



महानिदेशक लेखापरीक्षा (केंद्रीय) का कार्यालय
सैफाबाद, हैदराबाद - 500 004.

OFFICE OF THE
DIRECTOR GENERAL OF AUDIT (CENTRAL)
SAIFABAD, HYDERABAD - 500 004.

No.DGA(C)/CEA/Unit-4/NFDB/IR.2021-22/2020-21/ 84

Date:11.01.2022

सेवा में,

The Chief Executive,
National Fisheries Development Board,
Pillar No.235,
PVNR Express Highway,
SVPNPA Post,
Hyderabad- 500 052.



महोदय,

Sub: Inspection Report on the accounts of the Office of the Chief Executive, National Fisheries Development Board, Rajendranagar, Hyderabad, for the year 2021-22

मैं आपके कार्यालय के 2021-22 का निरीक्षण रिपोर्ट भेज रहा हूँ। कृपया एक माह के भीतर संबंधित मंत्रालय/प्रधान कार्यालय को सभी प्रासंगिक दस्तावेजों की प्रतियों के साथ इन पैरा (ओं) का जवाब प्रस्तुत करने की कृपा करें।

I forward herewith the Inspection Report on the accounts of your office for the year 2021-22, with a request to furnish replies to paras with the comments of Ministry/ Head Office concerned within one month from the date of receipt of this Report. Receipt of the Report may please be acknowledged by return post.

Encl: Inspection Report for the year 2021-22

भवदीय,

[Signature] 11/1/22

Sr. Audit Officer/CEA

[Signature]
Admin

Pl. go through & put up admin to be taken on file with the replies. Pl. keep the deadline in mind.

*SED
ED(MF)dt.
19/01/2022
SEA(MF)
SEA
19/1/22
Admin for file*

INSPECTION REPORT ON THE ACCOUNTS OF CHIEF EXECUTIVE OFFICER, NATIONAL FISHERIES DEVELOPMENT BOARD (NFDB), HYDERABAD FOR THE YEAR 2020-21

PART-I

A. INTRODUCTION

The National Fisheries Development Board (NFDB), was established in 2006 as an Autonomous Organization under the administrative control of the Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying, Government to enhance fish production and productivity in the country and to coordinate fishery development in an integrated and holistic manner.

- i) **Scope of Audit:** The Accounts of the NFDB for the year 2019-20 was last audited in the month of 02/2021. During the present audit the accounts of the office for the period 2020-21 were generally examined and a test-check conducted including nominal and number audit under Section 14(3) of CAG's (DPC) Act, 1971.

Disclaimer: This report has been prepared on the basis of information furnished and documents/records made available by the audited entity. The office of the Director General of Audit (Central), Hyderabad disclaims any responsibility for any misinformation/non information on the part of the audited entity.

- ii) **PERSONNEL:** The following officials held the charge of the Chief Executive, NFDB, Hyderabad, since last audit to till date.

Sl.No	Name of the Head of the Department	Period	
		From	To
1.	Dr. C. Suvarna, IFS	26.06.2020	Till date

- III) **BUDGET:** The following is the budgetary position of the National Fisheries Development Board, Office Hyderabad.

Rupees in crores			
Year	Actual Budget allocation	Actual Expenditure	Excess (+) /Savings (-)
2018-19	108.1707	98.68	(-) 9.4907
2019-20	96.9707	111.46	(+) 14.4893
2020-21	84.01	46.80	(-)37.21

B) OUSTANDING PARAS OF PREVIOUS INSPECTION REPORTS:

Year of Report	Outstanding Paras
2012-13	VI, XIII
2013-14	IV, VII, VIII, IX
2015-16	I, III, VIII
2017-18	II, IV, V, VII, IX, XIII
2018-19	I, IV, V
2019-20	II, III, XI, XII,
2020-21	I-X

C) PERSISTENT IRREGULARITIES: NIL

PART-II

A) MAJOR IRREGULARITIES : NIL

B) OTHER IRREGULARITIES : Vide Report

PART-III

TEST AUDIT NOTES : NIL

I. Infertuous expenditure of Rs.6.44 crore due to under utilization of Laboratory facilities.

During the scrutiny of files, it was observed that the NFDB has set-up an In-house Laboratory by name Aquatic Health and Disease Testing Laboratory in NFDB premises, Hyderabad in the month September 2019, with the following objectives –

