

**THIRTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2011-2014)**

**SIXTH REPORT**

(Presented on 20th March, 2012)



SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2012

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**On**

**Action taken by Government on the Recommendations contained  
in the One Hundred and Sixteenth Report of the Committee  
on Public Accounts (2001)**

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## INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report on their behalf present the Sixth Report on Action taken by Government on the recommendations contained in the One Hundred and Sixteenth Report of the Committee on Public Accounts (2001).

The Committee considered and finalised this Report at the meeting held on 23rd November, 2011.

Thiruvananthapuram,  
20th March, 2012.

DR. T. M. THOMAS ISAAC,  
*Chairman,*  
*Committee on Public Accounts.*

## **REPORT**

This Report deals with the action taken by Government on the recommendations contained in the 116th Report of the Committee on Public Accounts (2001).

The 116th Report of the Committee on Public Accounts (2001) was presented to the House on March 2, 2001. The Report contains 13 recommendations relating to Fisheries & Ports Department. Government were addressed on 7th April 2001 to furnish the Statement of Action Taken on the recommendations contained in the Report. The final replies on it were received on 24th February 2010.

The Committee examined the Statements of action taken at its meeting held on 19-12-2007, 18-8-2009, 4-8-2010 and 8-12-2010.

The Committee was not satisfied with the action taken by Government on the recommendation No. 12 (Para No. 29) and decided to pursue it further. The recommendation, Government reply and further recommendation of the Committee are incorporated in Chapter I of this Report.

The Committee decided not to pursue further action on the remaining recommendations in the light of the replies furnished by Government. Such recommendations and Government replies are incorporated in Chapter II of this Report.

### **CHAPTER I**

#### **RECOMMENDATION IN RESPECT OF WHICH ACTION TAKEN BY GOVERNMENT IS NOT SATISFACTORY AND WHICH REQUIRES REITERATION**

##### **FISHERIES AND PORTS DEPARTMENT**

##### **Recommendation**

*(Sl. No. 12, Para No. 29)*

The Committee notice that the ponds constructed were leaking due to some defects in construction and interruption of water level in ponds etc. The Committee understand that the position has not improved even after the rectification works costing ₹ 14.71 lakh. The Committee recommend that the Government should examine whether there had been any lapse/laxity on the part of those in-charge of the construction and take steps to operationalise the two ponds in the farm.

### **Action Taken**

A team headed by the Chief Technical Examiner, Finance, Inspection Wing, Secretariat, Thiruvananthapuram had conducted an inspection on 5-10-2006 & 6-10-2006 in order to see whether any technical lapse had been occurred during the rectification work of ponds.

The Inspection Wing observed that the construction of ponds were completed during 1970s by the erstwhile PWD (Irrigation) and the repair works were undertaken by the Harbour Engineering Department during the period 1983-88. Minor repairs were undertaken by the Fisheries Department directly. The Inspection team has concluded in their report that an inspection conducted during 2006 upon a repair work which completed during 1983-88 cannot pinpoint the exact deficiencies, at this juncture, though a few defects were noticed. Since the repair works were executed on the same structure by different agencies, it is not possible to pinpoint a particular individual or department for the reported defects in the repair work at this long distance of time. Copy of the Inspection Report is attached (Appendix II).

In spite of all this farm is being run in full swing. All ponds have been repaired and stocked with prawn and good results are expected.

14 lakhs prawn produced from outside and 420000 prawn produced in the farm itself has been stocked for rearing and farm is functioning with maximum capacity.

### **Further Recommendation**

The Committee observes that though the recommendation was made on 2-3-2001, the Fisheries and Ports Department referred the matter to the Finance Department only in the year 2006 after the lapse of five years. The Committee views it as a very irresponsible act and opines that the department had not shown any interest in exposing the real fact. Hence, the Committee recommends to fix responsibility for the lapse and to take action against the delinquents.

