

CHAPTER - VI

Conclusions and Recommendations

6.1 Conclusions

The PMDP, a comprehensive reconstruction plan was formulated in the aftermath of the floods of September 2014 in the erstwhile State of Jammu and Kashmir (J&K). The five sectors (pillars) of Humanitarian Relief, Crisis Management, Social Infrastructure, Development Projects and Economic Infrastructure formed the platform for providing relief, rehabilitation and development in the State of J&K.

Under the PMDP, 14 Government Departments of the erstwhile State of J&K along with multiple implementing agencies, were to execute 39 projects with a total outlay of ₹ 35,985 crore. Out of which, ₹ 23,569.96 crore was sanctioned upto the period ending 31 March 2019. The total funds released was, however, ₹ 11,100.28 crore, out of which an amount of ₹ 9,282.84 crore was utilised.

Success of the PMDP therefore, was dependent, *inter alia*, on various factors like timely completion of the projects, sequential execution of package relief to the beneficiaries etc.

Only ₹ 11,100.28 crore was released for 39 projects as on 31 March 2019. Of this, ₹ 7,515.28 crore were released for 16 Selected Projects in audit and an expenditure of ₹ 6,493.35 was incurred as on 31 March 2019.

The following conclusions are drawn based on the significant audit findings highlighted in this Audit Report. The total financial implication of this audit intervention is ₹ 2,125.21 crore.

A. Humanitarian Relief

A.1 Assistance for completely damaged, severely damaged and partially damaged house

The main objective under Humanitarian Relief was to provide timely financial assistance to the households, particularly the houses damaged during floods of September 2014. However, out of ₹ 1,194.85 crore released by the Government of India, the GoJ&K retained ₹ 102.80 crore, thus, depriving beneficiaries of timely financial assistance. An amount of ₹ 1.82 crore remained in Bank accounts depriving 564 affected households of the financial assistance in district Jammu. Further, some beneficiaries were paid assistance though these houses were not damaged during floods as per damage reports. Additionally, extra cash assistance of ₹ 73.85 lakh was credited into Bank accounts of 85 beneficiaries. Furthermore, financial assistance of ₹ 63.45 lakh in 184 cases was provided for households which were not in the list prepared for flood of September 2014.

A.2 Rehabilitation package for Jammu migrants

The Department failed to create an updated database and policy for updation on account of births/ deaths/ separations of Jammu migrants. Cases of payment of arrears to migrant families who did not exist either in CID list or in the Court list; excess payment of arrears on account of interest on cost of ration; and inadmissible payment of arrears to migrant families for the period prior to their registration were noticed in Audit.

A.3 Interest subvention on assistance for restoration of livelihood of traders/ self-employed/ business establishments

Interest subvention was irregularly provided by banks which were rendered substandard prior to floods of September 2014, hence these cases were not eligible. In all, ₹ 456.26 crore of the amount was diverted from scheme funds towards settlement of outstanding loans of houseboat owners and for small business units/ traders not affected by September 2014 floods, Artisan Credit Cards; Kissan Credit Card scheme; Chief Minister's Business Interest Relief Scheme; a private trust etc. Cases of excess payment beyond prescribed limits were also noticed.

A.4 Raising of Five India Reserve Battalions in Jammu and Kashmir

Despite availability of funds, acute shortages in ranks of Head Constables, ASIs, SIs, Inspectors, DSPs were observed.

B. Crisis Management

B.1 Construction of additional Girls Hostels in Higher Education Institutions

Construction of four out of the five girls hostels was assigned to the J&K Housing Board on nomination basis. However, despite the provision for technology for faster execution, none of the girls hostels was complete, depriving the girl students of residential educational accommodation.

B.2 High end Security and law and order system in Jammu and Kashmir

The procedure adopted by the Department for procurement of the Bullet Proof vehicles, Bunkers was not streamlined and as a result, vehicles were procured at higher rates.

B.3 Comprehensive Plan for Flood Management of River Jhelum and its tributaries Phase I

There was a significant shortfall of targets in terms of dredging that was required under the Project to increase the carrying capacity of flood waters of the Jhelum river and through the Flood Spill Channel (FSC). Critical areas of the FSC to increase the evacuation capacity of flood waters were still under excavation.

