

## Chapter-VI

### Fisheries Department

#### 6.1 Introduction

Jammu and Kashmir is bestowed with water resources of about 40,000 hectares of water spread comprising lakes, streams, rivers, *sars*<sup>φ</sup>, springs etc. suitable for fish culture. Although the department of Fisheries was established with the aim of promoting sport fisheries and conservation of water resources etc., its activities were mainly confined to trout angling<sup>▲</sup> with little attention paid towards culture fisheries until 1978. The department was reorganised in the year 1978 and a programme for development of fisheries was launched with the establishment of district level units in the State. The department introduced fish farming in all districts of the State except in Leh and Kargil. There were 1,272 fish-ponds comprising community ponds (859), private ponds (401) and demonstration ponds (12), as of March 2005. The department has sought to achieve the following objectives:

- enhance aquaculture production by development and upgradation of fish farms, hatcheries etc.
- introduce and popularise fish farming in private sector
- impart training to fish farmers in improved techniques of composite fish culture, besides extending marketing and cold storage facilities
- improve living conditions of the fishermen community through welfare measures by providing them insurance cover and construction of low cost houses
- ensure more revenue to the State

In order to implement these objectives, the department sought to raise the fish production from the level of 17.80 thousand tonnes per annum in 1996-97 to 25 thousand tonnes per annum by the end of tenth five-year plan period (2002-07) through several schemes/programmes during successive plan periods.

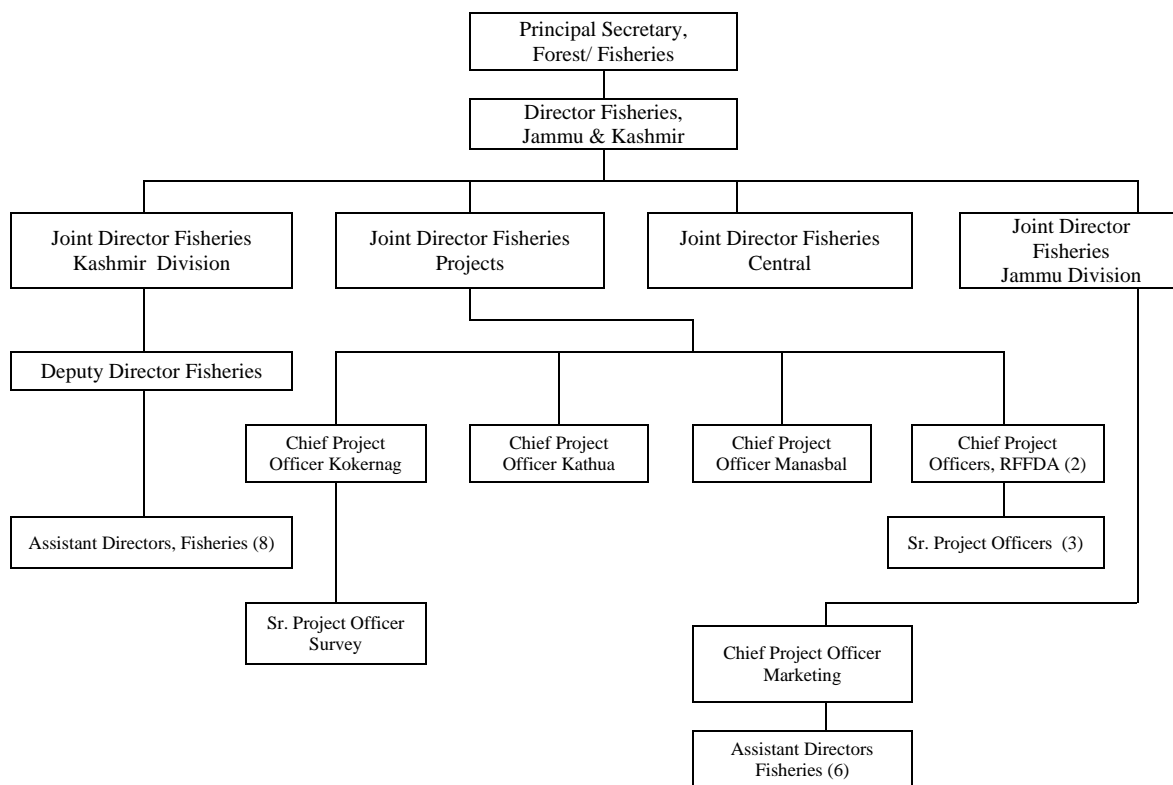
---

<sup>φ</sup> A small fresh water body

<sup>▲</sup> Recreational fishing

## 6.2 Organisational Structure

The organisational structure of the department is given in the following chart:



## 6.3 Manpower

Against the sanctioned strength of 1,704 (Gazetted: 64, Non-Gazetted: 1640), there was an effective strength of 1,519<sup>♦</sup> (Gazetted: 54, Non-Gazetted: 1465) as on 31 March 2005. The details of vacancies were not communicated.

## 6.4 Targets and Achievements

Targets set for 2004-05 for production of fish (19.07 thousand tonnes) and seed (16.22 million) were achieved. Work of upgradation/construction of fish farms (28) and hatcheries (20) was also continued during the year. Steps were also taken for bringing targeted area under aquaculture (132 hectares) and establishment of one fish market.

<sup>♦</sup> Does not include staff of Leh and Kargil Districts, borne on the establishment of Hill Development Councils

## 6.5 Allocation and expenditure

Details indicating allocation and expenditure during 2003-04 to 2004-05 was as under.

