



**Report of the
Comptroller and Auditor General of India
on
Economic Sector
for the year ended March 2018**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



**Government of Tamil Nadu
Report No. 3 of the year 2019**

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P R E F A C E

This Report for the year ended March 2018 has been prepared for submission to the Governor of Tamil Nadu under Article 151 of the Constitution of India for being placed in the Tamil Nadu Legislature.

The Report contains significant results of the Performance Audit and Compliance Audit of the Departments of the Government of Tamil Nadu under Economic Services, including Departments of Agriculture; Animal Husbandry, Dairying and Fisheries; Environment and Forests; Handlooms, Handicrafts, Textiles and Khadi; Highways and Minor Ports; Industries; Information Technology; Micro, Small, Medium Enterprises; Public Works and Tourism. However, other Departments are excluded and covered in the Report on General and Social Sector Services.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2017-18 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. The instances relating to the period subsequent to 2017-18 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

CHAPTER I

CHAPTER I GENERAL

1.1 Introduction

Tamil Nadu is one of the largest States of India, with a population of 7.21 crore and a geographical area of 1,30,058 sq km. For the purpose of Administration, there are 37 Departments, headed by Principal Secretaries, who are assisted by Commissioners/Directors and subordinate officers under them.

Government functioning is broadly classified as General Services, Social Services and Economic Services. This Report covers the functioning of 10 Departments of Economic Sector listed in **Table No. 1.1**.

Of the 10 Departments with a total expenditure of ₹ 26,666.77 crore covered here, a major portion of the expenditure was incurred by Highways and Minor Ports (32.36 per cent), followed by Agriculture (28.28 per cent), Public Works (16.73 per cent) and Animal Husbandry, Dairying and Fisheries (7.42 per cent) Departments during 2017-18.

1.2 Trend of expenditure

A comparative position of expenditure incurred by the Departments during the year 2017-18 along with preceding four years is given in **Table No. 1.1**.

Table No. 1.1: Trend of expenditure for five years

(₹ in crore)

Sl. No.	Name of the Department	2013-14	2014-15	2015-16	2016-17	2017-18
1	Agriculture	5,067.84	5,247.25	6,199.67	6,505.30	7,541.33
2	Animal Husbandry, Dairying and Fisheries	1,487.60	1,705.37	1,795.75	1,597.31	1,978.84
3	Environment and Forests	686.75	633.96	473.47	443.53	539.66
4	Handlooms, Handicrafts, Textiles and Khadi	1,287.38	1,271.56	1,234.97	1,257.55	1,223.53
5	Highways and Minor Ports	5,744.66	6,254.65	6,719.63	7,030.85	8,630.59
6	Industries	591.90	703.58	1,253.08	1,709.50	1,702.56
7	Information Technology	75.83	81.72	79.29	70.22	67.87
8	Micro, Small and Medium Enterprises	238.63	219.06	284.04	299.78	377.19
9	Public Works	3,710.66	4,113.54	3,628.23	4,038.92	4,460.77
10	Tourism	105.50	125.33	126.17	128.76	144.43
Total		18,996.75	20,356.02	21,794.30	23,081.72	26,666.77

(Source: Appropriation Accounts for the years 2013-14 to 2017-18)

Reasons for increase in expenditure are stated below:

Agriculture Department: The increase in expenditure was mainly due to implementation of Crop Husbandry schemes *viz.*, Micro irrigation, National Horticulture Mission, National Agricultural Insurance Scheme, etc. (₹ 865 crore).

Highways and Minor Ports Department: The increase in expenditure was mainly due to maintenance of Major District Roads, Rural Roads and important Roads in Chennai city (₹ 415 crore).

Animal Husbandry, Dairying and Fisheries Department: The increase in expenditure was due to Free distribution of Sheep / Goat and Milch Cows, and Tamil Nadu Veterinary Infrastructure Improvement Project (₹ 249 crore).

Environment and Forests Department: The increase was mainly due to scheme of Forest produce and Wild Life Preservation and increased consolidated wages to Anti-Poaching Watchers (₹ 44 crore).

Micro, Small and Medium Enterprises Department: The increase in expenditure was due to enhanced allocation of Capital Subsidy to Micro, Small, Medium and Agro based Industries (₹ 80 crore).

1.2.1 Some major schemes implemented by the Departments of the Economic Sector during 2017-18

- (i) Highways Department incurred an expenditure of ₹ 3,083 crore towards implementation of Comprehensive Road Infrastructure Development Programme covering State Highways, Major District Roads and Other District Roads.
- (ii) Agriculture Department incurred an expenditure of ₹ 607 crore towards implementation of Micro irrigation scheme.
- (iii) Handlooms and Textiles Department undertook Free distribution of handloom cloth at an expenditure of ₹ 439 crore to the people living below poverty line.
- (iv) Animal Husbandry Department incurred an expenditure of ₹ 48 crore towards Free distribution of Milch Cows and ₹ 194 crore towards Free distribution of sheep / goat to the people living below poverty line.
- (v) Public Works Department implemented Intra State linking of rivers – Tamirabarani and Nambiyar linkage project incurring an expenditure of ₹ 221 crore.

1.3 About this Report

This Report of the Comptroller and Auditor General of India (CAG) relates to matters arising from the Audit of 10 Government Departments and 48 Autonomous Bodies under the Economic Sector. Compliance Audit covers examination of the transactions relating to expenditure of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with. Performance Audit examines whether the objectives of the programme/activity/Department are achieved economically, efficiently and effectively.

1.4 Authority for audit

The authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) (DPC) Act, 1971. CAG conducts audit of expenditure of the Departments of Government of Tamil Nadu under Section 13¹ of the CAG's (DPC) Act. CAG is the sole Auditor in respect of Autonomous Bodies which are audited under Sections 19(3)² and 20(1)³ of the CAG's (DPC) Act. In addition, CAG also conducts audit of other Autonomous Bodies, under Section 14⁴ of CAG's (DPC) Act, which are substantially funded by the Government. Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts, 2007 issued by the CAG.

1.5 Planning and conduct of audit

The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The audit observations are expected to enable the Executive to take corrective action, as also to frame policies and directives that will lead to improved financial management, thus, contributing to better governance.

Audit process starts with the assessment of risks faced by various Departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stakeholders. Previous audit observations are also considered in this exercise. The frequency and extent of audit are decided based on this risk assessment.

Inspection Reports (IRs) containing audit observations are issued to the Heads of the Department/field officers after completion of audit. The Departments are requested to furnish replies to the audit observations within one month of receipt of the IRs. Whenever replies are received, audit observations are either settled or further action for compliance is advised. Important audit observations arising out of these IRs are processed for inclusion in the Audit Reports, which are submitted to the Governor of the State under Article 151 of the Constitution of India for laying on the table of the house of the State Legislature.

¹ Audit of (i) all transactions from the Consolidated Fund of the State, (ii) all transactions relating to the Contingency Fund and Public Accounts and (iii) all trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts.

² Audit of the accounts of Corporations (not being Companies), established by or under law made by the State Legislature, at the request of the Governor.

³ Audit of accounts of any body or authority on the request of the Governor, on such terms and conditions as may be agreed upon between the CAG and the Government.

⁴ Audit of (i) all receipts and expenditure of a body or authority substantially financed by grants or loans from the Consolidated Fund of the State and (ii) all receipts and expenditure of any body or authority where the grants or loans to such body or authority from the Consolidated Fund of the State in a financial year is not less than ₹ one crore.

The total audit universe under the 10 departments of the Economic Sector was 900 and out of which 150 audit units were planned and audited during 2017-18. Of the 48 Autonomous Bodies under the control of these departments, 26 Autonomous Bodies qualified for conduct of audit under Sections 14, 19(3) and 20(1) of the CAG's (DPC) Act, 1971.

1.6 Response to audit

1.6.1 Draft Paragraphs and Performance Audit

Nine Draft Paragraphs and one Performance Audit on development, welfare and relief schemes - Marine Fisheries in Tamil Nadu were forwarded, demi-officially, to the Principal Secretaries of the Departments concerned between June and November 2018, with the request to send their responses. Government replies to nine Draft Paragraphs and the Performance Audit were received. The replies have been incorporated in the Audit Report, wherever applicable. In respect of Performance Audit, an Entry Conference was held in February 2018 and an Exit Conference was held in December 2018 with the representatives of the Government and views expressed therein have been included in the Report.

1.6.2 Follow-up action on Audit Reports

With a view to ensuring accountability of the Executive in respect of the issues dealt with in the Audit Reports, the Public Accounts Committee (PAC)/Committee on Public Undertakings (COPU) directed that the Departments concerned should furnish remedial Action Taken Notes (ATNs) on the recommendations of PAC/COPU, relating to the Paragraphs contained in the Audit Reports, within six months. We reviewed the outstanding ATNs, on the Paragraphs included in the Reports of the Comptroller and Auditor General of India relating to the Departments of Economic Sector, Government of Tamil Nadu and found that 712 and 15 recommendations pertaining to the Audit Paragraphs discussed by PAC and COPU respectively were pending as on 31 March 2018. Of the 712 PAC recommendations, 42 recommendations were settled as of December 2018; 158 recommendations were under consideration of PAC; and Department did not furnish ATNs for 512 recommendations. The delay in submission of ATNs ranged between six months and five years.

1.6.3 Outstanding replies to Inspection Reports

On behalf of the Comptroller and Auditor General of India (CAG), the Accountant General (E&RSA), Tamil Nadu conducts periodical inspections of the Government Departments to test check transactions and verify maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with issue of IRs, incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the Heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The Heads of the offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through replies. Serious financial irregularities are brought to the notice of the Heads of the Departments and the Government.

Inspection Reports issued upto 31 March 2018 were reviewed and found that 3,424 Paragraphs relating to 1,107 IRs remained outstanding at the end of September 2018 (**Annexure 1**). Of the same 276 IRs containing 524 Paragraphs were pending for more than five years and 676 IRs containing 2,050 Paragraphs were pending between one and five years.

This large pendency of IRs, due to lack of corrective action or non-receipt of replies, was indicative of the fact that Heads of the offices and Heads of the Departments did not take appropriate action to rectify the defects, omissions and irregularities pointed out in the IRs.

1.7 Significant Audit Observations

1.7.1 Performance Audit on development, welfare and relief schemes - Marine Fisheries in Tamil Nadu was conducted during March to September 2018.

- The State lacked Comprehensive long-term Fishery Policy for focusing on core areas of sustainable development and socio-economic upliftment of the fisherfolk population of Tamil Nadu and essential facilities for notified Fish Landing Points were pending declaration.
- Failure of the Department to utilise the Budget allocation of ₹ 186.10 crore for development activities, non-receipt of Government of India grants resulting in utilisation of State funds for ₹ 92.66 crore, parking of Government funds of ₹ 37 crore outside the Government account indicated imprudent financial management.
- Delay in completion of partially executed diaphragm wall, modification of scope of work and selection of alternate site resulted in additional expenditure of ₹ 67.46 crore and blocking of funds of ₹ 305.49 crore in development of Fishing Harbours. Non-utilisation of infrastructure created in two Fish Landing Centres resulted in unfruitful expenditure of ₹ 14.25 crore. Delay in identification of beneficiaries resulted in non-utilisation of sanctioned funds of ₹ 40.38 crore, besides non-achievement of increased tuna fishing. Reconstruction of fishermen houses without approval resulted in blocking of funds of ₹ 24.60 crore. Payment of Government contribution of ₹ 19.04 crore was made to beneficiaries in deviation of scheme guidelines, instances of delayed payments of assistance in welfare and relief schemes and delayed settlement of compensation claims to the dependents of deceased were also noticed.
- There were gaps in monitoring the movement of fishing vessels, supply of Distress Alert Transmitters and creation of facilities in the landing centres.

1.7.2 Compliance Audit

1.7.2.1 *Interlinking of rivers within Tamil Nadu*

The audit of the interlinking of river projects in the State revealed the following observations:

- Due to indiscriminate drawal of ground water, the number of blocks under the categories of over exploited and critical (dark) in Tamil Nadu was steadily increasing.
- The State Water Policy (1994) and 11th Five Year Plan Document (2007-12) of the State also flagged water as a serious limiting factor for agricultural growth in the State and aimed at augmentation of utilisable water resources through interlinking the river basins within the State.
- Delay in completion of the two sanctioned interlinking of river projects and non-sanctioning of the remaining six identified projects, which were targeted to benefit 16 districts of Tamil Nadu the intended objectives of providing irrigation facilities to water deficit areas, improvement of ground water table and arrest sea water intrusion remained unachieved.

1.7.2.2 *Promotion and infrastructure development for tourism in Tamil Nadu*

The audit of promotion and development of infrastructure for tourism in the State revealed the following observations:

- Tourism department failed to attract investment through Public Private Partnership mode to promote tourism which was a setback for Vision 2023. The non-utilisation of ₹ 86.33 crore of capital budget allocation, despite the dire need for infrastructure facilities showed the lack of preparedness of the department in implementation of infrastructure projects in promotion of tourism.
- Compilation of incorrect data on tourist arrival gave distorted picture of tourist visit within the State which would affect the comprehensive planning of the State.
- The Joint inspection of 62 tourist locations by audit with the department revealed inadequate basic amenities which emphasised the need of basic amenities to provide quality services in the tourist spots.
- Non-monitoring of tourist infrastructures, non-maintenance of comprehensive data base of assets created and lack of monitoring indicated weak internal control in the department.

1.7.2.3 Audit of transactions of various Departments of Government and field offices revealed unfruitful expenditure, avoidable expenditure, blocking of funds and short collection of Government revenue as summarised below:

- Inadequate field investigation, incorrect alignment and delay in acquiring the land resulted in blocking of funds of ₹ 19.46 crore and additional liability of ₹ 2.53 crore besides non-achievement of envisaged objective.

(Paragraph No.3.3)

- Inordinate delay in acquisition of land for approach road and finalisation of contract in deviation of the Manual provision, resulted in blocking of funds of ₹ 3.91 crore and additional liability of ₹ 1.83 crore besides non-achievement of envisaged objective.

(Paragraph No.3.4)

- Raising of teak plantations in the inner bunds of river in deviation to approved working plan led to removal of plantations before attaining saleable condition and unfruitful expenditure of ₹ 2.98 crore.

(Paragraph No.3.6)

- Commencement of coastal protection works without mandatory clearances resulted in non-assessment of negative impact on coastal areas and non-availing of Government of India grant of ₹ 67.04 crore besides additional burden of ₹ 51.25 crore to the State exchequer

(Paragraph No.3.8)

- Failure of Government to renew the lease on time and non-enhancement of lease rent periodically based on market value as stipulated in Departmental Code resulted in short collection of lease rent of ₹ 1.99 crore.

(Paragraph No.3.9)

CHAPTER II

CHAPTER II PERFORMANCE AUDIT

ANIMAL HUSBANDRY, DAIRYING AND FISHERIES DEPARTMENT

2 Development, welfare and relief schemes - Marine Fisheries in Tamil Nadu

Executive Summary

Introduction

Tamil Nadu, being the State with the second longest coastal line in the country, has a coastal length of 1,076 km with 13 coastal districts in five coastal regions. The State has 1.90 lakh sq km of Exclusive Economic Zone and continental shelf of 41,412 sq km. The marine fisheries sector occupies an important place in the socio-economic development of the State and contributes to livelihood of economically under-privileged population. The Gross State Domestic Product at current prices for the year 2016-17 in respect of fishery sector (both marine and inland fishing) was ₹ 7,208.09 crore (0.57 per cent) as against the Overall Gross State Domestic Product of ₹ 12,70,490 crore. The State has 10.07 lakh marine fisherfolk population from 608 marine fishing villages scattered along the coast, as of March 2018. The marine fish production of the State was 4.97 lakh MT and marine export earning was ₹ 4,342 crore during 2017-18. Given this background Performance Audit on development, welfare and relief schemes of marine fishery sector in the State was conducted covering the period from 2013-14 to 2017-18.

Planning

The State lacked Comprehensive long-term Fishery Policy for focusing on core areas of sustainable development and socio-economic upliftment of the fisherfolk population of Tamil Nadu and essential facilities for notified Fish Landing Points were pending declaration.

Financial Management

Failure of the Department to utilise the Budget allocation of ₹ 186.10 crore for development activities, non-receipt of Government of India grants resulting in utilisation of State funds of ₹ 92.66 crore and parking of Government funds of ₹ 37 crore outside the Government account indicated imprudent financial management.

Programme Management

Delay in completion of partially executed diaphragm wall, modification of scope of work and selection of alternate site resulted in additional expenditure of ₹ 67.46 crore and blocking of funds of ₹ 305.49 crore in development of Fishing Harbours. Non-utilisation of infrastructure created in two Fish Landing Centres resulted in unfruitful expenditure of ₹ 14.25 crore. Delay in identification of beneficiaries resulted in non-utilisation of sanctioned funds of ₹ 40.38 crore, besides non-achievement of increased tuna fishing. Reconstruction of fishermen

houses without approval resulted in non-utilisation of constructed buildings and blocking of funds of ₹ 24.60 crore. Payment of Government contribution of ₹ 19.04 crore was made to beneficiaries in deviation of scheme guidelines, instances of delayed payments of assistance in welfare and relief schemes and delayed settlement of compensation claims to the dependents of deceased were also noticed.

Monitoring

There were gaps in monitoring the movement of fishing vessels, supply of Distress Alert Transmitters and creation of facilities in the landing centres.

2.1 Introduction

Tamil Nadu, being the State with the second longest coastal line in the country, has a coastal length of 1,076 km with 13 coastal districts in five coastal regions⁵. The State has 1.90 lakh sq km of Exclusive Economic Zone⁶ and continental shelf⁷ of 41,412 sq km. The marine fisheries sector, occupies an important place in the socio-economic development of the State and contributes to livelihood of economically under-privileged population. The Gross State Domestic Product (GSDP) at current prices for the year 2016-17 in respect of fishery sector (both marine and inland fishing) was ₹ 7,208.09 crore (0.57 per cent) as against the overall GSDP of ₹ 12,70,490 crore. The State has 10.07 lakh marine fisherfolk population from 608 marine fishing villages scattered along the coast, as of March 2018. The marine fish production of the State was 4.97 lakh MT (LMT) and marine export earning was ₹ 4,342 crore during 2017-18. There were 11⁸ Fishing Harbours⁹ (FHs), 36 Fish Landing Centres¹⁰ (FLCs) and 254 Fish Landing Points (FLPs) in the State as on 31 March 2018. Fisheries Department (FD) incurred ₹ 2,212 crore during 2013-14 to 2017-18 towards development, welfare and relief schemes for marine fishery sector.

2.2 Organisational structure

Principal Secretary to Government is the administrative head of Animal Husbandry, Dairying and Fisheries Department at Government level. Director of Fisheries (DoF) is the Head of the Department, who is assisted by Joint Directors / Deputy Directors heading Regional Offices and Assistant Director of Fisheries

⁵ Coramandal; Gulf of Mannar; Gulf of Mannar and West; Palk Bay; and Palk Bay and Gulf of Mannar.

⁶ An area of coastal water and sea bed within a certain distance of a country's coastline, to which the country claims exclusive rights for fishing, drilling and other economic activities.

⁷ The area of sea bed around a large land mass where the sea is relatively shallow as compared to the open ocean, where certain kinds of fishery resources exist.

⁸ Chennai (Kasimedu), Chinnamuttom, Colachel, Cuddalore, Mallipattinam, Muttom, Nagapattinam, Pazhayar, Poompuhar, Thengapattanam and Thoothukudi.

⁹ Place used for landing of fishing vessels with facilities for landing, berthing, repairing and ancillary facilities for storing and marketing the fish catch.

¹⁰ A place used for landing of small sized fishing vessels with minimum facilities for landing, berthing and repairing.

(ADF) managing field level offices, which implemented marine fishery schemes. A separate Engineering Wing headed by Chief Engineer (CE) and assisted by four Executive Engineers¹¹ (EEs) at the field level also functioned to undertake construction and maintenance activities.

2.3 Audit objectives

Performance Audit was conducted to assess whether:

- Planning for managing the marine fishery sector was comprehensive;
- Financial management ensured adequate and timely availability of funds for sanctioned projects and their economic utilisation;
- Sanctioned development, welfare and relief schemes were economically and effectively implemented and desired objectives were achieved; and
- Internal controls and monitoring were adequate.

2.4 Audit criteria

Audit criteria were sourced from:

- Tamil Nadu Marine Fishing Regulation Act, (TNMFR Act) 1983 and Rules thereunder;
- 12th Five Year Plan document;
- Policy Notes of Government of Tamil Nadu (GoTN);
- Manual on Fishery Harbour and Fish Landing Centres; and
- Scheme guidelines issued by Government of India (GOI) / GoTN.

2.5 Audit scope and methodology

The schemes for development of marine fisheries, relief and welfare of fisherfolk were implemented in all 13 coastal districts in five coastal regions of the State. Performance Audit was conducted from March to September 2018 and covered five¹² out of 13 coastal districts for the period from 2013-14 to 2017-18. One district from each coastal region was selected based on the maximum expenditure incurred. In addition, records at Secretariat, FD, offices of CE and field offices of Engineering Wing in the selected districts were scrutinised. Joint inspection with departmental officials was conducted to assess the availability of minimum essential facilities in three FHs and 18 FLCs in the five selected districts. Audit also covered an expenditure of ₹ 1,162 crore out of the total expenditure of ₹ 2,212 crore incurred by FD for implementation of schemes of marine fisheries during 2013-14 to 2017-18.

Audit scope, coverage and methodology were discussed in the Entry Conference held on 16 February 2018 with the Principal Secretary to Government. Audit findings were also discussed with Principal Secretary to Government, FD in the Exit Conference held on 24 December 2018. The reply of Government (December 2018) and views expressed in Exit Conference were considered while

¹¹ Chennai, Nagapattinam, Nagercoil and Thoothukudi.

¹² Kanyakumari, Nagapattinam, Pudukkottai, Ramanathapuram and Thoothukudi.

finalising the report. We acknowledge the co-operation extended by FD and other agencies in providing us the necessary records and information.

The audit observations discussed in the subsequent paragraphs are observed from the test check of records in the selected projects and districts. Most of the observations are of a nature that may reflect similar errors/omissions in other projects implemented by the department, but not covered in the test audit. Department may, therefore, like to internally examine all the other projects and works being executed by them in other districts with a view to ensuring that they are being carried out as per requirement of rules.

Audit findings

2.6 Planning

2.6.1 Absence of Comprehensive Fishery Policy

Constitution of India provides for management of fisheries beyond territorial waters¹³ by GOI and within territorial water by the coastal State. GOI notified (2004) Comprehensive Marine Fishery Policy for conservation, management and sustainable utilisation of invaluable marine wealth, without losing its relevance to the food and livelihood security of coastal communities. GOI revised (April 2017) and notified National Fisheries Policy, 2017 focusing on sustainable development, socio-economic upliftment of fisherfolk, etc.

Tamil Nadu, being the State with the second longest coastal line in the country, has a coastal length of 1,076 km with 1.90 lakh sq km of Exclusive Economic Zone and continental shelf of 41,412 sq km. 12th Five Year Plan (FYP) document (2012-17) envisaged that marine fish production potential of the State was estimated at seven LMT. The marine fisheries sector, occupies an important place in the socio-economic development of the State and contributes to livelihood of economically under-privileged population.

The length of coastal line, Continental Shelf and marine fish production during 2017-18 of the four southern States are detailed as follows:

State	Length of coastal line (in km)	Continental shelf (in thousand sq. km)	Marine fish production (in LMT)
Tamil Nadu	1,076	41	4.64
Andhra Pradesh	974	33	6.11
Kerala	590	40	4.05
Karnataka	300	27	3.71

(Source: GOI data)

- It may be seen from the above that despite Andhra Pradesh having lesser length of coastal line (9.5 per cent) and lesser area of continental shelf (19.5 per cent) as compared to Tamil Nadu, the marine fish production in Andhra Pradesh was 32 per cent higher than that of Tamil Nadu.
- The all India marine fish production was 35.62 LMT during 2017-18, being 81 per cent of country total marine fish potential of 44.14 LMT. However, the marine fish production of Tamil Nadu was 4.64 LMT during same period, being 66 per cent of the State marine fish potential.

¹³ Territorial water is a belt of coastal waters extending upto 12 nautical miles from the low tide of a coastal State.

As marine fish products are perishable commodities with high post harvesting loss, a long-term comprehensive Fishery Policy is essential for development of this sector to achieve optimum fish production through sustainable development and for economic upliftment of fisherfolk. Though the marine fish potential of the State was seven LMT, GoTN failed to enact comprehensive fishery policy to tap the available potential to increase fish production.

Audit observed that the southern states like Andhra Pradesh and Kerala enacted fishery policy in the years 2015 and 2018 respectively, focusing on core areas on sustainable development and increased marine fish production.

GoTN brings out Fisheries Policy Note on an annual basis. Audit observed that these annual Policy documents were repetitive indicating implementation of the schemes for the marine fisheries sector. There was no detailed assessment of various issues which were hampering the development of fishery sector and they did not bring out long-term action plan.

Audit also observed that the strategy identified in the 12th FYP document (2012-17) for development of marine fisheries sector *viz.*, mid sea fish processing unit with carrier mother vessel was not spelt out in the Annual Policy document. The programme *viz.*, optimum exploitation of deep sea / offshore fishing resources (Tuna fish) was yet to be achieved even after the completion of the said FYP period as discussed in **Paragraph No. 2.8.3.1.**

Audit further noticed that the contribution of the State to the overall export of marine products of the country declined from 9.76 *per cent* in 2013-14 to 6.39 *per cent* in 2017-18 (35 *per cent*) indicating inadequate efforts to generate better price and enhanced income to the fisherfolk population.

Thus, the State lacked Comprehensive long-term Fishery Policy for focusing on core areas of sustainable development and socio-economic upliftment of the fisherfolk population of Tamil Nadu. Absence of Comprehensive long-term Fishery Policy indicated inadequate institutional framework for conservation, management and sustainable utilisation of marine wealth leading to inadequate facilities for berthing of fishing vessels and their registration.

Principal Secretary to Government in the Exit Conference accepted (December 2018) the need for a Comprehensive Policy and assured to bring out a documented Comprehensive Policy.

2.6.2 Management of Chennai Fishing Harbour

Section 3 (i) of TNMFR Act envisaged that ports should have such space and boundary limits as notified by Government. GoTN notified (July 2015) 11 FHs, which were located in six coastal districts as fishing ports to regulate fishing for the purpose of TNMFR Act. The notified FHs included Chennai (Kasimedu) FH.

Chennai (Kasimedu) FH constructed with 100 *per cent* GOI grant was operational since 1984. The management of FH was handed over (February 1985) to Board of Trustees of Chennai Port. The management of maintenance of FH was undertaken through Fishing Harbour Management Committee headed by Port officials.

Fishing Harbours under the control of GoTN were managed through Management Committees at Apex Level chaired by departmental officers and at district level

through District Collectors. Management Committees, in turn, would form Management Societies with representation from stakeholders for managing the operational functions like berthing, landing and collection of berthing and lease charges. The revenue generated would be utilised for development and maintenance of FH.

Audit noticed that Management Society was not formed for Chennai FH. GoTN requested (January 2013) GOI for transfer of management of Chennai FH to FD for the reasons *viz.*, (i) maintaining clean and hygienic landing areas to boost export of marine fish, (ii) to spend the revenue generated for modernising and development of FH, (iii) to complete the pending works including dredging, extension of trawler wharf, etc., (iv) for facilitation of smooth and easy monitoring by FD officials instead of Port Trust officials for better governance of TNMFR Act and (v) to enable the stakeholders to maintain the harbour by collecting the fee fixed by Government through Society.

