

Chapter-5 : Economic Services

Chapter-5 Economic Services

Economic services include every infrastructure such as provision for all weather roads, adequate electricity for household, industrial and irrigation needs, railway connectivity, air services and reliable communication facilities. Expenditure on economic services includes all such expenditure that promote directly or indirectly the production capacity of an economic unit. In the Economic Sector, activities under Roads, Power, Irrigation, etc., were taken up for review. Audit findings are discussed hereunder:

5.1 Road connectivity

Road connectivity in the district is one of the most important factors in view of the hilly terrain/ *karewas* and no alternate means of transport. At present, there is a total road length of 1770.22 kms in the district. Almost half of this road length is black topped and rest of the road length is metalled/ shingled/ jeepable etc as detailed in **Table 51** below:-

Table-51

| Sl. No. | Name of the road | Black Topped (BT) | Metalled (MT) | Shingled | Jeepable/Fair weather | Total |
|---------|----------------------|-------------------|---------------|---------------|-----------------------|----------------|
| 1. | Major District Roads | 42.00 | 0 | 0 | 0 | 42.00 |
| 2. | Other district roads | 328.80 | 64.75 | 10.40 | 1.00 | 404.95 |
| 3. | Village roads | 544.62 | 549.05 | 98.40 | 131.20 | 1323.27 |
| | Total | 915.42 | 613.80 | 108.80 | 132.20 | 1770.22 |

Keeping in view climatic conditions and type of roads on *karewas* of district, Black topped roads is the necessity for smooth, safe trafficking of vehicles and movements of local populace. Above statistics, however, revealed that major district road and other district roads had been black topped and were road worthy for all seasons but 778.65 kms (59 per cent of village roads) were still to be black topped. Thus, desired road connectivity had not been provided to people living in far flung areas and villages. To provide road connectivity and to upgrade the existing roads, different road connectivity and up-gradation schemes had been taken up under different schemes and sectors which include NABARD, CRF and PMGSY, besides some works under State and District sectors.

◆ Poor implementation of Road projects

Audit analysis of various road projects undertaken during the period of review revealed tardy progress resulting in non-completion of the taken up projects in a time bound manner, thus resulting in non-accrual of benefits to the population despite huge spending. Position of the works taken up under different sectors and achievements thereagainst are depicted in the succeeding paragraphs.

5.1.1 NABARD

The schemes undertaken under NABARD in the district under RIDF¹ IX to RIDF XVI during the period 2007-08 to 2011-12 are detailed in **Table 52** below:-

Table-52

(₹ in crore)

| RIDF | Number of schemes taken up | Approved cost | | | Expenditure | | | Number of works completed | Expenditure on completed schemes |
|--------------------|----------------------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------------------|----------------------------------|
| | | NABARD | State share | Total | NABARD | State share | Total | | |
| RIDF-IX | 7 | 4.61 | 1.15 | 5.77 | 4.63 | 1.15 | 5.78 | 7 | 5.78 |
| RIDF-XI | 26 | 24.19 | 6.30 | 30.49 | 24.16 | 5.40 | 29.55 | 21 | 22.45 |
| RIDF-XII- | 4 | 6.80 | 1.70 | 8.50 | 5.39 | 0.90 | 6.29 | 3 | 4.27 |
| RIDF-XIII | 16 | 26.79 | 2.98 | 29.77 | 26.79 | 1.98 | 28.77 | 8 | 14.84 |
| RIDF XIV | 2 | 2.76 | 0.31 | 3.07 | 2.76 | 0.12 | 2.88 | 0 | 0.00 |
| RIDFXV | 30 | 67.13 | 7.46 | 74.59 | 35.73 | 0.44 | 36.17 | 1 | 1.36 |
| RIDF XVI | 12 | 33.41 | 3.71 | 37.12 | 9.09 | 0.13 | 9.22 | 0 | 00.00 |
| GRAND TOTAL | 97 | 165.69 | 23.60 | 189.30 | 108.55 | 10.12 | 118.67 | 40 | 48.70 |

Since a NABARD scheme is to be completed within a period of three years, 55 works under NABARD RIDF IX and RIDF XIV taken up during 2005-06 to 2008-09 were to be completed upto 2010-11. Against this only 39 (71 per cent) works were completed at a cost of ₹ 47.34 crore up to March 2012. The reasons for delayed completion of these works and non-completion of remaining 16 works was non-release of matching state share by the State Government. Though, the requisite loan assistance for the schemes under RIDF-IX to RIDF IV taken up during the period 2006-07 to 2008-09 had been released in full up to the year 2009-10, the requisite State matching share was released in meager amounts during the period 2007-08 to 2011-12 resulting in either delayed or non-completion of works. On this being pointed out in audit, EE, R&B Division Budgam stated that the works could not be completed within stipulated time period due to poor funding and non-release of State share.

◆ Unproductive expenditure

Construction of 2x16 mtr span bridge at Batapora Hanjigund road was sanctioned (December 2007) under NABARD (RIDF XIII) at an approved cost of ₹ 0.81 crore (loan component ₹ 0.73 crore and State share ₹ 0.08 crore. Before the work on the project could be started, local people of the area approached the Department and demanded change of location of the bridge and construction of the same at another site on the plea that approaches for the bridge were narrow and not suitable for heavy traffic. A new proposal for construction of the bridge at new location at an estimated cost of ₹ 2.10 crore was submitted (January 2008) by the Department.

Audit scrutiny of the records revealed that Department had invited tenders for construction of sub structure of single lane steel bridge at the original site in September 2009 and allotted (April 2010) the work to a contractor at a cost of ₹ 36.15 lakh for completion in two months. The scope of work, however, was restricted to

¹ Rural Infrastructure Development Fund

dismantling of existing timber bridge and construction of abutments for the new bridge only. Records revealed that the contractor had completed allotted work, however, as per records no payment for execution of works were made as of March 2012. Though ₹ 76.93 lakh had been released under the project during the period 2007-08 to 2011-12. The same had been diverted for purchase of stores and to other unapproved schemes for which no funds were released to divisional authorities.

Thus, defective planning in selection of site for construction of bridge owing to narrow approaches lead to dispute at site and non-completion of the project despite a lapse of four years. With the result, the expenditure of ₹ 76.93 lakh allotted to the extent of estimated cost of the project being incurred on stock purchase proved to be unproductive and unfruitful. On this being pointed out, Executive Engineer (R&B) Division Chadoora stated that initially funds were released at the fag end and as such allotted funds were utilized for purchase of stocks. Diversion of funds to other schemes was made due to non availability of funds under such schemes and will be recouped subsequently. The site of the work has not been changed due to some technical advantages at the previous site.

5.1.2 District Sector

The position of road works executed in the district under the district sector during 2007-12 is given in **Table 53** below:-

Table-53

| No of Incomplete works as at beginning of 2007-08 | New works taken up during 2007-12 | Total works | No of works completed as of March 2012 | Works incomplete as of March 2012 (% age) |
|---|-----------------------------------|-------------|--|---|
| 25 | 44 | 69 | 14 | 55 (80) |

From the above table, it is seen that:

- 25 schemes for up-gradation of roads taken up prior to 2007-08 at an estimated cost of ₹ 16.23 crore were incomplete as of 01 April 2007 after incurring ₹ 3.77 crore. During the period 2007-08 to 2011-12, expenditure of ₹ 8.33 crore had been incurred on these works. It was observed in audit that out of these 25 works taken up prior to 2007-08, only seven (7) works were completed during the year 2011-12 after incurring expenditure of ₹ 1.92 crore and rest of 18 works were going on as of March 2012.
- Instead of arranging funds for ongoing works, 44 new schemes had been taken up for up-gradation of roads during 2007-08 to 2011-12 at an estimated cost of ₹12.17 crore. Out of these 44 schemes, seven schemes were completed after incurring expenditure of ₹ 2.21 crore as of 2011-12. Thus, out of total 69 schemes taken up under district sector up to 2011-12, only 14 schemes were completed.
- These schemes taken under district sector had been provided with meager allotments since their starting with the result, these schemes could not be

completed and failed to provide any intended benefits for the community. This indicated that the thrust had been placed on inclusion of schemes for up-gradation/construction of roads and not on completion of ongoing schemes which was indicative of poor planning. These works were taken up in hand on the basis of public demand with the result the schemes were not getting prioritized for their completion due to resource constraints.

The EE, attributed delay in completion of scheme to poor funding.

5.1.3 Border area development programme

The position of road works executed in the district under BADP sector during 2007-12, is given in **Table 54** below:-

Table-54

| No of Incomplete works as at beginning of 2007-08 | New works taken up during 2007-12 | Total works | No of works completed as of March 2012 | Works incomplete as of March 2012 (percentage) |
|---|-----------------------------------|-------------|--|--|
| 15 | - | 15 | 04 | 11 (73) |

It was seen that 15 different roads aimed at providing connectivity over a road length of 37.80 Kms taken up prior to 2007-08 at an estimated cost of ₹ 10.41 crore were lying incomplete at the beginning of 2007-08. The schemes were lying incomplete despite incurring ₹ 1.38 crore upto the year 2006-07. Though, no new work was taken up during 2007-08, the pace of execution in respect of pending works had been slow as only four works were completed as of March 2012. During the period 2007-12, a further expenditure of ₹ 2.97 crore were incurred on these schemes. The slow pace of execution resulted in non-accrual of intended benefits to the populace.

