

Chapter IV

Compliance Audit of Social, General and Economic Sectors (Departments)

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This chapter contains six Compliance Audit observations pertaining to Social and General Sectors. The total financial implication of these observations is ₹ 230.27 crore.

Animal Husbandry Department

4.1 Delay in the Construction of Poultry Breeding Farm and Hatchery

The construction of a Poultry Breeding Farm and Hatchery project at Kupwara for subsidiary income generation of women/ weaker sections was taken up without administrative approval of the changed site. The expenditure of ₹ 1.78 crore incurred thus far on the project did not yield any benefits.

For development of a poultry breeding farm, to help generation of subsidiary income for women/ weaker sections of the society, the Director, Animal Husbandry, Kashmir submitted (June 2013) a Detailed Project Report (DPR) to the Secretary, Animal Husbandry Department for approval. The project planned at Gonipora Waripora, District Kupwara was estimated to cost ₹ 2.89 crore.

The project was administratively approved (February 2014) by Secretary, Animal Husbandry department at a cost of ₹ 2.48 crore¹ and was to be completed within three years. The project was to be funded from loan assistance (95 per cent) from National Bank for Agriculture and Rural Development (NABARD) and State share (five per cent).

Audit scrutiny of records of the office of Chief Animal Husbandry Officer (CAHO), Kupwara showed (July 2019) that the project site at Gonipora Waripora was identified in June 2011 but due to the objections raised (September 2015) by the local population, the construction works were not taken up. The proposal for setting up the project on an alternate site near District Police Line Kulangam mooted (March 2016) was also not approved by the Administrative Department citing that projects once sanctioned by NABARD for a particular place cannot be shifted to another place. The Director, Animal Husbandry submitted (October 2016) another proposal for shifting the site to a land identified at Tutigund, Handwara.

The Animal Husbandry department started (November 2016) setting up the project at Handwara though the Administrative Department did not approve the site. The administrative department despite itself not granting approval to change of site released funds during 2014-19² for the project. The Department prepared a revised DPR (2019) and estimated the revised cost at ₹ 7.04 crore attributing the rise to time

¹ Infrastructure cost (Plant & Machinery): ₹ 20.40 lakh and construction cost: ₹ 228.09 lakh.

² 2014-15: ₹ 0.75 crore; 2015-16: ₹ 0.15 crore; 2016-17: ₹ 1.49 crore; 2017-18: ₹ 0.95 crore; 2018-19: ₹ 3.59 lakh.

lapse and change in topography of the project site. Audit observed that the Animal Husbandry Department had spent ₹ 1.78 crore on the construction of hatchery complex and residential quarters and another ₹ 0.50 crore was advanced to a State PSU and Stores Procurement Department/ PWD for supply of material. The other essential project components viz Brooder House, Layer farm, Grower Farm, Office Building and Trench roofed Mortality curing unit were either incomplete or not taken up for execution (June 2019).

Thus, the envisaged benefits of the project i.e. to create subsidiary income generation Backyard Poultry Units for women/ weaker sections were incomplete and the expenditure of ₹ 1.78 crore incurred thus far on the project did not yield any benefits.

While explaining the reason for starting work at Handwara, without administrative approval, the EE, R&B Division, Handwara stated (July 2019) that the District Development Commissioner Kupwara had approved the new site and had directed to execute the work at Tutigund instead of Gonipora Waripora. The reply was not tenable as the site of project was changed without approval of Administrative Department which is evident from the fact that the District Development Commissioner had sought (July 2019) reasons from the EE for starting work without prior approval of site. Regarding the revised DPR submitted in 2019, the EE stated (January 2021) that it was required in view of the topography of the new area of execution of the project which necessitated development of land and providing other facilities at site such as development of platforms for making buildings, retaining walls, breast walls, brick fencing, cross drainage works and road development.

The matter was referred (March 2021) to Government/ Department; their replies were awaited (October 2021).

Education Department

4.2 Non-utilisation of funds released for civil works under Sarva Shiksha Abhiyan

Release of funds by the State Project Director (SPD) Sarva Shiksha Abhiyan (SSA) under civil works (capital component) plan 2016-17, to the Directors of School Education Jammu and Kashmir without any action plan for its utilisation resulted in blocking of ₹ 21.48 crore

The Project Approval Board (PAB) of Sarva Shiksha Abhiyan (SSA), Department of School Education and Literacy, Ministry of Human Resources Development (MoHRD), Government of India (GoI), in its 231st meeting (February 2016) approved the Annual Works Plan and Budget (AWP&B) 2016-17 for the State of Jammu and Kashmir. The AWP&B 2016-17 included civil works under SSA (Separate girls toilet, Boundary wall, furniture for government upper primary school and construction of building etc.). The State Project Director (SPD), SSA J&K released

(31 March 2017) ₹ 21.48 crore³ in favour of Director School Education (DSE) Jammu (₹ 9.76 crore) and DSE Kashmir (₹ 11.72 crore) with the direction not to utilise these funds till further detailed instructions were issued.

Audit scrutiny (July 2020) of the records of DSE Jammu revealed that no further instructions for utilisation of these funds were received from SPD, SSA J&K. The amount of ₹ 9.76 crore was held in the official saving bank account and invested (March 2018) in Fixed Deposit Receipts (FDRs) for a period of six months. Interest of ₹ 3.13 crore accrued in the saving and fixed deposits was transferred (August 2020) to the Project Director Samagra Shiksha⁴. Similarly, ₹ 11.72 crore released (March 2017) to DSE, Kashmir also remained unutilised (December 2020) in the savings bank account due to non-receipt of any directions for their utilisation.

Failure of the Department to get Action Plan prepared by subordinate offices for utilisation of funds received under AWP&B 2016-17 and improper release of funds without a road map for their utilisation had resulted in blocking of ₹ 21.48 crore and non-fulfilment of objective of creating intended infrastructure under SSA.

On being pointed out in audit, DSE Jammu and DSE Kashmir stated (December 2020) that the funds remained unutilised as they had not raised any demand under the Civil Works SSA Plan 2016-17 for release of these funds besides, the instructions for utilisation of the funds released were also not received from the SPD. Further Project Director, Samagra Shiksha stated (February 2021) that as the works under different components were being finalised, the DSEs Jammu and Kashmir were instructed not to utilise the funds till further orders.

The School Education Department issued (March 2017) directions to the SPD, SSA/ RMSA that the funds available under SSA/ RMSA are released to the implementing agencies so as to ensure nil balance at the end of year in order to avoid any future cuts on account of unspent balance by GoI. Thus lack of planning, monitoring and coordination between the offices of SPD, Samagra Shiksha, DSE Jammu and DSE Kashmir resulted in blocking of ₹ 21.48 crore for the nearly four years.

The matter was referred to Government/ Department in February 2021; their replies are awaited (October 2021).

³ Central share: ₹ 15.79 crore and State Share: ₹ 5.69 crore.

⁴ Sarva Shiksha Abhiyan, Rashtriya Madhyamik Shiksha Abhiyan and Teacher Education were brought under Samagra Shiksha with effect from August 2018.

Forest, Ecology and Environment Department

4.3 Compensatory Afforestation, Fund Management and Planning Authority

The Compensatory Afforestation Fund Management and Planning Authority (CAMPA) did not conduct survey before preparation of Annual Plan of Operations (APOs) to collect physical data for identifying degraded forests. No alternate non-forest land was transferred to Forest department for compensatory afforestation as required under Jammu and Kashmir Forest Conservation Act. Site specific schemes were not prepared by the Forest Divisions for Compensatory afforestation at sites contiguous to or in the proximity of forest in respect of forest land of 2,757.78 hectares diverted for non-forest purpose. ₹ 9.24 crore (out of total expenditure of ₹ 140.25 crore) out of CAMPA funds were spent on inadmissible components such as purchase of office equipment, construction of office complex etc. There was irregular expenditure of CAMPA funds of ₹ 15.12 crore on establishment of two zoos.

4.3.1 Introduction

Under the Jammu and Kashmir Forest Conservation Act (1997) and Government of India (GoI) guidelines, for any forest land transferred for non-forest purposes, alternate non-forest land equivalent to the transferred forest land is to be arranged and transferred to the Forest department prior to commencement of the project. Apart from this, cost of land in the form of Net Present Value (NPV)⁵, cost of compensatory afforestation (CA), cost of trees (CoT), wild life development and other activities is recoverable from the user agency to which the land is diverted. However, in case alternate non-forest land is not available, the user agency will have to bear the cost of CA in degraded forest to the extent of double the area of forest land diverted.

In order to manage the money received on account of diversion of forest land, Central Adhoc Compensatory Afforestation Fund Management and Planning Authority (CAMPA) was constituted (April 2004) by the Government of India. In the erstwhile state of Jammu and Kashmir, the State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) was constituted in November 2009 and Jammu and Kashmir (Compensatory Afforestation Fund Management and Planning Authority) Rules 2009 were made (November 2009) thereunder. The state/ UT level authority was under the chairmanship of Principal Chief Conservator of Forests (PCCF) and Government also framed (December 2018) Jammu and Kashmir Compensatory Afforestation Fund (CAF) Rules 2018. Under J&K Re-organisation Act 2019 (notified 30 October 2019), the Central Compensatory Afforestation Fund (CAF) Act 2016 was extended to the UT of Jammu and Kashmir with effect from 31.10.2019.

⁵ Quantification of the environmental services provided for the forest area diverted for non-forestry uses as may be determined by an expert committee appointed by the Central Government.

According to these rules the compensation amount received from user agencies is to be deposited in the Government fund. The objectives of CAMPA include carrying out compensatory afforestation in addition to conservation, protection, and management of existing forests and wildlife.