1. Co-ordinate with existing surveillance system (NASPAAD, AAHL and AOC) for monitoring and screening of OIE listed/non-OIE diseases and offer technical support to aqua-farming community for prevention and spread of disease and to serve the farmers in disease diagnostics and quality aspect.
2. Implement Best Management Practices (BMPs) and Standard Operating Procedures (SOPs) for controlling emerging and common fish/shrimp diseases in aquaculture sector.
3. Screening for antibiotic residues, pesticides, preservatives, bio-toxicants & microbes in the fishery products to ensure national and international food safety.
4. Capacity building of technical personnel of AAH laboratories on advanced disease diagnostic tools & protocols and creation of awareness on emerging diseases.
5. Support the services of the existing AAH laboratories and ensure food safety in the aquaculture sector.
6. Referral lab for samples collected by Coastal Aquaculture Authority at Chennai.
7. Testing diseases of importance in aquaculture
8. To test the presence of pesticide and antibiotic residue in aqua products.
9. RT PCR for Pathogen detection of OIE identified diseases and LCMSMS, GCMSMS and ICPMS for pesticide residue testing.
10. Sanger sequencing for Ribo-typing of Microbes and DNA bar-coding of Aquatic resources.
11. Detection of adulteration in the consumer products and training.

Further, the NFDB had incurred an amount of Rs.6,15,22,469/- towards procurement of various equipment and incurred an expenditure of Rs.29.00 lakhs towards engagement of outsourced personnel/consultants for Laboratory purpose during the year 2020-21.

Thus, a total of Rs.6,44, 22,469/- was incurred towards the above Laboratory purpose during the year 2020-21.

NFDB had processed only 1224 samples; in 2020 – 494 and in the year 2021 730 samples) (as detailed below) samples during the period from October 2019 to December 2021 (as on date) against a huge amount of Rs.6.44 crore expenditure incurred towards procurement of equipment and engagement of outsourced personnel for Laboratory purpose. An amount of Rs.3,81,525 was only generated as revenue in respect of 1224 samples processed against the expenditure of Rs.6.44 crore. Further, the NFDB receives only 31 samples on average every month, for which an amount of Rs.6.44 crore was spent.

2020		2021	
Month	No. of samples	Month	No. of Samples
10/2019	10	1/2021	360
12/2019	10	2/2021	138
1/2020	6	3/2021	12
2/2020	28	4/2021	37
3/2020	4	5/2021	4
5/2020	2	6/2021	16
6/2020	11	7/2021	5
7/2020	2	8/2021	68
8/2020	19	9/2021	33
9/2020	66	10/2021	21
10/2020	22	11/2021	18
11/2020	103	12/2021	18
12/2020	211	-	
TOTAL	494	TOTAL	730

In this connection, the NFDB did not consider the following aspects before set up of Laboratory by incurring a huge amount of Rs.6.44 crore.

- (1) General Facilities – The residential quarter is converted to Laboratory and is next to the Staff quarters. Several steps need to be taken to handle liquid wastes, venting of fume hood exhausts, emergency provisions in case of gas leaks, providing BSL2 level work benches for Microbiology. For this purpose, several equipment whose total cost around Rs.2.0 crore is needed to

operationalize the laboratory and considerable time would be required, which is an extra expenditure on exchequer.

- (2) Piped supply gases, including nitrogen, helium, hydrogen and compressed air is required.
- (3) Good drainage and waste disposal systems is required, whereas the NFDB disposes only solid wastages.
- (4) The Laboratory can compete with other existing public and private laboratories only if located near to aquaculture sites and sustain on analytical services, whereas the lab is located in residential area where it could hardly test samples.

Without taking into the above aspects, the NFDB had established a laboratory. Further, being away from the Coastal belt, the lab receives only few samples for testing purpose and even sometimes could not get samples as the samples deteriorates when it reaches the lab being away from coastal belt and earning from these tests is also meagre.

Accreditation is a procedure by which an authoritative body gives formal recognition of technical competence for specific tests/measurements, based on third party assessment and to follow international standards. In this regard, it is to state that the NFDB did not get accreditation from NABL so far, as a number of equipment worth Rs.2.0 crores (as per the assessment report of Dr. Iddya Karunasagar and Dr. Jaya Devi)(involve significant investment and time) to operationalize the Lab at required level of proficiency to think of NABL accreditation. The same was discussed during the 39th meeting of the Executive Committee of NFDB held on 9th June 2021. Further, additional investment of Rs.25 lakhs required to set up right biosafety issue, but still remains a problem as the Laboratory is close to residential area.

The NFDB had entered an MoU with Coastal Aquaculture Authority (CAA), Chennai on 10.01.2020 with a purpose to develop and expand a framework of cooperation in monitoring the compliance programme, however, the purpose for which the MoU signed was not met.

NFDB also did not consider the following aspects while establishing the Laboratory.

- (a) Basic facilities into consideration
- (b) Assessment of samples to be tested
- (c) Revenue Assessment with these samples test
- (d) Establishment of Lab at Coastal Line.

