

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2021-2023)**

NINTH REPORT

On

**Action Taken by Government on the Recommendations contained
in the Twenty Seventh Report of the Committee on
Public Accounts (2006-2008)**

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COMMITTEE ON PUBLIC ACCOUNTS

(2021-2023)

Composition

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Smt. Shamy J., Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Ninth Report on Action Taken by Government on the Recommendations contained in the Twenty Seventh Report of the Committee on Public Accounts (2006-2008).

The Committee considered and finalised this Report at the meeting held on 11th March, 2022.

Thiruvananthapuram,
11th March, 2022.

SUNNY JOSEPH,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the Action Taken by the Government on the recommendations contained in the 27th Report of the Committee on Public Accounts (2006-2008).

The 27th Report of the Committee on Public Accounts (2006-2008) was presented in the House on 10th July 2007. The Report contained Nineteen recommendations relating to Fisheries and ports Department. The report was forwarded to Government on 2-9-2007 seeking the Statements of Action on the recommendations contained in the Report and the final reply was received on 26-9-2017.

The Committee examined the Statements of Action Taken received from the Government as its meeting held on 6-1-2010, 8-12-2010, 2-1-2013, 23-7-2014 and 22-11-2017. The Committee was not satisfied with the Action Taken by the Department on the recommendations in Para 6, 11, 13, 15, 18, 32, 35 and 40 and decided to pursue further. These recommendations, reply furnished thereon and further recommendations of the Committee are included 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 the Government. Such recommendations of the committee and the Action Taken by Government are included in Chapter II of this Report.

CHAPTER I

FISHERIES & PORTS DEPARTMENT

Recommendation

(Sl. No. 1, Para No. 6)

1.1 The Committee observes that there was lapse on the part of the department in not enquiring about the reputation and previous record of the company before entering into the agreement for purchasing the hydrojet marine speed boats. It is clear that the absence of a technical committee/expert has led to the purchase of defective boats. The committee directs the department to fix

responsibility on the Officers responsible for buying defective boats. The Committee desires to know whether the department has actually constituted an expert committee as assured. The Committee also directs to inform whether the defective boats have been disposed of.

Action Taken

1.2 The case relates to an audit objection during 1997. As the constitution of committee and related aspects are very old, the entire details could not be traced out. Hydrojet Boat No. I & III were disposed after observing formalities.

During auction held on 10-3-2008, the high bidder (Rs. 75,000) had then offered an amount of Rs. 91,500 for Hydrojet Boat No.II. Government as per GO(Rt) No.259/09/F&PD dated 15-5-2009 have accorded sanction to dispose Hydrojet boat No. II @Rs.91,500.

Further Recommendation

1.3 The Committee recommends to conduct Vigilance enquiry on the fact that the boat went out of order after operating for only 800 hours.

Recommendation

(Sl. No. 4, Para No. 11)

1.4 The Committee finds that the work, (of Munambam Harbour) envisaged to be completed in March 1995, could be completed only in September 1997. It is clear from the Departments confession that it has failed in providing funds necessary for the timely completion of the project. The Committee desires that responsibility be fixed against the officers responsible for the lapse that has led to the delay and extra liability of Rs. 60.89 lakh.

Action Taken

1.5 An Agreement for the construction of Breakwater of Munambam Fishery Harbour was executed on 2-6-1992 for an amount of Rs.364 lakh with M/s. Paily Pillai & Sons Perumpallil Building Kolenchery P.O. Period of completion of the work was 24 months ie. Upto 17-6-1994. The time of completion was extended was up to 31-3-1995. The estimate for the work was prepared based on 1990 Schedule of Rates.

But during 12/94 the contractor stopped the work starting the due to huge pendency of bills, he was unable to proceed with the construction. Bills amounting to Rs.86.84 lakh were pending with the department during 12/94 for want of letter of credit. This pendency was cleared by the department during 3/95 when the letter of credit was received. Eventhough the bills were cleared by the department, the contractor intimated that further continuance of the work beyond 3/95 after expiry of agreement period would only be subject to revision of rates and other claims put forward by him.

