



**Report of the  
Comptroller and Auditor General of India  
on  
Prime Minister's Development Package  
for the year ended 31 March 2019**



लोकहितार्थं सत्यनिष्ठा  
Dedicated to Truth in Public Interest



**Government of Jammu and Kashmir  
Report No. 2 of the year 2021**



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Comptroller and Auditor General of India**

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**Prime Minister's Development Package**

**for the year ended 31 March 2019**

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## PREFACE

This Report of the Comptroller and Auditor General of India for the year ended March 2019 has been prepared in accordance with Article 151 of the Constitution of India. As per the decision of the Government of India, Ministry of Finance (June 1994), wherever President's Rule is extended beyond one year, the Comptroller and Auditor General of India Report relating to the State would be placed in Parliament. Hence, this Report is being sent to President for laying in the Parliament. Consequent to the reorganisation of the State of Jammu and Kashmir, under the Jammu & Kashmir Reorganization Act, 2019, the Report is also being sent to the Lieutenant Governors of the successor Union Territory of Jammu and Kashmir and Union Territory of Ladakh.

This Report contains six chapters, **Chapter I** to **Chapter VI**. **Chapter I** presents an overview of the Package announced for J&K on 07 November 2015 by the Prime Minister of India, **Chapter II** to **Chapter V** present the significant observations of audit on implementation of 16 PMDP projects by the erstwhile State of Jammu & Kashmir and **Chapter VI** contains the Conclusions and Recommendations of Audit in respect of implementation of these 16 PMDP projects.

The cases mentioned in the Report are among those which came to notice in the course of test audit conducted during May 2019 to November 2019 covering the period from 2015-16 to 2018-19. Instances relating to the period subsequent to March 2019 have also been included, wherever necessary and status of completion of works has been subsequently updated to indicate the latest status.



# **Executive Summary**



## EXECUTIVE SUMMARY

### Background

A comprehensive reconstruction plan for the erstwhile State of Jammu & Kashmir (J&K), was announced by the Prime Minister of India on 07 November 2015. The Prime Minister's Development Package (PMDP), included 63 projects with a total outlay of ₹ 80,068 crore under following five sectors (pillars):

- Humanitarian Relief<sup>1</sup>,
- Crisis Management<sup>2</sup>,
- Social Infrastructure<sup>3</sup>,
- Development Projects<sup>4</sup> and
- Economic Infrastructure<sup>5</sup>

The core objective of the PMDP, a Reconstruction Plan was to expand the economic infrastructure; provide basic services; give thrust to employment and income generation; provide relief and rehabilitation to the victims of September 2014 floods and to strengthen the Disaster Management Framework of the erstwhile State. The PMDP also seeks to strengthen the economic and social infrastructure to provide for the balanced development of the three regions, Jammu, Kashmir and Ladakh of the erstwhile State of J&K.

Under the PMDP, six Ministries/ Agencies of the Government of India are implementing 24 projects with project outlay of ₹ 44,083 crore and 14 Departments/ Agencies of Government of Jammu & Kashmir (GoJ&K) are implementing 39 projects with project outlay of ₹ 35,985 crore. A total amount of ₹ 11,100.28 crore was released and an expenditure of ₹ 9,282.84 crore was incurred, till March 2019 in relation to these 39 projects.

The Audit objectives were to assess whether for implementation of the projects:

- Funds were released, accounted for and utilised by the implementing agencies;
- Structural mechanisms were in place; Infrastructural facilities and staff requirements for implementation of the projects were adequate and effective;
- Compliance with the provisions of applicable financial rules and standing orders/ instructions;
- Employment had been achieved and whether it was in accordance with laid down norms;
- Eligible beneficiaries were identified properly and financial assistance had been paid to them as per laid down norms;

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<sup>1</sup> With an outlay of ₹ 6,313 crore.  
<sup>2</sup> With an outlay of ₹ 5,858 crore.  
<sup>3</sup> With an outlay of ₹ 8,057 crore.  
<sup>4</sup> With an outlay of ₹ 5,521 crore.  
<sup>5</sup> With an outlay of ₹ 54,319 crore.

- Execution of the works was carried out economically and efficiently; and
- Monitoring of flood management works of Jhelum river and Mechanism for restoration of damaged infrastructure was in place.

The Audit Sample was drawn up based on the physical and financial targets *vis-a-vis* their achievements including risk and materiality factors. Accordingly, 16 projects out of 39 projects of PMDP being implemented by the GoJ&K, under four sectors, Humanitarian Relief, Crisis Management, Social Infrastructure and Development Projects (**Appendix 1.2**) were test-checked by audit, during the period from April 2019 to November 2019.

An Entry Conference was held with the Principal Secretary, Planning Development and Monitoring Department, GoJ&K on 20 May 2019, wherein the objective, scope, criteria and methodology of audit were discussed. The Audit findings were discussed in an Exit Conference held with the Financial Commissioner, Department of Finance, GoJ&K on 20 August 2020 which was attended by all Heads of Departments/ Implementing agencies of the GoJ&K. The replies of the Department have been suitably incorporated in the report, as appropriate.

**While the total financial implication of this audit intervention is ₹ 2,125.21 crore, significant findings and related recommendations relating to different Sectors, have been abstracted in the following paragraphs.**

#### **Humanitarian Relief**

##### **Assistance for completely damaged, severely damaged and partially damaged houses**

The Government of Jammu & Kashmir (Finance Department) had retained ₹ 102.80 crore out of ₹ 1,194.85 crore released by the GoI. The flood affected residential houses had been categorised on the basis of initial reports of non-technical officials in making assessment of damages. In seven test checked districts, out of 1.69 lakh houses identified as damaged immediately after floods of September 2014, 1.58 lakh households were paid assistance under SDRF, 1.46 lakh households under PMNRF and 1.40 lakh households under the PMDP as on March 2019. The financial assistance of ₹ 63.45 lakh in 184 cases has been provided in Jammu and Rajouri districts, for households which were not on the list prepared post the floods of September 2014. In six districts, excess financial assistance of ₹ 73.85 lakh was paid to 85 affected households into their Bank accounts. The Assistant Commissioner (Revenue), Rajouri, had diverted, ₹ 16.10 lakh without authorisation, for purchase of articles and restoration works/ clearance of work done liabilities. There was delay in release of funds ranging between 47 days to 31 months by the Finance Department to the Department of Disaster Management, Relief, Rehabilitation and Reconstruction.

**(Paragraphs: 2.2.2, 2.2.2.1, 2.2.2.2, 2.2.4, 2.2.4.2 and 2.2.4.3)**

### **Rehabilitation package for Jammu migrants**

The database of Jammu migrants and their families had not been prepared and were further not updated on account of births, deaths, separation etc. despite the Criminal Investigation Department (CID) of J&K identifying the eligible beneficiaries, after due verification of the migrant families. Payment of arrears amounting to ₹ 78.63 lakh was made to 72 migrant families, who were neither in list prepared by the CID of J&K nor were they on the list prepared on the directions of Courts. Excess disbursement of cash assistance of ₹ 67.14 lakh to 84 migrant families and inadmissible payment of arrears of ₹ 75.53 lakh was made to 49 migrant families for the period prior to their registration as migrants. Besides, excess payment of arrears of ₹ 28.99 lakh to 159 migrant families on account of interest on cost of ration was also observed. No cash assistance was paid to 20 migrant families after their registration as migrants, although free ration to these families was allowed.

*(Paragraphs: 2.3.3, 2.3.4, 2.3.5, 2.3.6 and 2.3.7)*

### **Rehabilitation package for one time settlement for families from Pakistan occupied Jammu and Kashmir (POJK) and Chhamb Displaced persons**

Under this package assistance of ₹ 2,000 crore from the GoI for a one-time settlement was to be provided to 36,384 families displaced from Pakistan occupied Jammu and Kashmir (POJK) in 1947 and from Chhamb during the years 1965 and 1971. However, no survey was carried out/ data base maintained for establishing the identities of displaced persons including families residing outside Jammu and Kashmir. Sixty four ineligible or doubtful cases were paid financial assistance of ₹ 3.52 crore. In addition to the above, in 40 cases involving 80 applicants, copies of same documents were used twice and assistance had been claimed twice separately by individuals by splitting families or by misrepresentation of facts, which led to undue/ wrong payment of ₹ 2.31 crore.

*(Paragraphs: 2.4.1, 2.4.2, 2.4.6, 2.4.7 and 2.4.9)*

### **Interest subvention on assistance for restoration of livelihood of traders/ self employed/ business establishments**

The main objective of the Scheme was to provide financial assistance for restoration of livelihood of traders/ the self-employed/ business establishments etc; affected during floods of September 2014 in Jammu and Kashmir. However, interest subvention to the extent of ₹ 0.75 crore was provided by Banks for 107 accounts which were not eligible. An amount of ₹ 456.26 crore (57 per cent) had been diverted from the funds released for the project towards settlement of outstanding loan of 19 houseboat owners not affected by the floods of September 2014 (₹ 1.47 crore), outstanding balance of interest on Artisan Credit Cards (₹ 26 crore), Kisan credit card scheme (₹ 244.10 crore), Chief Minister's Business Interest Relief Scheme (₹ 180 crore), towards a private trust (₹ 0.55 crore) and towards destitute women/ damaged houses (₹ 4.14 crore). Financial assistance of ₹ 39.15 lakh was disbursed to 425 business units/ traders in excess of the prescribed limit, out of which ₹ 0.35 lakh was recovered.

*(Paragraphs: 2.5.1, 2.5.3.2, 2.5.4.1, 2.5.4.2, 2.5.5, 2.5.5.1 and 2.5.5.2)*

### **Raising of Five India Reserve Battalions in J&K**

To cater to deployments arising out of sudden and widespread eruption of unrest, Ministry of Home Affairs, GoI sanctioned (February 2016) a project for 'Raising of Five India Reserve (IR) Battalions' under the PMDP. An expenditure of ₹ 116.21 crore had been incurred on the project and utilisation of funds was 58 *per cent* ending March 2019. However, there was overall shortage of 1,238 personnel (25 *per cent*) against the sanctioned strength of 5,035 Police personnel for the newly created five IR Battalions. The shortages in senior ranks (Head Constable onwards) was 88 *per cent*.

*(Paragraphs: 2.6.1, 2.6.2 and 2.6.4)*

### **Crisis Management**

#### **Construction of Additional Girls Hostels in Higher Education Institutions**

The construction work of Girl's Hostels in Government Degree Colleges was allotted, in four out of the five selected colleges to the Jammu and Kashmir Housing Board on nomination basis. The construction of hostels which was scheduled to be completed within eight months from the date of award (February 2018) was yet to be completed (October 2020), depriving hostel facilities to girl students of selected Colleges. This was despite ₹ 23.75 crore being released directly (July 2017 to October 2018) into the Bank accounts of seven Government Degree Colleges by the University Grants Commission, against the sanctioned cost of ₹ 50 crore. An expenditure of only ₹ 15.29 crore (including the funds released under the erstwhile State Plan) was incurred (September 2020).

*(Paragraphs: 3.2.1 and 3.2.3)*

#### **High End Security and Law and Order System in Jammu and Kashmir**

Procurement of non-proprietary Medium Bullet Proof Vehicles (MBPVs) stated to be proprietary, despite the urgency projected, with delays from two manufacturers at different and higher rates, resulted in additional expenditure of ₹ 9.20 crore and non procurement of the required number of vehicles sanctioned.

*(Paragraph: 3.3.2.2)*

#### **Comprehensive Plan for Flood Management of River Jhelum and its tributaries Phase I**

There was a 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). The critical areas of the FSC to increase the evacuation capacity of flood waters were still under excavation.

*(Paragraph: 3.4.6.1)*

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.

*(Paragraphs: 3.4.6.1 (I and II))*

### **Permanent Restoration of Damaged Infrastructure**

The main objective of the project ‘Permanent restoration of damaged infrastructure’ was to restore infrastructure damaged due to floods of September 2014. Under the project, 9,076 works/ schemes were taken up for execution in selected seven Departments.

An expenditure of ₹ 610.85 crore had been incurred on 5,707 works which were taken up for execution without obtaining requisite administrative approvals and technical sanctions. Further an expenditure of ₹ 328.88 crore was also incurred for execution of 5,285 works without invitation of tenders in a non-transparent manner.

*(Paragraphs: 3.5.1, 3.5.3 and 3.5.4)*

### **Social Infrastructure**

#### **Stepping up efforts under Himayat scheme**

The Jammu & Kashmir State Rural Livelihood Himayat Management Mission (JKSRLM), prepared the three years plan for 2016-19 and 2019-22 without any baseline survey and analysis to map the skill gap. In the implementing Unit (HMMU), against 340 sanctioned posts there was a shortfall of 63 *per cent* of posts at the Apex level, with 100 *per cent* shortfall at district and block levels. There were significant delays in start of projects by 20 Programme Implementing Agencies, with respect to deemed date and actual date of commencement. Against a target of 53,547 youth to be trained, only 4,494 youth (8 *per cent*) were trained, during the period from 2016-17 to 2018-19. Further, out of 4,494 trained youth, only 732 youth (16 *per cent*) were placed in jobs. The teams were not in place to monitor the process.

*(Paragraphs: 4.2.5, 4.2.7, 4.2.7.1, 4.2.8 and 4.2.9)*

#### **Enhanced rate of remuneration to Special Police Officers (SPOs) from ₹ 3,000 per month to ₹ 6,000 per month**

The main objective of the Project was to improve the living conditions of Special Police Officers (SPOs). The adhoc approach adopted in selection of SPOs by the Department, resulted in 2,650 SPOs which had to be disengaged. Further, in the test checked districts, excess manpower was retained without regularisation.

*(Paragraphs: 4.3.1 and 4.3.2)*

### **Development Projects**

#### **Atal Mission for Rejuvenation and Urban Transformation (AMRUT)**

The water distribution network under the Water Supply Scheme in Leh project although laid for an area which was a dumping site, had remained incomplete. Non-acquisition of land before taking up works of water supply project, Anantnag resulted in delayed execution of the scheme and idling of machinery/ equipment, rendering expenditure of ₹ 4.14 crore unproductive.

*(Paragraphs: 5.2.4.1 (I and II))*

There was a delay in tendering, execution of works and pendency in acquisition of land for construction of Sewerage Treatment Plant in Jammu city, which remained incomplete, despite incurring an expenditure of ₹ 6.36 crore.