Table 6.1

(Rupees in crore)

Year	Particulars	Allocation	Expenditure
2003-04	<b>Revenue Account</b>		
	Plan	2.51	2.35
	Non-Plan	12.25	11.91
	<b>Capital Account</b>		
	Plan	6.50	6.66
	Non-Plan	0.64	0.63
	<b>Centrally Sponsored Schemes</b>	0.21	0.08
	<b>Total</b>	<b>22.11</b>	<b>21.63</b>
2004-05	<b>Revenue Account</b>		
	Plan	2.69	2.58
	Non-Plan	12.62	12.31
	<b>Capital Account</b>		
	Plan	8.00	8.08
	Non-Plan	0.60	0.59
	<b>Centrally Sponsored Schemes</b>	2.67	0.77
	<b>Total</b>	<b>26.58</b>	<b>24.33</b>

(Source: Departmental records)

Break up of above allocation and expenditure is given below:

Table 6.2

(Rupees in crore)

S. No	Particulars	2003-04		2004-05	
		Allocation	Expenditure	Allocation	Expenditure
1	Administrative Expenditure including salaries	14.76	14.26	15.31	14.90
2.	Material and Supplies	0.32	0.31	0.30	0.29
3	Machinery and equipment	0.55	0.59	0.55	0.54
4	Other activities	6.27	6.39	7.75	7.83
5	Centrally Sponsored Schemes	0.21	0.08	2.67	0.77
	<b>Total</b>	<b>22.11</b>	<b>21.63</b>	<b>26.58</b>	<b>24.33</b>

(Source: Departmental records)

## 6.6 Revenue

Revenue receipts of the department mainly consist of licence fee and sale proceeds of trout. Against the target of Rs. 308.01 lakh fixed by the department during 2000-01 to 2004-05, the revenue realised was Rs. 344.66 lakh during this period.

## 6.7 Audit coverage

The implementation of the Fisheries Development Programme, for the period 2000-2005 was reviewed in audit from April 2004 to March 2005 by test check of records of the Directorate of Fisheries, two<sup>♦</sup> (out of four) Joint Directors, four<sup>♥</sup> (out of five) Chief Project Officers (CPOs), eleven<sup>▲</sup> (out of 14) Assistant Directors, Fisheries and five<sup>♠</sup> (out of six) Senior Project Officers (SPOs)/Project Officers covering 72 per cent of the total expenditure of Rs. 102.96 crore incurred during 2000-05.

### Audit of Transactions

Cases of irregular expenditure, creation of liabilities, irregular purchases etc. noticed during test the check of various Drawing and Disbursing officers (DDOs) are discussed below:

## 6.8 Irregular expenditure

Codal provisions envisage preparation of estimates prior to the execution of work. Further, progress of work executed departmentally through casual labourers is required to be recorded on the muster sheets. Audit observed that 7<sup>★</sup> DDOs engaged casual labourers for executing various activities like desiltation of fish ponds, maintenance of fish farms, etc. An expenditure of Rs. 9.88 lakh was incurred on payment of wages between April 2000 and December 2004 without preparation of work estimates, fixing norms/periodicity for desiltation of fish ponds etc. and recording progress of work on the muster sheets. On this being pointed out in Audit, the Department stated (December 2005) that requisite instructions would be adhered to in future.

## 6.9 Creation of liabilities

Financial rules provide that except in cases covered by special rules or orders of the Government no work should commence or liability incurred until the funds to cover the charge during the year have been provided by the competent authority. Test check of records of Director Fisheries revealed that in 52 cases, works were executed in excess of approved allocations during May 2004 to February 2005. This resulted in creation of liability of Rs. 24.18 lakh. On this being pointed out in Audit, the Department stated (December 2005) that mechanism had been evolved to avoid creation of liabilities in future.

- 
- ♦ Joint Director Fisheries: Kashmir; Jammu
  - ♥ Chief Project Officer: (NFSF) Manasbal; Kokernag; Narwal; (NFSF) Kathua
  - ▲ Assistant Director, Fisheries: (Sopore) Baramulla; Srinagar; Budgam; Anantnag; Pulwama; Poonch; Kathua; Udhampur; Rajouri; (Kishtwar) Doda; Jammu
  - ♠ Senior Project Officer, (Gagribal) Srinagar, Sr. Project Officer Regional Fish Farmers Development Agency: (Srinagar) Kashmir; Jammu, Project Officer Jammu, (Thanpal) Reasi
  - ★ Senior Project Officer, RFFDA (Srinagar) Kashmir, Assistant Director, Fisheries: Srinagar; Budgam; Anantnag; (Sopore) Baramulla; (Kishtwar) Doda, Project Officer (Thanpal) Reasi

### **6.10 Testing Laboratory at Kokernag**

The Department established (August 2004) a testing laboratory at trout farm Kokernag at a cost of Rs. 20.65 lakh (construction of building, electrification, etc.). The laboratory was set up to conduct microbiological tests for ensuring supply of pathogen-free water to the farm. Audit observed that the laboratory was not made operational (December 2005) due to non-availability of testing equipment and a trained pathologist. This resulted in idling of investment of Rs. 20.65 lakh.

On this being pointed out in audit the Department stated (December 2005) that requisition for appointment of Pathologist had been made to the State Public Service Commission and that necessary facilities in the laboratory would be created.