The NFDB has also did not explore the possibilities to optimise the utilisation of the above Lab Equipment for the following purpose

- (1) Research purpose
- (2) Environmental Study purposes alongwith coordination with Pollution Board.
- (3) As a referral lab purpose.
- (4) Did not explore the possibility to optimise the utilisation of lab facilities.
- (5) NFDB did not reach out the fish farmers and explain about the usage of Laboratory facilities to increase the qualitative production.
- (6) NFDB with the cognizance of DoF and also involving FSSAI, make certain parameters for sale of qualitative fish for consumers.
- (7) NFDB, even did not make mandatory for the beneficiaries (to whom 125 mobile outlets are distributed) to make use of Laboratory facilities to test their sale produces so as to distribute qualitative product to the consumers.
- (8) In the event failure after exploring all possibilities to get samples, to explore the option to transfer (with the approval of MoF) the equipment to any other Institutions/Organisations to make optimum use.

In the absence of all the above, the NFDB had established a lab viz. AAHL by incurring huge amount of Rs.6.44 crore from which a meagre amount of revenue of Rs.2.69 lakh was generated.

The purpose for which the above laboratory set up was not met even after a huge amount of Rs.6.44 crore was incurred.

When infructuous expenditure of Rs.6.44 crore due to under-utilisation of Laboratory was brought to notice, the NFDB in their reply stated that the operationality of the lab was more towards offer of quality services to the farmers rather than the number of samples.

Reply of the NFDB is not tenable as the there was no receipt of samples for analysis since July 2021 onwards and earlier too, there were few samples (appx. 5 samples in a month) and in the absence of samples, offer of quality service to the farmers is not justifiable.

Further, (1) location and area requirement, (2) laboratory base study (which includes dispose of wastages) and (3) assessment of laboratory personnel (qualified personnel to deal samples) were not conducted by the NFDB before purchase of equipment and engagement of personnel, which resulted in infructuous expenditure of Rs.6.44 crore.

II. Non- commencement of construction of Wholesale Fish Markets - Non-Refund of amount of Rs. 536.24 lakh released to implementing agencies after cancellation of Sanction orders

NIRD had approved the proposals of Implementing Agencies (IAs) for construction of wholesale fish markets with a stipulation that it will provide 90 per cent of the approved project cost and IAs have to bear remaining cost of the projects. The projects for constructions of wholesale fish markets were to be completed within 12 months from the date of release of first instalment of grant and incase of delay and also penalty as decided by NFDB will be levied.

It was observed that, an amount of Rs.1009.57 lakh was sanctioned by NFDB in respect of following 5 projects (one in Telangana, one in Maharashtra and three in Andhra Pradesh) and Rs.536.24 lakh was released during the year 2012-13.

Sl. No	Name of Implementing Agency	Project	Amount sanctioned (Rs. In lakh)	Amount released (Rs. In lakh) & date	Date of cancellation of SO
1	Commissioner, GHMC, Hyderabad	Construction of wholesale fish market at Hyderabad	221.40	110.70/ (March, 2012)	May, 2019
2	Commissioner, Municipal Corporation of Guntur	Construction of wholesale fish market at Ponnur Road, Guntur	205.20	102.60 / (November, 2012)	February, 2018
3	Commissioner, Municipal Corporation of Guntur	Construction of wholesale fish market at Bongaralabeedu, Guntur	200.70	100.35 / (Nov, 2012)	February, 2018
4	Commissioner, Municipal Corporation of Tadepallygudem	Construction of wholesale fish market at West Godavari district	225.00	112.50 / (Feb., 2013)	February, 2018
5	Maharashtra Fisheries Development Corporation Limited	Construction of wholesale fish market at Raigarh district, Maharashtra	157.27	110.09 / (Feb., 2013)	May, 2019
Total=			1009.57	536.24	

However, as the works are not commenced till date due to local problems and projects were cancelled / dropped by IAs, NFBD cancelled the sanction orders and requested the IAs to refund the entire sanctioned amount alongwith interest. None of the IAs had refunded the amount till date (December,

2021). Though periodical reminders are being issued by NFDB, the amount was not received back. This resulted in blockage of huge funds of Rs.536.24 lakh for the period ranging from 7-8 years besides non-achievement of the objective of setting up fish markets.

Refund of the above amount of Rs.536.24 lakhs may be intimated to audit.

III. Parking of Funds to the extent of Rs.34,17,016

During scrutiny of records, it was observed that from the statement furnished by the CPWD Form-65, that an amount of Rs.34,17,016 was lying idle against the deposit works which have been completed and the said balance was remained with the executing agency to the end of 31 March 2021.

