct of annual/periodical surveys and dry dock inspections noticed were as detailed in Table 3.3.

Table 3.3
Shortfall in renewal of registration and conduct of annual/periodical surveys
and dry dock inspections

Year	Number of HBs where		
	registration not renewed	initial/annual survey not conducted	periodical dry dock inspection not conducted
2010-11	0	206	239
2011-12	238	48	60
2012-13	70	18	29
2013-14	18	63	58
2014-15	0	21	34
2015-16	0	33	56
Total	326	389	476

We observed that inadequate monitoring by the surveyors and deficiency in detection of violations resulted in non-compliance of several provisions in KIVR. Moreover, joint verification of 42 HBs conducted by Audit revealed that HBs were operating in the backwaters without sufficient/competent crew, lifesaving appliances and fire fighting equipment which was an indication of insufficient monitoring which in turn compromised safety of passengers. Further, ineffective monitoring also resulted in non-realisation of revenue due to Government.

In the exit meeting, the Registering Authority, DoP replied that due to shortage of surveyors in the department, the above functions could not be carried out by them.

[Audit paragraph 3.1.3.7 contained in the Report of C & A G of India for the year ended 31st March 2016(Economic Sector)]

[Notes received from the Government on the above audit paragraph are included as Appendix – II]

Excerpts from the discussion of Committee with officials concerned

29) On the audit observation of inadequate man power to monitor compliance of KIVR, the Chairman, Kerala Maritime Board explained that surveyors weren't

available to be hired from Employment Exchange and that the shortage was due to inadequate salary being offered to them when compared to the private sector. Hence the organogram suggesting to increase the salary scale of surveyors was approved. The shortage could be overcome permanently as and when appointments were made through PSC.

Conclusions/Recommendations

30) No Comments

3.1.3.8 Non-fixation of maximum tariff rate for houseboats

Section 54 A of IVA stipulates that the State Government may fix the maximum rate per kilometer for passengers of any class travelling on inland mechanically propelled vessels.

We observed that neither the DoP nor the DoT had fixed the tariff rate. Though IVA empowers the State Government to make rules for tariff rates of vessels, the State Government/DoP/DoT did not take any action for incorporating the stipulation either during framing of KIVR or during its amendment in 2015. DoP replied that it was issuing only the RC for the HBs after conducting necessary survey and as the Tourism department was controlling the HB industry and facilitation of tourists, the authority to fix the maximum rate rested with DoT. However, the DoT replied that, at present, DTPC had no role in fixing the tariff rate for HBs in Kerala. Further, the DoT had no control over the operation of HBs as DoT was only implementing the classification scheme for HBs having RC from registering authority. As a result the passengers were left to the mercy of HB operators.

[Audit paragraph 3.1.3.8 contained in the Report of C & A G of India for the year ended 31st March 2016(Economic Sector)]

[Notes received from the Government on the above audit paragraph are included as Appendix – II]

Excerpts from the discussion of Committee with officials concerned

31) Regarding the audit para the Secretary Ports Department submitted that tariff rate could be decided only in consultation with the Tourism Department.

Conclusions/Recommendations

32) The Committee learns that the maximum tariff rate for Houseboats are not fixed. Therefore, the Committee directs the Port Department to take measures to fix the maximum tariff rate for Houseboats in consultation with the Tourism Department and a report in this regard be furnished to the Committee urgently.

3.1.3.9 Impact on environment

i) Operation of HBs without renewal of Integrated Consent to Operate

Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 (Water Act), stipulates that previous consent of KSPCB is necessary to establish any industry or any treatment or disposal system, which is likely to discharge sewage or trade effluents into a stream or on land. For this purpose KSPCB issues ICO to industries. Further, in terms of KIVR, the Surveyor issues the certificate of annual survey based on the ICO issued by KSPCB.

We observed that, even though ICO was mandatory for obtaining the certificate of survey/RC, the Surveyor issued conditional survey certificate directing the HB owners to produce ICO within the prescribed time limit. The Surveyor also did not ensure that the HB owners fulfilled the condition within the stipulated time, as discussed below.

We observed that out of 811 HBs that had applied (2010-11 to 2015-16) for ICO to the Environmental Engineer (EE), KSPCB, Alappuzha, validity of ICO had expired in respect of 324 HBs (39.95 per cent) and 113 HBs (13.93 per cent) were operating without ICO as on 31 March 2016.

It was also noticed that, though 811 HBs applied for ICO, only 734 HBs were registered with Port Registry, Alappuzha. We observed that initial survey of HB was compulsory for obtaining ICO while registration was not. Hence, many

of the HBs which underwent initial survey obtained ICO but failed to apply for registration. This resulted in discrepancy between the number of HBs that were registered and those which obtained ICO. This discrepancy occurred due to lack of coordination between the Port Registry, Alappuzha and KSPCB, Alappuzha.

The results of joint verification conducted by Audit to ascertain the compliance of HBs to mandatory requirement of ICO are given in the Table 3.4.

Table 3.4

Details of HBs operating without ICO

Particulars	Number of Houseboats		
	subjected to JV by Audit	which never obtained an ICO	where validity of ICOs had expired
Kerala Backwaters Pvt. Ltd.	8	7	0
Kerala Tours Backwaters	2	1	0
Other individual HBs	32	14	3
Total	42	22	3

(Source: Joint verification reports)

Joint verification of 42 HBs revealed that ICO had expired in the case of three¹¹ HBs, whereas 22 HBs (Appendix – III(8)) never obtained an ICO. Of the 22 non-compliant HBs, M/s Kerala Backwaters Pvt. Ltd. owned the maximum number.

Audit analysis further revealed that, out of 22 HBs, seven (owned by M/s Kerala Backwaters Pvt. Ltd.) were unregistered since 2010 and seven had not been surveyed since 2010. KSPCB had not taken any punitive action against these HBs, as stipulated in the Act/Rules.

ii) Non-conduct of periodical inspection and water analysis

In terms of Rules 118(1) and 115(5) of KIVR, every HB should be fitted with bio-tank for collecting the sewage from the toilets and all exhaust pipeline of bio-tank should be fitted above the water line mark of HB. Further, according to Ministry of Environment and Forests, Government of India notification (December 1999), KSPCB should inspect and analyse water samples from the

11 Regn Nos(1) KIV/ALP/HB/919/11; (2) KIV/ALP/HB/1149/13; and (3)CIB 872.

final outlet pipe of each HB once in six months and ensure that the prescribed parameters of discharged water were within the acceptable limit (BOD¹² - 30 mg/l). Further in terms of section 21(1) of Water Act, 1974, KSPCB had to take samples.

We found that in all the 42 HBs jointly verified, the final outlet pipes from the bio-tank of HBs were fitted below the water line mark of HBs. This meant that sewage from the bio-tank was discharged through the final outlet pipe below the water surface. Consequently, collection of mandated water samples from the final outlet pipes of HBs, which was inside water, for periodical analysis was impossible due to its incorrect position. Moreover, had the Surveyor in the Port Registry ensured that the final outlet pipe of bio-tank of HBs was fitted above the water line mark, during initial/annual survey of HBs, KSPCB could have monitored the quality of discharged water with respect to the prescribed parameters.

We also observed that 811¹³ HBs had applied (2010-11 to 2015-16) for ICO. Further, as inspection and analysis of water samples from the final outlet pipe of each HB was mandated twice annually, the stipulated inspection of HBs by KSPCB for the purpose would come to 1,622 annually¹⁴. However, KSPCB had not inspected and collected water samples in any of the HBs up to March 2016. KSPCB, Alappuzha replied that it was practically difficult to collect effluent samples from the final outlet of bio tank with the existing facilities and hence samples could not be taken for analysis. Due to non-availability of speed boat and shortage of man power, the Board could not conduct frequent inspection in HBs

iii) Under-utilisation/functioning of CSTP

The Common Sewage Treatment Plant (CSTP), operated by District Tourism Promotion Council (DTPC), Alappuzha, started functioning from March 2014. The sewage from HBs was discharged into the CSTP for effluent treatment.

¹² Biochemical Oxygen Demand (BOD) is the amount of dissolved oxygen needed by aerobic biological organisms in a body of water to break down organic material present in a given water sample at a certain temperature over a specific time period.

¹³ HBs registered in KSPCB, Alappuzha for obtaining ICO.

¹⁴ 811 HBs x 2 mandatory sample analysis to be done annually = 1,622 targeted inspections.

According to specific condition 3.12 of ICO issued by EE of KSPCB, not less than four discharges per year shall be made by each HB into the CSTP. Further, in terms of condition 3.2 of ICO, samples of effluent should be collected from all outlets and analysed in any laboratory approved by the board at least once in six months¹⁵.

The status report of CSTP usage by the HBs indicates large scale non-compliance in this regard, as shown in the Table 3.5.

Table 3.5

Details of discharges made by HBs into CSTP

Year	Number of discharges				Total usage
	4 times	3 times	2 times	One time	
2014	Nil	1	13	240	269
2015	Nil	1	33	298	367
2016	Nil	Nil	15	202	232
Total	Nil	2	61	740	868

(Source: Records of District Tourism Promotion Council, Alappuzha)

Though 811 HBs had applied for ICO to KSPCB, Alappuzha, in different years, only an average of 290 HBs (35.75 per cent) had discharged sewage during the years 2014 to 2016, which pointed to unauthorised methods employed for sewage discharge by HBs.

We further observed that District Office, KSPCB, Alappuzha, did not conduct periodical water analysis/inspection of the CSTP since its commissioning in March, 2014. During joint verification, water samples from the final outlet of the CSTP were collected and analysed and found that BOD level and suspended solids were 118 mg/l and 116 mg/l respectively, which was beyond the limit prescribed (30 mg/l and 100mg/l).

In reply to an audit query DTPC, Alappuzha, stated that the underutilisation of CSTP by HBs was due to lack of strict monitoring on the part of KSPCB.

¹⁵ As per the requirement of Ministry of Environment and Forests notification, 1999.

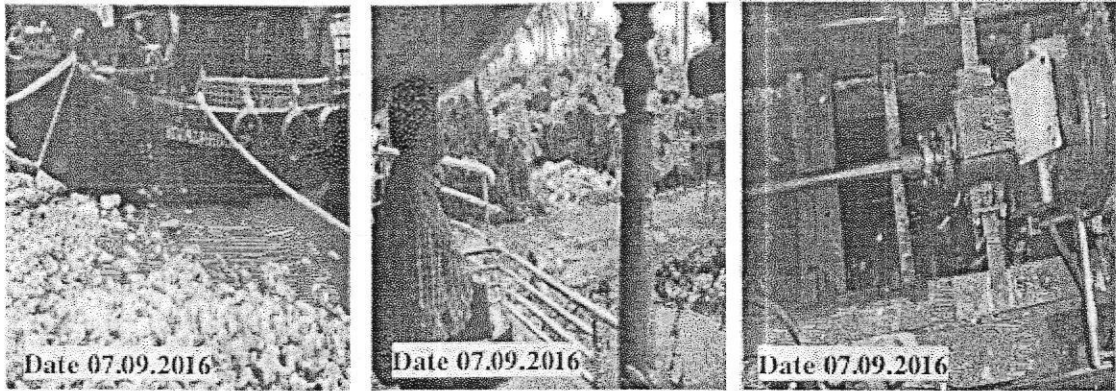
However, District Office, KSPCB, Alappuzha, stated that due to shortage of staff and lack of infrastructure, they could not ensure compliance with the conditions. The reply was unacceptable as the condition of the water samples, as discussed above, warranted urgent action on the part of KSPCB to put in place the prescribed monitoring mechanisms.

iv) Defective management in collection, segregation and disposal of solid waste and hazardous waste

According to specific condition 3.11 of ICO issued by EE of KSPCB, solid waste shall be disposed as per Solid Waste (Management and Handling) Rules 2000. Further, schedule II of the said rules stipulates that solid waste shall be segregated and disposed of scientifically by LSGIs. Further, Rule 146 of KIVR requires vessel owners to provide separate bins to dispose solid waste scientifically. Similarly, as per Hazardous Waste (Management and Handling) Rules, 1989, waste engine oil shall be disposed through collection agents authorised by KSPCB.

We observed that none of the 42 HBs subjected to joint verification were provided with separate bins for segregation of wastes. Plastic and paper wastes were being collected in a single container and disposed of by burning in private lands or on the banks of the backwaters where the HBs were anchored. Waste oil was disposed of by the HB owners on the land or by applying it on the interior part of the hull. None of the owners of HBs disposed it through collection agents authorised by KSPCB.

We observed that the LSGI did not provide facilities for collection of solid/hazardous wastes from these HBs in the land area for scientific disposal as required under the rules.



Solid waste floating in water body/heaped and burnt on the land and waste oil inside the hull

KSPCB replied that LSGI, Alappuzha did not follow a routine system for collection, segregation and disposal of solid wastes from HBs while the LSGI¹⁶ stated that, it was the responsibility of HB owners to dispose of the solid wastes at the source itself. However, Schedule II of the Solid Waste (Management and Handling) Rules, 2000, stipulates that it is the responsibility of the LSGI to manage the solid waste.

Environment Department replied that the disposal of solid waste was the responsibility of the LSGI and that the Port Authority was directed to ensure that no waste was dumped into the lake. It was also stated that the HB owners were informed that they had to provide own facilities to dispose of organic wastes and also to give plastic wastes only to recyclers. The reply also stated that the possibility of providing a mobile unit was also under consideration.

3.1.4 Conclusion

About 44.41 per cent of HBs registered under Port Registry, Alappuzha, had not renewed their registration. Further, about 53 per cent of the HBs did not conduct the mandatory annual survey required under KIVR. This pointed to ineffective monitoring by the Surveyor causing threat to the safety and security of the passengers on board. Though the recreational carrying capacity of Vembanad lake was only 262 HBs as found out by CWRDM in the Environment study of Vembanad lake, DoP issued registration to 734 HBs as of March 2016 which is

¹⁶ Alappuzha Municipality.

approximately three times the carrying capacity of the lake. This action of the Ports department posed a serious threat to the environmental stability of the lake. Ineffective monitoring by the surveyors of DoP also resulted in non-conduct of dry dock inspection (64.85 per cent) once in three years. While compromising the safety of passengers onboard, this also resulted in revenue loss of ₹17.66 lakh to the Government.

Even though the survey certificate/registration were issued to HBs conditionally, DoP did not ensure that the HBs operating in the backwaters complied with the conditions. Inadequate monitoring mechanism increased the number of unauthorised HBs operating in the back waters. Further, non-constitution of an enforcement wing by DoP emboldened them to operate illegally. Meagre penalties for employing unqualified crew and insufficient surprise inspections by the surveyors failed to deter the HB owners from repeating the same offence. Surveyors of DoP also failed to ensure the provision of life saving appliances and fire fighting equipment in HBs. Non-fixing of tariff rate by the Government/ Department paved the way for charging high rates from the tourists.

KSPCB did not have adequate monitoring mechanism for identifying the offenders. Most HBs did not utilise the CSTP and could be discharging their sewage into the lake, thus polluting the environment.

During exit meeting (December 2016), details of all paras mentioned above were discussed with the department. The department did not contest the audit observations.

The matter was referred (December 2016) to Government and reply is awaited (March 2017).

[Audit paragraphs 3.1.3.9 and 3.1.4 contained in the Report of the C & A G of India for the year ended 31st March 2016(Economic Sector)]

[Notes received from the Government on the above audit paragraph are included as Appendix – II]

Excerpts from the discussion of Committee with officials concerned

33) Regarding the audit para the Chairman, Kerala Maritime Board informed that report of CWRDM on the matter was under the consideration of Government and that no vessel without the certification of KSPCB was granted renewal, survey report/certificate by the Board. For the effective enforcement of the rules co-operation between surveyors & Pollution Control Board environmental engineers was essential and efforts were being made in that direction.

34) When the Committee enquired about the above audit observations regarding non conduct of periodical inspection and water analysis, under utilization/functioning of CSTP and defective management in collection, segregation and disposal of solid waste and hazardous waste the Chairman, Kerala Maritime Board replied that disposal of waste, could not be carried out as per rules. In places like Alappuzha lack of sewage treatment plants was the main impediment in waste disposal. In addition, collection and transportation facilities should also be set up for effective waste disposal. The Secretary, Port Department informed that house boats with their exit pipes fitted in an upward manner were being permitted. If the exit pipes were fitted downwards, the garbage and sewage would reach the water body and cause environmental issues and pollution and that the inspection teams were being made aware of that particular angle when they were undertaking inspection.

35) To a query of the Committee whether mobile units were operating for waste disposal, the Chairman, Kerala Maritime Board informed that they were operating nominally and that waste disposal could be properly done only when more treatment plants and related infrastructure facilities became operational. When the Committee suggested to make special drives and surprise inspection with the co-ordination of various government agencies, the Chairman, Kerala Maritime Board replied that a recommendation in that direction by the Committee would be helpful and the Committee decided to include the suggestion by the Committee as recommendation.

Conclusions/Recommendations

36) The Committee notices that there is no effective mechanism in place for collection, segregation, disposal and management of various kinds of waste from House boats. Therefore, the Committee recommends that the Department should take immediate and earnest efforts to conduct special drives and surprise inspections in co-ordination with various government agencies to ensure the proper and effective disposal of sewage from Houseboats.