*(Paragraph: 5.2.4.2 (I))*

The Department had taken up construction of Septage Treatment Plant in Jammu city without ascertaining realistic values of septage in the field, without resolving technical issues and in absence of environmental clearance. As a result, the project could not be completed rendering an expenditure of ₹ 4.16 crore unfruitful. The Septage management scheme in Srinagar city could not be completed due to non-finalisation of contract for procurement of suction-cum-jetting machines for about three years, with expenditure of ₹ 7.67 crore having been incurred on the project.

*(Paragraphs: 5.2.4.3 (I and II))*

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 (Red Light Signal Violation Detection (RLVD) system) and non existence of mechanism for monitoring violation of traffic signals at 64 intersections, which defeated the objective of the project. The site selection related issues severely hampered the multi car parking projects in Anantnag, Jammu and Srinagar.

*(Paragraphs: 5.2.4.5 (I) and 5.2.4.6)*

#### **Balance Central Share Liability of ongoing Jawaharlal Nehru National Urban Renewal projects for the State of Jammu and Kashmir**

Non-acquisition of land in time bound manner coupled with the delays in settlement of issues and improper planning in execution of work by the Department, resulted in the project of 'Solid Waste Management' in Leh remaining incomplete, despite availability of funds and this led to disposal of the waste of the town in open fields posing threat to environment and public health. Besides an expenditure of ₹ 9.18 crore had remained largely unfruitful.

*(Paragraph: 5.3.3.2)*

Failure of the Department to acquire land for construction of tube wells for 'Water supply scheme Leh', led to non-establishment of its source which resulted in idle investment of ₹ 51.10 crore. An amount of ₹ 10.48 crore was diverted from the project 'Improvement of road network at Leh' for execution of unapproved items/works.

*(Paragraphs: 5.3.3.3 and 5.3.3.4)*

### **Externally Aided Project of Jammu and Kashmir Urban Sector Development Investment Programme and Completion of pending projects under PMRP 2004: Counterpart Funding - ADB II**

The aggregate increase over original contract amount of eight sub-projects ranged between 24 *per cent* and 80 *per cent* and the cost of these sub-projects was revised without obtaining approval of the Asian Development Bank. The objective of sub-projects ‘(i) Assessment and analysis of Non Revenue Water (NRW) by way of supply, installation and removal of domestic water meters and (ii) Management for reduction of NRW by installation of water meters with automated meter readers’ to reduce water losses in identified locations and to prepare a comprehensive Non-Revenue Water reduction plan was not achieved, as the extent of water losses could not be assessed because of gaps in project execution and lack of basic data regarding water supply distribution network, updated pipeline network and customer database not being provided by the line Department to the Contractor.

*(Paragraphs: 5.4.5.3 and 5.4.7)*

### **Construction of Government Tourist assets in lieu of damaged/ destroyed assets**

The Department had no plans in place for Operation and Management of the tourist assets reconstructed under this project. 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.

*(Paragraphs: 5.5.1 and 5.5.4)*

### **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 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;*
- *Provide adequate manpower 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.*

**Chapter-I**  
**Introduction**



## CHAPTER - I

### 1.1 Introduction

A Comprehensive Reconstruction Plan, the Prime Minister's Development Package (PMDP) was announced for the erstwhile State of Jammu & Kashmir (J&K) on 07 November 2015 with an outlay of ₹ 80,068 crore by the Prime Minister of India. This package included 63 projects which are grouped under five sectors called core pillars. These five core pillars are:

- Humanitarian Relief,
- Crisis Management,
- Social Infrastructure,
- Development Projects and
- Economic Infrastructure

The PMDP, *inter alia*, aims at expanding the economic infrastructure; ensuring the basic services; give thrust to employment and income generation; providing relief and rehabilitation to the victims of September 2014 floods; and to strengthen the Disaster Management Framework of the erstwhile State. The Reconstruction Plan also seeks to strengthen the economic and social infrastructure to ensure balanced development of the three regions<sup>1</sup> of the erstwhile State of J&K. The Ministry of Home Affairs (MHA), Government of India (GoI) is the nodal agency at the GoI level for monitoring implementation of PMDP projects in the erstwhile State of J&K. The individual projects are being implemented under direct supervision of the concerned Ministry of the GoI.

The financial package under the PMDP with number of Projects being executed by the GoI and the Government of J&K (GoJ&K) are given in **Table 1.1**.

**Table 1.1: Sector wise details of projects under PMDP**

Sl. No.	Sector	Number of Projects		Project Costs (₹ in crore) (Percentage of total outlay)	Amount Sanctioned GoI (₹ in crore)	Expenditure (₹ in crore)
		GoI	GoJ&K			
1.	Humanitarian Relief	0	7	6,313.00 (8)	6,307.38	3,181.84
2.	Crisis Management	0	7	5,858.00 (7)	4,212.63	2,248.53
3.	Social Infrastructure	6	4	8,057.00 (10)	8,652.42	1,530.77
4.	Development Projects	1	12	5,521.00 (7)	4,173.09	1,639.15
5.	Economic Infrastructure	17	9	54,319.00 (68)	33,763.55	19,805.11
	<b>Total</b>	<b>24</b>	<b>39</b>	<b>80,068.00</b>	<b>57,109.07</b>	<b>28,405.40</b>

(Source: Monitoring report on PMDP 2015; status as on 31 March 2019)

<sup>1</sup> Jammu, Kashmir and Ladakh.

Overall, 63 projects were included under the PMDP with a total project outlay of ₹ 80,068 crore against which ₹ 57,109.07 crore (71 *per cent*) was sanctioned and ₹ 30,808.31 crore (38 *per cent*) was released by the GoI as of 31 March 2019. The expenditure incurred up to 31 March 2019 was ₹ 28,405.40 crore. The project wise details along with the project cost, sanctioned cost, funds released and expenditure incurred till 2018-19 are given in *Appendix 1.1*.

The Departments/ Agencies of GoI were executing 24 projects and ₹ 19,708.02 crore was released till March 2019, out of which an expenditure of ₹ 19,122.56 crore was incurred. Similarly, the Departments/ Agencies of the GoJ&K executed 39 projects with a project outlay of ₹ 35,985 crore for which ₹ 11,100.28 crore was released and expenditure of ₹ 9,282.84 crore incurred till March 2019.

## **1.2 Audit Objectives**

The Audit objectives were to assess whether:

- Structural mechanisms were in place by the GoJ&K for implementation of the projects and Infrastructural facilities; staff requirements for implementation of the projects was adequate and effective;
- Funds were released, accounted for and utilised by the implementing agencies of GoJ&K on time and in compliance with the provisions of applicable financial rules and standing orders/ instructions;
- Primary objective of ensuring employment to at least 70 *per cent* of the trainees had been achieved and whether selection of Project Implementing Agencies and trainees in the Himayat Scheme was in accordance with laid down norms;
- Flood affected households/ traders were identified properly and surveys conducted for identification of the beneficiaries were adequate and financial assistance had been paid to the eligible beneficiaries as per laid down norms;
- Adequate survey for damaged works, priority works under crisis management was carried out effectively, execution of the works was carried out economically and efficiently; and
- Mechanism for monitoring of flood management works of river Jhelum/ Permanent restoration of damaged infrastructure was in place; the damaged assets were identified properly, the damaged infrastructure had been fully restored and is functional and monitoring and evaluation of the projects was adequate and effective.

### 1.3 Audit Criteria

The Audit criteria have been derived from the following sources:

- J&K Financial Code and J&K Public Works Account Code, instructions/ sanctions issued by the GoJ&K/ GoI from time to time for implementation of the projects and Performance indicators framed by the GoI/ GoJ&K;
- Norms and Specifications provided in the Detailed Project Report (DPR) and physical/ financial progress reports, tender documents;
- Guidelines framed for appointment and regularisation of Special Police Officers (SPOs) by the Home Department, GoJ&K; Orders/ instructions issued by the GoJ&K for identification of households/ traders affected by the floods of September 2014 and various orders, notifications, circulars, instructions issued by the GoI/ GoJ&K for payment of financial assistance to the affected beneficiary households/ business units;
- Guidelines of Interest Subvention Scheme and decisions of Jammu & Kashmir State Level Bankers Committee (JKSLBC) relating to implementation of the Scheme in the erstwhile State; Operational Guidelines of Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) and Standard Operating Procedures issued by Jammu & Kashmir State Rural Livelihood Mission; and
- Reports of damaged assets and instructions/ orders issued by the Department for execution of flood management works and Flood Management Programme (FMP) Guidelines of GoI.

### 1.4 Audit Scope and Methodology

The PMDP is a package of 63 individual projects, with individual objectives; individual financing strategy as well as different implementing agencies for execution of projects during the period 2014-15 to 2015-2019. Though the objective of each project is different yet they are categorised broadly under five different sectors for implementation purpose. For drawing up the Audit Sample while preparing this Audit Report, on the basis of physical and financial targets *vis-a-vis* their achievements including risk and materiality factors, 16 projects of PMDP out of 39 projects being implemented by the GoJ&K, under four sectors, Humanitarian Relief, Crisis Management, Social Infrastructure and Development Projects (**Appendix 1.2**) were test-checked by audit during April 2019 to November 2019. The audit findings are discussed in detail under Chapter II to Chapter V of this Report. No project under the sector of Economic Infrastructure was selected for Audit since majority of the projects are executed by the Departments/ Agencies of GoI.

An Entry Conference was held with the Principal Secretary, Planning Development and Monitoring Department, GoJ&K on 20 May 2019, wherein the objective, scope, criteria and methodology of audit were discussed. Audit findings were discussed in an Exit Conference held with the Financial Commissioner, Department of Finance, GoJ&K on 20 August 2020 which was attended by all Heads of Departments/

Implementing agencies of the GoJ&K. The replies of the Department have been suitably incorporated in the report.

The Indian Audit and Accounts Department acknowledges the cooperation and assistance provided by the concerned Departments of GoJ&K in production of records and furnishing of information during the conduct of this audit assignment.

**Chapter-II**  
**Humanitarian Relief**



## CHAPTER - II

### Humanitarian Relief

#### 2.1 Introduction

Humanitarian relief involving assistance to the families affected by the floods of September 2014 in the form of enhanced ex-gratia relief for reconstruction of houses; assistance for rehabilitation of livelihood in the form of interest subvention for traders/ self-employed/ business establishments etc.; Rehabilitation package for one time settlement of families from Pakistan Occupied Jammu and Kashmir (POJK) and Displaced Persons (DPs) of Chhamb and provision of transit accommodation and additional jobs for Kashmiri migrants were to be provided under the Prime Minister's Development Package (PMDP).

Under Humanitarian Relief, seven<sup>1</sup> projects were to be completed at an outlay of ₹ 6,313 crore. Out of these seven projects, five projects with a combined outlay of ₹ 4,313 crore were selected in Audit for test check details of which are given in **Table 2.1**.

**Table 2.1: Project cost and expenditure of selected five projects as of March 2019**

(₹ in crore)					
Sl. No.	Projects	Project Outlay	Funds released GoI	Expenditure (March 2019) (Percentage to project outlay)	Unutilised fund
1.	Assistance for completely damaged/ severely damaged/ partially damaged houses	1,200	1,194.85	1,043.55 (87)	151.30
2.	Rehabilitation Package for Jammu migrants.	13	13	13 (100)	-
3.	Rehabilitation package for one time settlement of 36,384 families from POJK and Chhamb DPs.	2,000	1,159.16	1,159.16 (58)	-
4.	Interest subvention on assistance for restoration of livelihood for traders/ self-employed/ business establishments etc.	800	800	800 (100)	-
5.	India Reserve (IR) Battalion (5 in J&K at approximate cost of ₹ 60 crore per Battalion)	300	199.09	116.13 (39)	82.96
	<b>Total</b>	<b>4,313</b>	<b>3,366.10</b>	<b>3,131.84</b>	<b>234.26</b>

(Source: Monitoring Reports on PMDP prepared by State Government)

As seen from the **Table 2.1**, the estimated cost of the five selected projects was ₹ 4,313 crore, whereas the funds released by the GoI was ₹ 3,366.10 crore and expenditure (March 2019) was ₹ 3,131.84 crore respectively. Thus, total expenditure incurred on these five projects was less than the funds available as of 31 March 2019.

<sup>1</sup> 1. Assistance for completely damaged/ severely damaged/ partially damaged houses; 2. Interest subvention on assistance for restoration of livelihood for traders/ self-employed/ business establishments; 3. State Government jobs to additional 3,000 Kashmiri migrants; 4. Construction of 6,000 transit accommodations in the Kashmir valley; 5. Rehabilitation package for one-time settlement of 36,384 families from POJK and Chhamb DPs; 6. Rehabilitation package for Jammu migrants; and 7. IR Battalion (5 in J&K).

The GoJ&K also could not avail the benefit of ₹ 946.90 crore out of the total outlay of ₹ 6,313 crore.

The sampling methodology has been indicated in *Appendix 1.2* of Chapter I and the audit findings thereof are discussed in the succeeding paragraphs.

## **Department of Disaster Management, Relief, Rehabilitation and Reconstruction**

### **2.2 Assistance for completely damaged, severely damaged and partially damaged houses**

#### **2.2.1 Introduction**

The floods in the month of September 2014 resulted in full/ severe/ partial damage to *Pucca/ Kacha* houses<sup>2</sup> in the erstwhile State of J&K. The erstwhile State Government conducted surveys (September-October 2014) at district level after these floods and identified 2.35 lakh houses as damaged. An assessment was also made to establish whether the damage to the houses was total/ severe/ partial. Thereafter, assistance for repair of houses damaged due to these floods was disbursed under three different schemes. The first tranche was released from the State Disaster Relief Fund (SDRF), the second tranche released from the Prime Minister's National Relief Fund (PMNRF) and the third tranche has been provided under the Prime Minister's Development Package (PMDP). At the Apex level, the Scheme is implemented by the Department of Disaster Management, Relief, Rehabilitation and Reconstruction, GoJ&K and at district level by the concerned Deputy Commissioners (DCs) of the 20 flood affected districts and Sub-Divisional Magistrates and Tehsildars at tehsil level.

#### **2.2.2 Financial assistance**

The first instalment of the financial assistance was paid in 2014-15 to households affected by flood through the respective Sub-Divisional Magistrates (SDMs)/ Tehsildars immediately after the floods under SDRF, while the second instalment was paid during 2015-16 under PMNRF by the GoI, directly into the bank accounts of house owners through Direct Benefit Transfer (DBT), on the basis of details furnished by the GoJ&K. The third instalment of the financial assistance under the PMDP had been paid from 2016 onwards by the respective DCs through DBT to the house owners.