As the amount is in nature of deposit, no interest was paid by the executing agency on deposits, unutilized amount must be either refunded to the NFDB or adjusted in respect of ongoing works by CPWD. However, the works indicated above were completed but the balance amount against these works were not refunded/adjusted by CPWD to the end of March 2021.

On this being pointed out, it was replied that NFDB had made a letter communication to CPWD requesting them to refund the unutilized funds to NFDB.

Recovery proceedings may be executed on priority basis with an intimation to audit.

IV. Excess payment of PMC charges to M/s. Ernst and Young LLP (EY) during the 1st quarter amounting to Rs.30,090/-

The NFDB has entered into an agreement on 3 November 2020 with M/s. Ernst and Young LLP (EY) as Programme Management Consultancy (PMC) for implementation of Pradhan Mantri Matsya Sampada Yojana (PMMSY) and as per the Agreement, NFDB has paid an amount of Rs.61,34,119 through PFMS, O/o. CGA for 1st quarter to the Agency in respect of manpower deployment during the period from 3 November 2020 to 31st January 2021 vide Bill No.B2135 dt.28.08.2021.

On scrutiny of attendance sheets of the staff members deployed under the above agreement and also assessment sheet of the NFDB for payment to be released, it was observed in respect of Sri Koushik Sen was paid Rs.1,27,500 as against amount payable of Rs.1,02,000.

When excess paid amount of Rs.30,090/- (Rs.25,500 plus 18% GST) was brought to notice, it was replied that the excess amount would be adjusted in the 2nd quarter bill.

Adjustment of the above said amount may be intimated to audit.

V. Non receipt of UCs for an amount of Rs. 47.77 lakh in r/o Celebration of World Fisheries Day 2020.

On the Eve of Celebrations of World Fisheries Day on 21st November 2020 the Department of Fisheries, Ministry of Fisheries, Animal Husbandry & Dairying, Govt. of India has communicated to the States and UTs to submit their proposals for availing the central grant based on their fisher's population, fisheries potential & activities. The theme on the celebrations of the World Fisheries Day 2020 will be on creating awareness among the fishers, fish farmers, fish workers, fish vendors and other fisheries related stake holders on the newly launched scheme "Pradhan Mantri Matsya Sampada Yojana (PMMSY)".

Further, based on the fisheries potential the States/ UTs are divided into two groups and the central grant accorded for the WFD celebrations is as follows:

Group A: 17 Nos. of States/UTs – Rs. 5.0 lakhs each

Group B: 19 Nos. of States/UTs – Rs. 3.0 lakhs each

Accordingly, NFDB released an amount of Rs.113.40 lakhs to 28 States/UTs, out of which, UCs in respect of 15---States/UTs amounting to Rs.58.63lakh received along with refunds from 12 States/UTs amounting to Rs7.10lakh. Thus, leaving a balance of Rs.47.77 lakh for which UCs//refunds were not yet received as on (30.11.2021) from 16 States/UTs.

On this being pointed out, the Organization replied that NFDB regularly monitored and reminded all the States/UTs through Letters and during the Review Meets held with the States/UTs to submit the Reports, UCs and Refunds if any. Vigorous efforts may be made to get the UCS/refunds for the balance amount and this may be reported to audit.

VI. Non - reimbursement of Investment amount from Sasoondock Matsyodog Sahakari Society Limited (SMSSL)

Sasoondock Matsyodog Sahakari Society Limited (SMSSL) member established in 1993 approached National Cooperative Development Corporation¹ (NCDC) for fishing boat for society members with a proposal for the installation of IQF² Machinery with a total cost of **Rs 776.00 lakh**. National Cooperative Development Corporation(NCDC) had sanctioned a loan of **Rs 620.80 lakh** and suggested NFDB to assist the balance amount of **Rs 155.20 lakh** as 20 per cent Share Capital. Accordingly, NFDB after careful perusal of the project proposal and inspection of the existing facility at the project site, an amount of |Rs.155.20 lakhs have been recommended for installation of the IQF machinery in the sea food Processing plant at Dighoda, Raigad district, Maharashtra as 20% equity participation from the NFDB.

Accordingly, NFDB had been allocated 1552 shares of face value of Rs. 10000/- or 15520 shares of face value of Rs.1000/- for the contribution made towards the equity share capital and the profit shall be shared as dividend along with all the shareholders of the society.

As no dividend is received from M/s. Sasoondock Matsyadog Sahakari Society, NFDB requested either to refund 20% share capital amount or to pay the dividend from the year 2010-11 onward. As per the minutes of the meeting, the Chairman of the Society had agreed to return the equity in 10 installments of every interval of 6 months of Rs 15.52 lakh each installment from April 2019 Financial year. However, the same was not returned till date. NFDB is regularly pursuing the same with Govt of Maharashtra and Seasoondock Matsyodhyog Sahakari Society Ltd.