3.1 Functioning of Agency for Development of Aquaculture Kerala (ADAK)

3.1.1 Introduction

The Agency for Development of Aquaculture, Kerala (the Agency) is an Autonomous Body registered (May 1989) under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955. It functions under the Department of Fisheries.

The Agency is mandated to promote aquaculture¹⁷ and its related activities in the State. Towards this, it undertakes implementation of various schemes sanctioned by the Government. The Agency operates six aquaculture farms¹⁸ which function as model/demonstration farms, a hatchery¹⁹, three PCR (Polymerase Chain Reaction) Laboratories²⁰ and an Aquarium²¹.

The Agency is headed by an Executive Director, assisted by a Joint Executive Director, and a Deputy Director. Various schemes undertaken by the Agency are implemented through its two Regional Offices at Alappuzha and Ernakulam, headed by respective Regional Executives.

The objective of the Audit was to examine whether the programmes were implemented according to the existing regulations and guidelines.

Audit scrutinised the records relating to the Agency in the Department of

17 Aquaculture means growing any aquatic animals or plants by collecting and conserving them naturally or artificially in restricted circumstances in any private or public water body or in any aquatic environment and includes cage culture, pen culture, running water fish culture, ornamental fish farming, fish farming in reservoirs

18 At Eranholi, Kadapuram, Poyya, Njarackal, Edakochi and Ayiramthengu

19 At Odayam engaged in the production of post larvae *Penaeus monodon*

20 Two independent PCR Labs at Thevara and North Paravoor and one PCR lab attached to Hatchery at Odayam.

21 At Neyyar

replied that growth of fishlings deposited in seven water bodies was being studied with respect to whether the fishermen got more income, and whether the fishlings deposited were growing. It was also informed that fishlings were brought from ADAK for cultivation in public water bodies and for giving to fish Farmers. Fisheries Department was equipped to produce only Carp category of fish to meet the demand of the State for that category and out of the total demand, only 20% could be met by production in ADAK and rest 80% should come from outside sources. Steps were being taken to diversify and produce different species along with carp. The target ratio of Carp and local species was fixed as 60:40.

Conclusions/Recommendations

42) No Comments

Operational issues

3.1.2.2 Non-adherence to guidelines in culturing of White leg shrimp

White leg shrimp (*Litopenaeus vannamei*) is an exotic species of shrimp. As it is vulnerable to viral infections that afflict native crustaceans²⁴ the CAA notified (April 2009) detailed guidelines for the culture of this species with emphasis on adoption of strict bio-security measures. The CAA also issued certain specific "Do's and Don'ts" for its culture, a copy of which was forwarded to the agency by the CAA.

The guidelines and other instructions inter alia prohibited the culture of other crustacean species within the same farm and discouraged the farming of White leg shrimp if the neighbouring farms cultured non-SPF²⁵ native species. The depth of water in the farm ponds was to be maintained at 1.5 metres.

The Government accorded (May 2015) administrative sanction to the project 'Revamping of Poyya farm' at a cost of ₹1.15 crore. The components of the project included farming of White leg shrimps and fin fishes namely,

²⁴ An arthropod of the large, mainly aquatic group Crustacea such as a crab, lobster, shrimp, or barnacle

²⁵ SPF - 'Specific Pathogen Free' is a term used as a guarantee which denotes free of particular pathogens

of the Accountant General as the guidelines to make 'ADAK' a better entity and that many directions contained in the observation had already been complied with and some actions for improvement were taken on the basis of meeting with the Minister. He further stated that every fish hatchery except the one at Varkala was registered and that the application for the registration of the hatchery at Varkala in the case of which audit objection was raised, was submitted to Coastal Aquaculture Authority(CAA) and they had made some suggestions for improvement. After complying with them the application could be resubmitted and registration process could be completed with in six months.

38) When asked about the number of fish seeds being produced and how many were deposited, the Managing Director, ADAK replied that every year the statistics about the matter was being published.

39) To a query of the Committee whether private agencies provided fish seeds to Fisheries Department through ADAK, the Managing Director, ADAK replied in the affirmative and explained that neither Government hatchery nor the hatchery of ADAK had the capacity to provide sufficient number of fishlings required by the State. Hence difference between the production and demand was being met with the help of private sector through tender process.

40) The Committee wanted to know the facilities for quality analysis of fish seeds to prevent premature death of fish seeds immediately after they were deposited in the water bodies. The Managing Director, ADAK replied that a guideline on the matter was issued by the Government and that fish seeds were being deposited at locations fixed by the respective Panchayat President and people's representatives and before the process the number of fishlings was being verified in their presence.

41) The Committee commented that the suitability of the water body for the deposit of fishling wasn't tested and wanted to know whether inspections were being conducted to assess the fish growth. The Director, Directorate of Fisheries

3.	Eranholi	KL-II-2013 (668)	Traditional Farm practice ²³ of fish and shrimp culture	The registration expired on 7 th April 2018 but the farm was yet to apply for renewal. Different species of fish were being cultured following non-traditional farm practices.
4.	Poyya	KL-II-2015 (1068)	Traditional Farm practice of fish and Shrimp culture including 4 hectares for Pacific white shrimp (<i>Litopenaeus vannamei</i>)	Contrary to the activity registered for, major portion of the farm land (24.27 hectares of 39.15 hectares) was used for culturing fish using non-traditional farming practice. During the years 2015-16 and 2016-17 L. Vannamei was cultured.
5.	Njarackal	KL-II-2016 (1271)	Culture of <i>Penaeus monodon</i>	Instead of culturing <i>Penaeus monodon</i> , the farm cultured milk fish (<i>Chanoschanos</i>)

The Agency, mandated to promote development of aquaculture in the State undermined the efforts to promote responsible and sustainable aquaculture through its non-compliance with the regulatory requirements.

Audit also observed that though the farms and the hatchery did not comply with the regulatory requirements, the Government sanctioned projects without insisting on the compliance with CAA norms.

The Government replied (September 2019) that the agency initiated/would initiate actions to comply with the regulatory requirements.

[Audit paragraphs 3.1 to 3.1.2.1 contained in the Report of the C & A G of India for the year ended 31st March 2018(Economic Sector)]

[Notes received from the Government on the above audit paragraphs are included as Appendix – II]

Excerpts from the discussion of Committee with officials concerned

37) The Committee asked the Fisheries Department about the action taken regarding the above audit paragraphs and the Secretary, Fisheries Department informed the Committee at the outset that the Department viewed the observation

²³ In traditional farming, seeds of shrimps and fishes are allowed to enter through tidal water and then trapped. After a short duration of growth, they are periodically harvested during full moon and new moon periods

Fisheries, Directorate of Fisheries, Agency Headquarters, regional and field offices of the Agency and covered the period from 2013-14 to 2017-18. Audit also conducted joint physical verification (JPV)/beneficiary survey of selected schemes, wherever found necessary.

3.1.2 Audit findings

3.1.2.1 Non-compliance with provisions of Coastal Aquaculture Authority Act, 2005

The Coastal Aquaculture Authority (CAA) was established under the Environment (Protection) Act, 1986 as per the directives of the Hon'ble Supreme Court in order to protect the coastal environment from indiscriminate exploitation. The CAA regulates the coastal aquaculture²² activities through the provisions of the Coastal Aquaculture Authority Act, 2005 (the Act). The Act stipulates mandatory registration of farms and adherence to the guidelines/instructions issued by the CAA.

All the six farms and the hatchery operated by the Agency are located in coastal areas and so, come under the purview of the Act. Two of the farms, located at Kadapuram and Edakochi, were directly under the Department of Fisheries prior to the year 2016. Compliance with the provisions of the Act and the Rules made thereunder by the other four farms and one hatchery which were under the Agency from the beginning is given in Table 3.1 below:

Table 3.1 : Status of Compliance with CAA registration norms.

Sl. No	Farm/Hatchery	CAA Registration No.	Activity Registered for	Deviation from Registration conditions noticed
1.	Odayam (Hatchery)	Not obtained	-	-
2.	Ayiremthengu	Not obtained	-	-

²² "Costal aquaculture" means culturing under controlled conditions in ponds, pens enclosures or other wise in coastal areas, of shrimp, prawns, fish or any other aquatic life in saline or brackish water but does not include fresh water aquaculture, (Section 2(1)(c) of Coastal Aquaculture Authority Act, 2005)

Pompano, Sea bass, Grey mullet and Pearl spot. The Agency obtained (July 2015) permission from the CAA for culturing White leg shrimps in four hectares of the farm at Poyya in Thrissur district.

The Agency cultured two crops of SPF white leg shrimp. The first crop seeds were stocked (12 January 2016) in two ponds of one hectare each. The culture period of the species was 120 days. But the crop was subjected to distress harvest²⁶ on the 68th day as shrimp mortality was noticed. The harvest yielded 365 kg against the target of 11,200 kg²⁷. In a report submitted (April 2016) to the Director of Fisheries (DoF), the Executive Director contended that the shortfall was either due to low productivity of the ponds or infection of EHP²⁸ for which testing facilities were not available.

The Agency did another crop (May 2016) of the same species which also showed mortality. The harvest made (June 2016) after 53 days yielded 1,400 kilograms of shrimp. The dead shrimps were found positive for White Spot Syndrome Virus (WSSV). The Deputy Director of Fisheries opined (September 2016) that the outbreak of WSSV might have occurred due to the entry of disease carriers in to the culture ponds through clay bunds which were not sufficiently compact, allowing minor seepages. Audit observed the following:

- The Agency maintained the water level in the ponds at one meter instead of 1.5 meter stipulated by CAA.
- In contravention to the guidelines, during the same period the Agency also farmed mud crabs, a crustacean species, which are one of the carriers of viral pathogens. Introduction of the viral pathogens through crabs which move from pond to pond over and through land barriers could not be ruled out.

Non-adherence to the guidelines issued by the MoA/CAA could also have contributed to the failure of both the crops. Further, it was observed that in

26 As decided by the Technical Committee in March 2016

27 As per Detailed Project Report

28 Entercytozoonhepatopenaei(EHP), is an yeast like fungus belonging to a group called "microsporidia" which are obligate intra cellular parasites. Microsporidia are ubiquitous pathogens and are important components of terrestrial and aquatic ecosystems world wide.

violation of CAA registration conditions the agency farmed other fin fishes under the project, which also failed to achieve its target.

The farmers of the State were thus deprived of the benefits that would have accrued by successful introduction of the new species through the new technology.

The Government replied (February 2019) that the guidelines were an advice or good management practice which could be altered to suit local conditions. The reply is not acceptable as the registration conditions clearly state that the owner shall comply with all instructions/conditions issued by the CAA.

[Audit paragraphs 3.1.2.2 contained in the Report of the C & AG of India for the year ended 31st March 2018(Economic Sector)]

Notes received from the Government on the above audit paragraph are included as Appendix – II

Excerpts from the discussion of Committee with officials concerned

43) Regarding audit para the Principal Secretary, Fisheries Department informed that the audit objections were rectified.

Conclusions/Recommendations

44) No comments

3.1.2.3 Non-achievement of project objectives

Traditional brackish water paddy-shrimp farming system of Northern Kerala called Kaipad farming is an integrated organic farming system. The rice obtained from the paddy cultivated in these wetlands is included in the Geographical Indication²⁹Registry as 'Kaipad Rice' due to its unique qualities. In Kannur district, out of the total area of 2,500 hectare of Kaipad land, 1,265 hectare has remained fallow for years. Revival of the Kaipad lands was a must for preventing damages to the saline wetlands, to improve the overall productivity of the wetland ecosystem, to promote sustainable aquaculture practices through integration of agriculture and pisciculture and to provide social and economic benefits to rural areas. As part of reviving the fallow Kaipad lands, the Agency

²⁹ As per the provisions of the Geographical Indication of Goods (Registration and Protection) Act, 1999

implemented the project 'Promotion of Rice cum Shrimp Farming in Kaipad Lands'³⁰(project) in Kannur district during the years 2013-14 and 2014-15 with a total outlay of ₹5.12 crore³¹ The project was to be implemented in 180 hectare of Kaipad land through 36³² beneficiary groups to be selected, each possessing a minimum holding of 5 hectare (unit size) of Kaipad land. The Agency was responsible for the selection of beneficiaries, constitution of a monitoring committee and supervision of project activities to ensure successful implementation of the project.

The project, implemented through 32 beneficiary groups against the targeted number of 36 groups with a coverage of 160 hectares was not implemented efficiently. This resulted in discontinuation of the project by 23 beneficiaries, though a part subsidy of ₹1.22 crore³³ was disbursed to them, as shown in the Table 3.2.

Table – 3.2

'Project year' wise number of beneficiaries who discontinued the farming activities, amount of subsidy paid to them and reasons for discontinuation

Project Year	Number of beneficiaries selected	Number of beneficiaries discontinued the farming activity	Amount of subsidy provided to the discontinued beneficiary groups (₹)	Reasons for discontinuation
2013-14	17	13	0.77	Non-availability of workers, boundary disputes, damaged sluice, non-survival of shrimp seeds, destruction of crop, inadequacy of storage and marketing facilities etc.*
2014-15	15	10	0.45	Legal issues developed due to improper scrutiny of documents etc.**
Total	32	23	1.22	

* As conveyed by the beneficiaries in a survey conducted by audit(Appendix III(10))

** As per official records

30 Coastal Inter-tidal wetlands of north Kerala where the farming of salt tolerant traditional tall paddy varieties for agriculture and brackish water species of shrimp and fish are practiced

31 ₹ 2.56 crore each for 2013-14 and 2014-15

32 Eighteen in 2013-14 and 18 in 2014-15

33 ₹ 0.77 crore in 2013-14(given to 13 beneficiaries) + ₹ 0.45 crore in 2014-15(given to 10 beneficiaries)=₹1.22 crore

A survey of the beneficiary groups of the project year 2013-14 conducted by Audit revealed that 13 beneficiary groups discontinued the farming activity after the 2nd year due to reasons mentioned in the table above.

Seven beneficiary groups of the project which commenced in 2014-15 did not even start the farming activity, while three groups discontinued farming after the first year (Appendix III(11)). Audit noticed that the Agency did not verify the land lease documents furnished by the seven beneficiary groups against the revenue records. As a result, the Agency could not detect the false land lease certificates issued by the Secretary, Puzhathy Grama Panchayat from where these beneficiary groups leased the required land. Consequent legal disputes resulted in non-commencement of farming activity by these seven groups.

In respect of the three beneficiary groups, who discontinued farming, the Agency did not take any action to assess the reasons for their discontinuance. Records produced to Audit indicated that the Agency did not set up a monitoring committee during both the project years which adversely affected the projects.

Thus, the above deficiencies in implementing the projects resulted in non-revival of farming in at least 115 hectare of Kaipad land, despite of incurring ₹1.22 crore towards subsidy to the 23 beneficiary groups.

The Government replied (February 2019) that bunds constructed by the beneficiary groups would have long term benefits for both paddy and fish culture. The reply was not tenable as Audit observed that out of the 23 non-functional beneficiary groups, the bunds and sluices of only five groups were intact enabling revival of farming. In the remaining cases, either the bunds did not exist or the sluices were damaged.

The Government also stated that the Agency had no expertise in checking the authenticity of a revenue document. The reply was not tenable. The Agency was to exercise adequate precaution before releasing government money by ascertaining the actual status of the leased land with reference to the revenue records. The Agency had successfully implemented a similar project commenced

during 2012-13, leading to the revival of 90 hectare of Kaipad land in Kannur district. Non- adherence to project guidelines in the succeeding years resulted in under achievement of the project (only 28 per cent) besides depriving the beneficiary groups of the social and economic benefits envisaged under the project.

[Audit paragraph 3.1.2.3 contained in the Report of the C & A G of India for the year ended 31st March 2018(Economic Sector)]

[Notes received from the Government on the above audit paragraph are included as Appendix – II]

Excerpts from the discussion of Committee with officials concerned

45) Regarding the audit objection, the Principal Secretary, Fisheries Department submitted that the project under audit objection envisaged production of three tonne of Prawns from one hectare. The All India average was five tonne and that of Gujarat and Andhra Pradesh was six to eight tonnes. As far as Kerala was considered the production rate was one tonne per hectare.

46) The Committee enquired whether additional fund was sanctioned for achieving increase in production and reference to any special mechanism for ensuring the objective was mentioned in the project document. The Managing Director, ADAK submitted that a regulator at Kattampally was constructed to prevent flow of water with salt content to the paddy fields near the project area. As the regulator had to be closed during paddy cultivation activities, under grown prawns had to be harvested and hence the productivity became low. Thereafter, prawns farming had never been under taken there. The Committee noticed that there was a link between construction and operation of regulator and low productivity. The Managing Director, ADAK brought the attention of the Committee that such issues existed in various places of the State. The issue in places from Kodungalloor to Alappuzha was that prawns had to be harvested

before farmers occupied the paddy field for Vishu harvesting. In such cases low productivity was being faced due to under grown prawns harvesting. Production and productivity would be increased only when such issues were solved. The Director, Fisheries Directorate elaborated that the issues between fisheries and agricultural sectors and the postponement of fish farming activities from November to December due to climatic change and the resultant harvesting in the month of April itself also contributed to low production.