### **6.11 Irregular purchases**

Financial rules provide that purchases should be made in most economical manner after obtaining sanction of competent authority and ascertaining reasonability of rates. It was observed in audit that in violation of rules seven<sup>▼</sup> DDOs purchased feed, chemicals, electrical items, furniture etc. worth Rs. 8.08 lakh between January 2001 and November 2004 without ascertaining reasonability of rates/sanction of competent authority.

## **PERFORMANCE REVIEW**

---

In order to assess the departmental mandate and the extent of its fulfillment, a comprehensive review of the Fisheries Development Programme was conducted during 2004-05. Important audit findings, conclusions and recommendations are given in the succeeding paragraphs:

### **6.12 Fisheries Development Programme**

*The Fisheries Development Programme was launched with the object of increasing the fish production by establishment and upgradation of fish farms, hatcheries, popularisation of fish farming in private sector, imparting training to fish farmers and creating infrastructure for processing, preservation and marketing of fish. The programme suffered due to poor planning, belated establishment/development of farms, hatcheries, non-establishment of fish markets and poor monitoring of implementation of programme.*

---

▼ Chief Project Officer, Fishries (Narwal), Jammu, Senior Project Officer, (NFSF) Kathua, Assistant Director, Fisheries: Rajouri; (Kishtwar) Doda; Poonch; Jammu, Project Officer, Fisheries, (Thanpal) Rajouri

**Highlights**

- The share of capital expenditure was only 30 *per cent*, while expenditure on staff and administrative overheads constituted 70 *per cent* of the total expenditure during the period 2000-2005. Central assistance of Rs. 38.75 lakh, sanctioned during 2000-02, was released by the State Government after delays ranging from three to 16 months.

(Paragraph: 6.12.4)

- Due to incorrect assessment of requirements, the possession of 100 *kanals* of land could not be taken over by the department as acquisition proceedings were disputed by the land owners after receiving the land compensation of Rs. 63.25 lakh.

(Paragraph: 6.12.7)

- At trout farm Shokhbaba and Mammer, the work on hatcheries was completed by March 2002 and March 2003 respectively at a cost of Rs. 47.81 lakh, but trout egg production did not commence (March 2005) for want of brooder stock and water feeding arrangements.

(Paragraph: 6.12.15)

- The fish market at Parimpora could not be established, as the land identified for the market was found unsuitable. Inaction of the department to complete the balance work of fish market at (Narwal) Jammu rendered the investment of Rs. 1.18 crore idle besides extra cost of Rs. 14.91 lakh on construction of tube well and locking up of Rs. 30 lakh advanced to NIDC.

(Paragraph: 6.12.22)

- Construction of Aquarium-cum-Awareness Centre at Bahu-Fort, Jammu which was to be completed by October 1996, remained incomplete (March 2005) because of inadequate funds despite expenditure of Rs. 4.65 crore.

(Paragraph: 6.12.23)

**6.12.1 Audit objectives**

The focus of the review was to test the adequacy of the department in discharging its responsibilities in regard to the various schemes it had undertaken and to see whether:

- the programme was planned properly and executed efficiently
- the fish farms in the State were upgraded/established in accordance with the plans
- the objectives under the programme were achieved in full

- adequate steps were taken for introduction and popularisation of private fish farming
- there were cases of improper, wasteful, unproductive or uneconomic expenditure due to improper planning and lack of co-ordination
- there were serious avoidable delays in the progress of works or schemes resulting in increase in the total cost of the scheme or loss of any revenue due to delayed execution
- private fish farmers were trained in aquaculture
- the efforts put in under the programme yielded fruitful results by way of increase in overall fish production in the State
- infrastructure for processing, preservation and marketing of fish was created
- a system of effective monitoring existed

### 6.12.2 Audit criteria

The following criteria were set:

- Existence of developed aquaculture production and upgraded fish farms, hatcheries etc.
- Fish farming in private sector
- Training imparted to fish farmers
- Qualitative and quantitative improvement of fish production
- Extent of improved living condition of fishermen community

### 6.12.3 Audit methodology

The records of 23 out of 30 units were test checked in audit. The selection was made by adopting random sampling method.

### 6.12.4 Allocation and expenditure

The position of funds allocated by the State Government, funds released by the Central Government for centrally sponsored schemes and expenditure incurred during the period from 2000-01 to 2004-05 was as follows:

Table 6.3

(Rupees in crore)

Year	State Government			Central Government				Total expenditure
	Allocation	Expenditure (capital plus administrative expenses)	Administrative Expenditure	Opening balance	Release	Expenditure	Closing balance	
2000-01	16.05	15.26	12.56	2.65	0.40	2.40	0.65	17.66
2001-02	17.24	17.26	13.00	0.65	1.40	1.94	0.11	19.20
2002-03	19.42	19.66	13.64	0.11	0.56	0.48	0.19	20.14
2003-04	21.90	21.55	14.26	0.19	0.21	0.08	0.32	21.63
2004-05	23.91	23.56	14.90	0.32	2.67	0.77	2.22	24.33
<b>Total</b>	<b>98.52</b>	<b>97.29</b>	<b>68.36</b>		<b>5.24</b>	<b>5.67</b>		<b>102.96</b>

An analysis of expenditure during the period 2000-2001 to 2004-05 indicated that administrative expenses (70 per cent) far exceeded the expenditure on creation of infrastructure (30 per cent). Central funds to the extent of 72 per cent only were utilised during 2000-05, leaving unspent balance of Rs. 2.22 crore at the end of March 2005. An assistance of Rs. 38.75 lakh sanctioned (2000-02) by Central Government under centrally sponsored schemes was released by the State Government after delays ranging between three and 16 months. Unspent balance out of central funds and belated release of assistance by the State Government indicated poor management of funds and inefficient mechanism for transfer of resources from one level to another. On this being pointed out in Audit, the Director Fisheries stated (August 2005) that efforts would be made to evolve proper mechanism to implement the developmental plans in a way so as to ensure timely and proper utilisation of resources.