As huge amount of Rs.155.20 lakhs, was pending since a long period, and huge amount is involved, vigorous efforts may be made for recovery of the amount from SMSSL and recovery particulars may be intimated to Audit.

¹ Under the Ministry of Agriculture and Cooperation, Government of India

² Individually Quick Frozen (IQF) products are frozen as single units which need not be thawed for sub-division or perhaps even for cooking purposes.

VII. Release of funds amounting to Rs.450 lakhs without insisting business licenses and ascertaining beneficiary contributions

Government of Telangana with the assistance from NFDB has proposed for the implementation of Mobile Fish Retail outlets to the unemployed women. The said project was named as "Setting up of mobile fish retail outlet (Kiosk) under CSS-Blue Revolution during the year 2019-20. Under the project, proposed to set up 150 Mobile Fish Retail Outlets and would be operated in Hyderabad City at one in each Municipal Corporation Ward. The unit cost for setting up of a Mobile Fish Retail Outlet (Kiosk) is Rs.10.00 lakhs. The Financial Assistance from Central Government and State Government is 40% i.e. 600 lakhs (Rs.360 Lakhs Central Share and Rs.240 lakhs State Share) and Rs.900.00 Lakhs is the beneficiary contribution.

During the scrutiny of files, it was observed that State Govt had called for applications in this regard and these were scrutinized and approval of list of beneficiaries was prepared by District Selection and Approval Committee consisting of members at the level of District Fisheries officers level. Further, NFBD had to scrutinize the filled up application forms, other documents to be attached and progress report of Statement Govt. before releasing the amounts in three instalments.

However, the NFDB has released an amount of Rs.450 lakh without ascertaining self-contributions made (as declared in the application form) by the beneficiaries and also without insisting the following licenses from the concerned.

- (1) The Food Safety and Standards Authority of India
- (2) Eating House License from the Police Commissioner
- (3) NoC from Municipal Corporation as well as RTO
- (4) License from the Fire Department.

On this being pointed out, the Organization replied that the above information would be obtained from CoF and furnished to audit.

VIII. Short-recovery of (i) interest amount of Rs.3,93,660 in respect of “Construction of Fish Market at Vairattipattu, Madurai District” and (ii) Non-levy of interest amount of Rs.2,77,275 (interest amount of Rs.2,62,530/- plus balance instalment amount of Rs.14,745) in respect of “Construction of Fish Market at Krishnagiri, Tamil Nadu.

During the scrutiny of records/files, it was observed that the administrative sanction for financial assistance of Rs.154.50 lakhs to TNFD was accorded for “Construction of New Fish Market at Virattipattu, Madurai, Tamil Nadu vide letter dated 27.01.2020. Further, as per Clause 9 of the Sanction Order, the Director of Fisheries, Govt. of Tamil Nadu should ensure that the project has to be completed within time limit, failing which the entire amount should be refunded to NFDB, Hyd with interest at 12% per annum. Accordingly, an amount of Rs.38,62,500 was released as 1st instalment vide letter dated 27.01.2020. However, the project was not materialized till 28.4.2021 and the Commissioner of Fisheries, Integrated Office Building for Animal Husbandry and Fisheries Department, Chennai refunded of Rs.39,32,340 which included interest amount of Rs.69,840 (Rs.39,32,340 – Rs.38,62,500).

The interest worked out on Rs.38,62,500/- at 12% per annum from the release date of amount is Rs.4,63,500 (interest worked out for one year at 12% per annum on Rs.38,62,500) whereas the Commissioner of Fisheries informed about the refund of Rs.39,32,340 which included interest amount of Rs.69,840.

This resulted in short-recovery of interest amount of Rs.3,93,660 (Rs.4,63,500 – Rs.69,840) (on the Principal Amount of Rs.38,62,500).

Similarly, an amount of Rs.14,58,500 was released as 1st Installment amount to the Commissioner of Fisheries vide Letter dated 27.01.2020 in respect of New Fish Market, Krishnagiri, Tamil Nadu under CSS-BR. As the change of site was permitted, hence, the Commissioner of Fisheries, Animal Husbandry and Fisheries Department, Chennai in their letter No. RC No.2216/R1/2020, dated 23.08.2021 refunded an amount of Rs.14,43,755 against the released amount of Rs.14,58,500. Thus, a balance of Rs.14,745 was receivable towards 1st Instalment amount. Further, interest amount of Rs.2,62,530 on Rs.14,58,500 is to be received from the Commissioner of Fisheries and Fishermen Welfare, Chennai. (interest amount worked out on Rs.14,58,500 at 12% for one and half year from the release date).

