

## OVERVIEW

This Report contains five Performance audits i.e. Jammu and Kashmir Economic Reconstruction Agency, National Rural Water Drinking Programme, Pradhan Mantri Gram Sadak Yojana, Development of Tourism and Working of University of Kashmir and 14 paragraphs involving ₹2956.17 crore relating to excess/ wasteful/ unfruitful/ infructuous/ avoidable unproductive expenditure, idle investment, blocking of funds, etc. Some of the major findings are mentioned below:

## PERFORMANCE AUDIT

Major findings of **Jammu and Kashmir Economic Reconstruction Agency** are given below:

- The Agency did not deduct one *per cent* cess from the bills of the contractors for various construction projects resulting in non-recovery of ₹12.99 crore.  
(Paragraph: 2.1.6.3)
- Agency had allotted 125 sub-projects/ contracts for execution at cost of ₹1346.37 crore during the period 2005-13. There was limited competition in the award of contracts by ERA as out of 112 contracts, 38 contracts had been allotted on single bid basis and 43 contracts on two bids basis.  
(Paragraph: 2.1.7.1)
- Six sub-projects allotted at a cost of ₹53.15 crore could not be completed (March 2013) within the targeted date by the Agency due to non-acquisition of encumbrance free land, clearance of the Forest Department, shifting of utilities etc and the work on these sub-projects had been terminated by the Agency midway after incurring an expenditure of ₹23.11 crore.  
(Paragraph: 2.1.8.4)
- The bid evaluation committee failed to detect variation in the similar items of work while evaluating bids of three sub-projects on a single day, which resulted in allotment of works at an extra cost of ₹15.63 crore.  
(Paragraph: 2.1.9.1)
- There was time overrun between one month and four years in 93 sub-projects and as against due performance security of ₹50.85 crore, the agency had obtained performance security of ₹36.15 crore.  
(Paragraphs: 2.1.10.1 and 2.1.10.3)

Major findings of **National Rural Water Drinking Programme** are given below:

- As against target of covering 5,045 habitations, only 2,992 habitations (59 *per cent*) were covered during the period 2009-13. Besides, 1,003 habitations which had already 100 *per cent* coverage were again covered during the said period.  
(Paragraph: 2.2.9.1)

- Out of 2,107 water supply schemes (including 971 schemes of ARWSP) taken up for execution during the period 2009-13, total of 702 schemes had been completed leaving 1,405 (including 445 schemes of ARWSP) schemes incomplete as of March 2013.

*(Paragraph: 2.2.9.2)*

- Against target of testing of 33,470 water samples during the period 2011-13, only 24,648 water samples were tested.

*(Paragraph: 2.2.12.1)*

- Department had not attempted convergence of the programme with other programmes such as carrying out water quality tests under NRHM and for execution of the schemes by utilizing the services of labour under MGNREGS.

*(Paragraph: 2.2.16)*

Major findings of **Pradhan Mantri Gram Sadak Yojana** are given below:

- Out of 2720 unconnected habitations (March 2013), 224 habitations with population of 1000 persons and above and 467 habitations with a population of 500 persons and above which were to be connected at the end of 2003 and 2007 respectively were not connected till 31 March 2013.

*(Paragraph: 2.3.7)*

- The work of construction of 140 road projects was allotted to 33 inexperienced/ineligible contractors at a cost of ₹578.22 crore.

*(Paragraphs: 2.3.11.1 and 2.3.11.2)*

- Failure to notice shortcomings at the time of tendering process led to unauthorized subletting of contracts in 42 road projects involving expenditure of ₹102.96 crore. Non-compliance of orders of the Chief Engineer by the Programme Implementation Units resulted in release of irregular payment of ₹30.28 crore to the contractor.

*(Paragraph: 2.3.11.3)*

- The maximum period of 65 days prescribed in the Programme guidelines for finalization of contracts could not be adhered and delays in the bidding process in respect of 217 road projects ranged from 12 to 722 days.

*(Paragraph: 2.3.11.4)*

- Programme fund amounting to ₹375.72 crore had been irregularly spent on the construction of 163 ineligible road projects

*(Paragraph: 2.3.12.1)*

- Due to failure to ensure availability of encumbrance free land, clearance from the Forest Department, non-availability of take off points for road works etc. by the PIUs, 464 road projects could not be completed in time resulting in blocking of investment of ₹949.06 crore.

*(Paragraph 2.3.12.2)*

Major findings of **Development of Tourism** are given below:

- The State Government had not formulated short term and long term perspective plans on Tourism.

*(Paragraph: 2.4.6)*

- A system to keep watch on illegal constructions and unplanned development of the areas and to grant permission for development of land or construction of building was not in place.

*(Paragraph: 2.4.8.3)*

- Despite an increase of 71 *per cent* in tourist arrival during the year 2011-12 over the year 2008-09, the occupancy levels in the JKTDC facilities increased only by 16 *per cent* during the period.

*(Paragraph: 2.4.9.1)*

- Out of 38 projects sanctioned during the period 2008-11, only 19 projects were completed as of March 2013. There were excesses over original estimates to the extent of six *per cent* to 1400 *per cent* in 213 works. Six out of 21 schemes taken up under 12<sup>th</sup> Finance Commission award during 2006-10 at a cost of ₹11.30 crore had not been completed.

*(Paragraphs: 2.4.10, 2.4.10.1 and 2.4.10.3)*

- The assets created at 12 different tourist locations by incurring an expenditure of ₹15.55 crore were not in operation due to shortage of skilled manpower.