Eventhough the agreement for the work was executed on 2-6-1992 the approach road to the weigh bridge in Munambam side was completed on 30-11-1992 and the approach road and weigh bridge in Azheekode side on 12-4-1993. The Approach road to the Munambam weigh bridge was constructed by the contractor of the Breakwater as extra item after executing the agreement for Breakwater. The approach road to Azheekode weigh bridge as well as the weigh bridge itself was entrusted to a separate contractor during 1/92 and 6/91. Since the work was not completed in time by the contractor, the same was cancelled and was re-arranged through another contractor Sri C. I. Mathew and the same was completed by 12-4-1993 only. Hence no lapse had occurred on the part of departmental officers in arranging these works.

In order to avoid delay in completing the work of breakwater, the work of approach road to Munambam weigh Bridge was arranged through the contractor of the Breakwater as extra item. The weigh bridge at Azheekode side was arranged as a separate work before the agreement date of Breakwater. But the work could not be completed in time. Eventhough the weigh bridge was not completed the contractor could have started the supply of 5 to 10 Kg. stones for stack measurement for which weigh bridge was not required. But the contractor had not taken any step to commence the work even after directions from Department.

In view of the above factors it is clear that the department officers have taken all possible efforts to complete the works in time but the work was delayed due to the laxity of the contractors. Moreover no recommendation the rate revision was made. Hence there was no lapse on the part of the departmental officers, and therefore the direction to fix the liability on departmental officers may be reviewed.

The works of Munambam Fishery Harbour Project have been completed and the project commissioned in 8/2000. Revenue Collection from this period up-to-date is Rs. 1,04,03,129.

Further Recommendation

1.6 The committee was dissatisfied with the vague reply. The committee views seriously the fact that the department had not taken any steps to fix responsibility against the erring officials.

Recommendation

(Sl. No. 5, Para No. 13)

1.7 The Committee desires to be informed whether all the works related to the Project (Vizhinjam Fishing harbour) has been completed. The Committee opines that the Department has failed to fix responsibility for the omission, which had led to the loss of Rs.18.19 lakh. The Committee urges the department to take necessary steps for fixing responsibility and also for making good the loss brought about by the Department. The Committee enquires whether arbitration clause has been completely deleted. If not the Committee suggest that clause be permanently omitted.

Action Taken

1.8 The arbitration clause has been permanently omitted. The officer who signed the agreement retired on superannuation on 30-9-1996. At the time of issuance of his NLC for claiming the pensionary benefits, the Government was requested whether NLC could be issued since there was a reference in the inspection Report of the Vizhinjam Division for 1995 about fixing of liability on the responsible officer for the loss sustained to Government due to non authenticated scoring of the arbitration clause in the agreement and the NIT. But he filed OP No. 30857/00 in the Hon'ble High Court of Kerala and thereafter W.A No.265/01 and the court vide judgement dated 18-1-2001 issued direction to release his pensionary claims.

All works related to the Vizhinjam Fishery Harbour Project are expected to be completed shortly, However balance works such as protection of Khabar, dredging, protection of D and E Block, Water Supply facility are to be arranged. The estimate for the same is being scrutinized.

Further Recommendation

1.9 The committee noticed that the slackness on behalf of the department in effecting the loss sustained to Government was purposeful and strongly criticized the department for not taking civil proceedings against the accused and observed that this was to help the delinquent to evade the recovery process. The Committee recommends that the Department should initiate RR proceedings against the accused.

Recommendation

(Sl. No. 6, Para No. 15)

1.10 The Committee urges the department to inform whether the work (Thangassery breakwater project) has been fully commissioned, and to enquire and inform the reason for enhancement of rate for the work.

Action Taken

1.11.

1. Thangassery Harbour fully commissioned in 3/2001.

2. The reasons for enhancement of rates for the work is detailed as follows.

1. Severe erosion in 1994

Severe erosion in 7/1994 resulted in the evacuation and rehabilitation of 224 fishermen families from the project area, construction of shore protection work etc. The approach road to the breakwater was also damaged due to the said natural calamity. The construction of shore protection works, rehabilitation and the re-construction of approach road had delayed the advancement of breakwater by 33 days, which in turn had delayed the work and the project completion.