Though Chennai Port Trust Board agreed (November 2015) for transferring the management and maintenance of Chennai FH to FD, necessary notification by GOI was not issued (September 2018). Audit observed that the reason for non-transfer was due to delay in shifting of unauthorised fish stalls / sheds.

Thus, GoTN failed to ensure transfer of management of Chennai FH prior to notifying it as fishing port under TNMFR Act for effective implementation of the provisions of Act and to develop FH for the benefit of fisherfolk and to increase their income.

Government replied (December 2018) that necessary orders of GOI was not received despite repeated correspondence and assured to take over the management of FH with approval of GOI.

2.6.3 Non-declaration of essential facilities for Fish Landing Points

Section 5 of TNMFR Act envisaged that Government may regulate, restrict or prohibit fishing in specified area by notification - to protect the interest of the persons engaged in fishing; to conserve fish and to regulate fishing on a scientific basis; and to maintain law and order in the sea. GoTN notified (July 2015) 254 FLPs in 13 coastal districts under Section 5 (2) of TNMFR Act in order to regulate fishing and to strengthen coastal security.

Marine fish products are perishable commodities with high post harvesting loss. The fish catch brought through boats by the fishermen needs to be cleaned, sorted and stored with adequate facilities to enhance their marketability and to reduce the post harvesting loss.

Manual on Fishery Harbour and FLCs listed out the minimum essential facilities for FHs and FLCs *viz.*, facilities for cleaning, sorting, weighing, selling and storage of fish catch, electricity, fishing vessel repair facilities, approach road, navigation lighting, etc.

Audit observed that minimum essential facilities required for these 254 FLPs in the State were not declared even after three years from notification of these FLPs. Delay in declaration of required facilities indicated inadequate planning in creation of required infrastructure for safe landing and marketing to enhance their income generation. Absence of navigational lighting facilities in FLPs of the test checked districts is discussed in **Paragraph No.2.8.2.7.**

Government accepted (December 2018) and assured to declare the required facilities

2.6.4 Inadequate planning in development of infrastructure

Construction of Fishing Harbours

GoTN proposed for construction of three FHs at Colachel, Thengapattanam and Poompohar during the 10th Plan period (2002-2007) at an estimated cost of ₹ 94 crore. FD did not assess site conditions, optimum length and crest level of main breakwater and leeward water prior to commencement of the work leading to revision of crest level and length of breakwaters. Thus, inadequate planning in execution of project resulted in additional expenditure due to cost overrun by revision of sanction and delayed completion of projects as illustrated below:

- Construction of FH at Colachel proposed in 2006 with outlay of ₹ 27.10 crore was completed (September 2016) after eight years incurring an expenditure of ₹ 96.72 crore due to increasing the crest level during the execution of work, as discussed in **Paragraph No. 2.8.2.1.**
- Construction of FH at Poompohar proposed in 2001 with outlay of ₹ 40 crore was pending completion (2018), despite incurring an expenditure of ₹ 125.98 crore due to revision of length of breakwater and leeward water on two occasions during the execution of work, as discussed in **Paragraph No. 2.8.2.2.**
- Construction of FH at Thengapattanam proposed in 2005 with outlay of ₹ 27.28 crore was pending completion (2018) despite incurring an expenditure of ₹ 179.51 crore due to revision of length of breakwater, leeward water and crest level on three occasions and provision of additional leeward water after commencement of work, as discussed in **Paragraph No. 2.8.2.3.**

Construction of Fish Landing Centres

Construction of FLC at Dhanushkodi sanctioned in December 2014 with outlay of ₹ eight crore was completed (April 2017) incurring an expenditure of ₹ 7.21 crore. Completion of work without conducting high tide and low tide observations resulted in non-berthing of vessels due to shallowness of sea, as discussed in **Paragraph No. 2.8.2.4.**

Similarly, FLC at Mugandarayarchatram constructed incurring an expenditure of ₹ 7.04 crore could not be used for berthing of vessels as the length of approach jetty was increased and that of landing jetty was reduced during execution, as discussed in **Paragraph No. 2.8.2.4.**

Thus, FD failed to commence the work of construction of FHs and FLCs after complete field investigations based on site conditions indicating inadequate planning in development of infrastructure for marine fishery sector.

2.6.5 Non-registration of deep sea fishing vessels

Section 10 of TNMFR Act envisaged that owner of every fishing vessel should register the vessel used for fishing before expiry of one month from the date of ownership. It was also envisaged that no fishing vessel, other than a registered vessel would be entitled to a licence for fishing activities.

Section 3 of TNMFR Act stipulated that fishing vessels included mechanised fishing vessel (propulsion capacity between 50 Horse power (hp) and 120 hp and measuring in length between eight m and 15 m) and deep sea fishing vessel which exceeded the propulsion capacity of 120 hp and length of 15 m. The Act was amended (February 2011) to include fishing vessels with propulsion capacity between 50 hp and 150 hp and with length upto 20 m as mechanised fishing vessel and those exceeding propulsion capacity of 150 hp and length of 20 m as deep sea fishing vessel.

GOI introduced (2009-10) uniform online registration of fishing vessels under Merchant Shipping Act, 1958. The authorised officer under TNMFR Act was notified as Registrar under Merchant Shipping Act, 1958 for registration of fishing vessel below 20m in overall length. Subsequently, Ministry of Shipping delegated and notified (August 2014), ADF of all States to register all fishing vessels irrespective of their size and engine capacity. GoTN amended (May 2017) TNMFR Act by including fishing vessels having overall length less than 24m and engine capacity upto 240 hp in the definition of mechanised boats. GoTN notified (June 2018) ADF as authorised person to register boats upto 24 m length and 240 hp engine capacity. However, deep sea fishing vessels were not registered in the State till date (December 2018) due to delay in amending the TNMFR Rules.

Thus, delay in amending the provisions of TNMFR Rules for registration of deep sea fishing vessels despite the notification of Ministry of Shipping led to operation of unregistered fishing vessels as discussed in **Paragraph No.2.8.2.8**.

DoF in the Exit Conference stated (December 2018) that TNMFR Act had been amended recently and Rules would be notified for registration of boats exceeding propulsion capacity of 240 hp and 24 m length. The fact however, remained that deep sea fishing vessels continued to operate without registration.

2.7 Financial Management

2.7.1 Allocation of funds

The details of funds allocated and expenditure incurred for marine fisheries towards development, welfare and relief schemes during 2013-14 to 2017-18 are indicated in **Table No. 2.1**:

Table No.2.1: Details of funds allocation and expenditure

(₹ in crore)

Year	Development			Welfare			Relief		
	BA	RA	EXPR	BA	RA	EXPR	BA	RA	EXPR
2013-14	110.74	152.10	130.09	152.99	152.78	152.82	55.19	54.46	54.13
2014-15	126.72	122.62	188.62	153.32	176.17	181.88	60.59	60.59	60.47
2015-16	203.18	323.30	276.29	154.32	172.96	174.93	81.24	48.84	31.42
2016-17	321.18	263.64	153.70	230.07	197.67	191.59	46.91	43.96	26.91
2017-18	268.53	333.36	260.22	278.57	298.62	287.86	65.81	36.15	41.01
Total	1,030.35	1,195.02	1,008.92	969.27	998.20	989.08	309.74	244.00	213.94
	Grand total			BA - 2,309.36		RA - 2,437.22		EXP - 2,211.94	

(Source: Details furnished by FD)

(BA - Budget Allocation; RA - Revised Allocation; EXP - Expenditure)

As may be seen from the table:

- Though FD did not utilise the funds of ₹ 21.43 crore allocated in the Budget, additional funds were sought through RA in respect of schemes for development of marine sector. As against BA of ₹ 1,030.35 crore, FD utilised ₹ 1,008.92 crore and additional amount of ₹ 164.67 crore (16 per cent) obtained as RA was also not utilised during the period 2013-14 to 2017-18.
- Audit observed that FD utilised only ₹ 153.70 crore, out of BA of ₹ 321.18 crore, resulting in non-utilisation of ₹ 167.48 crore (52 per cent) during 2016-17 towards development schemes.
- The reasons for increase in expenditure on welfare schemes during 2016-17 and 2017-18 were due to payment of enhanced assistance to fishermen during fishing ban period¹⁴ and fishing lean period¹⁵.
- FD utilised ₹ 213.94 crore, out of BA of ₹ 309.74 crore, resulting in non-utilisation of ₹ 95.80 crore (31 per cent) towards relief schemes. The reduction of expenditure on relief schemes was mainly due to non-utilisation of allocated funds for supply of commercial based kerosene to the fishermen.

2.7.2 Non-receipt of Government of India grants

The centrally sponsored National Savings cum Relief Scheme for fishermen (NFSRS) is being implemented in the State in accordance with GOI guidelines. The scheme envisaged fishermen contribution of ₹ 1,500 (₹ 900 upto 2016-17) and matching contribution of ₹ 1,500 (₹ 900 upto 2016-17) each by State and Central Governments for distribution to the fishermen during lean fishing months.

GoTN sanctioned funds including the share of GOI every year and released the amount to fisherfolk of the State. GOI contribution of ₹ 110.31 crore for the period from 2012-13 to 2017-18 was released by GoTN. However, only ₹ 17.65 crore was released by GOI during 2012-13 to 2013-14 and the balance of ₹ 92.66 crore was pending from GOI as of August 2018.

¹⁴ Ban period - 61 days depending on the coastal area (East coast or West coast).

¹⁵ Lean period - three months - varied from district to district.

Non-receipt of the GOI funds for the scheme resulted in utilisation of State funds to the tune of ₹ 92.66 crore to the scheme implemented in accordance with the guidelines prescribed by GOI.

Government replied (December 2018) that GOI did not release funds due to restructuring of all fishery schemes under the umbrella of Blue Revolution from 2016-17. The reply was not tenable as no funds were received for the years 2014-15 and 2015-16, the period prior to restructuring of schemes, and thus, indicated inadequate efforts to obtain GOI share.

2.7.3 Operation of Personal Deposit accounts

Personal Deposit (PD) accounts are created for specific purposes by debiting the service heads in the Consolidated Fund of State and crediting Personal Deposits based on authorisation issued by Accountant General (A&E). These accounts were required to be closed by the administrators at the end of each financial year by transferring the unspent balances to the relevant service heads. Further, there should be a separate PD account for every scheme.

A mention was made in the CAG Audit Report¹⁶ regarding non-closure of PD accounts and non-crediting the amount to concerned service head of Government account.

Audit observed that FD maintained a consolidated PD account for all schemes (including inland fisheries) and the account was not closed every year in deviation of the instructions, as detailed in **Table No.2.2**.

Table No. 2.2: Details of amount in PD account

Year	No. of schemes (in numbers)	Total balance carried forward (₹ in crore)
2013-14	47	63.95
2014-15	49	28.18
2015-16	56	28.27
2016-17	58	23.64
2017-18	68	48.35

(Source: Details furnished by FD)

Non-transferring of the unspent balances lying in PD account to Consolidated Fund before the closure of the financial year entails the risk of misuse of public funds.

Government accepted (December 2018) and assured that necessary efforts would be made to transfer the balance to Government account and to open scheme-wise new PD account.

2.7.4 Parking of funds

GoTN sanctioned funds for implementation of three¹⁷ fisherfolk welfare schemes with instructions to release the assistance directly to the beneficiaries account

¹⁶ Para 3.1.6.8 of CAG Audit Report (Civil), Government of Tamil Nadu for the year 2008-09.

¹⁷ National Savings cum Relief Scheme for fishermen (NFSRS), Tamil Nadu Fisherwomen Savings cum Relief Scheme (TNFSRS) and Special relief scheme.

through National Electronic Funds Transfer (NEFT) during the lean periods. The lean period of three months varied according to coastal districts¹⁸.

Audit observed that GoTN sanctioned relief assistance for three schemes in one lump sum without considering the period of lean season of the respective district. DoF drew the amount in advance and parked the amount in private banks. This resulted in parking of ₹ 37 crore¹⁹ outside the Government account in private banks as on 31 March 2018 leading to loss of interest to Government considering the open market borrowings of the State.

Government replied (December 2018) that funds were drawn in advance to meet the next year requirements of districts, without waiting for revalidation orders. The reply was not tenable as funds sanctioned in a financial year were meant for expenditure during the year and retention of these funds outside Government account to meet expenses for next financial year was not in order.

2.7.5 Trend of Fisheries expenditure and Gross State Domestic Product

The details of overall Budget and expenditure of FD with GSDP indicators of the State were as detailed in Table No. 2.3.

Table No. 2.3: Details of State budget, expenditure and GSDP

(₹ in crore)

Year	State budget	Fisheries budget	State expenditure	Fisheries expenditure	GSDP of State*	GSDP of Fishing and aquaculture**	Percentage to State GSDP
2013-14	1,63,708.54	452.16	1,37,692.51	417.89	9,68,530	4,348.95	0.45
2014-15	1,82,805.18	486.68	1,60,576.18	489.94	10,72,678	6,803.52	0.63
2015-16	1,95,913.62	690.93	1,73,288.37	561.43	11,76,500	6,819.41	0.58
2016-17	2,33,667.47	708.73	2,11,641.78	476.38	12,70,490	7,208.09	0.57

(Source: Budget details from Appropriation Accounts)

(Source: * As per details available in CSO website; ** Niti Aayog statistics series)

It may be seen from the above:

- The State expenditure increased from ₹ 1,37,692.51 crore during 2013-14 to ₹ 2,11,641.78 crore during 2016-17 (54 per cent), whereas fisheries expenditure increased from ₹ 417.89 crore to ₹ 476.38 crore (14 per cent) during the same period.
- The contribution of fishery GSDP to State GSDP increased from 0.45 per cent to 0.63 per cent during 2013-14 and 2014-15. This was not maintained in subsequent years and it reduced from 0.63 per cent to 0.57 per cent during the period from 2014-15 to 2016-17.
- Fishery GSDP increased from ₹ 4,348.95 crore to ₹ 7,208.09 crore (66 per cent) during the period from 2013-14 to 2016-17 on a continuous basis, but the fisheries expenditure did not have the matching increase from ₹ 417.89 crore to ₹ 476.38 crore (14 per cent) during the same period.

¹⁸ Chennai, Cuddalore, Kancheepuram, Nagapattinam, Pudukkottai, Ramanathapuram, Thanjavur, Thiruvallur and Villupuram districts –October, November and December; Kanyakumari district –January, February and March; and Tirunelveli and Thoothukudi districts – April, May and June.

¹⁹ Special relief scheme - ₹ 18.69 crore, NFSRS ₹ 9.24 crore and TNFSRS ₹ 9.07 crore.

2.8 Programme Management

2.8.1 Marine fish production

Twelfth Five Year plan document (2012-17) envisaged that marine fish production potential of the State was estimated at seven LMT as compared to the annual all India potential of 44.14 LMT. The marine fish production of the country / State and the export of marine products from the country / State during 2013-14 to 2017-18 are given in **Table No.2.4**.

Table No.2.4: Marine fish production and export

(In LMT)

Year	Marine fish production			Marine products exported		
	India	Tamil Nadu	Percentage of All India share	India	Tamil Nadu	Percentage of All India share
2013-14	34.43	4.32	12.55	9.84	0.96	9.76
2014-15	34.91	4.57	13.09	10.51	0.93	8.85
2015-16	35.80	4.67	13.04	9.46	0.85	8.99
2016-17	36.41	4.72	12.96	11.35	0.79	6.96
2017-18	35.62	4.64	13.03	13.77	0.88	6.39

(Source: Statistics furnished by FD and GOI data)

As seen from the above that:

- As against the all India potential of 44.14 LMT, the all India marine fish production was 34.43 LMT during 2013-14 and the same increased to 35.62 LMT) during 2017-18 (81 *per cent* of potential). However, the marine fish production of Tamil Nadu during 2013-14 was 4.32 LMT and it increased to 4.64 LMT during 2017-18, being 66 *per cent* of the State marine fish potential of seven LMT.
- Despite increase in marine fish production by 0.32 LMT during 2017-18 as compared to 2013-14, the export of marine products declined by 0.08 LMT during the same period.
- The share of the State in the export of marine products, as compared to the exports of the country, decreased from 9.76 *per cent* in 2013-14 to 6.39 *per cent* in 2017-18 (35 *per cent*).

2.8.2 Implementation - Development schemes

GoTN proposed construction of three FHs at Colachel, Thengapattanam and Poompuhar during the 10th Fiye Year Plan period (2002-2007) at an estimated cost of ₹ 94 crore. Of these three projects, FH at Colachel alone was completed (September 2016) and the other two projects were yet to be completed (November 2018), as discussed in subsequent paragraphs.

2.8.2.1 Construction of Fishing Harbour at Colachel

GoTN sanctioned (September 2006) construction of FH at Colachel to establish berthing and landing facilities with 50 *per cent* GOI assistance. GOI approved (February 2008) ₹ 27.10 crore for the project which included construction of main breakwater (505 m) and leeward breakwater (105 m) with approaches for ₹ 17.57

crore. The work of breakwaters with approaches was awarded (October 2008) for ₹ 21.58 crore to contractor for completion in 24 months. Due to the demand of fishermen (January 2010), the scope was revised as main breakwater (530 m) and leeward breakwater (118 m) based on survey conducted by Indian Institute of Technology (IIT), Madras. The cost of the project was revised (October 2012) by GOI as ₹ 66.21 crore based on Central Water and Power Research Station, Pune (CWPRS) recommendation with revised scope of work²⁰.

In the meantime, turbulent waves overtopped (September 2012) and damaged the partially constructed breakwaters (main breakwater – 430 m and leeward breakwater 110 m) and the matter was reported to CWPRS, which suggested for increasing crest level to 6.5 m from 4.7 m for both the breakwaters. The project cost was revised to ₹ 87.75 crore with the approval of GOI (April 2013). The contractor completed 430 m main breakwater, 110 m leeward breakwater and a part of approach with enhanced crest level incurring an expenditure of ₹ 24.10 crore.

The balance breakwater work was awarded (October 2013) to another contractor for ₹ 48.55 crore for completion in 24 months. The work was delayed due to onset of monsoon and finally completed (September 2016) incurring ₹ 47.82 crore. The other works *viz.*, construction of quay wall and landside facilities were completed by contractors incurring an expenditure of ₹ 24.80 crore and the total expenditure for the project was ₹ 96.72 crore. Delayed completion of the project resulted in non-receipt of GOI grants of ₹ 19.31 crore and additional expenditure of ₹ 8.97 crore through State funds to accommodate price escalation and for meeting the additional quantities of work.

Thus, the project sanctioned in 2008 with the outlay of ₹ 27.10 crore was completed (September 2016) after eight years incurring an expenditure of ₹ 96.72 crore due to inadequate planning, besides non-receipt of GOI grants of ₹ 19.31 crore and additional burden of ₹ 8.97 crore to State exchequer.

Government replied (December 2018) that technical opinion was initially obtained from IIT, Madras and based on the problems, which occurred during execution of work, the matter was reported to CWPRS. The marine works were delayed due to non-execution of works during monsoon season (July to September of 2014 and 2015). The reply was not tenable as FD failed to consult CWPRS initially to finalise the scope and the works were not completed during the non-monsoon period of October 2014 to June 2015.

2.8.2.2 Construction of Fishing Harbour at Poompuhar

FD proposed (August 2001) establishment of Poompuhar FH for providing landing and berthing facilities to 700 fishing vessels for ₹ 40 crore. Hydrographic survey was conducted (March 2006) due to delay in obtaining Archaeological Survey of India clearance. GoTN prepared (2007) Environment Impact Assessment Report and conducted physical model studies (October 2010) and wave flume studies (May 2012). The project cost was revised (September 2012) to ₹ 78.50 crore which included construction of main breakwater (898 m); leeward breakwater (250 m) and diaphragm wall (508 m) at a cost of ₹ 61.70

²⁰ Main breakwater 530 m to 540 m; Leeward breakwater 118 m to 230 m; Crest level 3.20 m to 4.70 m.

crore. GOI approved (September 2012) the project on shared funding in the ratio of 75:25 between Centre and State and released first instalment of ₹ five crore for completion in four years. GOI instructed (September 2012) to reconfirm the alignment and design with CWPRS and to incorporate its recommendations before commencement of construction. FD, prior to receipt of CWPRS recommendations, invited (March 2013) tenders for construction of breakwaters including diaphragm wall and the agreements were entered (June 2013) for main breakwater (₹ 51.17 crore); leeward breakwater and diaphragm wall (₹ 20.85 crore). CWPRS recommended²¹ (September 2013) changes in the length and width of breakwater based on site conditions. GOI accorded (March 2014) revised approval for ₹ 148 crore adopting funding pattern of 50:50 (for the revised amount) and restricted the GOI share to ₹ 93.63 crore (balance of ₹ 54.37 crore from State funds) for completion of project by November 2016. Department persuaded the contractors to execute the work with revised design and the contractors completed 755 m of main breakwater; 255 m of leeward breakwater and 342 m of diaphragm wall for ₹ 66.26 crore and the work was foreclosed.

FD invited tender for balance work²² and agreement was executed (November 2014) for ₹ 70.34 crore with the same contractors. The work was completed (March 2018) except 138 m of diaphragm wall. FD entered into an agreement with the contractor during 2015-16 for ₹ 14.51 crore for creation of land facility. The work was partially executed to the tune of ₹ 2.47 crore and construction of building works were yet to be taken up (March 2018).

The scrutiny of records revealed that:

- Though it was proposed to complete the establishment of FH in 10th Plan period, the project was not completed even after the expiry of 12th Plan period.
- Despite GOI instructions to commence the work after receiving the recommendations of CWPRS, FD concluded agreement for the work adopting technical specifications approved earlier. This led to partial execution of project with the available sanction and award of balance work at increased rate by adopting Schedule of Rates of subsequent period to the same contractors.
- As the completion of project was delayed beyond the scheduled date (November 2016), only ₹ 45.71 crore out of ₹ 93.63 crore of GOI grant was received and ₹ 47.92 crore was not received, resulting in additional burden to State exchequer.
- FD did not ensure completion of the balance diaphragm wall and landside facilities by the second contractor till date (December 2018) and this resulted in partial completion of establishment of FH.

Thus, failure of FD to complete the partially executed diaphragm wall and landside facilities despite creation of other infrastructure resulted in blocking of funds of ₹ 125.98 crore besides non-receipt of GOI share of ₹ 47.92 crore.

²¹ Main breakwater length from 898 m to 1,100 m; leeward breakwater length from 250 m to 390 m; Top road width from 6.00 m to 7.00 m and top of breakwater from (+) 4.10 m to (+) 5.00 m.

²² 345 m of main breakwater, 135 m of leeward breakwater and diaphragm wall (166m).

Government assured (December 2018) that the work would be completed before March 2019.

2.8.2.3 Construction of Fishing Harbour at Thengapattanam

GoTN sanctioned (December 2005) construction of FH at Thengapattanam for ₹ 27.28 crore (including Land Acquisition (LA) cost of ₹ 72.75 lakh) on sharing basis with GOI, to create safe landing and berthing facilities to 1,450 fishing vessels in Kanyakumari district. GOI approved (September 2008) ₹ 40 crore²³ for the project. The scope of work was modified (February 2011, October 2012 and August 2014) based on recommendations of CWPRS three times resulting in additional expenditure as discussed in subsequent paragraphs:

Partial completion of breakwaters without enhanced crest level

The work of construction of two breakwaters was awarded (April 2010) for ₹ 27.63 crore for completion in 24 months. During the progress of work, constructed breakwater damaged (August 2010, February 2011) due to high tidal waves. The crest level of main breakwater was increased from + 4.35 m to + 5.35 m based on CWPRS recommendations and the cost revised (October 2012) to ₹ 69.17 crore. As the revised quantity was less than 25 per cent of original contract value, State Level Monitoring Committee recommended (June 2012) for execution of work with same contractor. However, field officials of FD failed to execute supplemental agreement with the contractor for revised scope. Hence, contractor partially completed (March 2013) construction of main breakwater (580 m) and leeward breakwater (120 m) with crest level of + 4.35 m for ₹ 26.11 crore.

Revision of design due to non-acquisition of land

GoTN accorded (January 2007) approval for LA of 5.43.37 ha of private land invoking urgency clause as land owners refused to give their assent. FD was able to acquire 4.04.03 ha of land incurring ₹ 21.26 lakh and balance lands were not acquired due to unwillingness of land owners. The construction of quay wall in Thengapattanam side was not taken up due to non-acquisition of land. The design of the project was altered based on inspection by the authorities (September 2012). The existing leeward breakwater (120 m) was converted as quay wall and it was proposed to construct a new quay wall by shifting of existing coreloc²⁴ to altered site. The shifting of coreloc was completed incurring an additional expenditure of ₹ 1.73 crore. FD identified land for approaches and other facilities at alternate location and private lands to an extent of 3.23.38 ha were acquired at a cost of ₹ 13.29 crore after private negotiations as against the original proposal for acquisition of land for ₹ 0.73 crore.

Thus, failure of FD to acquire lands despite invoking urgency clause led to revision of design, construction of additional quay wall of 230 m (expenditure of ₹ 5.77 crore), additional expenditure of ₹ 1.73 crore towards shifting of coreloc,

²³ Main breakwater (580 m) - ₹ 17.70 crore and leeward breakwater (120 m) - ₹ 3.31 crore to protect the coast from sea waves; quay wall (380 m) - ₹ 5.51 crore, to dock boats for loading and unloading; and other components - ₹ 13.48 crore.

²⁴ Hard structures like rock used to provide interlocking and hydraulic stability,

additional burden of ₹ 12.77 crore towards LA besides non-utilisation of acquired land.

Execution of work with enhanced crest level

Based on site conditions and tidal waves, CWPRS revised (October 2012) the scope of work as crest level + 6.50 m and length of main breakwater from 580 m to 630 m. The cost of work was revised (January 2013) to ₹ 97.40 crore²⁵ with the approval of GOI (April 2013).

GoTN accorded (July 2013) Revised Administrative Sanction for ₹ 97.40 crore for execution of work in four packages. The work of increasing crest level (from + 4.35 m to + 6.50 m) and increasing length of breakwater (Package A) was awarded (August 2013) for ₹ 42.92 crore to the original contractor being the lowest tenderer. The contractor completed (October 2015) breakwater (630 m) with a crest level of + 6.5 m with an expenditure of ₹ 34.84 crore except crest slab and crown wall over the breakwater.

Construction of quay wall (140 m) with landside facilities in Thengapattanam side (Package B) was awarded (September 2016) and completed in November 2017 incurring an expenditure of ₹ 8.59 crore (October 2018). The created landside facilities were not put to use due to non-completion of water supply arrangements and electrical connection.

Construction of quay wall (240 m) with landside facilities in Erayamathurai side (Package C) was awarded (June 2016) and completed in November 2017 incurring an expenditure of ₹ 9.64 crore (October 2018). The created landside facilities were not put to use due to non-completion of water supply arrangements and electrical connection.

Dredging and reclamation work (Package D) was completed for old basin in November 2014 incurring an expenditure of ₹ five crore and for new basin in February 2018 incurring an expenditure of ₹ 1.37 crore.

Reclamation of Harbour

As the partially completed FH experienced siltation problem and sea erosion, CWPRS recommended (September 2015) for increasing length of main breakwater from 630 m to 690 m on western side, to provide an additional breakwater for 250 m on eastern side, besides construction of three groynes and sea wall to protect landside facilities. The work was undertaken under 13th Finance Commission grant incurring an expenditure of ₹ 82.71 crore (August 2018).

Non-completion of the project

The project conceived in 2005 with an outlay of ₹ 27.28 crore was not completed even after 13 years despite incurring an expenditure of ₹ 166.22 crore towards creation of infrastructure and ₹ 13.29 crore towards LA. The infrastructure and landside facilities were not put to use due to non-completion of water supply arrangement and electrical connection.