Thus, a total amount of Rs.2,77,275 (interest amount of Rs.2,62,530 plus balance amount of Rs.14,745) receivable.

In reply, the NFDB stated that State would be addressed to refund the above said amount. Progress in this regard intimated to audit.

IX. Release of Rs.32.18 lakhs (3rd instalment) without ascertaining the contributions made by TNFDC

During the scrutiny of records/files, it was observed that the Director of Fisheries, Govt. of Tamil Nadu has submitted a project proposal on TNFDC – Construction of fish market at Anichampalaym, Villupuram, Tamil Nadu under CSS-BR. The total project cost is amounting to Rs.250 lakhs and Central Share is Rs.128.75 lakhs (including 3% administrative cost). The remaining 50% would be borne by the TNFDC.

Accordingly, an amount of Rs.64,37,500 was released to DoF, Govt. of Tamil Nadu for the construction of New Fish Market at Anichampalayam, Villupuram in 2 installments. CoF, Government of Tamil Nadu has submitted the UC for 2nd instalment amount of Rs.32,18,750 and requested to release 3rd instalment of Rs.32,18,750/- (25 % of the Project cost). Accordingly, 3rd instalment was also released vide Ir.dt.8.11.2021.

However, the amount was released without ascertaining the share of contributions made by TNFDC.

On this being brought to notice, the NFDB stated that the details would be obtained and furnished to audit.

X. Regularization of expenditure amounting to Rs.29.00 lakhs incurred towards engagement of consultants for in-house Laboratory purpose

Keeping in view that (i) there is limited availability of funds through the normal budgetary process and even these are mostly grant based without the ability to leverage them for credit based finance, (ii) there is conspicuous lack of credit funding in fisheries sector and (iii) to fill the large gaps in fisheries infrastructure, the Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying has set up a dedicated Fisheries and Aquaculture 2 Infrastructure Development Fund(FIDF). FIDF envisages creation of fisheries infrastructure facilities both in marine and inland fisheries sectors and augment the fish production to achieve the target of 15 million tons by 2020 set under the Blue Revolution. Besides, the FIDF aims to achieve a sustainable growth of 89 per cent, in a move to augment the country's fish production to the level of about 20 million tons by 2022-23.

As the NFDB being the Nodal Implementing Agency for FIDF, the NFDB proposed to establish a Project Monitoring Unit (PMU) with Monitoring and Evaluation Expert (1), three Monitoring Assistants and Data Entry Operators (2 Nos.) at a monthly remuneration of Rs.1,25,000 for Monitoring and Evaluation Expert and Rs.50,000/- for Monitoring Assistant.

Accordingly, the NFDB has issued notifications and appointed one Monitoring and Evaluation Expert and two Monitoring Assistants (2 numbers at Hyderabad) on 18.01.2021 and one Monitoring Assistant at Delhi with effect from 19.04.2021.

In addition to the above, the following personnel were engaged as consultants for a period of six (6) months subject to extendable (on their performance) for the in-house laboratory purpose during the October 2019 onwards, to the position as detailed below :

S.No.	Name of the Candidate S/Sri/Smt.	Position
01.	J.B. Vijaya Kumar	Lab Manager
02.	Anupam Sharma	Senior Technical Officer
03.	Ritu Sharma	-do-
04.	P. Sarathi Babu	-do-
05.	T. Vinay Kumar	-do-
06.	T. Poli Naidu	Junior Technical Officer
07.	P. Gayathri	-do-
08.	M. Vijay Kumar	

Further, consultancy period of the following persons engaged as Consultants was extending during the period 2020-21.

S.No.	Name of the Consultant
01.	Ms. Switi Madhukar
02.	Shri J. Nanda Kumar Reddy
03.	Shri P. Sandeep Reddy
04.	Shri Y. Mani Maruthi Raju
05.	Shri Shivang Tiwari
06.	Shri G. Kiran Kumar
07.	Ms. Sutapa Biswas
08.	Ms. Saneetha Saseedharan

The above consultants are assisting to regular units of the NFDB viz. IT Division, HRD Division, Coordination Division, M&E Division, Infra Division etc. for implementation of PMMSY Scheme.

In this regard, it is to state that the NFDB did not assess the requirement of staff and without assessment, man power was outsourced. NFDB did not assess the requirement of Laboratory Staff even though only few samples were received for analysis for which an amount of Rs.29.00 lakhs was incurred during the year 2020-21. There was no methodology, basis of assessment and procedure with the NFDB for engagement of various outsourced personnel.