2. Shifting the position of leeward breakwater

The main component of the stage I works of the project ie, breakwater was commenced on 8-11-1991 with targeted date of completion on 7-11-1994. But the works could not be completed as targeted due to the following reasons and the stage I works could be completed only on 30-11-1997.

Soon after the commencement of the work the people of the locality demanded shifting of Leeward Breakwater towards South at Pallihottam and extension of the main breakwater up to 2100 m to have a wide basin and operational area. Accordingly project proposal for the II stage works were submitted to Government in 12/92. (The stage II work consists of shifting of the leeward breakwater of stage I breakwater under stage II. If stage I was completed and stage II was taken up afterwards the additional leeward breakwater could become superfluous. In order to avoid the same the sanction for stage 2nd was inevitable). But the sanction for stage 2nd could be issued only during 3/94 eventhough the proposal was made during 12/1992. This has delayed the completion of the stage I works by $\frac{1}{4}$ year, which had consequently delayed the stage 2 works. Any delay in the progress of one breakwater will limit the advancement of the other breakwater.

Due to this delay the contractor was granted rate enhancement of 75% which had also increased total project cost. The schedule of rates was revised during the course of work 1992, 1996 and 1999. Since there was changes in the scope of work and as suggested by the Hon'ble High Court, the rates of the work had to be increased at par with the then prevailing schedule of rates.

Further Recommendation

1.12 The committee observed that the investigation process of Thangassery harbour was not done properly and so the work rate has to be enhanced as suggested by Hon'ble High Court. The Committee pointed out that lapse has occurred on the part of the department in handling this matter.

Recommendation

(Sl. No. 7, Para No. 18)

1.13 The Committee observes that the departmental rate for disposal of dredged sand (of Puthiyappa Fishing Harbour) has been revised as Rs.33 per cubic metre which is far below the approved Government rate of Rs.100. The committee suggests that fixing a standard rate on the basis of the average price at which sand was sold during the previous year would be more reasonable. The committee directs the department to auction the sand through open tender. The revenue thus earned could be an additional income to Government. The Committee also recommends for framing suitable guidelines for disposing of the dredged sand and spoils.

Action Taken

1.14. The surplus sand from puthiyappa Harbour was being sold based on the rates plus ST sanctioned by Government from time to time. The rate sanctioned in 2008 schedule of Rates is Rs.210/m³. Usually the rate of sand is increased in every schedule revision. Hence fixing an average price is not beneficial to Government as suggested. Since the schedule rate is comparatively more (Rs.210/m³) it is not expected that more rate will be obtained if open tender is invited. The amount collected through sale of sand for last 3 years is given below.

Year	Quantity	Amount Collected (Rs)
2006-07	26,726 m ³	32,07,120
2007-08	30,574 m ³	47,81,400
2008-09 (up to 31-1-2009)	32,712 m ³	94,23,600

The above details reveals that a good amount is collected through sale of sand from Puthiyappa Harbour. In these circumstances, it is suggested that the present system of sale of sand may be continued. The open tender system may not be advisable.

Further Recommendation

1.15 The committee noticed that the department had not followed the procedure for disposing the dredged sand. The Committee viewed the disposing of sand at a rate far below the Government rate as a serious one and recommended to take stringent action against the persons concerned after fixing responsibility.

The committee also revamped its earlier recommendation to fix a scheduled rate and to carry out auction through open tender so that the sale is fixed at higher rate.

Recommendation

(Sl. No. 10, Para No. 32)

1.16 The Committee feels that the prevalence of large number of bogus primary societies under Matsyafed which are not doing much has adversely affected the implementation of various schemes in the Matsyafed. Therefore

streamlining its functions by terminating those bogus societies is the need of the hour to make the implementation of the schemes more effective. The committee hopes that the department's move to terminate bogus societies would bring about a change for the better functioning.