5.1.4 State sector

Construction of Bridges

Under State sector, construction of 16 bridges were taken up for execution in the district Budgam, during 2007-08 to 2011-12 at an estimated cost of ₹ 20.43 crore in the district. Audit scrutiny of the records revealed as under:

- All the works were started in anticipation of Administrative Approval from the competent authority and same was awaited as of March 2012.
- Only five bridges had been completed after incurring an expenditure of ₹ 8.84 crore. In respect of other 11 bridges on which ₹ 22.82 crore had been expended, the work was going on (March 2012).
- In respect of nine bridges, the cost of the projects had got escalated from ₹ 11.24 crore to ₹ 18.48 crore.
- The expenditure of ₹ 0.16 crore incurred on construction of foot bridge at Dangerpora Wathoora had been rendered as wasteful due to deferment of project

owing to a dispute on the site selection of the bridge which resulted in the stoppage of the work. After, a new bridge was constructed at a new site located at the same *Nallah*, the work done at previous site (Dangerpora Wathoora) (in-completed bridge) was rendered wasteful.

The EE attributed non-completion of bridges to poor funding. Regarding the AA/TS, the EE stated that the matter had been taken up with the competent authority.

5.1.5 Central Road Fund

Khansahib-Doodhpathri road – Undue benefit due to payment at higher rates

After bringing Doodhpathri on tourist map of State, it was imperative to provide better accessibility to the area by way of macadamised road connectivity. To do so, up-gradation of road Khansahib to Doodhpathri measuring 21 kms was taken up during the year 2008-09 at a cost of ₹ 19.97 crore under Central Road Fund (CRF). It was seen that ₹ 16.34 crore had been incurred on the scheme as of 2011-12 and only a portion of road up to first thirteen kms had been upgraded and macadamisation was in progress. With the result, better road connectivity as envisaged could not be provided for entire road length and could not provide accessibility to famous Doodhpathri.

Audit scrutiny of records relating to Khansahib-Doodhpathri road revealed that the macadamisation works for the stretches from one to five kms, and from nine to 13 kms, were executed at two different rates. The details of the components of the work and rates allowed for two different road lengths and paid to two different contractors are detailed in **Table 55** below:-

Table-55

| S.No | Particulars of items | Rates allowed for 1 to 5 th km | Rates allowed for km 9 th to 13 th | Difference (₹) |
|------|--|---|--|----------------|
| 1. | Providing and applying tact coat using hot straight run bitumen of grade 80/100 including heating and spraying the bitumen etc | 44.25/sq.mtr | 35.00/sq.m | 9.25 |
| 2. | Providing/laying 50mm thick premix bituminous macadam base course etc | 6834.16/cum | 5700.00/cum | 1134.16 |
| 3. | Providing/Laying 25mm thick semidense bituminous concrete using material aggregate etc | 238.80/sq.m | 225.00/sqm | 13.80 |
| 4. | Providing /laying 6mm thick seal coat of premixed fine aggregate etc | 54.89/sq.m | 40.00 /sqm | 14.89 |

From the above, it is seen that rates allowed for macadamisation of first five kms, were on higher side as compared to rates allowed for macadamisation of 9th to 13th kms. This was in spite of fact that macadamisation of 9th to 13th km. road length was at a farther distance and involved extra carriage charges as compared to 1 to 5th km. road length macadamisation work. This has resulted in extra expenditure of ₹ 0.33 crore and undue benefit to contractor to that extent. In reply, the Executive Engineer R&B Division Budgam stated that the work had been allotted by Chief Engineer and as such reasonability of rates was to be ascertained at their level. The

work was allotted to different contractors in order to get the work completed within shortest possible time.

5.1.6 Pradhan Mantri Gram Sadak Yojna

Pradhan Mantri Gram Sadak Yojna (PMGSY) was introduced (2001-02) by Government of India for providing road connectivity to rural areas. The Yojna emphasized to provide all weather roads for socio-economic upliftment of the rural habitations. As per the Core Network New connectivity Priority list, there were 102 roads identified (2001-02) in the district under the yojna which would have connected about 135 unconnected habitations. The works taken up for execution under PMGSY were to be completed within the stipulated period of time i.e., nine to eighteen months.

Audit scrutiny of the records revealed that 61 (including 5 up-gradation works) works/schemes under different phases (phase-3rd, 4th, 5th, 6th and 7th) had been taken up for execution in the District with a sanctioned cost of ₹139.25 crore for providing new connectivity over a length of 228.33 Kms of road length. Full amount of ₹ 71.50 crore released under different phases were incurred up to the end of year 2011-12. The financial and physical status of the works executed during different phases is given in **Table 56** below:-

Table-56

(₹ in crore)

| Phase | Road-works taken up | | Amount Sanctioned | Amount released | Works completed | | | On-going works | | | Cumulative achievements | |
|-----------------------|---------------------|---------------|-------------------|-----------------|-----------------|--------------|--------------|----------------|---------------|--------------|-------------------------|-----------|
| | No | Length | | | No | Length | Exp | No | Length | Exp | length | Exp |
| Phase 3 rd | 8 | 21.53 | 7.06 | 4.50 | 7 | 18.30 | 4.50 | 1 | 0.00 | 0.00 | 18.30 | 4.50 |
| Phase 4 th | 8 | 24.66 | 8.27 | 5.32 | 6 | 20.30 | 5.32 | 2 | 0.00 | 0.00 | 20.30 | 5.32 |
| Phase 5 th | 7 | 17.83 | 5.74 | 5.03 | 4 | 6.63 | 1.99 | 3 | 10.05 | 3.03 | 16.68 | 5.03 |
| Phase 6 th | 16 | 59.57 | 33.36 | 24.62 | 7 | 23.79 | 10.54 | 9 | 41.12 | 14.08 | 64.91 | 24.62 |
| Up-gradation | 2 | 19.21 | 10.34 | 7.16 | | | | 2 | 16.10 | 7.16 | 16.10 | 7.16 |
| Phase 7 th | 17 | 40.13 | 30.93 | 11.63 | 2 | 2.42 | 0.75 | 15 | 19.07 | 10.88 | 21.49 | 11.63 |
| Up-gradation | 3 | 45.40 | 43.55 | 13.24 | | | | 3 | 15.75 | 13.24 | 15.75 | 13.24 |
| Total | 61 | 228.33 | 139.25 | 71.50 | 26 | 71.44 | 23.10 | 35 | 102.09 | 48.39 | 173.53 | 50 |

Audit scrutiny of the records revealed that:

- 56 works/schemes aimed at providing road connectivity to 66 unconnected habitations with a cumulative length of 163.72 Kms, were taken up for execution during the period November 2006 to December 2010 and were required to be completed within the stipulated time between nine to 18 months fixed for each individual work. It was, however, seen that out of 56 works, only 26 works with a total road length of 71.44 kms had been completed up to fair weather level ending March 2012 after incurring an expenditure of ₹ 23.10 crore. Out of targeted 66 habitations to be covered, only 48 habitations had been connected. It was further seen that the expenditure against allotted costs in respect of these schemes was in the range of 10 and 100 *per cent* due to the fact that these schemes had not been completed financially as Technical Sanction (TS) sent belatedly to concerned quarters after April 2010 onwards had not been received despite lapse

of two years period. As a result, the schemes were completed physically but could not be completed financially and thus not closed. This indicates that, these completed schemes have not been cleared technically and vetted by competent authority. The expenditure of ₹ 17.02 crore incurred thereagainst had not been authenticated by competent authority.

- 27 works/schemes taken up at an allotted cost of ₹ 48.21 crore and started between July 2007 and December 2010 and targeted for completion by July 2008 and June 2012, respectively, were incomplete and an expenditure of ₹ 27.99 crore were incurred as of March 2012, thus resulting in time overrun of four years.

This indicates that stress had been laid on taking up of more and more number of schemes and not ensuring their completion in time. Out of 135 unconnected habitations identified under the programme, only 48 habitations were connected up to 2011-12. Thus, 87 villages/ habitations in the district are still without any roads. In reply, the EE, PMGSY stated that works taken up by the department are at completion stage and shall be completed soon.

◆ **Blocking of funds due to unplanned releases for Land Acquisition**

According to the PMGSY guidelines, all types of land whether private, State or Forest coming in the way of proposed road connectivity projects shall be got identified by the Revenue/Forest Department during the surveys conducted by the Department. Private land and forest land involving compensation are to be acquired properly and with all formalities completed. It is the responsibility of standing committee to oversee that lands are available for taking up proposed road connectivity works. A certificate to this effect shall accompany the project proposals forwarded by State Government to the Ministry of Rural Development, Government of India. The pre-project survey and investigations for preparing the detailed project reports should thus be adequate so as to avoid delay in completion and deviations in estimates when the works were taken up for execution. Besides, land coming in the alignment of road is to be acquired through concerned Collector under the provisions of the land acquisition Act. For this purpose, the Department after ascertaining the tentative amount for determination of award in respect of identified land is required to place the funds at the disposal of collector land acquisition in advance for acquisition of land under each project.

It was, however, observed in audit that funds for acquisition of land were advanced to Collectors, Land acquisition Budgam and Pulwama and Principal Chief Conservator of Forests by Executive Engineer in bulk against the allotments received and not against the identified road connectivity projects with the result money advanced remained blocked with these agencies and also the pace of acquisition of land for the road connectivity projects remained very slow thereby affecting the progress of work on the projects.

To provide compensation of land to the lawful owners whose land came under the identified roads, the Executive Engineer, PMGSY, Budgam had advanced funds to the tune of ₹ 41.26 crore to the Collector, land acquisition Budgam and Pulwama during the period 2007-08 to 2011-12 as detailed in **Table 57** below. In addition, ₹ 1.49 crore was also advanced to the Forest Department during the same period.