²⁵ Main breakwater - 630 m and leeward breakwater - 120 m - ₹ 59.53 crore; quay wall - ₹ 8.14 crore and ₹ 29.73 crore for inshore and landside facilities comprising of 30 components.

Thus, failure of FD to acquire the land required for the project, despite invoking urgency clause, led to acquisition of land in alternate site with additional expenditure of ₹ 12.77 crore and change in scope of work with an additional expenditure of ₹ 52.96 crore. Thus, the infrastructure and landside facilities created incurring an expenditure of ₹ 179.51 crore were not utilised due to non-completion of water supply and electrical connection.

Government replied (December 2018) that the design was modified based on site conditions viz., siltation, sea erosion, etc. and inability to acquire the planned area in full. It was assured that the work would be completed early. The reply was not tenable as FD failed to undertake adequate feasibility study of site conditions and land availability prior to commencement of project.

2.8.2.4 Construction of Fish Landing Centres

GoTN sanctioned (December 2014) ₹ 44.70 crore for construction of six²⁶ FLCs in Ramanathapuram district under NABARD assistance. The work was commenced (July 2015 to February 2016) and completed (November 2016 to April 2017) incurring an expenditure of ₹ 41.69 crore. Two out of six completed FLCs were not utilised for the benefit of fisherfolk as discussed in subsequent paragraphs:

Detailed Project Report (DPR) for construction of FLC, Dhanuskodi was prepared (July 2014) by IIT, Madras without conducting high and low tide observations, since the same was not covered in the scope of consultancy. Based on the DPR, GoTN sanctioned (December 2014) ₹ eight crore and work awarded in February 2016 was completed in April 2017 incurring an expenditure of ₹ 7.21 crore and handed over (January 2018) to the Management Committee. As no vessels were berthed in FLC, berthing charges were not collected from the period of handing over to take care of maintenance of FLC. Audit noticed that berthing of vessels was not undertaken due to shallowness of FLC.

Similarly, DPR for construction of FLC, Mugandarayarchatram was prepared (July 2014) by IIT, Madras and work commenced in July 2015. The work, which included construction of approach jetty (56 m x 10 m) and landing jetty (84 m x 10 m) was completed (November 2016) for ₹ 7.04 crore and handed over (January 2017) to Management Committee. Audit noticed that the scope of work was revised (January 2016) due to demand of fishermen for increased approach jetty. Approach jetty was constructed for 98 m and the landing jetty was reduced to 16.8 m. The reduced landing jetty could not accommodate vessels with overall length exceeding 15 m, considering the maneuverability of minimum of 2-3 m. Due to reduction of length of landing jetty, FLC constructed incurring an expenditure of ₹ 7.04 crore remained unutilised.

Thus, expenditure of ₹ 14.25 crore incurred for construction of two FLCs remained unfruitful due to non-utilisation of created infrastructure.

It was also ascertained during Joint Inspection conducted (May 2018) with field officials of FD that no vessels were berthed in FLCs, Mugandarayarchatram and Dhanuskodi.

²⁶ Dhanuskodi, Mugandarayarchatram, Pamban, T. Mariyoor, Thangachimadam and Vethalai.

Government replied (December 2018) that FLC, Dhanuskodi was utilised by small boats only during fishing season from April to September. It was also replied that improvement of FLC was contemplated. Government further replied that the approach jetty at Mugandarayarchatram would be covered by sea sand for six months and FLC was used during September to March when the sea sand would move towards sea as natural phenomena.

The fact, however, remained that no berthing charges were collected by Management Committee from the date of its formation to substantiate that these FLCs were utilised. Government did not furnish any reply regarding landing of vessels exceeding 15 m due to reduced landing jetty.

2.8.2.5 Construction of groynes at Periyathalai Fish Landing Centre

GoTN sanctioned (September 2008) ₹ 4.76 crore for construction of FLC at Periyathalai by FD. The work was awarded (January 2010) to contractor adhering tender process at a cost of ₹ 3.98 crore for completion in 18 months. The work was partially completed²⁷ (December 2012) with an expenditure of ₹ 2.02 crore due to objection raised by Tamil Nadu Coastal Zone Management Authority and contract was foreclosed (March 2015).

GoTN, in the meantime, sanctioned (September 2013) ₹ 25.20 crore for construction of groynes²⁸ adjacent to Periyathalai FLC by Korampallam Basin Division, Thoothukudi of Public Works Department (PWD). Techno feasibility study was conducted (January 2014) by IIT, Madras suggesting construction of four groynes G1 (800 m), G2 (200 m), G3 (75 m) and G4 (50 m) from the shore. It was recommended that construction of G1 and G2 be commenced initially and the work of other two groynes G3 and G4 to be undertaken after observing the tidal conditions. The work was technically sanctioned in February 2014 and awarded (November 2014) to a contractor for ₹ 24.02 crore. But, due to objection from fisherfolk for construction of groynes at G2 and G3, Executive Engineer, Korampallam Basin Division through contractor commenced (February 2017) the work of construction of groynes G1 and G4 and the work was completed (January 2018) for ₹ 22.83 crore.

Audit observed during the joint inspection (May 2018) with field officials of FD that infrastructure created at FLC, Periyathalai was washed away by tidal waves due to construction of G1 and G4 groynes instead of approved design. This resulted in unfruitful expenditure of ₹ 2.02 crore, due to absence of co-ordination between the two Departments of Government in execution of coastal work adjacent to newly constructed FLC.

Government accepted (December 2018) that non-adoption of approved design by PWD resulted in washing away of constructed buildings of FLC by tidal waves. The fact, however, remained that the infrastructure created for ₹ 2.02 crore was not utilised for the benefit of fisherfolk.

²⁷ FLC with auction halls, net mending sheds, electrical room, fish drying platforms, retaining wall, etc.

²⁸ Structure created from the shore to interrupt water and limit the movement of sediments.

2.8.2.6 *Construction of Fish Landing Centres without mandatory clearances*

Para 6.10.3 and 6.10.4 of Manual on Fishery Harbour and FLCs, stipulated obtaining Environmental Clearance from Coastal Regulation Authority for construction of FH and FLCs. The manual also stipulated conduct of Environment Impact Assessment study to determine the baseline characteristic of site with reference to air, water and noise pollution.

Audit observed that 12 FLCs were constructed during 2014-15 to 2017-18 in five test checked districts with the recommendations of District Level Authority, but Environmental Clearance by State Environment Impact Assessment Authority were not obtained (July 2018). Commencement and completion of construction of FLCs by FD without mandatory clearances resulted in non-assessment of the impact on the coastal areas of the State.

Government accepted (December 2018) and stated that mandatory clearances would be obtained in future.

2.8.2.7 *Absence of guidelights*

Para 2.1.1 of Manual on Fishery Harbour and FLCs stipulated that navigation lighting as an essential facility required in FHs and FLCs. 12th FYP document envisaged the necessity of provision of hybrid guidelights²⁹ as fishermen experienced difficulty in reaching the shore from sea. It was also planned for installation of guidelights operated through wind and solar energy replacing conventional electrical energy.

A mention was made in the CAG Audit Report³⁰ regarding absence of guidelights in 310 marine fish landing places and non-functioning of guidelights in 15 out of 53 centres.

Audit, however, noticed that only one³¹ out of 107 FLPs in the four test checked districts was provided with guidelights and the same was also not in working condition (December 2018). Of the available 31 FHs and FLCs in four districts, the guidelights were available only in four places³². Out of four, two³³ guidelights were not in working condition as of August 2018.

Thus, FD failed to adhere to manual provisions and plan documents in installation of guidelights despite being pointed out earlier.

Government accepted (December 2018) and stated that efforts would be made to establish guidelights in a phased manner.

2.8.2.8 *Registration of fishing boats*

According to 12th FYP document (2012) the number of fishing vessels engaged in marine fishing was 63,520. As against the same, the number of registered fishing

²⁹ Masonry pillars in shore providing light to enable fisherfolk to navigate their crafts safely during night time and inclement weather conditions.

³⁰ Para 3.1.7.10 of CAG Audit Report (Civil), Government of Tamil Nadu for the year 2008-09.

³¹ Vadakku amma pattinam in Pudukkottai District.

³² Colachel FH, Arcotthurai FLC, Enayamputhanthurai FLC and Mandapam FLC.

³³ Arcotthurai FLC and Enayamputhanthurai FLC.

vessels available in the State as on 31 March 2018 was 43,546³⁴ (69 per cent). Thus, 31 per cent of the fishing vessels in the State were pending registration.

Audit observed from the scrutiny of records in the selected four districts that unregistered fishing vessels continued to undertake fishing in the specified area in violation of the provisions of the Act, as detailed in **Table No. 2.5**.

Table No. 2.5: Details of registration of boats

Sl. No.	District	Number of boats registered	Number of unregistered boats
1.	Nagapattinam	5,699	1,044
2.	Ramanathapuram	3,909	17
3.	Kanyakumari	6,385	333
4.	Thoothukudi	2,774	163

(Source: Details furnished by FD)

It may be seen from the above that the number of unregistered fishing vessels was about 18 per cent of registered fishing vessels in Nagapattinam district. Thus, delay in registration of fishing vessels resulted in engagement of unregistered fishing vessels in the fishing activity leading to over-exploitation of fishery resources and unhealthy competition among fisherfolk.

Government accepted (December 2018) that operation of fishing vessels with overall length and engine capacity in excess of limits permitted under TNMFR Act were the reasons for non-registration of fishing vessels and assured that efforts were made to register these boats early, based on amended provisions of TNMFR Act.

2.8.2.9 Inadequate berthing capacity

Para 8.2.3.2 of Manual on Fishery Harbour and FLCs stipulated that safe berthing options with sufficiently wide berthing dock to facilitate loading and unloading operations of fishing gear and other material were the basic water front facilities for the fisherfolk in FHs and FLCs.

Audit observed that number of fishing vessels registered in FHs exceeded available berthing capacity as detailed in **Table No. 2.6**.

Table No. 2.6: Details of registered vessels and berthing capacity

Sl. No.	District	Fishing Harbour	Berthing capacity available	Number of vessels registered	Berthing capacity required
1.	Nagapattinam	Nagapattinam	212	1,359	1,147
2.		Pazhayar	142	559	417
3.		Poompuhar	103	647	544
4.	Kanyakumari	Colachel	260	334	111
5.		Chinnamuttom	75	122	47
6.		Thengapattanam	3,100	3,207	153
7.	Thoothukudi	Thoothukudi	250	94	--

(Source: Details furnished by FD)

It may be seen from the above that six out of seven FHs did not possess adequate berthing capacity for safe berthing of fishing vessels. The shortage of berthing capacity ranged between 47 and 1,147 fishing vessels in these six FHs.

³⁴ Motorised mechanical – 5,714, motorised non-mechanical – 31,912 and catamaran / vallam – 5,920.

Audit also observed that in 23 out of 28 FLCs available in five test checked districts, adequate berthing capacity was not available, when compared with online fishing vessel registration data. The shortage of berthing capacity in these 23 FLCs ranged between 20 and 1,328 fishing vessels. The shortage of berthing capacity would be still higher if the unregistered fishing vessels were also considered.

DoF in the Exit Conference assured (December 2018) to increase the berthing capacity by proposing additional FLCs based on requirement.

2.8.3 Implementation - Welfare schemes

2.8.3.1 Tuna liners to encourage deep sea fishing

In order to reduce the fishing pressure in the inshore waters and to harvest untapped offshore / deep sea fishery resources, GoTN implemented schemes viz, procurement of new tuna liners³⁵ and replacement of existing trawler boats³⁶ with tuna liners. Deficiencies in implementation of these two schemes are discussed in subsequent paragraphs:

Procurement of new tuna liners

GoTN sanctioned (October 2013) ₹ 11.06 crore for procurement of new tuna long liners at 50 per cent subsidy (maximum of ₹ 30 lakh per beneficiary / group). The scheme was proposed to be implemented in three stages of payment of subsidy of ₹ 10 lakh each on completion of hull; on purchase of gill net with accessories and on registration of the fishing vessel, respectively.

FD received 275 applications from beneficiaries and of the same, 171 applications were found to be eligible. To provide subsidy to these 171 beneficiaries, GoTN accorded (December 2015) revised sanction of ₹ 51.30 crore. The work orders to 171 beneficiaries were issued in July 2015. The construction of tuna liners was commenced by 50 beneficiaries and 31 beneficiaries alone completed (September 2018) all the three stages, and a sum of ₹ 9.02 crore was released as subsidy to these beneficiaries. Balance 19 beneficiaries completed only part of construction (completion of hull) and received part subsidy of ₹ 1.90 crore.

The financial institutions did not sanction loan to balance 121 beneficiaries citing absence of collateral security by fishermen and hence they did not commence the work. These work orders were subsequently cancelled by FD (September 2018). Department did not complete identification of alternate 121 beneficiaries for implementation of the scheme and no efforts were made to address the hurdles faced by fishermen to avail loan assistance from financial institutions.

Government replied (December 2018) that 142 fresh applications were obtained and 87 work orders were issued. The fact, however, remained that identification of beneficiaries was not completed even after three years from release of funds.

³⁵ A fishing vessel with refrigerator facilities and mono filament long line and gill net for multiday tuna fishing.

³⁶ A big fishing net attached to the boat for fishing.

Replacement of trawlers with tuna liners

GoTN sanctioned (May 2017) ₹ 286 crore towards diversification of 500 trawl fishing boats from Palk Bay into deep sea fishing vessels with ₹ 200 crore GOI assistance and ₹ 86 crore GoTN assistance to phase out trawl fishing activity and to tap unexploited tuna fishing.

Audit noticed that FD commenced identification of beneficiaries and issue of work orders in March 2018. As against the targeted 500 beneficiaries, FD identified 377 beneficiaries and issued 59 work orders to beneficiaries for construction of tuna liners in five out of 17 empaneled boat building yards. The construction works were commenced by 53 out of 59 beneficiaries and were in progress (October 2018).

Thus, FD did not complete identification of 123 out of 500 targeted beneficiaries and issue work orders to balance 318 identified beneficiaries to achieve the objective of the scheme despite a lapse of one year from sanction.

2.8.3.2 Supply of sea safety equipment to fishermen

Licences to possess wireless telegraphy apparatus, under Section 5 of the Indian Wireless Telegraphy Act, 1933 were to be obtained from Wireless Planning and Co-ordination Wing (WPC) of Ministry of Communications and Information Technology, GOI. The licensing procedure for operation of radio sets by fishermen involved two stages, viz., on receipt of individual application, WPC issued Decision to Grant Licence and subsequently Operating Licence was issued indicating make, model and serial number of equipment.

A mention was made in CAG Audit Report³⁷ regarding non-supply of fixed mount radios and non-utilisation of procured handsets due to non-erection of shore equipment in respect of Ramanathapuram district resulting in blocking of funds.

GoTN sanctioned (December 2015) ₹ 62.14 crore for providing wireless communication facilities by erection of new towers, leasing of existing towers, construction of tower stations and procurement of handsets to ensure safety of marine fishermen.

FD planned to utilise the existing towers of Bharat Sanchar Nigam Limited and Police Department in eight places on rental basis and for new construction of towers with shore equipment at seven places in coastal districts of the State. The erection of towers and installation of shore equipment was completed in two places and works were in progress (August 2018) in five other places.

FD, even before the erection of towers, procured (August to October 2017) 15,004 handsets (five watts) and 2,535 handsets (25 watts) at a total cost of ₹ 36.95 crore. Of the same, FD distributed 14,455 handsets and 2,312 handsets respectively to the beneficiaries till August 2018. FD incurred an expenditure of ₹ 18.05 crore for construction of towers (September 2018).

³⁷ Para 3.5.2 of CAG Audit Report, Economic Sector, Government of Tamil Nadu for the year ended March 2014.

Audit observed the following:

- FD received consolidated Decision to Grant Licence in the name of DoF and issued 16,767 handsets to the fishermen and the balance 772 handsets valuing ₹ 1.81 crore³⁸ were kept in the stock for the last 12 months. Individual Operating Licences in the name of fishermen indicating the handset details were yet to be received.
- Audit noticed that the warranty for the procured sets was two years and for the battery of the handset was only one year which had since been expired.

Thus, issue of wireless communication sets to fishermen without Operating Licences resulted in violation of provisions of the Act.

Government replied (December 2018) that installation of shore equipment and construction of towers were completed in 14 places and the tower constructed at Kodyakarai was damaged due to GAJA cyclone and all handsets were distributed. It was assured that Operating Licences would be obtained from WPC early. The fact, however, remained that handsets were distributed without valid Operating Licences as envisaged in Indian Wireless Telegraphy Act.

2.8.3.3 Reconstruction of fishermen tenements without mandatory approval

GoTN sanctioned (August 2014) ₹ 24.60 crore for reconstruction of 492 tenements (apartments) at Thiruchinankuppam as the existing structure, constructed during 1993-94, was in dilapidated condition. The work was entrusted to Tamil Nadu Slum Clearance Board (TNSCB). DoF transferred ₹ 24.60 crore (October 2014 and February 2015) to TNSCB. After handing over (August 2015) the land by FD, TNSCB commenced tender process without obtaining building plan approval from Chennai Metropolitan Development Authority (CMDA) and entered into (October 2015) an agreement with lowest tenderer for ₹ 18.75 crore for completion in 12 months. The work was completed, without CMDA approval, in August 2017 after delay of nine months due to heavy rains.

FD failed to co-ordinate with TNSCB for execution of allied works viz., creation of water facilities, sewerage facilities and electrical power connections simultaneously. Based on the proposal of TNSCB, GoTN accorded (March 2018) sanction for ₹ 1.90 crore for these allied works. The sanctioned amount for creation of water and sewerage facilities could not be utilised as Chennai Metro Water Supply and Sewerage Board insisted (May 2018) for obtaining building plan approval of CMDA for providing necessary facilities.

Thus, commencement of construction of tenements without the mandatory approval of CMDA resulted in non-receipt of sewage and water supply connection leading to blocking of funds of ₹ 24.60 crore, besides non-achievement of objective of resettlement of 492 fishermen families.

Government replied (December 2018) that efforts were made to obtain necessary approval of CMDA through TNSCB.

³⁸ Five watts 549 x ₹ 18,675 = ₹ 1.03 crore; 25 watts 223 x ₹ 35,149 = ₹ 0.78 crore.

2.8.3.4 Establishment of Fish Processing Parks

GoTN announced (2011-12) establishment of Fish Processing Parks under Public Private Partnership (PPP) mode in 13 selected fishing towns of the State to meet quality requirements in domestic and overseas market and to help the fishermen to fetch better price for their catch. GoTN sanctioned (February 2012 and July 2015) establishment of Fish Processing Parks in six districts³⁹. As suitable lands were not available in coastal areas, SIPCOT lands were identified on long-term lease at 14 *per cent* lease rent *per annum*. FD invited tenders for identification of private developers in six districts. FD selected seven developers in four districts and no response for two tender calls was received in Nagapattinam and Cuddalore districts. Out of seven selected developers, identified land was leased (December 2015) to only one developer and establishment of Park was in progress. The other six developers were not allotted the identified lands due to delay in reclassification of lands.

Thus, the objective of getting better price for fish catch by establishing Fish Processing Parks through PPP mode remained unachieved even after six years from sanction.

2.8.3.5 Savings cum relief scheme for marine fisherfolk

GoTN implemented centrally sponsored welfare scheme *viz.*, NFSRS for marine fishermen and State sponsored welfare scheme *viz.*, TNFSRS for marine fisherwomen every year. The scheme envisaged payment of fixed subscription by beneficiaries for nine active fishing months. The beneficiary contribution along with interest and twice the amount of beneficiary contribution would be distributed to beneficiaries in three equal monthly instalments during lean period directly through NEFT.

The scheme guidelines envisaged that beneficiary should be below 60 years of age; engaged in full-time fishing and a member of a Co-operative Society / Federation. Guidelines prohibited lump sum payment of contribution by beneficiaries. The deficiencies in implementation of these two schemes are detailed in subsequent paragraphs:

Targets and achievements

The number of marine fishers registered with Co-operative societies, beneficiaries benefited under both the schemes and amount utilised for these schemes during the period 2013-14 to 2017-18 are shown in **Table No. 2.7**.

³⁹ Chennai, Cuddalore, Kanyakumari, Nagapattinam, Ramanathapuram and Tiruvallur.

Table No. 2.7: Details of beneficiaries and utilisation of released subsidy

Description	National Savings cum Relief Scheme for marine fishermen					Tamil Nadu Fisherwomen Savings cum Relief Scheme					Total
	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18	
Co-operative society members	3,38,271	3,53,103	3,55,717	3,66,357	3,56,992	2,18,538	2,42,827	2,46,417	2,50,276	2,60,732	
Targeted beneficiaries	2,06,032	2,20,000	2,07,808	2,15,000	2,08,115	1,83,958	2,00,000	1,94,320	2,02,000	1,98,833	20,36,066
Number of beneficiary benefitted	2,00,177	1,94,436	2,04,800	2,10,515	2,07,252	1,79,945	1,76,786	1,92,007	1,98,603	1,98,574	19,63,096
Shortfall	5,855	25,564	3,008	4,485	863	4,013	23,214	2,313	3,397	259	72,971
Amount drawn (₹ in crore)	24.72	39.60	37.41	38.70	62.43	22.07	36.00	34.98	36.34	59.65	391.90
Expenditure including contingency expenditure (₹ in crore)	23.84	35.00	36.80	37.89	62.18	21.55	31.82	34.52	35.75	59.57	378.92
Balance (₹ in crore)	0.88	4.60	0.61	0.81	0.25	0.52	4.18	0.46	0.59	0.08	12.98

(Source: Details furnished by FD)

As seen from the above that:

- FD did not encourage all the eligible members of the Co-operative societies to participate in the welfare scheme to avail the benefits during the lean seasons.
- FD did not also assess the actual requirements, which led to drawal of additional amount of ₹ 12.98 crore during 2013-14 to 2017-18 and parking of funds outside Government account, as discussed in **Paragraph No. 2.7.4**. The additional amount of ₹ 11.12 crore out of ₹ 12.98 crore was remitted (between July 2015 and February 2018) into Government account and the balance ₹ 1.86 crore was pending remittance (July 2018).

Data analysis of beneficiary details

An analysis of data of disbursement of relief, in five⁴⁰ coastal districts, to beneficiaries through ICICI bank for the two schemes during the period 2014-15 to 2017-18 revealed the following:

NFSRS	TNFSRS
Inconsistency in the age	
<p>Out of 91,901 records for the year 2014-15 in five coastal districts, 54,717 beneficiaries were same beneficiaries during 2015-16 to 2017-18 and the same was compared.</p> <ul style="list-style-type: none"> • Out of 54,717, age recorded in each year varied and did not show sequential increase in 51,173 cases. • 21,869 records contained same age for all the four years from 2014-15 to 2017-18. 	<p>Out of 88,825 records for the year 2014-15 in five coastal districts, 61,551 beneficiaries were same beneficiaries during 2015-16 to 2017-18 and hence the same was compared.</p> <ul style="list-style-type: none"> • Out of 61,551, age recorded in each year varied and did not show sequential increase in 60,628 cases. • 17,499 records contained same age for all the four years from 2014-15 to 2017-18.

⁴⁰

Kanyakumari, Ramanathapuram, Thiruvarur, Thoothukudi and Tirunelveli.

Incorrect payment to ineligible beneficiaries	
Age was entered as less than 60 during 2014-15 and relief was paid during subsequent years for the same beneficiaries, as their age continued to be shown as 59, though they had crossed eligible age of 60 years in the subsequent years. This led to payment of relief amount of ₹ 55.27 lakh to 1,217 beneficiaries after attaining the age of 60 years during 2015-16 to 2017-18.	Age was entered as less than 60 during 2014-15 and relief was paid during subsequent years for the same beneficiaries, as their age continued to be shown as 59, though they had crossed eligible age of 60 years in the subsequent years. This led to payment of relief amount of ₹ 88.18 lakh to 1,676 beneficiaries after attaining the age of 60 years during 2015-16 to 2017-18.
Relief amount of ₹ 4.39 lakh was paid to 193 ineligible beneficiaries who attained the age of 60 years as per bank payment data furnished to audit.	Relief amount of ₹ 4.33 lakh was paid to 198 ineligible beneficiaries who attained the age of 60 years as per bank payment data furnished to audit.
Out of 1,28,598 beneficiaries in Pudukkottai and Thoothukudi districts during 2013-14 to 2017-18, 17 cases of duplicate payments were noticed, as evidenced from check of manual records.	Out of 1,10,763 beneficiaries in Pudukkottai and Thoothukudi districts from 2013-14 to 2017-18, 12 cases of duplicate payments were noticed, as evidenced from check of manual records.

Thus, field officials of FD failed to obtain date of birth of beneficiaries to ensure correctness of age criteria resulting in payment of Government contribution of ₹ 1.52 crore to the 3,284 beneficiaries, who had attained 60 years of age.

Government admitted (December 2018) that there was no proper mechanism to check the correct age of beneficiaries and efforts would be made to adhere to guidelines in future.

Enrolment of same beneficiaries with different ration cards

Scheme guidelines envisaged that Inspector of Fisheries should verify beneficiary list with ration card details to ascertain genuineness of application before certifying it. However, data analysis of NFSRS in respect of eight⁴¹ ADF offices during 2014-15 to 2017-18 revealed that 11,902 out of 3.96 lakh applications contained different ration cards for same beneficiaries. Similarly, out of 3.79 lakh applications of TNFSRS, 19,488 records contained different ration cards for same beneficiaries, which indicated enrolment of beneficiaries twice.

Audit scrutinised 690 out of 4.93 lakh manual applications in three⁴² out of five selected districts, and noticed that Society membership details were not available in 27 cases and 690 manual applications were not authenticated by Inspector of Fisheries / ADF.

Government replied (December 2018) that the essential checks were not carried out due to absence of sufficient staff. The reply was not tenable as Government contribution was made without ensuring the stipulated conditions of the scheme.

Non-restriction of Government matching grant

The scheme guidelines envisaged that Government matching grant should be limited to actual amount received as beneficiary contribution. It also specified

⁴¹ Kanyakumari, Mandapam, Ramanathapuram (N), Ramanathapuram (S), Rameswaram, Thiruvarur, Thoothukudi and Tirunelveli.

⁴² Kanyakumari, Nagapattinam and Ramanathapuram.

that payment should be made to beneficiaries in three instalments and interest accrued should be paid along with third instalment.

A comparison of payments made through ICICI bank and details furnished by the FD in respect of NFSRS and TNFSRS for the years from 2014-15 to 2017-18 revealed that there was a variation in the amount actually disbursed by the bank and amount said to be disbursed by the FD. The variation in the matching grant released by GoTN was ₹ 25.61 lakh in respect for NFSRS and ₹ 1.35 crore in respect for TNFSRS. This indicated that the departmental beneficiary data was not reconciled with the bank data prior to release of matching Government contribution to ensure the payment of Government contribution only to the beneficiaries, who had contributed their savings in the account.

Payment of lump sum contribution

Scheme guidelines envisaged that beneficiary contribution should be collected monthly not in one lump sum. Audit observed from the scrutiny of records that 25,051 fisherwomen in Nagapattinam district (₹ 2.25 crore) for 2016-17, 47,065 fisherwomen in Ramanathapuram district (₹ 3.49 crore) and 40,925 fishermen in Ramanathapuram district (₹ 3.02 crore) paid contribution in one lump sum and the same was accepted and matching Government contribution paid to the beneficiaries in deviation of guidelines.