47) When the Committee enquired the status of such projects at present, the Principal Secretary, Fisheries Department replied that the project wasn't implemented after 2016 and the Managing Director, ADAK added that prawns cultivation was being carried out in places devoid of such issues at present.

Conclusions/Recommendations

48) No Comments.

3.1.2.4 Promotion of farming of exotic species without adequate safeguard

The Government accorded administrative sanction (June 2014) for the development of model fish farms for implementing Innovative Aquaculture Practices by the Agency. A component of the scheme was farming of genetically improved fishes like Genetically Improved Farm Tilapia (GIFT)³⁴.

An expert level meeting (July 2014) of the Kerala State Bio-Diversity Board (KSBB), also attended by an official of the Agency, observed that as per the Government of India (GoI) guidelines, farming of GIFT was impossible to practice in the State where monsoon flooding was a common phenomenon. The species was an aggressive omnivore and voracious feeder attaining a weight of 400-600 grams in six months. The escape of GIFT to the natural water bodies of the State could be suicidal for the indigenous fish *Eetroplus surantensis*³⁵ as Tilapia shared the same domain and niche. Therefore, KSBB recommended (July 2014)

³⁴ Genetically Improved Farm Tilapia (GIFT) is developed from exotic fish species known as Tilapia which are native to Africa and the Middle-east through continuous feeding of hormone 17 α methyl testosterone. GIFT is an aggressive omnivore and voracious feeder

³⁵ Pearl spot – given the status of State Fish

farming of GIFT after strict adherence with certain safeguards which included locating of ponds away from natural water bodies and providing cemented walls for the ponds. The GoI guidelines also required at least one acre of water spread area for GIFT culture. But, the State Government lowered (November 2014) the requirement of water spread area to 50 cents citing constraints in the availability of land. The Agency implemented the project in five selected private farms.

Audit observed that the recommendations of KSBB were not adhered to while selecting the farms. As a result, the project was implemented in farms having pond area of less than 50 cents and in farms located near natural water bodies. The farming of GIFT, a non-native genetically altered species, in violation of the regulations was a potential risk to bio-diversity.

The Government stated (February 2019) that the agency implemented the project in areas having water spread areas of below 50 cents due to its inability to identify water spreads having the required area.

The reply is not acceptable. If the agency was unable to meet the criteria for farming of GIFT, it should have taken up promotion of other species envisaged in the project which had no restrictions

[Audit paragraph 3.1.2.4 contained in the Report of C & A G of India for the year ended 31st March 2018 (Economic Sector)]

Notes received from the Government on the above audit paragraph are included as Appendix – II

Excerpts from the discussion of committee with officials concerned

49) When the committee asked about the issue detailed in the above audit paragraph the Principal Secretary, Fisheries Department submitted that cultivation of Genetically Improved Farm Tilapia (GIFT) was carried out as a pilot project in the State. He admitted that certain flaws had occurred in the pilot project and requested to drop the audit observation considering the fact that it was a pilot project.

Conclusions/Recommendations

50) No Comments.

3.1.2.5 Improper feed management

The Agency predominantly farms various types of fin fishes in its farms to demonstrate their economic viability. Neither the CAA nor the Agency prescribed any guidelines on the farming of fin fishes. Further, the Agency also did not prescribe any procedure for feed stock management.

Audit observed that the Agency did not have a dedicated feed storage facility in three³⁶ of its farms but the feed was stored either in rooms prone to seepage or in semi-open area. The feed, which accounted for around 67 per cent of the operational cost (excluding labour) was procured in bulk by the Agency. The manufacturers prescribed 90 days shelf life for feeds from the date of manufacture, when stored under ideal conditions. It was observed that the Agency issued feed for use even after 150 days of its manufacture.

The Government replied (February 2019) that the Agency had many on-going projects aimed at improving the infrastructure facilities of the farms including feed storage and that on completion of the same, a better feed storage management would be possible.

[Audit paragraph 3.1.2.5 contained in the Report of the C & A G of India for the year ended 31st March 2018(Economic Sector)]

[Notes received from the Government on the above audit paragraph are included as Appendix – II]

Excerpts from the discussion of committee with officials concerned

51) Regarding the above audit para, the Principal Secretary, Fisheries Department informed that the Accountant General's observation was about the lack of storage facilities and that sufficient storage space was available at present.

³⁶ Poyya, Ayiramthengu and Njarackal.

Conclusions/Recommendations

52) No comments.

Issues in Financial Management and Accounts

3.1.2.6 Irregular retention of Government grants

As per Government instructions (between July 1999 and May 2016)³⁷ balances of all funds released by the Government to autonomous bodies as grants/loans etc., should not be kept in bank accounts but should be remitted back to the Government or kept in Treasury Savings Bank Accounts. The Agency, however, retained substantial amounts received as grant from the Government for implementing various project, as mentioned in the Table 3.3

Table 3.3 : Details of irregular retention of money by the Agency.

(₹ in crore)

Sl. No	Name of Project	Grant received #	Expenditure incurred	Balance retained	Remarks
1.	Promotion of rice cum shrimp farming in Kaipad lands	3.30	1.36	1.44	Money was retained in the bank account since payment of subsidies were not made by the Agency due to reasons mentioned in para 3.1.2.3
2.	Revamping of Poyya Farm	1.03	0.68	0.35	The project undertaken without feasibility study, failed to achieve the targeted results and was closed after incurring an expenditure of ₹68 lakh ³⁸ and the balance was retained in bank account
3.	Revival of Productivity of Pearl Spot and Giant Prawn on life cycle approach in Vembanad Ecosystem.	12.70	5.35	7.35 [@]	As per the guidelines, the balance amount of ₹4.26 crore (excluding the committed expenditure) as of 30 September 2016 should have been surrendered to the Government. Instead, the money was retained in the Treasury Savings Bank account of the Agency.

Excluding managerial expenses

@ Balance as on 30 September 2016 including committed expenditure of ₹3.09 crore

The Government stated (February 2019) that ₹1.44 crore was kept in bank accounts as the Farm Manager did not have a TSB account and that ₹0.35 crore was reallocated to other farming activities in Poyya Farm. The amount of ₹7.35 crore was retained for meeting committed expenditure.

37 Circular Nos. 7/99/Fin dated 21.01.1999, 75/09/Fin dated 29.08.2009 and Govt.order dated 27.05.2016.

38 Expenditure statement of Farm Manager, Poyya Farm

The reply is not acceptable as instructions of the Government should have been followed scrupulously in the above cases. Subsequent allocations should have been obtained from the Government, wherever necessary, for meeting further expenditure.

➤ **Unauthorised retention of project savings of ₹1.42 crore**

Article 176 (a) of the Kerala Financial Code states that sanction to an estimate should always be regarded as being strictly limited to the precise objects for which the estimate was intended. Any anticipated or actual savings in a sanctioned estimate for a specified work should not, without the special sanction of a competent authority, be applied to any additional work which was not originally contemplated, unless it is fairly contingent on the actual execution of the work.

During the period 2013-18, the Agency implemented 20 projects sanctioned by the Government. The administrative sanctions of the projects inter-alia included a component for supply of fish/shrimp seeds for the projects. The Agency undertook the supply of fish/seeds for which it was permitted to charge a margin of 10 per cent of the cost of seeds procured.

Scrutiny of the seed sales invoices revealed that against ₹3.34 crore chargeable to the projects towards the actual cost of seed (including 10 per cent margin), the Agency charged ₹4.76 crore (43 per cent above), at the estimated rates sanctioned by the Government. Retention of the resultant savings of ₹1.42 crore by the Agency in excess of the limits permitted by the Government was unauthorised. Obtaining of surplus grants from the Government and retention of savings beyond the permitted limits, affected the financial position of the Government adversely to that extent.

The Government replied (September 2019) that the savings, if any, were mainly utilised for improvement of assets of the Agency. The reply is not tenable as the administrative sanctions did not envisage the activities for which the savings were utilised.

➤ **Submission of Utilisation Certificate without actual utilization of Government grants**

According to the provisions of the Kerala Financial Code, while furnishing Utilisation Certificates (UC) of grants received from the Government, the Executive Director was required to ensure that the money was actually utilized for the purposes for which it was sanctioned and also mention the details of checks exercised in the UCs. Audit noticed that the UCs submitted by the Executive Director to the Fisheries Department in respect of three projects were factually incorrect as shown in the Table 3.4.

Table 3.4

List of incorrect UCs furnished by Executive Director to the Government

(₹ in crore)

Sl. No.	Name of Project	Grant received from Fisheries Department	Amount spent as of March 2018	Amount for which UC submitted
1	'Promotion of rice cum shrimp farming in Kaipad lands' commenced in 2013-14	2.00	1.40	2.00
2	Revival of Productivity of Pearl Spot and Giant Prawn on life cycle approach in Vembanad Ecosystem.	12.69	8.89	10.16
3	Revamping of Poyya farm	1.15	0.67	1.15

In reply, the Government stated (February 2019) that the UCs were issued treating the funds as utilized since the committed liabilities were to be met from the funds received. The reply was not acceptable as provisions of the Kerala Financial Code were not adhered to in these cases. Submission of inflated UCs prevented the Fisheries Department from assessing the actual financial position of the Agency judiciously and releasing the subsequent instalments to the Agency accordingly.

[Audit paragraph 3.1.2.6 contained in the Report of the C & A G of India for the year ended 31st March 2018(Economic Sector)]

Notes received from the Government on the above audit paragraph are included as Appendix – II

Excerpts from the discussion of Committee with officials concerned

53) To the audit query of irregular retention of Government grants, the Managing Director, ADAK informed the Committee that the unspent amount was surrendered to the Government in 2022.

Conclusions/Recommendations

54) No Comments

3.1.2.7 Status of Accounts

Mention was made in Report No. 3 of the CAG of India for the year ended 1997 regarding delay in preparation of accounts. The Public Accounts Committee (PAC) (2014-16) in its 66th Report (July 2014), expressed displeasure at the slackness of the Agency in preparing the Annual Reports and Accounts and recommended to take disciplinary action against the officials concerned. The Committee also insisted on updating the annual accounts immediately.

Despite this, as of September 2018 the Agency finalised and audited the annual accounts up to the year 2014-15 only. It also did not forward the audited accounts for the year 2013-14 to the Finance Secretary and the Registrar as stipulated in the rules. Further, Audit also noticed that the Agency did not maintain the registers for recording the receipt of grants, their disbursement/utilisation, creditors and debtors relating to the purchases and sales of seeds.

The Government in reply (February 2019) admitted the facts and stated that this would be complied with, in future.

3.1.3 Conclusion

The Agency was mandated to promote aquaculture activities in the State by operating model farms and implementing various projects. The farms operated by the agency did not function as model farms as they lacked mandatory registration/violated the conditions of registration. The Agency failed to demonstrate the economic viability of aquaculture farming. The beneficiary

group-oriented projects implemented by the agency did not achieve the targets due to non-compliance with the guidelines and deficiency in monitoring. The Agency also failed to abide by the financial regulations resulting in retention of Government funds outside the Government account and retention of the savings from the projects as its income. It failed to maintain the accounts up to date, despite instructions from Public Accounts Committee. Thus, the Agency was unable to discharge its mandated activities properly.

[Audit paragraphs 3.1.2.7 and 3.1.3 contained in the Report of C & A G of India for the year ended 31st March 2018(Economic Sector)]

Notes received from the Government on the above audit paragraph are included as Appendix – II

Excerpts from the discussion of Committee with officials concerned

55) As to the audit para 3.1.2.7 the Principal Secretary, Fisheries Department submitted that accounts up to 2017-18 were settled and that for the remaining period would be completed within one year.

Conclusions/Recommendations

56) The Committee notes with concern that the audit of accounts of ADAK has been completed up to the year 2017-18 only. So, the Committee urges that the annual accounts of ADAK for the remaining years be updated and the position be intimated to the Committee immediately.

3.2 Irregular payment of compensation to fishermen

The Department paid an amount of ₹88.80 lakh to a select group of 74 owners of illicit china nets disregarding the fact that they were already paid compensation of ₹92.5 lakh and were not eligible for the second payment.

The Department of Fisheries established on 1 November 1956 is considered to be one of the most important, productive and developmental sectors of the State. It implements the policy of the Government of Kerala for the socio-economic development of fishermen and schemes for increasing infrastructure in the coastal area.

According to Section 4(3) of the Travancore Cochin Fisheries Act 1950 and

Rule 8(1) of the Kerala Inland Fisheries and Aquaculture Rules 2013, only licensed individuals have the right to engage in fishing.

The Inland Waterways Authority of India declared (February 1993) the waterway between Kollam and Kottapuram as National Waterway-3. In order to make the waterway navigable, it was necessary to remove/shift the fishing nets and stakes installed in the channel. The Government sanctioned a compensation of ₹2.5 lakh³⁹(June 2013) per net to the fishermen holding valid licenses for china/stake nets installed in the navigation channel, for their removal. The owners of unlicensed china/stake nets were also made eligible for the compensation, but at half the rates applicable to the licensed owners. This was commented in Chapter II of the Audit Report of the Comptroller and Auditor General of India on the Economic Sector, Government of Kerala, for the year ended March 2015.

The Department paid compensation amounting to ₹13.33 crore to the owners of licensed and unlicensed china/stake nets during the period 2013-14 to 2017-18.

Audit noticed that, in addition to the above payment the Department also paid compensation amounting to ₹88.80 lakh to a select group of 74 owners of illicit china nets belonging to Kayamkulam area alone, under a special package, based on a decision taken in a meeting convened (November 2014) by the Home Minister. The meeting took the following decisions:

- (i) Owners of the 74 unlicensed china nets who wished to avail the compensation of ₹1.25 lakh per net declared by the Government were free to avail it.
- (ii) For those who did not opt for the compensation, a special employment package would be provided to sustain their livelihood.

The package envisaged purchase of a traditional fishing boat, a net and a 9.9 Yamaha engine by each beneficiary unit⁴⁰ utilising an assistance of ₹1.20 lakh⁴¹ to be paid by the Department, along with a contribution of ₹30,000 by each

39 G.O.(Rt) No.38/13/F&PD dated 17/06/2013

40 A unit consisted of the owner and two labourers working the net

41 Each member of the unit was to be paid ₹40,000/-

beneficiary unit. Contrary to the decisions taken in the meeting, the Government sanctioned both the compensation of ₹1.25 lakh and the special employment package of ₹1.20 lakh to each of the 74 beneficiaries. Director of Fisheries disbursed⁴² ₹88.80 lakh to the 74 beneficiaries under the special package.

Audit noticed the following:

- The decision of the meeting was to extend special employment package to those who did not opt for the compensation. Contrary to this the 74 beneficiaries were paid both the compensation and the special employment package.
- This double benefit was not extended either to the owners of unlicensed china nets of other areas or to the owners of licensed china nets. So, the action of the Department was discriminatory.
- The Department did not ensure compliance with the conditions of the special employment package by the beneficiaries which resulted in its largescale mis-utilisation.
- A joint survey conducted by Audit along with the departmental officials among 28 beneficiaries revealed that none of them utilised the assistance as envisaged; instead, most of them used it to clear personal debts.

Thus, the payment of additional benefit of ₹88.80 lakh to a select group of 74 owners of illicit china/stake nets was not in order and discriminatory. Besides, the Department also failed to ensure proper utilisation of assistance by the beneficiaries under the special package.

The matter was referred (February 2019) to the Government. In reply, (March 2019) the Government accepted that the special employment package was to be implemented for those net owners alone (including two workers) who were not willing to accept the compensation of ₹1.25 lakh declared by the Government. **[Audit paragraph 3.2 contained in the Report of C & A G of India for the year ended 31st March 2018(Economic Sector)]**

Notes received from the Government on the above audit paragraph are

42 G.O.(Rt) No. 413/15/F & PD dated 04.06.2015

included as Appendix – II

Excerpts from the discussion of Committee with officials concerned

57) Regarding the audit para, the Director, Fisheries Directorate informed the Committee that direction was received to remove the China nets at Kayamkulam stretch of the National Waterway and to give compensation to the owners. It was also directed to provide boat and engine to those who were not eligible for compensation as a part of livelihood support. The audit objection was against the non sanctioning of such livelihood support to the other parts of the State and also against the granting of benefits to the unregistered persons.

58) The Managing Director, ADAK informed the Committee that it was a special package to be implemented in the Constituency of the then Home Minister and it was sanctioned after government level deliberations.

59) The Director, Fisheries Directorate brought to the attention of the Committee that poor fishermen were the beneficiaries and the Managing Director, ADAK requested the Committee to drop the audit observations on the ground stated by the Director.

Conclusions/Recommendations

60) No Comments

Thiruvananthapuram
 8th October 2024.