### **CHAPTER II**

### **RECOMMENDATIONS IN RESPECT OF WHICH THE COMMITTEE DOES NOT DESIRE TO PURSUE ACTION IN THE LIGHT OF THE REPLIES FURNISHED BY GOVERNMENT**

#### **FISHERIES & PORTS DEPARTMENT**

#### **Recommendation**

*(Sl. No. 1, Para No. 5)*

The intention behind the formation of departmental boat building yards was to set-up a public agency to compete with the private boat building yards and to bring about economy in the construction of boats. But the Committee are

constrained to note that the functioning of the two boat building yards viz. yards at Sakthikulangara and Beypore are far from satisfactory and continued to function ascentreds of large scale under utilisation and uneconomic working of potentially resourceful yards. There is no justification for neglecting and sidelining these yards which are having immense scope for generating revenue and for the development of mechanised fishing. The Committee notices that even though a number of orders were received for taking up new works, instead of providing ample facilities for carrying out the new works, the Department banned the undertaking of the new works.

#### **Action Taken**

For the last few years, the employers in the Boat Building Yards, Beypore, Sakthikulangara and Boat repairing yards Service Station, Baliapattam are idling for want of sufficient work orders, since the department has no fresh proposals to construct any more wooden boats for the department use. As a policy decision the retirement vacancies of the skilled workers and other supervisory personnel are not filled up. Hence due to dearth of skilled personnel, the Department is not in a position to execute any work orders even if it is awarded. In addition to the salary of the Employees, establishment expense has to be incurred so far as these units are existing. Accountant General has objected the unproductive expenses incurred for these idling units.

As an interim measure to curtail the expenditure on these units, all the staff in these units have been deployed to other Fisheries Offices where their services can be utilised effectively and to cancel the factory license and to minimise the power consumption for the lighting purpose.

#### **Recommendation**

*(Sl. No. 2, Para No. 6)*

The Committee are unhappy to note that the departmental boat building yards, where Government, have made substantial investments are not working satisfactorily and that the huge investments made are not yielding satisfactory returns. The reasons for this miserable state of affairs have to be analysed and some urgent action should be taken to set right matters effectively. The Committee recommend to consider the proposal for the modernisation of the yards with modern technology in consultation with the National Ship Design and Research Centre, Visakhapattanam. The latest position in this regard be intimated to the Committee.



### **Action Taken**

There was a proposal to revive the Boat Building Yards at Beypore & Sakthikulangara in consultation with the Director of National Ship Design & Research Centre, Visakhapattanam. Initial works for the preparation of project reports were in progress. But the proposal was dropped for want of subsequent follow-up action and final report from the National Ship Design & Research Centre. Action has been taken in Government Level (Government Letter No. 1143/B3/97 dated 20-6-2001) to refund the advance amount from the National Ship Design & Research Centre.

Vide G. O.(Rt.) No. 191/2001/F&PD dated 21-4-2002 (Appendix III) sanction was accorded to wind up the activities of the departmental boat building yard at Beypore and Sakthikulangara and Boat repairing yards and Service Station, Baliapattam, vide G.O. (Rt.) 171/01/F&PD dated 2-4-2002 (Appendix IV) sanction was also accorded for the disposal of the Unserviceable Stores and tools available in the Boat Building Yard, Sakthikulangara. Accordingly the Steel Industries, Kerala Ltd. has agreed to purchase the unserviceable materials at a mutually agreed amount of ₹ 9.7 lakh with admissible rate of ST and AST. The materials have been released to the firm during January 2003.

The 17 employees who were working in 3 yards including one departmental staff at the time of winding up of yards have been deployed to other Fisheries Department Offices.

### **Recommendation**

*(Sl. No. 3, Para No. 7)*

The Committee are displeased to note that the department has not furnished, as agreed, a detailed report regarding the findings of the Review Committee. The Committee view this very seriously and desire that full details of the report should be furnished soon.

### **Action Taken**

As a policy decision, the retirement vacancies of the skilled workers and other supervisory staff in the Boat Building Yards, Beypore and Sakthikulangara were not filled up. Due to the dearth of skilled personnel, the department was not in a position to execute any work orders even if it is awarded. In addition to the salary of employees, establishment expenses has to be incurred so far as these units are existing. Accountant General has objected the unproductive expenses incurred for these idling units. As an interim measure to curtail the expenditure on these units, all the staff in these units has been deployed to other Fisheries Offices where their services can be utilised effectively. Government as per G.O. (Rt) No.191/2001/F&PD dated 21-4-2001 has accorded sanction to wind up

the activities of the departmental Boat Building Yard at Beypore and Sakthikulangara. Sanction was also accorded for the disposal of the unserviceable stores and tools available in the Boat Building Yard, Sakthikulangara as per G.O. (Rt) No.171/01/F&PD dated 2-4-2001. Accordingly the Steel Industries Kerala Ltd. has agreed to purchase the unserviceable materials at a mutually agreed amount of ₹ 9.7 lakh with admissible rate of ST and AST.