Thus, failure of field officials of FD to ensure the correctness of age, ration card details, society membership details and acceptance of lump sum contribution in deviation of guidelines of scheme resulted in additional payment of Government contribution of ₹ 17.52 crore, besides defeating the objective of the scheme. This also entails the risk of misuse of public funds to persons who were not eligible for the benefit under the scheme.

Government accepted (December 2018) and stated that necessary instructions were issued to subordinate offices not to collect contribution in one lump sum.

2.8.3.6 Special Allowance to fishermen families

Scheme for disbursement of special allowance of ₹ 4,000 to each marine fishermen family was implemented to mitigate their sufferings during lean months. The relief amount was increased to ₹ 5,000 from 2016-17 onwards.

Audit observed the following:

- Special allowance of ₹ 358.17 crore was distributed to 8,13,850 families during 2013-14 to 2017-18. Of the same, ₹ 13.84 crore was disbursed to 32,376 families belatedly during 2013-14 to 2017-18. The delayed payment ranged between 10 days and 371 days⁴³. Thus, the objective of mitigating the sufferings of the fishermen family during lean months remained partially achieved due to non-payment of the special allowance in time.

⁴³ Less than one month – 9,022; one to three months – 5,643; three to six months – 10,350; more than six months - 7,361.

- Audit observed that 30 cases of duplicate payments in disbursement of special allowance were noticed in two⁴⁴ out of five test checked districts during 2013-14 to 2017-18.
- Audit scrutinised 768 out of 4.19 lakh manual applications in three⁴⁵ out of five selected districts and the scrutiny revealed that details of Society membership in 29 applications were not available. It was also noticed that all the 768 manual applications were not authenticated by Inspector of Fisheries / ADF, indicating inadequate verification of eligibility criteria.

Government accepted (December 2018) and stated that such lapses would be eradicated in the ensuing years.

2.8.3.7 Relief assistance during fishing ban period

Fishery wealth in the coast of Tamil Nadu was conserved by imposing ban on fishing by mechanised fishing boats and trawlers in territorial waters of the State every year for a period of 45 days (increased to 61 days from 2017-18). Traditional fishing crafts were exempted from the fishing ban. To alleviate the sufferings of marine fishermen, who were affected by fishing ban, GoTN sanctioned relief assistance of ₹ 2,000 to each marine fishermen family upto 2016-17, which was increased to ₹ 5,000 in 2017-18.

As against the targeted 8,22,916 fishermen families, ban relief was paid to 7,76,497 families during 2013 to 2017 resulting in non-utilisation of sanction of ₹ 11.40 crore. Out of unutilised sanction of ₹ 11.40 crore, ₹ 7.98 crore⁴⁶ was remitted into Government account and balance amount of ₹ 3.42 crore was pending remittance due to non-reconciliation of actual payments with banks from 2014-15 to 2016-17.

Audit observed that the ban relief assistance of ₹ 7.62 crore was disbursed to 35,741 families belatedly during 2014-15 to 2017-18, which defeated the objective of alleviating the sufferings of the fishermen family during ban period. Further, out of 92,234 beneficiaries in Pudukkottai and Thoothukudi districts, 160 cases of duplicate payments were noticed during 2014-15 to 2017-18.

Audit scrutinised 685 out of 3.99 lakh manual applications relating to ban assistance in three⁴⁷ out of five test checked districts and noticed that these applications were not certified by Inspector of Fisheries / ADF to ensure the correctness of the beneficiary. Out of 685 applications, 483 applications did not contain the details of mechanised boats in which they were working as crew member and no certificate was obtained from owner of the mechanised boats, as envisaged. In the absence of such details, the correctness of the payment to the actual beneficiary could not be ensured in the audit.

Government accepted (December 2018) and stated that such mistakes would be avoided by implementing the scheme through online applications with biometric features.

⁴⁴ Pudukkottai and Thoothukudi.

⁴⁵ Kanyakumari, Nagapattinam and Ramanathapuram.

⁴⁶ ₹ 0.56 crore in June 2015; ₹ 3.42 crore in June and July 2015; ₹ 4.00 crore in February 2018.

⁴⁷ Kanyakumari, Nagapattinam and Ramanathapuram.

2.8.4 Implementation - Relief schemes

2.8.4.1 Group Accident Insurance scheme

GoTN implemented centrally sponsored Group Accident Insurance scheme for active fishermen enrolled in fishermen Co-operative Societies / Tamil Nadu Fishermen Welfare Board, in the age group between 18 to 70 years. The premium for the policy was shared equally by the State and Central Governments. The scheme was converged with Pradhan Mantri Suraksha Bima Yojana from June 2017 and the sum assured for accident death, missing and total disability was ₹ two lakh and ₹ one lakh for partial disability. The insurance coverage was extended by United India Insurance Company and Oriental Insurance Company on receipt of the details of beneficiaries along with premium from FD.

Audit observed the following from scrutiny of records:

- Insurance claims of 55 fisherfolk, who lost their lives during 1997 to 2003 were pending settlement as of September 2018, due to non-availability of documents with the United India Insurance Company citing lapse of time.
- Further, 126 insurance claims relating to period from 2004 to 2012 was pending (September 2018) with Oriental Insurance company. The company stated that the claim intimations were forwarded to them belatedly by FD resulting in non-settlement of dues so far.
- During 2013 to 2017, FD forwarded 791 claim proposals and compensation for 592 beneficiaries were settled. The claim proposals for 104 policy holders were rejected by insurance company citing reasons viz., death under influence of alcohol, mental disability, etc. Further, 95 proposals⁴⁸ were pending for settlement involving compensation of ₹ 1.80 crore. Out of 95 proposals, 31 proposals were pending settlement for want of documents from the dependents of deceased and balance was pending after furnishing necessary documents.

Government assured (December 2018) that effective steps would be taken to settle all pending claims to fishermen of Tamil Nadu.

2.9 Monitoring

2.9.1 Supply of Distress Alert Transmitters to the ineligible beneficiaries

GOI approved (July 2015) supply of 30,000 Distress Alert Transmitters (DAT) for ₹ 36 crore to fishing vessels to ensure sea safety of fishermen in emergency by transmitting a short message to a central location through satellite for rescue operation. GoTN released (December 2015) ₹ 2.38 crore for supply of 1,600 numbers, in first phase, to mechanised fishing boats. 1,600 DATs were procured (July to September 2016) by FD which included 1,225⁴⁹ DATs to five test checked districts. Audit observed that 50 out of 269 DATs were issued to non-mechanised vessels in Kanyakumari district in deviation of GoTN orders, despite availability of 723 mechanised boats.

⁴⁸ 2013 – seven proposals; 2014 – three proposals; 2015 – seven proposals; 2016 – 17 proposals and 2017 – 61 proposals.

⁴⁹ Kanyakumari - 269, Nagapattinam- 221, Pudukkottai- 100, Ramanathapuram - 485 and Thoothukudi - 150.

Thus, FD failed to monitor issue of DATs to fishermen operating mechanised fishing vessels as envisaged in the Government order.

Government replied (December 2018) that DATs were issued to motorised country craft as sufficient applications were not received from mechanised fishing vessel owners. The reply was not tenable as the field officials of FD failed to supply DATs to 723 available mechanised fishing vessels as envisaged.

2.9.2 Non-completion of impact assessment of Artificial Reefs

In order to increase available area for food, shelter and breeding activities for fishes and other marine organisms, GoTN sanctioned (October 2011) ₹ 2.63 crore for fabrication and installation of artificial reefs at 17 locations and for observation on fish landings in six locations besides impact assessment through underwater field data collection and video recording of the reefs in three locations. The work was entrusted (February 2012) to Central Marine Fisheries Research Institute, Cochin for ₹ 2.63 crore and completed in September 2015.

Audit observed that the agreed work of observation on fish landings in six identified fishing villages and impact assessment through underwater field data collection and video recording of the reefs in three locations were not completed.

Government replied (December 2018) that the issue was being closely monitored and necessary assessment would be completed soon.

2.9.3 Absence of essential facilities in landing centres

Manual on Fishery Harbour and FLCs stipulated the necessity of minimum essential infrastructure facilities *viz.*, auction hall, water treatment plant, sewage treatment plant, effluent treatment plant, solid waste management facility, sanitary and hygiene maintenance system, chill room facilities, etc., in FH and FLCs for the benefit of fishermen.

During the Joint Inspection of three out of seven FHs and 18 out of 28 FLCs in the five test checked districts with field officials of FD, it was noticed that three FHs and 18 FLCs lacked minimum essential facilities depriving the fishermen of these facilities.

Thus, failure to maintain minimum essential infrastructure facilities in FH / FLCs indicated ineffective monitoring by FD.

Government assured (December 2018) that necessary stakeholders meeting would be held by Regional Joint Directors / Deputy Directors to ascertain additional facilities required and to propose for its sanction.

2.9.4 Inadequate monitoring of Management Committees

GoTN ordered (July 2009) formation of Management Committee⁵⁰ for each FH / FLC with following objectives:

- To levy and collect user charges like berthing charges as decided by Committee.

⁵⁰ President – Joint Director of Fisheries; Member Secretary – ADF; Members – Assistant Engineer, a representative from GOI and Marine Products Export Development Authority besides four fishermen.

- Management Committee would be authorised to use user charges for maintenance of FHs / FLCs.
- No funds would be allotted by GoTN for operations and day-to-day running of the Management Committee. The Management Committee would make efforts to increase its revenue and to restrict expenditure to ensure its viability.

Audit observed that 28 FHs / FLCs were functioning in five test checked districts and the Management Committees were formed in 27 (except T. Mariyoor) centres. Despite formation of Management Committees, user fee and berthing charges for the fishing vessels were not collected and no day to day operations were carried out in seven out of 27 FHs / FLCs test checked in audit.

Audit noticed that GoTN sanctioned (September 2016) ₹ 2.89 crore for operation and maintenance of FH / FLC in deviation to objective of formation of these Committees and the sanction was revised (October 2018) to ₹ 1.40 crore. Of the same, a sum of ₹ 1.07 crore was reimbursed to Management Committee of six FHs⁵¹ and 15 FLCs⁵² by FD for their maintenance from October 2016 to till date (December 2018).

Government assured (December 2018) to take efforts to collect user fee and berthing charges through Management Committees in all FHs / FLCs early.

2.9.5 Non-adherence of provisions of Tamil Nadu Marine Fishing Regulation Act, 1983

As per Schedule appended to section 5 (3) TNMFR Act, the mechanised fishing vessel should leave notified place of berth or anchoring only after 5 a m and should report back at the notified place of berth not later than 9 p m.

As per Rule 4 (5) of the TNMFR Act, every person in-charge of mechanised fishing vessel should obtain token from authorised officer before leaving notified place, and should hand over token on return to authorised officer.

Section 10 B of TNMFR Act (Amended in May 2017) prohibits employment of person below eighteen years of age by the owner or master of any fishing vessel.

The system of issue of tokens to mechanised fishing vessel was meant to ensure safe return of vessel as well as fishermen. Audit scrutinised the records of five out of seven FHs and 13 out of 28 FLCs in five selected districts and scrutiny of records relating to movement of fishing vessels revealed the following:

- Three FHs⁵³ and six FLCs⁵⁴ did not issue tokens to mechanised fishing vessels as envisaged in the TNMFR Act.
- It was noticed that two FLCs Kottaipattinam and Jagathapattinam in Pudukkottai district issued paper tokens to mechanised fishing vessels during commencement of the fishing and these tokens were not collected

⁵¹ Chinnamuttom, Colachel, Mallipattinam, Nagapattinam, Pazhayar, and Thoothukudi.

⁵² Annankoil, Devipattinam, Ennore, Jegathapattinam, Kottaipattinam, Mallipattinam, Mudavasal, Muthukuda, Nagore, Rameswaram, Roachmanagar, R.Pudupattinam, Sethubavachatram, Tharuvaikulam and Therespuram.

⁵³ Chinnamuttom, Colachel and Nagapattinam.

⁵⁴ Arcotthurai, Erayamanthurai, Kurumbanai, Nagore, Simon Colony and Tharuvaikulam.

back by the field officials to ensure the safe arrival of vessel and fishermen.

- It was also noticed that an agreement between the fishermen of catamaran / vallam and mechanised boat owners was made (October 1977) in the presence of District Collector / Superintendent of Police of Pudukkottai district permitting fishermen to venture into sea during night time also. The same practice was continued till date (December 2018) despite enactment of TNMFR Act in 1983, which stipulated movement of fishing vessels into the sea during day time only.

Thus, FD failed to follow the system of issue and receipt of tokens to monitor the movement of fishing vessels into sea as envisaged in the TNMFR Act, 1983, to ensure the safety of fisherfolk.

Government accepted (December 2018) that the provisions of the Act was not adhered due to paucity of staff and based on local conditions. It was assured that an online application THOONDIL was being developed to monitor movement of fishing vessels. The fact, however, remained that non-adherence to provisions of the Act resulted in loss of life of persons below 18 years also, as discussed in the subsequent paragraph:

OCKHI cyclone, which hit Kanyakumari coast on 30 November 2017 caused widespread damage and paralysed the normal life of people especially fishermen, in Kanyakumari district. 28 fishermen died while fishing; 176 fishermen, who ventured into the sea were declared missing; and 96 fishermen sustained severe injuries in the three coastal districts of Kanyakumari, Nagapattinam and Thoothukudi in the cyclone.

Audit observed that fishermen, who were declared dead or missing undertook multiday fishing in mechanised/motorised fishing vessels into the sea and remained in the sea for a period of three to 39 days in violation of the Act. The details of the date of commencement of fishing voyage in respect of 168 fishermen are detailed in **Table No. 2.8**.

Table No. 2.8: Details of fishing voyage of fishermen

(No. of persons ventured)

Sl. No.	District	23/10/2017	Date of venturing into the sea (November 2017)											No date	Total
			16 th	19 th	20 th	21 st	22 nd	23 rd	24 th	25 th	27 th	28 th	29 th		
1.	Kanyakumari	3	03	13	11	13	14	19	10	03	18	10	2	08	127
2.	Nagapattinam	4		01	10					01	01				17
3.	Cuddalore			03					06		10				19
4.	Thoothukudi											5			05
5.	Pudukkottai								01						01
Total		07	03	17	21	13	14	19	17	04	29	15	2	08	169

(Source: Details furnished FD)

In this regard, Audit observed the following:

- Of the fishermen declared dead or missing, nine fishermen were in the age group of 13 to 17 indicating ineffective monitoring to ensure the provisions of the TNMFR Act, which prohibited employment of persons below 18 years of age.
- 169 fishermen travelled in 39 mechanised vessels. Of the same, three fishing vessels were unregistered vessels. 25 fishing vessels were

registered in the State of Tamil Nadu and 11 fishing vessels were registered in the State of Kerala. Of the 25 fishing vessels, only two vessels were provided with DATs and the balance 23 vessels did not have the communication equipment to contact the shore in case of emergencies.

Thus, absence of monitoring mechanism in implementation of the Act resulted in non-ensuring the safety of the fishermen.

2.9.6 Absence of impact assessment on implemented schemes

Policy impact assessment are formal, evidence based procedure that assess the economic, social and environmental effects of public policy⁵⁵. Impact assessment is an important tool to the implementing departments to assess the effectiveness and output of Government schemes. It provides an opportunity to the organisation to evaluate the significance of changes brought out by these schemes/activities. It also ensure public participation in government schemes and also gives feedback and suggestion for further improvement in the future policy.

FD implemented various development, welfare and relief schemes in Marine Fishery sector and incurred ₹ 2,212 crore on these schemes during 2013-14 to 2017-18. Thus, it was essential to conduct assessment of these schemes to analyse the impact on the income and growth of fisherfolk in the State.

Audit observed that GoTN missed the opportunity to analyse the shortcomings in the implemented schemes and to obtain the feedback of fisherfolk which would have improved the policy formulation and better execution of schemes in Marine Fishery sector.

2.10 Conclusion

- Implementation of development, welfare and relief schemes of marine fishery sector in the State revealed that the State lacked Comprehensive long-term Fishery Policy for focusing on core areas of sustainable development and socio-economic upliftment of the fisherfolk population of Tamil Nadu and essential facilities for notified Fish Landing Points were pending declaration. Failure of Fisheries Department to utilise the Budget allocation ₹ 186.10 crore for development activities, non-receipt of Government of India grants resulting in utilisation of State funds for ₹ 92.66 crore and parking of Government funds of ₹ 37 crore outside the Government account indicated imprudent financial management.
- Delay in completion of partially executed diaphragm wall in Poompuhar FH, modification of scope of work and selection of alternate site in Thengapattanam FH resulted in additional expenditure of ₹ 67.46 crore and blocking of funds of ₹ 305.49 crore besides non-achievement of the envisaged objectives. Non-utilisation of infrastructure created in two Fish Landing Centre resulted in unfruitful expenditure of ₹ 14.25 crore. Fisheries Department failed to complete registration of all the fishing vessels as mandated.
- Delay in identification of beneficiaries resulted in non-utilisation of sanctioned funds of ₹ 40.38 crore, besides non-achievement of increased

⁵⁵ Adelle, Camilla; Weiland, Sabine (2012). "Policy assessment: the state of the art".

tuna fishing. Reconstruction of houses for fishermen without approval resulted in non-utilisation of constructed buildings and blocking of funds of ₹ 24.60 crore.

- Payment of Government contribution of ₹ 19.04 crore was made to beneficiaries in deviation of scheme guidelines, instances of delayed payments of assistance in welfare and relief schemes and delayed settlement of compensation claims to the dependents of deceased were also noticed.
- There were gaps in monitoring the movement of fishing vessels, supply of Distress Alert Transmitters and creation of facilities in the landing centres.

Thus, the objectives of the schemes for development, welfare and relief of marine fishery sector in the State remained partially achieved.

2.11 Recommendations

State Government may

- Frame Comprehensive long-term Fishery Policy for conservation, management and sustainable utilisation of marine fishery resources in line with the National Fishery Policy.
- Strengthen the system of financial control to ensure complete and timely utilisation of funds for the intended objectives and avoid parking of funds outside Government account.
- Formulate a mechanism for effective implementation of the sanctioned development projects after detailed field analysis and site conditions to avoid time and cost overrun and for achieving the objective of creation of infrastructure to the fisherfolk population of the State.
- Ensure adequate verification of the scheme guidelines for release of welfare assistance of Government to the eligible beneficiaries and timely disbursement of the relief assistance.
- Amend the provisions of the Act and Rules to enable the registration of all fishing vessels with permitted length and propulsion capacity besides framing a system for early settlement of compensation claims.

Government accepted (December 2018) and assured that the recommendations would be taken into consideration while implementing the schemes in future.

CHAPTER III

CHAPTER III COMPLIANCE AUDIT

PUBLIC WORKS DEPARTMENT

3.1 Interlinking of rivers within Tamil Nadu

3.1.1 Introduction

The 11th Five Year Plan Document (FYP) (2007-12) of the State of Tamil Nadu flagged water as a serious limiting factor for agricultural growth in the State. Of the two sources of irrigation water in the State namely, surface and ground water, more than 95 *per cent* of the surface water potential has almost been tapped and 80 *per cent* of groundwater potential have been put into use. The number of blocks under the categories of over exploited and critical (dark) is steadily increasing due to indiscriminate drawal of ground water.

The conservation of the rainfall received, was identified as a major problem. The normal annual surface flow works out to 6.071 million ha metre⁵⁶ (MHM) but the utilisable runoff is calculated as 2.33 MHM (38 *per cent*). The non-utilisable flow (62 *per cent* of annual surface flow) is due to lack of storage and unsuitable distribution of supply, evaporation and other losses. The document stressed the necessity to improve the conservation of water and efficiency of water use in order to meet the increasing requirements of water for agriculture and competing uses. State Water Policy (1994) as well as 11th FYP document aimed at augmentation of utilisable water resources through interlinking the river basins within the State.

The Water Resources Department of Public Works Department (PWD) of Tamil Nadu is responsible for maintenance of existing water resource systems and creating new irrigation infrastructure facilities including interlinking of rivers within the State. The Principal Secretary to Government is the administrative head of PWD at Government level. PWD is headed by Engineer-in-Chief (EIC), who co-ordinates with Chief Engineers (CEs) of four⁵⁷ Regions. CEs are assisted by Superintending Engineers (SEs) at circle and Executive Engineers (EEs) at divisional levels. Land acquisition process is undertaken by Revenue department through Commissioner of Land Administration and District Collector (DC) with the assistance of special land acquisition units.

Government of Tamil Nadu (GoTN) identified eight projects for interlinking of rivers but only two⁵⁸ projects were sanctioned (May and June 2008) and in progress. As of July 2018, the amount spent on these two projects was ₹ 694

⁵⁶ One ha metre is equal to 0.35 million cubic feet.

⁵⁷ Chennai, Coimbatore, Madurai and Tiruchirappalli.

⁵⁸ (i) Tamirabarani – Karumeniyar – Nambiyar link; (ii) Cauvery – Agniyar – South Vellar – Manimuthar – Vaigai – Gundar link.

crore out of the sanctioned cost of ₹ 797.78 crore. Remaining six projects were in various preliminary stages⁵⁹ like site investigation, environment studies etc.

Audit was conducted between April and August 2018 covering the six⁶⁰ out of eight projects sanctioned and executed to assess the achievement of envisaged objectives of the projects taken up with reference to the sanctions accorded by the GoTN. Audit scope, criteria, coverage and methodology were discussed with Principal Secretary to Government, PWD in the Entry Conference held on 06 April 2018. Audit findings were also discussed with Principal Secretary to Government, PWD in the Exit Conference held on 26 September 2018. The reply of Government (November 2018) and views expressed in Exit Conference were considered while finalising the report. We acknowledge the co-operation extended by PWD and their field offices in providing us necessary records and information.

3.1.2 Status of the selected projects

The status of implementation, project cost, expenditure, intended objectives of the six selected projects as of July 2018 were as detailed in **Table No.3.1**.

⁵⁹ Three projects viz., (i) Pennaiyar (Nedungal Anicut) – Palar link; (i) Pennaiyar (Sathanur Dam) – Cheyyar Link and (ii) Cauvery (Mettur Dam) – Sarabanga – Thirumanimuthar – Ayyar Link announced by the GoTN in 12th FYP document (2012-17) were in plan formulation stage; and balance three projects viz., (i) Vellar – Swethanathi – Koneri – Cauvery – Kattalai barrage link, (ii) Cholayarupatti – Agniyar link; and (iii) Tamirabarani – Gadana – Chithar – Uppodai – Kallar link identified (2014) in Vision Tamil Nadu, 2023 document were in preliminary stages of site investigation.

⁶⁰ (i) Tamirabarani – Karumeniyar – Nambiyar link; (ii) Cauvery – Agniyar – South Vellar – Manimuthar – Vaigai – Gundar link (iii) Pennaiyar (Nedungal Anicut) – Palar link; (iv) Vellar – Swethanathi – Koneri – Cauvery – Kattalai barrage link, (v) Cholayarupatti – Agniyar link; and (vi) Tamirabarani – Gadana – Chithar – Uppodai – Kallar link.

Table No.3.1: Status of the selected projects

Sl. No.	Name of the interlinking river project	Project cost (₹ in crore)	Sanction (₹ in crore)	Expenditure (₹ in crore)	Ayacuts ⁶¹ to be benefited	Ayacuts actually benefited	Status of implementation
1	Tamirabarani – Karumeniyar – Nambiyar (Flood carrier canal of 73 km length)	369	369 Revised as 543.33	445.46	23,040 ha in two districts	Nil	Works were partially completed in I and II Stages ⁶² . Stages III and IV were yet to be commenced. Percentage of completion is 29 (i.e. 21/72 packages)
2	Cauvery – Agniyar – South Vellar – Manimuthar – Vaigai – Gundar (construction of barrage and Link canal of 256 km length)	2,673	254.45*	248.55	3,37,717 ha in six districts	Nil	Barrage work completed and canal work yet to be sanctioned.
3	Pennaiyar (Nedungal Anicut) – Palar (Link canal of 54 km length)	257.93	Nil	Nil	9,500 ha in one district	Nil	GoTN approved (February 2018) preparation of Environment Impact Assessment through consultant and the work was yet to be sanctioned.
4	Vellar – Swethanathi – Koneri – Cauvery – Kattalai barrage	These three projects were in the preliminary stages of site investigation and plan formulation and yet to be sanctioned by GoTN.					
5	Cholayarupatti – Agniyar						
6	Tamirabarani – Gadana – Chithar – Uppodai – Kallar						

(Source: Details furnished by PWD)

(*Sanction for construction of barrage across river Cauvery at Kattalai)

Audit findings

The audit findings relating to the two sanctioned interlinking river projects taken up for execution are detailed in subsequent paragraphs. As the other four selected projects were in the preliminary stages of site investigation, plan formulation and environmental impact assessment, no audit comments are included in this Report.

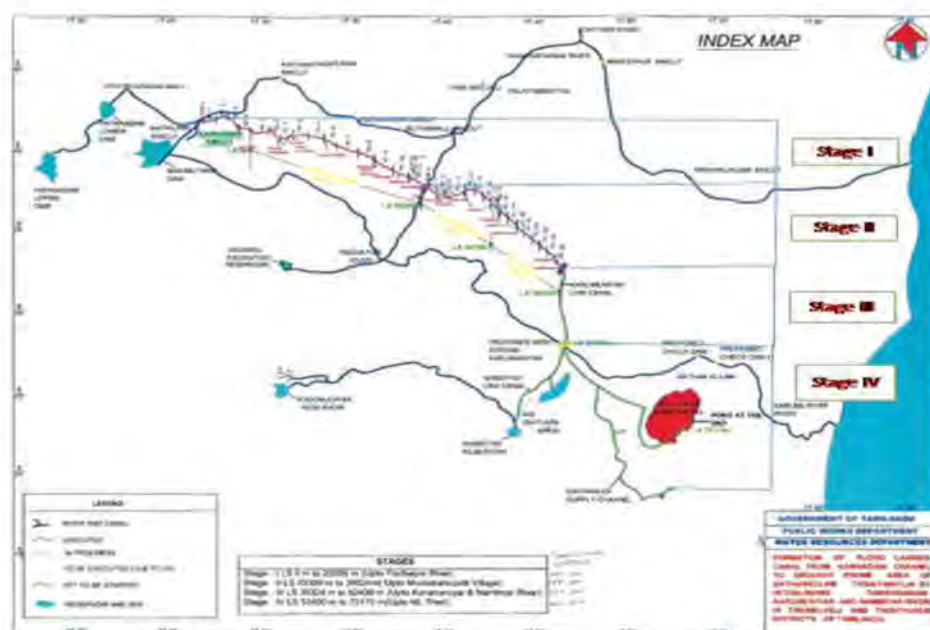
3.1.3 Interlinking of Tamirabarani, Karumeniyar and Nambiyar rivers project

Tamirabarani river is the perennial river in Tamil Nadu, which originates from eastern slope of Western Ghats and traverses through Tirunelveli and Thoothukudi districts of the State and confluences into Bay of Bengal. Detailed Project Report (DPR) (March 2008) for this project envisaged interlinking of Tamirabarani with Karumeniyar and Nambiyar rivers by connecting surplus flood water from Tamirabarani river. Based on the last 76 years of hydraulic data, the DPR highlighted that 13,788 Million Cubic feet (Mcft) of annual average surplus water was discharged into Bay of Bengal.

⁶¹ The area served by an irrigation project such as a canal, dam or a tank.

⁶² The work of Tamirabarani – Karumeniyar – Nambiyar river project involved execution of flood carrier canal works in four Stages, viz., canal for length of 20.30 km (Stage I); 18.60 km (Stage II); 12.70 km (Stage III) in Tirunelveli district and canal for 21.40 km (Stage IV) in Tirunelveli and Thoothukudi districts by EEs of Project Divisions of PWD.