Action Taken

1.17. There are 653 primary Societies affiliated to Matsyafed out of which 340 are in the marine sector, 182 in inland sector and 131 Women Co-operatives. Out of 653 societies 383 societies are working with proper budget and Business Development Plan. Matsyafed has so far assisted societies are functioning. Now Matsyafed is not providing any financial assistance to the societies that are working without proper budget and business plan.

Further Recommendation

1.18 The Committee recommended to conduct a study on the nonfunctioning of genuine societies under Matsyafed and that steps should be taken to restore defunct societies.

Recommendation

(Sl. No. 13, Para No. 35)

1.19 The Committee urges the department to take necessary measures to revive idle ice plants and to entrust the running of the ice plants to local self government bodies.

Action Taken

1.20 Action has been taken for the disposal of the following uneconomical ice plant/cold storage and their present stages are marked against each.

1. Kasaba-Kasargode : Machineries disposed by auction. Approved by Government vide GO (Rt) 628/07/F&PD dated 24-9-2007.

2. Ice Plant Thalai Kannur - Government accorded sanction vide GO (Rt) 282/05/F&PD dated 3-6-2005 to dispose of the machineries and directed Deputy Director of Fisheries, Kannur to take action accordingly.

3. Ice Plant, Maplabay, Kannur Govt. accorded sanction to dispose of the machineries, vide Go (Rt) No.31/08/F&PD dated 16-1-2008.

4. Ice Plant, Valapattanam, kannur - Action is being taken on the proposal submitted by the Director of Fisheries for the disposal - of machinery.

5. Ice Plant, Madai - Sanction accorded to hand over the machineries to SILK.

6. Ice Plant - Beypore - Machineries transferred to SILK as per GO (Rt) No.409/05/F&PD dated 29-7-2005.

7. Ice Plant, West Hill, Kozhikode - Machinery transferred to SILK.

8. Ice Plant, Koyilandy, Kozhikode - Machineries transferred to SILK.

9. Ice Plant, Thanur, Malappuram - Action is taken to dispose the machineries based on GO (Rt)296/05/F&PD dated 8-6-2005.

10. Ice Plant, Ponnani - Action is being taken to transfer - machineries to SILK.

11. Ice Plant, Chavakkadu, Thrissur, Govt. Accorded sanction vide Go (Rt)No.725/07/F&PD dated 21-11-2007 to dispose the machinery and directed to Deputy Director of Fisheries, Thrissur to take action accordingly.

12. Ice Plant, Azheekode, Thrissur, Govt. Accorded sanction vide Go (Rt)No.249/06/F&PD dated 28-5-2006 to dispose the machinery and directed to Deputy Director of Fisheries to take action accordingly.

13. Ice Plant, Thrissur - Machineries dispose of by auction.

14. Willington Ice and cold Storage Plant, Ernakulam, Action is being taken for getting proposal from Joint Director of Fisheries (CZ).

15. Cold Storage, Kottayam - Disposed of the machineries.

16. Cold Storage, Kayamkulam - Action is being taken for getting valuation certificate from Harbour Engineering Department.

17. Cold Storage, Chengannur - Govt. Directed to dispose of the machineries according to the GO (Rt)No.299/2002/Fin. Dated 15-5-2002 and directed Deputy Director of Fisheries, Alappuzha to take action accordingly.

18. Ice Plant, Neendakara, Kollam, Action is being taken for getting valuation certificate from Deputy Director of Fisheries, Kollam.

19. Punalur-Cold Storage Plant - Kollam - Transferred to Municipality.

20. Attipra, Thiruvananthapuram - Machineries being disposed by auction.

21. Ice Plant, Vizhinjam-Deputy Director of Fisheries, Thiruvananthapuram is entrusted to dispose of the Machineries by public auction. The Kitco has been entrusted the task of preparing project report for utilisation of land building attached to Ice plant and cold storages.

Copy of the proposal drawn by KITCO for undertaking the study on effective utilisation of land and buildings of Ice Plants and Cold Storages of the Department at a consultancy fee of Rs. 15 lakh is enclosed. (Annexure I) Government vide G.O (Rt) No. 282/09/F&D dated 25-5-2009 have approved the proposal of KITCO (copy enclosed).