*(Paragraph: 2.4.11.2 (iv))*

Major findings of **Working of University of Kashmir** are given below:

- Against intake capacity of 19,278 students for academic years 2008 to 2012 a total of 16603 students (86 *per cent*) were admitted though 177816 students had applied for admission during these academic years.

*(Paragraph: 2.5.5)*

- Out of 77 research projects to be completed by March 2013, only 16 projects had been completed. 11 projects on which an expenditure of ₹62.24 lakh was incurred were abandoned midway.

*(Paragraph: 2.5.7)*

- The University had not prepared its consolidated annual accounts since inception. The finances were scattered in as many as 123 different accounts.

*(Paragraph: 2.5.10.5)*

- Injudicious decision relating to acquisition of 300 *kanals* of land have caused financial burden of ₹71.73 crore (March 2013).

*(Paragraph: 2.5.11.1)*

- The construction of 137 building projects (expenditure: ₹31.57 crore) was undertaken without formulation and approval of plans. Supplementary agreements for additional works amounting to ₹23.88 crore were irregularly made with contractors on already allotted rates and works were got executed without calling for fresh tenders.

*(Paragraph: 2.5.11.2)*

- The shortfall in teaching faculty ranged between 23 and 35 *per cent* during 2008-09 to 2012-13. The ratio of teaching and non-teaching staff was higher than the prescribed norms by UGC.

*(Paragraphs: 2.5.12 and 2.5.12.1)*

## COMPLIANCE AUDIT

### Implementation of Rashtriya Krishi Vikas Yojana (RKVY)

The comprehensive State Agriculture Plan (SAP) had not been prepared by the Nodal Agency. An amount of ₹11.30 crore was allocated in excess of prescribed limit under Stream-II of the scheme. An expenditure of ₹60.51 lakh incurred on establishment of Hi-Tech Green houses was rendered unfruitful as these were not made functional. Excess assistance to the extent of ₹1.38 crore was paid to 198 beneficiaries during the period 2009-13 under Natural resource management sector.

*(Paragraph 3.1)*

### Blocking of funds

Failure of the Department to follow the prescribed procedure/ guidelines for submission of reimbursement claims of transportation charges for the period 2009-12 resulted in non-release of these charges by the FCI and consequent locking up of funds of ₹7.46 crore and a loss of interest of ₹62.62 lakh on the locked up funds.

*(Paragraph 3.2)*

### Working of State Pollution Control Board

Funds amounting to ₹17.77 crore had remained in Bank accounts of the Board at the end of March 2013. The accounts of the Board were finalised only upto the year 2006-07. The Board had not upgraded the existing Water and Air laboratories. The validity of consent to operate had expired in respect of 407 industrial units between March 2001 and February 2013 and these were running without renewal consent in violation of Provisions of the Act. No register to watch the fulfilment of consent conditions had been maintained either in the Regional offices or by the Member Secretary of the Board. Rules governing Management of wastes were deficiently enforced by the waste generating agencies.

*(Paragraph 3.3)*

### Development of Fisheries

Out of 480 carp fish ponds constructed under PMEP, 164 ponds constructed with the assistance of ₹1.63 crore and seven ponds and ten trout raceways constructed under RKVY with the assistance of ₹28.40 lakh were rendered non-functional. As against an annual production capacity of 1617.98 lakh eggs in seven farms/ trout units an average 85.80 lakh fry were produced annually in these farms/ units. The mortality rate of fertilized eggs/ spawn/ green ova in these hatcheries ranged between 44 and 96 *per cent*. Due to low production of feed, the Department had to procure feed from market for its departmental farms. The pelleted feed produced did not contain six

required ingredients during intermittent periods leading to production of sub standard feed.

*(Paragraph 3.4)*

#### **Blockade of investment due to non-providing of operational staff**

Failure of the executing authorities of the Irrigation and Flood Control Department to make the four Lift Irrigation Schemes in Akhnoor, Jammu functional had resulted in blockade of investment of ₹1.94 crore besides depriving the population of the targetted villages of the intended benefits of the schemes.

*(Paragraph 3.7)*

#### **Idle investment due to non-completion of the project**

Improper planning in execution of the project by way of effecting changes in the design and size of the pump house after allotment of work to the contractor and non-completion of main components of the project by the Executive Engineer Irrigation Division Kathua resulted in unproductive investment of ₹1.95 crore.

*(Paragraph 3.9)*

#### **Implementation of Indira Awaas Yojana**

The Government received less central assistance to the extent of ₹24.45 crore during the period 2008-13 due to excessive accumulation of unspent balances, late submission of proposals for release of second installment and inadequate State share. As against shortage of 14901 houses (as per the BPL Census-2002) the Department had sanctioned assistance for 45899 beneficiaries for construction of new houses during the period 2008-13 showing coverage of 30998 ineligible beneficiaries. Inadmissible financial assistance of ₹21.22 crore was paid in 7589 cases due to wrong selection of beneficiaries. Further excess payment of ₹7.04 crore was made to 3782 beneficiaries due to release of financial assistance at enhanced and inadmissible rates.

*(Paragraph 3.11)*

#### **Implementation of Scheme of Post Matric Scholarship to ST students**

There were instances of unauthorised/ irregular payment of scholarship for unrecognised courses and to unaccredited computer centres (₹9.24 crore) besides excess payment of scholarship (₹25.34 lakh), non-observance of prescribed procedures and payment of scholarship directly to the private computer institutions/ centres in contravention of the provisions of the scheme guidelines.

*(Paragraph 3.12)*