As against a project outlay of ₹ 1,200 crore sanctioned (January 2016) by the Government of India under the PMDP, only ₹ 1,194.85 crore were released as the Utilisation Certificates (UCs) were not furnished. Further out of the amount of ₹ 1,194.85 crore received by the Finance Department, GoJ&K, only ₹ 1,085.60 crore was released through Disaster Management, Relief, Rehabilitation and Reconstruction Department, GoJ&K to 20 DCs up to June 2019 as indicated in **Table 2.2.1**.

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<sup>2</sup> *Pucca* houses: strong houses made up of wood, bricks, cement, iron rods and steel and *Kacha* house: houses made of wood, mud, straw and dry leaves.

**Table 2.2.1: District wise Fund released and Expenditure incurred  
(as of June 2019)**

(₹ in crore)			
Sl. No.	Name of the district	Funds released	Expenditure incurred
1.	Anantnag	99.66	98.91
2.	Bandipora	40.56	39.84
3.	Baramulla	35.92	35.41
4.	Budgam	88.15	78.13
5.	Doda	3.04	3.02
6.	Ganderbal	0.82	0.81
7.	Jammu	62.93	62.03
8.	Kathua	8.77	8.77
9.	Kishtwar	2.41	2.41
10.	Kulgam	19.62	19.62
11.	Kupwara	0.21	0.21
12.	Poonch	20.80	20.80
13.	Pulwama	75.59	75.59
14.	Rajouri	65.11	49.82
15.	Ramban	7.53	7.53
16.	Reasi	29.34	29.13
17.	Samba	4.56	4.56
18.	Shopian	7.28	7.28
19.	Srinagar	500.31	494.36
20.	Udhampur	12.99	12.98
<b>Total</b>		<b>1,085.60</b>	<b>1,051.21</b>

(Source: Information furnished by Department of Relief, Rehabilitation and Disaster Management)

During the period from January 2016 to June 2019, an expenditure of ₹ 1,051.21 crore had been incurred under the PMDP on account of payment of compensation for 2.18 lakh houses damaged due to floods of September 2014 in 20 districts of the erstwhile State of J&K and an amount of ₹ 6.45 crore was released up to September 2020 to six<sup>3</sup> districts and an unutilised amount of ₹ 102.80 crore was retained by the Finance Department as of September 2020.

In seven districts (Budgam, Baramulla, Bandipora, Jammu, Rajouri, Srinagar and Poonch), an expenditure of ₹ 780.39 crore was incurred out of ₹ 813.78 crore released. In these seven districts, out of 69 tehsils/ Sub-Divisions (SDs) 25 tehsils/ SDs had been covered in Audit. Further, for these 25 tehsils/ SDs out of 0.95 lakh houses which were identified as damaged, records relating to payment of compensation for 0.14 lakh houses (15 per cent) were test checked in Audit.

### 2.2.2.1 Delay in sanction of financial assistance

Finance Department, GoJ&K sanctioned funds in favour of the Department of Disaster Management, Relief, Rehabilitation and Reconstruction, GoJ&K during the period from March 2016 to January 2020, with delays ranging from 47 days to 31 months. The belated release of funds delayed payment of financial assistance to the affected households in the districts causing hardship to the beneficiaries. It was also

<sup>3</sup> Baramulla: ₹ 22.90 lakh; Budgam: ₹ 149.25 lakh; Ganderbal: ₹ 0.40 lakh; Kulgam: ₹ 2.85 lakh; Pulwama: ₹ 265.45 lakh; and Shopian: ₹ 204 lakh.

seen that in the third tranche, under the PMDP, the GoJ&K accorded (June 2016) sanction for release ₹ 10.02 crore out of ₹ 29.98 crore in favour of the Deputy Commissioner, Budgam to disburse cash assistance among the flood affected households. This was not disbursed to the beneficiaries on the grounds that they did not receive release order of ₹ 10.02 crore. As a result, the funds could not be availed during 2016-17 despite sanction being made as early as June 2016. Subsequently only ₹ 1.49 crore has been released in January 2020 for District Budgam with the result that although the affected households had already been identified immediately after the floods, but some of the damaged households were not paid assistance in District Budgam.

### **2.2.2.2 Diversion of Financial assistance**

The Assistant Commissioner (Revenue), Rajouri diverted (August/ September 2018), an amount of ₹ 16.10 lakh out of the PMDP funds towards purchases and restoration/ clearance of work done liability as indicated in **Table 2.2.2**.

**Table 2.2.2: Diversion of funds during the period from August 2018 to September 2018**

Sl. No.	Date of transfer of funds	Amount (₹)	Particulars
1.	21.08.2018	25,350	Purchase of articles from M/s P S Electronics out of interest amount.
2.	17.09.2018	45,000	For medical treatment of private individual out of interest amount.
3.	18.09.2018	31,000	Purchase of Microwave from M/s P S Electronics out of interest amount.
4.	18.09.2018	11,00,000	Restoration/ clearance of liabilities of works (i) Drilling of Bore well of 200 mm at Major of WSS Shahdhara Sharief (₹ 6 lakh). (ii) Revival of WSS and Drilling of Bore well of 200 mm near Abdullah bridge Rajouri (₹ 5 lakh).
5.	18.09.2018	3,88,000	Restoration/ clearance of liabilities of works of improvement and restoration of road at Atti Gali Panchayat. Atti Block Rajouri.
6.	20.09.2018	21,000	Purchase of articles from M/s P S Electronics out of interest amount.
<b>Total</b>		<b>16,10,350</b>	

(Source: Records of Assistant Commissioner (Revenue), Rajouri)

This expenditure of ₹ 16.10 lakh included ₹ 1.22 lakh transferred (August/ September 2018) from interest accrued in the Bank Account and ₹ 14.88 lakh for restoration/ clearance of liabilities out of funds meant for disbursement of financial assistance under the PMDP to households in Rajouri district affected during the floods of September 2014. Thus, genuine flood victims were deprived of the assistance sanctioned and released by the Government.

The Additional Deputy Commissioner, Rajouri, office of Deputy Commissioner, Rajouri while confirming the facts stated (August 2020) that the amount would be recouped to the PMDP account.

### 2.2.2.3 Non-utilisation of funds

An amount of ₹ 128.05 crore was sanctioned under the PMDP to the Deputy Commissioners, Rajouri and Jammu during the period from 2015-16 to 2018-19 for disbursement to the flood affected households against which an expenditure of ₹ 111.91 crore was incurred leaving balance of ₹ 16.14 crore (13 per cent) which was surrendered at the end of the respective years as given in the **Table 2.2.3**.

**Table 2.2.3 Non-utilisation of Funds**

(₹ in crore)				
Sl. No.	Name of office	Funds sanctioned	Expenditure incurred	Non-utilisation/ surrender of funds
1.	Deputy Commissioner, Rajouri	65.11	49.88	15.23
2.	Deputy Commissioner, Jammu	62.94	62.03 <sup>4</sup>	0.91
<b>Total</b>		<b>128.05</b>	<b>111.91</b>	<b>16.14</b>

(Source: Departmental records)

It was noticed (September 2019) in Audit that out of ₹ 22 crore released (March 2016) by the Deputy Commissioner, Rajouri, the Assistant Commissioner (Revenue), Rajouri withdrew ₹ 13.22 crore (March 2016) from the Treasury and surrendered ₹ 8.78 crore thereby depriving financial assistance to the flood affected households. Further, ₹ 9.90 lakh (including interest of ₹ 2.48 lakh) out of ₹ 13.22 crore continued to remain unutilised in the Bank account as of August 2020, thereby depriving genuine flood victims of financial assistance of ₹ 7.42 lakh.

The Assistant Commissioner (Revenue), Rajouri stated (October 2019) that no beneficiary approached the office to intimate that the Bank had not transferred money into their account.

The fact, however, remains that reconciliation was not carried out to ensure disbursement of financial assistance to left over households.

Further, the GoJ&K sanctioned ₹ 62.94 crore under the PMDP to the Deputy Commissioner, Jammu during the period from 2014-2015 to 2016-17 for disbursement to flood affected victims against which ₹ 0.91 crore was surrendered in March 2017. Audit noticed that though ₹ 62.03 crore was shown utilised for payment of assistance to 17,357 beneficiaries, ₹ 1.82 crore remained unspent (November 2019) in the Bank accounts of the Assistant Commissioner (Revenue), Jammu, thus depriving 564 affected households of financial assistance besides inflating the figures of expenditure. As per the information made available, an amount of ₹ 47.95 lakh had further been disbursed (December 2019) among beneficiaries leaving ₹ 1.34 crore still unspent in the Bank accounts.

### 2.2.3 Assessment of Damages

The GoJ&K accorded (March 2014) sanction for adoption of the Standard Operating Procedure (SOP) to combat disasters whereby the Deputy Commissioners of the

<sup>4</sup> Out of ₹ 62.03 crore, ₹ 1.82 crore remained unspent in Bank accounts.

concerned districts are to sanction claims as admissible under SDRF. The claims in respect of damage to immovable private property was required to be assessed by the Committee under the Chairmanship of Additional District Development Commissioner with Assistant Commissioner (Revenue), the concerned Tehsildar, the Executive Engineer (R&B) as members. It was observed in audit that:

- Additional District Development Commissioner, Assistant Commissioner (Revenue) and the Executive Engineer (R&B) had not been involved in assessment of damages to private infrastructure like residential houses, cattle sheds etc. in the cases test checked at tehsils/ Sub-divisions of Rajouri and Jammu districts. Instead, the damages had been assessed on the basis of reports of the concerned Sarpanchs, Patwaris, Girdawars, Naib Tehsildars and recommendations of the concerned Tehsildars. The flood affected houses were classified as fully, severely and partially damaged houses on the basis of reports of the concerned Sarpanchs/ Patwaris etc. who were not technically competent in making assessment of damages, as per the SOP.
- Further during test check of records of the Tehsils/ Sub-divisions of Budgam, Jammu, Poonch, Rajouri, and Srinagar districts, it was noticed that houses were categorised as fully, severely and partially damaged on the basis of records and reports of non-technical persons without any scrutiny by technically qualified personnel although as per the SOP technical members such as Executive Engineer (R&B) were to be a part of the assessment process.
- The Approved lists of beneficiaries in Tehsils/ Sub-divisions of Khoie Pattan, Sopore of Baramulla district did not bear signatures of all the members nominated for this purpose as per the SOP. Thereby, all members were not associated during surveys/ spot visits for assessment of damages to private properties.

The Deputy Commissioner, Jammu while confirming (August 2020) the observation of Audit stated that in view of large scale damage due to flash flood and landslides in Jammu it was not possible for the Centralised District Level Committee to assess damages in all parts of the district and it was felt necessary to relax existing procedure for faster disposal as per verbal directions of the Divisional Commissioner, Jammu. The Deputy Commissioner, Budgam stated (August 2020) that subordinate field agencies were directed to conduct damage assessments as per norms in vogue and the concerned Tehsildars submitted damage assessment reports for their respective territorial jurisdictions.

The Deputy Commissioner, Baramulla stated (July 2019) that lists were prepared at Tehsil level with signatures of Tehsildars and after that other members had signed/ authenticated the lists at District level which were available at District Headquarters. The reply confirms that lists of beneficiaries were drawn up at Tehsil level without conducting the basic surveys as per the SOP to assess damages caused to private properties as well as evaluation by technical members, the absence of which raises

doubt as to whether genuine beneficiaries have been provided financial assistance under this project.

#### 2.2.4 Assistance to damaged houses

The main objective of the project was to provide financial assistance to the households whose houses were damaged in the floods of September 2014 and accordingly the GoJ&K provided (February 2016) financial assistance as per the scale prescribed under the PMDP. The composite financial assistance provided to a damaged household under SDRF, PMNRF and PMDP is indicated in **Table 2.2.4**:

**Table 2.2.4: Composite Financial assistance for damaged households**

(Amount in ₹)

Category of damaged houses	Financial assistance sanctioned			Total financial assistance
	SDRF	PMNRF	PMDP	
	1	2	3	4 (1+2+3)
Fully Damaged <i>Pucca</i> House	75,000	1,00,000	2,50,000	4,25,000
Fully Damaged <i>Kacha</i> House	17,600	50,000	1,00,000	1,67,600
Severely Damaged <i>Pucca</i> House	12,600	50,000	1,25,000	1,87,600
Severely Damaged <i>Kacha</i> House	3,800	10,000	50,000	63,800
Partially Damaged <i>Pucca</i> House	3,800	25,000	20,000	48,800
Partially Damaged <i>Kacha</i> House	2,300	5,000	10,000	17,300

(Source: Information furnished by Department of Relief, Rehabilitation and Disaster Management)

The Cash assistance under PMNRF was disbursed (2015-16) by the National Disaster Management Authority (NDMA), GoI to households affected by the flood, whose complete details were uploaded on the PFMS website on or before 31 March 2016. Thereafter, uploading of data of beneficiaries for payment of assistance under PMNRF was closed (31 March 2016). The third instalment of cash assistance, under the PMDP was to be transferred by the concerned Deputy Commissioners directly through Direct Benefit Transfer (DBT) into the bank accounts of only those flood affected households who had previously been provided assistance under PMNRF. As of June 2019, an amount of ₹ 1,051.21 crore was shown utilised by the Department under the PMDP for disbursement among 2.18 lakh<sup>5</sup> flood affected households (beneficiaries) in 20 districts of the State. The details of financial assistance payable and paid to each damaged household overall and separately under SDRF, PMNRF and PMDP was not maintained in a centralised database at State level as a result Audit could not ascertain the number of damaged households deprived of financial assistance overall, as well as separately under these three tranches. However, the position of houses damaged and households assisted by the Department under SDRF, PMNRF and the PMDP separately in seven test checked districts is given in **Table 2.2.5**.

<sup>5</sup> Fully damaged *Pucca* houses: 0.11 lakh; Fully damaged *Kacha* houses: 0.11 lakh; Severely damaged *Pucca* houses: 0.37 lakh; Severely damaged *Kacha* houses: 0.14 lakh; Partially damaged *Pucca* houses: 1.06 lakh; and Partially damaged *Kacha* houses: 0.39 lakh.