#### **6.12.5 Programme implementation**

No perspective plan setting out the infrastructure to be created in each district for development of fisheries on the basis of fisheries potential, economic viability and facilities already available, had been drawn up by the Department. Instead, isolated plans for each district were drawn up and implemented by construction of fish farms, hatcheries, ova houses, laboratories, race-ways, lodges, office buildings, watcher huts etc. This resulted in haphazard implementation of the programme and non-achievement of desired fish production. On being pointed out in Audit, Director Fisheries stated (August 2005) that suggestions put forth by Audit would be strictly adopted while framing developmental programmes for each district.

#### **6.12.6 Establishment/upgradation of fish seed farms**

The main objective of the programme was to enhance aquaculture production by construction of new farms/hatcheries, besides strengthening/upgrading the existing farms for breeding and rearing of fish. There were twenty-five farms functioning at the beginning of ninth five-year plan (April 1997). By the end of ninth five-year plan (March 2002), one farm at Doomi (Akhnoor) was added. Two more farms at Uri (Baramulla) and Margund (Srinagar) were added during 2002-05. Thus, against the target of setting up 32 fish farms by the end of tenth five-year plan (2002-07) only 28 farms existed as of March 2005. An expenditure of Rs. 12.91 crore was incurred on the farms during the period 2000-2001 to 2004-2005. A review of some cases relating to establishment of the farms revealed deficiencies in implementation, such as improper planning, inadequate survey, tardy progress in construction works and poor management which led to non-achievement of intended objectives as discussed below:

#### **6.12.7 Fish Farm Rakh-i-Sultanpora**

The land measuring 298 *kanals* and 8 *marlas* was requisitioned for establishment of fish farm at Rakh-i-Sultanpora (Sumbal) in December 1998 by



Fisheries department and Rs. 63.25 lakh were placed at the disposal of Collector, Land Acquisition, Sopore. After commencement of acquisition proceedings by notifying the proposed land (February 1999), the department decided to develop farm into lake fisheries for rearing of seed and requested the Collector (March 2000) that acquisition proceedings be initiated for only 100 *kanals* against 298 *kanals* and 8 *marlas* requisitioned earlier.

Award for the land (100 *kanals*) at a total cost of Rs. 63.25 lakh was made in November, 2002 and the matter regarding denotification was taken up by department with Collector, Land Acquisition, Sopore in December 2002. The department could not take possession as acquisition proceedings were disputed by the awardees after receiving the awarded amount in full with the argument that the department should acquire entire land of 298 *kanals* and 8 *marlas* notified earlier and obtained a stay order (December 2003) from the High Court. No effective steps were taken for enforcing vacation of the stay. Thus, incorrect assessment of requirement of land by the department rendered the entire expenditure of Rs.63.25 lakh unfruitful. Director, Fisheries stated (August 2005) that efforts would be made to get the stay vacated.

#### **6.12.8 Fish Seed Farm Narbal**

The work on fish seed farm at Narbal (Budgam) was taken up (1993) for execution at an estimated cost of Rs. 51.50 lakh with the object of raising the fast growing species of fish<sup>♦</sup>, seed distribution and imparting training to progressive fish farmers to be completed in October 1999. Since raising of natural surface level of the site by earth filling necessitated change in the structural design of fish ponds, the progress of construction of farm was slow. Although expenditure of Rs.87.64<sup>≠</sup> lakh was incurred (March 2005), only four ponds (out of proposed eight) were completed. Assistant Director, Fisheries, Budgam stated (February 2005) that the completion of farm would take another three years. Tardy implementation of the programme was attributed (August 2005) by Director Fisheries to paucity of funds. This resulted in non-achievement of intended objectives rendering the expenditure of Rs. 87.64 lakh as unproductive.

#### **6.12.9 Fish Farm Thanpal**

The work on fish farm (Thanpal), Reasi at an estimated cost of Rs. 98 lakh was taken up during 1992-93 and was scheduled to be completed by the end of 1996-97. The farm besides creation of basic infrastructure facilities for fish culture envisaged construction of circular hatchery and 16 ponds. The farm intended to produce fish seed for Salal reservoir and earn revenue up to Rs. 7.40 lakh per annum. Although the entire work was to be completed by the end of 1996-97, the farm remained incomplete (March 2005) as only six ponds were constructed. The objective of establishing the farm was not achieved due to

---

♦ Grass carp, Silver carp and Common carp

≠ Includes cost of land Rs. 35.20 lakh and liability Rs. 0.50 lakh

non-construction of remaining 10 ponds and circular hatchery, which was attributed (September 2004/August 2005) to paucity of funds and litigation proceedings initiated by the locals over land acquisition. Expenditure of Rs. 11.34 lakh incurred on construction of six ponds during 2000-01 to 2004-05 was rendered unfruitful.