In the absence of all the above, the expenditure of Rs.29.00 lakhs for engagement of in-house Laboratory Personnel during the year 2020-21 is not justifiable.

When the same was brought to notice, NFDB replied that the Government of India and General Financial Rules were followed for fixing remuneration.

Reply of the NFDB is not tenable as there was no assessment, methodology and procedure to assess the number of personnel required for the above schemes/work which was already explained as above.

XI. Non-refund of Rs.8.88 lakhs from the Beneficiary

It was observed that an amount of Rs.8.88 lakhs (50% of beneficiary viz. Shri D. Suryanarayana, Traditional Fishermen, Port Blair, Andaman & Nicobar, was released for purchase of Wooden Boat alongwith Plant & Machinery. Meanwhile, the beneficiary was died and his legal heir was not willing to take up the Project.

However, NFDB did not receive the said amount back, and in a letter was ddressed to the Department of Fisheries, Andaman & Nicobar Administration, Port Blair, vide dated 05.07.2021 for refund of the same.

Receipt of the above said amount of Rs.8.88 lakh may be intimated to audit.

XII. Certain observations on maintenance of cash book

During scrutiny of records of cash book, the following observations were noticed:

(1) The Institute has maintained seven bank accounts five at Hqrs. Level bearing No. 62029582916 (SBI, CA), 62407546162 (SBI, SB), 30109387550 (SBI, CA), 131601000599 (ICICI, SB) & 11031110001510 (AB, CA), one SBI current account No. 32607018978 at Regional Centre Guwahati and one SBI current account no. 33708404643 at Bhubaneswar. (2) The cash book at Hqrs office was not being closed regularly i.e. at least once in a month and closing balance was not shown and authenticated.

On being pointed out, it was replied that the cash book at Head Office has been reconciled and closed on a monthly basis indicating closing balance. It was noticed that a statement showing closing balances were prepared at the end of each month without proper authentication. This may be rectified with an intimation to audit.

(2) The voucher number of the receipt and the purpose for which the amount was received were not mentioned in the cash book.

It was replied that, observation is noted and will be complied accordingly.

(3) Regional Centre Bhubaneshwar was maintaining single column cash book and a discrepancy of Rs.648/- was noticed in respect of SBI account no. 32607018978 maintained at Kauslyaganga, Odisha showing Opening balance Rs. 1,53,22,075.73 on 01.04.2020 and closing balance Rs. 1,60,50,169.73 on 31.03.2021. But Opening balance and Closing balance in Receipts and payments accounts were shown as Rs.1,53,21,427 and Rs.1,60,49,521/- with a difference of Rs.649/- in OB and a difference of Rs. 648 in CB.

It was replied that, The difference in opening balance between CB balance of cash book and receipt and payments account is on account of bank charges of Rs.649/- (for the month of March 2021) which was not updated by the regional center in it's cash book. The same difference of Rs.649/- is in closing balance between CB balance and receipt and payments account as on 31.03.2021, for which the NFFBB, Regional Centre has to pass the entry in their cash book. The same shall be rectified/ reconciled with an intimation to audit.

(4) Imprest amount of Rs. 50,000/- was sanctioned to meet day to day expenditure and given to Executive Assistant and the expenditure incurred is being recouped at regular intervals. But the recoupment amount was not being entered in the cash book. The imprest amount was not being reflected in the R & P account of the Institute. The Institute was maintaining an imprest account with a balance of Rs. 50,000/- which was not shown in opening balance as well as closing balance in the annual account during the year 2020-21.

It was replied that, Imprest maintained is in the form of temporary advance to meet day to day petty office expenses. Hence, the imprest statement (as submitted) is maintained in excel sheet. Since, it is in the form of temporary advance, the same is not recorded in cash book and therefore it is not shown as cash balance in annual accounts.

The reply is not acceptable, the transactions made in the form of imprest should be recorded in cash book, as well as in annual accounts.

(5) Bank reconciliation statement was not prepared regularly in respect of all five accounts maintained at Hqrs.

It was replied that, Bank Reconciliation statement was prepared regularly in respect of all five accounts maintained at Hqrs.

Reply is not acceptable though the BRS is said to be prepared and furnished it was observed that the same is not prepared in proper format. This may be rectified with an intimation to audit.

(6) Unspent balances received were not accounted for in chronological order.

It was replied that, the unspent balances are directly credited into NFDB bank account by the implementing agencies.. However, the details of the remittance are followed up regularly with the Technical Divisions as well as with the Implementing Agencies for details of the remittances received directly in bank account.

Discrepancies may be rectified and intimated to Audit.