Further Recommendation

1.21 The committee decided to call for details of follow up action taken on the Government order mentioned in the reply.

Recommendation

(Sl. No. 18, Para No. 40)

1.22 The Committee directs the department to constitute a committee for conducting an in- depth study on Matsyafed and to submit its report to the committee within 3 months so as to bring about a qualitative change in the functioning of that body. The Committee also directs the department to enquire into the allegations and to fix responsibility on the officers concerned and to take necessary action against them.

Action Taken

1.23 As per G.O.(Rt) No.242/10/F&PD dated 25-3-2010 a High Level Committee has been constituted for study on streamlining the functions of Matsyafed. Copy of the G.O. is enclosed. (Annexure II) Delay occurred due to administrative reasons. The Committee had public sittings in Thiruvananthapuram, Ernakulam and Kozhikode. Separate sittings with Board of Directors of Matsyafed, Trade Union Organizations, exporters, NGOs etc. have been concluded. The Committee is taking urgent steps to finalise the report.

Further recommendation

1.24 The Committee wanted to know whether the High Level Committee constituted for studying the functioning of Matsyafed had finalized its report. If so, the Committee directed to department to furnish it to the Committee.

Action Taken

1.25 The High Level Committee constituted vide G.O.(Rt) No.242/10/F&PD dated 25-3-2010 has finalised its report and the recommendation of the Committee has been approved vide G.O(Rt) No.226/11/F&PD dated 1-3-2011. Copy enclosed (Annexure 3).

Further recommendation

1.26 The Committee decided to examine the report of the High Level Committee constituted as per the recommendation of PAC on the functioning of Matsyafed in detail on a later date.

CHAPTER II

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

FISHERIES AND PORTS DEPARTMENT

Recommendation

(Sl. No.2, Para No.7)

2.1 The Committee suggests that the department procures well equipped, high speed, seaworthy vessels designed according to international standards for marine enforcement activities so that hiring of private boats for rescue operations could be avoided. The procurement of such vessels could be through the Kerala State Inland Navigation Corporation, which could also be entrusted with the maintenance of such boats.

Action Taken

2.2 As per the G.O. (Rt) No.483/09/F&PD dated 6-8-2009 Government have accorded sanction to purchase 3 new Sea Rescue Boats plus accessories at a total cost of Rs.185.22 lakh + taxes.

Recommendation

(Sl. No.3, Para No.9)

2.3 The Committee points out that ban on bottom trawling being a regular features during monsoon and that department should take immediate steps for procuring boats suitable for patrolling the rough sea and avoid hiring boats for the purpose. The Committee directs the department to fix responsibility and to take action against those officers who had hired the boats on higher rate ignoring all formalities which were to be observed while hiring boats.

Action Taken

2.4 The department purchased three numbers of boat and accessories for sea rescue and patrolling during August 2010.

The file relating to hiring of boats during the Trawl ban period of 1994 is not traceable. On verification of the file relating to the hiring of boats in 1993, it is seen that impounding officers were not in a position to prevent illegal fishing due to the hostile attitude of fishing boats and non-availability of vessels suitable for patrolling in rough sea. As the boat owners of Kerala were not willing to spare their boats on hire basis, the only alternative left was to contact the boat owners of Tamil Nadu. Nowadays the department is getting boats at even lower rates in some districts and higher rates have to be paid in other districts. This may be due to the level of competition, risk involved and availability of boats in each District.

The boats hired in 1994 during trawl ban period were effectively used for patrolling and the action of Director of Fisheries was already ratified by Government.