The materials were released to the firm. Hence no review Committee was constituted as recommended by the Public Accounts Committee (2001). As no review Committee was constituted it was not possible to furnish the findings of the Committee.

#### **Recommendation**

*(Sl. No. 4, Para No. 20)*

The Committee note with serious concern that there are some basic defects in the Planning and Investigation on the part of the Department while formulating project report in respect of fish landing centres financed by Government of India. The Department failed to anticipate the problems and challenges that might affect the progress of construction of various Fish Landing Centres. The Department is at fault for having ignored the geographical aspects, presence of submerged rocks, necessary for dismantling of sea wall etc., while preparing the project report for fish landing centres.

#### **Action Taken**

Usually Fish Landing Centres are constructed where there are active landing operations and where there is a demand for the creation of such facilities from the actual users. While preparing project reports of Fish Landing Centres, factors such as existing fishing activity, availability of land, problems in acquisition, eviction, rehabilitation, density of population, access to the site, availability of power, water etc. are considered in addition to the geographical nature. Detailed investigations and model studies before the preparations of project reports are not necessary in the case of Fish Landing Centres as no hydraulic structures are constructed for the landing Centres. The observation of the audit is noted and care will be taken to avoid such lapse in future.

#### **Recommendation**

*(Sl. No. 5, Para No. 21)*

The Committee understand that the construction of Fish Landing Centres at Vizhinjam North awarded to the contractor during 1986 came to a standstill due to dispute between the local people and the department as local people wanted

100 locker rooms against the 10 locker rooms provided. During evidence the Committee were told that some preliminary works had been completed and ₹ 2.90 lakh was paid for this to the contractor. The witness further stated that more locker rooms are required for the development of traditional fishermen folk. The Committee of the view that there should be some co-ordinated efforts on the part of the Fisheries Department for settling the disputes with local people and for completing the work in time bound manner so as to avoid the expenditure already incurred becoming infructuous.

**Action Taken**

At present the work of Fish Landing Centre at Vizhinjam North is having little progress. This can be taken up only after settlement of the disputes with local people and their demand could not be accepted.

**Recommendation**

*(Sl. No. 6, Para No. 22)*

The Committee are displeased with the hasty decision of the Department in proceeding with the work of fish landing centres at Kasargode without proper investigation and planning. The Department could have studies all the aspects of the problem of deposit of sand at river mouth before launching the project. The Committee find lapse on the part of the department in clearing the obstacles in utilising the infrastructures already created in fish landing centre and in taking timely measures for enabling unhindered movement of fishing boats to the fish landing centre.

**Action Taken**

The work of fish Landing Centre at Kasargod was carried out after conducting routine investigation. Detailed investigations and model studies for removal of the sand bar existed were not possible within the scope of the scheme. The fish landing centre is, however, proposed to be developed as Mini Fishing Harbour. Model studies for the preparation of the project report is in progress.

**Recommendation**

*(Sl. No. 7, Para No. 23)*

It is surprising to note that Fish Landing Centre at Thottappally on which an expenditure of ₹ 49.43 lakh had been incurred was unsuitable for landing boats due to unwise selection of the site and dismantling of sea wall. The Committee notice that before commencing the work no effective investigation was conducted by the Department. The Committee consider it unfortunate that the laudable objective of overall development of fishermen folk could not be achieved due to the laxity on the part of the Department and the lakh of rupees spent on the

project became dead investment. The Committee recommend that steps should be initiated to make the fish landing centre viable and desire to know the present position of the construction of the proposed break water at an estimated cost of ₹ 98 lakh.