A compliance audit covering the activities undertaken by J&K CAMPA during the period 2015-20 was undertaken by test check of records of Additional Principal Chief Conservator of Forests (APCCF), CAMPA along with Nodal Officer, Forest Conservation Act (FCA), Divisional Forest Officers (DFOs) Territorial, Social Forestry Department, Soil and Water Conservation Department and Wildlife Protection Department. Out of 35 forest divisions in the two regions of Jammu and Kashmir, 10 Forest Divisions⁶ (29 per cent) were selected for test check of records by Probability proportional to size without Replacement (PPSWOR) method on the basis of total expenditure incurred under CAMPA during 2015-20. 17 divisions were also selected for test check of records in departments of Social Forestry (6), Soil and Water Conservation (6) and Wildlife protection (5).

4.3.2 Planning

4.3.2.1 Preparation of Annual Plan of Operations

As per Para XIII of Operational guidelines for CAMPA, the Annual Plan of Operations (APOs) was to be prepared after conducting detailed survey to collect physical data for identifying the treatment measures like planting in trenches in hilly areas, pit planting with water harvesting measures in flat areas, etc.

Audit noticed in all 27 selected divisions⁷, no survey was conducted prior to preparation of APOs. The APOs were instead prepared on the basis of the financial limits fixed by PCCF. No funds were released during 2015-20 for survey in respect of 27 selected divisions. The impact of development project on the forest area and results of compensatory afforestation could not be realistically evaluated in absence of surveys. Non-conducting of survey also resulted in disputes necessitating change of sites at three places⁸ for carrying out plantation.

The DFOs stated that informal talks were held with the people residing in the area where forest closures were to be developed and provisions for survey and demarcation were proposed in the APOs but no funds were released for the purpose of survey. The APCCF, CAMPA intimated (July 2021) that several Implementing Agencies (IAs) have now projected fund requirements for survey works during 2021-22 in their APOs which have been approved. APCCF, CAMPA further stated (November 2021) that specific survey requirements projected by DFOs in APOs would be met.

⁶ Jammu, Udhampur, Eco Task Force, Reasi, Bhaderwah, Urban Forestry Jammu, Kamraj, Shopian, Anantnag, Tangmarg.

⁷ Jammu: 14, Kashmir: 13

⁸ From Co 42/ kunt (Banjar) to Co 37/ Cheralla (Bodhi), from Co 41 /kunt (Parsholla) to Co 57/ Bhalesha(Chanti) and from Co 41 kunt (Gulmana) to Co 57/ Bhalesha (Icher).

4.3.2.2 Delay in submission of Annual Plan of Operations

Para XIII (j) of Operational Guidelines envisage that implementing agency (IA) shall formulate their APOs for the forthcoming financial year by August which after technical appraisal shall be put up to the executive committee during November. The APOs with breakup of proposed activities and estimated cost thereof shall be put up to the Steering Committee on whose approval shall be communicated to the IAs by 31st December.

Audit noticed (April 2021) delays between one month to 16 months⁹ in formulation of APOs by the IAs; between 21 days and eight months in accordance of approval by the EC; and between 23 days and eight months in approval by the SC.

Due to delay in preparation/ finalisation of APOs, the utilisation of funds of ₹ 18.69 crore was delayed. As a result, plantation of 10.694 lakh saplings for rehabilitation of 894.68 hectare of degraded forest, fencing of 3.03 lakh running feet (rft), 1.17 lakh pasture patch development works, raising of 17.4 lakh nursery plants and 1,964 cum of dry rubble stone masonry (DRSM) could not be carried out in respective years of plan.

In 20 of the 27 test checked divisions, during 2015-2020, utilisation of funds of ₹ 5.72 crore was delayed affecting plans of plantation of 1.53 lakh saplings for rehabilitation of 159.37 hectare of degraded forest, fencing of 0.707 lakh rft, 0.72 lakh of pasture patch development works, raising of 4.19 lakh nursery plants and 50 cum of dry rubble stone masonry (DRSM) could not be carried out. The APCCF stated (November 2021) that meetings of EC were held in December of the preceding year for APOs of 2019-22 and meetings of the SC were also held well before commencement of financial year. They added that unspent amount wherever required is revalidated in the next financial year for completion of plantation works. APCCF further stated that because of climatic conditions most of the afforestation works were being carried out during winter after melting of snow in February and due to short time period available for execution of works before close of the financial year some of the works spill over to the next financial year. The fact remained that climatic factors were not an unforeseen event and the Department should have factored them in implementation of APOs and timelines should have been adhered to.

4.3.3 Financial Management

4.3.3.1 Utilisation of Compensatory Afforestation Fund

The position of funds credited to Adhoc CAMPA, amounts released to IAs and unspent balances during 2015-20 is given in Table 4.3.1.

⁹ Jammu: 5 forest divisions-2 months 28 days to 1 year 27 days; Kashmir: 13 divisions-one month to 16 months.

Table 4.3.1: Position of funds received, expenditure incurred and unspent balances

(₹ in crore)

Year	Receipts			Payments / Releases					Closing Balance
	Opening Balance	Money ¹⁰ Received	Total	Money invested in FDR's	Amount released to implementing agencies	Amount transferred/ Pledged to Adhoc CAMPA	Money Transfer To State Government ¹¹	Total	
2015-16	3.18	300.20	303.38	249.00	50.30	0.00	0.00	299.30	4.08
2016-17	4.08	680.93	685.01	491.50	58.66	102.98	0.00	653.14	31.87
2017-18	31.87	596.20	628.07	274.18	85.99	248.70	0.00	608.88	19.19
2018-19	19.19	301.61	320.80	51.00	115.61	146.45	0.00	313.06	7.74
2019-20	7.74	483.60	491.34	65.00	134.81	0.00	290.32	490.12	1.21

(Source: Departmental records)

Reasons for unspent balance ranging between ₹ 1.21 crore and ₹ 31.87 crore during 2015-20 were delay in formulation/ finalisation of APOs. The reasons for ₹ 1.21 crore remaining unspent at the end of 2019-20 were that the CAMPA transferred ₹ 290.32 crore out of ₹ 291.53 crore available to the State Government. The reasons for delay in release of funds to the IAs are discussed below:

CAMPA operational guidelines envisage that after clearance of APOs by the SC, first instalment of CAMPA funds is to be released to the IAs during the month of January and second instalment is to be released after obtaining the UCs from the IAs in respect of the first instalment. Audit observed release of first instalment of funds to the IAs with delays ranging between 12 days and 256 days, release in more than two instalments and also at the end of the financial years.

The APCCF, CAMPA attributed (August 2021) the delay in release of funds to delayed receipt of money from Adhoc CAMPA. It was further stated (November 2021) that the incomplete/ spill-over works of the approved APOs were revalidated for execution in the next financial year and the APOs were fully implemented in the following year. However, yearly progress of afforestation works suffered due to non-timely preparation of APOs, delayed release of funds leading to and spill over of works.

4.3.3.2 Variation in expenditure booked

Cross verification of records of Chief Accounts Officer (CAO) PCCF and CAMPA Cell (CC) showed that during 2015-20 against ₹ 505 crore released by CAMPA cell, the CAO PCCF, had shown an expenditure of ₹ 445.37 crore. The variation in separate statements ranging between (-) ₹ 59.33 crore and (+) ₹ 16.12 crore was not reconciled. Further during 2015-18, against ₹ 194.95 crore released by CAO, PCCF, to the IAs, expenditure of ₹ 229.96 crore was shown in the monthly progress report of CAMPA cell.

¹⁰ Money received including the encashment of FDRs including interest on FDRs, Charges received from the user agencies and Money received from the Adhoc CAMPA.

¹¹ Transferred to Government as per instructions of Government issued in November 2019.

APCCF, CAMPA stated (November 2021) stated that the Accounts Section and CAMPA Cell have been directed to reconcile the figures of releases/ expenditure.

4.3.3.3 Reconciliation of funds

Audit observed (July 2021) that in respect of approved APOs with expenditure of ₹ 93.42 crore, ₹ 141.74 crore was released to 26 Implementing Agencies (IAs) during 2015-20 resulting in irregular excess release of ₹ 48.32 crore.

APCCF, CAMPA contended (November 2021) that no excess amounts were released and that the unspent amounts in the approved APOs were revalidated in the next financial year and funds were released to IAs to meet exigency requirements. The fact remained that the CAMPA had failed to implement APOs in full in respective years and spill over of incomplete works with respective financial outlay was revalidated for next year as also discussed at *Paragraph 4.3.3.1* above.

- Test check (July 2021) of cash book and bank statements of Chief Accounts Officer (CAO), CAMPA Cell, showed that details/particulars of 242 credits amounting to ₹109.84 crore appearing during 2015-20 were not depicted in bank statements.
- In respect of 19 test checked cases of transfer of forest land (measuring 63.65 hectares) by the Forest Department to the user agencies, compensation of ₹ 8.11 crore deposited by the user agencies with the CAMPA Fund during 2015-20 was not appearing in the Cash book and bank account¹² resulting in non-accountal of ₹ 8.11 crore.

The CAO, PCCF assured (August 2021) that the matter would be taken up with the FCA section for reconciliation of figures.

4.3.3.4 Awaited receipt of CAMPA funds from the Adhoc CAMPA

Central Compensatory Afforestation Fund (CAF) Act 2016 was extended to the Union Territory (UT) of Jammu and Kashmir with effect from October 2019¹³. Consequently, in terms of Section 4 of the said Act, the Government notified (November 2019) establishment of 'Compensatory Afforestation Fund' into which money's to be received from user agencies in lieu of the diversion of the forest land for non-forestry purposes and monies to be received from National CAMPA¹⁴ were to be deposited. Audit noticed (July 2021) that out of ₹ 1,006.95 crore¹⁵(including accrued interest) credited to Ad hoc CAMPA during 2010-20, only ₹ 764.55 crore¹⁶ was transferred to the CAF as of July 2021. The remaining amount of ₹ 242.40 crore

¹² Current Bank Account CD-259 which was maintained for most of the transactions including the release/ distribution of funds among the IAs and one Saving Account SB-20 in the J&K Bank. The user agencies deposit the compensation amount in the Current Bank account CD-259 maintained in the J&K Bank.

¹³ In pursuance of J&K Re-organisation Act 2019 read with the J&K Reorganisational (Removal of difficulties) Order No. 2019 (notified vide S.O. 3912 (E) dated 30-10-2019).