Recommendation

(Sl. No.8, Para No.20)

2.5 In the statement of remedial measures taken (on Mopla Bay Fishing Harbour) Furnished by the department it is seen that no provision was given for works under water and that the contractors had been informed about that site by the department making it clear that the work was to be carried out reclaimed area. Also the contractors were to quote the rate after fully acquainting themselves with

the prevailing site conditions. The Department has provided extra payment of Rs.20.48 lakh to the contractor for reclamation work as the site was submerged. This contradicts the Department stand that the site was already reclaimed it is evident that there has been lapsed in the preparation of estimate. The Committee therefore requires the Department to conduct an enquiry into the various aspects related to the preparation of estimate and to undertake proper investigation before preparing the estimate. The Committee also suggests an enquiry into the sanction of extra item of work resulting in undue financial aid to the contractor.

Action Taken

2.6 The Harbour Engineering Department had already initiated action for reclamation of the area proposed for the construction of wharf at Mopla Bay, at the time of preparation of estimate for the wharf. Hence while issuing Technical Sanction for the work, no provision for working in or under water condition was given in the estimate. Usually for boring work in or water, provision for forming temporary bunds/floating platform for supporting the boring plant will be given the estimate. Since the reclamation work was already arranged and expecting its completion prior to wharf work, no provision was given in the estimate for wharf for underwater construction. The contractors participating in the tender, will be able to understand the provisions given in the estimate for the work during inspection of site and discussion with departmental officers before quoting their rates. No where in the tender schedule it was stated that the work had to be carried out underwater. Also the contractors participating in the tender, who had contacted the site officers had been informed of the action already initiated by the department for reclaiming the proposed wharf construction site. Hence the contractors were well aware that the reclamation work was already arranged and in a competitive tender the contractors quoted their rates, anticipating that the wharf construction would be on reclaimed area and not an underwater construction. On scrutiny of the other tenders accepted during that period it could be understood that the lowest rate received for the work was less than that of land-based constructions.

Considering the above points, it can be presumed that the contractors who participated in the tender for the said work had quoted their rates for carrying out the work on the reclaimed land only.

Later as the reclamation work could not be arranged as a separate work, the ring bunds and reclamations were done through the contractor of wharf as extra items. The work was entrusted to the contractor of wharf, as it was essential to do the work and was not envisaged in the original schedule for the work as per original agreement and on the best interest to complete the work in time. Even if the work was arranged separately, the department had to pay for the work of ring bund and reclamation. Hence, the payments made for the extra items could not be considered as undue financial aid to the contractor.

In these circumstances Government had taken all steps for timely completion of the work and no undue financial aid was granted to the contractor on account of this work.

Recommendation

(Sl. No.9, Para No.31)

2.7 The Committee observes that the functioning of the Kerala State Co-operative Federation for Fisheries Development Limited (Matsyafed) formed for all round development of fisheries sector depicts a dismal picture as it is not functioning in the right direction as intended at the time of its formation. Non-utilisation/ misutilisation of funds received from Government and Government Agencies, large scale diversion of money earmarked for the implementation of specific schemes etc. are the common features of Matsyafed.

Action Taken

2.8 Matsyafed has not misutilised any fund sanctioned under various schemes/ projects implemented over the years. In certain cases they were forced to utilise the fund for some purposes, deviating from the original approved pattern, which were felt more beneficial to the fisherfolk and felt as the need of the hour, particularly based on the specific demand from the sector. For this, the Federation used to send request for formal approval from the concerned authorities. All these things happened only due to the innovations introduced in the sector for the betterment of target groups.

Recommendation

(Sl. No.11, Para No.33)

2.9 The Committee observes that it is high time the Department took steps for utilizing the funds received for the purpose for which it is provided, strictly following the rules and procedures set down for the utilisation of money from public Exchequer.

Action Taken

2.10 Strict instructions has already been given to concerned officers for utilising the funds released for the purpose for which it is provided.

Copy of the instruction enclosed (copy of the U.O. Note No.E2/18052/07 dated 12-11-2007 of Director of Fisheries) Annexure IV.

Further recommendation

2.11 The Committee observed that the reply furnished by the department was to delude and misguide the Committee and strongly criticized the department for not furnishing the actual measures taken in this matter.

The Committee enquired whether the Circular instructions are complied with or not and insisted that furnishing action taken statements the follow up action based on the Circulars issued should also be mentioned.