#### **Action Taken**

Thottappally Fish Landing Centre-A project proposal costing ₹ 1630 lakhs for developing the existing fish landing centre into a Mini Fishing Harbour has been submitted to Government of India on 12-6-2002 and sanction is awaited. Construction of two breakwaters of length 410m and 120m is proposed to facilitate safe landing of boats in all seasons.

#### **Recommendation**

*(Sl. No. 8, Para No. 24)*

The Committee understand that the additional burden on Government consequent on the re-arrangement of the work of Ice plant at Thottappally amounted to ₹ 3,62,320. It is also learned that revenue recovery proceedings against the original contractor is underway. The committee desire that the case may be pursued vigorously and latest position of the revenue recovery proceedings initiated against the contractor in Bangalore may be intimated to them.

#### **Action Taken**

The risk due to the re-arrangement of the work of erection of 20T Ice Plant have been initiated and the fact reported to the District Collector, Bangalore for realisation. The District Collector, Bangalore has informed that the firm M/s. Hegde and Hegde from where the amount is to be realised is not existing now. The present status of the company has been requested from the Registrar of Companies.

#### **Recommendation**

*(Sl. No. 9, Para No. 25)*

The Committee observes that eventhough the Chief Engineer recommended the discontinuance of Fish Landing Centre, at South Paravoor during December 1988, the Fisheries Department had not initiated any action to stop the acquisition of 52 cents of land worth ₹ 3 lakh which was later acquired during 1989. The Fisheries Department could have requested the Revenue Department not to proceed with the land acquisition in view of the decision to abandon the proposal to construct the Fish Landing Centre at Paravoor thereby averting the unproductive investment. The Committee recommends that Government may enquire into the reason for delay and lapse on the part of Officers of Fisheries Department and urge to take proper action against the officers responsible for the delay in intimating the Revenue Department in time to stop the acquisition.

**Action Taken**

Government of India had accorded Administrative Sanction for the Fish Landing Centre at South Paravoor at an estimate cost of ₹ 24.94 lakh as per letter No. 33013-17/83 FY(H) dated 15-3-1984 and Government of Kerala had issued the Administrative Sanction as per G.O.(Rt.) No. 363/84/F&PD dated, 23-5-1984. Requisition for acquisition of 100 cents of land required for the construction was forwarded to the District Collector during 7/84. Accordingly 16 cents of land was taken in advance possession on 21-12-1985. Acquisition of the remaining land got unduly delayed due to the strong protest of landowners. The landowners raised several objections in surrendering the land. As a result of all such events balance land of 18.22 Are could not be acquired and handed over to the Department during 5/89. The Department had constructed compound wall in the first 16 cents of land. But the construction of the other infrastructural facilities were not taken up there as the remaining land was not taken possession in full.

Administrative Sanction for the construction of Fishing Harbour at Thankassery was received in 10/1988. Fishing Harbour at Thankassery is at a distance of 15 KM from the proposed Fish Landing Centre at South paravoor. As such it was decided to drop the Fishing Landing Centre at South Paravoor since this comes with in the vicinity of the Fishing Harbour at Thankassery. By this time all the notification required for the acquisition of land have been published, part of the land handed over to the department and the acquisition of the remaining land was very advanced stage.

Project report for the construction of a Fishing Harbour at Thankassery was prepared during 4/86 and Administrative Sanction received only by 10/88. Whereas the project report for the construction of Fish Landing Centre at South Paravoor was prepared during 12/86 and Administrative Sanction during 1984. Due to the uncertainty in obtaining Administrative Sanction for fishing Harbour at Thankassery, the Department had proposed with land acquisition-for the Fish Landing Centre at Paravoor for which Administrative Sanction was received during 1984. Proposal for dropping the Fish Landing centre at South Paravoor was considered only after receiving the Administrative Sanction for Fishing Harbour at Thankassery.

The land acquired for the Fish Landing Centre at South Paravoor have since been utilised for housing the Matsya Bhavan and nearest centre for the Local Bodies. A building has been constructed in the land for housing the various officers of the Fisheries Department.