Figure No.3.1. Drawing showing the progress of the work



(Furnished by PWD)

Objectives of Project

The DPR envisaged the following benefits of interlinking of these rivers:

- (i) irrigation facilities to an extent of 23,040 ha of agricultural lands of the two districts;
- (ii) improvement to ground water table; and
- (iii) arresting of sea water intrusion.

Accordingly, GoTN sanctioned (June 2008) the interlinking of river project by forming a flood carrier canal from Kannadian channel to drought prone areas at a cost of ₹ 369 crore for completion in three years. It also approved (October 2008) the execution of the project in four stages consisting of 18 packages each (i.e. a total of 72 packages) in geographically contiguous manner, with the stipulation to commence the tender work of subsequent Stages only after the completion of acquisition of required land for the previous Stage.

The works for stages I and II were taken up for execution in July 2009 and February 2011 respectively. Based on the length of canal, cross drainage works etc., the scheduled period for completion of these individual packages was in the range of 18 to 36 months. However, as of October 2018 i.e., after seven years from the targeted date of completion, works for 21 packages were completed (29 per cent⁶³) and 15 were in progress at a total cost of ₹ 445.46 crore. Out of 72 packages, 36 packages (in III and IV stages) were yet to be taken up (November 2018). The cost of part⁶⁴ of the project was increased to ₹ 543.33 crore as of April 2017. The delay in execution was mainly due to

⁶³ 21 (No. of packages completed) / 72 (Total no. of packages) = 29 per cent.

⁶⁴ All the components of stages I and II and land acquisition charges for stages III and IV.

deficient field investigation and inadequate assessment of land required for the project. It is also pertinent to note that even the completed flood canal packages could not be utilised as they were not geographically contiguous.

The shortcomings noticed in implementation of the project which resulted in non-achievement of the envisaged objectives of the project are detailed below:

3.1.3.1 Deficient field investigation for the project

Indian Standards (IS) 11385:2008 for subsurface exploration for canals and cross drainage works requires to undertake exploration of pits at spacing of 500 m for canals and wherever there is an apparent change of characteristics of soil, the exploration of pits at even 200 m to 300 m or closer can be considered.

PWD conducted field investigations twice i.e., at the time of preparation of (i) DPR (March 2008) and (ii) estimates for technical sanction (November 2008 to May 2010). Audit observed that on both the occasions, PWD did not adhere to the maximum spacing of 500 m for trial pits as detailed below:

- During preparation of DPR, the exploration of pits was conducted at spacing between 1,250 to 2,900 m in all the 10 spots in Stage I and 550 m to 2,000 m in 12 out of 13 spots in Stage II as against the recommendation of 500 m. Further, during the preparation of estimates, the exploration of pits was conducted at spacing between 500 m and 900 m in 33 out of 90 spots.
- The quantity of earthen soil, Medium Rock and Dense Medium Rock (MRDMM) and hard rock assessed to be excavated was indicated in the ratio of 60:20:20 uniformly for Stage I and in the ratio of 20:50:30 to 60:20:20 for Stage II

The deficient investigations resulted in large scale variation in quantities projected and as per execution as detailed in **Table No.3.2:**

Table No.3.2: Details of quantities estimated for excavation

Quantity as per	Earthen soil (in cu m)	Estimated cost for excavation (₹ in crore)	MRDMM (in cu m)	Estimated cost for excavation (₹ in crore)	Hard rock (in cu m)	Estimated cost for excavation (₹ in crore)	Total (₹ in crore)
DPR	49,98,480		24,30,169		15,84,697		
Estimates for technical sanction	51,36,724	17.70	36,19,513	40.12	13,71,619	28.86	86.68
Revised technical sanction based on site conditions during execution	25,35,505	8.73	66,90,201	73.54	11,23,789	23.11	105.38
Difference between estimates and revised technical sanction (<i>per cent</i> of variation)	(-) 26,01,219 (-51)	(-) 8.97	30,70,688 (85)	33.42	(-) 2,47,830 (-18)	(-) 5.75	18.70

(Source: Details furnished by PWD)

(Figures in bracket represent percentage of savings /excess)

- As may be seen from the table, quantity of MRDMM increased by 85 *per cent* and reduction in the quantity of earthen soil and hard rock by 51 *per cent* and 18 *per cent* respectively as compared to the estimated quantity.

- It was noticed that ₹ 86.68 crore was provided for excavation of subsoils in the technically sanctioned estimates which was increased to ₹ 105.38 crore during execution, warranting revised administrative sanction to meet additional liability of ₹ 18.70 crore.
- Paras 102 and Paras 214 of the Tamil Nadu PWD code envisaged that whenever the cost of estimate exceeds the administratively approved cost by more than 10 *per cent* revised administrative approval must be obtained and a preliminary report (First Information Report) should be sent to Government followed by revised estimates with justification, for obtaining Revised Administrative Sanction (RAS). Accordingly, Preliminary report on additional quantities of earthen works was forwarded (April and May 2013) to Tender Award Committee. The Tender Award Committee instructed (October 2013) PWD to obtain the approval of Expert Committee⁶⁵ as mandated in Tamil Nadu Transparency in Tenders Act 1998. The Expert Committee for Madurai Region was belatedly constituted in April 2015. Based on the approval (October 2015) of Expert Committee, Tender Award Committee recommended (June 2016) additional quantities and GoTN accorded RAS in April 2017 after four years from the date of proposal (April/May 2013) for ₹ 543.33 crore⁶⁶.
- It was also observed that Department did not maintain any documents on the stocking, utilisation or disposal of excavated quantity of earthen soil / MRDMR.
- Department allowed execution of additional quantities and made payments of ₹ 33.27 crore without prior approval of the expert committee. This led to the approval of the expert committee being in the nature of 'fait accompli'. The expert committee was constraint to a position of approving additional quantum long after completion and regularizing the payment.

EIC, PWD, in the Exit Conference, accepted (September 2018) that disposal of surplus materials was not taken into departmental account and stated that these materials would be deposited in low lying areas. The reply was not tenable as PWD failed to document Government property.

Government replied (November 2018) that the subsoil investigation was carried out as per IS code of practice for preparation of estimates and the exact classification of soil could be assessed only during execution as it varied at shorter intervals. The reply was not acceptable as the investigation was not carried out in accordance with the IS provisions which had resulted in incorrect assessment of the quantity available for excavation despite

⁶⁵ Tamil Nadu Transparency in Tenders Act, 1998, envisaged entrustment of additional works to the same contractor, who undertook the sanctioned work, with the approval of the Expert Committee consisting of one technical representative of the procuring entity, one technical representative of a State or Central Government Organisation dealing with similar procurement and one representative from a reputed Institution having expertise in such line.

⁶⁶ RAS was for the part of the scheme i.e., (i) for Stages I and II works with other heads and (ii) land acquisition charges for the stages III and IV of the project.

conducting of subsoil exploration on two occasions, leading to requirement of RAS and delayed the project by four years.

3.1.3.2 *Inadequate assessment of land required for the project*

Land Acquisition (LA) Act, 1894 (LA Act, 1894) envisaged acquisition of land for any public purpose. Standing Order 90 of the Board of Revenue envisaged that the user department is required to submit an application for acquisition of land to Revenue department specifying the purpose for which land was required. Revenue department, on receipt of application, should arrange for acquisition of land either through private negotiation or by invoking the provisions of LA Act, 1894.

In Tirunelveli district, the requirement of land for the project was assessed in the DPR as 701.74.25 ha (March 2008) which was changed to 694.40.50 ha (June 2008) during field investigation at the time of submitting Land Plan Schedule (LPS) to the DC, Tirunelveli. However, DC, Tirunelveli, after inspection, reassessed (July 2010) land requirement as 956.81.50 ha⁶⁷ (36 per cent increase) and the same was approved (December 2010) by GoTN.

Further, in Thoothukudi district, also there was incorrect assessment of land as it was evident from the fact that as against the original LPS of 99.18.75 ha (March 2008), PWD forwarded revised LPS for 183.83.00 ha (85 per cent increase) to DC, Thoothukudi in February 2017, for which approval of GoTN was still awaited (September 2018).

Thus, defective planning of PWD in assessing the correct extent of land before commencement of the work led to delay of two years in implementation of the project in Tirunelveli District and increase in the land cost by more than 10 times (₹ 211.73 crore)⁶⁸ as of April 2017.

3.1.3.3 *Execution of works without legal possession of the lands*

Creation of Government assets without getting legal possession of the lands not only exposes the government's assets to risks, it is also in violation of Para 180 of the Tamil Nadu PWD Code, which states that excepting emergency works no works should be started on land which has not been duly made over by the responsible civil officers. In this regard it was seen that without completing the necessary LA process for legal possession of the lands either through private negotiation or under the LA Act, 1894, PWD executed flood canal work in 348.20.84 ha after obtaining consent letters from the land owners.

This has exposed the Government to the risk of non-utilisation of the benefits of the investments of ₹ 184.85 crore in 24 packages in case of refusal to transfer the title of lands by land owners and violated the provision of the rule.

Government stated (November 2018) that reply would be furnished after consulting the Revenue Department.

⁶⁷ Private negotiation - 136.00 ha; LA Act 1894 - 774.44.50 ha and Government land 46.37 ha.

⁶⁸ ₹ 232.71 crore (revised cost) - ₹ 20.98 crore (original cost) = ₹ 211.73 crore.

3.1.3.4 Undue benefit to the contractor

As per the general conditions of contract, EEs were authorised to terminate a contract, subject to ratification by the CE, if the contractor delayed the progress of work, by forfeiting security deposit, besides recovering the cost of execution of balance works.

The work of excavation of Mylankulam Supply Channel was awarded (October 2010) to the L-1 contractor for ₹ 107.09 lakh for completion by June 2012. Citing slow progress of work (2.47 per cent was completed) EE, Ambasamudram terminated (August 2013) the contract and sought (December 2013) the ratification orders by the CE. GoTN, however, held (January 2015) unwarranted negotiations with the terminated contractor who agreed to resume the work. As the terminated contractor did not resume the work in spite of reminders, CE in November 2016, ratified the action of EE in terminating the contract. The balance work was entrusted (November 2017) to another contractor for ₹ 179.11 lakh, involving additional expenditure of ₹ 72.02 lakh⁶⁹. Though the extra expenditure was to be recovered from the terminated contractor as per the terms of the tender conditions, SE, Tirunelveli ordered (January 2018) recovery of only ₹ 22.25 lakh⁷⁰ based on the rates prevailing on the date of termination orders (August 2013) resulting in short recovery of ₹ 49.77 lakh⁷¹, which led to extension of undue benefit to the terminated contractor. Even the amount of ₹ 22.25 lakh was not recovered from the terminated contractor who continued to execute works in other packages.

Government replied (November 2018) that the period between the termination of contract and award of new contract was due to administrative reason for want of RAS, and hence, recovery could not be effected from the contractor. The reply was not tenable as the delay in award of new contract was due to unwarranted negotiations with the terminated contractor and delayed termination of contract with the approval of CE after more than three years from the date of termination by EE and not because of RAS.

3.1.3.5 Incorrect adoption of rate for disposal of excavated hard rocks

PWD disposed of the excavated hard rock of 14.81 lakh cu m during the period between 2012 and 2016 adopting different rates⁷² fixed by Board of Engineers, as against the Government rate of ₹ 205 per cu m to ₹ 325 per cu m⁷³, based on the recommendations of a committee consisting of the

⁶⁹ Second contract value ₹ 179.11 lakh – original contract value ₹ 107.09 lakh = ₹ 72.02 lakh.

⁷⁰ ₹ 124.32 lakh (Schedule of Rates 2013-14) - ₹ 102.07 lakh (Schedule of Rates 2008-09) = ₹ 22.25 lakh.

⁷¹ ₹ 72.02 lakh - ₹ 22.25 lakh = ₹ 49.77 lakh.

⁷² ₹ 59.50 for 0.76 lakh cu m; ₹ 53 for 0.29 lakh cu m; ₹ 23.90 for 0.21 lakh cu m; ₹ 21.70 for 13.55 lakh cu m.

⁷³ From 2012-13 to 2016-17 at ₹ 205, ₹ 225, ₹ 252, ₹ 283 and ₹ 325 per cu m respectively.

Commissioner of Geology and Mining, CE, PWD and CE, Highways, which resulted in short realisation of Government revenue of ₹ 36.23 crore⁷⁴.

EIC in the Exit Conference agreed (September 2018) to consult Department of Geology and Mining to ascertain the applicability of rates notified by Government for disposal of the hard rock. The reply was not tenable as the Department failed to consult Department of Geology and Mining prior to disposal of the hard rock as the difference in the rates fixed by Government was higher by 74 to 92 *per cent* as compared to rates adopted by the Department.

3.1.3.6 Excess payment to contractors

As per clauses 4.4.15 and 4.4.17 of special conditions of contract, payments to contractors for excavated quantity of hard rock were required to be determined on the basis of net quantity of blasted materials after allowing a deduction of 40 *per cent* towards voids⁷⁵. Audit observed that PWD divisions of Nanguneri and Valliyur did not calculate the void as per the said provision resulting in excess payment of ₹ 10.71 lakh (**Annexure 2**) to the contractors. The excess payment to the contractor was pending recovery (September 2018).

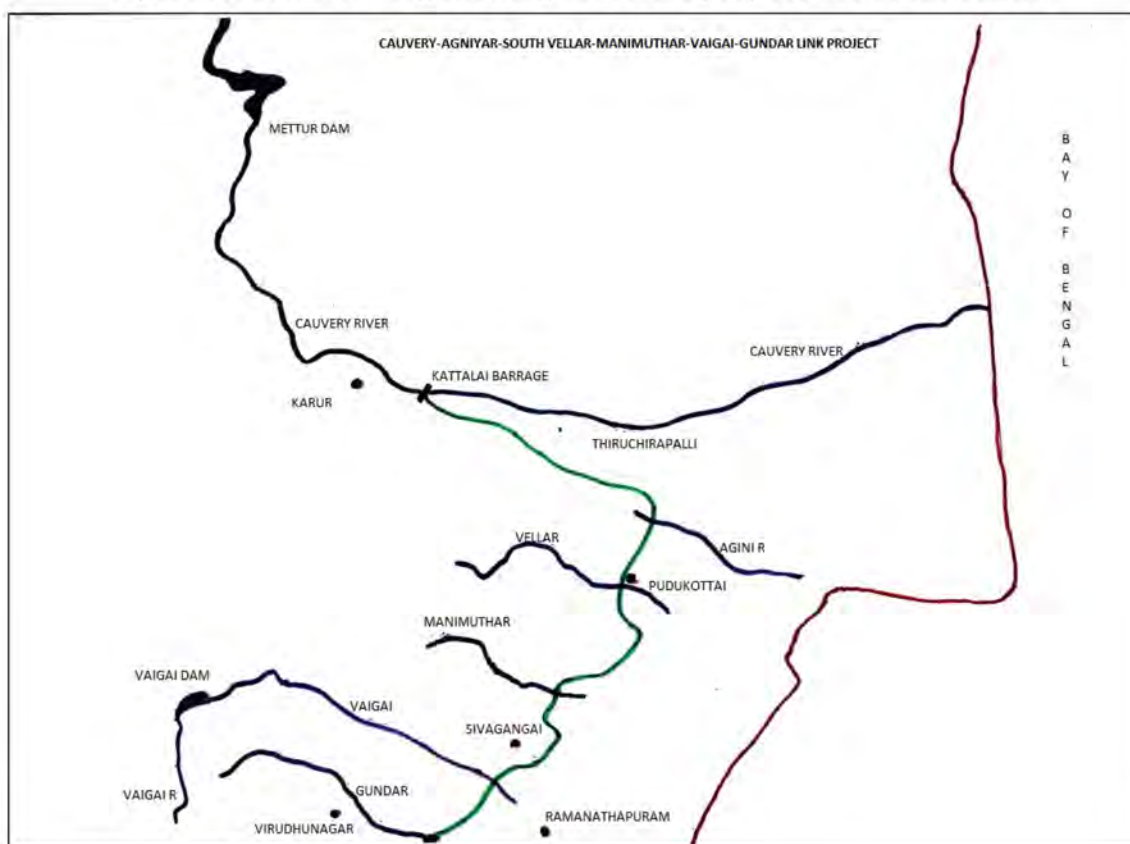
Government accepted (November 2018) and assured that action would be taken to recover the excess payment.

⁷⁴ 13.55 lakh cu m x (₹ 283 - ₹ 21.70 (difference 92 *per cent*)) = ₹ 3,540.62 lakh; 0.29 lakh cu m x (₹ 205 - ₹ 53 (difference 74 *per cent*)) = ₹ 44.08 lakh; 0.21 lakh cu m x (₹ 205 - ₹ 23.90 (difference 88 *per cent*)) = ₹ 38.03 lakh. Total ₹ 3,540.62 lakh + ₹ 44.08 lakh + ₹ 38.03 lakh = ₹ 3,622.73 lakh or ₹ 36.23 crore.

⁷⁵ Empty space between pieces of hard rock which were stacked.

3.1.4 Interlinking of Cauvery–Agniyar–South Vellar– Manimuthar – Vaigai – Gundar rivers project

Figure No.3.2: Drawing showing the rivers proposed to be interlinked



(Furnished by PWD)

As per feasibility report (July 2005) of National Water Development Agency, link canal for interlinking of Cauvery, Vaigai and Gundar rivers is part of the peninsular linking system which is intended to divert the surplus flows of Mahanadi and Godavari rivers to the water deficit southern river basins. The feasibility report envisaged construction of barrage⁷⁶ at Kattalai across river Cauvery and a link canal from the barrage to link Vaigai and Gundar rivers within Tamil Nadu. The link canal would flow for a length of 256 km through six⁷⁷ districts, for diversion of 2,252 million cu m of water to provide irrigation facilities to 3.38 lakh ha at an estimated cost of ₹ 2,673 crore (2003-04 price level).

GoTN, in anticipation of funds for the project from GOI, sanctioned (May 2008) ₹ 165 crore which was revised (February 2015) to ₹ 254.45 crore, for construction of one component (i.e. barrage work) across river Cauvery to utilise surplus water and to store 1.04 thousand million cubic feet (TMC) of water. The work was completed in November 2013 and an expenditure of ₹ 248.55 crore was incurred from GoTN funds.

⁷⁶ An artificial barrier across a river to prevent flooding or to regulate flow of water to aid irrigation.

⁷⁷ Karur, Pudukkottai, Ramanathapuram, Sivaganga, Tiruchirappalli and Virudhunagar.

Based on the scrutiny of records, Audit observed the following:

- This project of construction of barrage and excavation of 256 km canal involving an outlay of ₹ 2,673 crore was commenced without financial tie-up. The proposal (June 2008) of GoTN under Accelerated Irrigation Benefit Programme (AIBP)⁷⁸ assistance was turned down (July 2008) by GOI as use of surplus Cauvery water was pending before Cauvery Water Dispute Tribunal and Hon'ble Supreme Court of India.
- The revised proposal (November 2011) of GoTN for assistance under Flood Management Programme was also returned (August 2012) by GOI stating that this project does not satisfy flood water management norms.
- The subsequent proposal (May 2018) for assistance under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)-AIBP was also withdrawn as the project did not satisfy the eligibility criteria⁷⁹ of AIBP assistance.
- GoTN did not sanction the works relating to link canal works resulting in partial completion of the project.

Government replied (November 2018) that continuous efforts were being made to obtain GOI assistance for the project. The fact, however, remained that the intended objectives of the project could not be achieved due to taking up of the project without concrete financial tie-ups.

3.1.5 Outcome of Interlinking of River Projects in Tamil Nadu

GoTN identified eight projects of interlinking of rivers within Tamil Nadu to harness surplus water to the water deficit areas and to improve the ground water potential. However, GoTN sanctioned only two projects for execution and the outcome of these two sanctioned projects are as under:

Tamirabarani, Karumeniyar and Nambiyar rivers project

The project viz., Interlinking of Tamirabarani, Karumeniyar and Nambiyar rivers was not completed even after seven years from the targeted date of completion due to deficient field investigation and defective planning in assessment of adequate land. The change in scope of work and delay of more than seven years in completion of the project led to:

⁷⁸ A centrally sponsored programme for irrigation projects.

⁷⁹ Eligibility criteria for inclusion of major and medium ongoing project under PMKSY-AIBP are (i) project should be in advance stage of construction i.e. at least 50 per cent of physical progress or 50 per cent expenditure of latest estimated cost. However, in the said case expenditure was much lesser than 50 per cent and canal work was not even sanctioned.

- Only 21 out of total 72 flood canal construction packages were completed. Even these completed stretches were not geographically contiguous leading to non-utilisation of surplus water.
- The actual harvested area was 8,829 hectares during 2015-16 and 4,485 hectares during 2016-17 as against the targeted area of 23,040 hectares.
- As per the sea water intrusion study conducted by PWD (2017) in the targeted areas of Sathankulam block in Thoothukudi district and Tirunelveli Block in Tirunelveli district, water level had gone below Mean Sea Level, reaching the danger zone of sea water intrusion. The ground water depleted by 6.11 m in 60 *per cent* of wells of coastal areas of Thoothukudi district in 2017 as compared to the year 2009⁸⁰.
- Increase in project cost by 48 *per cent* amounting to ₹ 177.33 crore⁸¹.

Cauvery–Agniyar–South Vellar– Manimuthar – Vaigai – Gundar rivers project

The project *viz.*, construction of a barrage across the river Cauvery and formation of link canal from barrage to connect Vaigai and Gundar rivers at a capital outlay of ₹ 2,673 crore was taken up in May 2008 without identification of concrete funding tie-ups. Consequently,

- GoTN could complete only the barrage work at a cost of ₹ 248.55 crore utilising the State funds.
- The link canal works were yet to be sanctioned even after ten years of taking up the project. Non-sanctioning of excavation of link canal led to non-harnessing of 31,571 mcft⁸² of surplus water to water deficit project areas of six districts.

⁸⁰ Sea water intrusion study conducted by Ground Water Division of PWD in 2017.

⁸¹ ₹ 543.33 crore (Revised cost) - ₹ 369 crore (original cost) = ₹ 177.33 crore.

⁸² During 2010 (12,005 mcft) and 2013 (19,566 mcft).

3.1.6 Conclusion

Due to indiscriminate drawal of ground water, the number of blocks under the categories of over exploited and critical (dark) in Tamil Nadu was steadily increasing. The State Water Policy (1994) and 11th Five Year Plan Document (2007-12) of the State also flagged water as a serious limiting factor for agricultural growth in the State and aimed at augmentation of utilisable water resources through interlinking the river basins within the State. However, due to ill-planned execution of the project coupled with delay in completion of the two sanctioned interlinking of river projects and non-sanctioning of the remaining six identified projects, which were targeted to benefit 16 districts⁸³ of Tamil Nadu the intended objectives of providing irrigation facilities to water deficit areas, improvement of ground water table and arrest sea water intrusion remained unachieved.

TOURISM DEPARTMENT

3.2 Promotion and infrastructure development for tourism in Tamil Nadu

3.2.1 Introduction

Tamil Nadu has diverse tourist attractions like temples, historical places, beach resorts, hill stations, wildlife sanctuaries, monuments and archaeological sites, etc. Tamil Nadu is home to five⁸⁴ UNESCO World Heritage Sites and has 298 identified tourist places grouped under 29 tourist destinations. The State reported total tourist arrival of 103.66 crore, which included 1.43 crore foreigners, during calendar years 2015-17. The Government of Tamil Nadu (GoTN) aimed to create tourist infrastructure facilities at tourist centres, building capacity to provide quality service to the tourists, enhance service delivery and encourage tourism stakeholders.

A compliance audit was conducted between April and August 2018 to assess the steps taken by the Tourism Department (TD) and Tamil Nadu Tourism Development Corporation (TTDC), a State Public Sector Undertaking, to promote tourism and create infrastructure development covering the period 2015-18. During this audit, the records of tourist offices and implementing agencies⁸⁵ in seven⁸⁶ out of 32 districts were scrutinised. An Entry Conference was held with Additional Chief Secretary (ACS) on 14 June 2018 wherein audit objectives, criteria, scope and methodology were explained. Audit findings were also discussed with ACS in the Exit Conference held on 7 January 2019. The reply of Government (January 2019) and views expressed in Exit Conference were considered while finalising the report.

⁸³ Ariyalur, Karur, Namakkal, Perambalur, Pudukottai, Ramanathapuram, Salem, Sivaganga, Thanjavur, Thoothukudi, Tiruchirappalli, Tirunelveli, Tiruvannamalai, Vellore, Villupuram and Virudhunagar.

⁸⁴ Big Temple in Thanjavur, Irvatheswarar Temple in Dharasuram, Monuments at Mamallapuram, Nilgiris Heritage Train and Siva Temple in Gangaikondacholapuram.

⁸⁵ Hindu Religious and Cultural Endowment Department, Public Works Department, Municipalities and Town Panchayats.

⁸⁶ Seven districts viz., Chennai, Coimbatore, Kancheepuram, Madurai, Nagapattinam, Nilgiris and Tiruvallur were selected based on stratified sampling method.

We acknowledge the co-operation extended by TD and their field offices in providing us necessary records and information.

The audit observations discussed in the subsequent paragraphs are observed from the test check of records in the selected projects and districts. Most of the observations are of a nature that may reflect similar errors/omissions in other projects implemented by the department, but not covered in the test audit. Department may therefore like to internally examine all the other projects and works being executed by them in other districts with a view to ensuring that they are being carried out as per requirement.

3.2.2 Planning

Planning is an essential process to achieve defined objectives and envisaged goals besides identifying the risk factors in implementation of project and for its completion within the stipulated time.

3.2.2.1 Absence of Tourism Master Plan

With the objectives of ascertaining existing facilities and required facilities along with the cost implications, GoTN announced (May 2006) formulation of Tourism Master Plan (TMP). The preparation of TMP was awarded (March 2007) to Housing and Urban Development Corporation (HUDCO) for ₹ 40 lakh. HUDCO finalised (December 2009) draft TMP and submitted to GoTN in January 2010, which was pending for approval (January 2019) even after a lapse of nine years.

Department in its reply confirmed (September 2018) that shelf of schemes formulated in the draft TMP was not implemented. It was also stated that no Annual Action Plans were prepared based on draft TMP and tourism projects were sanctioned as and when proposals were received from the District Collectors based on fund availability.

Government, however, stated (January 2019) that the draft TMP provided an opportunity to know about the tentative requirement of funds for the implementation of tourism projects in each district. Government's reply is not tenable as the department did not have a long term goal perspective plan as a result of which the expenditure was adhoc in nature.

3.2.2.2 Non-achievement of Vision 2023 Strategic Plan

The State 12th Five Year Plan (FYP) document (2012-17) envisaged promotion of the State of Tamil Nadu as an attractive international tourist destination. GoTN planned for development of domestic tourism infrastructure facilities with a view to attract 70 lakh foreign tourists by 2017 as against 35.62 lakh in 2012. To achieve this goal, this document envisaged promotion of tourism through Public Private Partnership (PPP) in setting up hotels, amusement parks, boathouses through subsidy schemes for generation of foreign exchange and employment.

Similarly, the Strategic Plan for Infrastructure Development in Tamil Nadu, namely "Vision Tamil Nadu 2023" (February 2014) identified tourism sector as one of the employment potential sectors especially for unskilled /

semiskilled workers. It also emphasised on identification of thrust areas for development of tourism sector for attracting 150 lakh foreign tourists per year by 2023. Accordingly, GoTN identified 12 infrastructure projects⁸⁷ for completion by 2017 in an area of 1,150 acres of land throughout the State with a capital outlay of ₹ 10,300 crore, the details of which are given in the **Annexure 3**. The role of the TD in these projects would be to identify the land required for the projects and implement the projects through PPP mode by selecting the private operators.