Action Taken

2.12 The funds for various schemes allocated to Matsyafed are released to the beneficiaries through the Primary Co-operative societies. The Fishery Development Officers and Senior Co-operative Inspectors of the department are entrusted with the duty of inspecting the records and ensure that the benefits of the scheme are actually received by the beneficiaries itself. Further, recommendation for release of funds to Matsyafed are made only after obtaining the Utilisation Certificate of previously sanctioned funds in the prescribed form. Over and above this, the concurrent Audit Team headed by the Assistant Registrar of Co-operative Department also conducts detailed statutory audit of all transaction of Matsyafed.

Recommendation

(Sl. No.12, Para No.34)

2.13 The Committee requires the department to provide a report on whether the scheme for starting cold chain projects for developing infrastructure facilities in selected fishing villages / markets has achieved its objective. The Committee desires to be informed whether the unspent balance amount of Rs.1.66 crores retained by Matsyafed has been refunded.

Action Taken

2.14 Under the Cold Chain Scheme a 50:50 Centrally Sponsored Scheme, Matsyafed has received a total amount of Rs.481.90 lakhs (Rs.295 lakhs from Government of India and Rs.186.90 lakhs from Government of Kerala). With this amount Matsyafed has renovated the following units to bring about infrastructure facilities in the coastal villages.

1. Matsyafed Ice &Freezing Plant, Kochi.
2. Matsyafed Ice Plant, Thanur.
3. Matsyafed Ice Plant, Koilandy.
4. Matsyafed Ice Plant, Thalai.
5. Matsyafed Ice Plant, Kasaba.

Matsyafed Ice & Freezing Plant became a full fledged unit to process fish and fishery products with a cold storage capacity of 600 tons and a freezing capacity of 27.5 tons per day. The plant is equipped with 2 blast freezers, one plate freezer and one IQF freezer. It has also installed a flake ice unit of about 15 tons capacity which is used for the in house processing. The plant started processing of fish and fishery products and export is also stated to various countries on very large scale. The MIFP has been continuously earning working profits for the last 5 or 6 years. During the year 2011-12, the MIFP has achieved a working profit of Rs.110 lakhs for 9 months from April 11 to December 2011.

Matsyafed has renovated 4 Ice Plants which are transferred from Fisheries Department to Matsyafed. All the four Ice Plants are operated by the nearby the fishermen members co-operative societies, so that the benefit could be availed by the fishermen.

The unspent balance of Rs.166 lakhs as stated in the report is subsequently utilised for the very same purpose. From the above it can be seen that the amount is used exclusively for the purpose for which is allotted.

The Managing Director, Matsyafed has reported that the very object of the project can be fulfilled only through forward linkage to relating units and hence the balance amount of Rs.17.94 lakh was utilized for the following purposes.

(i)	Vehicle for mobile mart	–	Rs. 7,65,395
(ii)	Capital expenditure for EU approval	–	Rs. 5,54,254
(iii)	Construction of Fish Mart.	–	Rs. 4,78,768
Total		–	Rs.17,98,417

The Managing Director, Matsyafed has requested to exempt them from refund of the amount as the entire amount has been utilized for the same purpose. The request may be accepted.

Recommendation

(Sl. No.14, Para No.36)

2.15 The Committee requires the department to inform about the present position regarding the functioning of two prawn hatcheries at Kollam and Kannur under Matsyafed.

Action Taken

2.16 The Matsyafed prawn hatchery, Moplabay, Kannur is the first commercial hatchery established in the state with the technical collaboration of the Central Marine Fisheries Research Institute, Cochin and the Marine Products Export Development Authority during 1988-89, for the production of 80 lakhs of post larvae of white prawn *Penaeus-indicus*. As soon as the hatchery was commissioned in 1989, the scenario of the culture of *Indicus* prawn was shifted to tiger prawn and the system was therefore modified to suit the production of tiger prawn seeds at a cost of Rs.35 lakhs for the production of 300 lakhs seeds/annum of tiger prawn, P. Monodon. Till 1994-95, the hatchery has produced tiger prawn