SUNNY JOSEPH,
 Chairperson,
 Committee on Public Accounts

APPENDIX - 1**Summary of Main Conclusion/Recommendation**

Sl. No	Para No.	Department concerned	Conclusion/Recommendation
(1)	(2)	(3)	(4)
1.	11	Ports	The Committee directs the Department to conduct surprise inspections on Vessels to ensure that all mandatory requirements, including that of valid registration, are being complied with and to take strict action in cases of violations. The Committee also urges the Department to strictly adhere to the fulfillment of conditions in the Registration Certificate to ensure the safety of passengers on board.
2.	12	”	The Committee observes that the main reason for the non-realisation of the registration fee was the lack of adequate monitoring system which resulted in the failure of the House boat owners to submit their applications for renewal on due dates. Therefore, the Committee directs the Department to put in place an internal monitoring mechanism to prevent the recurrence of such flaws in future.
3.	17	”	The committee observes that surveys of Houseboats and dry dock inspections are not being conducted properly by the Department and the surveyors are

			conducting inspections only when complaints are received. The Committee opines that the matter should be dealt with very carefully and justification would be pointless in the event of an accident. Therefore, the Committee urges the Department to take stringent measures to conduct annual survey of House boats and dry dock inspection.
4.	23	Ports	The Committee notes that a significant number of Houseboats are operated by unlicensed personnel in violation of the relevant rules. As such instances adversely affect the safety of passengers they must be addressed immediately. So the Committee strongly recommends that a robust enforcement wing be established to monitor the operation of Houseboats.
5.	24	”	The Committee also suggests that a certificate of completion of training from the Kerala Maritime Institute, Kodungallur be made a basic qualification for the appointment of crew in the Houseboats operating in the State.
6.	26	”	The Committee notices that adequate number of life-saving appliances and

			<p>firefighting equipment are not provided in the Houseboats and the Surveyors do not conduct frequent surprise inspection to ascertain the availability of such equipment in the Houseboats as mandated by rules. Therefore, the Committee directs the Department to ensure proper monitoring in such cases and also to take action against the Houseboat owners, if such flaws are found during inspection.</p>
7.	32	Ports	<p>The Committee learns that the maximum tariff rate for Houseboats are not fixed. Therefore, the Committee directs the Port Department to take measures to fix the maximum tariff rate for Houseboats in consultation with the Tourism Department and a report in this regard be furnished to the Committee urgently.</p>
8.	36	”	<p>The Committee notices that there is no effective mechanism in place for collection, segregation, disposal and management of various kinds of waste from House boats. Therefore, the Committee recommends that the Department should take immediate and</p>

			earnest efforts to conduct special drives and surprise inspections in co-ordination with various government agencies to ensure the proper and effective disposal of sewage from Houseboats.
9.	56	Fisheries	The Committee notes with concern that the audit of accounts of ADAK has been completed up to the year 2017-18 only. So, the Committee urges that the annual accounts of ADAK for the remaining years be updated and the position be intimated to the Committee immediately.

Action Taken Report on the Report of the Comptroller & Auditor General of India on Economic Sector for the year ended March 2016

Fisheries & Ports Department

Section	Audit findings / Paragraph	Reply / Remarks of Department of Ports						
<p>3.1.3 Audit findings 3.1.3.1 Registration of Houseboats</p>	<p>i) Houseboats operating without valid registration</p> <p>Rule 5(1) of KIVR requires all HB owners to intimate the Chief Surveyor regarding construction of new vessels. After the Surveyor completes the stage inspection, KSPCB verifies the HBs and issues the ICO. On receipt of ICO, the vessel is registered with the Port Registry concerned. Initially the registration had to be renewed annually. Subsequently, the validity period of registration was increased (March 2013) to five years. Further, in terms of Rule 31(2) (c) of KIVR, the Surveyor is duty-bound to conduct surprise inspection of vessels to ensure that they comply with mandated requirements. On detecting violations, the Surveyor recommends suspension/cancellation of the Registration Certificate (RC) /Survey Certificate of the vessel to the DoP and serves detention order to defaulting HB owners.</p> <p>We observed that, as of 31 March 2016, 326 (44.41 per cent) out of the 734 HBs registered under Port Registry, Alappuzha, had not renewed their registration as detailed in Table 3.1.</p> <p align="center">Table 3.1 Details of HBs which had not renewed registration</p> <table border="1" data-bbox="466 1246 1242 1461"> <thead> <tr> <th data-bbox="466 1246 560 1409">Sl. No.</th> <th data-bbox="560 1246 874 1409">Year from which renewal of registration pending</th> <th data-bbox="874 1246 1242 1409">Number of HBs pending renewal of registration</th> </tr> </thead> <tbody> <tr> <td data-bbox="466 1409 560 1461">1</td> <td data-bbox="560 1409 874 1461">2011-12</td> <td data-bbox="874 1409 1242 1461">238</td> </tr> </tbody> </table>	Sl. No.	Year from which renewal of registration pending	Number of HBs pending renewal of registration	1	2011-12	238	<p>i. House boats operating without valid registration.</p> <p>Kerala inland Vessels Rules (KIV Rules) came in to force as per GO(P) No.5/2010/ CSIND dated 30.04.2010,. Before the implementation of KIV Rules, the Irrigation department, was the authority to register the inland vessels. In the initial stage of implementation, all vessels registered under Irrigation department were admitted to KIV registration after primary inspection. These vessels had no proper drawings, stability, heel test reports as per KIV Rules. Therefore, instructions were given to these vessel owners to submit the above details before the next annual survey.</p> <p>The validity of the registration certificate of inland vessels are not mentioned in the Kerala Inland Vessels Rules 2010. The Rule was amended as per Rule (7)(2) of GO(P)N6.1/2015/ CSIND dated 06.04.2015, and the validity was extended to 5 years with effect from the date of registration. As per the records total number of boats (including House Boats, motor boats, Shikkara, speed boat dredging and ferry) are 1524 vessels under Alappuzha Port of Registry. Out of this, Houseboats are only 768. When applications were invited during 2018 to bring the vessels operating without completing registration and survey procedures under the KIV Act, only around 320 applications were received. Moreover all vessels in Alappuzha and Kottayam were registered in Alappuzha Port of Registry. Tracing the number of Houseboats operating illegally in the vast inland water comprising Alappuzha-Kottayam districts is very difficult and can only be detected by deploying more officers on the same day with the co-operation of various</p>
Sl. No.	Year from which renewal of registration pending	Number of HBs pending renewal of registration						
1	2011-12	238						

2	2012-13	70
3	2013-14	18
	Total	326

(Source: Records of Port Office Alappuzha)

A joint verification of 42 HBs revealed that 23 of them were plying in Vembanad lake without registration (Appendix – 3.1.2). Of the 42 HBs subjected to physical verification, we found that seven out of the eight HBs operated by M/s Kerala Backwaters were unregistered. Further, as per the DoTs estimation, there were 1,500 HBs operating in Alappuzha. However, we observed that only 734 (48.93 per cent) HBs were registered with the Port Registry Alappuzha, as on 31 March 2016.

Detection of a substantial proportion of unregistered boats pointed to ineffective monitoring by the Surveyor causing threat to the safety and security of the passengers on board.

ii) Rule 14 (2) of KIVR stipulates that RC issued to a vessel shall be valid for a maximum period of five years, but the registering authority may issue RC for a shorter period considering the ecological parameters of each water body.

We observed that the Registering authority under DoP issued RC subject to fulfillment of certain

departments. Hence the DoTs estimation, that 1500 Houseboats operating in Alappuzha may be verified.

A chief Surveyor and a Surveyor were deputed to carry out inspection from Poovar in Vizhinjam Port of Registry to Manjeswaram in Azhikkal Port of Registry. Due to this, it was not possible to inspect all boats regularly.

There are 6 Port of Registries in the state. Of these, Thiruvananthapuram, district under Vizhinjam Port of Registry, Kollam and Pathanamthitta districts under Kollam Port of Registry, and Alappuzha and Kottayam districts under Alappuzha Port of Registry. Ernakulam, Thrissur and Idukki districts under Kodungallur port of registry, Kozhikode, Malappuram, Palakkad and Wayanad districts under Beypur port of registry and Kannur and Kasargod districts under Azhikal port of registry.

When KIV Rule came into effect, only five additional posts were sanctioned, namely, the Registering Authority, Chief Examiner, Chief Surveyor and two Surveyors. While inspection conducted in one place in the vast Vembanad Kayal, most of the boats obtained information and they do not come to the place of inspection. In order to solve this, it is necessary to carry out tests at many places in the water body at the same time. Lack of sufficient personnel to inspect boats hampers such rigorous inspections.

ii. When KIV Rules 2010 came into force, the vessels that were in existence and registered by the Chief Inspector of Boats (CIB) were issued certificates for 30 days, 60 days and 90 days with the condition to install safety devices as per KIV rules. All of them were checked later. During the annual survey of the vessel, the Registration Certificates / Survey Certificates were renewed only to the boats which are complying the conditions stipulated as per KIV Rule. Also, a

	<p>conditions regarding certificate of survey (including stability), third party insurance, competency certificate of crew, pollution control aspect, provision of firefighting equipment and life-saving appliances etc. These conditions were to be satisfied by the HBs within 30/60/90 days of the issue. The Port Registry, after the issue of RC did not verify compliance of those conditions by the HB owners even though many of these conditions related to safety of passengers. During joint verification it was found that HBs operating with conditional RCs had not fulfilled the prescribed conditions and hence were not safe for operation. Further, absence of third party insurance could deprive passengers of compensation and protection under law in the event of an accident.</p> <p>Port Officer, Alappuzha, replied that prior to implementation of KIVR (September 2010), HBs were registered under Canals and Public Ferries Act, 1890. On implementation of KIVR, the existing HBs were issued registration certificates conditionally. The reply of the Port Officer, Alappuzha, was silent about the HBs operating without fulfilling the RC conditions and the consequent risk to the safety of passengers.</p>	<p>stop memo (detention order) was issued to the vessel without safety standards during surprise inspections.</p>
	<p>iii) According to Section 19 C of IVA, a book containing all particulars of the RC shall be kept by the Registering Authority after due authentication by the authority. Further, a true copy of the book should be sent to the State government within a month, together with the number of every RC granted.</p> <p>We observed that registration details were not completely recorded in the Registration book and not duly authenticated by the Registering Authority, as prescribed. Moreover, the copy of the Registration book was not sent to Government every month as mandated. Hence, veracity of the registrations</p>	<p>In order to submit the details of vessels completed registration to Government and providing other services through online C-Dit designs a website. Data entry completed in this website some technical defects occurred has to be rectified. Hence delay occurred.</p>

recorded in the book could also not be assured by Audit.

iv) In terms of Section 71 of IVA, all fees payable may be recovered as fines. Schedules I and II of KIVR prescribes the rate of fees payable by HB owners for the registration, survey etc. According to Rule 26 of KIVR, registration fee was to be collected by the registering authority at the rate of ` 50 per ton of vessel weight, subject to a minimum of ` 3,000.

A scrutiny of the records revealed that as on 31 March 2016, registration fees amounting to ` 11.26 lakh was pending from 326 HB owners who had not renewed their registration as detailed in Table 3.2.

Table 3.2

Details of unrealised registration fee

Sl. No.	Year from which renewal of registration pending	Number of HBs pending renewal of registration	Amount pending realisation (In Rs)
1	2011-12	238	819250
2	2012-13	70	245250
3	2013-14	18	61100
	Total	326	1125600

(Source: Records of Port Office Alappuzha)

The Port Officer, Alappuzha, stated in this regard, that due to non-receipt of application from HB owners for renewal of registration, it could not realise the fee from them.

The above reply was not acceptable, as the main reason for non-realisation of registration fee was the lack of a monitoring system whereby the Port Officer would be alerted of the due dates of RC renewal

iv. In the implementation stage of KIV Rules 2010, registration certificates were issued the validity period of 1 year with recommendations. And these recommendations should be completed within one year from the date of registration. The validity of the registration certificate of inland vessels has not mentioned in the Kerala Inland Vessels Rules 2010. Therefore the Rule amended as per Rue (7)(2) of GO(P)No.1/2015/CSIND dated 06.04.2015, and the validity fixed to 5 years with effect from the date of registration. Now, registration certificate have 5 years of validity: Therefore the validity of the registration certificates issued in 2010 to be renewed only after 5 years i.e. 2015 from the date of registration. In the 2011-12, 2012-13, 2013-14, 2014-15 financial years, it is not required to renew the registration certificates. Earnest steps have been taken to recover the amount pending from the boat owners. 11 lakhs were collected. Balance amount pending Rs.9630/-. Steps were taken to collect this amount also.

	<p>without waiting for the HB owners to submit applications. Also, had the Surveyor carried out surprise inspections as mandated in KIVR, a substantial number of HB owners could not have escaped from renewing their registration.</p>	
	<p>v) Issue of Registration Certificates without considering the carrying capacity of Vembanad lake</p> <p>The Government (Fisheries and Ports Department) accorded (June 2012) administrative sanction for conducting 'Environmental Study of Vemabanad lake', considering the large number of HBs operating in the lake and resultant pollution. Accordingly, the DoP entrusted (September 2012) the Centre for Water Resources Development and Management (CWRDM), Kozhikode to identify the carrying capacity of the lake for each category of vessels. CWRDM reported (November 2013) that the recreational carrying capacity of the lake was 262 HBs. Subsequently, DoP directed (June 2014) the Port officials that only those applicants who had submitted their application for survey on or before 31 December 2013 but had not presented their vessels for survey on or before 31 March 2014 could be permitted to present their vessel till 30 June 2014. Further, according to note below rule 54 of KIVR, new RC shall be issued only against deregistration and condemnation of existing vessels.</p> <p>But, as reported (December 2013) by DoP, registrations were issued to 588 HBs, which was nearly double the carrying capacity of the lake, thus threatening the environmental stability of the lake.</p> <p>Further, the directions (June 2014) of the DoP were violated by the registering authority as it had</p>	<p>V. In the environment impact assessment study report CWRDM, found that carrying capacity of vessels in the Vembanadu Lake is exceeded. Considering the above report, no construction permit has been issued for new houseboats after December 31, 2013. However, the registration was given to vessels that had completed Form-1 before December 31, 2013. In 2014, 93 boats were registered and in 2015, 193 boats were registered. All these have obtained construction permission before December 31, 2013 or participated in the adalath as per the instructions of the Director of Ports letter No. B3-1728/15/DP-3 dated 05-12-2015. Denial of registration of these vessels would result in loss of revenue to the government and the boats operating without registration.</p>

	<p>issued RC to 22 HBs during 2014-15, 55 during 2015-16 and nine during 2016-17 respectively, even though the owners of these vessels had not presented their vessels for survey on or before 30 June 2014. Further, the new RCs issued were not against deregistration or condemnation of existing HBs. Also, this direction of the DoP issued in June 2014 was irregular because the CWRDM had reported to the DoP in December 2013 itself that the carrying capacity of the lake was only 262 HBs as against 588 in operation. Hence, permission granted by the DoP for conducting further survey to enable registration of new HBs without ensuring decommissioning of old HBs was in total disregard to the recommendations of CWRDM for the environmental sustainability of the lake and actually enabled increasing the number of HBs in the lake.</p> <p>The Port Officer, Alappuzha replied that registration was given only to those HBs who had submitted their application prior to 31 December 2013. The reply was factually incorrect, as the department had issued fresh RCs to 86 HBs which were presented for survey even after the cut-off date of 30 June 2014.</p>	
3.1.3.2 Survey of houseboats	<p>l) Failure to conduct surveys, enforce compliance with certificate conditions and recover survey fees</p> <p>i) In terms of Rules 3 (1)(ii) and 3(3) of KIVR, every vessel shall be subjected to survey before it is put in service. The Surveyors in the Port Registry conduct survey before the vessel is put in service, annual survey once in 12 months, additional survey as occasion demands and dry dock inspection once in 36 months in a dry dock or slip way in day light to ensure that the external hull is undamaged.</p>	<p>i) Vessel owners are applying for the annual survey of the vessel before the validity expires. The surveyor will inspect the vessel and issue the survey certificate only if the vessel is complying KIV Rules. If any vessel found operating without valid certificates in surprise inspections, the vessel will be punished to remit the fine as per the Inland Vessels Act and will issue provisional detention Order. An audit team was constituted comprising of the Port of Registry, Chief Surveyor and Section Clerk and they conduct surprise inspection and imposed penalty for the boats operating</p>

The initial survey includes inspection of hull, machinery and equipment to ensure that they are in satisfactory condition and fit for service for which the vessel is intended. Further, the HB owners shall make an application for survey to the Surveyor, who fixes the date, time and place of survey and intimates the same to the applicant.

Though conduct of annual survey for HBs was mandated under KIVR to ensure their operational worthiness, we observed that as of 31 March 2016, out of 734 registered HBs under the jurisdiction of Port Registry, Alappuzha, 304 HBs (41.42 per cent) did not renew their periodical annual certificate and 85 had not been subjected to annual survey. During joint verification of 42 HBs, we observed that, 27 HBs had not presented themselves for even a single survey (Appendix – 3.1.2) and five HBs had not got their survey certificate renewed (January 2013-March 2016). This scale of non-compliance existed even though Surveyors were empowered to conduct surprise inspections onboard the Hbs.