**Table 2.2.5: Numbers of damaged households as of March 2019**

Sl. No.	District	No. of houses damaged	No. of damaged households paid assistance under		
			SDRF	PMNRF	PMDP
(1)	(2)	(3)	(4)	(5)	(6)
1.	Bandipora	7,699	7,699	7,160	7,258
2.	Baramulla	8,668	8,668	8,553	8,553
3.	Budgam	14,076	14,076	13,687	11,148
4.	Jammu	20,864	20,627	17,627	17,357
5.	Poonch	7,427	7,427	7,409	5,893
6.	Rajouri	18,242	12,277	13,147	12,077
7.	Srinagar	92,120	86,973	78,633	77,569
	<b>Total</b>	<b>1,69,096</b>	<b>1,57,747</b>	<b>1,46,216</b>	<b>1,39,855</b>

(Source: Records of test-checked Deputy Commissioners)

As can be seen from the **Table 2.2.5**, in the seven test checked districts, out of 1.69 lakh houses identified as damaged immediately after floods of September 2014, 1.58 lakh households were paid assistance under SDRF, 1.46 lakh households under PMNRF and 1.40 lakh households under the PMDP.

Audit noticed the following:

- In Srinagar district, the category of 405 damaged households were revised (May 2016) by the Deputy Commissioner (DC), Srinagar based on representations by the affected owners of houses. This was done after the cut-off date of 31 March 2016 and therefore, could not be uploaded on PFMS. Therefore, the owners of these houses were deprived of the additional amount in the second tranche and financial assistance of ₹ 4.52 crore under the PMDP as per their entitlement in the revised category. No mechanism for relaxation of condition for payment under the PMDP or to get beneficiaries uploaded after 31 March 2016 was evolved by the department.
- In five Tehsils<sup>6</sup> of Jammu district, 425 damaged households identified by the Survey Committee after the floods of September 2014, were not paid assistance of ₹ 1.48 crore under the PMDP as of August 2020. No reasons were furnished by the DC, Jammu despite specifically being asked in Audit.
- In Rajouri district, a Committee under the Chairmanship of Additional District Development Commissioner was constituted (December 2015) for verification of left out cases eligible for relief, post floods of September 2014. A total of 2,632 cases were placed before the Committee, out of which 1,732 cases (including 1,383 cases of damaged houses) were found (March 2017) genuine, hence recommended for sanction of ex-gratia relief. However, these affected families had not been given assistance under the PMDP.

The DC, Budgam stated (August 2020) that the cases of left out houses damaged due to floods of 2014 were communicated to the Divisional Commissioner, Kashmir but no payment had been released to these left out households under PMDP. The DC,

<sup>6</sup> Khour, Kharabali, Pargwal, Mandal and Maira Mandrian.

Rajouri stated (September 2019) that demand for relief had been projected to the GoJ&K for release of funds which was awaited.

However, as of September 2020 these affected families had not been given assistance under the PMDP.

#### 2.2.4.1 Incorrect categorisation of beneficiaries

The third instalment of financial assistance was to be released under the PMDP by the respective Deputy Commissioners (DCs) to the affected households who had been paid a second instalment under PMNRF and whose complete details were uploaded on PFMS website by 31 March 2016.

Audit noticed (June 2019) that in Hajin Tehsil of Bandipora District, status of eight affected households was revised unauthorisedly by the Tehsildar, Hajin from severely *pucca* to fully *pucca* under PMDP which led to additional payment of ₹ 10 lakh during the period from January 2017 to April 2017, through DBT mode.

The Deputy Commissioner, Bandipora stated (June 2019) that these eight cases were paid for fully *pucca* category in SDRF as such these were paid under fully *pucca* category in the PMDP as well.

The reply is not acceptable as the records provided did not show status of damaged households of these beneficiaries under fully *pucca* category. The Assistant Commissioner (Revenue), Bandipora, however, stated (August 2020) that recovery of ₹ 0.25 lakh had been made from one beneficiary and notices had been served in respect of remaining beneficiaries.

#### 2.2.4.2 Inadmissible payment of Assistance

In six tehsils of Jammu district and Sunderbani sub-division of Rajouri district, assistance of ₹ 63.45 lakh was paid under the PMDP as indicated in **Table 2.2.6**, although 184 houses were not in the list of houses damaged by the floods of September 2014.

**Table 2.2.6: Inadmissible payment**

Name of District	Name of Tehsil/ Sub-Division	Number of beneficiaries	Inadmissible assistance paid (₹ in lakh)
Jammu	Maira Mandrian	44	15.30
	Mandal	42	13.85
	Pargwal	36	12.60
	Khour	18	6.90
	Chouki Choura	16	6.00
	Kharabali	13	1.30
Rajouri	Sunderbani	15	7.50
<b>Total</b>		<b>184</b>	<b>63.45</b>

(Source: Records of test-checked SDMs/ Tehsildars)

The Deputy Commissioner, Jammu stated (August 2020) that Tehsil level committees were constituted for assessment of damages caused to household properties by flood of September 2014 and on the basis of fresh representations received by Tehsildars from affected households, other genuine left out cases were also recommended by the concerned Tehsildars for payment under SDRF.

The reply is not tenable as the payments in the instant cases were made under the PMDP to households whose houses were not included in the assessment reports.

Audit further noticed the following:

- In two Tehsils (out of 6 Tehsils) selected for test check, in Poonch district, the names of 60 beneficiaries to whom assistance was paid (September 2019) did not exist in the SDRF beneficiary list, thereby resulting in inadmissible payment of assistance of ₹ 14.50 lakh under the PMDP.
- Two beneficiaries were paid (November 2016) assistance of ₹ 0.20 lakh under SDM, Sunderbani on the basis of reports of assessment of damages which were not approved by the concerned Tehsildar.
- In two tehsils of Poonch district, 147 households<sup>7</sup> under three categories (*Kacha* fully, *Kacha* partially and *Pucca* severely) were subsequently added to the list of damaged houses finalised under SDRF and paid assistance under the PMDP. This resulted in inadmissible payment of assistance of ₹ 37.45 lakh to these 147 ineligible beneficiaries.

The DC, Poonch stated (October 2019) that concerned staff would be asked to look into the matter and clarify the position.

Thus, assistance was paid to house owners whose names did not figure in the damage assessment reports/ SDRF survey list, resulting in inadmissible payments to these house owners.

### 2.2.4.3 Extra payment of cash assistance

The financial assistance was to be transferred into the bank accounts of the identified flood affected households through DBT mode. Audit noticed (July 2019 to September 2019) that in six districts excess assistance of ₹ 73.85 lakh was credited into Bank accounts of 85 beneficiaries as given in **Table 2.2.7**.

**Table 2.2.7: Excess payment of assistance**

(₹ in lakh)					
Sl. No.	District	Number of beneficiaries	Assistance due	Assistance paid	Inadmissible assistance paid
1.	Srinagar	10	11.30	21.80	10.50
2.	Budgam	38	34.48	69.48	35.00
3.	Baramulla	2	1.45	2.90	1.45
4.	Bandipora	17	10.50	22.00	11.50
5.	Rajouri	16	7.50	19.40	11.90
6.	Poonch	2	2.25	5.75	3.50
	<b>Total</b>	<b>85</b>	<b>67.48</b>	<b>141.33</b>	<b>73.85</b>

(Source: Records of test-checked SDMs/ Tehsildars)

After being pointed out (September 2019) in Audit, the Deputy Commissioner, Rajouri issued directions (September 2019) to the concerned Tehsildars to fix responsibility and recover the excess amount. The Deputy Commissioner, Budgam stated (August 2020) that an order was issued to concerned Tehsildars to recover excess amount and that ₹ 10.48 lakh had been recovered and further recovery

<sup>7</sup> Mendhar: 146 (Kacha fully: 24 and Kacha partially: 122) and Balakote: 1 (Pucca severely).

was under process. The Assistant Commissioner (Revenue), Bandipora stated (August 2020) that recovery of ₹ 2.05 lakh had been effected in seven cases<sup>8</sup> and notices had been served (August 2020) to remaining beneficiaries who had received extra relief.

#### 2.2.4.4 Category of affected households

The financial assistance was to be transferred into the bank accounts of the identified flood affected households on the basis of category of damaged houses as per basic survey assessment reports and lists framed during disbursement of first instalment of assistance under SDRF. Audit noticed the following:

- In Rajouri district, status of 13 affected households<sup>9</sup> were revised to the category<sup>10</sup> of damaged houses entitled for more compensation due to which there was an excess payment of financial assistance of ₹ 8.70 lakh. Further, the status of 24 affected households<sup>11</sup> was revised to the category<sup>12</sup> of damaged houses entitled for lesser compensation due to which there was savings of financial assistance of ₹ 3.30 lakh.
- In Rajouri district, the status of 51 affected households<sup>13</sup> were revised to the category<sup>14</sup> of damaged houses entitled for more compensation, during uploading of data for payment of assistance under PMNRF. This resulted in extra payment of financial assistance of ₹ 21.35 lakh to these 51 beneficiaries under PMNRF. Though payment under the PMDP had not been released in favour of these beneficiaries but despite adjusting instalment of financial assistance under the PMDP, an amount of ₹ 15.45 lakh still remained recoverable from these beneficiaries. Further, four affected households in Rajouri district were revised irregularly to category of damaged houses entitled for more compensation, thereby resulting in additional payment of ₹ 3.50 lakh under the PMDP.
- In Sumbal tehsil, nine households under partially pucca category were uploaded for payment of assistance under PMNRF. The beneficiaries were entitled to assistance of ₹ 0.25 lakh each under PMNRF. However, these beneficiaries were paid ₹ 0.50 lakh each under PMNRF resulting in additional payment of ₹ 2.25 lakh. Though the payment under the PMDP had not been released in favour of these beneficiaries but despite adjusting instalment of financial assistance under PMDP, ₹ 0.45 lakh remained recoverable from these beneficiaries. In reply Tehsildar, Sumbal stated (November 2019) that the extra amount paid would be recovered.

<sup>8</sup> Tehsils Bandipora: one; Hajin: one; Sumbal Sonawari: five.

<sup>9</sup> Tehsil Rajouri: 4 and Sub-division Sunderbani: 9.

<sup>10</sup> Pucca partially to Kacha fully, Kacha partially to Kacha fully, Kacha fully to Pucca fully, cattle shed to Kacha Partially, Kacha partially to Kacha severely and Kacha partially to Pucca partially.

<sup>11</sup> Tehsil Rajouri: 20 and Sub-division Sunderbani: 4.

<sup>12</sup> Pucca partially to Kacha partially, Kacha severely to Kacha partially, Kacha fully to Kacha partially.

<sup>13</sup> Tehsil Rajouri: 42 and Sub-division Thanamandi: 9.

<sup>14</sup> Pucca partially/ Kacha partially to Kacha fully.

- In Baramulla district due to wrong classification of category of damaged houses, ₹ 0.97 lakh had been credited into Bank accounts of household beneficiaries in excess of the admissible assistance.
- In Hajin Tehsil, due to incorrect categorisation of damaged houses, five beneficiaries were paid ₹ 0.83 lakh lesser than the prescribed limits under PMNRF while as in 17 cases the beneficiaries were paid excess amount of ₹ 2.83 lakh. Tehsildar, Hajin had recovered ₹ 0.30 lakh in two cases and also stated (November 2019) that steps would be taken to arrange payment of balance amount in respect of the beneficiaries by taking up the matter with concerned authorities.
- Similarly in Bandipora Tehsil, due to wrong categorisation of damaged houses, three beneficiaries were paid ₹ 0.65 lakh lesser than the prescribed limits under PMNRF while in three other cases the beneficiaries were paid excess amount of ₹ 0.55 lakh. In reply Tehsildar, Bandipora stated (December 2019) that matter would be taken up for the payment of balance amount in respect of beneficiaries who received less payment and in other cases, steps would be taken to recover excess amount paid to the beneficiaries.
- In Poonch district, category of damages to houses of 13 beneficiaries was changed at the time of making payments under the PMDP. In respect of five beneficiaries, category of damages was changed<sup>15</sup> unauthorisedly from lower to higher entitlements which resulted in excess payment of ₹ 5.30 lakh. However, in respect of eight beneficiaries the extent of damages was reduced from higher category of entitlement to lower category resulting in lesser payment of ₹ 5.60 lakh. In reply the DC, Poonch stated (October 2019) that facts would be got verified from records and factual position ascertained.
- In Tehsil Maira Mandrian, ten beneficiaries were wrongly classified<sup>16</sup> under category of damaged houses which were entitled for lesser compensation thereby resulting in excess payment of financial assistance of ₹ 2.70 lakh. However, in 11 cases the affected households of the tehsil were classified under lower category<sup>17</sup> of damaged houses and were paid lesser financial assistance to the extent of ₹ 5.50 lakh. The Department did not reply to this audit observation.

### **2.2.5 Redressal of grievances**

The GoJ&K, in compliance to directions of the High Court (December 2015) constituted a Committee in each district affected by the floods of September 2014 with the Deputy Commissioner of the concerned District as Chairman, Assistant Commissioner (Revenue) as member and Tehsildar of the concerned Tehsil as Member Secretary. The Committee was to look into the complaints submitted by flood affected people and take remedial measures, so as to settle the grievances of the

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<sup>15</sup> Cattle shed to Partially Kacha house, partially Pucca to fully Pucca, severely Kacha to fully Kacha, partially Kacha to fully Kacha and fully Kacha to fully Pucca.

<sup>16</sup> Kacha severely to Kacha fully, Kacha partially to Kacha severely, Cow shed to Kacha partially.

<sup>17</sup> Kacha fully to Kacha severely.

affected persons in a time bound manner. The Committee was also to submit report to the Government in Relief and Rehabilitation Department regarding disposal of complaints on a monthly basis.

Audit examination (September/ November 2019) of records showed that details of complaints submitted by flood affected people, measures taken for redressal of grievances and reports furnished to the Government on monthly basis in this regard along with relevant records/ registers had not been maintained (September 2019) in Rajouri and Jammu districts. As a result, no monitoring of complaints of the flood affected people for redressal of grievances could be carried out.

In Poonch district, records relating to redressal of grievances for non-payment of assistance *vis-a-vis* wrong categorisation of damages were not maintained (October 2019). Although grievances were stated to have been addressed immediately before finalising list of beneficiaries under SDRF, the factual position could not be verified in audit due to non-maintenance of these records.