#### **6.12.10 Fish Seed Farm Chatlum**

Fish seed farm Chatlum was constructed on the banks of Chatlum lake in Pulwama district for producing carp seed for distribution among private fish farmers, rearing of carp fish and imparting training to fish farmers. The farm partly became redundant due to profuse leakage at outlets and heavy seepage through the bed of earthen raised ponds, thereby depleting water level rapidly and prohibiting the optimum use of stored water for fish culture. The heavy seepage through the ponds was attributed (October 1994) by the executing agency (PWD) to decrease in water level of the Chatlum lake. A committee constituted by the District Development Commissioner, Pulwama to examine the reasons for partial functioning of the farm observed (July 1995) that it was of no utility. Despite this the farm was commissioned in March 1997 by stocking 5000 common carp fingerlings for rearing. The source (Chatlum lake) wherefrom the water was pumped for use in fish ponds was not perennial as it went dry during drought periods. Director Fisheries stated (August 2005) that the department did not depend solely on lake water but had facilities to ensure adequate water supply during drought periods. This was not tenable, as shortage of water had necessitated the department to shift the livestock to other departmental farm during drought period. Out of 8,620 fingerlings stocked for rearing between June 2001 and March 2003, 2,631 died and 2,967 fish were sold. Moreover, seed of exotic carps required for distribution amongst fish farmers and for rearing purposes was collected from Regional Fish Farmers Development Agency, Srinagar as stated (March 2005) by the Assistant Director, Fisheries, Pulwama.

The inherent defects and deficiencies in fish ponds coupled with the scarcity of water supply resulted in non-achievement of the envisaged benefits from the farm rendering expenditure of Rs. 31.21 lakh incurred on the farm (March 2005) largely unproductive. Director, Fisheries also stated (August 2005) that recommendations put forth by Audit would be adopted.

#### **6.12.11 National Fish Seed Farms**

With a view to producing quality fish seed of fast growing and economically important species of carps, Government of India approved (1982), setting up of two National Fish Seed Farms in the State. While one such farm at Kathua (Jammu Division) had been commissioned (September 1988), the execution of work on the farm at Manasbal in Kashmir Division was marred by delay in acquisition of land and unauthorised construction of fish ponds as mentioned below:

#### **6.12.12 National Fish Seed Farm Manasbal**

Award for acquisition of 198 *kanals* and 18 *marlas* of land requisitioned by the department (1988) for establishment of National Fish Seed Farm Manasbal was issued in September 1992 by Collector, Land Acquisition, Sopore. Since the rate of compensation was objected to by the awardees, they sought judicial intervention and the court finally ordered enhancement of compensation in September 1997. Thus it took almost a decade for acquisition of land for the farm. This resulted in considerable delay in the establishment of farm.

Against provision for construction of 22 fish ponds (rearing: 9, nursery: 10, stocking: 3) at an estimated cost of Rs. 1.72 crore, the department constructed 31 ponds (rearing: 11, nursery: 12, stocking: 8) at a cost of Rs. 2.56 crore (September 2004) revealing that nine ponds costing Rs. 0.88 crore were unauthorisedly constructed without provision in the project estimates.

#### **6.12.13 National Fish Seed Farm Kathua**

The department advanced Rs. 15 lakh to Collector Land Acquisition, Kathua in January 2001 for acquisition of land measuring 54-*kanals* and 16-*marlas* required for phase-III of National Fish Seed Farm, Kathua. Despite lapse of more than four years the land was not acquired with the result that third phase of the project did not come up (March 2005). The Director stated (August 2005) that efforts would be made to speed up the acquisition process.

#### **6.12.14 Diversion of Funds**

Government of India provided Rupees three crore between 1999-2000<sup>♥</sup> and 2001-2002 for development/construction of National Fish Seed Farm (NFSF), Manasbal (Rupees two crore) and for setting up of feed mill at Harwan and Shokhbaba under the scheme "Implementation of Pilot Scheme on Development of Fisheries and Aquaculture in Hill Regions" (Rupees one crore). Of these, Rs. 70 lakh were diverted by the executing agencies towards purchase of imported hatchery equipments. On this being pointed out in Audit, Director Fisheries stated (August 2005) that these funds were utilised for raising infrastructure at NFSF, Manasbal and for purchase of repair kits for feed mills. The reply was not tenable as according to the Senior Project Officer, (Gagribal), Srinagar the funds were utilised for purchase of imported hatchery equipment for trout fish farming. Moreover, NFSF, Manasbal was established for production of seed of silver carp, grass carp and common carp, whereas hatchery equipment purchased out of diverted funds was meant for development of trout fisheries, an entirely different variety of fish. Besides, the hatchery equipment had no bearing with the setting up of feed mills.

---

<sup>♥</sup> Revalidated in 2000-01

### 6.12.15 Hatcheries

The ninth five-year plan and annual plans for 2002-03 to 2004-05 envisaged upgradation and construction of 20 hatcheries for production of quality fry and fingerlings for stocking in streams/operational trout beats and for rearing trout fish for sale. Two hatcheries (Mammer, Shokhbaba) on which an expenditure of Rs. 47.81 lakh was incurred remained incomplete/ unproductive resulting in non-achievement of anticipated egg production.

Test-check of records relating to construction of these hatcheries indicated as under:

The construction of ova house at Mammer (Srinagar) was completed (March 2003) with the objective of producing three lakh trout eggs annually. The ova house could not be made operational, as department could not tap the water source for feeding it. Thus improper planning resulted in non-production of three lakh trout eggs annually rendering investment of Rs. 15.27\* lakh as unproductive. The Director Fisheries stated (August 2005) that spring source would be tapped for breeding purpose.