Audit scrutiny of the files relating to Vision 2023 revealed the following:

- TD did not take up (January 2019) even a single project for execution as it failed to identify the land for the projects and therefore did not finalise the operators.
- Government did not formulate any subsidy scheme for promotion of tourism through PPP as planned in 12th FYP document and failed to select private operator for execution of these projects under PPP.
- The failure of the TD to execute the projects already identified by the Government deprived the self-employment opportunities to the targeted sector of labour as envisaged in the Vision document.
- As against the projected target of 70 lakh FTA per year by 2017, State achieved only 48.60 lakh FTA⁸⁸ during 2017 (69 per cent).

ACS in the Exit Conference accepted and stated (January 2019) that TD did not have a land bank and it depended on District Collectors (DCs) to identify the lands. While agreeing with the fact that the land is identified by the DCs, the TD should have followed up the matter rigorously as it was also the responsibility of TD to indicate a suitable land and identify a PPP partner to execute these projects and their failure to do so resulted in non-achievement of objectives of the Vision document.

3.2.3 Financial Planning

3.2.3.1 Budgetary allocation and actuals

The details of Budget Allocation (BA), Supplementary Allocation and actual expenditure for the period from 2015-16 to 2017-18 is given in **Table No. 3.3**.

⁸⁷ Amusement (theme) Park – 2; Water sports complex – 2; Under water ocean park; Special tourism zone for handicrafts, art and culture; Rural tourism hub; Cultural tourism hub; Science museum; World class tourism and hospitality training institute; Development of heritage locations and destinations of tourist interest and Other infrastructure development in places of tourist interest.

⁸⁸ Based on the figure furnished by the department.

Table No. 3.3: Details of Budgetary allocation and actuals

(₹ in crore)

Year	BA		Supplementary Allocation		Total Allocation		Actual Expenditure		Percentage of expenditure with reference to total allocation	
	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue
2015-16	160.00	23.14	0	4.44	160.00 ⁸⁹	27.58	32.66	26.44	54.43	95.87
2016-17	60.00	25.80	0	0.00	60.00	25.80	29.76	23.06	49.60	89.38
2017-18	65.21	26.42	0	1.10	65.21	27.52	36.53	24.83	56.01	90.22
Total	285.21	75.36	0	5.54	285.21	80.90	98.95	74.33	53.43	91.88

(Source: State Appropriation Accounts)

Audit observed that out of the capital allocation of ₹ 185.21 crore during 2015-16 to 2017-18 for the development of tourism infrastructure, TD incurred an expenditure of ₹ 98.95 crore (53 per cent) and ₹ 86.26 crore of capital budget allocation was surrendered. Audit also observed that essential capital infrastructure for promotion of tourism viz., identification of suitable land for carrying out PPP projects, water and sanitation facilities, were not taken up despite availability of funds.

3.2.3.2 Non-availing of Government of India grant

Government of India (GOI) issued (July 2010) guidelines for financial assistance to State Government for organising fair, festivals and tourism related events for which financial assistance of ₹ 50 lakh per year for maximum number of six events would be sanctioned. The guidelines prescribed communication of the identified projects atleast two months in advance for drawal of GOI assistance.

Audit noticed that GoTN conducted 49 fairs by incurring ₹ 7.37 crore during 2015-16 to 2017-18 for which it was eligible for GOI assistance of ₹ 1.50 crore (at ₹ 50 lakh per year for three years ending March 2018). However, GoTN received ₹ 33 lakh⁹⁰ (22 per cent). The short drawal of financial assistance from GOI was due to delayed or non-submission of proposals towards organising fair and festivals which resulted in non-availing of GOI grant of ₹ 1.17 crore⁹¹.

Government accepted (January 2019) and stated that proposals would be forwarded well in advance in future.

3.2.4 Tourism Infrastructure Development and Promotion

3.2.4.1 Incorrect compilation of tourist statistics

Ministry of Tourism (MOT) compiles data on domestic and foreign tourist visits in State / UT based on the information received from the State / UT Governments. Such information at State / UT level is generally collected by State Tourism Departments on the basis of administrative records and returns. MOT in their study report (2014) observed that in many cases, the information

⁸⁹ This included ₹ 100 crore which was inadvertently sanctioned and withdrawn by Finance department in the Re-appropriation during 2015-16. Hence, the same was not considered as an allocation for Tourism Department.

⁹⁰ (2015-16 - ₹ eight lakh and 2017-18 - ₹ 25 lakh).

⁹¹ ₹ 0.50 crore x three years = ₹ 1.50 crore - ₹ 0.33 crore = ₹ 1.17 crore.

supplied did not cover the same day visitors, visitors staying with friends and relatives, etc. Doubts were also expressed by experts about the reliability of the data on domestic and foreign tourist visits released every year.

In order to standardise the mechanism of collection of data on domestic and foreign tourist visit across the states / UT, GOI/MOT, developed a methodology which comprised surveys, tourist destinations, accommodation units as well as the entry or exit points of the district. The main aim of this methodology was to capture all the segments of tourist visit as per the definitions of United Nations World Tourism Organization. A study was conducted (January-December 2014) in Tamil Nadu by Nielsen India Pvt. Ltd which identified wide variations in reporting the data. The State data, for example, was reported 65 *per cent* higher for only one month in one district.

During test check, it was seen that every month District Tourist Officers (DTOs) compiled the data on Domestic Tourist Arrival and FTA from various line departments in charge of tourist spots over the phone without any documentation. Thereafter DTOs furnished this data to Commissioner of Tourism (COT), for compilation, which forward it to MOT, GOI.

Audit noticed that the data on tourist arrival furnished by the DTOs to COT varied to an extent of 57 *per cent* from the data furnished by the line departments⁹² (**Annexure 4**). Similarly, a comparison of the tourist arrival information received from the four selected districts and the data compiled by COT for the month⁹³ of January 2018 for reporting to MOT was made and audit observed that the data was inflated to an extent of 50 *per cent* of the information furnished by DTO (**Annexure 5**). No scientific methodology was in place for compilation of data on tourist arrival.

During audit of COT, the variation in number of tourist reported by DTO and COT for four districts in January 2018 was higher to an extent of 50 *per cent*. Thus, the possibility of calculating the same tourist at multiple locations *viz.*, toll, hotel, tourist place as observed by GOI, cannot be not ruled out.

Thus, incorrect tourist arrival information would not only provide inaccurate statistical data of the tourism sector, but also hamper the Management Information System for assessing the actual requirement of infrastructure for the tourist destinations in the State.

While accepting the fact that there were no guidelines available for compilation of tourist data, Government stated (January 2019) that the tourist officers were instructed to avoid such mistakes.

⁹² State Archeological Department, Horticulture Department etc.

⁹³ The information received from DTOs and compilation data of COT for the period from April 2015 to March 2018 were requisitioned for audit scrutiny. The compilation data for the month of January 2018 alone was furnished by COT and the data relating to balance 35 months was not furnished to audit.

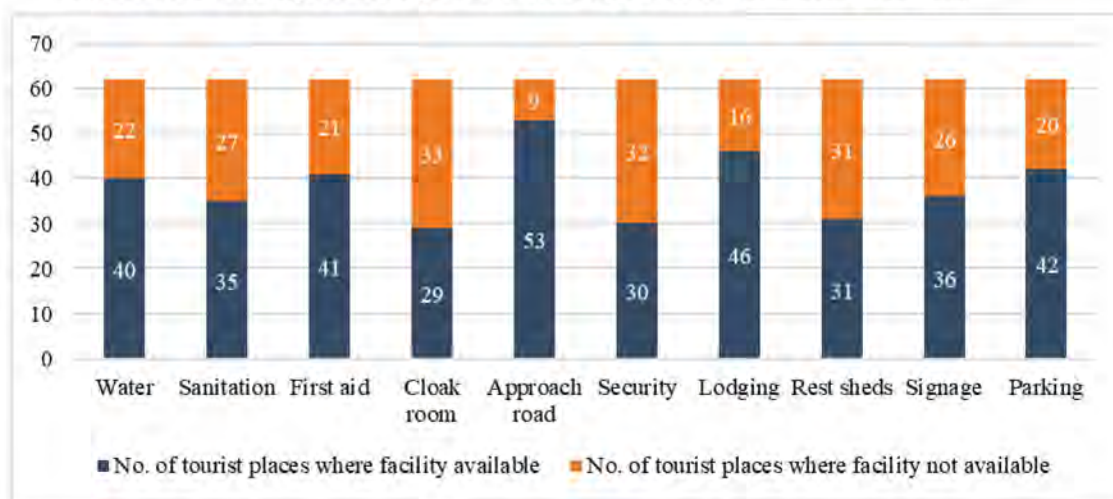
Management of Tourism Infrastructure

3.2.4.2 Absence of basic facilities to tourists in selected districts

GoTN Annual Policy Note envisaged development of basic facilities at tourist destinations for the benefit of tourists. The Vision 2023 document envisaged that in addition to primary attraction of the particular location, aspects such as the wayside facilities, improving the access to the site/facility, toilets, retiring rooms etc., are also important to attract the tourist.

To assess the availability of minimum basic facilities like drinking water, sanitation, first aid, approach road and cloak room, audit conducted Joint Inspection⁹⁴ in 62 locations in six selected districts where in the number of tourist arrival during 2017 ranged between 7,000 and 96.76 lakh. The results of Joint Inspection are shown below:

Chart No: 1 Graphical representation of absence of basic facilities



Besides the above, audit further noticed that Kutlampatti in Madurai district attracts tourists due to its natural beauty and tourists prefer to bathe in this natural falls. However, this destination lacked dress changing facilities for the tourists.

Thus, the inadequate basic amenities in 62 tourist locations emphasises the need of quality services in the tourist spots to attract the tourist again and to project positive image of a particular tourist place.

ACS in the Exit Conference assured (January 2019) to provide basic facilities in co-ordination with other departments in a phased manner.

3.2.4.3 Lack of maintenance of infrastructure

In addition to create a new infrastructure, it is also equally important to maintain the quality of existing infrastructure. To assess the quality of maintenance of infrastructure created out of the funds provided by TD, a Joint inspection with department officials was undertaken by audit. The inspection revealed the following:

⁹⁴ Joint inspection was conducted by audit team with the field officials of TD at Coimbatore, Kancheepuram, Madurai, Nagapattinam, Nilgiris, and Tiruvallur.

- The Poompuhar complex a tourist attraction adjacent to the sea shore, consisting of Art gallery depicting the story of Tamil Epic Silapathigaram, Shell cottage etc., in 35 acre of land was in dilapidated condition after damages in Tsunami (December 2004). Audit observed that the tourist arrival to Poompuhar complex decreased from 8.26 lakh in 2015 to 2.89 lakh in 2017.
- The work of conservation and restoration of 17th century Danish Fort ‘Dansborg Fort’ in Tranquebar was carried out and completed (May 2016) with an expenditure of ₹ 4.71 crore. Audit noticed that out of 32 museum display units supplied for ₹ 20.70 lakh, 11 units were not put to use even after the lapse of two years. It was also seen that seven items⁹⁵ valuing ₹ 15.36 lakh were not in working condition. Audit observed that the tourist arrival decreased from 0.92 lakh in 2015 to 0.77 lakh in 2017.
- Udhagamandalam hill station is one of famous tourist destinations of Tamil Nadu which attracted 260.42 lakh tourists during 2015-17. Audit noticed that in 13 out of 14 restrooms constructed during 2014-16 floor tiles, washbasins, hand railings, etc. were in damaged condition, besides non-availability of approach road and path way to a toilet.
- Two rooms in the Yatrivas in a temple at Tirunagari which attracted 18.89 lakh tourists during 2015-17 was used as temple office and for dumping old records.

Government assured (January 2019) that the proposal for renovation of Poompuhar complex was announced in the State Assembly in the current year and also assured to maintain the assets created for the benefit of tourists at the earliest.

3.2.4.4 *Non-utilisation of available infrastructure facilities*

GOI sanctioned ₹ 2.25 crore for establishment of sound and light show at Vivekananda Rock Memorial in Kanyakumari district. On completion (December 2012) of the work, COT nominated TTDC to undertake operation and maintenance of the facilities. The entertainment show was opened to tourists on trial basis for five months (August to December 2013) without WIFI transmitter to operate the lighting and audio system. Following the failure of the system (January 2014), no effective action was taken to rectify the defects till date (January 2019). Thus, the asset created at a cost of ₹ 2.25 crore was not beneficially used for promotion of tourism in the last five years.

Government accepted (January 2019) the audit observation and stated that the matter would be taken up with India Tourism Development Corporation for early rectification of defects.

⁹⁵ Water purifier, 500 KVA line interactive UPS, Full HD (1,080 p) resolution 30 fps @1,920 x 1,080, Network PTZ Dome camera, 16 channel H 264 MJPEG dual codec, AV drives and pre-wired lighting fittings of sidecar model focus light.

3.2.4.5 *Idling of facility*

GoTN sanctioned (February 2014) ₹ five crore for up-gradation of the building with related equipments and furniture in the Centre of Excellence, State Institute of Hotel Management and Catering Technology, Tiruchirappalli. Audit noticed that though the construction of an additional building at a cost ₹ 2.95 crore was completed in March 2017, the equipment and furniture at a cost of ₹ 0.72 crore was not procured till date (August 2018) as the tender for the purchase was not finalised by the tender committee. The delay in purchase of equipment led to non-utilisation of constructed building to tourism students to acquire the skills of hospitality industry, even after incurring ₹ 2.95 crore resulting in blocking of funds.

Government accepted (January 2019) the audit observation and assured that procurement of equipment and furniture would be completed early and building put to use in next academic year.

3.2.4.6 *Partial completion of yatrivas*

GoTN sanctioned and released (February 2016) ₹ 60 lakh for construction of cottage for tourists visiting Nangur Arulmigu Sri Narayana Perumal Temple, Sirkazhi Taluk. The work was awarded (February 2017) to the lowest tenderer for ₹ 51.20 lakh for completion in nine months. The work was partially completed (June 2018) incurring an expenditure of ₹ 37.26 lakh. The works relating to electrical, water and sanitation were yet to commence (June 2018). This partial completion led to non-provision of accommodation facilities as envisaged.

Government replied (January 2019) that 85 *per cent* of the work had been completed and efforts would be made to complete the work early.

3.2.5 Human Resources

3.2.5.1 *Self-employment training in tourism industry*

Vision 2023 strategic plan estimated that every million incremental tourists contributes incremental employment opportunity to 6,300 persons. The increased inflow of domestic and foreign tourists produced significant employment in the hotel and restaurant sector.

GOI launched (2009 and 2010) two schemes *viz. Hunar Se Rozgar Tak* scheme and Skill Testing and Certification Programme for imparting training to the persons belonging to economically weaker section for placement in tourism and hospitality industry. As per the guidelines of both the schemes, GOI would provide funds to the GoTN/nodal agency on annual basis only upon receipt of the Utilisation Certificate (UC) for the amount already released. Scrutiny revealed that under both the schemes, training was imparted to 8,826 candidates for which it had drawn ₹ 5.49 crore from GOI upto 2014-15. However, TD had issued UC for ₹ 4.69 crore but had not furnished (August 2018) the required UC for balance amount of ₹ 0.80 crore.

Consequently, no fund⁹⁶ was released by GOI after 2015-16 and the nodal agency stopped imparting training from 2016-17 onwards. Thus, non-furnishing of UC resulted in abrupt stoppage of training facilities to the economically weaker section from 2016-17 onwards.

Thus, COT failed to ensure the requirement of GOI schemes for submission of UC, which had resulted in non-availability of GOI schemes to the youth of economically weaker sections. This also defeated the main objective of Tamil Nadu Vision 2023 which envisaged to generate employment.

Government replied (January 2019) that UCs had since been submitted and GOI grant to commence the courses was awaited.

3.2.5.2 Availability of tourist guides

Tourist guides play a vital role in promotion of tourism and they are responsible for projecting a right image of the State and country by giving factual information, besides ensuring the pleasant and safe stay of the tourist.

In Tamil Nadu, the tourist guides are appointed by COT by granting licences which are renewed once in two years. COT also provides them with basic training⁹⁷. TD conducted training programmes for 308⁹⁸ tourist guides up to 2013-14 and 125⁹⁹ tourist guides in 2014-15 and 2015-16.

Audit observed from the scrutiny of records that:

- Against 433 guides trained by TD, the licence were renewed only for 133 guides as on June 2018. More than 50 *per cent* (72 guides) of trained guides were concentrating only in two places *viz.* Madurai and Kancheepuram, whereas, Chennai and Rameswaram, which topped in tourist arrivals during 2015 and 2016 had only three and nil guides, respectively.
- Though in Udhagamandalam, 94 tourist guides were appointed by the District Collector, they were neither given licence nor training by TD.
- Information regarding trained tourist guides was not available in TTDC website.

Government replied (January 2019) that details of guides were available with the tourist officer of the district. The fact, however, remained that these details were not available in public domain and the tourists had no other option but to visit the District Tourist offices personally, if they want to obtain these details.

⁹⁶ Except a release of ₹ 1.63 lakh being the balance amount pertaining to the earlier years.

⁹⁷ Training was imparted through Entrepreneurship Development Institutes in Madurai, Anna Institute of Management, Chennai and State Institute of Hotel Management and Catering Technology, Tiruchirappalli.

⁹⁸ 2005-06 – 236; 2010-11 – 28; 2012-13 – 44.

⁹⁹ 2014-15 – 60; 2015-16 – 65.

3.2.6 Performance of Tamil Nadu Tourism Development Corporation

Tamil Nadu Tourism Development Corporation, a State Public Sector Undertaking under the control of TD, provides tourism related services *viz.*, providing accommodation, conducting tours, organising industrial fairs. Analysis of the functions of the TTDC, revealed the following:

- TTDC established 54 hotels throughout Tamil Nadu, out of which 23 hotels were managed by TTDC and 23 hotels franchised. The remaining eight hotels were not in operation for more than six years due to damaged condition and location in isolated area. Audit observed from the scrutiny of records in Hotel division that out of 23 hotels, the occupancy was in the ratio between 7.50 and 67.75 *per cent* and in only 10 hotels had more than 50 *per cent* occupancy during 2015 to 2017. Further, a comparison of number of tourists stay in TTDC hotels to the number of tourist arrivals in the tourist spots indicated that less than one *per cent* of tourists stayed in TTDC hotels during 2015 to 2017. It is pertinent to note that TTDC incurred an expenditure of ₹ 48.30 lakh during 2015-16 to 2017-18 towards maintenance of seven non-operative hotels.
- TTDC conducts Indian Tourist and industrial fair every year at Chennai. The fair with exhibits of various Government departments and attractions like bird show, aquarium, 3-D shows, and food stalls were established for 70 to 75 days annually to attract domestic tourists during Christmas and Pongal holidays as leisure tourism. Audit noticed that visitors of the fair had shown a declining trend as indicated from the number of visitors to the fair. The visitors which decreased from 12.62 lakh during 2015 to 8.33 lakh during 2018 was attributed to belated invitation (middle of January) of tenders for commencement of the fair after completion of Christmas holidays. During 2017, the fair was commenced after completion of Pongal holidays resulting in loss of revenue of ₹ 1.50 Crore. It is pertinent to note that no such fair was attempted in other major cities of Tamil Nadu except Chennai.

Government replied (January 2019) that efforts would be taken to finalise the tender and commence the fair early during the current year. The fact however, remained that the fair was inaugurated only in the second week of January during the current year also.

3.2.7 Monitoring

To execute the projects economically and efficiently as well as to ensure timely completion of projects, an effective monitoring system is a pre-requisite. TD in its Manual¹⁰⁰ mentions that the COT prepares schemes for tourism promotion and development in the State in consultation with the District Collectors and monitors its implementation. It was however seen that there were no structured monitoring system or any laid down procedure which would oversee and manage tourism infrastructure, as highlighted in **Paragraph Nos. 3.2.4 and 3.2.5**. It was also seen that despite the announcement of “Vision Tamil Nadu 2023” requiring promotion of tourism

¹⁰⁰ Under Right to Information Act 2005.

through Public Private Partnership, appropriate mechanism or regulatory framework at the apex level to monitor and attract private investments for activities viz., (i) co-ordination with the District Collectors for early identification of sites for the projects and (ii) providing assurance and encouragement to private parties for participation in the project proposals by timely sanction of projects, was not present.

Further, the absence of uniform methodology for compilation of tourist data, from field offices and their consequent furnishing of those data to MOT, GOI was at variance with field data which showed inadequate monitoring in data collection and reporting.

ACS in the Exit Conference assured (January 2019) that monitoring aspects would be followed in future. It was agreed to maintain consolidated data base of assets created.

3.2.8 Conclusion

The Government of Tamil Nadu aimed to create tourist infrastructure facilities and to provide quality service to the tourists for generation of foreign exchange and employment. The audit conducted to assess the activities of Tourism Department in Promotion and Infrastructure Development revealed that the department failed to attract investment through Public Private Partnership mode to promote tourism which was a setback for Vision 2023. The non-utilisation of ₹ 86.33 crore of capital budget allocation, despite the dire need for infrastructure facilities showed the lack of preparedness of the department in implementation of infrastructure projects in promotion of tourism. Compilation of incorrect data on tourist arrival gave distorted picture of tourist visit within the State which would affect the comprehensive planning of the State. The Joint inspection of 62 tourist locations by audit with the department revealed inadequate basic amenities which emphasised the need for basic amenities to provide quality services in the tourist spots. Non-monitoring of tourist infrastructures, non-maintenance of comprehensive data base of assets created and lack of monitoring indicated weak internal control in the department.

HIGHWAYS AND MINOR PORTS DEPARTMENT

Government of Tamil Nadu (GoTN) sanctioned (July 2007) eight bridge works under Tsunami Rehabilitation Programme for Nagapattinam district and these works were to be executed by Divisional Engineer (DE), NABARD and Rural Roads (NRR). During the audit (2017-18) of Office of the DE, NRR, Nagapattinam it was observed that two out of eight bridge works were pending completion (February 2018) even after 10 years from sanction due to inadequate field investigation, incorrect alignment and delay in acquisition of land as discussed in **Paragraph Nos. 3.3 and 3.4.**

3.3 Blocking of funds

Inadequate field investigation, incorrect alignment and delay in acquiring the land resulted in blocking of funds of ₹ 19.46 crore and additional liability of ₹ 2.53 crore besides non-achievement of envisaged objective.

Indian Road Congress (IRC) Specification: 5-1998 stipulated that all detailed information for complete and proper appreciation of a bridge work had to be included in the project documents. It was also stipulated to prepare a site plan showing the details of site selected with the nature of existing surface, soil in bed, banks and approaches besides the location and depth of trial pits or borings.

Para 176 of Tamil Nadu Highways Manual, Volume IV (1987) stipulated that except in cases of emergent works, no work should be commenced on land, which was not handed over to Highways Department (HD). GoTN also instructed (September 2007) that bridge works had to be commenced only on completion of Land Acquisition (LA).

GoTN sanctioned (July 2007) construction of a major bridge across Vellapallam-Uppanar River¹⁰¹ for ₹ eight crore in the Tsunami affected Nagapattinam district to facilitate in reaching nearby places for marketing and medical facilities besides reducing travel distance by 35 km. The sanction was revised (June 2009 as ₹ 27.50 crore) due to changes in length and design of bridge work. The bridge work commenced in July 2010 was partially completed (April 2013) due to frequent modifications in the design of bridge by the departmental officers and delay in completion of LA as discussed in subsequent paragraphs:

Inadequate field investigation

DE, (Investigation), Ariyalur after assessing the field particulars for the work confirmed (October 2007) that bed width available at site as 840 m. It was ascertained from Joint Inspection of departmental officers¹⁰² (November 2007) that proposed bridge was in chainage between 350 and 1,190 m, and there were two¹⁰³ deep water zones along the proposed alignment at different locations.

DE, (NRR) conducted soil investigation in October 2007 through private contractors in 13 bores for preparation of design of bridge. The investigation reports were incomplete and lacked details of locations tested, and hence, Design Wing of HD could not utilise these reports. Soil test was conducted again (January 2008) by Highways Research Station at only one deep water zone (chainage 350 m) and no test was conducted in the other deep water zone (chainage 800 to 1,062.80 m).

¹⁰¹ At Thirumullaivasal to Keelamoovarkarai Road.

¹⁰² Joint Inspection by Chief Engineer (CE), Designs and Investigation, Chennai, CE, NABARD and Rural Roads (NRR) and Director, Highways Research Station.

¹⁰³ Chainage 300 to 562 m and 800 to 1,062.80 m.

DE, (NRR), Nagapattinam requested (April 2008) CE, Design and Investigation (D&I) to design the bridge between the two banks (300 to 1,062.80 m) to allow free flow of surface run-off water of the river. However, CE, (D&I) proposed (May 2008) for construction of two bridges (300 to 494.4 m and 800 to 951.20 m) with road embankment in the middle. Considering economic viability, a second Joint Inspection was conducted (July 2008) by CE (NRR) and CE (D&I) and suggested for alternate alignment.

HD finalised (September 2009) design for continuous bridge (302 – 950 m) and CE, NRR, accorded (November 2009) technical sanction for ₹ 27.50 crore, which included ₹ 1.50 crore for LA. HD also decided (November 2009) to construct retaining wall with embankment from 954 to 2,000 m and approach road for the remaining reaches¹⁰⁴.

GoTN accorded (June 2009) Revised Administrative Sanction (RAS) for ₹ 27.50 crore. HD finalised contract for construction of bridge (302 – 950 m), retaining wall with embankment and approach road. Agreement was entered (July 2010) with the lowest tenderer for ₹ 25.17 crore with contract period of 730 days.

HD conducted bore test in two spots¹⁰⁵ in the second deep water zone only in October 2011 and ascertained that the load bearing capacity of the soil was poor. As the proposed retaining wall with embankment was not feasible for the soil condition, it was proposed (May 2012) to modify the design of the retaining wall.

Contractor completed (April 2013) bridge proper and requested (November 2013) for foreclosure of work citing reasons *viz.*, inability to commence the retaining wall work due to non-finalisation of design and delay in completion of LA for approach roads. The contract was foreclosed (February 2014) and the contractor was paid ₹ 19.46 crore (March 2014).

Though the site was inspected by CE, NRR in July 2015 and SE, NRR in October 2016, the design of the retaining wall was revised (July 2017) as bridge structure (954 to 1,190 m) after a delay of more than five years from the conduct of soil test.

Delay in acquisition of land

DE, NRR, Nagapattinam forwarded (April 2010, January and February 2012) Land Plan Schedule (LPS) to District Collector, Nagapattinam (DC) for acquiring private lands¹⁰⁶ and alienation of Government land of 0.56.81 ha. DC issued notices (July 2012 and November 2013) for LA and GoTN approved (February and September 2014) acquisition of private land admeasuring 5.59.16 ha. Acquisition of lands of 5.59.16 ha was completed (August 2015 and May 2018) after paying a part compensation of ₹ 79.25 lakh and the balance compensation of ₹ 34.30 lakh was pending settlement (October 2018) to the private land owners. HD did not furnish the status of the completion of alienation of Government land.

¹⁰⁴ Chainage 0 to 300 m and 2,000 to 3,200 m.

¹⁰⁵ Chainage 978 m and 1,003 m.

¹⁰⁶ Thennampattinam – 5.28.67 ha and Thirumullaivasal – 0.30.49 ha. Total 5.59.16 ha.

Exhibit No.3.1: Status of bridge across Vellapallam Uppanar river



(Source: Photo taken during Joint Inspection)

Present status of work

GoTN accorded second RAS (April 2018) for ₹ 43.40 crore to complete the bridge work. CE, NRR accorded (May 2018) technical sanction for ₹ 43.40 crore for the work. The tender for completion of balance works¹⁰⁷ was invited (September 2018), and the tenders received were yet to be finalised (November 2018).