We further observed that in order to fully automate implementation of KIVR, a Computerised Management Information System (CMIS) was introduced in the Port Registries. But due to ineffectiveness of CMIS, expiry of validity of these mandatory certificates could not be monitored as the system did not alert the Port Registry of such expiry in advance for it to take necessary action.

On this being pointed out, Port Officer, Alappuzha, replied that due to nonreceipt of application for renewal from the HB owners in time and absence of CMIS, the port authorities could not conduct the survey periodically. The reply was not acceptable as KIVR mandated that Surveyors should conduct these surveys annually. By not doing so, port authorities

without valid certificate.

The existing Computer Management Information system (CMIS) has no facility to inform the owner about the validity expiring of certificates, and no provision to monitor about the validity of certificates for officers. Therefore the department decided to develop new online software including online payment facility, and work order has given to MIs C-Dit to develop the same. After the successful commissioning of the online software, the information about the validity, expiration can send automatically by SMS / e-mail and officers can monitor about the validity. Now certificate preparation procedure is done by offline.

Provisional Survey Certificate is not currently issued. The survey certificate is issued only to the boats which are surveyed and comply with the rules and only those boats are allowed to operate.

As per Rule 26 and schedule I of KIV Rules 2010, double survey fees collected after expiry of the validity of last survey certificate of inland vessels. Hence, there is no revenue loss to the government.

After the implementation of KIV Rules 2010, the charge of preparation of Drawings and Stability Reports is under the approved consultants. As the implementation stage there is a delay has been occurred in the listing of approved panel of the consultants. In the implementation stage of KIV Rules, the insurance companies are not willing to insure the inland vessels. After lot of discussions with Port department, District collectors and representatives from insurance companies the above companies are started to issue insurance, certificates having third party for inland vessels. The competency certificates are issued, to candidates who have only attended 4 days boat crew training programme conducted by Kerala Maritime Society. Hence the KIV officers are issued certificates having recommendations.

ii) The surveyor will inspect the vessel and issue the survey certificate only if the vessel is complying KIV Rules. If any

were being indifferent to the safety of passengers onboard.

ii) We also observed that the survey certificates issued by the Surveyor were provisional, subject to certain conditions such as valid crew certificate, insurance certificate, approved stability booklet etc., to be complied with within stipulated period. Many of these conditions were related to the safety of passengers. There was nothing on record to establish that the boat owners had fulfilled the prescribed conditions. Further, Surveyor did not take any steps to ensure that the HBs fulfilled the conditions within the stipulated time.

Port Officer, Alappuzha replied that due to heavy work load, shortage of staff and absence of CMIS in Port Department, follow-up action in respect of conditional survey certificate could not be carried out within the stipulated time.

□ DoP fixed the fees for annual survey based on the gross tonnage of vessel. As on 31 March 2016, the total fees forgone by the DoP due to non-renewal of annual survey certificates in respect of 389 HBs for the period from 2010-11 to 2015-16 worked out to 44.46 lakh (Appendix – 3.1.3).

Port Officer, Alappuzha, stated that, if annual survey application was not received within the stipulated time, double the rate was imposed even for a lapse of one day. The reply was silent about the department's failure in collection of annual survey fees due from the HB owners. This also enabled the HB owners to ply without displaying the mandatory distinguishing mark as required under Rule 18 of KIVR. Of the 42 HBs jointly verified, only one had the distinguishing mark.

ii) Non-conducting of dry dock inspection

□ In terms of Rule 3(4) of KIVR, all vessels shall be

vessel found operating without valid certificates in surprise inspections, the vessel will be punished to remit the fine as per the Inland Vessels Act and will issue Provisional Detention Order. Provisional Survey Certificate is not currently issued. The survey certificate is issued only to the boats which are surveyed and comply with the rules and only those boats are allowed to operate. As per Rule 26 and schedule I of KIV Rules 2010, double survey fees collected after expiry of the validity of last survey certificate of inland vessels. Hence, there is no revenue loss to the Government. After the successful commissioning of the online software, the information about the validity expiration can send automatically by SMS. / email and officers can monitor about the validity.

KIV Rules 2010 came into effect, the certificates were issued with the condition that the vessels which were in existence and registered by the Chief Inspector of Boats (CIB) had to undergo a preliminary survey and install the safety devices as per the KIV rules subject to the conditions. During the application for renewal of annual survey and renewal of registration, the fee is charged including the penalty for the incomplete survey period, which is then checked and the operating permit is issued. Also, a stop memo (detention order) has been issued to such vessels which are found to be non-compliant with safety standards during surprise inspections.

In the implementation stage of KIV Rules 2010, there are no accredited yards under the jurisdiction of Alappuzha Port of Registry. Therefore the vessels have not any yards to approach for the dry docking their vessel. Now 44 accredited yards are available under Alappuzha port of registry. In the implementation stage of KIV Rules the vessels are to be dry docked once in 2 years. Now this period is extended to once in 3 years. Survey / Registration Certificates are not issued to boats which do not do drydocking.. In the first phase there

	<p>inspected once in every 36 months by the Surveyor in a dry dock during the hours of day light. The Surveyor shall go on board any vessel and inspect it or any part thereof or any machinery or article thereon relevant to the purpose of the Act.</p> <p>We observed that as on 31 March 2016, 476 HBs were pending to be inspected in dry dock, of which 251 had not undergone even a single dry dock inspection since the vessel was put to use (Appendix – 3.1.4). This compromised the safety of passengers.</p> <p>Port Officer, Alappuzha, replied that Surveyor could not conduct the dry dock inspection unless the vessel was dry docked. Besides, due to non-availability of sufficient dry dock yards, all vessels could not be dry docked in time. The reply is not tenable, as KIVR required the Surveyor to conduct surprise inspection to ensure that the HBs plying in the backwaters were dry docked in time.</p> <p>□ According to Schedule I of KIVR, the fee for dry docking was ` 3,000 per vessel which was enhanced (October 2014) to ` 3,750 with effect from 01 October 2014. We observed that as on 31 March 2016, the Department had forgone revenue of ₹ 17.66 lakh due to non-enforcement of mandatory dry dock inspection (Appendix – 3.1.5).</p> <p>Port Officer, Alappuzha, replied that the operators evaded dry docking due to personal interest and lack of awareness and that lack of CMIS prevented effective monitoring by them. The reply is not acceptable as the Surveyor failed to ensure mandatory dry docking survey, leaving the safety of the passengers to the mercy of the HB owners.</p>	<p>was no proposal to charge double fee .But after 2018 steps have been taken to levy double fee for non conducting of dry dock inspection. At present annaul survey certificates are not issued or registration renewed for vessels not undergone drydock survey once in 3 years.</p>
3.1.3.3	In terms of Section 21 of IVA and Rule 33 of KIVR,	The surprise inspections are now conducted more frequently.

<p>Deployment of crew in the houseboats</p>	<p>when the mechanically propelled vessel proceeds on any voyage, the crew shall possess Competency Certificate (CC) and that every vessel shall have a minimum of one Serang, Driver and a Lascar possessing CC on board. Further, according to Section 59 of IVA, any crew proceeding on any voyage without possessing a CC shall be punishable with fine extending to five hundred rupees.</p> <p>Of the 42 HBs (Appendix – 3.1.6) jointly verified, in 29 HBs the Serang did not possess CC, in 31 HBs the Drivers did not possess CC and in 27 HBs, the Lascars did not possess CC. In six HBs, validity of CC of all the crew had expired. In 13 HBs sufficient number of competent crew were not in place and in four HBs the cook, helper or lascar operated the HB. Port officer stated that during peak season sufficient competent crew were not available which resulted in operation of HBs by unauthorised persons. The reply of the Port Officer is not acceptable since the operation of HBs by unauthorised persons affects the safety of passengers. Further, increasing number of HBs by granting RCs to new HBs without considering the directions of DoP regarding the carrying capacity of HBs in lake also contributes to the shortage of sufficient crew members. Out of the 42 HBs jointly verified, 36 HBs did not have competent crew. No action was taken by Surveyor even against the HBs mentioned in the joint verification report.</p> <p>We also observed that of the 17 surprise inspections conducted by Port/Police departments during the period 2011-12 to 2015-16, fine was imposed in the case of 38 HBs which did not have crew with valid CC.</p> <p>Lack of monitoring and failure to enforce rules by Port/ Police Departments facilitated the owners to operate their HBs in violation of the rules, which</p>	<p>In 2017-18 alone 21 inspections were conducted and fines were imposed to the tune of Rs. 1,54,400/-The validity of the crew certificate can only be verified at the time of the surprise inspection. In case of invalidity, there is a provision for imposition of penalty under Rule (59) of Chapter VII of KIV Act 1917. The surveyor checks this strictly during the annual safety survey.</p> <p>The training for crews will be started at Kerala Maritime Institute, Kodungalloor Availability of qualified hands will encouraged the boat owners to appoint them and thereby the situation will be improved. be</p>
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	<p>endangered the safety of the passengers.</p>	
<p>3.1.3.4 Safety and security of houseboats</p>	<p>l) Insufficient life saving appliances and fire fighting equipment in houseboats <input type="checkbox"/> Rule 103 of KIVR stipulates that each vessel shall be provided with one life jacket for each passenger and crew onboard plus 10 per cent extra and one lifebuoy for two persons onboard and these should be kept in position for quick deployment in case of emergency.</p> <p>A joint verification of 42 HBs (Appendix -3.1.7) revealed that, 23 HBs did not have adequate number of life jackets and lifebuoys. Further, 11 HBs were plying without any life jackets and 10 HBs were plying without any lifebuoys. We observed that life-saving appliances were kept on the upper deck of the HBs, which is not easily accessible by passengers in an emergency. The Surveyor did not ensure that HBs were provided with adequate number of lifesaving appliances through periodical surveys as required under Rule 31 (2) (c) of KIVR.</p> <p>Port Officer, Alappuzha, replied that they ensured that the required number and type of life-saving appliances were available on board at the time of survey. But, later the owners of HBs remove some of these items, which would only come to the notice of the team which conducts surprise inspections to ensure compliance. The reply was not tenable because, Surveyors were responsible for conducting periodical surprise inspections in terms of KIVR. Large scale non-compliance to KIVR mandating provision of lifesaving appliances, as found out during joint verification by Audit, revealed lapse on the part of the authorities concerned in ensuring safety and security of passengers onboard.</p> <p><input type="checkbox"/> According to Rule 109 of KIVR, all inland vessels</p>	<p>i) Availability of life saving and fire fighting appliances has been ensured in all the registered vessels.</p>

shall be provided with the approved type of firefighting equipment on board. Fire alarm and smoke alarm should be located in gallery and engine room, fire pump should be capable of being switched on from main deck and LPG used onboard should have gas fuse/spark arrester fitted.

A joint verification in 42 HBs (Appendix – 3.1.8) revealed that fire and smoke alarm was not provided in 38 HBs and fire pump in 33 HBs. Besides, none of the HBs had gas fuse /spark arrester for LPG cylinder and 19 HBs did not have sufficient number of fire extinguishers. During joint inspection the Audit team witnessed a fire incident in HB bearing KIV No. 1149/13. This HB did not have any firefighting equipment and the fire was suppressed using firefighting equipment from adjacent HBs. Even though the Surveyor issued survey certificate after conducting detailed survey of HBs, including firefighting equipment, the Surveyor did not conduct frequent surprise inspections to ascertain the presence of the equipment on board the HBs, as mandated by KIVR.

Port Officer, Alappuzha, replied that it ensured compliance with the requirements at the time of survey and it was the responsibility of HB operators to maintain sufficient number of lifesaving appliances on board during operation. However, the Surveyor had conducted annual survey in only 345 cases out of 734 HBs registered with Port Registry, Alappuzha, as referred in Para 3.1.3.2(i). Absence of continued monitoring enabled non-compliance to safety measures.

ii) Lack of data on passengers on board and schedule of journey

According to Rule 148 of KIVR, owner of the

Display boards detailing the vessel's information and the use of life-saving equipment are mandated and enforced on houseboats in such a way that passengers can see them.

<p>vessel has to maintain a passenger register in its on-shore office and it is the responsibility of the DoP to ensure that these requirements are adhered to by the HB owners. Further, as per sub Rule 6(h) of Rule 136, schedule of journey shall be made available at the off-shore office.</p> <p>We observed that the 42 jointly verified HBs had neither maintained the passenger register nor the schedule of journey. Consequently, in the event of an accident, it would not be possible to identify the persons on board. By virtue of being the competent authority under KIVR, the DoP was responsible to ensure that HB owners maintained passenger lists and schedules of journey, as mandated by KIVR.</p> <p>The Port Officer, Alappuzha, replied (March 2017) that all HBs which had applied for survey had been given instructions and further a circular was displayed at various offices to instruct HBs in this regard. The reply was unacceptable because by virtue of being the implementing authority for KIVR, the DoP was responsible to ensure compliance to provisions in this regard in KIVR and moreover displaying a circular at various offices did not ensure compliance to provisions in this regard. We suggest compulsory display of mandatory conditions in all HBs at a prominent place where passengers can read them.</p>	<p>The surveyor checks and ensures this during the annual survey.</p>
<p>iii) Non-establishment of enforcement wing</p> <p>Rule 143 of KIVR made it mandatory for the DoP to establish an enforcement wing with three divisions, one each at Alappuzha, Ernakulam and Kottayam for periodical inspection of the operation of the HBs. The wing was to be constituted under a Deputy Superintendent of Police assisted by a Sub-Inspector</p>	<p>The proposal furnished by DOP for constituting an Enforcement Wing is now under the consideration of Home Department.</p>

<p>in each division. The main objective of this was to carry out patrolling in inland waters to ensure the safety of the passengers on board including at night halt centres.</p> <p>However, the DoP had not constituted the enforcement wing as of November 2016. The Department did not contest the audit observation.</p>	
<p>iv) Non-conduct of annual safety audit of inland vessels jetties</p> <p>Rule 140 (1) of KIVR stipulates that as a precaution against accidents during embarking and disembarking of passengers, overcrowding of vessels at jetties should be avoided and each jetty shall have safe boarding arrangements. With this end in view, KIVR mandates that jetties have to be identified and selected as approved jetty for vessels and that safety audit be conducted every year. The safety measures prescribed by Port officials for approving jetties included road connectivity, depth of pile, materials used, present condition, draft10 available, hand rails and their strength, handling capacity etc.</p> <p>We observed that though there were 78 jetties in Alappuzha, none had been approved as a safe jetty. Further, as safety audit was pending (March 2017) in all cases, it could not be ensured whether these jetties had the requisite safety measures to prevent accidents during embarking and disembarking of passengers.</p> <p>The Port Officer, Alappuzha, replied (March 2017) that a Safe Jetty Inspection Committee had been formed for this purpose and safety auditing is pending. Thus, on the one hand there were 734 HBs as against the recreational</p>	<p>No accidents were reported till date during embarking and disembarking of passengers. KMB has constituted a safety audit wing consist of Registry Authority- Asst. Executive Engineer, Irrigation ; Chief Surveyor, one officer from Water Transport Department. and they Inspected and conducted safety audit at Alleppey, Kumarakom and Ernakulam .</p>

	<p>carrying capacity of the lake being 262 HBs, unsafe jetties further added to the risk to safety of passengers.</p>	
<p>3.1.3.5 Operation of houseboats without third party insurance</p>	<p>Section 54 C of IVA mandates that every mechanically propelled vessel shall take insurance against third party risks and further in terms of section 62 B of IVA non-compliance in this regard is punishable with a fine extending to ` 1,000. In addition, Rule 15 (2) (d) of KIVR stipulates that copy of such insurance certificate shall be submitted along with the application for registration to the Port Registry.</p> <p>We observed that out of 734 registered HBs (against recreational carrying capacity of only 262 HBs), only 225 had valid insurance certificate against third party risks. The remaining 509 HBs (69.35 per cent) were operating without valid third party insurance. It was also noticed that 196 HBs (26.70 per cent) had never taken a policy. Further, during joint verification of 42 HBs, we noticed that 23 did not have third party insurance.</p> <p>We also observed that during the 17 surprise inspections conducted by Port/Police departments during the period 2011-12 to 2015-16, fine was imposed on 49 HBs which did not have valid third party insurance. Absence of valid insurance could deprive the passenger and the crew of legal benefits and compensation in the event of any mishap.</p> <p>The Port Officer, Alappuzha, replied (November 2016) that the survey certificate was issued only on production of valid insurance certificate. The reply was not acceptable as conditional survey certificates were issued by the Surveyor directing the HB owners to produce third party insurance certificate within the period prescribed in the certificate. But, it was clear</p>	<p>Insurance companies were not ready to provide insurance coverage to vessels when the rules came into force. Later, the insurance companies were ready to provide third party insurance coverage to the vessels only after continuous discussions with the port department and the respective district collectors and the insurance companies. It is for this reason that the vessels were initially issued certificates with the condition that the third party insurance should be taken within a specified date.</p> <p>All the house boats who have been issued survey certificates possess third party insurance. Raids are conducting frequently in Alappuzha and imposing fines for non renewal of insurance certificate.</p>