Table-57

(₹ in crore)

| Year | Collector land acquisition Budgam | Collector land acquisition Pulwama | Forest compensation |
|--------------|-----------------------------------|------------------------------------|---------------------|
| 2007-08 | 8.81 | - | 0.89 |
| 2008-09 | 3.25 | - | |
| 2009-10 | 1.20 | - | 0.60 |
| 2010-11 | 15.00 | - | |
| 2011-12 | 12.80 | 0.20 | |
| Total | 41.06 | 0.20 | 1.49 |

Out of these advanced amounts, it was seen that ₹ 30.10 crore had been paid to lawful owners and thus got adjusted as of March 2012 leaving a balance of ₹ 11.16 crore unadjusted as of March 2012. The slow pace of acquisition of land caused delay in execution of the project works and completion thereof. On this being pointed out, the EE, PMGSY stated that the process of land acquisition takes a lot of time as per the norms fixed by the Government. Land acquisition proceedings is held at district level by Deputy Commissioners with the land owners and payments are made to them after acquisition of land, structures, trees etc coming in the alignment of roads which normally takes a lot of time.

Delay in construction of roads

a) Construction of Shunglipora to Sochalpathri road

The work for the construction of road from Shunglipora intended to provide connectivity to two habitations (Hamakhal and Sochalpathri) with the total population of 1143 persons was allotted at a cost of ₹ 7.77 crore in October 2008 for completion by April 2010. It was observed that the road had been carved out by way of earth work cutting up to fair weather status for 7.30 kms., upto required width and an expenditure of ₹ 3.71 crore were incurred on the project. The work was, however, stopped midway at Km 4th by the Army stationed at Drang claiming that the said forest land through which the road alignment was passing had already been acquired by them, though about 1.65 hectares forest land had been transferred to PMGSY Division Budgam by the Forest Department against a compensation of ₹ 0.12 crore for the road purpose. Though the matter had been taken up with higher authorities as well as with the District administration but had not be resolved as of March 2012. Thus failure to ensure encumbrance free land resulted in non-completion of road even after incurring of ₹ 3.71 crore. The EE, PMGSY stated (August 2012) that the matter would be resolved by the District administration and Army.

b) Construction of road from Ahangar Mohalla to Wudder Mohall

The construction of road from Ahanger mohalla to wadur mohalla (Road length: 2.85 Kms., from RD 0 to 2850) was taken up (June 2005) at a sanctioned cost of ₹ 1.03 crore for completion within eight months (February 2006) with a target of benefitting a population of 1050 persons. Scrutiny of the records revealed that the work was taken up by the State R&B Division and after execution of part works (Earth work, protection works and laying of pipes) the project was handed over (February 2007) to CE, PMGSY. The works was subsequently allotted by CE, PMGSY for ₹ 0.83 crore in two groups viz., Group I from RD 0 to 1400 and Group II from RD 1400 to 2850.

It was seen that the execution of works was stopped mid-way due to non-clearance of walnut trees and private residential structures falling in the alignment of the road and stoppage of work by locals due to disputes on the land falling within the alignment. Against the work done, ₹ 0.29 crore was paid to the contractor for work done in group I and II. Due to non-execution of further works, the contract for the Stage I was closed (December 2010) and it was decided to take up the stage II works of the completed stretch (RD 0 to 1400) which was allotted (February 2011) to be completed by February 2012. No work beyond RD 1400 could thus be taken up, though envisaged in the original proposals with the result that the population of the areas falling in this stretch could not get the road connectivity. The mid way change of scope had become necessary due to disputes and encroachment which the Department should have known before initiating the road project and is reflective of poor planning on the part of the Department.

In reply, it was stated that Department was constraint to complete the road only upto RD 1400 mtr due to land dispute at site and the road constructed benefitted the population. The reply could be seen in light of the fact that project was formulated for 2.85 kms of road length to achieve the intended benefits.

Recommendations

The Department may ensure:

- *encumbrance free land before initiating of projects, and*
- *the projects in-hand should be completed in a time bound manner so as to ensure accrual of benefits to the populace.*

5.2 Irrigation

Irrigation canals are basic sources for irrigation of agriculture lands, farm lands and horticulture lands. These irrigation *Khuls* are being maintained, monitored, restored and upgraded under different sectors which include District Sector, State Sector and the Centrally Sponsored Schemes (CSS), so that ultimate Cultivable Command Area (CCA) of the schemes is bought under cultivation and gap between CCA available, CCA created and CCA actually utilized under each *Khul* is reduced. Irrigation and Flood Control Department is entrusted with job of providing assured irrigation

facilities to cultivable and cultivated land in the district by construction, renovation, modernization and maintenance of irrigation canals/ channels/ khuls etc. to implement the schemes, funds are received from Government of India under Accelerated Irrigation Benefit Programme (AIBP), NABARD and some allocations are received through State/ District sector.

◆ **Non-achievement of envisaged Irrigation benefit**

The position of ultimate irrigation potential in the district, potential created/covered by the schemes executed and actual utilization of the created potential as of 2011-12 is given in **Table 58** below.

Table-58

| Number of schemes | Ultimate irrigation potential (Acres) | Irrigation potential created | | Potential utilized | |
|-------------------|--|------------------------------|----------|--------------------|----------|
| | | (Acres) | Per cent | (Acres) | Per cent |
| 43 | 81,578 | 42,213 | 52 | 38,031 | 90 |

It was seen that 43 irrigation schemes with an irrigation potential of 42,213 acres of CCA are being maintained in District by the Irrigation Department. Against this, 38,031 acres of CCA was being utilized ending irrigation season of 2011-12. Thus there was a huge shortfall in creation of additional irrigation potential despite the fact that most of the schemes were taken up for upgradation/ modernization and an expenditure of ₹ 69.65 crore was incurred upto 2011-12.

◆ **Non-completion of schemes**

To provide assured irrigated facilities to boost the agriculture for up-liftment of economy of people, various irrigation schemes were taken up in the district under different sectors/schemes. These schemes were implemented to stop large scale deterioration of embankments causing breaches, overflows, seepages giving rise to shortfall in irrigation and poor cultivation.

Audit scrutiny of the records revealed that 23 different irrigation schemes were running and in operation upto the year 2007-08 and 10 more schemes were taken up during the year 2007-08 and 2008-09. But there was considerable delay in the execution of these schemes with the result most of the schemes could not be completed. The details of schemes taken up under different schemes/sectors in the district, schemes completed and expenditure incurred there against is given in **Table 59** below:-

Table-59

(₹ in crore)

| Sl. No. | Scheme/Sector | Number of schemes | Year of start | Estimated cost of projects | Expenditure incurred | Schemes completed | Expenditure incurred on completed schemes |
|---------|----------------------|-------------------|------------------|----------------------------|----------------------|-------------------|---|
| 1. | District Sector | 6 | Prior to 2007-08 | 6.58 | 0.90 | 2 | 0.38 |
| 2. | AIBP | 6 | Prior to 2007-08 | 42.07 | 38.89 | 10 | 18.46 |
| | | 9 | 2008-09 | | | | |
| 3. | NABARD | 5 | Prior to 2007-08 | 9.46 | 7.34 | 3 | 1.56 |
| 4. | State Sector | 2 | Prior to 2007-08 | 31.51 | 18.47 | 0 | - |
| 5. | BADP | 3 | Prior to 2007-08 | 2.22 | 1.46 | 1 | 0.61 |
| 6. | Others | 1 | 2007-08 | 0.96 | 0.30 | 0 | - |
| 7. | Deposit contribution | 1 | Prior to 2007-08 | 1.07 | 1.04 | 1 | 1.04 |
| | Total | 33 | | 93.87 | 68.40 | 17 | 22.04 |

These schemes were to be completed within a period of two years (in case of AIBP schemes) and three years (in the case of NABARD). It was, however, seen in audit that against 33 schemes taken up during the period 1997-98 to 2008-09, only 17 schemes were completed as of March 2012 after incurring an expenditure of ₹ 22.04 crore. These schemes were completed with a time over run of more than five years and rest of 16 schemes on which an expenditure of ₹ 46.36 crore was incurred up to the year 2011-12, were not completed and were still going on for more than five years.

Audit scrutiny of the records further revealed that delay in the completion of these schemes was due to meager allocation/ release of funds, less utilization of funds by the Division and stoppage of funding for schemes. The details of approved outlays/ funds received and expenditure incurred thereagainst under different sectors were as given in **Table 60** below:-

Table-60

(₹ in crore)

| Sl. No. | Schemes | Original cost | Expenditure upto 2006-07 | Balance costs on 1st April 2007 | Approved outlay 2007-12 | Releases 2007-12 | Expenditure 2007-12 | Cumulative Expenditure |
|---------|----------------------|---------------|--------------------------|---------------------------------|-------------------------|------------------|---------------------|------------------------|
| 1. | District Sector | 6.58 | 0.66 | 5.92 | 0.27 | 0.25 | 0.24 | 0.90 |
| 2. | AIBP | 42.07 | 3.32 | 14.40 | 20.89 | 41.56 | 39.02 | 42.34 |
| 3. | NABARD | 9.45 | 1.01 | 8.45 | 13.27 | 9.36 | 6.34 | 7.35 |
| 4. | State Sector | 31.51 | 7.22 | 24.30 | 37.32 | 11.25 | 11.25 | 18.47 |
| 5. | BADP | 2.22 | 1.06 | 1.16 | 0.89 | 0.40 | 0.40 | 1.46 |
| 6. | Others | 0.96 | | | 0.20 | 0.30 | 0.30 | 0.30 |
| 7. | Deposit Contribution | 1.07 | 0.53 | 0.54 | 0.91 | 0.36 | 0.35 | 0.88 |

Under District sector schemes, against the estimated cost of ₹ 6.58 crore, ₹ 0.66 crore had been incurred upto 2006-07 with balance cost of ₹ 5.92 crore. However against this, ₹ 0.25 crore were released and incurred during the period 2007-2012. Likewise, under State sector schemes, against the estimated cost of ₹ 31.51 crore, expenditure of ₹ 7.22 crore had been incurred up to 2006-07 with a balance cost of ₹ 24.30 crore. However, the Division received/ expended ₹ 11.25 crore during the period 2007-12.