**Recommendation**

*(Sl. No. 10, Para No. 27)*

The Committee came to understand that the Fish Seed Farm, Ullanam was started in 1980 with the intention of conducting induced breeding and rearing of fry/finger lings for distribution to fish farmers in northern districts in the state. The Committee also notice wide variation between the expenditure and receipts of the farm during the period from 1981-82 to 1992-93 and that since its inception, the production of the farm had never reached near its production capacity. The Committee suggest that the Department should secure technical assistance from the development agencies in the fisheries sector to run the farm economically and to improve its performance.

**Action Taken**

A technically qualified hand has been posted as fish culture officer, who is trained in induced breeding and farm management. During this season induced breeding has been conducted successfully and 3 lakh Catla, 1 lakh Rohu and 20000 cyprinus were produced and also 14 lakh Prawn were stocked. Action is in progress to run the farm economically and enhance its productivity. Of late, it has been decided to diversify the activities of the farm and connect the farm as a satellite farm of the proposed Aqua Technology Park.

**Recommendation**

*(Sl. No. 11, Para No. 28)*

The Committee understand that no effective survey or feasibility study had been conducted by the Fisheries Department before drawing the proposal of Fish Seed Farm at Ullanam. As a result, the farm became unproductive with steep rise in expenditure. The Committee recommend that farm involving development of fisheries should be started only after conducting a detailed survey and expert study.

**Action Taken**

Despite no effective survey or feasibility study at the time of inception, the farm has picked up promisingly and good output has been achieved in due course. It has resulted in increased production of Prawn sustainability using induced breeding technology. Efforts have been taken to cut down the expenditure to make it viable.

**Recommendation**

*(Sl. No. 13, Para No. 32)*

The Committee observe that there was inordinate delay in finalising liability against the delinquent officers who sanctioned the amount in excess to the contractor for the work not executed by him. Further development in the recovery of the amount paid in excess from the Executive Engineer should be reported to the Committee.

**Action Taken**

Memo of charges against the responsible officers have been issued. All of them denied the allegations in their replies. The excess amount paid ₹ 1,76,000 and interest ₹ 72,160 (1,76,000 + 72,160 =2,48,160) has been recovered from the contractor from the work bill of Thankassery Breakwater. As such there is no amount to be recovered from the Executive Engineer. Disciplinary action was initiated against the accused Executive Engineer (Rtd.) and finalised vide G.O. (Rt.) No. 531/03/F&PD dropping the action initiated against him.

The amount paid in excess to the Contractor due to the adoption of incorrect rates has been assessed as ₹ 1,76,000 (Rupees One Lakh Seventy Six Thousand Only) has been recovered from the Contractor from the work bill of another work namely "Construction of Breakwater at Thankassery" as per CBV No.21-H of 3/99 and the loss sustained to Government has been recouped.

The amount in excess paid to the contractor due to the adoption of incorrect rates ₹ 1,76,000 and interest ₹ 72,160 for the period from 8/90 to 3/99 has been recovered from the contractor from the work bill for the work "work of Construction of Breakwater at Thankassery" Vide CBV No. 21-11 of 3/99.

No action has been taken against the officers since there is no monetary loss to Government.

**Further Recommendation**

The Committee pointed out that the reply from the Government is not satisfactory and opined that action should be taken against the responsible Officers for the lapse.

**Action Taken by Government**

The accused Officers had been proceeded against through disciplinary action and Government finally dropped it after detailed examination of the case, in view of the fact that the loss sustained to Government have been recouped from the contractor from another work bill. Copy of the G.O.(Rt.)No.531/03/F&PD dated, 4-11-2003 enclosed. The Department Officer had retired from service.

The Committee considered and approved the above reply on 4<sup>th</sup> August 2010.

Thiruvananthapuram,  
20th March 2012.

DR. T. M. THOMAS ISAAC,  
*Chairman,*  
*Committee on Public Accounts.*



## APPENDIX I

**Summary of Main Conclusion/Recommendation**

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Conclusion/Recommendation</i>
(1)	(2)	(3)	(4)
1	1.5	Fisheries and Ports	The Committee observes that though the recommendation was made on 2-3-2001, the Fisheries and Ports Department referred the matter to the Finance Department only in the year 2006 after the lapse of five years. The Committee views it as a very irresponsible act and opines that the department had not shown any interest in exposing the real facts. Hence, the Committee recommends to fix responsibility for the lapse and to take action against the delinquents.