	<p>that HBs did not comply with this condition, as was seen from the fact that 69.35 per cent of HBs operated without valid third party insurance. Laxity in monitoring was the reason behind noncompliance of conditions relating to third party insurance.</p>	
<p>3.1.3.6 Non-conduct of surprise inspections by the Port Registering Authority</p>	<p>According to Section 19 (O) (2) of IVA, the registering authority can either suspend or cancel the registration if the vessel is found unfit for service during inspection. Further, in terms of Rule 31(2) (c) of KIVR, the Surveyor shall conduct surprise inspection on board vessels and verify all the mandatory requirements. In case of default, he shall detain the vessel and make necessary recommendations for suspension/cancellation of the RC/survey certificate, to the registering authority. Further, according to Sections 55 to 64 of IVA and Rule 139 of KIVR penalties can be imposed on HBs for non-compliance to various Sections/Rules in the Act/Rules. Further, the DoP had instructed (April 2011) that inspection of vessels under KIVR shall be carried out based on a quarterly inspection plan to be prepared by Registering Authority/Chief Surveyor/Chief Examiner and approved by the DoP.</p> <p>We observed that out of the 237 HBs inspected, though provisional detention order was issued to 170 HBs, none was detained due to non-availability of safe place for keeping the detained vessels. Further, 117 HBs were penalised, of which 31 HBs only remitted the fine to Government (Appendix – 3.1.9). In the remaining 86 cases, no further action was initiated by the Port Officer, Alappuzha, to recover unpaid fines. No monitoring was done by the DoP to ensure that HBs had rectified the shortfalls noticed during inspection. Further, the Registering Authority/Chief Surveyor/Chief Examiner had never</p>	<p>In the meeting held on 07-06-2018, Hon'ble Chief Minister of Kerala has granted a grace period up to December 2018 for regularizing the issues related to the registration of inland vessels. More stringent action has been initiated after that period. More over yards at Alappuzha, Kollam and Poovar are ready to be leased for keeping the detained vessels. A detention yard with 24-hour security and CCTV camera surveillance has been started at Aryad side of the Alappuzha Port of Registry and vessels found to be operating illegally during surprise inspections have been impounded in the detention yard. Vessels completing the survey and registration procedures are released as per the law for such vessels till date.</p>

	<p>prepared and presented the quarterly inspection plan as directed by DoP for his approval.</p> <p>Port Officer, Alappuzha, replied that Government had not constituted a separate inspection team and the department did not have sufficient space for keeping seized vessels in safe custody. The Port Officer also added that service of more personnel were required for the safe custody of confiscated vessels which were not presently available with the department.</p> <p>The reply was silent about the department's failure to prepare inspection plan, recover unpaid fines, and follow up on rectification of shortfalls by HB owners or suspend registration of violators.</p>												
<p>3.1.3.7 Inadequate manpower to monitor compliance of KIVR</p>	<p>In terms of Rule 31 and 32 of KIVR, the duties and powers of surveyor includes conducting of initial/annual survey, dry dock inspection and surprise inspection of all inland vessels such as HBs, passenger boats, motor boats, speed boats and barges. The sanctioned strength of surveyors in DoP was one Chief Surveyor and two surveyors (contract basis) for all the six port registries in Kerala.</p> <p>The shortfall in renewal of registration and conduct of annual/periodical surveys and dry dock inspections noticed were as detailed in Table 3.3.</p> <p style="text-align: center;">Table 3.3 Shortfall in renewal of registration and conduct of annual/periodical surveys and dry dock inspections</p> <table border="1" data-bbox="465 1241 1223 1503"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Number of HBs where</th> </tr> <tr> <th>Registration not renewed</th> <th>Initial / annual survey not conducted</th> <th>Periodical dry dock inspection not conducted</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Year	Number of HBs where			Registration not renewed	Initial / annual survey not conducted	Periodical dry dock inspection not conducted					<p>When KIV Rule came into effect, only five additional posts were sanctioned, namely, the Registering Authority, Chief Examiner, Chief Surveyor and two Surveyors. There are 6 Port of Registries in the state. Of these, Thiruvananthapuram, district under Vizhinjam Port of Registry, Kollam and Pathanamthitta districts under Kollam Port of Registry, and Alappuzha and Kottayam districts under Alappuzha Port of Registry. Ernakulam, Thrissur and Idukki districts under Kodungallur port of registry, Kozhikode, Malappuram, Palakkad and Wayanad districts under Beypur port of registry and Kannur and Kasargod districts under Azhikal port of registry. A chief Surveyor and a surveyor were deputed to carryout inspection from Poovar in Vizhinjam Port of Registry to Manjeswaram in Azhikkal port of registry. Due to this , it is not possible to inspect all boats regularly. Besides, additional duties are being given to the existing staff at the Port of Registries and the related work of KIV. Due to insufficient number of staff and increased workload, there are obstacles in conducting inspections against boats operating in this manner.</p>
Year	Number of HBs where												
	Registration not renewed	Initial / annual survey not conducted	Periodical dry dock inspection not conducted										

	<table border="1"> <tr> <td>2010-11</td> <td>0</td> <td>206</td> <td>239</td> </tr> <tr> <td>2011-12</td> <td>238</td> <td>48</td> <td>60</td> </tr> <tr> <td>2012-13</td> <td>70</td> <td>18</td> <td>29</td> </tr> <tr> <td>2013-14</td> <td>18</td> <td>63</td> <td>58</td> </tr> <tr> <td>2014-15</td> <td>0</td> <td>21</td> <td>34</td> </tr> <tr> <td>2015-16</td> <td>0</td> <td>33</td> <td>56</td> </tr> <tr> <td>Total</td> <td>326</td> <td>389</td> <td>476</td> </tr> </table>	2010-11	0	206	239	2011-12	238	48	60	2012-13	70	18	29	2013-14	18	63	58	2014-15	0	21	34	2015-16	0	33	56	Total	326	389	476				<p>When the KIV Rules, 2010 came into force, there were no suitable drydocks for the safe loading and unloading of boats. KIV requires drydock survey of boats. But, it could not be implemented due to lack of drydocks. Vessels that do not undergo a drydock survey once in three years are currently not issued an annual survey certificate or renewal of registration.</p> <p>We observed that inadequate monitoring by the surveyors and deficiency in detection of violations resulted in non-compliance of several provisions in KIVR. Moreover, joint verification of 42 HBs conducted by Audit revealed that HBs were operating in the backwaters without sufficient/competent crew, lifesaving appliance and fire fighting equipment which was an indication of insufficient monitoring which in turn compromised safety of passengers. Further, ineffective monitoring also resulted in non-realisation of revenue due to Government.</p> <p>In the exit meeting, the Registering Authority, DoP replied that due to shortage of surveyors in the department, the above functions could not be carried out by them.</p>
2010-11	0	206	239																														
2011-12	238	48	60																														
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2015-16	0	33	56																														
Total	326	389	476																														
<p>3.1.3.8 Non-fixation of maximum tariff rate for houseboats</p>	<p>Section 54 A of IVA stipulates that the State Government may fix the maximum rate per kilometer for passengers of any class travelling on inland mechanically propelled vessels.</p> <p>We observed that neither the DoP nor the DoT had fixed the tariff rate. Though IVA empowers the State Government to make rules for tariff rates of vessels, the State Government/DoP/DoT did not take any action for incorporating the stipulation either during framing of KIVR or during its amendment in 2015.</p>	<p>Government level decision is needed in this matter. Action will be taken for the same.</p>																															

	<p>DoP replied that it was issuing only the RC for the HBs after conducting necessary survey and as the Tourism department was controlling the HB industry and facilitation of tourists, the authority to fix the maximum rate rested with DoT. However, the DoT replied that, at present, DTPC had no role in fixing the tariff rate for HBs in Kerala. Further, the DoT had no control over the operation of HBs as DoT was only implementing the classification scheme for HBs having RC from registering authority. As a result the passengers were left to the mercy of HB operators.</p>	
<p>3.1.3.9 Impact on environment</p>	<p>i) Operation of HBs without renewal of Integrated Consent to Operate</p> <p>Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 (Water Act), stipulates that previous consent of KSPCB is necessary to establish any industry or any treatment or disposal system, which is likely to discharge sewage or trade effluents into a stream or on land. For this purpose KSPCB issues ICO to industries. Further, in terms of KIVR, the Surveyor issues the certificate of annual survey based on the ICO issued by KSPCB.</p> <p>We observed that, even though ICO was mandatory for obtaining the certificate of survey/RC, the Surveyor issued conditional survey certificate directing the HB owners to produce ICO within the prescribed time limit. The Surveyor also did not ensure that the HB owners fulfilled the condition within the stipulated time, as discussed below.</p> <p>We observed that out of 811 HBs that had applied (2010-11 to 2015-16) for ICO to the Environmental Engineer (EE), KSPCB, Alappuzha, validity of ICO had expired in respect of 324 HBs (39.95 per cent) and 113 HBs (13.93 per cent) were operating without ICO as on 31 March 2016.</p>	<p>During the annual survey of House Boats, the Surveyors were checked the Pollution Control equipments provided on board approved certificates of Pollution Control Board / Central Pollution Control Board approved certificate. The Conditional Survey Certificate is issued by the Surveyor. Thereafter, directed to produce the ICO within the stipulated time. Registration is given to vessels produced by the ICO in this manner. The details of the vessels operating without ICO are accurately recorded and sending to PCB.</p> <p>Alappuzha Port of Registry provides construction permits and registration to vessels in Alappuzha and Kottayam districts. During their annual survey, Pollution Control Certificates (Integrated Consent to Operate (ICO)) issued by the Alappuzha Office and Kottayam Office of the Pollution Control Board are submitted. A pollution control certificate is also required to be submitted for the post-construction survey.</p>

It was also noticed that, though 811 HBs applied for ICO, only 734 HBs were registered with Port Registry Alappuzha. We observed that initial survey of HB was compulsory for obtaining ICO while registration was not. Hence, many of the HBs which underwent initial survey obtained ICO but failed to apply for registration. This resulted in discrepancy between the number of HBs that were registered and those which obtained ICO. This discrepancy occurred due to lack of coordination between the Port Registry, Alappuzha and KSPCB, Alappuzha. The results of joint verification conducted by Audit to ascertain the compliance of HBs to mandatory requirement of ICO are given in the Table 3.4.

Table 3.4
Details of HBs operating without ICO

Particulars	Number of Houseboats		
	Subjected to JV by audit	Which never obtained an ICO	Where validity of ICOs had expired
Kerala Backwaters Pvt. Ltd.	8	7	0
Kerala Tours Backwaters	2	1	0
Other individual HBs	32	14	3
Total	42	22	3

(Source: Joint verification reports)

	<p>Joint verification of 42 HBs revealed that ICO had expired in the case of three HBs, whereas 22 HBs (Appendix – 3.1.8) never obtained an ICO. Of the 22 noncompliant HBs, M/s Kerala Backwaters Pvt. Ltd. owned the maximum number.</p> <p>Audit analysis further revealed that, out of 22 HBs, seven (owned by M/s Kerala Backwaters Pvt. Ltd.) were unregistered since 2010 and seven had not been surveyed since 2010. KSPCB had not taken any punitive action against these HBs, as stipulated in the Act/Rules.</p>	
	<p>ii) Non-conduct of periodical inspection and water analysis</p> <p>In terms of Rules 118(1) and 115(5) of KIVR, every HB should be fitted with biotank for collecting the sewage from the toilets and all exhaust pipeline of bio-tank should be fitted above the water line mark of HB. Further, according to Ministry of Environment and Forest, Government of India notification (December 1999), KSPCB should inspect and analyse water samples from the final outlet pipe of each HB once in six months and ensure that the prescribed parameters of discharged water were within the acceptable limit (BOD₁₂- 30 mg/l). Further in terms of section 21(1) of Water Act, 1974, KSPCB had to take samples.</p> <p>We found that in all the 42 HBs jointly verified, the final outlet pipes from the bio-tank of HBs were fitted below the water line mark of HBs. This meant that sewage from the bio-tank was discharged through the final outlet pipe below the water surface. Consequently, collection of mandated water samples from the final outlet pipes of HBs, which was inside water, for periodical analysis was impossible due to its incorrect position. Moreover, had the Surveyor in</p>	<p>Conditions stipulating to position the exit pipe of Bio-tanks above the water line insisted while granting the initial approval for construction of the vessels. The existing vessels are altered to comply with this requirement during the Dry Docking. In order to avoid littering of garbages in to the lake directions given to Houseboats to collect and sorted separate bins. When the vessels approach the shore LSG Institutions collected the garbage and disposed. Awareness is being given to the boat crews also.</p>

the Port Registry ensured that the final outlet pipe of bio-tank of HBs was fitted above the water line mark, during initial/annual survey of HBs, KSPCB could have monitored the quality of discharged water with respect to the prescribed parameters.

We also observed that 81113 HBs had applied (2010-11 to 2015-16) for ICO. Further, as inspection and analysis of water samples from the final outlet pipe of each HB was mandated twice annually, the stipulated inspection of HBs by KSPCB for the purpose would come to 1,622 annually. However, KSPCB had not inspected and collected water samples in any of the HBs up to March 2016. KSPCB, Alappuzha replied that it was practically difficult to collect effluent samples from the final outlet of bio tank with the existing facilities and hence samples could not be taken for analysis. Due to non-availability of speed boat and shortage of man power, the Board could not conduct frequent inspection in HBs.

iii) Under-utilisation/functioning of CSTP

The Common Sewage Treatment Plant (CSTP), operated by District Tourism Promotion Council (DTPC), Alappuzha, started functioning from March 2014. The sewage from HBs was discharged into the CSTP for effluent treatment. According to specific condition 3.12 of ICO issued by EE of KSPCB, not less than four discharges per year shall be made by each HB into the CSTP. Further, in terms of condition 3.2 of ICO, samples of effluent should be collected from all outlets and analysed in any laboratory approved by the board at least once in six months.

The status report of CSTP usage by the HBs indicates large scale non-compliance in this regard,

At present during annual inspection of boat, Surveyors are checking receipts of sewage discharge, then only the new survey certificate are issued for each boat.

as shown in the Table 3.5.

Table 3.5
Details of discharges made by HBs into CSTP

Year	Number of discharges				Total usage
	4 times	3 times	2 times	One time	
2014	Nil	1	13	240	269
2015	Nil	1	33	298	367
2016	Nil	Nil	15	202	232
Total	Nil	2	61	740	868

(Source: Records of District Tourism Promotion Council, Alappuzha)

Though 811 HBs had applied for ICO to KSPCB, Alappuzha, in different years, only an average of 290 HBs (35.75 per cent) had discharged sewage during the years 2014 to 2016, which pointed to unauthorised methods employed for sewage discharge by HBs.

We further observed that District Office, KSPCB, Alappuzha, did not conduct periodical water analysis/inspection of the CSTP since its commissioning in March, 2014. During joint verification, water samples from the final outlet of the CSTP were collected and analysed and found that BOD level and suspended solids were 118 mg/l and 116 mg/l respectively, which was beyond the limit prescribed (30 mg/l and 100mg/l).