Under AIBP schemes which are funded through Central assistance/ loans and State matching share, though the funds had been made available to the Division in excess of approved outlays framed by the Department during the period 2007-12, but the Division failed to utilize the funds in full. Against, the approved outlay of ₹ 20.89 crore during the period 2007-2012, Division received ₹ 40.88 crore but could utilize ₹ 39.02 crore during the period. Likewise, under NABARD, against the approved outlay of ₹ 13.27 crore, Division received ₹ 9.36 crore during 2007-08 to 2011-12, but utilized ₹ 6.34 crore during the period.

Unproductive expenditure on upgradation of schemes

Audit scrutiny further revealed that some of the irrigation khuls were not under the ambit of Divisional Ziladari and as such there was no data of the irrigation potential covered by these *khuls* and no *abiana* charges were being realised under these schemes. These *khuls* include Arizal, Ringzebal, fresnin guriwan, Kachwari, lainz *khul* and chetta *khul*. This indicated that these *khuls* were not monitored by the department despite the fact that two schemes among above, were taken up by the division for upgradation under AIBP and completed during the year 2009-10 and four others were under up-gradation under District Sector/ AIBP scheme as detailed in **Table 61** below:-

Table-61

(₹ in crore)

| Sl. No | Name of the work/Sector | Year | Revised cost | Expenditure | Status |
|--------------|-----------------------------|------------------|--------------|-------------|-------------------|
| 1. | Arizal Khul/ (District) | Prior to 2007-08 | 0.28 | 0.06(3/09) | On-going |
| 2. | Ringzebal Khul / (District) | Prior to 2007-08 | 4.36 | 0.10(3/09) | On-going |
| 3. | Fresian/Gurwan (AIBP) | 2007-08 | 1.55 | 1.56 | Completed 2009-10 |
| 4. | Chatta Khul (AIBP) | 2008-09 | 2.47 | 2.30 | On-going |
| 5. | Saida Khul (AIBP) | 2008-09 | 3.00 | 2.69 | On-going |
| 6. | Kachwari Khul (NABARD) | Prior 2007-08 | 0.43 | 0.43 | Completed 2010-11 |
| Total | | | | 7.14 | |

There were six *khuls* as tabulated above, on which an expenditure of ₹ 7.14 crore had been spent so far including ₹ 1.98 crore on closed schemes, but still there was no area being irrigated and no *abiana* charges realised as recorded in the *Zildari* records.

Under Border Area Development Programme (BADP), upgradation of two schemes viz Gogaldara *Khul* and Manninar *Khul* were taken upto 2009-10 but could not prove to be productive and Expenditure of ₹ 0.86 crore incurred on these schemes was rendered unfruitful. The two schemes envisaged the coverage of CCA of 2420 acres gradually against existing 1499 acres during 2003-04. However, there was no further coverage of the CCA under the schemes which in-fact had decreased from 1499 acres during 2002-03 to 1335 acres during 2011-12. The area irrigated during the year 2002-03 was 1499 acres (Paddy 1146 acres, others 353 acres) which had decreased to 1214 acres (Paddy: 279 acres, others: 935 acres) during the year 2011-12. The details are as given in **Table 62** below:-

Table-62

| Sl. No. | Particulars of scheme | Envisaged CCA | Pre-project CCA | Post-project CCA | Pre-project Crop Assessment during 2003-04 | | | Post-project Crop Assessment 2011-12 | | | Expenditure incurred (₹ in crore) |
|--------------|-------------------------------|---------------|-----------------|------------------|--|------------|-------------|--------------------------------------|------------|-------------|-----------------------------------|
| | | | | | Paddy | others | Total | Paddy | others | Total | |
| 1. | Upgradation of Gogaldara Khul | 1520 | 942 | 852 | 896 | 46 | 942 | 210 | 521 | 731 | 0.53 |
| 2. | Upgradation of Mannar Khul | 900 | 557 | 483 | 250 | 307 | 557 | 69 | 414 | 483 | 0.33 |
| Total | | 2420 | 1499 | 1335 | 1146 | 353 | 1499 | 279 | 935 | 1244 | 0.86 |

On this being pointed out, it was stated that due to use of agricultural land for purposes like horticulture, brick kiln, construction of roads, housing colonies etc. the total CCA got reduced. Moreover, *chakbandi* had been conducted decades back as such actual CCA created and utilized was not available at the divisional level. Reply could be seen in light of the fact that Division had framed pre-project reports in respect of schemes indicating inter alia pre-project and post-project details of CCA.

◆ Non-recovery of arrears of Abiana

Government realizes water charges (Abiana) from farmers using water sources particularly khuls/ canals being maintained by the Government. Abiana charges are levied against users at prescribed rates fixed for different crops by the Government. Abiana charges are to be realised from users after proper assessment of Abiana charges against irrigation facilities provided and are to be realised in full from users. The position of Abiana assessed, collected and outstanding during the period 2007-08 to 2011-12 is given in **Table 63** below:-

Table-63

(₹ in lakh)

| Year | Opening balance | Current Assessment | Total | Recovery | Panjwatra@5% | Total Recovery | Outstanding |
|--------------|-----------------|--------------------|----------|--------------|--------------|----------------|-------------|
| 2007-08 | 34.14 | 8.21 | 42.35 | 3.48 | 0.17 | 3.65 | 38.70 |
| 2008-09 | 38.70 | 8.03 | 46.73 | 3.91 | 0.20 | 4.11 | 42.62 |
| 2009-10 | 42.62 | 8.13 | 50.75 | 8.06 | 0.39 | 8.45 | 42.30 |
| 2010-11 | 42.30 | 8.24 | 50.54 | 7.67 | 0.38 | 8.05 | 42.49 |
| 2011-12 | 42.49 | 19.87 | 62.36 | 12.46 | 0.62 | 13.08 | 49.28 |
| TOTAL | - | 52.48 | - | 35.58 | 1.76 | 37.34 | - |

Audit scrutiny of the records revealed that Department had failed to realize the abiana charges in full from users. Though the assessments of abiana charges due against users were being constantly made by concerned Zildaries, yet the collection thereof has been dismal, leading to accumulation of arrears. There was an outstanding of ₹0.34 crore on account of abiana charges at the end of the year 2006-07. During the period 2007-08 to 2011-12, ₹ 0.52 crore were assessed against which recovery of ₹ 0.37 crore could be affected only, resulting in the accumulation of arrears of abiana charges to ₹ 0.49 crore at the end of 2011-12.

◆ **Execution of works without following tendering process**

Paragraph 200 of the State Public Works Account Code (PWAC) prohibits engagement of daily labour through a contractor. However, as per paragraph 199(b) payment on Form 22 - Casual Labour Roll (CLR) can be made in special circumstances. The works can be executed departmentally when competitive tenders are not available or the rates quoted are un-reasonably very high as provided under Chapter 5.13 of the J&K Book of Financial Powers.

Test-check of records revealed that the Divisional Officers of Irrigation and Public Health Engineering had executed works departmentally without ascertaining the reasonability of the rates and without making payment to the engaged labourers on muster sheets. The payments were made through casual labour rolls (Form 22) to the tune of ₹ 2.20 crore. All the works were got executed through contractors by the Assistant Executive Engineers and were subsequently got approved by the Executive Engineers on the plea of being urgent nature of works. The details are given in **Table 64** below:-

Table-64

| Sl. No. | Department | Period | Amount paid (₹ in crore) | No of CLR's |
|--------------|--------------------------------|---------------------------------------|--------------------------|-------------|
| 1. | EE, Irrigation Division Budgam | March 2010, March 2011, November 2011 | 0.85 | 135 |
| 2. | EE, PHE Division Budgam | March 2010, March 2011, March 2012 | 0.81 | 91 |
| 3. | EE, PHE Division Chadoora | March 2011, March 2012 | 0.54 | 87 |
| Total | | | 2.20 | |

The EE's of the concerned divisions stated that works were executed in urgency due to heavy public demands and could not be put to tenders. The fact remains that execution of works without tenders was irregular.

◆ **Unrealistic estimation of works**

As provided in Chapter 5.11 of the J&K Book of Financial Powers, Chief Engineer (CE), Superintending Engineer (SE) and Executive Engineer (EE) are empowered to sanction excess over estimates to the limit of five *per cent* of the amount of original estimates.