Construction of indoor hatchery unit at Shokhbaba Trout Farm was completed in March 2002. Although hatchery equipment was installed (July 2002) by the department, the breeding operations could not commence at the hatchery (March 2005). The hatchery unit remained inoperative for want of brooder stock rendering the expenditure of Rs. 32.54<sup>€</sup> lakh unproductive. Consequently, envisaged trout seed requirements for the district were not met by indigenous production. On being pointed out, Director Fisheries stated (August 2005) that the breeding operation would be executed within two years.

### 6.12.16 Regional Fish Farmers Development Agency

With a view to introducing and popularising private fish farming to augment fish supplies to the common man and also establishing training centre facilities for fish farmers, the State Government sanctioned setting up of Regional Fish Farmers Development Agencies (RFFDAs) for Kashmir and Jammu region in June 1984. A review of records of RFFDA, Kashmir revealed as under:

### 6.12.17 Stocking of fish seed/fish production

According to the guidelines of the agency, fish seed (fingerlings) in water area were to be stocked at the rate of 10,000 per hectare. The production of fish in the private/community ponds assisted by the agency after deducting mortality (10 *per cent*) should be at least 6,750 kgs per hectare. Area covered, fish seed

\* Cost of Ova house: Rs. 5.75 lakh; Cost of MS Pipes: Rs. 1.50 lakh and cost of equipment: Rs. 8.02 lakh

€ Cost of Ova house: Rs. 20.54 lakh; cost of equipment including installation charges: Rs. 12 lakh

(fingerlings) stocked and production of fish per hectare during the period 2000-01 to 2004-05 were as under:

**Table 6.4**

Year	Area brought under fish culture (in hectares)	Total No. of fish seed distributed	No. of fish seed distributed per hectare (Percentage)	Production per hectare (in kgs)	Production as per norm (in kgs)	Short fall in production (in kgs) (Percentage)
2000-01	3.75	37,717	10,058 (101)	2,800	6,789	3,989 (59)
2001-02	5.00	25,500	5,100 (51)	3,000	3,443	443 (13)
2002-03	9.00	80,856	8,984 (90)	3,000	6,064	3,064 (51)
2003-04	12.70	1,45,000	11,417 (114)	3,500	7,706	4,206 (55)
2004-05	15.00	1,46,785	9,786 (98)	4,000	6,606	2,606 (39)

Shortfall in production of fish ranged between 13 and 59 *per cent* during 2000-01 to 2004-05. Stocking of fish was very low in 2001-02 (51 *per cent*). Low stocking of fish seed resulted in underutilisation of the available area brought under fish culture. Consequent upon low production of fish, average income per hectare earned by fish farmers during 2000-01 to 2004-05 ranged between Rs. 1.68 lakh and Rs. 2.40 lakh (worked out at Rs. 60 per kg.) which was less than the envisaged income of Rs. 3.60 lakh per hectare per annum. This indicated that the performance of the agency was not satisfactory. On being pointed out in Audit, Director Fisheries stated (August 2005) that efforts would be made to plan stocking policy judiciously in future so that maximum growth period was available to fish so as to make the crop ready for harvesting during peak demand period.

#### **6.12.18 Training of fish farmers**

Against the target of imparting training to 614 fish farmers during 2000-01 to 2004-05, 607 fish farmers were trained during this period. No follow up action was taken by the department to monitor the benefits accrued to the farmers as a result of training. The Director Fisheries stated (August 2005) that steps would be taken for strengthening the monitoring system.

#### **6.12.19 Establishment of Village Trout Fish Farming Project**

With a view to introducing and popularising profitable trout fish farming in rural areas of the state, a Pilot Project for Village Trout Fish Farming at Kokernag, conceived in 1983 with technical and financial assistance from the European Economic Community (EEC), was established in 1984. The project, oriented for the benefit of rural communities, was to be completed in two phases.

After completion of phase-I, Phase-II of the project could not be taken up due to turmoil in the valley. The EEC, however, agreed to extend the project by two more years as “Intermediate Phase”. During this phase a new feed mill from Holland and hatchery equipment from Denmark were received and installed at

Kokernag. Phase-II of the project at an estimated cost of Rs. 12.35 crore (December 1996) with production capacity of 21.5 lakh trout fingerlings for rearing by fish farmers was not cleared by the EEC. Thus, due to non-commencement of Phase-II of the project, trout fish farming in the adjoining streams of rural areas could not be introduced and the objective of setting up the project for the benefit of rural communities could not be achieved. However, Director Fisheries stated (August 2005) that French collaboration for execution of Phase II would be sought after obtaining clearance of Government of India.

### 6.12.20 Mortality of trout stock

The position of trout fish reared in test-checked rearing units and their mortality rate during the period 2000-2005 was as under:

Table 6.5

(In numbers)

S. No	Trout rearing unit	Opening balance as on 1 April 2000	Receipts during 2000-05	Total	Mortality 2000-05	Percentage of mortality
1.	Aripal	787	10,770	11,557	2,401	21
2.	Tricker	Nil	36,630	36,630	7,332	20
3.	Dandipora	Nil	5,000	5,000	1,000	20
4.	Chawalgam	Nil	19,370	19,370	3,964	20
5.	Achabal	29,526	65,700	95,226	29,248	31
6.	Harwan	4,097	16,537	20,634	6,324	31
7.	Laribal	1,914	689	2,603	1,730	66
	<b>Total</b>	<b>36,324</b>	<b>1,54,696</b>	<b>1,91,020</b>		

The mortality rate of trout fish in seven rearing units ranged between 20 per cent and 66 per cent during 2000-05. The department did not fix mortality rate for different sizes of fish. High mortality at Harwan and Laribal was attributed to factors like fall of water level and flow of muddy water during rainy season. On this being pointed out in Audit, Director Fisheries stated (August 2005) that efforts would be made to contain mortality and fix its maximum limit.