¹⁴ Erstwhile Adhoc CAMPA which was dissolved and National CAMPA constituted in terms of CAF Rules 2018.

¹⁵ ₹ 1,298.30 (Jammu and Kashmir: ₹ 1,006.95 crore, Ladakh: ₹ 291.35 crore).

¹⁶ ₹ 408.35 crore: February 2020 and ₹ 356.20 crore: October 2020.

was lying with Ad hoc CAMPA. The matter was not pursued with the Adhoc CAMPA for transfer of the remaining amount to the UT.

4.3.3.5 Loss of interest income

• Loss of interest due to non- opening of interest bearing bank account

Rule 5(3) of CAMPA Rules 2009 stipulates that the money received in respect of CAMPA shall be kept in interest bearing accounts. Audit noticed (July 2021) that moneys received for compensatory afforestation was kept in current account by the CAO and seven IAs resulting in loss of minimum potential interest income of ₹ 1.43 crore¹⁷.

The CAO, PCCF stated (August 2021) that as per Forest Conservation Rules of 2000, there was a provision to keep CAMPA funds in the current account. APCCF, CAMPA stated (November 2021) that after issuance of SRO 354 (CAMPA guidelines) in November 2009 the CAMPA accounts are now being kept in interest bearing accounts. The reply is not based on fact as funds were not kept in interest bearing accounts during 2015-20.

• Loss of interest due to absence of investment policy

According to Rule 12 of CAF Rules 2018 the EC of the CAMPA shall invest surplus amounts available in the Government Fund. J&K CAMPA operational guidelines also envisage utilisation of minor part of income from interest received on funds invested by State and Central CAMPA on management of State CAMPA.

Audit noticed (July 2021) that amounts ranging between ₹ 0.31 crore and ₹ 104 crore were kept for one month to 11 months in the bank account¹⁸ during 2015-20. Non-investing of these sums into Fixed Deposit Receipts (FDRs) had resulted in loss of potential interest income of ₹ 3.03 crore. Audit also noticed that CAMPA encashed its FDRs prematurely despite having adequate balances in its bank accounts to meet its emergent requirements. The premature encashment of FDRs resulted in loss of potential interest income of ₹ 2.54 crore during 2015-20.

The CAO, PCCF stated (August 2021) that the amount was kept to meet the day to day expenses. The reply is not tenable, as CAMPA transactions relating to day to day expenses were carried out through the amounts in current accounts. The APCCF, CAMPA added (November 2021) that CAO, PCCF was being directed to take up the issue with concerned quarters and furnish report. No reply was offered explaining reasons for premature encashment of FDRs when adequate funds for meeting day to day expenses were available in current accounts and savings bank accounts.

4.3.3.6 Non-closure of saving and current bank accounts

In terms of Section 4(1) of Compensatory Afforestation Fund Act 2016, the Government established (November 2019) a special fund namely State Compensatory

¹⁷ Jammu (seven implementing agencies: ₹ 0.26 crore), CAO, PCCF: ₹ 1.17 crore.

¹⁸ SB-20 of J&K Bank.

Afforestation Fund. In terms of the notification all bank balances available with CAMPA were to be transferred to this new fund. However, balance of ₹ 1.23 crore in current account (CD-259) and ₹ 0.33 crore in savings bank account (SB-20) were yet (August 2021) be transferred.

The APCCF, CAMPA stated (November 2021) that all DFOs had been directed (May 2020) to close the CAMPA accounts at the end of 2019-20 and all moneys in the saving and current accounts have now been deposited with the State Fund.

4.3.4 Non maintenance of accounts records/non-finalisation of accounts

Non maintenance of accounts records

Rule 12 (3) of CAMPA Rules 2009 and Rule 29 of J&K Compensatory Afforestation Fund Rules 2018 provide for maintenance of accounts including Cash book, ledger, Journal, Public Funds Account register, Stock register, Fixed Asset register, etc..

In 27 selected divisions Audit noticed that only cash books and *Form 48* depicting payment details were maintained and other records had not been maintained. The non maintenance of full set of records as specified was not only non observance of instructions but also the Department could not assess and value its assets properly. The non maintenance of full set of records also contributed in the J&K CAMPA not being able to produce its financial statements since its inception.

The DFOs stated (September 2020 to April 2021) that instructions for maintenance of other records were noted for compliance. The APCCF, CAMPA stated (November 2021) that DFOs/ IAs have been directed to maintain all records relating to CAMPA in accordance with financial rules.

Non-finalisation of accounts

As per Rule 12 (3) of CAMPA Rules 2009, CAMPA was required to maintain proper accounts and prepare an annual statement of accounts in such form as may be prescribed in consultation with the Accountant General. The accounts were to be certified by the Accountant General or any other person appointed by him in this behalf together with the audit report thereon. Audit observed that CAMPA had not prepared its annual accounts since its establishment. As of December 2020 preparation of 10 years of accounts¹⁹ was in arrears. This non-finalisation of accounts is fraught with the risk of misappropriation besides the activities escape legislative oversight.

Additional PCCF/ CEO CAMPA informed (December 2020) that a CAG empanelled Chartered Accountancy firm has been engaged (January 2020) for preparation of financial statements for the period 2010-11 to 2019-20 at CAMPA headquarters as well as that of implementing agencies. APCCF, CAMPA informed (November 2021) that the CA firm has sought time till November 2021 to finalise the CAMPA accounts and to submit their report.

¹⁹ 2010-11 to 2019-20

4.3.5 Programme implementation

4.3.5.1 Decrease in Moderate Dense Forest and Increase in degraded forests

Forest Survey of India undertakes assessment of Country's forest resources every two years, results of which are presented as 'India State of Forest Report' (ISFR). According to ISFR for the years 2013 and 2019 there was overall increase in forest area of Jammu and Kashmir from 22,538 sqkm to 23,612 sqkm. However, there was decrease in Moderate Dense Forest area from 8,760 Sq km in 2013 to 8,612 Sq km in 2019 while degraded forest area increased from 9,638 Sq km in 2013 to 10,719 Sq km in 2019.

The APCCF, CAMPA contended (November 2021) that increase in total forest cover of 1074 sq km and conversion of 141 sq km of moderate dense forest to very dense forest demonstrates success of the intervention under CAMPA. The fact remained that area of degraded forest had increased during the period 2013-19.

4.3.5.2 CAMPA Works

(A) Non-preparation of site-specific schemes for Compensatory Afforestation

Forest land diversion proposals were regulated under the Jammu and Kashmir Forest Conservation Act, 1997 under which the indents placed by user agencies in the office of PCCF were forwarded to the CCF/ CF/ DFO for processing the proposals. After completion of joint inspection, enumeration of trees, assessment of NPV, cost of trees and compensatory afforestation by the DFOs, the proposal were placed by PCCF before the State Forest Advisory Committee (SFAC) headed by the Chief Secretary. On approval by the SFAC, the administrative department issued orders for diversion of forest land.

The Scheme guidelines envisage Compensatory Afforestation (CA) to be done over an area equivalent to forest land diverted for non-forest use. As far as possible, the non-forest land should be contiguous to or in proximity of Reserve/ Protected Forest to enable the CAMPA to effectively manage the newly planted area. Guidelines also stipulate that after receipt of money, CAMPA shall accomplish the afforestation within a period of one year or two growing seasons after completion of developmental project.

Out of total 524 forest conservation act (FCA) cases in the State/UT, Government orders for diversion of 2,757.78 ha of forest land for non-forest purpose were issued in 455 cases during 2015-20 and compensation of ₹ 725.97 crore was received from user agencies. However, no site specific schemes were prepared by the concerned Forest Divisions to spend the amount on CA at sites contiguous to or in the proximity of forest land diverted.

Audit observed that in 11²⁰ sampled forest divisions dealing with forest land diversion cases no case wise/ site specific schemes were prepared for carrying out afforestation in lieu of diversion of forest land.

After being pointed out the APCCF stated (July 2021) that prior to 31 October 2019 site specific schemes were not prepared for compensatory afforestation but lump-sum amounts were charged from the user agencies. It was further stated that the compensation money had been fully utilised for CA though clear linkage between the site at which forest land was diverted and the site at which CA was carried out had not been established and that site specific CA proposals approved after 31 October 2019 would be incorporated in the APOs 2022-23. It was also stated (August 2021) that it was being ensured that the site of CA was near the site at which forest land was diverted and maps / KMZ²¹ files of land diversion sites and the proposed CA sites were being uploaded on PARIVESH²² portal.

(B) Maintenance of Plantation Journal

Guidelines for 'Maintenance of Plantation Journal' envisage:

- Updation of Plantation journal of each unit at regular intervals.
- Recording of survival percentage of plantation during 2nd year to 4th year once in a year.
- Plants planted should be healthy, viable and of plantable size with proper root system.
- Data of growth of plants and species wise collar girth and height of individual plants.

In 23 divisions²³ out of 27 divisions checked, the plantation journals of 381 closures/ strips produced to Audit were not updated by recording enumeration of trees, survival rate of plants planted, inspection note of visiting officers and fire incidences. In 21 selected divisions²⁴ in respect of 173 closures plantation journals were not maintained. In all the selected divisions no certificate was recorded on the plantation journal that the saplings planted were healthy, viable and of plantable size with proper root system. Enumeration of 41.91 lakh plants planted was not carried out to ascertain the survival rate of plants.

In 17 divisions²⁵, despite availability of basic tools including GPS and camera, quantitative enumeration and measurement of collar girth and height of plants to assess effectiveness of plantation were not done. DFOs stated (September 2020 to April 2021) that instruction in this regard have been noted for compliance.

²⁰ Jammu: 7, Kashmir: 4

²¹ Zipped 'Keyhole markup language'.

²² Proactive and responsive facilitation by interactive and virtuous environmental single window hub.