## 2.3 Rehabilitation package for Jammu migrants

### 2.3.1 Introduction

The GoJ&K accorded (February 2003) sanction<sup>18</sup> for payment of cash assistance and supply of free ration to families who had migrated from rural districts in the Jammu region, mainly from the Doda, Reasi, Rajouri, Ramban and Udhampur districts. As per GoJ&K, Relief and Rehabilitation Department's proposal (January 2016), a total of 1,054<sup>19</sup> families were to be given payment of such assistance. Cash assistance and free ration to these migrants was being released continuously from October 2007 onwards. Further, as per orders of the Supreme Court (July 2006)/ High Court (April 2016), these migrants were paid arrears from April 2004 to September 2007. With effect from 18 November 2015, this package of Cash assistance and free Ration to migrants from Jammu to be made at par with migrants from Kashmir Division, was approved (December 2015) under the PMDP by the Ministry of Home Affairs (MHA), Government of India (GoI). Accordingly, the GoJ&K accorded (30 December 2015) sanction for payment of cash assistance to registered Jammu migrants at a rate of ₹ 2,500 per person per month subject to a maximum of ₹ 10,000 per family per month with effect from 18 November 2015, as well as ration at the existing scale. Subsequently, the rates of cash relief were enhanced with effect from 13 June 2018 to the rate of ₹ 3,250 per head per month subject to a ceiling of ₹ 13,000 per family per month.

The Criminal Investigation Department (CID), Jammu was earlier mandated to identify the eligible beneficiaries after conducting verification of 1,489 identified migrant families (October 2007), who migrated from various districts of Jammu

<sup>18</sup> Cash assistance of ₹ 400 per person per month subject to a maximum of ₹ 1,600 per family per month, Atta at the rate of 9 Kg per member of a family per month, Rice at the rate of 2 Kg per member of a family per month, Kerosene oil at the rate of 10 litres per family per month, Cash assistance at the rate of ₹ 300 per month per head of cattle for purchase of fodder for each family.

<sup>19</sup> Comprising 4,952 members.

province. The Relief and Rehabilitation Commissioner (Migrants), Jammu had directed (December 2009) that any family who was not figuring in the list received from CID authorities should not be considered for registration or release of any assistance.

### **2.3.2 Financial position**

The recurring expenditure incurred on account of cash assistance and free ration by the GoJ&K on Jammu migrants is reimbursed by GoI under Security Related Expenditure (SRE). During the period from 2015-16 to 2018-19, GoJ&K released ₹ 69.52 crore and expenditure of ₹ 58.45 crore was incurred by the Department on account of cash assistance and food grains in respect of Jammu migrants as given in **Table 2.3.1**.

**Table 2.3.1: Financial Status as on March 2019**

(₹ in crore)			
Sl. No.	Year	Funds sanctioned	Expenditure incurred
1.	2015-16	4.00	2.62
2.	2016-17	31.52	26.29
3.	2017-18	17.00	14.13
4.	2018-19	17.00	15.41
	<b>Total</b>	<b>69.52</b>	<b>58.45</b>

*(Source: Figures furnished by the Relief and Rehabilitation Commissioner (Migrants), Jammu)*

Funds amounting to ₹ 69.52 crore sanctioned during the period 2015-19 included allocation of ₹ 13 crore by the GoI under the PMDP for the project which had been disbursed in full. Further, during the period from 2019-20 to 2020-21 (September 2020), an expenditure of ₹ 25.81 crore was incurred against release of ₹ 35.56 crore under SRE by the Department.

### **2.3.3 Non-formulation of policy for the migrants**

As of August 2020, the Department had not adopted any policy for inclusion/ deletion of family members due to birth or death, bifurcation, rehabilitation for return of migrant families of Jammu and discontinuation of cash assistance and free ration after acquiring any Government job by the beneficiaries.

The updated database of Jammu migrants to indicate the details of occupation, number of family members, original place of residence, present address etc. had not been prepared (August 2020) by the Department. Absence of a database with periodical updated details of members of migrant families could result in release of cash assistance and supply of free ration to ineligible persons/ families.

The Relief and Rehabilitation Commissioner (Migrant), Jammu stated (August 2020) that the General Administration Department, GoJ&K constituted (January 2020) a Committee which recommended (July 2020) inclusion and bifurcation of Jammu migrant families. The Administrative Department had also been approached to take up the matter with the Ministry of Home Affairs, GoI. It was also stated that matter for accord of sanction for issuance of data forms to registered Jammu migrant families in order to prepare a database of these families had been taken up with the Administrative Department.

Thus, in the absence of a database, it could not be ensured that only eligible beneficiaries have been paid assistance under the Schemes.

### 2.3.4 Payment of relief to ineligible migrant families

Tehsildar, Mahore (Reasi district) had paid relief benefits to 25 families who did not find a place in the list furnished by CID. These families had been paid arrears of ₹ 27.26 lakh along with the monthly cash assistance. Further, in the case of Tehsildar Reasi, arrears of ₹ 51.37 lakh from April 2004 to September 2007 was paid to 47 migrant families who neither existed in CID list nor in of the list of High Court.

The Relief and Rehabilitation Commissioner (Migrant), Jammu stated (July 2020) that the Tehsildar concerned had been requested (July 2020) to provide details of disbursement. As payment of ₹ 78.63 lakh was made to beneficiaries not featuring in the designated lists, the same needs to be investigated so that recovery is effected from ineligible beneficiaries.

### 2.3.5 Payment of enhanced cash assistance to ineligible migrant families

As per Government Orders of GoJ&K, February 2003 and December 2015, migrants from the Jammu Division were entitled to cash assistance of ₹ 400 per head per month subject to a maximum of ₹ 1,600 per family per month till 17 November 2015 and thereafter, at the rate of ₹ 2,500 per head per month subject to a maximum of ₹ 10,000 per family per month. Zonal Officers (Relief), Nanak Nagar and Jagti (A) Zone, Jammu however, paid enhanced cash assistance of ₹ 1,000 per month per head prior to effective date of the order resulting in inadmissible cash assistance of ₹ 67.14 lakh<sup>20</sup> to 84 migrant families for the period from 2012-13 to 17 November 2015.

The Relief and Rehabilitation Commissioner (Migrant), Jammu stated (July 2020) that relevant records of Zonal Officers (Relief), Nanak Nagar and Jagti (A) Zone, Jammu would be examined and quantum of excess cash assistance would be recovered from the concerned beneficiaries.

In Udhampur district, 72 families cleared by CID agencies and approved by district level screening-cum-coordination committee were registered as migrants in October 2007. On the directions (14 July 2011) of the Deputy Commissioner, Udhampur, the Tehsildar, Udhampur submitted (27 July 2011) that these 72 migrant families were registered/ entitled for getting arrears with effect from October 2007. However, arrears of ₹ 75.53 lakh were paid to 49 migrant families out of 72 Jammu migrant families for the period prior to their registration as migrants (May 2004 to September 2007) as detailed in *Appendix 2.3.1*.

The CID, Jammu after conducting verification (October 2007) identified 1,489 families who had migrated from various districts of the Jammu region. The Relief and Rehabilitation Commissioner (Migrant), Jammu directed (December 2009) that any family who was not figuring in the list received from the CID authorities should not be considered for registration or release of any assistance and requested the Deputy

<sup>20</sup> Nanak Nagar Zone: ₹ 65 lakh; Jagti (A) Zone: ₹ 2.14 lakh.

Commissioners, Ramban, Reasi and Udhampur to ensure that no fresh registration of any migrant family who was not figuring in the CID list be allowed.

In compliance to orders (April 2016) of the High Court of Jammu & Kashmir regarding payment of arrears for the period from April 2004 to September 2007 to 994 identified migrant families of Jammu region with 9 *per cent* interest from January 2010, the Relief and Rehabilitation Department, GoJ&K accorded (November 2016) sanction to release of ₹ 16.09 crore in favour of the Relief and Rehabilitation Commissioner (Migrants), Jammu for payment to the registered Jammu migrants. Accordingly, the Relief and Rehabilitation Commissioner (Migrants), Jammu released (December 2016), ₹ 2.47 crore in favour of Deputy Commissioner, Udhampur for disbursement of arrears to Jammu migrants. The payment was to be made to the registered/ genuine Jammu migrants after due verification. The High Court of Jammu and Kashmir vide another order, directed (March 2017) the Department to consider claims of the remaining 59 Jammu migrant families in district Udhampur for payment of arrears.

It was noticed in Audit that:

- Tehsildar, Mahore had paid arrears of ₹ 2.39 lakh (April 2004 to September 2007) to two migrant families who did not exist in the Court list.
- Tehsildar, Reasi while releasing payment of arrears to migrant families from Jammu in pursuance of the orders of the High Court, had not taken into account number of members in each migrant family and paid excess arrears of ₹ 2.06 lakh to five migrant families. Also, arrears in respect of two Jammu migrant families had been paid on the basis of reduced number of family members, resulting in less payment of arrears of ₹ 1.99 lakh. This indicated that actual number of members of migrant families as per the CID and Court lists were ignored while making payment of arrears.

The Relief and Rehabilitation Commissioner (Migrants), Jammu stated (August 2020) that the concerned Deputy Commissioners have been requested (August 2020) to provide factual report with documentary evidence and that Tehsildar, Udhampur informed (August 2020) that payment of arrears on account of relief and free ration for the period from May 2004 to September 2007 was disbursed as per orders of the High Court.

The reply of Tehsildar, Udhampur is not tenable as 49 migrant families in Udhampur were registered in the year 2007 and also did not figure in the Court list. The arrears therefore, were not due to migrants as they did not figure in Court list and they were not registered.

### 2.3.6 Excess payment of arrears on account of interest on cost of ration

The High Court of Jammu and Kashmir directed (April 2016) that payment of arrears be made to identified migrant families of Jammu region for the period from April 2004 to September 2007 with 9 *per cent* interest from January 2010. Arrears amounting to ₹ 2.43 crore on account of cash assistance and ration for the period from May 2004 to September 2007 along with interest at the rate of 9 *per cent* was paid to 159 migrant families by the Tehsildar, Udhampur. The interest was paid both on cash assistance as well as cost of ration instead of restricting it to cash assistance component only. This resulted in excess payment of arrears of ₹ 28.99 lakh to 159 migrant families. Further, no interest on arrears on account of ration was paid to such migrants by the Tehsildars Mahore, Reasi and Zonal Officer, Nanak Nagar, Jammu.

In reply, the Relief and Rehabilitation Commissioner (Migrants), Jammu stated (July 2020) that as per the directions of the Court, interest at the rate of 9 *per cent* was payable and restricted on cash assistance component and that Tehsildar, Udhampur had been requested to clarify disbursement of arrears on food grains component of the free ration.

Further progress in the matter was awaited (December 2020).

### 2.3.7 Denial of cash assistance to migrant families

Free ration was allowed by the Relief and Rehabilitation Commissioner (Migrants), Jammu to 20 Jammu migrant families<sup>21</sup> registered during 1999-2000. However, cash assistance had not been paid to these 20 registered migrant families though free ration was being provided to them. Audit could not ascertain reasons from the records of the Department for supply of only free ration without payment of cash assistance to these 20 migrant families.

The Relief and Rehabilitation Commissioner (Migrants), Jammu stated (August 2020) that the Administrative Department had been requested for necessary directions in the matter.

### 2.3.8 Retention of funds

Disbursement of cash relief has been made through Direct Benefit Transfer (DBT) mode on the Public Financial Management System (PFMS) portal since November 2017. Audit noticed that the bank account of Tehsildar, Reasi had an undisbursed balance of ₹ 50.18 lakh as of 29 August 2019. Further, the Tehsildar, Reasi had remitted ₹ 17 lakh into Government account as of 31 March 2020.

The Relief and Rehabilitation Commissioner (M), Jammu stated (July 2020) that retention of funds in the official account would be taken up with the concerned official and that since November 2017, cash relief had been made through DBT mode on PFMS portal and the same was running successfully.

Further progress in the matter was awaited (December 2020).

<sup>21</sup> Nanak Nagar Zone: 17 families and Jagti Zone (A): 3 families.

## **2.4 Rehabilitation package for one-time settlement for families from Pakistan Occupied Jammu and Kashmir (POJK) and Chhamb Displaced persons**

### **2.4.1 Introduction**

The project was aimed to provide financial assistance of ₹ 5.5 lakh as one-time settlement to each displaced family with GoI assistance of ₹ 5,49,692 and GoJ&K share of only ₹ 308. The project was to be funded by a contribution of ₹ 2,000 crore from GoI and the GoJ&K was to contribute ₹ 1.12 crore. Payment to the beneficiaries was to be made by Direct Benefit Transfer (DBT) through Public Financial Management System (PFMS) by GoI, MHA in respect of Central share and GoJ&K in respect of State share to 36,384 families belonging to any of the categories of Displaced Persons (DPs) of Pakistan Occupied Jammu and Kashmir (POJK) 1947, DPs of Chhamb 1965 and 1971 (camp/ non-camp).

The Provincial Rehabilitation Officer (Custodian of Evacuees Property), Jammu was responsible for submission of cases in respect of displaced families belonging to the category of 'POJK 1947' after identification through verifiable and credible documents to the Divisional Commissioner, Jammu. Similarly, the Deputy Commissioners of concerned districts were responsible for submission of cases to the Divisional Commissioner, Jammu in respect of displaced families belonging to the category of 'Chhamb 1965 and 1971 (camp/ non-camp)' after identification through verifiable and credible documents.

### **2.4.2 Identification of displaced families**

As per the guidelines stipulated (December 2016) of the GoI the GoJ&K was to prescribe credible and verifiable documents for identification of displaced persons. As per instructions (December 2016) of the State Government, the Displaced Persons (DPs) or their legal heirs were to submit duly filled applications along with documents to the designated authorities in support of their claims for assistance under the project. Common documents prescribed for all categories of DPs include Permanent Resident Certificate (PRC), Aadhar card, Aadhar linked Bank account number, Mandate Form duly attested by the concerned Bank.

The documents required for identification of 'DPs of POJK 1947' were:

- Form A duly certified by the Provincial Rehabilitation Officer (PRO)/ Deputy PRO or Loan ledger duly certified by PRO/ Deputy PRO;
- Nominal Roll (Registration number) duly certified by PRO/ Deputy PRO; and
- Order of allotment of plot of land/ residential quarter duly certified by PRO/ Deputy PRO.

The documents required for 'DPs of Chhamb 1965 and 1971 (camp)' were:

- Land ownership records;
- Copy of ration card; and
- Voter list.

The DPs of ‘Chhamb 1965 and 1971 (non-camp)’ were also required to furnish proof of payment of ₹ 25,000 by National Human Rights Commission (NHRC) to them in lieu of allotment of land.

During a meeting<sup>22</sup> (February 2018) to review the progress of the project, it was decided (February 2018) that PRO, Jammu was required to prepare complete data of displaced persons of POJK 1947 including such families who were residing outside the State. The PRO had assured that the data would be prepared and submitted by 10 March 2018.