### 6.12.21 Fish production

The department intended to raise production of fish from 17.80 thousand tonnes per annum in 1996-97 to 22 thousand tonnes and 25 thousand tonnes per annum by the end of Ninth and Tenth five-year plans respectively.

Targets fixed by the department in respect of production of fish and achievement made thereagainst during 2000-01 to 2004-05 were as under:

Table 6.6

(Figures in thousand tonnes)

Year	Target	Achievement
2000-01	19.20	18.51
2001-02	19.01	18.80
2002-03	18.95	19.00
2003-04	19.05	19.05
2004-05	19.07	19.10

As is evident, the targets of fish production fixed by the department were not commensurate with the targets envisaged in the ninth and tenth five-year plans. The yearly target for 2001-02 was fixed at 19.01 thousand tonnes as against 22 thousand tonnes to be achieved by the end of ninth five year plan (1997-2002). The trend continued with fixation of targets for first three years of tenth five-year plan also. Target fixed for 2004-05 was 87 *per cent* of the ninth five-year plan target. Thus, the department was not closer to achieving ninth five-year plan target even after lapse of three years of tenth five-year plan.

#### **6.12.22 Processing, Preservation and Marketing**

Government of India sanctioned (May 1993) setting up of two fish markets at Parimpora (Srinagar) and Narwal (Jammu), with processing, refrigeration and preservation facilities under the scheme “Strengthening of Infrastructure for Inland Fish Marketing”. The fish market at Parimpora could not be established, as the land identified for the purpose was found unsuitable by the consultants, National Industrial Development Corporation (NIDC), New Delhi (a Government of India Enterprise), engaged by the Department. In response to audit query the department replied (August 2005) that efforts for identification of suitable land for establishing the market were under process.

The department engaged (December 1996) NIDC on cost plus fee basis as turnkey consultants for establishing fish marketing complex, cold storage plant and ice plant at (Narwal), Jammu. According to the agreement, NIDC had to provide technical guidance in designing the project/preparation of estimates and engage contractors for executing the works for timely and satisfactory completion of the project by October 1998. The civil works connected with the project were awarded by the department directly to the Jammu and Kashmir Projects Construction Corporation (JKPCC-a State Government owned Company). The department advanced Rs. 30 lakh to NIDC between February 1996 and March 1997.

According to prioritisation of the works, construction of the tube well for the cold storage plant was to be completed by NIDC (at a cost of Rs. 17.14 lakh) before works on other components of the project could be taken up/completed. However, NIDC failed to complete the construction of the tube well, as the drilling firm engaged by it abandoned the work after executing a portion of it. Consequently, the department rescinded (September 2000) the contract with NIDC and started legal proceedings against it. The remaining work was got completed by the JKPCC at a cost of Rs. 32.05 lakh, resulting in extra expenditure of Rs. 14.91 lakh. The total expenditure involved in the construction work, including cost of electrical items and other accessories connected with the tube well, was Rs. 41.60<sup>♦</sup> lakh. The department also incurred further expenditure of Rs. 76.51 lakh on construction of cold storage plant and ice plant.

---

♦ Cost of drilling of tube well: Rs. 32.05 lakh; Cost of other civil works: Rs. 7.04 lakh; Cost of electric works: Rs. 2.51 lakh

Audit scrutiny revealed that the legal proceedings initiated against NIDC were still pending before the Court and the infrastructure created had not been put to use as of August 2005. This resulted in idle expenditure of Rs. 1.18 crore and locking up of Rs. 30 lakh. The Director Fisheries stated (August 2005) that machinery/equipment will be installed and infrastructure put to use subject to availability of funds and refund of advance by NIDC.

### Other topics of interest

#### 6.12.23 Construction of Aquarium at Bahu-Fort

Without obtaining administrative approval and technical sanction construction of Aquarium-cum-Awareness Centre at Bahu-Fort, Jammu (estimated cost Rs. 3.09 crore) was entrusted to the Jammu and Kashmir Projects Construction Corporation, a State Government Company in 1995 for completion by October 1996. The project was not ready (March 2005) despite expenditure of Rs. 4.65 crore resulting in cost escalation of Rs. 1.56 crore (likely to exceed on completion of the project) and time over run of about nine years. The reasons for abnormal delay in completion of the project were attributed to slow pace of execution of work by the JKPC and non-provision of adequate funds in time.

#### 6.12.24 Irregular payment of Dearness and other allowances to seasonal *Shikaries*

Test-check of the records of six<sup>^</sup> DDOs of the department revealed that *Shikaries* engaged on seasonal basis for antipoaching, etc. were paid Dearness allowance (Rs. 21.69 lakh) and other allowances (Rs. 0.27 lakh) during 2000-01 to 2004-05 in contravention to the Government orders which provide for payment of such allowances only to Government employees including work charged and whole time contingent paid employees working in the regular time scale of pay. On this being pointed out in Audit, Director Fisheries stated (August 2005) that instructions/guidelines would be strictly adhered to. However, steps taken to recover the excess amount were not intimated.