²³ Jammu: 13, Kashmir: 10

²⁴ Jammu: 13, Kashmir: 8

²⁵ Jammu: 13, Kashmir: 4

The APCCF, CAMPA stated (November 2021) that IAs have been directed to maintain/update the records of survival and growth of plants in the plantation journals.

(C) Survival rate of plants

Instances of poor survival rate of plants were observed in Audit. In Forest division Anantnag, plantation of 83000 conifer and 25000 broad leave plants in Chattapal nursery during 2015-16 had withered away and under Wildlife Warden Bijbehara plantation of plants during 2015-20 to maintain the proper habitat for wild animals in the protected areas had survival rate of only 10 *per cent*. This resulted in unfruitful expenditure of ₹ 55.40 lakh.

The APCCF, CAMPA stated (November 2021) that steps are being taken to recover the cost of damages from the staff concerned in Anantnag division. For poor survival rate of plants it was intimated that at the survival rate of plants was now in the range of 60 to 65 *per cent*.

4.3.6 Land management

4.3.6.1 Non-transfer of non-forest land for compensatory afforestation

As per Chapter 2 Para 2.3 of Guidelines and clarifications stipulated in Handbook of Forest Act 1980 and Forest Conservation Rules, Compensatory Afforestation (CA) is to be raised on suitable non-forest land equivalent to the area proposed for diversion at the cost to be paid by user agency. In cases where non-forest land is not available, CA could be carried out over degraded forest of twice the area being diverted. The status of land diverted for non-forest purpose in Jammu and Kashmir during the period 2015-20 is given in Table 4.3.4.

Table 4.3.3: Status of land diverted for non-forest purpose

(area in hectares)			
Year wise	Forest Area	Wildlife Area	Total Area
2015-16	754.798	79.861	834.659
2016-17	152.968	196.112	349.08
2017-18	686.485	49.584	736.069
2018-19	231.237	0	231.237
2019-20	596.72	10.016	606.736
Grand Total	2,422.21	335.573	2,757.781

(Source- Departmental records)

No non-forest land was transferred to forest department for compensatory afforestation in the State/ UT.

In ten selected divisions, 174 cases involving 1,108.41 hectares of forest land was diverted for non-forest purpose. Out of this in 140 cases involving 1,010.81 hectares forest land, was diverted without receiving alternate land from district administration as required under Rules. In 25 cases, Revenue Authorities had shown availability of 97.60 hectares of non-forest land which was neither handed over by the Revenue

authorities to the Forest department nor was any action taken by the DFOs to initiate the process for taking over the non-forest land. In nine cases, only trees were involved and no forest land diversion was involved.

The Nodal Officer, FCA stated that in forest land diversion cases where non-forest land was not received, the concerned Deputy Commissioners had issued certificate of non-availability of non-forest land and the compensatory levies were charged from user agencies for afforestation over degraded forest area double in extent of the forest land diverted. It was also stated that in respect of cases in which availability of non-forest land was reported by the concerned Deputy Commissioner, the Forest department had taken up matter with the Revenue Department/ Forest Advisory Committee for mutation of such lands in favour of the department but the Revenue Department could not effect mutation in these cases.

4.3.6.2 Diversion of wetland without approval from National Wildlife Board

As per CAMPA guidelines, Net Present Value (NPV) for area of land forming part of wildlife/ protected area is to be recovered at five times of NPV for forest area. Further the Hon'ble Supreme Court directed (W/P 202/1995) that all matters for grant of permissions for implementation of projects in the areas falling in National Parks/ sanctuaries, including rationalisation of boundaries would be considered by the Standing Committee of the National Board for Wildlife (NBWL)²⁶. Audit observed that ₹ 6.67 crore was received as compensation for diversion of 1.98 hectares of wetland area falling under Wildlife Warden Jammu. The land was diverted²⁷ for construction of 3.6 km of approach road²⁸ at Sajwal (Jourian) for which required approval had not been taken from National Board for Wildlife (NBWL).

The APCCF, CAMPA contended (November 2021) that the Hon'ble Supreme Court order mentioned National Parks and Wildlife Sanctuaries and not Conservation Reserves. They added that the instant case pertained to Pargal Wetland Conservation Reserve which does not fall in a National Park or Wildlife Sanctuary and that NBWL while considering another proposal falling in Sansoo Rakh conservation reserve for land diversion, had returned the proposal with the observation that the proposal had got no merit to be considered under the provisions of the Wildlife Protection Act, 1972. It was also stated that after the proposal was cleared by Standing Committee of the Board for Wildlife and Forest Advisory Committee after the Administrative Council had approved the proposal. The fact remained that NPV at five times of forest area, as applicable to National Parks and Wildlife Sanctuaries was recovered from user agency, which goes to show that the CAMPA had also considered the area as a national park. However, required approval of NBWL had not been sought before diversion of land.

²⁶ On its own merits and in conformity with the orders and directions passed (between 09.05.2002 and 14.02.2020) by the Supreme Court.

²⁷ Case approved in the 112th meeting and government order issued vide no. 329-FST of 2019 dated 09.10.2019.

²⁸ In respect of 1,640 meter span bridge over river Chenab.

4.3.7 Realisation of NPV, CA and other charges

Outstanding compensation from user agencies

Audit noticed ₹ 238.33 crore was outstanding from 28 user agencies on account of compensation for diversion of forest land for non-forestry purpose during the period from January 2015 to September 2020.

Nodal officer FCA intimated (July 2021) that user agencies had since deposited the compensation amount and ₹ 91.97 crore was now outstanding receipt against 22 user agencies (details in *Appendix 4.3.1*) and that in cases where validity period for depositing compensatory levies had lapsed, the administrative department had approved extension of validity period up to 31 July 2021. The APCCF, CAMPA stated (November 2021) that ₹ 91.94 crore was outstanding against 22 user agencies.

Short Realisation of damage charges- ₹ 22.27 crore

Forest land measuring 77.51 hectares was diverted in the area falling under the jurisdiction of Wildlife warden, Shopian to one user agency²⁹ for execution of works of 400 KV Samba Amargarh transmission line. The terms and conditions of sanction stipulated that any damage done to the forest by the user agency, its employees or contractor should be charged from the user agency at the rate of 10 times the standard rate. The user agency had caused damage to trees valuing ₹ 2.48 crore during execution of project works in Hirpora wildlife sanctuary. Audit observed (March/April 2021) that against the recoverable amount of ₹ 24.80 crore only ₹ 2.48 crore was recovered from the agency. Thus, there was short realisation of damage charges of ₹ 22.27 crore.

The APCCF, CAMPA stated (November 2021) that action would be taken by the department to recover cost of damages.

4.3.8 Expenditure not authorised in CAMPA guidelines

4.3.8.1 Expenditure on construction of buildings and purchase of vehicles

As per Rule 18 of J&K Compensatory Afforestation Fund (CAF) Rules 2018 and Rule 5(4) of CAF Rules 2018, monies received on account of NPV shall not be utilised for construction of buildings, purchase of vehicles, office equipments including air conditioners and generator sets. Audit noticed that Forest Divisions had spent ₹ 4.36 crore³⁰ out of CAMPA funds on inadmissible components such as purchase, maintenance, fuel, insurance of vehicles and purchase of office equipment and fixture. The DFO Urban Forestry Division, Jammu had utilised ₹ 4.88 crore on construction of office complex (2014-15: ₹ two crore, 2016-17: ₹ two crore, 2017-18: ₹ 0.38 crore, 2018-19: ₹ 0.50 crore) at Bachan Depot, Narwal, Jammu.

The APCCF, CAMPA stated (November 2021) that after extension of the CAF Act 2016 and CAF Rules 2018 to the UT of Jammu and Kashmir with effect from

²⁹ NRSS XXIS Transmission Limited.

³⁰ Jammu: 14 divisions ₹ 2.15 crore, Kashmir: 10 divisions ₹ 2.21 crore.

31 October 2019, expenditure under CAMPA is booked after approval of National Authority, MOEF&CC and no expenditure is being booked on inadmissible activities like purchase of staff car. It was further stated that no further release had been made under CAMPA for construction of office complex for which budgetary provisions was being made under budget for capital expenditure.

4.3.8.2 Irregular expenditure of CAMPA money on establishments of Zoos

Jammu and Kashmir Compensatory Afforestation Fund Rules 2018 envisage that monies received under NPV shall not be utilised for establishment, expansion and up-gradation of zoo and wildlife safari.

However, two wild life wardens³¹ prepared master plan³² for Jamboo Zoo and Mini Zoo Pahalgam³³ at a cost of ₹ 221.00 crore³⁴. The proposals, forwarded to the APCCF CAMPA, were laid before Executive Committee (EC) and Steering Committee (SC) and approved in March 2016 and June 2017 respectively. The SC while deliberating (August 2018) on the activities of CAMPA decided to stop further funding as CAF rules prohibit such activity. By this time ₹ 15.12 crore had already been spent.

The APCCF, CAMPA stated (November 2021) that CAMPA rules applicable at that time did not provide for any restriction on incurring expenditure on zoos and that after restriction was imposed on use of CAMPA money on zoos under CAF Rules 2018, funding for zoos under CAMPA was not allowed. The fact remained that CAMPA guidelines did not provide for incurring expenditure on creation of zoos.

4.3.8.3 Irregular payments on acquisition of land for Gharana Wetland

Compensatory Afforestation Fund Rules 2018, state that monies received under NPV shall not be utilised for purchase of land and APOs should include not less than 80 *per cent* of project cost for forest and wildlife management and not more than 20 *per cent* on forest and wildlife related infrastructure and capacity building.

The proposal of Wildlife Wardens Jammu regarding habitat improvement, management and protection of Gharana Wetland was approved (January 2019) by the SC at a cost of ₹ 13.49 crore. The project cost included ₹ 13.20 crore for acquisition of land and establishment of Sewerage treatment plant (STP). Inclusion of acquisition of land was in contravention to CAF rules, which together with cost of STP constituted 98 *per cent* of the project cost. Thus APCCF, CAMPA had irregularly included cost of land and STP in the project cost.