In this connection, Audit observed the following:

- HD did not assess the site condition by collecting detailed information required for complete appreciation of bridge work as envisaged in IRC guidelines. The adequate design and length of the bridge in accordance with the soil conditions of the deep water zones was not finalised despite conducting soil test on two occasions and Joint Inspections on three occasions. This resulted in finalisation of bridge with inadequate length and subsequent sanction of funds involving additional liability of ₹ 2.53 crore (**Annexure 6**).
- Delay in finalisation of alternate design and commencement of work without acquiring the required land for the approach road resulted in blocking of funds of ₹ 19.46 crore. This also resulted in expiry of the defect liability period without enforcement leading to unintended benefit to the contractor, who executed works for ₹ 19.46 crore.

Thus, inadequate field investigation, incorrect alignment without considering the site conditions and delay in completion of LA for approach road resulted in blocking of funds of ₹ 19.46 crore and additional liability of ₹ 2.53 crore, besides non-achievement of envisaged objectives. Government may also consider fixing responsibility on the officials responsible for such delays and lapses.

¹⁰⁷ Provision of additional spans, retaining wall, Anti corrosive painting and Service road with side drain and approach roads.

Government replied (November 2018) that the changes in the design of the bridge was made on the basis of site conditions. It was also stated that delay in LA was due to delay on the part of the Revenue officials and assured that balance work would be completed early. The reply was not acceptable as HD not only failed to assess soil conditions of deep water zones to ascertain the required length of the bridge, but also commenced work before acquiring the required land.

3.4 Blocking of funds

Inordinate delay in acquisition of land for approach road and finalisation of contract in deviation of the Manual provision, resulted in blocking of funds of ₹ 3.91 crore and additional liability of ₹ 1.83 crore besides non-achievement of envisaged objective.

Para 176 of Tamil Nadu Highways Manual, Volume IV (1987) stipulated that, except in cases of emergent works, no work should be commenced on land which was not handed over to Highways Department (HD). Government of Tamil Nadu (GoTN) also instructed (September 2007) that bridge works had to be commenced only on completion of Land Acquisition (LA).

GoTN accorded (July 2007) Administrative Sanction for construction of minor bridge (35 m) across Ammanar river for ₹ 2.80 crore in Tsunami affected Nagapattinam district. Based on the suggestion of Public Works Department, the proposal for construction of minor bridge was modified as major bridge (105 m) to accommodate enhanced linear width for free flow of water and Revised Administrative Sanction (RAS) was accorded (June 2009) for ₹ 6.12 crore. Chief Engineer (Highways), (CE) NABARD & Rural Roads (NRR), Chennai accorded (September 2009) technical sanction of ₹ 5.22 crore¹⁰⁸ for bridge work. The proposed bridge was intended to connect Kumaragudi village to nearby places for better marketing facilities besides reducing travel distance by 25 km. Contract was awarded (January 2010) to lowest bidder for ₹ 5.15 crore for completion in one year.

During the execution of work, fresh soil test was conducted (May 2010) and design was modified (August 2010) with the provision for enhanced foundation. The technical sanction was revised (May 2011) to ₹ 6.12 crore¹⁰⁹.

The contractor completed (September 2011) bridge proper and requested (February 2012) for foreclosure of contract as the land required for construction of approach road was yet to be acquired. HD foreclosed (February 2014) the contract and contractor was paid ₹ 3.91 crore (March 2014). GoTN accorded (October 2017) second RAS for ₹ 7.95 crore¹¹⁰.

¹⁰⁸ Bridge works - ₹ 3.91 crore (Schedule of Rates 2009-10); LA - ₹ 0.15 crore; approach road - ₹ 1.16 crore.

¹⁰⁹ Bridge works - ₹ 4.81 crore; LA - ₹ 0.15 crore; approach road - ₹ 1.16 crore.

¹¹⁰ Bridge works - ₹ 5.68 crore (Schedule of Rates 2016-17); LA - ₹ 0.34 crore; approach road - ₹ 1.93 crore.

Scrutiny of records of NRR Division, Nagapattinam revealed that Divisional Engineer (DE) failed to complete LA for approach road prior to entrustment of the work, as envisaged in the Manual provision, as detailed below:

- Divisional Engineer, NRR Division, Nagapattinam (DE), forwarded (July 2011) Land Plan Schedule (LPS) to District Collector, Nagapattinam (DC), after delay of 22 months from technical sanction, for acquiring private land to an extent of 4.22.00 ha and for alienation of Government poramboke land of 0.28.00 ha in three villages¹¹¹. DC issued notices (May 2012) to land owners under Tamil Nadu Highways Act 2001 (Act) for LA. The names of two land owners were omitted to be included in the notices issued by DC. On receipt of intimation (July 2013) about these omissions from DE, DC issued (November 2013) additional notice under the Act.
- Based on the proposals (January and September 2014) of DC, GoTN approved (between May 2015 and November 2016) LA and compensation of ₹ 42.53 lakh was paid between March 2015 and February 2018. The details of alienation of 0.28.00 ha of Government poramboke land was yet to be furnished by HD.

Exhibit No.3.2 and 3.3: Partially completed bridge across Ammanar river



(Source: Photograph taken during Joint Inspection)

- Delay in completion of LA resulted in revision of technical sanction based on latest Schedule of Rates and additional liability of ₹ 1.83 crore towards increased cost of bridge approaches and approach road.
- Delay in completion of work also resulted in expiry of defect liability clause without enforcement for partially executed works for ₹ 3.91 crore, leading to unintended benefit to the contractor.

Thus, inordinate delay in acquisition of land for approach road, finalisation of the contract for construction of bridge, in deviation of Manual provision, resulted in blocking of funds of ₹ 3.91 crore and additional liability of ₹ 1.83 crore towards cost escalation. This also led to execution of works in a piecemeal manner without realisation of the final outcome of providing better transport facility to the needy places in Tsunami affected district, even after 10

¹¹¹ Pillaiperumanallur - 2.63.50 ha; Kalamanallur - 1.03.50 ha; Marudhapallam - 0.55 ha.

years from availability of funds. Government may also consider fixing responsibility on the officials responsible for such delays and lapses.

Government replied (October 2018) that LA was completed in August 2018 and completion of LA was delayed due to requirement of co-operation of Revenue department. It was also assured that the work of approach road would be completed soon and bridge put to use. The reply was not tenable as HD failed to commence the work after acquiring the land required for the project, as envisaged in the Manual.

3.5 Avoidable expenditure

Adoption of incorrect Indian Road Congress specifications resulted in excess provision of wearing course besides avoidable expenditure of ₹ 0.85 crore for the newly formed Other District Roads.

The Project Wing of Highways Department executed the work of formation of sugarcane roads under Sugarcane Road Development Scheme¹¹². Government of Tamil Nadu sanctioned (February 2014) 14 sugarcane road works and of which five works were deleted during March 2015. Audit scrutinised (2017-18) five¹¹³ out of nine works and the scrutiny revealed that two works were executed adopting incorrect specifications resulting in avoidable expenditure as discussed in subsequent paragraphs:

Indian Road Congress Special Publications (IRC SP): 72-2007 prescribed economical pavement design¹¹⁴ of rural roads having low volume traffic, viz., less than 10 lakh Equivalent Standard Axle Load¹¹⁵ (ESAL) application. Indian Road Congress (IRC) specification: 37-2012 prescribed pavement design for new roads, which predominantly carry motorised vehicles.

Clause 3.4.5 of IRC SP: 72-2007 envisaged that, in case the proportion of Heavy Commercial Vehicles (HCV) and Medium Commercial Vehicles (MCV) in the traffic stream could not be ascertained, particularly for new roads, cumulative ESAL should be determined on the basis of estimated Commercial Vehicle Per Day (CVPD). Clause 7.3 of IRC SP: 72-2007 stipulated that bituminous surfacing for wearing course¹¹⁶ had to be made judiciously and such surfacing should not be higher than one / two coat surface dressing or 20 mm thick open-graded premix carpet¹¹⁷.

¹¹² The cess fund collected from sugar mills was utilised for formation and improvement of roads from the sugarcane growing areas to sugar mills.

¹¹³ Value of work exceeding one crore was selected.

¹¹⁴ The design of the road surface on which vehicles travel and it transfers the friction and stress to the underlying soils.

¹¹⁵ Computed on the basis of movement of total number of heavy and medium commercial vehicles per day and their vehicle damage factor to determine the design of the road surface with optimum cost for the design life of 10 year period.

¹¹⁶ The top layer of the road surface generally laid using bituminous material.

¹¹⁷ Open graded premix carpet is an important wearing course for low to medium volume traffic roads in India.

Based on the request (February 2014) of Director of Sugar, Government of Tamil Nadu (GoTN) sanctioned (February 2014) ₹ 3.78 crore for two new road works¹¹⁸, in Other District Road category. The works were technically sanctioned (May 2014) for ₹ 3.83 crore by Superintending Engineer (Highways), Projects Circle, Madurai adopting IRC: 37-2012. The works were awarded (August 2014 and January 2015) to contractors through tenders and the same was completed (March 2015 and June 2016) at a cost of ₹ 3.28 crore.

Execution of these works adopting the provisions of IRC: 37-2012 instead of IRC SP: 72-2007 resulted in excess provision of wearing course and avoidable expenditure as discussed in the subsequent paragraphs:

- Highways Department (HD) did not conduct traffic census for the formation of two roads to ascertain the proportion of HCV and MCV, but estimated the initial traffic in the existing earthen road as 150 CVPD. Based on the estimated CVPD, the traffic growth was quantified¹¹⁹ for a period of 10 years and requirement for laying wearing course of the road was arrived as 50 mm Dense Bituminous Macadam¹²⁰ (DBM) and 30 mm Bituminous Concrete¹²¹ (BC) adopting IRC: 37-2012.
- However, the traffic growth for a period of 10 years for the estimated traffic of 150 CVPD adopting IRC: 72-2007 worked out to 6,63,120 ESAL¹²². The requirement for laying wearing course for the design traffic of 6,63,120 ESAL worked out to 20 mm premix carpet.
- The actual expenditure incurred by HD for laying wearing course utilising 50 mm DBM and 30 mm BC was ₹ 1.15 crore. Audit worked out the cost for laying wearing course with 20 mm premix carpet by adopting the standard data of HD as ₹ 0.30 crore (including the approved tender premium for this work), resulting in avoidable excess expenditure of ₹ 0.85 crore (**Annexure 7**).

Thus, adoption of incorrect IRC specifications resulted in excess provision of wearing course and avoidable expenditure of ₹ 0.85 crore for the two newly formed Other District Roads.

¹¹⁸ (a) Forming and improving road between Alagapuri and Rajathottam (b) Forming and improving road from Kottur – Edakurumban road.

¹¹⁹ A traffic growth rate of five *per cent* per annum for design life of 10 years was quantified on the basis of million standard axles.

¹²⁰ A binder course used for roads with more number of heavy commercial vehicles.

¹²¹ The bituminous concrete pavement is a mixture of mineral aggregates and bituminous material.

¹²² Adopting growth rate of six *per cent* for a design life of 10 years CVPD = 150 X (1.06)¹⁰ = 150 X 1.79 = 269 CVPD or 6,63,120 ESAL adopting Appendix A of IRC SP: 72 – 2007.

Government replied (November 2018) that these roads were nearer to colleges, schools and hospitals and, therefore, the roads were used as diversion roads and hence IRC: 37-2012 was adopted. The reply was not acceptable as HD failed either to assess the traffic counts on an existing road or in the vicinity with similar conditions as stipulated in Clause 2.1.1. of IRC: 72-2007. As the movement of vehicles were bound to sugar mills, the actual number of vehicles transporting sugarcane to these mills was ascertainable.

ENVIRONMENT AND FORESTS DEPARTMENT

3.6 Unfruitful expenditure

Raising of teak plantations in the inner bunds of river in deviation to approved working plan led to removal of plantations before attaining saleable condition and unfruitful expenditure of ₹ 2.98 crore.

Government of India approved (June 2010) working plan of Cuddalore Forest Division for the period from 2010-11 to 2019-20, which envisaged raising of teak plantations in the outer bund of river with an espacement of 2 m x 2 m, after obtaining necessary concurrence from the Public Works Department (PWD).

Government of Tamil Nadu (GoTN) sanctioned (December 2012) raising of teak plantations in 19,075 ha of padugai¹²³ lands for ₹ 39.49 crore during 2012-13 to 2014-15 and its maintenance upto 2017-18 in eight territorial Forest Divisions with the objective of increasing tree cover outside forest area besides maintaining ecological stability. Of these eight territorial Forest Divisions, five Divisions were audited during 2017-18 and observations relating to raising of teak plantations in Padugai lands to an extent of 1,125 ha in the bunds of Middle Paravanar river in Cuddalore Forest Division are discussed in subsequent paragraphs:

The Paravanar river originates from Neyveli Lignite Corporation (NLC) mines and flows upto Walajah Tank (Upper Paravanar); Walajah Tank to Perumal Tank (Middle Paravanar) and Perumal Tank to sea (Lower Paravanar). Besides water from NLC mines, Paravanar river received rain water from catchment area.

District Forest Officer, Cuddalore requested (July 2012) permission from PWD for raising teak plantations in Padugai lands of Middle Paravanar river. Executive Engineer, Coleroon Watershed Division of PWD refused (July 2012) permission stating that raising of plantations would hamper periodical desilting and bund strengthening works. Despite the same, Forests Department commenced (2012-13) the work and reported raising of 2.25 lakh teak plantations in 1,125 ha of Padugai lands of Middle Paravanar river during 2012-13 to 2014-15 incurring expenditure of ₹ 3.30 crore.

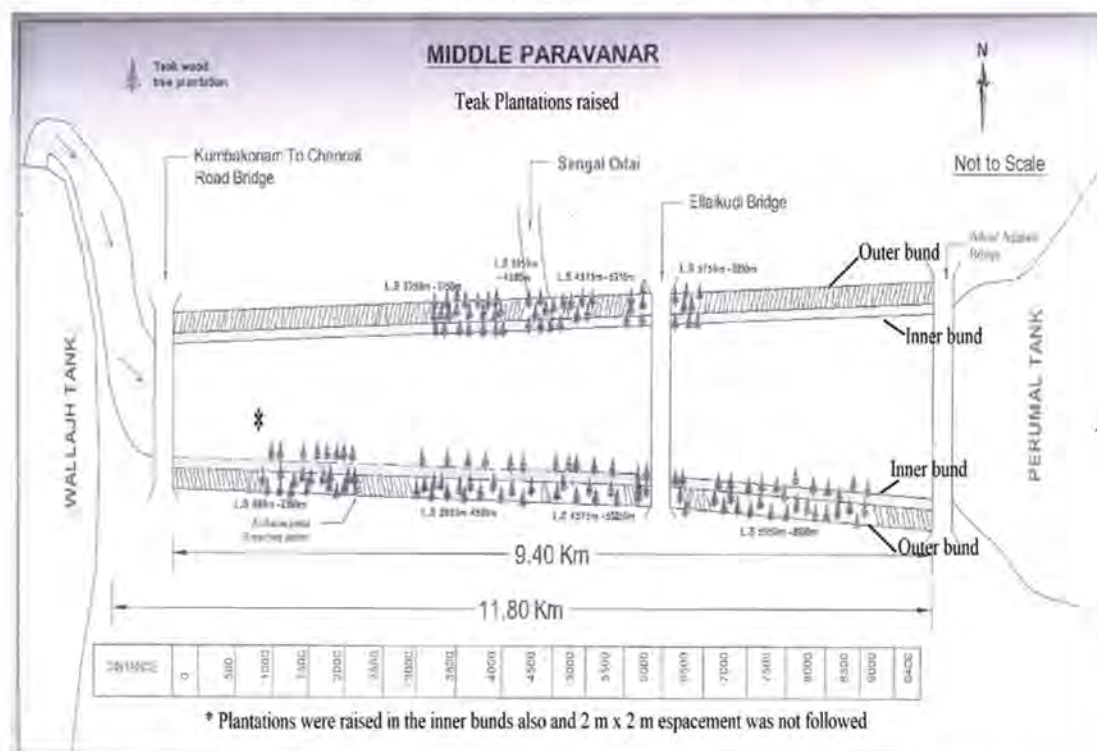
¹²³ The narrow strip of land on the banks of rivers, tanks, tributaries.

The water pumped from the mines of NLC contained solid particles, which accumulated as silt in river bed hindering free flow of water. The Middle Paravanar river witnessed huge flow of water during December 2015 rain leading to flooding of water in the nearby villages, besides damages to life and property.

In the Review meeting for flood mitigation works in Cuddalore district (January 2016), chaired by Chief Secretary to GoTN, NLC agreed to undertake desilting and widening of Middle Paravanar river through Corporate Social Responsibility funds. PWD was also instructed to issue No Objection Certificate for the work.

The work of desilting the river was commenced (August 2016) by NLC through contractor. The contractor removed a portion of the teak plantations to facilitate movement of heavy machinery to the river bed. Forest Department objected (September 2016) to removal of plantations and issued notice to contractor for stoppage of desilting works. Field officials of PWD reported (September 2016) about the objections of the Forest Department to the District Collector (DC), Cuddalore and stated that the plantations were raised on inner and outer bunds (Exhibit No. 3.4) of the river in 14 intermittent stretches with espacement of 1m x 1m in deviation of Working Plan and that hampered free flow of water in the river.

Exhibit No.3.4: Teak Plantations raised in middle Paravanar



The teak plantations in Middle Paravanar river was physically verified (October 2016) by officials of Revenue and Forest Departments and reported that 1,57,210 out of 2,00,000 teak plantations raised during 2012-13 and 2013-14 had survived (October 2016) and 25,000 plantations raised during 2014-15 were not enumerated.

DC, Cuddalore requested (March 2017) Chief Secretary, to permit removal of 1,57,210 teak plantations for carrying out flood mitigation works. A meeting among Secretaries of PWD, Revenue Administration, Environment and Forests and Agriculture Departments decided (July 2017) to remove teak plantations to facilitate desilting and widening of river and to raise new plantations in the bund of the river using Mahatma Gandhi National Rural Employment Guarantee Scheme funds. The work of desilting by removing teak plantations was in progress (September 2018).

From the scrutiny of records, Audit observed the following:

- District Forest Officer, Cuddalore failed to adhere to approved working plan and completed raising of teak plantations on the inner bund of river maintained by PWD without considering the objections raised emphasising the necessity of periodical desilting.
- Raising of these plantations after outright denial of permission by PWD led to a situation of removing 1,57,210 teak plantations for completing flood mitigation works. This resulted in unfruitful expenditure of ₹ 2.98 crore towards raising and maintenance of these plantations.
- Field officials of Forest Department also failed to adhere to the provisions of working plan and raised plantations in inner bund and with lesser espacement. The presence of plantations in inner bund prevented free flow of water in the river leading to flooding of nearby villages in Cuddalore district besides causing damages to life and property.

Unwarranted expenditure

GoTN sanction for raising and maintenance of teak plantations in 1,125 ha *inter alia* included deployment of watch and ward staff (2 labour for 10 ha) for an expenditure of ₹ 0.92 crore. Contrary to the sanction, the Range Officer, Chidambaram ascertained through Global Positioning Satellite survey that effective area available for plantation in the Middle Paravanar river as 90 ha. Instead of restricting the raising of plantations to the available area, the field officials of Forest Division raised 2.25 lakh teak plantations with lesser espacement in deviation of working plan. The deployment of watch and ward staff was not restricted to actual area of plantations (90 ha). The watch and ward staff were deployed in excess of the actual requirement leading to unwarranted expenditure of ₹ 0.84 crore¹²⁴ for which responsibility needs to be fixed on the responsible officials.

¹²⁴ Expenditure towards watch and ward for 1,125 ha is ₹ 91,62,441; expenditure required for 90 ha is ₹ 91,62,441 x 90/1,125 = ₹ 7,32,995; unwarranted expenditure ₹ 91,62,441 - ₹ 7,32,995 = ₹ 84,29,446.

Thus, commencement of works without proper permission, raising of plantations in inner bund of the river and with lesser espacement in deviation to the approved working plan led to removal of plantations, before attaining saleable condition, for undertaking desilting works and unfruitful expenditure of ₹ 2.98 crore. Non-restriction of watch and ward staff to the actual area also resulted in unwarranted expenditure of ₹ 0.84 crore towards watch and ward.

Government accepted (January 2019) that no written permission was obtained from Public Works Department for raising of plantations as similar works in other districts were not objected. It was replied that planting of trees with closer espacement and in the inner bunds of the river was due to non-availability of sufficient space. With regard to deployment of watch and ward staff, Government stated that they were deployed adopting the norms fixed in model estimates and number of plantations. The reply was not acceptable as working plan for raising plantations on the banks of river prohibited closer espacement and plantations in the inner bunds. The norms fixed in the model estimates for the year 2012-13 envisaged deployment of watch and ward staff in accordance with the area of plantation which substantiated unwarranted expenditure.

ANIMAL HUSBANDRY, DAIRYING AND FISHERIES DEPARTMENT

3.7 Unfruitful expenditure

Non-utilisation of the procured equipment and failure to transfer newly procured equipment to needy places by Government consequent on the enactment of Food Safety and Standards Act, resulted in unfruitful expenditure of ₹ 1.71 crore.

Government of India (GOI) promulgated (June 1992) Milk and Milk Products Order 1992 (MMPO) for regulating the production, supply and distribution of milk and milk products. The Commissioner for Milk Production and Dairy Development (Commissioner) was designated as the State Registering Authority under MMPO. The Commissioner was vested with powers of licensing, registration and enforcement of milk and milk products. The milk and milk products in the State were tested in the two quality control laboratories viz., Madhavaram and Madurai. During the audit of Office of the Commissioner (2016-17) it was observed that existing equipment and new equipment procured for Madhavaram laboratory were not utilised due to enactment of Food Safety and Standards Act, 2006 (FSS Act) besides non-establishment of two mini laboratories as discussed in the subsequent paragraphs:

Government of Tamil Nadu (GoTN) sanctioned (March 2008) ₹ 2.22 crore for purchase of testing equipment through Tamil Nadu Co-operative Milk Producers' Federation (TCMPF) for quality control laboratory, Madhavaram for analysis of preservatives, adulterants and bacterial contamination.

TCMPF placed orders (September 2009 and December 2010) for supply of equipment¹²⁵ for ₹ 1.99 crore to the lowest tenderer and the equipment were procured (November 2009 to March 2011) and commissioned (December 2009 to July 2012) incurring an expenditure of ₹ 1.63 crore. The balance amount of ₹ 0.36 crore was pending settlement (April 2018) due to dispute in claim of liquidated damages.

GoTN also sanctioned (March 2010) ₹ 0.40 crore for purchase of laboratory equipment, jeeps and computers for establishment of two¹²⁶ Regional laboratories. The equipment were purchased (August and December 2010) incurring an expenditure of ₹ 0.26 crore and jeeps (March 2011) for ₹ 0.10 crore.

FSS Act and Rules, thereunder, was notified by GOI from 5 August 2011, to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India. FSS Act repealed (August 2011) the existing MMPO and other related Regulations on food products.

With the enactment of FSS Act, powers of licensing, registration and enforcement of food business ceased from the purview of Commissioner. Hence, Commissioner requested (August, September 2011 and July 2012) GoTN to authorise him and a few field officers as 'Designated Officers' in order to perform the functions of Food Safety Commissioner for dairy sector. GOI also instructed (July 2012) to notify Commissioner or his Deputy as 'Designated Officer' for licensing of milk and milk products. But, the same was not considered by GoTN. GOI subsequently revised its decision and instructed (June 2014) that Commissioner be kept outside the licensing process.

In this regard, Audit observed the following:

- Delay in commissioning of the procured equipment by Commissioner coupled with withdrawal of enforcement functions resulted in non-utilisation of commissioned equipment¹²⁷ costing ₹ 1.45 crore for analysing the envisaged tests on adulteration of milk, for more than seven years.

¹²⁵ Absorption spectrophotometer - ₹ 0.34 crore, gaschromatography - ₹ 0.78 crore, protein analyzer - ₹ 0.33 crore, impedance machine - ₹ 0.48 crore and tintometer - ₹ 0.06 crore.

¹²⁶ Salem and Tiruchirappalli.

¹²⁷ Equipment commissioned after September 2011 - absorption spectrophotometer - ₹ 0.34 crore, gaschromatography - ₹ 0.78 crore and protein analyzer - ₹ 0.33 crore.

- Equipment commissioned in December 2009 for ₹ 0.54 crore was utilised for testing for a period of two years only.
- There were 49 testing equipment in the quality control laboratory, Madhavaram, which were procured on earlier occasions. These equipment were also kept idle without any utilisation.
- The establishment of two regional laboratories was not commenced due to non-identification of site for the laboratories. This resulted in non-utilisation of equipment purchased (August, October and December 2010) for ₹ 0.26 crore and jeeps procured (March 2011) for ₹ 0.10 crore were transferred (April 2014 and March 2015) to other field offices.
- The warranty period of five years for equipment procured incurring an expenditure of ₹ 1.71 crore (₹ 1.45 crore – equipment for quality control laboratory; and ₹ 0.26 crore – equipment for two Regional laboratories) had also been expired (August 2016) without use.
- GoTN failed to take steps to transfer existing and newly procured equipment to needy places in consultation with State Food Safety and Drug Administration Department for conducting envisaged tests.

Thus, non-utilisation of procured equipment by Commissioner and failure to transfer newly procured equipment to needy places by Government, consequent on enactment of FSS Act, resulted in unfruitful expenditure of ₹ 1.71 crore on procured equipment. The existing equipment available in the laboratory at Madhavaram, were also not transferred (November 2018) to needy places for utilisation in conducting tests.

Government replied (November 2018) that efforts would be made to transfer all equipment to Food Safety Department after obtaining their concurrence. The fact, however, remained that procured equipment remained idle for more than seven years after their commissioning.

PUBLIC WORKS DEPARTMENT

3.8 Commencement of works without mandatory clearances led to non-availing of grants

Commencement of coastal protection works without mandatory clearances resulted in non-assessment of negative impact on coastal areas and non-availing of Government of India grant of ₹ 67.04 crore besides additional burden of ₹ 51.25 crore to the State exchequer.

Coastal Regulation Zone (CRZ) Notification, 2011 (Para 4) issued (January 2011) by Ministry of Environment and Forests (MoEF), Government of India (GOI) regulated construction of harbours, breakwaters, groynes, erosion control measures as permissible activities with necessary prior clearance from MoEF¹²⁸ or State Environment Impact Assessment Authority¹²⁹ (SEIAA).

¹²⁸ Based on the recommendations and approval of the District, State and National Coastal Zone Management Authorities.

Thirteenth Finance Commission (TFC) recommended (March 2010) ₹ 200 crore as grants-in-aid for anti-sea erosion measures in nine coastal districts¹³⁰ to protect the coastline from sea erosion during 2010-11 to 2014-15. The guidelines for release of grants stipulated that selected projects should be approved by State High Level Monitoring Committee, chaired by Chief Secretary. These works were executed by seven basin divisions and one anti sea erosion division of Public Works Department (PWD). Of these eight divisions, six divisions were audited during 2016-17 and the records of these sanctioned works were also scrutinised (2017-18) at the Nodal Office of Chief Engineer, (Design Research and Construction Support), Chennai. Audit observed that works were executed by eight Divisions without mandatory CRZ clearances as discussed in subsequent paragraphs:

PWD submitted (July 2011) a proposal to Government of Tamil Nadu (GoTN) for ₹ 199.93 crore for 50 coastal protection works in nine coastal districts under TFC grant. GoTN accorded (August 2011) administrative sanction for ₹ 3.29 crore to carry out three urgent coastal protection works¹³¹ and the balance 47 works were sanctioned for ₹ 196.64 crore in December 2011. GoTN (December 2011) directed Regional Chief Engineers¹³² (CEs) to get necessary environmental clearance before the commencement of work.