During the course of audit, it was, however, observed that excesses over original estimates in respect of works were allowed to the extent of 15 to 9760 *per cent* in utter disregard of the provisions of the rules *ibid* resulting in irregular expenditure of ₹ 10.82 crore as detailed in **Table 65** below:-

Table-65

(₹ in crore)

| Sl. No. | Department | Original Estimates (No. of works) | Work done cost | Excess over original cost | Excess (Percentage) |
|--------------|-----------------------------------|-----------------------------------|----------------|---------------------------|---------------------|
| 1. | Ex. En Irrigation Division Budgam | 2.62 (34) | 4.74 | 2.12 | Between 15 and 364 |
| 2. | PHE Division Budgam | 1.18 (32) | 2.88 | 1.70 | Between 19 and 856 |
| 3. | PHE Division Chadoora | 0.84 (28) | 2.24 | 1.40 | Between 27 and 894 |
| 4. | R&B Division Chadoora | 1.18 (37) | 4.61 | 3.43 | Between 39 and 9760 |
| 5. | R&B Division Budgam | 1.47 (37) | 3.64 | 2.17 | Between 30 and 1251 |
| Total | | | | 10.82 | |

In most of the cases, the extension of the contracts and execution of additional quantity of work has been got done through the same agencies/contractors without adopting any tendering system and competitive bidding and the excess expenditure was incurred simply on approval basis. Such works were mostly got executed at Sub-Division by AEE's and approvals from EE/ SE were sought after the actual execution. The EEs instead of having plugged such practices had accorded post facto approval, thus paving way for subordinate officers to continue with the said practice.

In reply, it was stated that works were allotted as per codal provisions, but were executed and allotted to the same contractor on the previously approved rates, terms and conditions. The reply is not tenable as allocation of works without tendering and competitive bidding is *ab-initio* irregular.

◆ Execution of works on approval basis

Each work after having been estimated realistically is required to be put to tenders and the NIT in each case given wide publicity through electronic and print media so that more and more competitors are attracted and each work got allotted and executed through contractors on lowest, reasonable and most economic rates.

A test check of the records revealed that in five divisions works were executed on approval basis to the tune of ₹ 4.97 crore through contractors on rates/ terms and conditions allowed to them in previously executed works thus making it apparently clear that the rates allowed earlier were on the higher side. Such works were mostly got executed at the sub divisional level by the AEE'S and the approvals of EE/ SE were sought after the actual execution, at a later stage. The details of such works are given in **Table 66** below:-

Table-66

(₹ in crore)

| S. No | Department | Period | Amount paid | No of works |
|-------|----------------------------|----------------------|-------------|-------------|
| 1. | Irrigation Division Budgam | March 2010 | 0.55 | 23 |
| 2. | PHE Division Budgam | March 10 to March 12 | 0.99 | 38 |
| 3. | PHE Division Chadoora | March 11, March 12 | 0.44 | 49 |
| 4. | R&B Division Chadoora | March 11 to Feb 12 | 2.38 | 22 |
| 5. | R&B Division Budgam | March 11 to March 12 | 0.61 | 19 |
| | Total | | 4.97 | |

The EE's of Divisions stated that works were of urgent nature and were executed on public demand. The reply is not tenable as execution of works were done without following the prescribed codal provisions.

◆ Un-adjusted advances

Advance payments are made frequently to the various procuring agencies for supply of Cement, Steel etc. In order to watch the adjustment of advance, each payment so made is required to be entered in the advance payment register indicating therein cash voucher number/date, agency to whom paid, purpose of payment, quantity of material paid for and head of account to which debited. As soon as the material is received, goods received number/ date and quantity of material received is to be recorded against each advance payment.

The details of un-adjusted advances in divisions of various departments as of March 2012 is given in **Table 67** below:-

Table-67

(₹ in crore)

| Sl. No. | Name of the division | Period | Amount unadjusted | No of payments |
|---------|----------------------------|-------------------------|-------------------|----------------|
| 1. | Irrigation Division Budgam | March 09 to March 11 | 01.80 | 21 |
| 2. | PHE Division Budgam | November 09 to March 12 | 42.08 | 100 |
| 3. | PHE Division Chadoora | October 10 to March 12 | 03.46 | 50 |
| 4. | R&B Division Chadoora | March 11 to February 12 | 02.09 | 07 |
| 5. | R&B Division Budgam | Jan 11 to March 11 | 05.16 | 27 |
| | Total | | 54.59 | |

Perusal of the advance payment register revealed that no relevant details had been recorded against advance payments made by the divisions and an amount of ₹ 54.59 crore remained un-adjusted.

In reply, it was stated that the advance payment records shall be updated and thorough reconciliation would be conducted with each procuring agency.

◆ Irregular expenditure on Maintenance and Repairs

In terms of Chapter 5.5 of Financial Powers, the Executive Engineer is empowered to accord technical sanction to the estimates chargeable to Maintenance and Repairs (M&R) to the extent of ₹ 5.00 lakh with effect from April 2007 in each case provided

the estimate sanctioned were included in the Annual Repair Distribution (ARD) Statement duly approved by the Chief Engineer; failing which each and every estimate debit to M&R was to be got approved by the Chief Engineer.

Test check of the records, however, revealed that substantial funds as detailed in **Table 68** below were incurred on Maintenance and Repairs without obtaining the approval of the Chief Engineer.

Table-68

(₹ in lakh)

| S No | Name of the Division | Amount |
|------|----------------------------|--------------|
| 1. | Irrigation Division Budgam | 2.30 |
| 2. | PHE Division Budgam | 1.97 |
| 3. | PHE Division Chadoora | 1.52 |
| 4. | R&B Division Chadoora | 5.22 |
| 5. | R&B Division Budgam | 5.76 |
| | Total | 16.77 |

Incurring of M&R expenditure without the sanction of the Competent Authority was irregular.

The EE's stated that Divisions furnish Annual Repairs and Distribution statement annually to higher authorities for approval but same are not approved in time by latter.

♦ **Execution of works in anticipation of Administrative Approval (AA)/ Technical Sanction (TS)**

Under rules, no work should be taken up for execution unless it is administratively approved and its design and detailed estimate is technically sanctioned by the competent authority.

However, test check of the records revealed that 108 works were taken up for execution in anticipation of administrative approval/ technical sanction. These works were taken up for execution at a cost of ₹ 229.44 crore and an expenditure of ₹ 165.35 crore had been incurred on these schemes up to the end of year 2011-12 as detailed in **Table 69** below:-

Table-69

(₹ in crore)

| Sl. No. | Particulars of Division | No of schemes | Application for Administrative Approval cost | Expenditure ending 2011-12 |
|---------|-------------------------|---------------|--|----------------------------|
| 1. | PHE –Division Chadoora | 41 | 88.23 | 62.40 |
| 2. | PHE Division Budgam | 67 | 141.21 | 102.95 |
| | Total | 108 | 229.44 | 165.35 |

It was seen that though the revised proposal for Administrative Approval in respect of these works were submitted from time to time to higher authorities but necessary approval/ sanction had not been accorded so far (March 2012). In reply, it was stated that the matter had already been taken up with the higher authorities for accord of approval.

Monitoring and Evaluation

The Department was required to frame project level monitoring committee for the major/medium schemes funded by the borrowers. The committee was required to meet every month and to send monthly progress reports to the State Level and National Level Technical Committee. This practice not only meant to ensure that activities are carried out according to the prescribed rules and regulations and in economical, effective and efficient manner and also identify the bottlenecks and gives remedial measures. No such monitoring committee has been formulated by the Department for proper monitoring and Evaluation of schemes to assess their viability.

Recommendation

The Department may ensure:

- *compliance to codal provisions by the departmental officers in incurring expenditure on works;*
- *completion of ongoing schemes before taking up of new schemes;*
- *expeditious collection of arrears of abiana charges in a time bound manner to avoid huge arrears and*
- *booking of expenditure under various schemes/ programmes only after it is actually incurred.*

5.3 POWER

Power is the critical infrastructure for the growth of the economy. Acceleration in the economic growth is dependent upon a financially and commercially viable power sector. Power Development Department of the State is entrusted with the responsibility of ensuring a dependable power supply to the consumers and in this regard Electric Division Budgam constitutes link between electricity utilities and the consumers and their revenue realization segment. Two main schemes which were in implementation in power sector for improvement of power scenario and rural electrification in the district were Accelerated Power Development Programme and Rajiv Gandhi Grameen Vidhuyuti Karan Yojna.

◆ Financial Management

The allocation of funds to the district for power infrastructure during 2007-12 and expenditure there against is tabulated in **Table 70** below:-

Table-70

(₹ in crore)

| Sector | Allocation | Expenditure | Unspent |
|---|-------------------|--------------------|----------------|
| State Budget (Non-Plan) | 53.52 | 52.32 | 1.20 |
| APDRP | 10.32 | 9.65 | 0.67 |
| T&D | 10.10 | 9.22 | 0.88 |
| Rural Electrification (District Sector0 | 5.58 | 5.58 | 0.002 |
| CDF | 2.26 | 2.17 | 0.09 |
| Total | 81.78 | 78.94 | 2.84 |

The annual non-plan outlay had increased from 8.50 crore to 14.93 crore registering an increase of 75 *per cent* during the period from 2007-08 to 2011-12, while as the expenditure had increased from ₹ 8.49 crore to 13.74 crore (62 *per cent*). The details of the expenditure incurred on administrative expenses and the expenditure incurred on works during the period from 2007-08 to 2011-12 are given in **Table 71** below:-

Table-71

| (₹ in crore) | | | |
|--------------|----------------------------|-------------------|----------------|
| Year | Administrative Expenditure | Works Expenditure | Ratio of AE/WE |
| 2007-08 | 7.73 | 3.46 | 69:31 |
| 2008-09 | 7.63 | 5.32 | 59:41 |
| 2009-10 | 9.46 | 7.78 | 55:45 |
| 2010-11 | 11.27 | 6.69 | 63:37 |
| 2011-12 | 13.31 | 4.76 | 74:26 |

As can be seen, the ratio of administrative expenses is higher than the works expenses and the percentage of administrative expenses to the total expenditure ranged between 55 and 74 *per cent* during the period 2007-08 to 2011-12 and the percentage of the works expenditure to the total expenditure ranged between 26 and 45 *per cent*.