Audit observed that ₹ 11.70 crore were transferred (August 2019) to SDM R.S Pura for survey, delineation, demarcation and acquisition of land for Gharana wetland. As of February 2021 the amount was lying in the J&K Bank Savings account of SDM, R.S Pura.

³¹ WLD-Jambu Zoo and WLD-Bijbehara.

³² To promote international and eco-tourism, scientific breeding of endangered species, research and education, rehabilitation of injured and sick animals, generate employment and safari activity.

³³ Expansion of zoo.

³⁴ Jamboo Zoo: ₹ 121 crore, Mini Zoo Pahalgam: ₹ 100.00 crore.

Wildlife Warden Jammu replied that for acquisition of land for development of Gharana wetland ₹ 11.70 crore had been approved by the SC. The APCCF, CAMPA stated (November 2021) that the acquisition of land is provided under Sub rule (2) (h) of Rule 5 of CAF Rules 2018. The reply is not acceptable as the said Sub rule provides for voluntary relocation of villages from protected areas and not for purchase of land.

4.3.9 Monitoring and evaluation

The CAMPA consists of a Governing Body³⁵ (GB) which was assisted by Steering Committee³⁶ (SC), Executive Committee³⁷ (EC) and Monitoring Group³⁸ (MG). The GB of the CAMPA, responsible for laying down broad policy framework for functioning of CAMPA and reviewing its working, was required to meet once in a year. Audit noticed (December 2020) that no meeting was held by the GB after 21st January 2013. The MG of CAMPA was required to evolve independent system for concurrent monitoring and evaluation of works and prepare annual monitoring reports for submission to the Government and SC. The MG which was to meet once in three months had not held any meetings and had not prepared annual monitoring reports. APCCF stated (November 2021) that the Administrative Department had initiated the process for convening meeting of the Governing Body.

4.3.9.1 Funds for monitoring and evaluation

As per guidelines of CAMPA two *per cent* of funds are to be kept for monitoring and evaluation so as to ensure quality plantation with good survival rate. Audit observed in 27 selected divisions that though provision was made for monitoring and evaluation in the APOs for 2015-16 to 2017-18 no specific funds were sanctioned during 2015-20.

The APCCF, CAMPA assured (November 2021) to allocate specific funds as per requirements projected by DFOs in their APOs.

4.3.9.2 Inspection of CAMPA works

As per Operational Guideline and instructions issued by CAMPA, Foresters and Range officers have to inspect 100 *per cent* of CA works. DFOs, CFs and CCFs have

³⁵ With Chief Minister as Chairperson, Administrative Secretary of Forest as Member Secretary and Ministers of forest, Chief Secretary, and Administrative Secretaries of, Finance and Planning departments as members. During the continuation of proclamation under Article 356 of the Constitution of India, the reference to 'Chief Minister', shall, unless the context otherwise required, be construed as reference to 'Governor' and the references to Ministers for forest, shall, unless the context otherwise requires, be construed as reference to 'Advisor' in charge of the department.

³⁶ With Chief Secretary as Chairperson and Administrative Secretaries of Forest, Finance and Planning departments as members.

³⁷ With Principal Chief Conservator of Forests (PCCF) as Chairperson, Chief Executive Officer of CAMPA as Member Secretary and Chief Wildlife Warden and Chief Conservators of Forests, (1. Planning and Projects 2. Working Plan, Research and Training 3. Forest Conservation Act 4. CCF Jammu and 5. CCF Kashmir) as members.

³⁸ With CCF (Planning and Projects) as Chairperson with CCF (FCA) and Conservator of Forests (Working Plan) as members.

to inspect minimum of 50, 20 and 10 *per cent* CA works. CAMPA wing has to inspect CA works at random.

Audit noticed in 18 selected divisions³⁹ that year wise record⁴⁰ of inspection of CA works carried out by officers/officials of the department had not been maintained and in plantation journals inspection notes of DFOs and ROs were not recorded.

The DFOs stated (September 2020 to April 2021) that the Foresters and guards remained present almost all the time during execution of works and Range officers and DFOs frequently visited and inspected the closures during fencing and plantation. They also assured for maintenance of records in future. The APCCF, CAMPA informed (November 2021) that independent monitoring of CAMPA works executed during 2018-21 by specifically constituted teams was currently in progress.

4.3.9.3 Monitoring of works by CAMPA Cell

Operational guidelines of CAMPA envisage that CAMPA cell headed by Conservator of forest/ Project Coordinator shall be responsible for supervision of works and for overseeing that the works are being executed as per approved APOs and prescribed guidelines. Guidelines also stipulate that the CAMPA Cell shall be responsible for regular monitoring of the project. Audit noticed (August 2021) huge shortfall⁴¹ in the execution of works against targets during 2015-20 for which the CAMPA Cell had not sought reasons from implementing agencies.

APCCF, CAMPA stated (August 2021) that implementation of approved APOs was monitored in the meetings of EC and SC and review meetings by the PCCF and appropriate direction were issued. The fact remained that CAMPA works were not monitored by CAMPA Cell as envisaged in Operational guidelines of CAMPA.

The APCCF, CAMPA noted (November 2021) the observation for appropriate action.

4.3.9.4 Action taken on third party monitoring reports

In Jammu region, the Monitoring and Evaluation of works executed in East and West Forest Circles during 2010-12 was allotted (February 2014) to a third party NABCONS for ₹ 41.50 lakh and payment of ₹41.50 lakh was also made. NABCONS reported that:

- Monitoring reports and inspections records carried out in respect of CAMPA works by field level functionaries of the department were not provided to the agency;
- No area which was completely devoid of vegetation was taken for CA;

³⁹ Jammu: 14, Kashmir: 4

⁴⁰ Inspection notes.

⁴¹ Treatment of degraded forest: 31 divisions, 1,778 ha; Execution of dry rubble stone masonry: 13 divisions, 7,866 cum; Raising of plantation in departmental nurseries: 22 divisions, 26.24 lakh; Execution of pasture development works: 19 divisions, 7.02 lakh; Planting of trees in the degraded forests: 44 divisions 20.80 lakh; Execution of fencing works around treated degraded forest land: 45 divisions, 5.10 lakh rft; Execution of sowing and dibbling works: 25 divisions, 7.17 lakh rft.

- Incorrect choice of species of plants not suitable to the topography was one of the reasons for failure of plantation;
- Records were not maintained as per CAMPA guidelines and maintenance of records at divisional level was not satisfactory;

The monitoring and evaluation of works executed during 2010-11 and 2011-12 in South Circle, North Circle, and Social Forestry Division Anantnag was allotted (September 2013) to the University of Kashmir. The University was paid (June 2016) ₹ 5.52 lakh. The University in its report (April 2015) pointed out

- huge difference of 2.18 lakh between number of trees counted on ground and that recorded in the books in 19 compartments of eight divisions. The report pointed out that there were 18,715 empty pits in eight divisions.
- no plantation journal was maintained in CAMPA closures and no standard procedure was adhered to for plant spacing and number of plants per unit area.
- topographic and soil conservation status had impacted the success and survival rate of plant stocks raised in southeast and southwest.

Audit also noticed⁴² no action/ remedial measures had been taken by the department on the monitoring reports. As a result, purpose of conducting monitoring and evaluation was not served and expenditure incurred was not fruitful.

The CAO, PCCF stated (August 2021) that the matter had been taken up with CAMPA Cell.

The APCCF, CAMPA stated (November 2021) that appropriate action would be taken on the findings of the evaluation reports.

4.3.11 Conclusions

Annual plans of operation were prepared without conducting survey. There was delay in formulation and approval of plans. CAMPA had not prepared its annual financial statements since its establishment and as of December 2020 financial statements of ten years was in arrear. Case wise details were not maintained to indicate whether afforestation was carried out in areas contiguous to or in proximity of reserve or protected Forest. Forest land was diverted for non-forest use without obtaining alternate land. Compensation amount for diversion of forest land for non forestry purposes was due from user agencies. Forest Divisions had incurred expenditure out of CAMPA funds on inadmissible components. Records of inspection of CAMPA works by officials of the department were not maintained. No action and remedial measures were taken by the department on monitoring reports.

⁴² Inspection records not maintained (4.3.9.4), area completely devoid of vegetation was not taken for CA (4.3.5.2 (B)); non-maintenance of plantation journal (4.3.5.2(C)); huge difference between number of trees on ground and recorded on books (4.3.9.4).

4.3.12 Recommendations

- *Timely preparation of Annual plan of operations after conducting survey;*
- *Early finalisation of accounts and maintenance of accounts records as per rules;*
- *Maintenance of case wise details of compensatory afforestation;*
- *Charge penalty from user agencies for delay in payment of diversion charges; and*
- *Expenditure is incurred as per CAMPA guidelines.*

Home Department

4.4 Unfruitful Expenditure due to non-functional Overhead Tank

Failure of SSP, Udhampur to ascertain functionality of existing pipeline for supply of water before taking up construction of Overhead Tank resulted in unfruitful expenditure of ₹ 0.64 crore.

To overcome the shortage of water in District Police Lines (DPL) at Udhampur, the Senior Superintendent of Police (SSP), Udhampur, proposed (October 2011) construction of an over head tank (OHT). The Police headquarters granted approval (July 2015) to the work and Public Health Engineering (PHE) Division Udhampur was approached for construction of the OHT which estimated (July 2015) the cost of construction at ₹ 0.66 crore. The funds were transferred in two instalments in October 2016 and March 2017.

Audit scrutiny of records (September 2020) of SSP, Udhampur showed that EE, PHE Division Udhampur, who prepared the DPR, had not kept the provision of pipelines for filling water into the tank and distribution of water to end-users in the construction proposal as they intended to use the existing pipelines. The PHE Division finding no source of supply of water for the OHT proposed (February 2016) two alternatives⁴³ for filling water into the tank and requested the SSP for framing of estimates to proceed with the work. However, no action was taken by the PHE Division for inspection of existing pipeline and no further efforts were made by the SSP to ascertain the functionality of the pipeline and its augmentation. The OHT work was completed (December 2017) at a cost of ₹ 0.64 crore but as it was not interconnected to the existing water inflow source and distribution network, it could not serve its envisaged purpose.