Audit noticed (October 2019) that neither survey for identification of genuine displaced persons of POJK was conducted nor the data of displaced families including those families residing outside the State had been prepared, resulting in recommendation of ineligible cases to the MHA for disbursement of assistance, as detailed in the subsequent paragraphs.

The PRO, Jammu accepted (August 2020) that the data of displaced persons could not be prepared due to lack of staff/ infrastructure and overburden of work.

In the absence of the data on displaced persons, the correctness of payments to beneficiaries could not be verified in audit.

### 2.4.3 Financial Status

The project stipulated (December 2016) that as per the decision of the GoI, the entire process of disbursement of components of both the GoI and the GoJ&K was to be completed within four months (April 2017). In the review meeting<sup>23</sup> on this project, the GoJ&K was requested to accelerate uploading details of eligible beneficiaries with verified Aadhar linked Bank accounts and expedite disbursement of assistance to the beneficiaries. Further, the GoJ&K made a commitment<sup>24</sup> that disbursement through DBT was likely to be completed by 2018 and it was emphasised in November 2017<sup>25</sup> that uploading of beneficiaries’ data would be expedited by the GoJ&K.

Year wise position of assistance disbursed through DBT to the beneficiaries during the period from 2016-17 to 2018-19 is given in **Table 2.4.1**.

**Table 2.4.1: Assistance to Beneficiaries**

(₹ in crore)				
Year	Amount disbursed by MHA	Number of Beneficiaries assisted	Amount disbursed by GoJ&K	Number of beneficiaries assisted
2016-17	9.33	175	5.28	96
2017-18	470.00	10,348	-	-
2018-19	679.83	16,003	-	-
<b>Total</b>	<b>1,159.16</b>	<b>26,526</b>	<b>5.28</b>	<b>96</b>

(Source: Monitoring report of PMDP of J&K Government, March 2020)

As seen from the **Table 2.4.1**, the GoJ&K disbursed (December 2016) financial assistance to 96 displaced families (at the rate of ₹ 5.50 lakh each) amounting to

<sup>22</sup> Meeting chaired by the Minister for ‘Disaster Management, Relief, Rehabilitation and Reconstruction’ GoJ&K.

<sup>23</sup> Meeting held on 27.04.2017 by the Home Minister, GoI.

<sup>24</sup> In Meeting held on 31.07.2017 by Home Secretary, GoI.

<sup>25</sup> In Meeting held from 20 to 30 November 2017 by Home Secretary, GoI.

₹ 5.28 crore through cheques out of its own resources at the time of the roll out of the project. The GoJ&K, thus, incurred expenditure of ₹ 4.16 crore in excess of the required State share of ₹ 1.12 crore for 36,384 displaced families at the rate of ₹ 308 per family. Subsequently, the Department of Disaster Management, Relief, Rehabilitation and Reconstruction, GoJ&K, had uploaded 32,039 beneficiaries (₹ 1,386.14 crore) on PFMS ending 31 August 2020.

#### **2.4.4 Inadequate infrastructural support**

As per the scheme guidelines (December 2016), infrastructural support to the PRO, Jammu was to be strengthened by providing the requisite manpower and Information Technology (IT) resources<sup>26</sup>.

For upgradation of IT infrastructure for implementation of the scheme, the Planning Development and Monitoring Department, GoJ&K released (February 2017) ₹ five lakh in favour of District Development Commissioner (DDC), Jammu who incurred (March 2017) the expenditure on purchase of Computer Hardware<sup>27</sup> and accessories etc.

However, DDC, Jammu issued only two Desktop PCs, one HP printer and two UPS to the Displaced Persons (DP) Cell while the rest of the items were diverted to other sections in the office not related to implementation of the scheme.

Further, for upgradation of IT infrastructure, the Divisional Commissioner, Jammu released (February 2017) ₹ 3.50 lakh in favour of PRO, Jammu who incurred (March 2017) expenditure of ₹ 1.18 lakh on purchase of Computer Hardware, accessories and one photocopier and surrendered ₹ 2.32 lakh.

Thus, the requisite infrastructure had not been provided by the Department as envisaged in the scheme guidelines.

### **Displaced persons of POJK 1947**

#### **2.4.5 Identification of beneficiaries without genuine documents**

The guidelines of this scheme required the GoJ&K to prescribe a mechanism for identification of beneficiaries as stated in paragraph 2.4.2.

Analysis of data collected in respect of 460 cases<sup>28</sup>, out of 2730 test checked cases revealed that legal heir certificates from Assistant Commissioners (Revenue)/ Tehsildars in support of claims had been sought in 75 cases (16 *per cent*) only. However, in respect of remaining 385 cases (84 *per cent*) either documents like Court decree (34 *per cent*), Power of Attorney (30 *per cent*) and affidavits (11 *per cent*) had been sought or no documentary proof (9 *per cent*) had been obtained.

As is evident from the cases with deficiencies in documentation, the Department had not put in place a robust mechanism for identification of legal heirs of displaced

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<sup>26</sup> Manpower (Naib Tehsildar: one; Girdawars: two; Data Entry Operators: three); Computer hardware/software: Computer/ Desktop along with peripherals: three.

<sup>27</sup> Desktop PCs: 3, Laptop: one.

<sup>28</sup> In PRO, Jammu.

persons and no proper procedure was adopted with regard to requirement of legal heir certificates/ affidavits/ Power of Attorney/ Court decree etc.

PRO, Jammu stated (August 2020) that uniform procedure was not possible as allotments were separate in nature and documents such as decree from Civil Court and legal heir certificate from Tehsildar supported by affidavits and Power of Attorney were equally important and were entertained only after consultation with higher authorities. Non formulation of uniform procedure resulted in gaps in implementation of the project, as highlighted in the subsequent paragraphs.

#### **2.4.6 Recommendation of compensation to ineligible claimants**

One-time assistance was to be paid to registered displaced person, if alive, otherwise it was required to be divided among legal heirs in required proportions. Audit noticed that no control register had been maintained by the PRO, Jammu for recording details of copies of Form A<sup>29</sup>/ Loan ledger<sup>30</sup>/ Nominal Roll<sup>31</sup> (certified by PRO/ Deputy PRO) issued to claimants in accordance with the guidelines (December 2016) to guard against their usage by the claimants more than once for claiming assistance under the scheme. In 40 cases involving 80 applicants (*Appendix 2.4.1*), copies of the same documents were used twice and assistance had been claimed twice separately by individuals by splitting families or by misrepresentation of facts. This had resulted in recommendation of ineligible cases of displaced families with consequent undue/ wrong payment of ₹ 2.31 crore.

The PRO, Jammu stated (August 2020) that either full/ part recovery had been made in eight cases, payments withheld/ account frozen in three cases and recovery proceedings were initiated in three cases, while verification was being conducted in 12 cases and separate family proofs had been annexed with files in 14 cases. However, proof of family in respect of 14 cases was not annexed with the reply.

#### **2.4.7 Incomplete documents**

The documents required for identification of 'DPs of POJK-1947' as per the instructions of the GoJ&K (December 2016) were:

- Form A duly certified by the Provincial Rehabilitation Officer (PRO)/ Deputy PRO or Loan ledger duly certified by PRO/ Deputy PRO;
- Nominal Roll (Registration number) duly certified by PRO/ Deputy PRO; and
- Order of allotment of plot of land/ residential quarter duly certified by PRO/ Deputy PRO.

Audit noticed (September 2019) the following omissions in recommending cases for assistance under the project by the PRO, Jammu.

<sup>29</sup> Declaration Form taken from displaced persons giving details of family, address in POJK and J&K and place where he/ she wants to get settled in J&K.

<sup>30</sup> Record of loan paid by Government to the displaced person after their registration as refugee in 1947.

<sup>31</sup> Statement of recoveries made from ex-gratia claims of beneficiaries by the Assistant Settlement Commissioner, Jammu.

- Family members mentioned in the original registration documents (Form A/ loan ledger) were ignored;
- Misrepresentation of facts by 10 claimants regarding family members;
- Mismatch in names/ address in POJK in original documents with details given by claimants;
- Persons born around 1947 claiming compensation or giving no objection certificate to others not finding a mention in original documents;
- Original documents without family details at the time of displacement; and
- Documents such as POA/ affidavits were not placed on record instead only affidavits relied upon when legal heir certificates were required to be produced (*Appendix 2.4.2 & 2.4.3*).

These omissions had resulted in recommendation of 54 ineligible/ doubtful cases (*Appendix 2.4.4*) involving financial assistance of ₹ 2.97 crore. In reply PRO, Jammu stated (August 2020) that necessary documents were being sought from the claimants in 18 cases and verification was initiated in two cases while no response was furnished in one case and reply did not address the audit observation in respect of 33 cases.

### **Displaced Persons of Chhamb (1965/ 1971)**

#### **2.4.8 Displaced families residents in relief camps**

Test check of records of 256 cases of displaced persons who lived in relief camps in Jammu district revealed that copies of ration cards were not found attached in 57 cases (22 *per cent*) and in 15 cases (six *per cent*) ration cards attached were not legible. Copies of Permanent Resident Certificate (PRC) were found not attached in 40 cases (16 *per cent*) and in seven cases (three *per cent*) records of allotment of land were not obtained from beneficiaries. Further, in 29 cases (11 *per cent*) though records of land allotment were available, these were not authenticated/ signed by the Tehsildar. Audit further noticed that in 201 cases (out of 256 cases) power of attorney from legal heirs was found attached only in 29 cases (14 *per cent*), in 154 cases (77 *per cent*) involving payment of ₹ 7.47 crore, only affidavits of legal heirs were on record and in 18 cases (nine *per cent*) involving payment of ₹ 0.80 crore, no document was attached to establish genuineness of claimants.

The Assistant Commissioner (Revenue), Jammu stated (October 2019) that compensation cases were supported by documentary evidence and there was no scope for payment to unauthorised/ ineligible beneficiaries. The reply is contrary to the facts as mentioned in following paragraphs.

#### 2.4.9 Compensation paid to ineligible claimants

The documents required for identification of DPs of Chhamb 1965 and 1971 (camp) as per the instructions of the GoJ&K (December 2016) were:

- Land ownership records;
- Copy of ration card; and
- Voter list

Audit noticed (October 2019) the following omissions in cases recommended by the Deputy Commissioner, Jammu, for assistance under the project.

- Family members mentioned in the original registration documents were ignored;
- Concealment of information by claimants regarding family members;
- Mismatch in names in original documents with details given by claimants;
- Disposal of cases without ration card which contain names of family members during their stay in relief camps;
- Non-enclosing of adoption deed in cases where adopted son was the claimant; and
- Documents such as Power of Attorney/ affidavits were not placed on record.

These irregularities had resulted in recommendation of ten ineligible/ doubtful cases (*Appendix 2.4.5*) involving financial assistance of ₹ 54.96 lakh by the Deputy Commissioner, Jammu.

The Assistant Commissioner (Revenue), Jammu stated (December 2019) that cases were finalised after completion of all required formalities.

The reply is not acceptable as necessary documents were not available in the individual case files and observation specific replies were not furnished to audit.

***The Government should formulate a time line to identify and recommend cases of eligible families for payment of financial assistance under the project. The Government may take action to recover inadmissible financial assistance paid and also fix responsibility for recommending ineligible cases for financial assistance under the project.***

#### 2.4.10 Displaced families not residents in relief camps

The documents prescribed by the GoJ&K for finalisation of cases pertaining to Chhamb refugees who had not resided in camps included proof of payment of ₹ 25,000 by National Human Rights Commission in lieu of allotment of land besides Permanent Resident Certificate (PRC) of the claimant.

Out of 261 case files test checked in Audit in Jammu district, in 17 cases (seven *per cent*) the PRC was not found attached though their cases were recommended for payment.

The Assistant Commissioner (Revenue), Jammu stated (December 2019) that as per guidelines PRC of any of the family members was required to be provided. The reply

is not acceptable as PRC of the claimant was required to be provided for finalisation of the case.

In one case<sup>32</sup>, an amount of ₹ 25,000 was paid<sup>33</sup> by NHRC, although the name of displaced person and his father's name did not match with the claimant<sup>34</sup> recommended by the Deputy Commissioner, Jammu for payment of compensation.

The Assistant Commissioner (Revenue), Jammu stated (December 2019) that Mul Singh (son of Sohan Singh) and Mool Raj (son of Sawan Singh) was one and the same person.

The reply was not acceptable as documents in support of the contention were not produced by the Department.

## **Finance Department**

### **2.5 Interest subvention on assistance for restoration of livelihood of traders/ self- employed/ business establishments**

#### **2.5.1 Introduction**

In order to provide financial assistance for restoration of livelihood of traders/ self-employed/ business establishments etc., affected by floods in September 2014 in the State of Jammu and Kashmir (J&K), the Scheme for Interest Subvention was sanctioned (April 2016) by the Government of India (GoI) under the 'Prime Minister's Development Package (PMDP)'. A provision of ₹ 800 crore was made (November 2015) to meet the challenge of livelihood restoration of industrial and business enterprises affected by the devastating flood. As per the scheme guidelines (February 2016), interest subvention was to be restricted only to those units availing credit facility from Banks for business purposes (trading and manufacturing activities) and affected by the floods of September 2014. Under this project, a total number of 28,246 business units identified by the Jammu and Kashmir State Level Bankers Committee (JKSLBC) and whose accounts were restructured immediately after flood of September 2014 were to be extended financial assistance by way of interest subvention. Further, 50,081 small traders/ businessmen (having annual turnover upto ₹ 10 lakh) identified by the Divisional Commissioner, Kashmir on the basis of recommendations of the concerned Deputy Commissioners were to be provided financial assistance to the extent of 50 *per cent* of actual losses suffered by them. Implementation of the Scheme was reviewed in Audit by test check of records of the Finance Department GoJ&K, Jammu and Kashmir State Level Bankers Committee, Director Finance, Chief Minister's Secretariat, GoJ&K and Director Tourism, Kashmir and the concerned Deputy Commissioners.

#### **2.5.2 Structural mechanism and Fund Position**

The Jammu & Kashmir Bank Limited (JKBL) was the convener of JKSLBC in the State. The scheme was implemented by the Principal Secretary, Finance Department,

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<sup>32</sup> Mool Raj S/o Sawan Singh.

<sup>33</sup> Mul Singh S/o Sohan Singh.

<sup>34</sup> Case file no. 2898- Cheque No. 413128 dated 28.05.2005 -Code no. 706/117.