In reply to an audit query DTPC, Alappuzha, stated that the under utilisation of CSTP by HBs was due to lack of strict monitoring on the part of KSPCB. However, District Office, KSPCB, Alappuzha, stated

<p>that due to shortage of staff and lack of infrastructure, they could not ensure compliance with the conditions. The reply was unacceptable as the condition of the water samples, as discussed above, warranted urgent action on the part of KSPCB to put in place the prescribed monitoring mechanisms.</p>	
<p>iv) Defective management in collection, segregation and disposal of solid waste and hazardous waste</p> <p>According to specific condition 3.11 of ICO issued by EE of KSPCB, solid waste shall be disposed as per Solid Waste (Management and Handling) Rules 2000. Further, schedule II of the said rules stipulates that solid waste shall be segregated and disposed of scientifically by LSGIs. Further, Rule 146 of KIVR requires vessel owners to provide separate bins to dispose solid waste scientifically. Similarly, as per Hazardous Waste (Management and Handling) Rules, 1989, waste engine oil shall be disposed through collection agents authorised by KSPCB.</p> <p>We observed that none of the 42 HBs subjected to joint verification were provided with separate bins for segregation of wastes. Plastic and paper wastes were being collected in a single container and disposed of by burning in private lands or on the banks of the backwaters where the HBs were anchored. Waste oil was disposed of by the HB owners on the land or by applying it on the interior part of the hull. None of the owners of HBs disposed it through collection agents authorised by KSPCB.</p> <p>We observed that the LSGI did not provide facilities for collection of solid/hazardous wastes from these HBs in the land area for scientific disposal as required under the rules.</p>	<p>During Annual Survey, surveyors are checking whether the boats are complied with Rule 146 of KIV Rules 2015. Port Department issued circular to the House Boat owners to comply the Waste Management Rules issued by the Pollution Control Board and to collect and dispose the garbages, solid wastes etc. when time to time as instructed in the Rule. Port Department have issued strict direction to the Surveyors of KIV to verify the receipts of the sewage treatment plant of DTTC, showing the discharge of sewage on house boat done at DTTC while bringing the House Boat for annual survey and the Surveyors are also directed to check the sewage valve is installed over the water surface. The Survey Certificates will renew only after the compliance of the above mentioned conditions. During the annual survey, the boat is inspected for the presence of container for separate segregation of organic and inorganic wastes. In addition, the local self-government institutions regulates such matters.</p>

	<p>KSPCB replied that LSGI, Alappuzha did not follow a routine system for collection, segregation and disposal of solid wastes from HBs while the LSGI stated that, it was the responsibility of HB owners to dispose of the solid wastes at the source itself. However, Schedule II of the Solid Waste (Management and Handling) Rules, 2000, stipulates that it is the responsibility of the LSGI to manage the solid waste.</p> <p>Environment Department replied that the disposal of solid waste was the responsibility of the LSGI and that the Port Authority was directed to ensure that no waste was dumped into the lake. It was also stated that the HB owners were informed that they had to provide own facilities to dispose of organic wastes and also to give plastic wastes only to recyclers. The reply also stated that the possibility of providing a mobile unit was also under consideration.</p>	
	<p>3.1.4 Conclusion</p> <p>About 44.41 per cent of HBs registered under Port Registry, Alappuzha, had not renewed their registration. Further, about 53 per cent of the HBs did not conduct the mandatory annual survey required under KIVR. This pointed to ineffective monitoring by the Surveyor causing threat to the safety and security of the passengers on board. Though the recreational carrying capacity of Vemabanad lake was only 262 HBs as found out by CWRDM in the Environment study of Vembanad lake, DoP issued registration to 734 HBs as of March 2016 which is approximately three times the carrying capacity of the lake. This action of the Ports department posed a serious threat to the environmental stability of the lake. Ineffective</p>	<p>At present Port Department strictly directed all the House Boat Owners to conduct survey and registration in time. Surprise inspection team for House Boats is constituted. Hence the District Administration and Local Self Government Departments to be monitor the activity of these boats, especially in the case of water pollution from house boats. Pollution control measures for proper Life Saving Appliance & Fire Fighting Appliance is checking during the annual survey and surprise inspection by the Surveyors.</p> <p>The Kerala Maritime Board has been instructed to examine the matter and to evolve a fine system to rectify the defects in this sector. They were also instructed to introduce online service in the field. It is expected that Kerala Maritime Board will come out with a false proof system in controlling the Houseboat Sector.</p>

monitoring by the surveyors of DoP also resulted in non-conduct of dry dock inspection (64.85 per cent) once in three years. While compromising the safety of passengers onboard, this also resulted in revenue loss of ` 17.66 lakh to the Government.

Even though the survey certificate/registration were issued to HBs conditionally, DoP did not ensure that the HBs operating in the backwaters complied with the conditions. Inadequate monitoring mechanism increased the number of unauthorised HBs operating in the back waters. Further, non-constitution of an enforcement wing by DoP emboldened them to operate illegally. Meagre penalties for employing unqualified crew and insufficient surprise inspections by the surveyors failed to deter the HB owners from repeating the same offence. Surveyors of DoP also failed to ensure the provision of life saving appliances and fire fighting equipment in HBs. Non-fixing of tariff rate by the Government/Department paved the way for charging high rates from the tourists.

KSPCB did not have adequate monitoring mechanism for identifying the offenders. Most HBs did not utilise the CSTP and could be discharging their sewage into the lake, thus polluting the environment.

During exit meeting (December 2016), details of all paras mentioned above were discussed with the department. The department did not contest the audit observations.

The matter was referred (December 2016) to Government and reply is awaited (March 2017).

Surya Kumar

ശ്രീ. സുര്യകുമാരി. ജി.
അഡീഷണൽ സെക്രട്ടറി
മത്സ്യബന്ധനവും തുറമുഖവും വകുപ്പ്
ഗവൺമെന്റ് സെക്രട്ടേറിയറ്റ്
തിരുവനന്തപുരം

21/3/22

**Statement of Action taken on Paras 3.1 & 3.2 of C&AG report of
Economic Sector for the year ended 31/3/2018**

	Recommendations	Action Taken
3.1	Functioning of Agency for development of Aquaculture Kerala ADAK).	
3.1.2.2	Non — compliance with the provisions of coastal Aquaculture Authority Act.	<p>Farms and Hatcheries operated by ADAK are mainly located in the coastal and brackish water region and comes under the preview of the CAA Act, 2005.</p> <p>Multi species hatchery Shrimp and Fish Hatchery located at Odayam, Varkala is one of the main units of the ADAK. The unit comprises a shrimp hatchery, Scampi Hatchery, a fin fish Production unit and an Aquarium complex and 3 D Theatre. Application submitted earlier has been updated as per the direction of CAA and resubmitted on 29/6/2021 for obtaining registration.</p> <p>Application submitted on 8/3/2020. District Level Committee approved but State Level Committee headed by Director of Fisheries rejected the application for the want of CRZ Clearance.</p> <p>Eranholi Fish Farm, Thalassery, Kannur district already has the registration (Reg No. KL II 2013 (688) and the registration renewed.</p> <p>Model Shrimp Farm & Training Centre, Poyya, Thrissur district has already taken the Reg. No KLII -2015 and registration for the renewal of the license has been filed and pending with CAA for approval.</p> <p>Njarackal Farm, Ernakulam district has already taken CAA registration KL II 2016 (1271) and license renewed up to 2021.</p> <p>Edakochi Farm, Ernakulam district has been registered with Registration No. KL 11-2019 (1391) and License approved.</p> <p>District Level Committee not convened and the application is pending with the Deputy Director of Fisheries, Thrissur.</p>
3.1.2.2	Non - adherence to guidelines in culturing of White leg shrimp.	<p>ADAK has conducted two trial farming of white legged shrimp <i>L Vannomei</i> in earthen ponds of Model Shrimp Farm, Poyya by adopting adequate bio security measures and disinfection, pond preparation and management protocols stipulated by CAA. In order to ensure bio security, the entire farming area including the reservoir ponds – bio security fencing and bird nets were provided to restrict the entry of unwanted organisms into the farming site and entry restricted to authorized persons and</p>

designated workers after adopting strict disinfection protocols as stipulated in the CAA guidelines.

In Model Shrimp Farm, Poyya diverse aquaculture activity has been undertaken as it is one of the main training and demonstration centres under the agency and that of Department of Fisheries. While submitting application to CAA for obtaining the license for *L. vannamei* farming in Poyya farm, Agency has clearly mentioned the activity undertaken in the farm and CAA team while conducting the inspection prior to the initiation of the farming for ascertaining the bio security measures and facilities of the farming activity have not raised any objection and the license was granted for Poyya Farm for *L. Vannamei* farming after satisfying the biosecurity and other infrastructure facilities created in the farm for the purpose. At the time of the inspection by the CAA team, crab farming was going on in the farm and since the activity was carried out in an isolated place, the experts did not raise any objection and as per their recommendation fencing using polythene Sheets were provided around the crab culture ponds to prevent the escape of the crabs to other areas.

Issues in Financial Management and Accounts At the time of the white leg shrimp culture in the farm the average water depth of the pond maintained was 1.2 m. as per the guidelines of the CAA the optimum stocking density recommended for *L. vannamei* farming if the water depths is 1.5 is 60 numbers / sq meter. Since the depth of the water column was less by 0.3 meter in the Poyya farm as a compensation for the lower depth, we have resorted to a lower stocking density of 40 numbers /sq m only as suggested by the team, who had ample experience in the field. Moreover the agency conducted the farming operation on an experimental basis.

Outbreak of diseases in *L. vannamei* farming is a common phenomenon even if we adhere to the strict guidelines stipulated by CAA. Low productivity and disease occurrences are very complex and it involves the interaction of climatic condition, water quality and morpho- edaphic factors of the culture system. In future, strict adherence of CAA guidelines will be followed by the Agency in all its Aquaculture operations and pond lining with suitable material will be done if *L. vannamei* farming is undertaken in the farms.

3.1.2.3

Non -achievement of project objectives.

Kaipad rice farming area comprise vast extend of coastal wet lands which are always inundated in water and are characterized by salinity intrusion during the summer month. The project envisage to initiate integrated farming of paddy and fish/shrimp in 180 hectares of these wet land

which are kept fallow more than 30 years and were planned to implement as group activity comprising of 32 groups each having a unit area of 5 hectare.

The scheme was planned to implement under the two years plan proposal viz. 2013 -14 and 2014-15.

For the year 2013 -14, 17 beneficiary groups selected under the project have constructed bunds and created other infrastructure facility around their area, prepared the field and carried out paddy cultivation. Subsidies were released to the beneficiaries in three installments. Considering the financial constraints of the groups, first installment of Rs.3,71,250/- each paid in advance for initiating the infrastructure work after executing agreement and remitting the beneficiary contribution in the bank. By utilizing the subsidy and the beneficiary contribution all the 17 groups have constructed the bund around the farm, fixed sluice for regulating water in and out of the farm and prepared nursery and paddy field for farming. Following the completion of these works, ADAK officers physically verified the construction work and after satisfying with the completion of the works undertaken, second installment of the subsidy of Rs.1,12,500/- each were released to the groups for farm shed construction, farm equipment purchase and payment of lease amount of the area. The construction work and purchase of equipment and payments of the lease agreement were also physically verified by the ADAK officers and found that the amounts allotted were used by the beneficiaries for the purpose intended for. The third installment of the subsidy amount were released to the groups after all the beneficiary group have conducted paddy cultivation in the field and stocking shrimp seed / fish seeds in the nursery pond for the shrimp/fish crop as per the approved project. All the 17 group conducted rice cultivation covering an area of 94.02 ha, and produced 28.960 tons of rice achieving an average production of 308.01 kgs/ha. The level of production achieved was only 10% of the rice production anticipated. One of the main reasons that can be attributed to the low level of rice production was the unexpected rise in pH content of the soil due to high organic debris and humus content in the soil. Even though ADAK and the farmers had made concerted effort to ameliorate the effect of pH in the soil, all the efforts were not much successful and 51 hectares of area were only effectively seeded for paddy cultivation. Since the area selected for cultivation was weed infested and kept fallow for more than 20 years decaying organic vegetation and humic acid in the soil was high and it usually take about 5 years to stabilize the pH by repeated flushing by saline water and crop rotation. Apart from the fresh water runoff during monsoon (neutral pH) and tidal influx (alkaline pH), continuous application of lime/dolomite and continuous farming over many years are required for

stabilization of pH in fallow Kaipad lands to facilitate increase in crop production (both paddy & shrimp) in following years. Low production anticipated in the initial years was well reported in the project report. Optimum production is usually recorded in continuously farming areas.

Shrimp/ Fish farming carried out subsequent to the paddy farming were also not satisfactory in the first year due to the acidic nature of the soil and unstable water quality conditions. The actual production was 18782 kgs from the 17 units which account a production of 1101.5 kgs/unit and comes around only 36.7% of the anticipated production of the first crop of shrimp farming detailed in the project. Apart from this untimely and unexpected closing of Kattampally regulator which supply water to these wet lands due social unrest also created problems to the farmers during the shrimp farming and subsequent season.

As result of the facts stated above second crop of paddy and shrimp farming operations were not under taken by the farmers and thus ADAK could not expend the funds. Even though field officers of ADAK persuade the farmers to take up the remaining activity they were not ready and reluctant to restart the operations due to the apprehensions regarding ecological issues related with closing of Kattampally regulator and low productivity.

For implementing the scheme Integrated Farming of Fish/Prawn/Shrimp in rotation with paddy during the year 2014-15, 18 Beneficiary groups were selected and 3 groups were left, 15 groups completed bund construction, 12 groups completed Sluice work, 6 groups partially harvested paddy farming. The first crop shrimp harvested by one group (They stocked 1.00,000 seed). First crop Milk fish seed were stocked by 2 groups (stocked 36500 Milk fish seed) and 1 group harvested 1000 kg Milk fish. 1 group stocked 2 lakh Tiger prawn. 25000 Milk fish stocked by another activity group.

While the implementation of the scheme was progressing some differences in the survey numbers of the land certificate issued by the Puzhathy Gramapanchayath was noticed and on enquiry with the village office it was evident that land leased out by the Gramapanchayath belonged to some private persons and the Secretary issued lease certificate without the consent of the Panchayath committee. Following this, a vigilance case also came up based on the complaint filed by some land owners and due to the pending enquiry and other formalities further actions were delayed. Vigilance enquiry was completed thereafter and the beneficiary groups have given permission to continue the scheme after ascertaining the area owned by the Local body

and private land owners. Following this direction a meeting was held in the Chamber of the Mayor of Kannur Municipal Corporation on 10/12/2018 and in the meeting it was decided to conduct a detailed survey of the area issued to all the seven groups to demarcate the area owned by the Kannur Municipal Corporation and private land owners. The surveys are not yet completed and due to this reason initiation of farming operations are pending.

In the meantime some of the beneficiary groups have filed cases in Kerala High Court, WP (C) No. 28633/2019 and in the connected case under the WP(C) No. 30309/2019, WP(C) 32158/2019 and Honourable High Court had given directions to the Government to hear the petitioners and to take appropriate decision. According to this direction the Government heard the petitioners and respondents and necessary directions were given to the Kannur Corporation authorities and District Collector to complete the survey and to ascertain the extend of area and to demarcate the land owned by private persons and Government and to list out the ownership clearly. For the continuation of farming, ADAK also submitted a proposal to Government through Director of Fisheries on 07/01/2020 for extending the scheme for another 5 years. Still a new case filed by one of the group W.P (C) 327/2021 is pending in the Honourable High Court.

A committee comprising of Panchayath President, District Fisheries Officer, Agriculture Officer, concerned Ward Member and the Farm Manager, Eranholi Fish Farm was constituted and the selection of the beneficiaries as well as monitoring was made by this committee. Implementations of the project at various stages were monitored by the committee. In addition to this the project was monitored by Executive Director, ADAK and in the monthly review meeting necessary directions were given to Farm Manager, Eranholi Fish Farm and field level monitoring was conducted by the Farm Manager.

Expected production and income as envisaged in the project were not achieved mainly due to the adverse soil and water quality conditions and also due to the occurrence of ownership disputes and cases pending in the court. Most of the beneficiary group who availed loan from the bank has repaid the amount partly mainly from the earnings obtained from the farming activity. Due to adverse climatic and ecological issues the farmers could not be able to continue the subsequent crop of paddy and shrimp farming suspecting low returns. Even though ADAK tried to persuade the farmers and offered all support most of the groups were reluctant to continue the rice farming but shrimp filtration were under taken by many activity groups. The

unwillingness on the part of the farmers was the main reason for the partial achievement of the objectives of the project but with the project implementation, the Kaipad areas that were left fallow for past 3 decades could be revived and brought under cultivation. Revival of fallow land can be considered as achievement of the Project.

ADAK has taken adequate steps for continuation of the project for the year 2014-15 by addressing the issue with Kannur Municipal Corporation for survey of the land under dispute and also with the Government for sanction for continuation of the project for another 5 years. Actions were also taken to dispose the case pending with the Hon'ble High Court of Kerala.

Having considering all the issues including land disputes, now the agency has been taking utmost care in such matters and a 25 crore Project " Promotion of Integrated Farming System of Kaipad and Pokkali in Coastal Wetlands of Kerala funded by MoEF&CC is nearing completion without any such issues.

3.1.2.4

Promotion of farming of exotic species without adequate safe guard.

Scheme for the promotion of farming exotic species viz. GIFT was implemented by ADAK under the project Development of model farms for Innovative Aquaculture Practice. The GIFT farming under the project was for technology and economic viability demonstrations. Even though the ADAK has given wide publicity about the scheme number of the suitable farmers came up to take up the scheme were very less. Moreover that the unit cost of the scheme has been worked out for an area of 20 cents. In spite of the repeated invitation of application for the scheme, number sufficient farmers submitted application were limited and due to this reason and for the timely completion of the project it was decided to consider applicants having lands below 50 cents as beneficiaries of the scheme. The farming activity of GIFT is widely accepted and globally undertaken aquaculture activity. The species of fish is hardy, fast growing and the culture is economically beneficial to the farmer than any other indigenous varieties of fish. The farming activity of the GIFT is carried out by the selected beneficiaries under strict biosecurity measure to prevent the escape of fish in the natural environment and also by the strict monitoring of the Agency. Bio security measures such as fencing around the farm, bird nets, providing bio security screens around the sluice etc. were provided in the farm as stipulated in the Govt. of India guidelines to prevent the escape of fish into the natural environment. Since scheme was first of its kind in the state ADAK has implemented the scheme with priority to the benefit of farming community.

As the compliance of the directions provided in this audit report all the farming activities of exotic fish would be carried out by observing guidelines directions and recommendations of Gol as well as state government considering biodiversity issues. Regarding GIFT, "Guideline for Responsible for Farming of Tilapia in India" issued by Gol would be strictly followed in future.

3.1.2.5 Improper management of feed

In compliance with the audit observations, in all the farms operated by the Agency directions have been given to all unit officers for the proper storage of feed and other essential items used as input for the farming activity. Special facilities have been created in all major farms of ADAK to store the feed stuffs in farms of Poyya, Ayiramthengu, Eranholi, Edakochi. Creation of the facility is being under taken in Kadappuram farm also. Apart from this, proper stock registers are also maintained for the management of the feed in the farms. Storage of feed for more than the expiry / prescribed period strictly is not following now.