The Police Department took up (June 2018) matter regarding functionality of the pipeline with the PHE authorities who replied (May 2019) that owing to existing water supply pipeline being punctured at places it was not possible to fill the tank and

⁴³

1. By laying a well design gravity main from Jakhani upto OHT.
2. By constructing a 20,000 gallons capacity sump tank and a pump room for lifting water from tank to OHT.

proposed to lay an alternative line at an estimated cost of ₹ 20.95 lakh. As of September 2020, the OHT was non-functional.

The Accounts Officer of District Police Office, Udhampur accepted (September 2020) that only the proposal for construction of OHT was submitted (July 2015) for approval and further stated that the matter of filling up the tank with the existing pipeline was taken up many times from June 2018 to July 2019 with the PHE authorities and reply thereof was awaited (September 2020).

The reply is not acceptable as PHE Division had intimated (May 2019) the damage to existing pipeline resulting in OHT not getting filled and construction of OHT was proposed/ completed without ascertaining the source of supply of water as well as the interconnection with the existing distribution pipelines.

Thus, improper preparation of DPR of construction of OHT and further non augmentation of water source and distribution pipelines had resulted in expenditure of ₹ 0.64 crore being rendered unfruitful besides denial of benefit to beneficiaries.

The matter was referred (May 2021) to the Government/ Department: their reply was awaited (October 2021).

Labour and Employment Department

4.5 Registration of Construction and Other Building Workers and payment of assistance by Building & Construction Workers Welfare Board, Jammu and Kashmir

The unspent balances on account of labour cess had increased from ₹ 296.19 crore to ₹ 622.05 crore during the five-year period ended March 2020. Out of 1,09,915 beneficiaries registered in the sampled districts up to the date of launch (June 2017) of the digitisation process, the registration records of only 27,853 workers (25 per cent) were uploaded as of September 2020. The registrations were made without submitting the valid age proof, employment certificates. The Board failed to renew the insurance policy taken from LIC, to provide assistance to nominees/ dependents of workers on their disability/ death. Out of 89,800 workers recommended for micro credit facility, only 148 workers were issued credit cards and no worker had availed the credit facility as of March 2020 resulting in non-utilisation of ₹ 30 crore deposited with the Bank as security. The Board failed to implement pension scheme for workers who had attained the age of 60.

4.5.1 Introduction

Ministry of Labour and Employment, Govt. of India enacted the legislation - Building and Other Construction Workers (Regulation of Employment and Condition of Services) Act, 1996. In order to address the issues concerning safety, health & welfare of workers employed in construction sector, Labour Department; the Govt. of the erstwhile state of Jammu and Kashmir notified (September 2006) Jammu and Kashmir Building and Other Construction Workers Welfare Board under Section

18(1) of the Act. To run the Boards and undertake welfare schemes, the GoI also introduced a bill for levy of Cess on all the works executed. Under the provisions of the Act, all workers (including those working with contractors) between 18 and 60 years of age and having worked for at least 90 days in the preceding twelve months, engaged in construction of roads, buildings, etc are eligible for registration and for obtaining assistance from the welfare schemes.

The Government notified (January 2006) collection of the Cess at the rate of one *per cent* from all Government Departments, Public Undertakings and other Government Bodies carrying out any building or other construction works from the year 2008 onwards on the tendered value of works undertaken but started paying assistance to the member workers only from financial year 2011-12. The Government also notified (June 2010) all Assistant Labour Commissioners in districts as Cess collectors to perform the function provided under Section 3 of the Act 1996 and Rule 4 of the Cess Rules 1998.

To assess the effectiveness of the welfare schemes run by the Board for construction and other building workers, an Audit was undertaken during the period July 2020 to October 2020. The audit exercise assessed the effectiveness of welfare activities undertaken in the six districts (Udhampur, Reasi, Kishtwar, Kulgam, Baramulla and Kupwara) out of 20 districts.

4.5.2 Fund management and Budget

The cess collected, the membership registration and renewal fee and interest earned on unspent funds kept in banks are the main resources for running the welfare schemes. The Board had not prepared its financial statements since the year 2013-14. The position of income and expenditure of the Board during the period 2015-20 was as under:

Table-4.5.1: Fund position of Board

(₹ in crore)

Year	Opening Balance	Total Receipts	Interest Earned	Total Availability	Expenditure			Closing Balance
					Assistance	Administrative	Total	
2015-16	221.32	86.65	42.92	350.89	52.09	2.61	54.7	296.19
2016-17	296.19	97.68	19.66	413.53	38.04	1.91	39.95	373.58
2017-18	373.58	131.23	14.77	519.58	67.36	2.07	69.43	450.15
2018-19	450.15	150.33	59.65	660.13	70.64	1.99	72.63	587.50
2019-20	587.50	114.19	4.92*	706.61	82.17**	2.39	84.56	622.05
Total		580.08	141.92		310.3	10.97	321.27	

(Source: Provisional accounts prepared by the Board)

*The amount of interest accrued/ earned on fixed deposits has not been accounted for as the same are under compilation.

** Includes ₹13.11 crore of Covid-19 Assistance

The unspent funds of cess collected and membership fees had increased from ₹ 296.19 crore at the end of March 2016 to ₹ 622.05 crore at the end of March 2020.

The position of collection of cess and membership fees and expenditure on welfare schemes during the period 2015-20 in the six selected Districts was as under:

Table-4.5.2: Position of fund in sampled districts

Year	Opening balance	Amount Received	Interest accrued	Total Availability	Expenditure			Surrender	Closing balance
					Assistance	Adminis-trative	Total (Percentage)		
2015-16	2.75	23.96	0.12	26.83	18.95	0.11	19.05 (71)	3.81	3.97
2016-17	3.97	15.43	0.12	19.52	16.75	0.12	16.87 (86)	2.00	0.65
2017-18	0.72	29.74	0.30	30.75	22.48	0.13	22.61 (74)	3.31	4.83
2018-19	4.41	29.45	0.23	34.09	22.48	0.08	22.56 (66)	8.98	2.55
2019-20	2.37	35.82	0.12	38.32	27.36	0.08	27.44 (72)	9.17	1.71

(₹ in crore)

(Source: Worked out by Audit from records of Sampled District offices (ALCs))

Audit observed that the District ALCs, who were the cess collecting authorities, were allowed to retain the funds in their bank accounts for undertaking activities and transfer the unspent funds at the end of each financial year to the Board. However, it was observed that despite the standing orders the ALCs did not transfer funds and continued to retain them.

After being pointed out by Audit, the Board intimated (July 2021) that now the unspent balances were being deposited in the Board accounts at the end of the financial year.

It was also observed that ALCs were retaining these unspent balances in the savings bank accounts of the J&K Bank and hence earned interest. The Bank, however, changed the nature of account from savings account to current account of three⁴⁴ ALCs from April 2018. The ALCs had not taken up the issue with the Bank which resulted in the loss of interest of ₹ 11.54 lakh during the two years 2018-20.

4.5.2.2 Financial resources of BOCWWB

(A) Collection of Cess by ALCs at the District level

Collection of Cess is the duty of the ALC at the District level. The Cess received by each ALC from the principal employers is to be got deposited with the Building & other Construction Workers Welfare Board (BOCW WB), J&K as soon as it is received.

Audit observed (October 2020) that no control system existed in the Board to ensure that the Cess due on the payments made to contractors on account of construction works had been recovered/ received by it. Also no records/ registers depicting the details of receipts, agency from whom the Cess had been received and deposit of these receipts with the Board had been maintained by the ALCs. In the absence of any effective mechanism to capture the total amount of cess due, shortfall in cess

⁴⁴ Kulgam, Reasi and Udhampur.

collection by Board cannot be ruled out. Audit observed that the contractors and departments were depositing the cess due from them straight into bank accounts of the Board.

The Accounts Officer of the Board accepted (November 2020) the need for improvement of system to identify the source of cess which could not be done due to shortage of staff. The Board iterated (July 2021) that the responsibility for collection and deposit of cess thereof lies with the district level ALCs who have to approach Departments/ works establishments and municipalities and the Board was not in a position to work out details of establishments/ departments which credit the cess amounts in the bank accounts of the Board.

(B) Collection of Fee by ALCs at the District level

The ALCs in the six sampled districts had not maintained the details of receipts, deposit of registration fee, monthly contribution and renewal fee of registered workers. The ALCs had not maintained cash books for collection of membership fees from registered construction workers.

Audit calculated the amount of fees that was to be collected from workers vis-a-vis the actual collection.

Table 4.5.4: Details of collection of registration and Renewal fee from Workers

(₹ in lakh)

Year	Registration at the beginning of the Year	Registration during the Year	Amount due for collection	Amount actually collected	Amount not recovered/ collected from Construction Workers
2015-16	2,75,947	16,620	354.4	103.44	250.96
2016-17	2,92,567	29,668	392.62	158.35	234.27
2017-18	3,22,235	18,632	412.77	125.96	286.81
2018-19	3,40,867	39,840	464.82	104.74	360.08
2019-20	3,80,707	29,046	497.51	151.75	345.76
Total		1,33,806	2,122.12	644.24	1,477.88

(Source: Information furnished by Board)

The Board, against collectable amount of ₹ 21.22 crore from the registered workers, could collect only ₹ 6.44 crore. There was short realisation of ₹ 14.78 crore.

In the six sampled districts, against the due amount of ₹ 6.81 crore in the form of registration/ renewal fee, only ₹ 2.30 crore was collected, resulting in short realisation of ₹ 4.50 crore. It implies lack of publicity about the benefits of registration and its regular renewal amongst workers. Non- maintenance of the cash book reflecting there in actual details of receipts, deposition of registration/monthly contribution and renewal fee of registered workers is against the rules of financial propriety.

The ALCs stated (July 2020 to October 2020) that the workers were not coming forward for renewal of the registration. The ALCs did not reply on the issue of non maintenance of cash books.