GoJ&K, through JKSLBC/ JKBL, the Chief Minister's Secretariat and Deputy Commissioners of eight districts<sup>35</sup> in the Kashmir Division.

The GoI accorded sanction for release (April 2016) of ₹ 800 crore to the GoJ&K, Finance Department and the Finance Department, GoJ&K in turn released<sup>36</sup> ₹ 617.92 crore to JKSLBC/ JKBL, ₹ 187.37 crore to the Chief Minister's Secretariat and ₹ 1.47 crore to the Director Tourism, Kashmir during the period from July 2016 to January 2019.

### 2.5.3 Restructured accounts and financial arrangements

As per Paragraph 2.5 of the scheme guidelines, 28,246 business units with a total outstanding liability of ₹ 2,480 crore<sup>37</sup> as on February 2016, were to be provided restructuring/ enhancement of benefits<sup>38</sup> by 30 Banks in Jammu & Kashmir, post the floods of September 2014. Further, 50,081 small traders/ businessmen having annual turnover up to ₹ 10 lakh, were also to be provided financial assistance to the extent of 50 *per cent* of the actual losses suffered by them with a cap of ₹ one lakh in case of units having annual turnover up to ₹ five lakh and a cap of ₹ two lakh in case of units with annual turnover up to ₹ 10 lakh. The list of these trading/ business units had been drawn on the basis of recommendations of the respective Deputy Commissioners.

The GoJ&K, accorded (April 2016) sanction for utilisation of ₹ 800 crore under the scheme as follows:

- Subsidising interest to the extent of 50 *per cent*, for the period from 01 September 2014 to 31 December 2015 in case of 28,246 traders/ business units affected by the floods in September 2014 with a cap of ₹ 5 lakh per unit (involving financial implication of ₹ 175 crore).
- Grant of five *per cent* interest subvention with effect from 01 January 2016 with a cap of ₹ five lakh per business unit in respect of the above 28,246 business units (involving financial implication of ₹ 92 crore per annum and ₹ 368 crore for a period of four years).
- Assistance to small traders and business establishments with turnover up to ₹ 10 lakh (involving a financial implication of ₹ 132 crore).
- Cover<sup>39</sup> 50 *per cent* of the losses of 50,081 traders having annual turnover of less than ₹ 10 lakh per annum who had suffered losses due to the flood of September 2014 and identified by the respective Deputy Commissioners. The ceiling for this subsidy was ₹ one lakh for traders having turnover of ₹ five

<sup>35</sup> 1. Anantnag, 2. Bandipora, 3. Baramulla, 4. Budgam, 5. Kulgam, 6. Pulwama, 7. Shopian and 8. Srinagar.

<sup>36</sup> ₹ 6.76 crore in excess of GoI sanction released by the Finance Department out of State Government resources.

<sup>37</sup> The loan outstanding as of 31 December 2015 in case of these units was ₹ 2,035.12 crore (Principal: ₹ 1,838.17 crore and Interest: ₹ 196.95 crore) which had increased to ₹ 2,480 crore in February 2016.

<sup>38</sup> Enhancement benefits: Restructuring involves modification of terms of the credit by way of altering the repayment period and/ or enhancement of existing credit limits.

<sup>39</sup> As per the decision of GoJ&K.

lakh or less and ceiling of ₹ two lakh for traders with turnover between ₹ five lakh and ₹ ten lakh.

- The balance provision<sup>40</sup> of ₹ 125 crore was to be utilised to cover left over borrowers from institutions like State Financial Corporation (SFC) and Non-Banking Financial Companies (NBFCs) etc.

The JKSLBC had initially identified 28,246 accounts of traders/ business units affected by the floods in September 2014 which were restructured immediately after floods of September 2014. The number of accounts was revised (July 2017) to 23,491 accounts after excluding agriculture loans and personal loans in accordance with the scheme guidelines. An interest subvention of ₹ 161.84 crore<sup>41</sup> was extended to these 23,491 accounts.

Further, out of the 50,081 small<sup>42</sup> traders/ businessmen identified by the Deputy Commissioners which were affected by floods, financial assistance of ₹ 135.47 crore had been disbursed (September 2020) to 48,638 traders/ business units.

Although there was a provision for left over borrowers from institutions like SFC and NBFCs etc. for which ₹ 125 crore was earmarked, financial assistance to not even a single beneficiary had been provided under this provision (August 2020).

#### **2.5.3.1 Interest subvention to restructured accounts**

As per paragraphs 4.1 and 4.3 of the scheme guidelines, interest to the extent of 50 *per cent* for the period from 1 September 2014 to 31 December 2015 with a cap of ₹ five lakh per unit and five *per cent* interest subvention with effect from 1 January 2016 to 31 December 2019 with a cap of ₹ five lakh per business unit per annum, were to be provided in respect of 28,246 traders/ business units/ self-employed, affected by the flood.

The JKSLBC forwarded the tentative Bank wise details of 28,246 identified accounts which were restructured to the GoJ&K, on the basis of which the GoJ&K framed the scheme guidelines by earmarking ₹ 543 crore for providing interest subvention on these accounts. The list of 28,246 restructured accounts initially identified by JKSLBC was revised to 23,491 restructured accounts after exclusion of personal and agriculture loans from the list. Out of a total of ₹ 543 crore, financial assistance of only ₹ 161.84 crore was extended to 23,491 accounts leaving scope for diversion of scheme funds as discussed in subsequent paragraphs 2.5.4.1 to 2.5.4.2 of this Report.

#### **2.5.3.2 Interest subvention to ineligible borrowers**

As per the scheme guidelines<sup>43</sup> the JKBL was to provide interest subvention of 50 *per cent* of the interest charged for 11,449 identified restructured accounts between 01 September 2014 and 31 December 2015 and five *per cent* of the interest

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<sup>40</sup> As. per the order (April 2016) of GoJ&K.

<sup>41</sup> ₹ 57.36 crore for subsidising interest of 50 *per cent* for period from 1 September 2014 to 31 December 2015 and ₹ 104.48 crore for grant of five *per cent* of interest subvention from 1 January 2016 to 30 September 2018.

<sup>42</sup> Having annual turnover of up to ₹ 10 lakh.

<sup>43</sup> Para No. 11 and 12.

with effect from 01 January 2016 per annum for each business unit/ trader. Accordingly, restructured accounts of the entities affected by the floods of September 2014, were eligible for the Rehabilitation/ Revival Package under the scheme.

Audit noticed (June 2019) that Accounts of nine borrowers which were sub-standard<sup>44</sup> prior to the floods of September 2014, were subsequently included in the list of 11,449 accounts prepared by the JKBL and provided (July 2016) interest subvention of 50 per cent of the interest charged during 01 September 2014 to 31 December 2015, amounting to ₹ 16.49 lakh as detailed in *Appendix 2.5.1*. Further, interest subvention of five per cent for the period from 01 January 2016 to 30 September 2018 amounting to ₹ 36.62 lakh was also provided (December 2016 to January 2019) to these nine borrowers as detailed in *Appendix 2.5.2*.

Similarly, out of 6,167 accounts restructured after the floods of September 2014 by Ellaquai Dehati Bank, 98 accounts were already sub-standard prior to floods of September 2014. These accounts were provided (July 2016 to January 2019) interest subvention amounting to ₹ 21.46 lakh.

Thus, interest subvention to the extent of ₹ 74.57 lakh was provided for 107 accounts of two Banks which were sub-standard prior to floods of September 2014 and were as such, ineligible as per the scheme guidelines.

The JKBL stated (August 2020) that as per scheme guidelines of Special Rehabilitation/ Revival Package for persons affected by natural calamity (Flood 2014) in J&K, outstanding standard loans as on 31 August 2014 were eligible under the scheme and that out of nine accounts, eight accounts were standard as on 31 August 2014 and were eligible for rehabilitation under the scheme. The remaining one<sup>45</sup> borrower was provided interest subvention under the Flood Rehabilitation Scheme and ₹ 20 lakh released in his favour would be recovered and refunded to the Government through JKSLBC.

The reply of the Bank management is not acceptable as nine accounts which were sub-standard as on 30 June 2014 were irregularly included in the list of 11,449 restructured accounts by the JKBL and provided interest subvention.

***In view of these findings, it is recommended that the GoJ&K review all cases where interest subvention has been allowed to ensure only genuine claims are accepted and recovery effected from units not meeting the criteria but have availed this benefit.***

### **2.5.3.3 Excess disbursement for interest subvention**

**I.** As per the scheme guidelines<sup>46</sup>, a ceiling of ₹ five lakh per annum per unit for all accounts put together, was fixed for providing interest subvention for the period up to September 2014.

<sup>44</sup> An account is classified as sub-standard by the Bank when the principal or interest payment thereof is overdue. An account becomes a Non-Performing Asset (NPA), if the principal or interest payment thereof is overdue for period of 90 days or more.

<sup>45</sup> M/s Jhelum Roller Floor Mills.

<sup>46</sup> Para 11 and 12 of the Scheme guidelines.

Audit examination of records of JKSLBC revealed that three borrowers had been provided benefit under interest subvention by JKBL and HDFC Bank, beyond the prescribed limit (up to September 2018) thereby resulting in excess payment of ₹ 5.45 lakh as detailed in **Appendix 2.5.3**.

The JKSLBC, while accepting the observation, stated (August 2020) that no technical mechanism was available for checking account IDs of the beneficiaries on inter-bank basis and that the J&K Bank Limited had been advised to recover the excess amount from the identified borrowers, where the benefit through the JKBL and the HDFC Bank collectively had exceeded ₹ five lakh per annum.

The details of recovery were, however, awaited (August 2020).

**II.** As per the scheme guidelines<sup>47</sup>, the units which were affected by the floods of September 2014 and had been provided financial assistance under the Chief Minister's Flood Relief Fund (CMFRF) were eligible under the Scheme for interest subvention to the extent of loan outstanding with the Banks. The guidelines further stipulate<sup>48</sup> that the total benefit from both the sources (CMFRF and Interest Subvention) was not to exceed ₹ five lakh. For this purpose, the Divisional Commissioners were to forward list of affected traders/ self-employed/ business establishments to JKSLBC for verification by the concerned Bank branches.

Audit noticed (June 2019) that no such list had been forwarded to the JKSLBC as a result Audit could not verify the total benefit under two sources (CMFRF and Interest Subvention) which did not exceed ₹ five lakh for these beneficiaries.

The JKSLBC management admitted (August 2020) that it had not received any such list from any office.

***In view of these findings, it is recommended that the GoJ&K review all cases where interest subvention has been allowed without combining the different sources under the same category and effect recovery from units wherever appropriate.***

#### **2.5.3.4 Absence of mechanism to monitor business activity**

The scheme guidelines<sup>49</sup> provided that in case the trader/ business unit closed the business activity or changed its location up to two years after availing interest subvention, the unit would be asked to refund subsidy after giving an opportunity of being heard.

However, examination of records (June 2019) showed that the JKSLBC had not put in place any mechanism to monitor business activity and change of location of the trader/ business unit. Hence, the JKSLBC could not ensure compliance of the applicable conditions.

The JKSLBC management, while admitting the audit observation, stated (August 2020) that instructions/ eligibility criteria under the scheme, as received from

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<sup>47</sup> Para 3.3 (d) of the Scheme guidelines.

<sup>48</sup> As per para 5.8 of the Scheme guidelines.

<sup>49</sup> Para 3.5 and 3.6 of the Scheme guidelines.

the GoJ&K for seeking claims were disseminated to the member Banks which had lodged claims under the scheme. It was also stated that as and when any recovered amount/ benefit from the Banks were received, the same would be refunded to State Government.

*Thus, in the absence of any such mechanism, audit could not ascertain the quantum of such traders/ business units who had availed the benefit of interest subvention and subsequently closed the business activity or changed their location up to two years and were supposed to refund the availed subsidy.*

#### **2.5.4 Diversion of scheme funds**

As per GoI sanction order (April 2016), the assistance under this scheme was to be utilised for providing only interest subvention assistance for restoration of livelihood of traders/ self-employed/ business establishments affected due to floods in Jammu & Kashmir during September 2014 and who were availing credit facilities from Banks.

Audit noticed (July 2019) cases of diversion of ₹ 452.12 crore (56 per cent) from total scheme funds of ₹ 806.76 crore, as discussed in the succeeding sub-paragraphs.

##### **2.5.4.1 Diversion of assistance to houseboat owners**

Audit noticed that Finance Department released (January 2018) ₹ 1.47 crore to the Department of Tourism, GoJ&K for waiver of loans in respect of 19 houseboat owners who had turned defaulters with Banks for loans taken earlier as one-time settlement of these cases. The Director Tourism, Kashmir disbursed (March 2018), ₹ 1.47 crore<sup>50</sup> to nine banks for settlement of these loans, which was not eligible to be covered under the scheme.

These houseboat owners were not affected during September 2014 floods and the waiver of these loans was a violation of the scheme guidelines.

The Joint Director (Resources), Finance Department, while confirming the audit observation, stated (August 2020) that the then Finance Minister, GoJ&K proposed one-time waiver of all such loan cases on the pattern of previous budget announcements in his budget speech 2018 and accordingly the assistance was released in favour of these 19 houseboat owners who had turned defaulters with Banks as a one-time settlement of these cases.

*The interest subvention for the loans advanced needs to be recovered as they do not conform to the scheme guidelines.*

<sup>50</sup> The loan of ₹ 55 lakh sanctioned by the banks in their favour between February 2004 and February 2005 had accumulated to ₹ 1.47 crore including interest thereon.

#### **2.5.4.2 Diversion of assistance to ineligible schemes**

##### **I. Artisan Credit Card scheme**

The Artisan Credit Card (ACC)<sup>51</sup> scheme was initiated (2002) by the Indian Bank Association (IBA) to provide a convenient credit facility to the artisans in the State of J&K. The scheme aimed to provide credit facilities to the artisans, weavers, members of cooperative societies and craftsmen engaged in different activities to start independent ventures of their own. The financial assistance was to be in the form of loan with a ceiling of ₹ one lakh from various Banks and financial institutions. The GoI, was to provide interest subsidy at 10 *per cent* on the loan over a period of five years.

Audit noticed (July 2019) that the JKBL had disbursed (July 2016 to February 2017) an amount of ₹ 26 crore as interest subvention among 36,891 artisan beneficiaries post release (July 2016) of ₹ 26 crore by the GoJ&K in favour of JKBL under the 'Prime Minister's Development Package' for settlement of outstanding balance of interest on Artisan Credit Cards. The GoJ&K also directed (July 2016) the Industries and Commerce (I&C) Department/ JKBL to ensure that only genuine flood affected (September 2014) ACC holders are covered by putting in place a proper verification mechanism.