XIII. Avoidable expenditure of Rs.12,812 on Water Charges

As per the Clause-6(ii) of Board Proceedings No.136, dated 10.11.2011 issued by Administrative Wing, Hyderabad Metropolitan Water Supply and Sewerage Board, a rebate upto a maximum of 50% (i.e. 17.50% of Sewerage Cess 35%) in Sewerage Cess would be provided on the entire quantity of water consumed including the borewell water is treated and recycle for other usages, if the bulk consumers set up Sewerage Treatment Plant.

During the course of audit, it was observed that the NFDB has a Sewerage Treatment Plant of 1000 liters capacity whereas the NFDB consumes an average of 500 liters per month. It is, therefore, eligible for a rebate of 50% on Sewerage Cess, but did not avail the same during the year 2020-21.

This resulted in excess payment of Sewerage Cess amounting to Rs.12,812/- for the period from April 2020 to November 2020.

On this being pointed out, the Organization replied that NFDB has made a letter communication to the General Manager (Engg.), O&M Division-XVI, Hyderabad Metropolitan Water Supply and Sewerage Board, Rajendra Nagar to provide 50 % rebate on the sewerage cess and adjust Rs 12,812 in the water bills to be generated hereafter.

Details of adjustments may be intimated to audit.

XIV. Tour Advances amounting to Rs.1.35 lakh pending settlement

As per Rule 290 of General Financial Rules(GFRs) 2017 read with OM No. 19030/1/2017-E. IV dated 13.03.2018, issued by Department of Expenditure, Ministry of Finance, time-limit for submission of claim for Travelling Allowance(TA) is sixty days from succeeding the date of completion of the journey. Accordingly, it has been decided with the approval of Competent Authority that the claim of a Govt. Servant to Travelling Allowance/Daily Allowance on Tour/Transfer/Training/Journey on retirement, is forfeited or deemed to have been relinquished if the claim for it is not preferred within sixty days succeeding the date of completion of the journey and as per rule 51 of Compendium of Advances to GFR the amount of advance granted under this section shall be adjusted within 15 days from the completion of tour or the date on which the Government servant resumes duty after completion of tour.

Scrutiny of records revealed that an amount of 2.02 lakh, was sanctioned to the officials of the Institute during the period towards official tour . Out of Rs.2.02lakh, an amount of Rs. 1.35 lakh was pending adjustment as on 31.03.2021 as detailed below.

Sl. No.	Name of the official	Date of advance	Amount of advance	Pending advance
1	Smt. Dipmala Roy	16.06.2019	41400	15966
2	Shri G. Ramakrishna Rao	2019-20, 2020-21	17050	17050
3	Shri Rajnathpanditha	2020-21	101997	101997
	Total			135013

On this being pointed out, the Organization replied that all the TA Bills would be settled and compliance would be shared.

Recovery may be initiated at the earliest.

XV. Non receipt of Utilisation Certificates and Progress Reports from the Implementing Agencies for the funds released under Various Fisheries Development Programme.

During scrutiny of replies furnished by the Organisation, (Para II of 203-14) and also information called for vide AE dated 29.11.2021, it was observed that out of the funds released under various Fisheries Development Programme during 2010-11, 2011-12, 2015-16 to 2019-20 & 2020-21, Utilisation Certificates and Progress Reports were not obtained for the amounts mentioned against each year as detailed below, from the Implementing Agencies.

Year	Grants released to the Implementing Agencies /Expenditure incurred	Amount for which UCs received	Amount for which UCs not received
2010-11	11921.30	11560.604	360.696
2011-12	11919.03	11705.93	213.10
2015-16 to 2019-20 (Blue Revolution)	17237.84	9436.45	7801.39
PMMSY	2423.92879	9.39	2414.53879

Pursuance may be made to obtain the Utilization Certificates and Progress Report may be reported to audit.

XVI. Non-receipt of Security Deposit amounting to Rs.9.59 lakhs from HMDA.

On scrutiny of records pertaining to Rent Deposits etc. it was observed that NFDB, Hyderabad at the time of its inception (2006) had taken on rent and used Block Nos.401 & 402 in HMDA Commercial Complex, Maitri vihar and paid Security Deposit amount of Rs.6,91,200 (vide cheque No.008401 dated 22.08.2006) . Further, during April, 2010 Block No.306 was also taken on rent by NFDB and had paid a further sum of 5,83,024/- vide challan dated 28.04.2010 which included Security Deposit of Rs.2,67,840/-Thus, the Board in toto had paid a sum of Rs.9,59,040/- as Security Deposit. The above premises were vacated in April, 2012.

Since then, security deposit was not returned/refunded by the HMDA, in spite of several reminders from the Organization (3/2014 & 1/2016).

The matter may be taken up with the Ministry and the result of action may be intimated to audit.


DIRECTOR/CEA