5.3.1 Accelerated Power Development Reforms Programme (APDRP)

The Accelerated Power Development Reforms Programme (APDRP) was launched in 2002-03 as additional central assistance to the States for strengthening and up gradation of sub-transmission and distribution systems of high-density load centers like towns and industrial areas. The main objectives of the programme were to augment the distribution network and to improve voltage, reliability of power supply, reduce high energy losses (aggregate commercial/technical), bring about commercial viability in power sector, reduce outages, meet the load growth, and to increase consumer satisfaction.

◆ Planning

The Programme guidelines provide that formulation of the project for improvement of sub-transmission and distribution systems based on physical survey, study and analysis of the power distribution network in the district.

The project for implementation of the APDRP in the District was formulated without conducting physical survey, study and analysis of the power distribution network and it was noticed that no perspective plan was formulated for implementation of the APDRP in the district. The divisional authorities created the new distribution systems, HT/LT lines under the APDRP without conducting the physical survey and without evaluating the study and analysis of the power distribution network. The works under various components of the programme were executed without analysing the power distribution network of the areas where the works were executed.

◆ Funding

The year-wise allotment of funds and expenditure incurred there against under the programme are given in **Table 72** below:-

Table-72

| (₹ in crore) | | | |
|--------------|--------------|-------------|-------------|
| Year | Allotment | Expenditure | Total |
| 2007-08 | 2.33 | 1.66 | 0.67 |
| 2008-09 | 3.49 | 3.49 | -- |
| 2009-10 | 1.72 | 1.72 | -- |
| 2010-11 | 2.50 | 2.50 | -- |
| 2011-12 | 0.28 | 0.28 | -- |
| Total | 10.32 | 9.65 | 0.67 |

(As per Schedule of works expenditure Form- 64)

◆ Implementation

The work on the following parameters of the scheme was identified and an expenditure of ₹ 28.91 crore was incurred ending March 2012, on various components as detailed in **Table 73** below:-

Table-73

| (₹ in crore) | | | | |
|-----------------------------------|---|------|-------------|--------------|
| Sl. No. | Scheme Parameters | Unit | Achievement | Expenditure |
| 1. | Erection of new 11 KV line on 9 meter ST pole | Km | 185.32 | 6.54 |
| 2. | Reconductoring /replacement of rotten wooden poles of 11 KV line on 9 meter ST pole | -do- | 49.47 | 1.06 |
| 3. | Erection of new LT line on 8 meter ST pole | -do- | 239.16 | 6.57 |
| 4. | Reconductoring /replacement of rotten wooden poles of existing LT lines | -do- | 16.42 | 0.42 |
| 5. | Replacement of HT/LT old rotten wooden poles by PCC/ST poles | No | - | Nil |
| 6. | Creation of new 11/0.433 KV S/Stn | No | 483 | 7.59 |
| 7. | Augmentation of Sub Stations | No | | 3.28 |
| 8. | Consumer metering | No | 18541 | 2.72 |
| 9. | Renovation and modernisation of S/Stns | No | 22 | 0.18 |
| 10. | Modernisation works | No | | 0.55 |
| Total Expenditure incurred | | | | 28.91 |

As can be seen from the above details, the execution of the works on some important components of the programme was not started since 2002-03 to the closure of the APDRP programme (2008-09).

◆ Non-achievement of Targets

Due to slow/non-execution of works under various essential components, the envisaged objectives and the intended benefits of the programme could not be achieved as the bench mark performances as targeted under the programme guidelines was not achieved despite incurring an expenditure of ₹ 28.66 crore. The details are given in **Table 74** below:-

Table-74

| Sl. No. | Benchmark parameter | Target level Under APDRP | Level Achieved March 2012 |
|---------|--|---------------------------------|---------------------------|
| 1. | Input v/s metered energy | 1 : 1 | 1 : 0.14 |
| 2. | Revenue realisation efficiency (Amount collected to amount billed) | 1 : 0.90 | 1 : 0.76 |
| 3. | Aggregate Technical & commercial losses | 23 per cent | 74.29 per cent |
| 4. | Number of feeder outages | 10 per cent | NA |
| 5. | Failure of distribution transformers | 5 per cent | 60 per cent |
| 6. | Number of consumer complaints | Shall be recorded and monitored | Recorded and monitored |
| 7. | Process of meter installations | 100 per cent | 15 per cent |

As can be seen, the level of performances and the targeted levels benchmarked (2008) in the APDRP programme were not achieved as the aggregate technical and commercial losses has increased to 74 per cent, failure rate of distribution transformers which was around 60 per cent far exceeds the target level and the fixed schedule, revenue realisation efficiency was also poor and the arrears in revenue realisation had swelled to ₹ 32.08 crore (2011-12).

5.3.2 Rajiv Gandhi Grameen Vidhuyuti Karan Yojna (RGGVY)

A scheme for electrification programme (100 per cent) of district Budgam was formulated under the Rajiv Gandhi Grameen Vidhuyuti Karan Yojna (RGGVY) during the year 2005-06. As per Census 2001-02, there were 544 villages, out of which 484 villages were shown electrified, 41 villages as un-electrified and 19 villages had become de-electrified due to extensive damage to HT/ LT networks. The scheme was formulated to electrify 60 un-electrified villages at cost of ₹ 29.76 crore for implementation by NHPC and completion within two financial years. The objectives of the scheme inter-alia included provision of sustained power supply on demand to each and every individual in the district.

As of March 2012, 139 villages/ hamlets/ pathies, had been identified under RGGVY scheme for providing electrification. Out of these, only 39 villages/ hamlets had been taken up so far for electrification, and 38 villages had been covered under rural electrification ending 2011-12. There were still 180 villages/ hamlets/ pathies which were still un-electrified and had not been covered under RGGVY scheme. As a result, there were still 280 villages/ hamlets/ pathies without any electricity as of 2011-12.

5.3.3 Efficiency in Revenue Realization, outages and T&D losses

In order to strengthen and improve distribution system in the District the following components/ parameters aimed at increasing the revenue realization, reduction in outages and reduction in Transmission and Distribution losses with improvement in quality and reliability of the power supply, were taken up for execution under the APDRP programme during the period from 2002-03 to 2011-12 and the details of the physical achievements and expenditure ending March 2012 is given in **Table 75** below:-

Table-75

| Sl. No. | Item | Quantity | Expenditure (₹ in crore) |
|--------------|---|----------|--------------------------|
| 1. | Metering (Numbers) | 8669 | 2.72 |
| 2. | Renovation & Modernisation of Sub stations (Number) | 22 | 0.18 |
| 3. | Strengthening and upgrading of distribution system | | |
| | • Creation of New Sub-Station (Number) | 483 | 7.59 |
| | • Re-conductoring/Replacement of wooden poles by ST poles (Kms) | 490 | 17.88 |
| 4. | Modernisation works (Numbers) | 5 | 0.54 |
| Total | | | 28.91 |

However, it was noticed that after incurring an expenditure of ₹ 28.91 crore, the intended objectives had not been achieved as elaborate below:

◆ Billing Efficiency

The outstanding balances against the various categories of consumers on account of revenue realization during the year 2011-12 has reached to all time high of ₹ 32.08 crore. This is indicative of the fact that revenue realization efficiency has not improved.

◆ Failure of Transformers

The failure/ outage rate of distribution transformers (DTR) has increased and reached to 60 *per cent*. During the year 2007-08 to 2011-12, 4554 distribution transformers had got damaged which was in the range of 36 to 60 *per cent* of total DTRs available with the division. A whopping expenditure of ₹ 501.19 crore had been incurred on repair of these damaged DTRs during the above period. This is indicative of the fact that the rate of outages of distribution system has not been improved to the optimal level as detailed in **Table 76** below:-

Table-76

| Sl. No. | Year | Existing DTRs at the close of the year(in no's) | DTR failures | Percentage of failures | Expenditure on repair of failed DTRs (₹ in crore) |
|---------|---------|--|--------------|------------------------|---|
| 1. | 2007-08 | 1850 | 680 | 36 | 97.00 |
| 2. | 2008-09 | 1986 | 793 | 40 | 113.50 |
| 3. | 2009-10 | 2093 | 799 | 38 | 93.43 |
| 4. | 2010-11 | 2155 | 936 | 43 | 95.70 |
| 5. | 2011-12 | 2236 | 1346 | 60 | 101.56 |

Damage of these transformers was mainly because of overloading of DTRs. The percentage of damages of transformers because of overloading was in the range 90 to 94 *per cent* as detailed in **Table 77** below:-

Table-77

| Sl. No. | Year | DTRs failed during the year | DTRs failed due to overload | Percentage |
|---------|---------|-----------------------------|-----------------------------|------------|
| 1. | 2007-08 | 680 | 645 | 94 |
| 2. | 2008-09 | 793 | 729 | 91 |
| 3. | 2009-10 | 799 | 727 | 90 |
| 4. | 2010-11 | 936 | 889 | 94 |
| 5. | 2011-12 | 1346 | 1232 | 92 |

It was further observed in audit that there was high percentage of damage of transformers during the period 2007-08 to 2011-12 in spite of the fact that transformer capacity was much higher than the connected loads and there was huge gap in transformation capacity which was in the range of 1:4.93 and 1:6.31 during the above cited period as detailed in **Table 78** below:-

Table-78

| Sl. No. | Year | Transformer capacity 11/33 KV (KVA) | Connected load (KVA) | Gap in transformation capacity | Ratio of transformer capacity to connected load |
|---------|---------|-------------------------------------|----------------------|--------------------------------|---|
| 1. | 2007-08 | 229493 | 44188 | 185305 | 1:5.19 |
| 2. | 2008-09 | 237319 | 44846 | 192473 | 1:5.29 |
| 3. | 2009-10 | 249479 | 45040 | 204439 | 1:5.53 |
| 4. | 2010-11 | 241040 | 41543 | 192166 | 1:5.80 |
| 5. | 2011-12 | 279399 | 43811 | 235588 | 1:6.31 |

This indicated that damages of transformers were mainly because of illegal connections and power thefts.