#### 6.12.25 Deduction of Service Tax

Under the Jammu and Kashmir General Sales Tax Act 1962, service tax at 4 per cent plus surcharge thereon at 5 per cent of the gross amount of the bill paid to the contractors was to be deducted at source. It was noticed that while making payment of contract bills, the department failed to deduct service tax amounting to Rs. 3.26 lakh at source during 2000-01 to 2002-03. Besides, violation of rules, this tantamounted to undue favour to the respective contractors/firms to the extent of Rs. 3.26 lakh besides loss to Government exchequer. The department stated (August 2005) that records would be checked to effect recovery from the contractors.

<sup>^</sup> Senior Project Officer, (Gagribal) Srinagar; Assistant Director, Fisheries: (Sopore) Baramulla; Budgam; Anantnag; Srinagar; Pulwama



#### **6.12.26 Inventory of assets**

The department had over the years acquired fixed and other assets in the shape of land, buildings, lodges, huts, computers etc. Consolidated records of assets in possession of the department with relevant details of acquisition, their book value and physical status had not been maintained at the directorate level. The Director Fisheries stated (August 2005) that steps would be taken to consolidate the inventory items.

#### **6.12.27 Monitoring and evaluation**

Director, Fisheries Department was responsible for monitoring and evaluation of the implementation of all activities related to the programme. No mechanism for ensuring continuous monitoring of the programme implementation had been evolved. The results of the programme were not got evaluated through Government or any outside agency. On being pointed out in Audit, the Director Fisheries stated (August 2005) that steps would be taken to strengthen the monitoring system in the Department.

#### **6.12.28 Internal Controls**

A review of internal controls indicated that the extent of compliance in several key areas was poor. Since the risks associated with poor controls are high, following areas need immediate attention:

#### **6.12.29 Physical Verification of Stores**

Non-conducting of periodical physical verification, as required under financial rules, is fraught with the risk of shortages, frauds, etc. remaining undetected.

Test check of 23 DDOs of the department revealed that physical verification of stores/stocks was not conducted during the year 2003-04.

#### **6.12.30 Administrative Inspection**

Inspection of subordinate offices is required to be conducted annually by the next higher authority in order to exercise necessary check and control over the functioning and resources of the offices. Administrative inspection of 17 DDOs (out of 23 DDOs test checked) was not conducted during the year 2003-04.

#### **6.12.31 Cash/Personal Security**

Cash/personal security was not obtained from the persons handling cash in the 23 test checked offices as required under the State Financial Rules.

### 6.13 Outstanding Inspection Reports

The position of Audit Inspection Reports (AIRs)/audit paragraphs outstanding as on 31 March 2004, number of AIRs and paras issued during 2004-05, number of AIRs and paras settled on the basis of replies furnished by the Drawing and Disbursing Officers and number of AIRs and paras outstanding as on 31 March 2005 was as under:-

Table 6.7

Name of the Division	Outstanding as on 31 March 2004		Issued during 2004-05		Settled on the basis of replies received during 2004-05		Outstanding as on 31 March 2005		Outstanding more than three years	
	A	P	A	P	A	P	A	P	A	P
Jammu	20	32	12	29	-	-	32	61	11	15
Kashmir	8	14	11	39	2	5	17	48	1	1
<b>Total</b>	<b>28</b>	<b>46</b>	<b>23</b>	<b>68</b>	<b>2</b>	<b>5</b>	<b>49</b>	<b>109</b>	<b>12</b>	<b>16</b>

(A: Audit Inspection Reports; P: Audit Paragraphs)

As is evident from above, 12 AIRs involving 16 audit paragraphs were outstanding for more than three years because of poor response from the DDOs. Most of the objections (32 *per cent*) pertained to wasteful/infructuous/avoidable expenditure. Cases of idle investment, idle staff and blockage of funds constituted another 11 *per cent* of the total amount objected to.

### 6.14 Conclusion

No perspective plan for development of fisheries in the state was drawn up. Financial management in the department was poor. Cases of retention of balance out of central funds, belated release of assistance by State Government and diversion of funds affected implementation of the programme. Establishment of farms was not properly planned. Besides improper survey resulting in change of design after commencement of construction activity, requirement of land was not assessed in advance. Establishment of new fish farms was considerably delayed due to belated acquisition of land. Perennial sources of water were not identified in some cases. Fish were not stocked in accordance with the norms fixed for optimum utilisation of the available area. Maximum mortality rate was not prescribed by the department. Fish markets at Jammu and Srinagar could not be established. Monitoring the activities of the programme was deficient.

### 6.15 Recommendations

- There is a need to frame a perspective plan for implementation in a phased manner setting out the infrastructure to be created in each district for development of fisheries on the basis of economic viability, fisheries potential and existing infrastructure.

- The department should ensure efficient utilisation of funds by proper planning of programme activities, and an effective mechanism should be developed for transfer of resources from one level to another without undue delay.
- Establishment of farms needs proper planning. Requirement of land and other infrastructure needs to be assessed in advance. The sites selected for establishment of fish farms should be surveyed properly to avoid changes in structural design etc. after commencement of construction. Water being a vital requirement for fish culture, identification of perennial sources of water should be first priority with the executing agencies. Effective steps need to be taken to speed up process of acquisition of land.
- Fish seed should be stocked in accordance with the norms for optimum utilisation of the available area brought under fish culture. Fish farming needs to be made an attractive vocation by ensuring a steady and decent income to fish farmers.
- The department should fix mortality rate for different sizes of trout fish. Construction of desilting chambers at the farms for containing flow of muddy water and keeping a vigil over the water level may be considered for reduction in mortality.
- There is an urgent need to monitor all activities related to the programme so that remedial measures or mid-course corrections are taken for its effective implementation.
- Internal controls need to be strengthened for achieving efficiency.