The Department did not forfeit any amount from the performance bank guarantee of the contractor engaged for dredging for failure to adhere to the terms and conditions of the contract.

B.4 Permanent Restoration of Damaged Infrastructure

The works were taken up without administrative approvals and Technical Sanctions and there was diversion of funds on taking up unapproved works.

C. Social Infrastructure

C.1 Stepping up efforts under Himayat Scheme

State Perspective Implementation Plan for seven years was not prepared and Mission could submit only three year plan without any baseline survey and skill gap analysis. Delays were observed in fund transfer amongst various agencies. Teams were not in place to monitor the defined process of mobilization, training, placement of youth and impact assessment.

D. Development Projects

D.1 Atal Mission for Rejuvenation and Urban Transformation in Jammu and Kashmir

The Department could not ensure availability of encumbrance free land, clearance from utility departments for sub-projects prior to their allotment for execution of works. The Department had taken up construction of Septage Treatment Plant (STP) in Jammu city without ascertaining realistic values of septage in the field, without resolving technical issues and in absence of environmental clearance. The Septage management scheme in Srinagar city was not completed due to non-finalisation of contract for procurement of suction-cum-jetting machines for about three years. The purpose of installation of Intelligent Lighting System in Jammu city could not be achieved due to non-execution of certain essential components of the project such as Red Light Signal Violation Detection (RLVD) system and integration with IT applications to monitor and control 64 intersections from common command control center.

D.2 Balance Central share liability of ongoing Jawaharlal Nehru National Urban Renewal Mission projects for the State of Jammu and Kashmir

Delay in settlement of issues, improper planning in execution of work by the Department led to Solid Waste Management Project in Leh not being completed despite availability of funds and the authorities disposing waste of the town in open fields in an unhygienic manner. In case of “Improvement of road network at Leh” funds were diverted. There was failure of the Department to acquire land for construction of tube wells and award work for infiltration well under “Water Supply Scheme Leh”.

D.3 Externally Aided Project of Jammu and Kashmir Urban Sector Development Investment Programme and Completion of pending projects under PMRP 2004: Counterpart Funding –ADB II

Revision in costs of sub-projects without approval of ADB were noticed. The objective of sub-projects to reduce water losses in identified locations and to prepare comprehensive Non-Revenue Water reduction plan was not achieved, as the extent of water losses could not be assessed, due to gaps in execution of project.

D.4 Construction of Government Tourist assets in lieu of damaged/ destroyed assets

The Department did not formulate plan for operation and maintenance of its tourist assets. As of September 2020, out of 23 sub-projects, 15 sub-projects had been completed and one sub-project was dropped while seven sub-projects were under execution.

In conclusion, it is noticed that there has been less spending in the majority of the projects. Baseline surveys and databases critical to the functioning of the scheme were also not in place and codal provisions were not adhered to while executing projects.

6.2 Recommendations

The Government should:

- *Take steps to recover inadmissible and extra payments disbursed to ineligible beneficiaries to whom financial assistance has been provided;*
- *Prepare a sustainable database of migrants to capture and update details of migrants so as to provide assistance to genuine migrant families in time;*
- *Recoup the funds diverted from the Interest Subvention project for payment to beneficiaries under other schemes/ programmes and the commitments of GoJ&K;*
- *Take effective steps to address issues of land acquisition, delays, land compensation involved in these projects;*
- *Streamline the process of procurement for vehicles/ equipment under High End Security project so that purchases are made timely and for required numbers;*
- *Adequate manpower is provided to Battalions to make them fully operational;*
- *Put in place mechanism to prevent misuse of funds including temporary embezzlement and provide proper structural support by recruiting staff at district and block levels for effective implementation, including liaison and monitoring of the technical support agency of the Himayat scheme;*

- *Adhere to time frames for submission of Utilisation Certificates to the Government of India, financial closure and preparation of project completion reports;*
- *Coordinate and dovetail efforts of all involved Agencies/ Departments for timely completion of projects, especially those involving external aid;*
- *Engage domain experts for assistance in terms of technical and heavy engineering involved projects; and*
- *Fix responsibility and take appropriate action against officials responsible for lapses like diversion of funds, execution of work without tender etc.*

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