◆ Incidence of Theft

To check illegal connections and power thefts, targets were set for conducting checking of suspected areas with high rate of illegal connections and power thefts, but the department failed to conduct requisite checks and detect cases of power thefts. Against, 20400 number of checks targeted to be conducted by the department, only 1228 (6 per cent) checks were conducted during the period 2007-08 to 2011-12 and against the targeted 430 theft cases to be detected, only 38 (18 per cent) cases were detected during the said period. As a result, department failed to arrest illegal connections and power thefts resulting overloading of transformers and consequent damages as detailed in **Table 79** below:-

Table-79

(₹ in lakh)

| Sl. No. | Year | No of checking | | Theft cases | | Assessed amount | | Amount realized | |
|--------------|---------|----------------|-------------|-------------|-----------|-----------------|--------|-----------------|--------|
| | | Targets | Actual | Targets | Actual | Targets | Actual | Targets | Actual |
| 1. | 2007-08 | 3500 | 260 | 50 | 5 | | | | |
| 2. | 2008-09 | 8000 | 201 | 60 | 7 | | | | |
| 3. | 2009-10 | 2400 | 203 | 70 | 6 | | | | |
| 4. | 2010-11 | 3000 | 264 | 100 | 8 | | 5.47 | | 2.38 |
| 5. | 2011-12 | 3500 | 300 | 150 | 12 | | 5.80 | | 2.50 |
| Total | | 20400 | 1228 | 430 | 38 | | | | |

There was increase in energy losses as the loss percentage has reached to all time high at 65 during the year 2011-12. The improvement in quality and reliability of power supply was not ensured. Poor voltage power supply and frequent interruptions in supply was provided to the consumers and also adequate consumer satisfaction was not ensured. The EE, stated that due to illegal power thefts voltage power supply and frequent interruptions in supply could not be avoided. However, steps were being taken to check the thefts.

◆ **Non prioritization of HVDS**

Guidelines of the APDRP Scheme envisage that the existing distribution network shall be converted into High Voltage Distribution System (HVDS), which covers reduction in LT lines to ensure reduction in T&D losses. However, it was noticed that this factor was not taken care of while formulating the annual action plans under APDRP programme and instead of reducing the LT lines, 239.16 Kms of LT lines were added to the existing system under the Programme after incurring an expenditure of Rs. 657.20 lakh upto March 2011.

◆ **Installation of energy meters**

As per APDRP guidelines, it was mandatory for the Department to install tamper proof, static, high precision energy meters for all the domestic/ commercial/ industrial customers and as per the project proposals 100 percent metering was benchmarked to be achieved by the end of the year 2007-08. Audit scrutiny of records, however, revealed that against the target of metering 59,000 number of consumer installations, 18,541 single phase meters (33 *per cent*) had been procured from Stores Procurement Division, Pampore as of March 2012. Out of these procured meters, 8,669 domestic/ commercial/ industrial consumer installations (10 *per cent*) were metered during the years 2007-08 to 2011-12 and rest of the meters were issued to other divisions of the Department. The details are given in **Table 80** below:-

Table-80

| Year | Meters already installed | Targets for metering | Actual meters installed | Total Meters installed | Percentage |
|---------|--------------------------|----------------------|-------------------------|------------------------|------------|
| 2007-08 | 4287 | 40000 | 60 (0.15) | 4347 | 11 |
| 2008-09 | 4347 | 47000 | 1337 (3.00) | 5684 | 12 |
| 2009-10 | 5684 | 50000 | 30 (0.06) | 5714 | 11 |
| 2010-11 | 5714 | 55000 | 1184 (2.15) | 6898 | 12.50 |
| 2011-12 | 6898 | 59000 | 1771 (3.00) | 8669 | 14.69 |

Due to the department's failure to take timely action for procurement of adequate number of meters, the target of metering all the consumer installations in a time bound manner, in accordance with the programme guidelines could not be ensured despite nine years of implementation of the programme. So far only 15 *per cent* metering had been done upto 2011-12. Slow progress of installation of meters could be gauged by the fact that during the period 2007-08 to 2011-12, the achievement against targets fixed for installation of meters was in the range of 0.06 to 3 *per cent* only. As a result, reduction in T&D losses and proper energy accounting could not be achieved.

It was further observed that though the work for installation of the digital energy meters was commenced on all the 69 feeders, however, installation of digital energy meters had been carried out in only 01 feeder (Budgam main). The percentage of installation of energy meters on this feeder was 99 *per cent*. The rest of the feeders were partially metered (percentage ranged between zero to 95).

Shortfall in achievement of targets on account of sale of electricity

Test check of the records revealed that there was shortfall in achievement of targets set for realisation of revenue during the year 2007-08 to 2011-12. The details of the total revenue assessed during each year and amount realized thereagainst on account of sale of electricity during the period is detailed in **Table 81** below:-

Table-81

(₹ in crore)

| Year | Outstanding revenue | Revenue assessed during the year | Total | Amount realised | Balance outstanding | Percentage |
|---------|---------------------|----------------------------------|-------|-----------------|---------------------|------------|
| 2007-08 | 35.16 | 10.80 | 45.96 | 11.68 | 34.29 | 25 |
| 2008-09 | 34.29 | 13.41 | 47.69 | 14.14 | 33.55 | 29 |
| 2009-10 | 33.55 | 15.67 | 49.22 | 17.36 | 31.86 | 35 |
| 2010-11 | 31.86 | 20.07 | 51.93 | 21.55 | 30.38 | 38 |
| 2011-12 | 30.38 | 29.38 | 59.77 | 27.68 | 32.09 | 46 |

The percentage of realization on account of sale of electricity during the period 2007-08 to 2011-12 was in the range of 25 to 46 *per cent* only.

Loss of Energy at Distribution Level

Audit scrutiny of the records revealed that there are high energy losses at the distribution level. The details of the energy input and the energy billed and the loss of energy at the distribution level during the period from 2007-08 to 2011-12 are as detailed in **Table 82** below:-

Table-82

| Year | Energy (in lakh Units) | | | | Revenue Loss (₹ in crore) |
|--------------|------------------------|----------------|-----------------|------------|---------------------------|
| | Input | Billed | Loss | percentage | |
| 2007-08 | 2610.30 | 1044.12 | 1566.18 | 60 | 31.32 |
| 2008-09 | 3070.90 | 1455.00 | 1615.90 | 53 | 32.32 |
| 2009-10 | 3572.16 | 1682.04 | 1890.12 | 53 | 37.80 |
| 2010-11 | 3571.00 | 1208.00 | 2362.00 | 66 | 47.24 |
| 2011-12 | 4028.72 | 1401.25 | 2627.47 | 65 | 52.55 |
| Total | 16853.08 | 6790.41 | 10061.67 | | 201.23 |

As can be seen from the above details, 16,853.08 lakh units of energy was pumped in and against this, energy was billed for 6790.41 lakh units of power during the period from 2007-08 to 2011-12 resulting in loss of energy of 10061.67 lakh units and the overall percentage of loss of energy at distribution level was 60 *per cent* and the loss of energy ranged between 53 and 66 *per cent* during the period 2007-08 to 2011-12.

The failure of the Divisional authorities in implementation of the power development reforms programmes satisfactorily resulting in foregoing potential revenue of ₹ 201.23 crore to the Government.

Non-Accountal of replaced wooden poles

Audit scrutiny revealed that the work on 65.89 Kms of re-conductoring/ replacement of rotten wooden poles of HT/LT line with Steel Tubular/PCC poles were completed after incurring an expenditure of ₹ 1.49 crore upto March 2011. However, neither any detailed practical estimates nor cost of old replaced conductor and old wooden poles was credited to the scheme nor the account of the replaced material was maintained and accounted for as credit to the programme. The EE, stated that the disposal of old rotten wooden poles would be looked into.