The Special Secretary to Government, PWD forwarded (September 2011) consolidated proposal for 50 coastal protection works to Director¹³³, Department of Environment (Director), Chennai requesting CRZ clearance. But, Director returned (November 2011) the consolidated proposal and suggested to forward work-wise proposals. It was also intimated that any construction without prior clearance would be violation of CRZ Notification attracting penal provisions. The process for obtaining CRZ clearance was commenced from February 2012 in two¹³⁴ Regions (eight projects) and no efforts were made to apply for CRZ clearance in Chennai Region (three projects). However, PWD commenced (September 2011 to February 2017) execution of 45 out of 50 coastal protection works without obtaining CRZ clearance and five works were dropped.

GOI released (December 2011) first instalment of ₹ 50.23 crore and communicated (December 2012) that the second instalment would be released after utilisation of atleast 2/3rd of the first instalment. In MoEF Review Meeting (September 2013), it was also instructed to commence the works only after obtaining CRZ clearance.

¹²⁹ With effect from November 2014, on the basis of the recommendations and approval of District and State Coastal Zone Management Authorities.

¹³⁰ Chennai, Cuddalore, Kancheepuram, Kanyakumari, Nagapattinam, Thoothukudi, Tirunelveli, Tiruvallur and Villupuram.

¹³¹ Rectification of damages to the Rubble Mound Sea (RMS) wall along the coast of Ennore Express Way affected by cyclone in Chennai district.

¹³² Chennai, Madurai and Tiruchirappalli.

¹³³ Director is responsible to enforce the provisions of CRZ notification.

¹³⁴ Madurai and Tiruchirappalli.

PWD foreclosed¹³⁵ (March 2013) five works (expenditure of ₹ 7.14 crore); completed (January 2012 to December 2017) 34 coastal works¹³⁶ and three study works (expenditure of ₹ 119 crore) without CRZ clearance. The balance three works commenced (August 2015 and February 2017) with the recommendations of State Coastal Zone Management Authorities (CZMA) (May and June 2015) were in progress (March 2018).

As TFC grants could not be availed by PWD for want of CRZ clearance, Commissioner of Fisheries submitted (March 2015) a proposal for “Providing additional leeward breakwater and short groynes to mitigate sea erosion in coastal villages of Thengapattanam Fishing Harbour in Kanyakumari District” for which CRZ clearance was already obtained from MoEF in May 2006. GOI released (March 2015) second instalment of ₹ 82.73 crore. GoTN accorded (March 2015) administrative sanction for ₹ 85.50 crore, and the work was completed in May 2016.

Though GoTN submitted Utilisation Certificate for total expenditure of ₹ 184.21 crore under TFC, no funds in addition to the grant of ₹ 132.96 crore were released due to the expiry of TFC period.

In this connection the following observations were made:

- Disregarding instructions of CRZ Notification 2011, directions (November 2011) of GoTN and instructions of Director, Regional CEs of PWD commenced them and completed the works without obtaining CRZ clearance. This led to non-assessment of the negative impact of creation of hard structures in coastal areas, besides attracting the penal provisions of Environment Protection Act, 1986.
- Director also failed to monitor the execution of works in coastal areas without mandatory clearances and no efforts were taken to stop the works.
- The non-compliance to the CRZ notification also resulted in foreclosure of five works after incurring ₹ 7.14 crore on the orders of National Green Tribunal, Chennai resulting in non-achievement of envisaged objective.
- As against GOI sanction of ₹ 200 crore under TFC, GoTN undertook works for ₹ 184.21 crore leaving un-utilised portion of ₹ 15.79 crore. Of the expenditure of ₹ 184.21 crore, GOI reimbursed ₹ 132.96 crore resulting in non-availing of GOI grant of ₹ 67.04 crore besides additional burden of ₹ 51.25 crore to the State exchequer.

Thus, commencement of coastal protection works without mandatory CRZ clearances resulted in failure to assess the negative impact of creation of hard structures on coastal areas, besides non-availing of GOI grant of ₹ 67.04 crore and additional burden of ₹ 51.25 crore to the State exchequer. Foreclosure of

¹³⁵ Public Interest Litigation was filed (January 2013) in National Green Tribunal, Chennai citing environmental issues and commencement of works without CRZ clearance.

¹³⁶ Of these works, eight works were in various stages of obtaining CRZ clearance viz., three works were recommended by District CZMA, two works recommended by State CZMA and three works were pending approval of SEIAA.

five works after incurring an expenditure of ₹ 7.14 crore resulted in non-achievement of envisaged objective.

Government replied (October 2018) that obtaining CRZ clearance was a lengthy process, consuming more time and there were practical difficulties, and hence, the works were completed in vulnerable stretches on priority basis to avoid loss to the coastal stretches. The reply was not acceptable as the Regional CEs failed to obtain mandatory clearances to assess the negative impact in the coastal areas despite instruction of GoTN and mandatory provision of the CRZ notification.

3.9 Short collection of lease rent

Failure of Government to renew the lease on time and non-enhancement of lease rent periodically based on market value as stipulated in Departmental Code resulted in short collection of lease rent of ₹ 1.99 crore.

Para 172 of Tamil Nadu Public Works Departmental Code prescribed that permission and duration for temporary occupation of Public Works Department (PWD) lands (lease), to individuals or private bodies should be determined carefully in each case with reference to nature of property. The Departmental Code also prescribed that grant of permission should be accorded by the Government of Tamil Nadu (GoTN) and such permission should be communicated in an Order signed by the Executive Engineer (EE) of PWD indicating the period of temporary occupation and rent payable.

Out of 27 PWD Divisions audited during 2016-17, nine Divisions leased out their land to the private persons. Audit observed in one out of nine Divisions, cases of short collection of lease rent as discussed in subsequent paragraphs:

The agriculture lands were leased to private tea estates for plucking tea leaves on the basis of annual lease rent by PWD. The lease rent in respect of four private tea estates was not revised in accordance with the provisions of Departmental Code and instructions of Government, which resulted in short collection of lease rent as detailed in subsequent paragraphs:

Lease of lands to Tata Tea Limited

The agriculture lands under the administrative control of PWD, admeasuring 29.34 acre, were leased to M/s. Tata Tea Limited¹³⁷ for lease rent of ₹ 330 *per acre per annum*, up to August 1987 and ₹ 750 *per acre per annum* from September 1987 to December 1994.

The lease was extended upto December 1996 belatedly by GoTN in May 1997 at the same rent of ₹ 750 *per acre per annum*. The lease was further extended for six years (January 1997 to December 2002) belatedly by GoTN in October 2002 with lease rent at 14 *per cent* of market value of land for 18 months (January 1997 to June 1998) and two *per cent* of market value of land for 42 months (June 1998 to December 2002) besides local cess and surcharge. GoTN instructed (October 2002) the Chief Engineer (CE) to take suitable

¹³⁷ Uralikkal estate and Valparai estate.

action for leasing out the aforesaid lands from January 2003 by executing lease agreement and also to revise the lease rent once in three years.

EE, Valparai Division continued to collect lease rent of ₹ 750 *per acre per annum* from January 1997 to December 2018.

In this regard, the following observations were made:

- CE, PWD failed to enter into agreement and revise the lease rent once in three years as instructed by GoTN.
- Audit noticed that the market guideline value determined by GoTN in respect of lands leased to M/s. Tata Tea Limited increased from ₹ 69,000 *per acre* in 1997 to ₹ 12 lakh *per acre* in December 2018. Non-revision of lease rent in tune with the increased market guideline value as stipulated in the Departmental Code and Government instructions, resulted in short collection of lease rent of ₹ 0.63 crore, for the period from January 1997 to December 2018, calculated adopting the rate of two *per cent per annum* fixed by GoTN in 2002.

Lease of land to private tea estates

Similarly, agriculture lands under the administrative control of PWD, admeasuring 26.152 acre, were leased to three¹³⁸ lessees at a rent of ₹ 330 *per acre per annum*, up to August 1987 and ₹ 750 *per acre per annum* from September 1987 to December 1996 by EE, Valparai Division.

In this regard, the following observations were made:

- Though GoTN ordered for extension of lease period and enhancement of lease rent for similar lease (M/s. Tata Tea Limited) in the same Division, no orders were passed for extension of lease period or enhancement of lease rent in respect of these three lessees.
- PWD continued to levy and collect lease rent at ₹ 750 *per annum* in respect of these three private estates without any formal lease agreement upto December 2018.
- Audit noticed that the value of land occupied by these three lessees had also increased from ₹ 69,000 *per acre* in 1997 to ₹ 13 lakh *per acre* in December 2018. Non-revision of lease rent in tune with the increased market guideline value as stipulated in the Departmental Code and Government instructions, resulted in short collection of lease rent of ₹ 1.36 crore, for the period from January 1997 to December 2018, calculated adopting the rate of two *per cent per annum* fixed by GoTN in 2002 for similar lease.

Thus, failure of the GoTN to renew the lease period in time, non-enhancement of the lease rent based on the market guideline value periodically as stipulated in the Departmental Code and Government instructions resulted in occupation of Government land without lease agreement and short collection of lease rent of ₹ 1.99 crore (**Annexure 8**).

¹³⁸ M/s. Jayashree Tea & Industries (Sholayar Estates), M/s. Hindustan Lever Ltd, (Sirukundra, Monica, Nallakathu and Injiparai Estates) and M/s. The Periya Karumalai Tea & Produce Co. Ltd (Vellamalai and Nadumalai Estates).

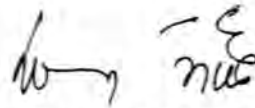
Government replied (February 2019) that necessary action would be taken to renew the lease period and to collect the outstanding dues at the earliest.



Chennai
Dated 29 February 2020

(VISHWANATH SINGH JADON)
Accountant General
(Economic and Revenue Sector Audit)
Tamil Nadu

Countersigned



New Delhi
Dated 03 March 2020

(RAJIV MEHRISHI)
Comptroller and Auditor General of India

ANNEXURES

Annexure 1**(Referred to in Paragraph 1.6.3)****Department-wise details of Inspection Reports
and Paragraphs pending**

Sl. No.	Name of the Department	Number of Outstanding	
		Inspection Reports	Audit Observations
1	Public Works Department (Water Resources)	124	365
	Public Works Department (Buildings)	157	425
2	Highways and Minor Ports	228	649
3	Environment and Forests	140	500
4	State Autonomous Bodies	44	171
5	Agriculture	209	633
6	Animal Husbandry	53	263
	Dairy Development	15	34
	Fisheries	25	85
7	Handlooms and Textiles	48	139
	Khadi and Village Industries	2	4
8	Industries	7	18
9	Micro, Small and Medium Enterprises	37	80
10	Tourism	17	51
11	Information and Technology	1	7
Total		1,107	3,424

Annexure 2

(Referred to in Paragraph No. 3.1.3.6)

Details of excess payment made to the contractor

Sl. No.	Package No.	Quantity (cu m)				Excess		
		Stacked quantity including voids	Voids at 40 per cent	Net quantity excluding voids	Quantity paid to contractor	Quantity (cu m)	Rate (in ₹)	Amount (in ₹)
1	FC 9	42,245.450	16,898.180	25,347.270	26,329.487	982.217	225.00	2,20,998.83
2	FC 1	1,37,167.670	54,867.068	82,300.602	83,252.510	951.908	233.00	2,21,794.56
3	FC 23	237.704	95.082	142.622	2,160.000	2,017.378	280.00	5,64,865.73
4	SC 1	22,010.770	8,804.308	13,206.462	13,493.480	287.018	220.00	63,143.96
	TOAL	2,01,661.594	80,664.638	1,20,996.956	1,25,235.477	4,238.521		10,70,803.08

Annexure -3
(Referred to in Paragraph No. 3.2.2.2)
Details of the projects

SI No	Name of the Project	Location	Investment (₹ in crore)
1	Amusement (Theme) Park	Near Chennai	1,000
2	Amusement (Theme) Park	Erode/Salem	1,000
3	Underwater Ocean Park	Mahabalipuram	800
4	Water Sports Complex	Thondi	300
5	Water Sports Complex	Kanyakumari	300
6	Special Tourism Zone (handicrafts, art and culture)	Madurai	150
7	Rural Tourism Hub	Karaikudi	150
8	Cultural Tourism Hub	Mahabalipuram	300
9	Science Museum	Chennai	1,000
10	World Class tourism and hospitality training institute	Coonoor	200
11	Development of Heritage locations and Destinations of tourist interest	26 locations across the state	2,600
12	Other infrastructure development in places of tourist interest (including projects identified under ADB project on tourism infrastructure)	Across the state	2,500
Total			10,300

Annexure 4
(Referred to in Paragraph No. 3.2.4.1)
Comparison of tourist arrivals

SI No	Name of the destination	2015		2016		2017		Total		Difference
		As per DTO	As per ticket	As per DTO	As per ticket	As per DTO	As per ticket	As per DTO	As per ticket	
(in lakh number)										
State Protected Monuments										
1	Thirumalai Naicker Mahal Palace, Madurai.	4.62	4.63	5.57	4.78	5.32	5.09	15.51	14.50	1.01
2	Danish Fort at Tranquebar, Nagapattinam.	9.64	0.92	4.59	0.76	2.24	0.77	16.47	2.45	14.02
Tourist Spots										
3	Arignar Anna Zoological Park, Vandalur.	52.41	22.43	32.34	21.52	33.26	15.29	118.01	59.24	58.77
4	Botanical Garden, Ooty.	29.39	26.23	30.40	28.90	32.69	31.04	92.48	86.17	6.31
5	Sims park, Ooty.	9.63	5.28	7.70	6.32	6.62	6.58	23.96	18.18	5.78
6	Doddabetta Peak, Ooty.	9.29	0.06	9.71	0.48	12.16	0.71	31.16	1.25	29.91
7	Birla Planetarium, Chennai.	1.97	2.40	1.45	2.71	1.47	3.13	4.89	8.24	-3.35
8	Government Museum, Chennai.	3.11	2.93	2.88	2.95	4.11	3.44	10.10	9.32	0.78
Total								312.58	199.35	113.23

Annexure 5
(Referred to in Paragraph No. 3.2.4.1)
Tourist data compilation by COT

(in numbers)

District	Data compiled by COT for January 2018	Information furnished to COT by DTO for January 2018	Difference	Percentage of difference
Madurai	35,67,248	27,37,001	8,30,247	30
Tiruvallur	5,96,015	3,96,045	1,99,970	50
Kancheepuram	46,99,176	35,59,519	11,39,657	32
Udhagamandalam	24,32,940	8,17,979	16,14,961	197
Total	1,12,95,379	75,10,544	37,84,835	50

(Source: Details furnished by TD)

**Annexure 6
(Referred to in Paragraph No.3.3)**

Statement showing additional liability due to design change

Sl. No	Item of work	As per original estimate (2009-10) amount (₹)	As per revised estimate (2017-18) amount (₹)	Avoidable excess expenditure / liability amount (₹)
1	Earth work for dressing the bed upto average bed level at site	1,800	696	-1,104
2	Providing MS Liners	88,65,450	1,07,82,576	19,17,126
3	Providing Pile concrete	1,61,81,000	1,54,32,261	-7,487,39
4	VCC M10 for levelling course	11,700	11,415	-285
5	VRCC M35 for Pile cap and Pile bent	25,08,800	34,68,864	9,60,064
6	VRCC M35 for Abutments and wings	1,56,800	2,48,892	92,092
7	VRCC M35 for Bed block and Dirt wall	75,900	91,575	15,675
8	VCC M35 for circular pier	56,000	61,250	5,250
9	VRCC M35 for deck slab and kerb	34,12,500	57,24,075	23,11,575
10	VRCC M35 for T-Beams and Cross Beams	50,64,100	59,52,309	8,88,209
11	Supply and fixing of Elastomeric bearing	12,09,600	19,71,648	7,62,048
12	VRCC M40 for Crash Barrier	28,08,400	12,26,176	-15,82,224
13	Providing and fixing of G.I Drainage spouts	1,58,400	1,28,386	-30,014
14	VCC M15 for base course below approach slab	32,800	35,776	2,976
15	VRCC M35 for approach slabs	87,400	1,23,329	35,929
16	VPCC M30 for Parapet	18,400	35,472	17,072
17	VCC M30 for wearing coat over deck slab and approach slab	7,34,400	9,09,738	1,75,338
18	Supply and installation of Copper strip expansion	7,05,000	11,09,704	4,04,704
19	Providing and fixing of PVC seepage pipes	3,600	3,900	300
20	Providing Filter media behind abutment and return walls	57,200	77,896	20,696
21	Filling gravel behind Abutments and return walls	1,11,800	52,976	-58,824
22	Supply and fabrication of Fe-415 grade steel for all RCC items	2,01,28,500	3,04,12,424	1,02,83,924
23	Supply and fabrication of Fe-240 grade steel for mesh reinforcement	44,550	67,311	22,761
24	Forming approach road	1,49,21,470	2,85,15,832	1,35,94,362
25	PCC Retaining wall	1,98,24,196	1,46,91,683	-51,32,513
26	Provision for Cofferdam	68,80,613	82,67,769	13,87,156
			Total	2,53,43,554

Annexure 7

(Referred to in Paragraph No.3.5)

Avoidable expenditure incurred towards wearing course

Sl. No.	Name of the work	Items of work executed (as per IRC: 37 -2012)						Items of work to be executed (as per IRC: 72 – 2007)		
		DBM (cu m)	Rate (₹)	Amount (₹)	BC (cu m)	Rate (₹)	Amount (₹)	Premix carpet (sq m)	Rate (₹)	Amount (₹)
1	Forming and improving road between Alagapuri and Rajathottam branching at km 200/4 of NH 208-Km 0/0-1/8	348.31	9,253.80	32,23,191	208.99	10,176.25	21,26,734	6,966.15 (1,800 x 3.75) + (75 x 3.5) - (12.36 x 3.75)	197.16	13,73,446
2	Forming and improving road from Kottur-Edakurumban road Km 0/0-2/0	374.90	9,167.22	34,36,791	224.91	10,085.70	22,68,375	7,481.25 (1925 x 3.75) + (75 x 3.5)	197.16	14,75,003
Total				66,59,982			43,95,109			28,48,449

Expenditure as per IRC: 37-2012	=₹ 1,10,55,091
Plus tender premium 4 per cent	= ₹ 4,42,203
Total Expenditure as per IRC: 37-2012	=₹ 1,14,97,294 or ₹ 1.15 crore
Cost as per IRC: 72-2007	=₹ 28,48,449
Plus tender premium 4 per cent	= ₹ 1,13,937
Total cost as per IRC: 72-2007	=₹ 29,62,386 or ₹ 0.30 crore
Avoidable expenditure	= ₹ 1.15 crore - ₹ 0.30 crore
	= ₹ 0.85 crore

Annexure 8
(Referred to in Paragraph No.3.9)
Short collection of lease rent

(in ₹)

Name of the lessee	Survey field No.	Area (in acre)	1.1.97 to 3.6.98			4.6.98 to 31.12.2002			1.1.2003 to 31.12.2005			1.1.2006 to 31.12.2008		
			Guideline value per acre	Lease rent per month	Total lease rent	Guideline value per acre	Lease rent per month	Total lease rent	Guideline value per acre	Lease rent per annum	Total lease rent	Guideline value per acre	Lease rent per annum	Total lease rent
i) M/s.Tata Tea Ltd Uralikkal estate	20/1A, 10/2, 10/4	17.5	69,000	14,088	2,39,496	37,000	1,079	59,345	54,000	18,900	56,700	1,10,500	38,675	1,16,025
	11/1A	1.742	69,000	1,402	23,834	41,600	121	6,655	61,000	2,125	6,375	70,500	2,456	7,368
Valparai estate	21/9A2, 24/3B, 24/3C	10.1	69,000	8,131	1,38,227	65,300	1,099	60,445	95,500	19,291	57,873	1,10,500	22,321	66,963
ii) M/s.Jayashree Tea & Industries Sholayar Estates	37/2	5.68	69,000	4,572	77,724	65,300	618	33,990	95,500	10,849	32,547	1,10,500	12,553	37,659
iii) M/s.Hindustan Lever Ltd, Tea Estates Sirukundra Estate	36	1.89	69,000	1,521	25,857	65,300	206	11,330	95,500	3,610	10,830	1,10,500	4,177	12,531
Monica Estate	19/2B	5.8	69,000	4,669	79,373	65,300	631	34,705	95,500	11,078	33,234	1,10,500	12,818	38,454
Nallakathu Estate	30	0.84	69,000	676	11,492	65,300	91	5,005	95,500	1,604	4,812	1,105,00	1,856	5,568
Injiparai Estate	18/3	0.35	69,000	282	4,794	65,300	38	2,090	95,500	669	2,007	1,10,500	774	2,322
iv) M/s.The Periya Karumalai Tea & Produce Co. Ltd Vellamalai Estate	33/9B	6.12	69,000	4,927	83,759	65,300	666	36,630	95,500	11,689	35,067	1,10,500	13,525	40,575
Nadumalai Estate	32	5.47	69,000	4,403	74,851	65,300	595	32,725	95,500	10,448	31,344	1,10,500	12,089	36,267
		55.492			7,59,407			2,82,920			2,70,789			3,63,732

Annexure 8 (Contd...)
Short collection of lease rent

(in ₹)

Name of the lessee	1.1.2009 to 31.12.2011			1.1.2012 to 31.12.2014			1.1.2015 to 31.12.2018		
	Guideline value per acre	Lease rent per annum	Total lease rent	Guideline value per acre	Lease rent per annum	Total lease rent	Guideline value per acre	Lease rent per annum	Total lease rent
i) M/s.Tata Tea Ltd.,	10,00,000	3,50,000	10,50,000	10,00,000	3,50,000	10,50,000	12,00,000	4,20,000	16,80,000
Uralikkal Estate	10,00,000	34,840	1,04,520	10,00,000	34,840	1,04,520	12,00,000	41,808	1,67,232
Valparai Estate	10,00,000	2,02,000	6,06,000	10,00,000	2,02,000	6,06,000	7,00,000	1,41,400	5,65,600
ii) M/s.Jayashree Tea & Industries									
Sholayar Estates	10,00,000	1,13,600	3,40,800	10,00,000	1,13,600	3,40,800	12,00,000	1,36,320	5,45,280
iii) M/s.Hindustan Lever Ltd, Tea Estates									
Sirukundra Estate	10,00,000	37,800	1,13,400	10,00,000	37,800	1,13,400	12,00,000	45,360	1,81,440
Monica Estate	10,00,000	1,16,000	3,48,000	10,00,000	1,16,000	3,48,000	12,00,000	1,39,200	5,56,800
Nallakathu Estate	60,00,000	1,00,800	3,02,400	60,00,000	1,00,800	3,02,400	13,00,000	21,840	85,920
Injiparai Estate	10,00,000	7,000	21,000	10,00,000	7,000	21,000	12,00,000	8,400	33,600
iv) M/s.The Periya Karumalai Tea & Produce Co. Ltd									
Vellamalai Estate	60,00,000	7,34,400	22,03,200	60,00,000	7,34,400	22,03,200	13,00,000	1,59,120	6,36,480
Nadumalai Estate	60,00,000	6,56,400	19,69,200	60,00,000	6,56,400	19,69,200	13,00,000	1,42,220	5,68,880
			70,58,520			70,58,520			50,21,232
								Total lease leviable	2,08,15,120
								Lease amount already paid	8,84,426
								Short collection of lease	1,99,30,694

Glossary		
Sl.No.	Abbreviation	Description
1	ACS	Additional Chief Secretary
2	ADB	Asian Development Bank
3	ADF	Assistant Director of Fisheries
4	A&E	Accounts and Entitlements
5	AIBP	Accelerated Irrigation Benefit Programme
6	ATN	Action Taken Note
7	BC	Bituminous Concrete
8	BA	Budget Allocation
9	CAG	Comptroller and Auditor General of India
10	CE	Chief Engineer
11	CMDA	Chennai Metropolitan Development Authority
12	COT	Commissioner of Tourism
13	COPU	Committee on Public Undertakings
14	CRZ	Coastal Regulation Zone
15	cu m	Cubic metre
16	CVPD	Commercial Vehicle Per Day
17	CWPRS	Central Water and Power Research Station
18	CZMA	Coastal Zone Management Authority
19	DAT	Distress Alert Transmitters
20	DBM	Dense Bituminous Macadam
21	DC	District Collector
22	DE	Divisional Engineer
23	D&I	Design and Investigation
24	DoF	Director of Fisheries
25	DPC	Duties, Powers and Conditions of Service
26	DPR	Detailed Project Report
27	DTA	Domestic Tourist Arrival
28	DTO	District Tourist Officer
29	E&RSA	Economic and Revenue Sector Audit
30	EE	Executive Engineer
31	EIC	Engineer-in-Chief
32	EXPR	Expenditure
33	ESAL	Equivalent Standard Axle Load

34	FD	Fisheries Department
35	FH	Fishing Harbour
36	FLC	Fish Landing Centre
37	FLP	Fish Landing Point
38	FSS Act	Food Safety and Standards Act
39	FTA	Foreign Tourists Arrival
40	FYP	Five Year Plan
41	GOI	Government of India
42	GoTN	Government of Tamil Nadu
43	GSDP	Gross State Domestic Product
44	ha	Hectare
45	HCV	Heavy Commercial Vehicles
46	HD	Highways Department
47	Hp	Horse power
48	HUDCO	Housing and Urban Development Corporation
49	IIT	Indian Institute of Technology
50	IR	Inspection Report
51	IRC	Indian Road Congress
52	IRC SP	Indian Road Congress Special Publications
53	IS	Indian Standards
54	Km	Kilometre
55	LA	Land Acquisition
56	LMT	Lakh Metric Tonne
57	LPS	Land Plan Schedule
58	m	Metre
59	Mcft	Million cubic feet
60	MCV	Medium Commercial Vehicles
61	MHM	Million hectare metre
62	mm	Milli metre
63	MMPO	Milk and Milk Products Order
64	MoEF	Ministry of Environment and Forests
65	MOT	Ministry of Tourism

66	MRDMR	Medium Rock and Dense Medium Rock
67	MT	Metric Tonne
68	NEFT	National Electronic Funds Transfer
69	NFSRS	National Savings cum Relief Scheme for fishermen
70	NLC	Neyveli Lignite Corporation
71	NRR	NABARD & Rural Roads
72	PAC	Public Accounts Committee
73	PD	Personal Deposit
74	PMKSY	Pradhan Mantri Krishi Sinchayee Yojana
75	PPP	Public Private Partnership
76	PWD	Public Works Department
77	RAS	Revised Administrative Sanction
78	RA	Revised Allocation
79	RMS	Rubble Mound Sea
80	SE	Superintending Engineer
81	SEIAA	State Environment Impact Assessment Authority
82	sq km	Square kilometre
83	sq m	Square metre
84	TCMPF	Tamil Nadu Co-operative Milk Producers' Federation
85	TD	Tourism Department
86	TFC	Thirteenth Finance Commission
87	TMC	Thousand million cubic feet
88	TMP	Tourism Master Plan
89	TNFSRS	Tamil Nadu Fisherwomen Savings cum Relief Scheme
90	TNMFR	Tamil Nadu Marine Fishing Regulation
91	TNSCB	Tamil Nadu Slum Clearance Board
92	TTDC	Tamil Nadu Tourism Development Corporation
93	UC	Utilisation Certificate
94	WPC	Wireless Planning and Co-ordination Wing

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