4.5.3 Registration of workers

Registration of workers/ employees is mandatory for seeking benefit under the Scheme. Every building worker who has completed eighteen years of age, but has not completed sixty years of age, and who has been engaged in any building or other construction work for not less than ninety days during the preceding twelve months shall be eligible for registration and obtain benefits from the welfare schemes.

The position of the workers registered during 2015-20 is as under:

Table 4.5.5: Position of registration of workers

Number of workers registered ending March 2015	Number of fresh Registrations						Registrations cancelled ended March 2020	Total registered workers ending March 2020
	2015-16	2016-17	2017-18	2018-19	2019-20	Total		
2,75,947	16,620	29,668	18,632	39,840	29,046	1,33,806	993	4,08,760

(Source: Information furnished by Board)

Audit observed that the Board had not conducted any survey to ascertain the actual number of construction workers nor conducted any advertisement campaigns publicising benefits available under its welfare schemes to expand its reach amongst the workers.

Out of the 4.09 lakh registered workers with the Board, there were only 273 migrant workers registered in three⁴⁵ Districts. In the six sampled Districts, there was no registered migrant worker as of December 2020. Incidentally, a study⁴⁶ conducted in the year 2012 had placed the figure of migrant labour in Kashmir Valley alone at more than four lakh

Audit noticed that the Labour Department had carried out (May 2020) a survey to estimate the number of migrant labourers for possible evacuation in view of the Covid-19 pandemic. While confining the survey activity to only high migrant concentration population areas, the Department identified as many as 77,397 migrant workers. This high number itself is indicative of the fact that the registration process adopted by the Board was deficient and had the department made intensive efforts and adequately advertised the benefits of registration with the Board amongst workers, their registration would have been higher.

The following issues were noticed in audit with regard to registration of workers.

4.5.3.1 Online registration/ Computerisation of the records

The Board moved (December 2012) a proposal to the Government for computerisation of the records including switching-over to online registration of the

⁴⁵ Kathua, Anantnag and Bandipora.

⁴⁶ Indian J. Innovations Dev., Vol. 1, No. 9 -September 2012, Department of Sociology, Government MAM PG College Jammu-Problem of Migrant Work force and protection of Human rights in Jammu & Kashmir State.

workers and recording of benefits extended under the welfare schemes to bring transparency in its business. The automation proposal from Information Technology department (IT) of the Government did not fructify and the Board took up (January 2017) the matter with the Jammu and Kashmir Bank. The implementation of the project was started (June 2017) and the Board switched-over from manual system to online registration system from April 2018.

Audit scrutiny of the digitisation of the offline registration records (as of September 2020) of the six sampled Districts showed the following position:

Table 4.5.6: Details of digitisation of registration records in sampled districts

District	Total number of off line registrations	Data uploaded on online system	Data not uploaded (percentage)
Udhampur	11,966	5,103	6,863 (57)
Reasi	7262	4,988	2,244 (31)
Kishtwar	17,052	1,578	15,474(91)
Kulgam	10,997	1,189	9,808 (89)
Kupwara	25,843	4,070	21,773 (84)
Baramulla	36,795	10,925	25,870 (70)
Total	1,09,915	27,853	82,032(75)

(Source: Worked out by Audit from Sampled Districts (ALCs))

Out of 1,09,915 beneficiaries registered in the sampled districts in manual mode up to the date of launch (June 2017) of the digitisation process, the registration records of only 27,853 workers (25 per cent) had been uploaded as of September 2020.

Further, for digitisation of the data every worker when applying for registration online has to fill important details regarding name of the employer, name of the work and period of work/ no. of days he has worked as construction worker in the last 12 months etc. Audit noticed that none of these important fields were made mandatory in the online registration system so that non-filling of mandatory fields would automatically result in non-acceptance of registration forms.

Audit observed, in six sampled districts, that workers had been registered against:

- Two registration numbers (286)
- without disclosing their address (8,404) and
- without disclosing the 16 digit bank account number (5,139)
- The capturing of Aadhar number, which is a unique number for an individual, was not made mandatory to be captured in the system.
- The online portal had no provision for identifying registered workers on attaining the age of sixty years. Resultantly, 2,989 workers even though having attained the age of sixty years, in six sampled districts, continued to figure on the online portal.

The above shows that no data validation checks were built in the on line portal and data base.

The Board accepted and stated (July 2021) that the shortcomings in the portal have been taken up with the vendor for rectification.

4.5.3.2 Registration of workers without valid age proof.

A construction worker, to become a member, has to provide at least one of the following documents in support of age (i) school record (ii) birth certificate from competent authority (iii) Certificate from Register of deaths and births maintained by the village chowkidar and (iv) in the absence of above certificates, a certificate from the Medical officer not below the rank of an Assistant Surgeon of a Government Hospital would suffice.

Audit scrutiny of 751 sampled cases, in six selected districts showed that in 123 (16 *per cent*) cases, the registrations were made without submitting the prescribed proofs of age. The ALCs stated that the workers were registered on the basis of the details on their Aadhar cards. However, the reply is not tenable as the Board is yet to include Aadhar in the list of document acceptable for registration.

4.5.3.3 Registration of workers without Employer Certificate

A construction worker applying for membership has to furnish an employment certificate issued by an employer/ contractor registered with the Board. In case of non-availability of the certificate, an employment certificate issued by the registered construction workers union is acceptable.

Audit scrutiny of 751 sampled cases in six selected Districts showed that in 345 (46 *per cent*) cases employment certificates had been issued by the contractors/ unions/ persons who were not registered under the Act. This renders the payment of ₹ 17.96 lakh paid to such workers (235 out of 345 cases) in six test checked Districts irregular.

The Board stated (July 2021) that the matter would be taken up with the ALCs and instructions would be issued for strict compliance as per the Act and Rules.

4.5.4 Payment of Assistance

The Board is running various welfare schemes and provides assistance to its registered members for education of their wards, marriage of dependents, medical benefits including ex gratia payments in the event of disability, ex-gratia payments in the event of death, funeral expenses, maternity and other health problems and pension on attaining age of sixty years.

The payment of assistance under various categories to the beneficiaries during the years 2015-20 is detailed in the table below:

Table 4.5.7 Details of payment of assistance

(₹ in lakh)

Year	Assistance paid/ No of beneficiaries											
	Marriage		Death/ Funeral		Education		Chronic diseases		Disability		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2015-16	4,991	1,306.75	10	17.35	65,071	3,873.63	25	7.48	18	3.47	70,115	5,208.68
2016-17	7,432	892.75	406	793.1	30,973	1,958.18	248	140.34	97	19.22	39,156	3,803.59
2017-18	2,681	721.55	296	596.9	98,963	5,293.78	203	100.12	162	23.19	1,02,305	6,735.54
2018-19	1	0.25	310	654.89	93,622	6,257.26	251	118.45	241	32.68	94,425	7,063.53
2019-20	0	0	61	119.35	93,569	6,710.58	167	51.21	165	24.57	93,962	6,905.71
Total	15,105	2,921.3	1,083	2,181.59	3,82,198	24,093.43	894	417.6	683	103.13	3,99,963	29,717.05

(Source: Information furnished by the Board)

The Board extended assistance of ₹ 297.17 crore to construction workers or the next of kin during the period 2015-20. The payments released during the period from 2015-16 to 2019-20 constituted only 32 per cent of the total available fund of ₹ 943.32 crore.

4.5.4.1 Accidental, Life and Disability Insurance

Providing of assistance to nominees or dependents of registered building and other construction workers in case of his/ her natural or accidental death and assistance in case of injury causing their partial or permanent disablement was one of the aspects to be dealt with by the Board as per the provisions of the Act.

No action in this regard had been taken by the Board till March 2017 to get the construction workers insured. The Board decided (April 2017) to insure all the workers coming under the ambit of the programme under Pradhan Mantri Jeevan Jyoti Bima yojana and Pradhan Mantri Suraksha Bima Yojana and the LIC offered (September 2017) to insure all the workers for only ₹ 342 per worker per annum where the coverage would be from 01 June to 31 May each year. The Board was to pay only ₹ 100 per worker per annum for the insurance and the balance had to be contributed by the GoI. The board decided to insure only 1.50 lakh workers out of total registered 3,22,235 workers. The Board paid ₹ 51.75 lakh as premium to LIC on account of insurance coverage of 1.50 lakh workers covering the period from 01 January 2018 to 31May 2018. The Board did not pay (June 2018) the annual premium to renew the policies and thereafter also, with the result that the death claims in respect of 296 workers, whose kin preferred claims on their demise after 31 May 2018 and upto date of Audit, were not accepted by the LIC. The lapse of the Insurance scheme for the workers deprived at least 296 beneficiaries of the benefit from the scheme had it been continued.

On this being pointed out (October 2020), Board stated (July 2021) that the LIC demanded full details viz. proof of residence, age-proof, dependency certificates etc. with Aadhar Card in digital shape which could not be provided due to shortage of staff. The fact stays that the Board failed to renew the policies which deprived the kin of the workers of a major benefit, by payment of negligible annual premiums despite availability of adequate funds.

4.5.4.2 Credit facility

The Act under section 22 (2) provides that the Board may grant loan and subsidy to a local authority or an employer in aid of any scheme approved by the Government for the welfare of building workers in any establishment. The Board in its meeting (April 2017) decided to provide Micro Credit facilities up to ₹ 10,000 at one-year Marginal Cost of funds based lending rate (MCLR). The J&K Bank was appointed as the nodal Bank to provide the credit facility. The Board declared (November 2017) that out of a total of 3,36,987 workers; 1,25,176 workers were active. The Board provided the list of 89,800 workers out of a total of 1.25 lakh active workers to the Bank for the credit card facility in first phase. The Board deposited in March 2018, ₹ 30 crore with the Bank as security amount for extending micro credit.