Recommendations

The Government may consider to ensure:

- *speedy completion of in-hand projects and reduction of transmission and distribution losses; and*
- *consumer metering on priority.*

5.4 INDUSTRIES

◆ Non-Disbursement of loan assistance under PMRY and PMEGP scheme

Industrial development aims at generating employment opportunities in rural and urban areas of the District by setting up of new self employment ventures/ projects/ micro enterprises, bringing together widely dispersed traditional artisans/rural and urban youth and provide self-employment opportunities to them at their place with the help of financial support through public, rural, cooperative and private sector banks and other financial institutions. To achieve it, various Government of India/State sponsored schemes had been introduced. A new credit linked subsidy programme “Prime Minister’s Employment Generation Programme (PMEGP)” was launched in the District by replacing “Prime Ministers Rozgar Yojna (PMRY)” which was in operation till March 2008. The District Industries Centre identifies the beneficiaries, obtains applications and places them before the District Task Force Committee for approval and selection. Details of cases provided benefits through the employment generation programmes during the period 2007-08 to 2011-12 are given in **Table 83** below:-

Table-83

(₹ in crore)

| Year | Target | Cases sponsored | | Cases sanctioned | | Cases disbursed | | Interest-subsidy / Margin money released | | Interest subsidy/ Margin money pending | |
|--------------|------------|-----------------|--------------|------------------|-------------|-----------------|-------------|--|-------------|--|-------------|
| | | No. | Amount | No. | Amount | No. | Amount | No | Amount | No | amount |
| 2007-08 | 178 | 302 | 5.41 | 72 | 0.97 | 72 | 0.97 | Nil | Nil | Nil | Nil |
| 2009-10 | 22 | 22 | 1.10 | 10 | 0.45 | 10 | 0.45 | 4 | 0.07 | 6 | 0.08 |
| 2010-11 | 22 | 38 | 2.52 | 23 | 0.91 | 23 | 0.91 | 16 | 0.21 | 7 | 0.10 |
| 2011-12 | 22 | 55 | 2.75 | 21 | 1.17 | 21 | 1.17 | 5 | 0.03 | 16 | 0.34 |
| Total | 244 | 417 | 11.78 | 126 | 3.50 | 126 | 3.50 | 25 | 0.31 | 29 | 0.52 |

(Source:-Department); 2008-09 (PMEGP): No cases financed during the period 2008-09

From the above, it is revealed that against 302 cases sponsored by the General Manager DIC, Budgam only 72 cases were sanctioned under Prime Minister's Rozgar Yojana (PMRY) Scheme during the year 2007-08 indicating that cases had been sponsored to the financial institutions without giving proper guidance to upcoming entrepreneurs, which ultimately resulted in mortality of 230 sponsored cases. The interest subsidy had also not been paid to these 72 entrepreneurs during 2007-08 in which scheme was in operation. Audit further noticed that no case had been targeted/ sponsored for financial assistance under PMEGP scheme during the year 2008-09 while as against 115 cases sponsored under the scheme only 54 cases were sanctioned during the period 2009-12. The margin money had however, been released to financial institutions/ banks in respect of 25 cases so far (March 2012) while as no margin money had been released to financial institutions in respect of balance 29 sponsored cases. Due to non-receipt of margin money in respect of these cases, financial institutions did not release full amount of project. As a result of this, the intended benefits from scheme could not flourish as envisaged.

The General Manager, DIC Budgam stated (August 2012) that loans could not be sanctioned to all the beneficiaries due to non- completion of the requisite formalities by entrepreneurs and margin money was being released by Banks as and when same was received from Government of India.

◆ Unproductive Training of entrepreneurs

In order to create a trained and skilled class for absorption through self employment, identification of the entrepreneurs by the General Manager, District Industries Centre was to be done taking into consideration that persons selected for training should be prepared to take up their trade after completion of the training. There were five knitting centers where training was being imparted to trainees through technical staff of the Department. The details of trainings imparted to entrepreneurs in knitting trade through these centers during 2007-08 to 2011-12 are given in **Table 84** below:-

Table-84

| Year | Periodicity of courses | No. of trainees | No. of units established | Expenditure on training courses (₹ in lakh) |
|--------------|------------------------|-----------------|--------------------------|---|
| 2007-08 | 6 monthly | 175 | NA | 1.13 |
| 2008-09 | -do- | 140 | NA | 1.46 |
| 2009-10 | -do- | 172 | NA | 1.19 |
| 2010-11 | -do- | 150 | NA | 1.68 |
| 2011-12 | -do- | 120 | NA | 0.42 |
| Total | | 757 | | 5.88 |

(Source: Department)

From the above it is seen that 757 trainees have been imparted training in knitting trade during the period 2007-12 after incurring an expenditure of ₹ 0.06 crore on the their training. No data/ records were maintained by the department in respect of the number of trainees who set up trade/ unit after completion of training in these courses Thus, usefulness of the expenditure incurred on conducting of such training courses could not be ascertained in audit. Besides, services of the technical staff viz

instructors posted in these centers for providing training could also not proved to be a productive one. As such expenditure incurred on their salaries amounting to ₹ 0.63 crore during the period 2007-08 to 2011-12 proved as unproductive. In view of the changing scenario, the trainees ought to have been given training in other present day trades which could have proved useful tool for trainees for establishment of their units and also find market for the finished products. Contrary it was observed that trainees had been given training in knitting trade only over the years. It may be mentioned that knitting products have almost been got replaced in full by readymade garments and imported garments. Non-availability of markets for end products of knitting trade are the main constraints for non establishment of any units by trainees. The process has remained confined to getting of stipend by trainees and incurring of expenditure on the purchase of raw material and salaries of staff engaged with running of trainees centers.

The General Manager, DIC stated that the main purpose of training was to develop skill among candidates so that they become as self dependent. However, the department had not ascertained details of any units/established by trainees.

◆ **Shortfall in sanctioning of loans to Small scale cases**

The details of formal registrations made and cases sponsored for financial assistance under SSI scheme are given in **Table 85** below:-

Table-85

| Year | Provisional registration | | Formal registration | | No of cases sponsored | Percentage |
|--------------|--------------------------|-------------|---------------------|-------------|-----------------------|------------|
| | Target | Achievement | Target | Achievement | | |
| 2007-08 | 225 | 190 | 150 | 136 | 52 | 38 |
| 2008-09 | 225 | 110 | 150 | 120 | 40 | 65 |
| 2009-10 | 225 | 349 | 150 | 125 | 27 | 22 |
| 2010-11 | 385 | 205 | 135 | 78 | 78 | 100 |
| 2011-12 | 350 | 240 | 130 | 85 | 72 | 85 |
| Total | 1410 | 1094 | 715 | 544 | 269 | 51 |

From the above it is seen that 1094 entrepreneurs had been provided provisional registration against the target of 1410 during the period 2007-08 to 2011-12 indicating shortfall of 22 *per cent*. Further, against the target of 715 cases for formal registration, 544 cases only were registered during the period 2007-08 to 2011-12 with a shortfall of 24 *per cent*. It is also seen that though a large number of provisional and formal registration of upcoming entrepreneurs had been done during the period from 2007-08 to 2011-12, but the number of cases sponsored to financial institutions was very low when compared to number of formal registrations granted during the same period which was in the range of 51 *per cent*.

The details of cases sponsored and cases in which loan was disbursed in the district during the period 2007-08 to 2011-12 are given in **Table 86** below:-

Table-86

(₹ in crore)

| Year | Cases sponsored | | Cases sanctioned | | Cases disbursed | |
|--------------|-----------------|----------------|------------------|-------------|-----------------|-------------|
| | No. | Amount | No. | Amount | No. | Amount |
| 2007-08 | 52 | 1413.44 | 1 | 0.005 | 1 | 0.004 |
| 2008-09 | 40 | 503.17 | 15 | 1.39 | 15 | 1.36 |
| 2009-10 | 27 | 456.72 | 4 | 0.70 | 2 | 0.43 |
| 2010-11 | 78 | 1624.92 | 7 | 1.46 | 6 | 1.40 |
| 2011-12 | 72 | 2307.47 | 4 | 0.48 | 4 | 0.48 |
| Total | 269 | 6305.72 | 31 | 4.03 | 28 | 3.67 |

Out of 269 cases sponsored for loan disbursement during 2007-08 to 2011-12, 31 cases were sanctioned (12 *per cent*) and out of that loan had been disbursed in respect of 28 cases during the period. This was indicative of the fact that the cases recommended had not been properly examined and evaluated by the Department before forwarding them to banks. No effective steps had been taken to get loan sanctioned through the banks and benefits given to aspiring entrepreneurs. Department had also not maintained list of back log cases to ensure that left over could be provided assistance during next year and got sanctioned on priority.

The General Manager DIC stated that Industries Department was only a sponsoring agency and banks were responsible for sanction of loans. Reply is not tenable as the Department was responsible for conducting regular meeting with banks for sanctioning loan to all the sponsored cases.

Establishment of Industrial estates

Establishment of Ompora Industrial Estate

In order to promote industrial development and to provide opportunity to the entrepreneurs for establishment of manufacturing units and sale counters in the J&K State and particularly in Budgam district, the Industries and Commerce Department placed indent (December 1989) with the Collector for acquisition of land measuring 1000 kanals at Ompora Budgam for establishment of industrial estate and an expenditure of ₹ 10.33 crore² had been incurred on acquisition of land during the period between 1991 to December 2008. Audit observed that although the land in question had been handed over to the State Industrial Development Corporation in the year 1997, yet it could not be got developed fully due to late finalization of the project for development of Industrial Estate (August 2009) despite incurring expenditure of ₹ 10.33 crore on acquisition of land for the purpose. Thus, the objective of establishing industrial estate and providing opportunity to the entrepreneurs was not fulfilled. It was also seen that no other Industrial activity had been carried out in the district and the lone attempt of setting up the Ompora Industrial estate had not fruitified despite lapse of two decades.

² March 1991: ₹ 4.90 crore; August 2008: ₹ 3.75 crore and December 2008: ₹ 1.68 crore

On this being pointed out (August 2012) by audit, General Manager DIC Budgam stated that land acquired at Ompora is being developed by SIDCO which was responsible for lapses for development of industrial estate and further stated that the matter had already been taken up with concerned agency for expediting development of Industrial estate. Reply is not tenable as the department had not been able to settle land compensation issues up to December 2008.

Recommendations

The Government may consider to:

- *facilitate disbursement of loan to entrepreneurs and solving their problems through periodical interaction with financial institutions; and*
- *provide training courses under different trades to upcoming and interested entrepreneurs.*