Issues in Financial Managements and Accounts

3.1.2.6

Irregular retention of grants of Government grants

The balance amount retained in ADAK with respect to the funds allotted for the implementation of the project viz., promotion of rice cum shrimp farming in Kaipad land is 144 lakhs. The balance remaining is the aggregate amount of unexempted fund allotted for two years viz., 2013-14 and 2014-15 projects. Details are given below:

Year	Funds received (Rs in lakhs)	Amount disbursed (Rs in lakhs)	Balance amount (Rs in lakhs)	Remarks
2013-14	167.063	106.952	60.111	Fund not surrendered. Will be surrendered immediately
2014-15	163.063	79.265	83.797	Balance amount has not been utilised due to cases pending at High Court
Total	330.126	186.217	143.908	

The balance fund or rupees 60.111 lakhs remaining under the funds allotted for the projects during the period 2013-14 will be surrendered immediately. In the case of the scheme for the year 2014-15, a proposal for revalidating and extension of the scheme for another two years utilising

the unexpended fund 983.797 lakhs is submitted by Director of Fisheries and it is in Finance Department.

Regarding the project of revamping Poyya Farm, the balance amount of Rs. 0.35 crores retained in the bank account was meant for meeting the operational expenditure of the project such as the cost of pond preparation and inputs like feed, manure, seed fuel and electricity costs. The entire amount which was kept as balance under the scheme has been utilised for the purpose since then.

Regarding "Revival or Productivity of Pearl spot & Giant prawn of Life cycle approach in Vembanad Ecosystem, Ayiramthengu", out of the sanctioned amount of Rs. 1270 lakhs, an amount of Rs. 899.3 lakhs has been utilized for implementing the project and the rest of the amount i.e., Rs. 382.7 lakhs has been resumed by the Government on March 31st 2018.

Unauthorized retention of project savings of 1.42 crores

The Government has permitted the agency to charge a fixed amount as margin over the seed cost supplied to various Governmental project under request from fisheries department and expenditure has been made in every proposal based on Government direction only. While preparing the projects the seed cost are fixed based on the prevailing market price and also taking in to consideration of the transportation and other logistics. Agency invite tenders every year for purchasing seed from the suppliers. In certain years, when there is surplus supply of seeds the cost of seed are happened to much less than the prevailing market rate which will generate additional income to the Agency when sold on the rates fixed in the projects. The additional source of income that have been generated by the Agency are mainly used for pay the salary and wages to the employees and to operate the farms maintained by the agency. Government is not giving regular non plan support to the Agency for meeting the expenses related to salary and wages payment and the Agency is meeting such expenses through the funds generated by way of selling seeds and fish. Considering this the audit para may please be dropped.

Submission of Utilization Certificates without actual utilization of Government grants

As the compliance of the audit report, in future Agency will never issue UC with future committed expenditures for the Government grant received. While reporting the utilization of funds on Government grants strict adherence to KFC will be followed and necessary checks will be made to ensure

		<p>that the grant was utilized for the purpose actually granted.</p> <p>In the case of scheme Promotion of rice cum shrimp farming in Kaipad lands the unspent balance of Rs. 60 lakhs will be surrender to the Government and the unspent amount of Rs. 382.7 lakhs remaining as balance in the project Revival of Productivity of Pearl spot and Giant Prawn has been resumed by the Government on March 31, 2018. The unspent balance has been utilized fully as the amount is meant for input coast retained for subsequent fish culture operations of Poyya farm.</p>
3.1.2.7	Status of Accounts	<p>The audited statement of the Agency account has been completed up to the year 2016 - 17 and the statement up to the year 2015-16 has been approved by the Governing Body of the Agency convened in the month of August 2020. The pendency in auditing the accounts was mainly due to the non-approval of audited account statement by the GB. In the GB conducted during the month of August 2020 approval was given to carry out the auditing of the account for the pending years and accordingly Agency have completed auditing of account for the year 2016-17. Auditing of the account for the pending years viz. 2017-18, 2018- 19 and 2019 -20 will be completed within six months.</p> <p>In future, the Agency will follow utmost care while executing projects and adhere to the principles of accounting, as well as, observe financial propriety.</p>
3.2	Irregular payment of compensation to fishermen.	<p>Compensation was given to owners of 74 Nos of china nets removed from Kayamkulam area of Inland Waterways Channel No. III @ Rs 1.25 Lakh as per GO(Rt)No38/13/F&PD dated 17/06/2013. Subsequently, the meeting chaired by Hon'ble Minister for Home on 13/11/2014 regarding the Inland Waterways Channel No. III had decided to provide a livelihood package for 74 Nos of owners of china nets who lost their livelihood. Accordingly Department had requested GoI to accord permission to include 222 beneficiaries which included owners and workers who have lost their livelihood due to the removal of 74 Nos of china nets from the Kayamkulam area of Inland Waterways Channel No. III as beneficiaries of the Livelihood component of the Integrated Development of Fishing villages project 2013-14 being implemented by KSCADC and to utilise an amount of Rs 88.80 Lakh from the unutilised balance available in the project for providing the livelihood support.</p> <p>Government had accorded sanction to include 222 beneficiaries which included owners and workers who have lost their livelihood due to the removal of 74 Nos of china nets from the Kayamkulam area of Inland Waterways</p>

Channel No. III as beneficiaries of the Livelihood component of the Integrated Development of Fishing villages project 2013-14 being implemented by KSCADC and to utilise an amount of Rs 88.80 Lakh from the unutilised balance available in the project for providing the livelihood support. Vide the above order, Government had also ordered to provide the compensation sanctioned to the beneficiaries vide GO(Rt)No38/13/F&PD dated 17/06/2013. As per the Government order, the additional assistance of Rs 88.80 Lakh was released to the beneficiaries.

Aranya Kumar

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അഡീഷണൽ സെക്രട്ടറി
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ഗവൺമെന്റ് സെക്രട്ടേറിയറ്റ്
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APPENDIX III
Appendices From AG's Report

Appendices

APPENDIX III (U)

Appendix – 3.1.1

Details of 42 Houseboats subjected to joint verification

(Reference : Paragraph 3.1.2 - Page : 39)

Sl. No	Name of Boat	Identification number ²	Sl. No	Name of Boat	Identification number	Sl. No	Name of Boat	Identification number
1	Syndicate	Nil ³	15	Anthem of Lake	Nil	29	Princess	Nil
2	Bhasura	1059	16	No name	1149/13	30	Nandhanam	0471/13
3	Holiday Home	Nil	17	Kerala Tours Backwaters, holiday	0033/10	31	Lakes and Lagoons No.9	532
4	ABC	0088/10	18	Kerala Tours Backwaters -2	Nil	32	Vinayaka Tours	Nil
5	Venice Tour	Nil	19	Kerala Backwaters No.2	Nil	33	Gloria	Nil
6	Maddonna	Nil	20	Kerala Backwaters No.4	Nil	34	Thejas	Nil
7	Venice	Nil	21	Kerala Backwaters No.6	Nil	35	Sreepadmam	Nil
8	Gouri	0090/10	22	Kerala Backwaters No.7	0892/11	36	Bamboo green	1306
9	Kerala Backwaters	Nil	23	Kerala Backwaters No.8	Nil	37	Ursala	1080/13
10	No name	0919/11	24	Kerala Backwaters No.9	Nil	38	Mayooram	Nil
11	Blue Jelly	Nil	25	Kerala Backwaters No.10	Nil	39	Sabhwereesan	Nil
12	Ever Green Tours	99	26	No name	CIB 872	40	Golden Mist	366
13	No name	KIV 299	27	Maidhili	223/11	41	Summer breeze	543
14	Spice Coast-5	0174/10	28	No name	KIV 1105	42	Freedia waters	Nil

(Source: Joint Verification Report)

² KIV No. issued by Port authorities.

³ 'Nil' mentioned in the table refers to unregistered HBs.

Appendix – 3.1.2**Position of survey, registration and distinguishing mark noticed during joint verification of 42 Houseboats****(Reference : Paragraph 3.1.3.1(i) / 3.1.3.2.(i) – Page : 40/43)**

Unregistered HBs	Dry dock inspection not conducted so far	Not applied for dry dock inspection periodically (36 months)	Annual survey not conducted so far	Not applied for renewal of annual survey certificate	HBs without distinguishing mark
Syndicate	Syndicate		Syndicate		Syndicate
	Bhasura			Bhasura	Bhasura
Holiday Home	Holiday Home				ABC
Venice Tour	Venice Tour		Venice Tour		Venice Tour
Maddonna	Maddonna		Maddonna		Maddonna
Venice	Venice		Venice		Venice
	Gouri				Gouri
Kerala Backwaters	Kerala Backwaters		Kerala Backwaters		Kerala Backwaters
		No name/KIV 919	No name/KIV 919		No name/KIV 919
Blue Jelly	Blue Jelly		Blue Jelly		Blue Jelly
					Ever Green Tours
		No name/KIV 299		No name/KIV 299	No name/KIV 299
	Spice Coast-5		Spice Coast-5		Spice Coast-5
Anthem of Lake	Anthem of Lake		Anthem of Lake		Anthem of Lake
				No name/KIV 1149/13	No name/KIV 1149/13
					Kerala Tours Backwaters, holiday
Kerala Tours Backwaters -2	Kerala Tours Backwaters -2		Kerala Tours Backwaters -2		Kerala Tours Backwaters -2
Kerala Backwaters No.2	Kerala Backwaters No.2		Kerala Backwaters No.2		Kerala Backwaters No.2
Kerala Backwaters No.4	Kerala Backwaters No.4		Kerala Backwaters No.4		Kerala Backwaters No.4
Kerala Backwaters No.6	Kerala Backwaters No.6		Kerala Backwaters No.6		Kerala Backwaters No.6
		Kerala Backwaters No.7		Kerala Backwaters No.7	Kerala Backwaters No.7

Unregistered HBs	Dry dock inspection not conducted so far	Not applied for dry dock inspection periodically (36 months)	Annual survey not conducted so far	Not applied for renewal of annual survey certificate	HBs without distinguishing mark
Kerala Backwaters No.8	Kerala Backwaters No.8		Kerala Backwaters No.8		Kerala Backwaters No.8
Kerala Backwaters No.9	Kerala Backwaters No.9		Kerala Backwaters No.9		Kerala Backwaters No.9
Kerala Backwaters No.10	Kerala Backwaters No.10		Kerala Backwaters No.10		Kerala Backwaters No.10
CIB 872	CIB 872		CIB 872		CIB 872
	Maidhili			Maidhili	Maidhili
					No name/KIV 1105
Princess	Princess		Princess		Princess
		Nandhanam			Nandhanam
		Lakes and Lagoons No.9			Lakes and Lagoons No.9
Vinayaka Tours	Vinayaka Tours		Vinayaka Tours		Vinayaka Tours
	Gloria		Gloria		Gloria
Thejas	Thejas		Thejas		Thejas
Sreepadmam	Sreepadmam		Sreepadmam		Sreepadmam
	Bamboo green				Bamboo green
	Ursala				Ursala
Mayooram	Mayooram		Mayooram		Mayooram
Sabhwereeshan	Sabhwereeshan		Sabhwereeshan		Sabhwereeshan
	Golden Mist		Golden Mist		Golden Mist
			Summer breeze		Summer breeze
Freedia waters	Freedia waters		Freedia waters		Freedia waters
23 numbers	31 numbers	5 numbers	27 numbers	5 numbers	41 numbers

Appendix – 3.1.3**Details of survey fees forgone by the department**

(Reference : Paragraph 3.1.3.2(i) – Page : 44)

Year	Total number of HBs registered each year	HBs not applied for renewal of annual survey as on 31.03. 2016	Annual survey not conducted so far	Total	Survey fees including fine due to be collected as on 31.03.2016 (in ₹)
2010-11	400	164	42	206	27,90,250
2011-12	81	31	17	48	5,83,250
2012-13	25	13	5	18	1,78,750
2013-14	123	55	8	63	5,69,500
2014-15	40	14	7	21	1,47,000
2015-16	65	27	6	33	1,76,750
Total	734	304	85	389	44,45,500

Appendix – 3.1.4**Details of Houseboats pending dry dock inspection****(Reference : Paragraph 3.1.3.2(ii) - Page : 44)**

Year of registration	No. of HBs registered	No. of HBs not applied for renewal of dry dock inspection	No. of HBs not applied for dry docking so far	Total
2010-11	400	161	78	239
2011-12	81	48	12	60
2012-13	25	16	13	29
2013-14	123	0	58	58
2014-15	40	0	34	34
2015-16	65	0	56	56
Total	734	225	251	476

Appendix – 3.1

**Promotion of Rice cum Shrimp farming in Kaipad Lands, 2013-14:
Consolidated details of beneficiary survey**

(Reference Para 3.1.2.3 (Table 3.2) page 37)

Sl No	Name of beneficiary group	Amount of subsidy given (₹)	No. of years for which farming done	Reasons for discontinuation of farming	Constraints	Harvest details	
						Rice (Kg)	Fish (₹)
1	Aiswarya Swayam Sahaya Sangam	8,18,997	Five years	Nil	Crops of two years were destroyed. Subsidy was not fully released. The facility for procuring and selling of rice was less.	82,000	3,78,000
2	Samridhi Swayam Sahaya Sangam	8,18,997					
3	Nankalam Vayal Karshaka Sangam	6,76,644	Five years	Still continuing	Subsidy was not received fully; only initial support was received from the Agency	10,000	4,00,000 per year
4	Sukrutham Karshaka Sangam	6,76,644					
5	Annadayini Activity Group	5,91,548	Fish-2 yrs. Rice-Continuing partially	Non-availability of workers for rice farming; machines could not be used in the fields; less support from the Agency	Based on a Court order, the right to harvest fish was vested with the Panchayat for four months and with Karshaka Samithi for eight months. So, the beneficiary groups could not harvest.	Nil	Nil
6	Aarathi Activity Group	5,91,548					
7	Aavani Activity Group	5,91,548					
8	Kanakasree Activity Group	5,91,549					
9	Pulari Activity Group	5,91,548					
10	Punarjani Activity Group	5,91,548					

Appendix 3.1 (Cont'd.....)

Sl No	Name of beneficiary group	Amount of subsidy given (₹)	No. of years for which farming done	Reasons for discontinuation of farming	Constraints	Harvest details	
						Rice (Kg)	Fish (₹)
11	Dalil Kaipad Nel-Malsya Ulpadaka Samithi	6,03,050	One year	1. Boundary dispute; 2. Rice yield was not as expected; 3. Sluice was damaged	Due to boundary dispute, farmers could not enter the area; Support from the Agency was received only during the first year	1,000	Nil
12	Nidoonni Kaipad-1 Nel-Malsya Ulpadaka Samithi	6,03,050					
13	Nidoonni Kaipad-2 Nel-Malsya Ulpadaka Samithi	6,03,050					
14	Kairali Swasraya Sangam	5,06,365	Two years	Most of the shrimp seeds did not survive; Agency did not support after the first year.	Farming was difficult without cutting the mangroves which covered the area	4,000	200 kg shrimp 100 kg others
15	Haritha Swasraya Sangam	5,06,365					
16	Padappa Nel-Malsya Ulpadana Samithi	6,56,396	Two years	Paddy Crop was destroyed due to non-opening of Kattampally Regulator; the Agency was not supportive after the first year.	No	2,000	Nil
17	Chelerikai Nel-Malsya Ulpadana Samithi	6,76,396					
		1,06,95,242					

Source : Departmental Records

Appendix - 3.2

**Promotion of Rice cum Shrimp Farming in Kaipad Lands, 2014-15:
Details of beneficiaries and status of farming**

(Reference Para 3.1.2.3 page 38)

SI No	Name of Beneficiary Group	Status of farming as per ADAK records
1	Adithya Swayam Sahaya Sangham, Pinarayi, Eranholi	No farming activity done
2	Udayam Swayam Sahaya Sangham, Pinarayi	No farming activity done due to disputes between groups
3	Nanma Swasraya Sangham, Mullool	Farming activity is done
4	Kandanada Kaipad Swayam Padannakkara, Pinarai	Only Fish farming is conducted
5	Sreyas Activity Group, Ezhome	Farming activity is done
6	Panneri Panthottam Krishi Vikasana Sangham, Panneri, Thaliparamba	Farming activity is done
7	Navarathna Group, Kayyam, Panchalayi	Only Fish farming is conducted
8	Pulloppy - I Jalakarshaka samithi, Puzhathi	No farming activity done
9	Pulloppy - II Jalakarshaka samithi, Puzhathi	No farming activity done
10	Samrudhi Activity Group, Puzhathi	No farming activity done
11	Niravu Activity Group, Puzhathi	No farming activity done
12	Kanivu Activity Group, Puzhathi	No farming activity done
13	Kaipad Swayam Sahaya Sangham, Puzhathi	No farming activity done
14	Edacheri Nelkarshaka Samithi, Puzhathi	No farming activity done
15	Chittarikka Haritha Swayam Sahaya Sangham, Andallur	No farming activity done

*Source: Departmental Records