Audit scrutiny (July 2020 to October 2020) revealed that only 13,776 credit cards had been handed over ending October 2020 to the ALCs by the Bank out of which 2,039 cards were issued to the Registered Workers upto October 2020. Of the issued cards, only 148 cards had however been activated by the Bank. Thus, out of the total 89,800 workers, the facility of micro credit had been provided to only 148 workers that too after lapse of one year.

It was observed (July 2020 to October 2020) that no worker had availed the credit facility as of March 2020 since the deposit (March 2018) of the security amount of ₹ 30 crore. This resulted in blockade of ₹ 30 crore besides defeating the intended purpose for which the money was deposited with the Bank.

The Board stated (July 2021) that the facility will be made operational by pursuing the matter very hard with the Bank. The reply of the Board is not acceptable as the MOU executed with Bank was silent about any condition/ time-frame of the issuance of the Cards to the beneficiaries.

Among the various welfare activities provided in the Act which are meant to improve the conditions of workers, the Board had failed to implement the following welfare measures.

A. Skill Development

The Board in its meeting (October 2015) decided to impart short-term skill development training programme for the female dependents of the workers. For this purpose, ₹ five crore was earmarked by the Board and the Chief Executive Officer of the Board was authorised to bring out a road-map. It was reiterated in the Board meeting of March 2016. Audit scrutiny of the records (October 2020) revealed that no action has been taken in this respect.

B. Housing-loan scheme

The Act under Section 22(c) provides for issuing loans and advances to the beneficiaries for construction of dwellings. The Board decided to approach J&K bank and a committee was constituted (January 2013) to work out the modalities, terms and conditions, financial implications and the quantum of loan payable to the workers. However, the committee did not submit its report (November 2020). Hence, the scheme did not take off and the workers continued to be deprived of the facility.

4.5.4.5 Old Age assistance

Audit observed (October 2020) in six selected districts that the Board had failed to pay pension to 2,989 workers who had attained the age of sixty which was to be paid under section 22 (b) of the Act.

4.5.5 Internal Control

During the course of audit, the internal control mechanism was found to be deficient in the following areas:-

A. Reconciliation

Audit observed in the six sampled districts that there were variations in the range of ₹ 1.08 lakh (Kishtwar) and ₹ 157.5 lakh (Baramulla) was found in the expenditure booked by ALCs vis-à-vis that in the Board records.

The Board stated (July 2021) that the reconciliations will be carried out to sort out the discrepancies pointed out by Audit.

B. Verification aspects

The programme guidelines (November 2012) provide for verification of the employment certificates by the Labour Inspector/ Officer. Out of 751 cases selected for test-check, Audit could not find the necessary certificates relating to the employment in 143 cases (19 *per cent*). In the remaining 608 cases, the certificate of verification was recorded by the concerned without the vital data i.e either the name of work (516 cases) or the period of employment (523 cases) or both. Audit on cross-verification of the above parameters with the records of the employers in 93 selected cases (in six test checked ALCs) found (July to October 2020) 73 cases where the workers had either not worked at all with the employers or had worked for less the 90 days with the employers in the 12 months preceding registration. This has resulted in undue payment of ₹ 4.50 lakh in these 73 cases alone. The quantum of the irregular expenditure on this count was not quantifiable in view of the non-maintenance of proper records and the huge number of cases involved.

The Board stated (July 2021) that the matter will be taken up down the line and fresh instructions will be issued to ALCs.

4.5.5.2 Maintenance of Records

Guidelines of the Act lay down that vital details of dependent family of a worker, assistance paid, details of monthly contribution, application register for claim of

benefits etc. was required to be maintained in the relevant registers provided for the purpose. Audit observed (July 2020 to October 2020) that relevant details mentioned above were not maintained in the registers which brings into question the correctness of processing of claims of workers. The ALCs in their reply accepted this deficiency in record maintenance while attributing it to shortage of space and manpower.

4.5.5.3 Board meetings

Rules provided the Board to meet once in two months but however, in the Board meeting (October 2015), it was decided that such meetings would be held on quarterly basis to consider any matter which is required for smooth functioning of the Board activities. Audit noticed (October 2020) that against 21 meetings due, only six meetings of the Board had been held during the period 2015 to 2020.

The Act under Section 4 and 5 also provides for constitution of various Committees and appointments for smooth and transparent functioning of the Board at State level.

The State Advisory Committee was constituted (July 2007) for a period of three years but was not re-constituted by the Government.

4.5.6 Conclusion

The Department had failed to generate awareness among the workers which deprived this vulnerable group from claiming benefits under the Act. Only a small fraction of the registered workers in J&K availed benefits under a few components of the Act. The Department has entirely failed in registering the eligible migrant labourers under the Act. Various welfare schemes meant to improve the living conditions of workers under the Act such as Housing scheme, insurance and old age pension were not implemented.

4.5.7 Recommendation

The following recommendations are provided to improve the working of the Board and to extend its benefits to the deserving Construction Workers.

- The department needs to organise awareness generation programmes for workers about the benefits of registration under the Act.
- Internal controls need to be strengthened which include addressing shortcomings in the online portal, maintenance and verification of records and regular conduct of internal audit.
- The Board should constitute the various committees as defined in the Act giving due representation to civil society and other stake holders.

Public Works Department

4.6 Unfruitful expenditure

The Department prepared detailed project reports (DPRs) for construction of roads without undertaking proper surveys of the area. The DPRs did not include requirements of bridges and compensation for houses coming in proposed alignment of roads resulting in unfruitful expenditure of ₹ 2.57 crore incurred on works besides not achieving intended connectivity benefits.

The Government of India (GoI), in its efforts to develop far flung and remote areas, initiated an action plan through National Bank of Agriculture and Rural Development (NABARD) for improvement and upgradation of roads.

Accordingly, Executive Engineer (EE) Public Works (PW), Roads and Bridges (R&B), Special Sub Division (SSD), Mahore proposed (February 2016 and December 2016) construction of three kilometers motorable road each from Kurd Bali to Barnaili and from Sonchal Gali to Chan via Bhallar at estimated cost of ₹ three crore and ₹ 2.70 crore respectively. The projects were sanctioned (March 2016 and March 2017) and targeted for completion by 2018-19 and 2019-20 respectively by availing financial assistance available from NABARD. The Detailed Project Reports (DPRs)⁴⁷ certified that sites had been inspected and proposals/specifications in the DPRs were satisfactory.

Case A Audit observed (September 2019) that work for construction of road from Kurd Bali to Barnaili was allotted (September 2016) to a contractor. After taking up execution (December 2016) and completing a part of the road, the work stopped (May 2018). It was noticed that a river *Ans* was falling in the proposed alignment of the road.

The EE, after a lapse of over two years, proposed (September 2018) a new DPR for construction of 135 meter span single lane steel girder bridge under Central Road Fund (CRF) at an estimated cost of ₹ 8.55 crore. As of June 2021 the approval to this DPR was awaited. As against the sanctioned amount of ₹ three crore⁴⁸ for construction of the road, ₹ 3.20 crore were released (2016-19) by the administrative department. An expenditure of ₹ 1.79 crore was incurred on the construction and balance ₹ 1.41 crore was surrendered (2017-19).

Thus, due to incomplete DPR which omitted planning for the bridge on the river coming in the alignment of the road and delay in sanction of the bridge under CRF, the construction of road from Kurd Bali to Barnaili remained incomplete as of June 2021. This had resulted in unfruitful expenditure of ₹ 1.79 crore incurred on the road besides not achieving its intended connectivity benefits.

⁴⁷ Accord of Administrative Approval: Kurd Bali to Barnaili (February 2016) ₹ three crore: Sonchal Galito Chain via Bhallar (December 2016) ₹ 2.69 crore.

⁴⁸ RIDF Loan: ₹ 2.70 crore: State Government Contribution ₹ 0.30 crore.

The EE, Mahore stated (July 2020) that road work was in progress and that work could not be taken up on the other side of the river due to delay in sanction of the bridge and their inability to shift men and machinery across the river.

Case B Audit observed (September 2019) that a work of construction of road from Sonchal Gali to Chan via Bhallar (3 km) was awarded (November 2017) to a contractor at a cost of ₹ 2.69 crore. The contractor executed work on some components (Drain of 50 meters, walling of 50 metre cross drainage: four no, fair weather road of two km. and shingling of 1.5 km) on two km of road stretch and thereafter stopped the work (May 2018) as some houses were coming in the proposed alignment of the road and also a river *Ans* was falling in the alignment of the road.

The EE on finding this gap in the DPR proposed (July 2018) for construction of 150 metre span single lane motorable bridge at an estimated cost of ₹ 11.23 crore. As of June 2021 the approval to this DPR was awaited.

Against the sanctioned amount of ₹ 2.69 crore⁴⁹, the administrative department released (2017-18) ₹ 2.42 crore for the work. An expenditure of ₹ 77.77 lakh was incurred on the works and the balance ₹ 1.64 crore was surrendered. Thus the construction of road from Sonchal Gali to Chan via Bhallar remained incomplete (June 2021) resulting in unfruitful expenditure of ₹ 77.77 lakh incurred on the works besides not achieving their intended connectivity benefits.

The Department accepted fact of incomplete DPRs and their preparation without proper survey which resulted in non-inclusion of items such as connecting bridges for construction of roads and presence of houses in the alignment in the DPR. The EE Mahore added (June 2021) that ₹ 10 lakh was released (2019-20) for payment of compensation to concerned house owners and proposal for construction of bridge under Central Road Fund had been submitted for sanction.

Thus preparation of deficient DPRs due to not conducting proper survey resulted in unfruitful expenditure of ₹ 2.57 crore on incomplete road projects. The intended objectives of developing remote areas by improvement and upgradation of roads besides providing benefits of road connectivity to the area population remained unfulfilled.

The matter was referred (March 2021) to Government/ Department; their reply was awaited (October 2021).

The Department should ensure that DPRs are prepared after a detailed survey of site conditions and should include complete details of hurdles coming in the alignment of roads. The department should fix responsibility for preparation of these deficient DPRs.

⁴⁹ RIDF Loan: ₹ 2.42 crore, State Government Contribution: ₹ 0.27 crore.