The ACC was a scheme existing prior to the announcement of the PMDP and was not eligible for assistance under Interest Subvention Scheme. Moreover, specific linkage to losses occurred due to flood had not been done.

The Joint Director (Resources), Finance Department stated (August 2020) that in a policy decision taken in a meeting (July 2016) held under Chairmanship of the then Finance Minister of the erstwhile State of J&K, it was decided that ₹ 26 crore outstanding on account of interest subvention be provided as one time relief to the artisan community as this class was badly affected by September 2014 floods and that verification of genuine beneficiaries vested with I&C Department and J&K Bank.

The reply confirmed the audit observation that funds released by the GoI for the scheme were diverted towards commitment of the GoJ&K for payment of interest subsidy to artisans under the ACC scheme which was not admissible.

##### **II. Kissan Credit Card scheme**

Similarly, the Kissan Credit Card (KCC)<sup>52</sup> scheme was a pre-existing scheme introduced in 1998 by the Reserve Bank of India to provide adequate and timely support<sup>53</sup> from the Banking system. The GoJ&K released funds amounting to ₹ 244.78 crore between July 2016 and June 2017 to JKSLBC for further disbursement

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<sup>51</sup> The scheme approved by Reserve Bank of India and the Development Commissioner (Handicrafts), Ministry of Textile, GoI has been adopted by the banks for implementation.

<sup>52</sup> The card is offered by Commercial Banks, Regional Rural Banks, Small Finance Banks and Public Cooperatives. The KCC allows cash credit to farmers to take care of crop related expenses like seeds, fertilisers, pesticides, electricity and diesel charges etc.

<sup>53</sup> Through a single window with flexible and simplified procedure to the farmers for their cultivation and other needs.

to the Banks operating the KCC scheme in the State. The JKSLBC in turn released ₹ 134.30 crore in three tranches during the period from July 2016 to June 2017 to JKBL which in turn credited (January 2017 to April 2018) the amount in 66,015 KCC accounts holders of all 22 districts of the State. The JKSLBC further released ₹ 109.80 crore to 19 other banks for 49,302 accounts of KCC. Also, an amount of ₹ 0.04 crore was wrongly credited by JKBL on 05 July 2016 to 33 borrowers who were ineligible. The balance amount of ₹ 0.64 crore was refunded (October 2017/ April 2018) to the GoJ&K by the JKSLBC.

Audit observed (July 2019) that sanction of funds by the GoJ&K was in violation of Interest Subvention scheme guidelines and resulted in diversion of funds to the extent of ₹ 244.10 crore as the scheme was not extendable to agricultural production loans. Further, it was observed that while extending Interest Subvention Scheme under the PMDP to KCC and while making the payment, specific linkage to losses occurred due to flood had not been done by the JKSLBC/ Banks. Also, the deviations to the scheme guidelines and Government sanction orders thereof were not issued with the approval of the GoI.

The Joint Director (Resources), Finance Department stated (August 2020) that in a policy decision taken in a meeting (July 2016) held under the Chairmanship of the then Finance Minister of erstwhile State of J&K, it was decided that outstanding balance as on 31 March 2015 against all those KCC beneficiaries whose accounts were standard as on 31 August 2014 as well as those whose sanctioned amount limit was ₹ one lakh would be considered for 50 *per cent* waiver under the scheme as the loan taken against KCC.

The reply confirmed that scheme funds released by the GoI were diverted towards agriculture production loans of farmers under KCC scheme and resulted in violation of the guidelines of the Interest Subvention scheme.

### III. Chief Minister's Business Interest Relief Scheme

The GoJ&K launched the Chief Minister's Business Interest Relief Scheme (CMBIRS)<sup>54</sup> with effect from 01 January 2018.

As per the scheme, the GoJ&K was to contribute one-third of the monthly installment/ interest payment of the borrower if he had actually paid two-third of the monthly installment earlier. The scheme was applicable to the restructured accounts affected by the floods of September 2014 as also the accounts restructured after the unrest of 2016.

Under the CMBIRS, the Finance Department, GoJ&K released ₹ 200 crore<sup>55</sup> in favour of the JKSLBC between March 2018 and March 2019. Out of this, an amount of ₹ 199.96 crore had been remitted up to March 2019 to 15<sup>56</sup> Banks operating in the erstwhile State of J&K.

<sup>54</sup> On the announcement made in the Budget Speech for 2018-19 by the Finance Minister, GoJ&K.

<sup>55</sup> Including ₹ 180 crore out of PMDP funds.

<sup>56</sup> Including the JKBL: ₹ 190.20 crore.

An amount of ₹ 180 crore received from the GoI and payment made to beneficiaries under CMBIRS towards commitment of the GoJ&K made during Budget session of 2018-19, was not as per the guidelines of the Interest Subvention Scheme of the PMDP. Further scrutiny of records (July 2019) revealed that out of release of ₹ 190.20 crore to JKBL, ₹ 41.32 crore<sup>57</sup> was provided to only 19 borrowers as detailed in *Appendix 2.5.4*. Further, out of these 19 borrowers, accounts of ten borrowers<sup>58</sup> to whom benefit of interest subvention of ₹ 21.02 crore had been provided (between March 2018 and March 2019), were not at all affected during flood of September 2014 and they had been restructured only after the unrest of 2016 under Special Rehabilitation Package.

The Joint Director (Resources), Finance Department stated (August 2020) that sanction was accorded (March 2018) for roll out of CMBIRS as per announcement made by the then Finance Minister in his budget speech 2018-19 and that the verification of genuine beneficiaries vested with JKBL.

The reply confirmed that funds released by the GoI were diverted by the GoJ&K for its own commitment and not for payment under the scheme of Interest Subvention.

#### **IV. Assistance to a private trust**

The JKBL had initially sanctioned (December 2017) a term loan of ₹ 8.50 crore to M/s DP Dhar Memorial Trust for construction of a Centre for Visually Impaired children. In order to provide the benefit of the Interest Subvention scheme under the PMDP, the GoJ&K sanctioned (May 2018), ₹ 1.86 crore<sup>59</sup> for the Trust to be disbursed through the JKBL. The interest subvention was to be released on annual basis.

Audit observed (July 2019) that the JKBL commenced the disbursement of loan of ₹ 8.50 crore in February 2018 and also had released interest subvention of ₹ 0.35 crore (19 *per cent* of the sanctioned amount of ₹ 1.86 crore) during the period between June 2018 to June 2019. Further, the Trust had also been provided financial assistance of ₹ 0.20 crore as subvention of 50 *per cent* of interest charged from 01 September 2014 to 31 December 2015 and five *per cent* interest subvention from 01 January 2016 to 30 September 2018. There was no provision for release of assistance to a Private Trust in the Interest Subvention scheme, that too for one that has not been affected by the floods of September 2014 and has resulted in diversion of scheme funds of ₹ 0.55 crore towards a private institution.

The Joint Director (Resources), Finance Department, GoJ&K stated (August 2020) that the Government released the amount in favour of M/s DP Dhar Memorial Trust

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<sup>57</sup> Assistance ranging between ₹ 0.69 crore and ₹ 5.73 crore had been provided to single borrower.

<sup>58</sup> 1. M/s HK Cement Industries Pvt. Limited, 2. Khyber Industries Pvt. Limited, 3. Trumbo Industries Pvt. Limited, 4. Peak Auto Jammu Pvt. Limited, 5. Peaks Agro Warehousing Pvt. Limited, 6. J&K Cements Limited, 7. Kashmir Fruit Preservers Partners, 8. Kashmir Premium Apples Pvt. Limited, 9. Shaheen Agro Fresh Pvt. Limited and 10. HN Aggrieve Pvt. Limited.

<sup>59</sup> Interest subsidy of five *per cent* i.e. 50 *per cent* interest subvention of the project loan for a period of seven years (including moratorium period of two years from the date of disbursement).

on the basis of requisition made by JKBL as a policy decision and that it was done for a noble cause.

The reply confirmed that funds released by the GoI for Interest Subvention scheme were diverted towards payment of interest subsidy in favour of a private trust, which was a violation of the scheme guidelines.

### **2.5.5 Disbursement of assistance through the Chief Minister's Flood Relief Fund**

During the period from April 2015 to March 2016, ₹ 101.89 crore was released by the Director (Finance), Chief Minister's Secretariat to the Deputy Commissioners of eight districts<sup>60</sup> of Kashmir Division for payment to remaining small traders/ business units with turnover up to ₹ 10 lakh and not linked to the formal credit system<sup>61</sup>. Subsequently, under the PMDP, ₹ 187.37 crore was released (September 2017) by the Finance Department, GoJ&K which included ₹ 101.89 crore towards recoupment of expenditure incurred out of Chief Minister's Flood Relief Fund (CMFRF) earlier and ₹ 85.48 crore in favour of Chief Minister's Secretariat. This amount of ₹ 85.48 crore was further released (November 2017) to the Deputy Commissioners of four districts<sup>62</sup> of Kashmir Division for further disbursement to these small traders/ business units.

Significant observations of Audit are discussed in the subsequent paragraphs.

#### **2.5.5.1 Diversion of financial assistance for small business units/ traders**

The scheme of Interest Subvention for the identified 50,081 business units/ small traders was restricted to addressing the financial assistance to these entities.

The scheme funds to the extent of ₹ 4.01 crore had been utilised towards payment to 903 destitute women in eight districts of Kashmir Division. Also, in two tehsils of Srinagar district, ₹ 12.77 lakh had been utilised towards payment of assistance to damaged residential houses (₹ 8.59 lakh) and to beneficiaries of State Disaster Relief Fund (SDRF) (₹ 4.18 lakh) which was not covered under the Interest Subvention scheme.

On this being pointed out (May 2019) in Audit, the Additional Deputy Commissioner, Budgam stated (May 2019) that matter regarding diversion of assistance had been taken up with the concerned Tehsildars. The Additional Deputy Commissioner, Srinagar stated (July 2019) that payments had been made by the respective Tehsildars as per the directives of the then Deputy Commissioners.

The reply confirmed the audit observation that ₹ 4.01 crore had been diverted from the scheme.

***The Government should fix responsibility and take appropriate action against officials responsible for all diversion of scheme funds.***

<sup>60</sup> Anantnag: ₹ 20.38 crore; Bandipora: ₹ 5.30 crore; Baramulla: ₹ 1.33 crore; Budgam: ₹ 11.21 crore; Kulgam: ₹ 4.36 crore; Pulwama: ₹ 10 crore; Shopian ₹ 0.31 crore; and Srinagar: ₹ 49 crore.

<sup>61</sup> Banks and Cooperative Societies constitute formal sector of credit.

<sup>62</sup> Anantnag: ₹ 12.99 crore; Kulgam: ₹ 0.67 crore; Pulwama: ₹ 7.58 crore; and Srinagar: ₹ 64.24 crore.

### **2.5.5.2 Extra payment of assistance**

The GoJ&K decided (April 2016) to cover 50 *per cent* of losses, of small traders/ business units for traders who had suffered losses from the floods of September 2014. For small traders/ business units with turnover of ₹ five lakh or less, the assistance was to be limited to ceiling of ₹ one lakh and for traders with turnover between ₹ five lakh and ₹ ten lakh, the ceiling was ₹ two lakh.

Audit noticed that:

- In Srinagar district in the three tehsils<sup>63</sup>, an assistance of ₹ 21.20 lakh was disbursed to 39 affected traders against the admissible assistance of ₹ 11.05 lakh. The amount was credited twice into the accounts of these beneficiaries during the period from January 2016 to February 2019, which resulted in excess disbursement of ₹ 10.15 lakh.

After being pointed out (June 2019) in Audit, the Tehsildar, Khanyar effected recovery of only ₹ 0.35 lakh from two beneficiaries and the progress of recovery of remaining cases was awaited.

- In Baramulla district, assistance of ₹ 58.01 lakh was paid to 386 business units/ small traders<sup>64</sup>, which was 100 *per cent* of the assessed loss, instead of 50 *per cent* of the total losses suffered. This resulted in excess payment of assistance of ₹ 29 lakh to 386 business units/ traders.

## **Home Department**

### **2.6 Raising of Five India Reserve Battalions in Jammu and Kashmir**

#### **2.6.1 Introduction**

To bridge the growing gap in the security grid which was increasingly devolving on the Jammu and Kashmir (J&K) Police and that J&K Police had inadequate manpower to cater to deployments arising out of sudden and widespread eruption of unrest, Ministry of Home Affairs (MHA), Government of India (GoI) sanctioned (February 2016) a project for 'Raising of five India Reserve (IR) Battalions' under the PMDP. The GoJ&K issued (September 2016) necessary instructions/ sanction for raising of five<sup>65</sup> IR Battalions in five districts<sup>66</sup>.

#### **2.6.2 Financial Management**

As per the funding pattern of the project, out of ₹ 34.92 crore required for raising each IR Battalion, the GoI was to reimburse ₹ 26.19 crore which was 75 *per cent* of the standard cost. In addition, the GoI was to reimburse subject to a ceiling of ₹ 25 crore, 50 *per cent* of the infrastructure cost<sup>67</sup> for each Battalion on submission of requisite details of the expenditure incurred on creation of infrastructure. The

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<sup>63</sup> 1. Khanyar, 2. Srinagar South and 3. Srinagar Central

<sup>64</sup> 317 business units/ traders, with turnover upto ₹ 5 lakh and 69 business units/ traders with turnover between ₹ 5 lakh and ₹ 10 lakh.

<sup>65</sup> IR Battalions 21, 22, 23, 24 and 25

<sup>66</sup> Districts of Bandipora, Kishtwar, Leh, Pulwama and Udhampur.

<sup>67</sup> Excluding cost of the land.

reimbursement of standard cost of raising and capital infrastructure costs was to be met from the funds allotted under the Security Related Expenditure (SRE) scheme as Grants-in-aid. The position of funds received and expenditure incurred during the period from 2017-18 to 2018-19 is given in **Table 2.6.1**.

**Table 2.6.1: Fund position**

Year	Funds released			Expenditure incurred			Closing balance	Percentage utilisation of funds
	GoI share	State share	Total	GoI share	State share	Total		
2017-18	43.25	3.49	46.74	28.48	3.49	31.97	14.77	68
2018-19	127.32	25.00	152.32	84.24	-	84.24	68.08	55
<b>Total</b>	<b>170.57</b>	<b>28.49</b>	<b>199.06</b>	<b>112.72</b>	<b>3.49</b>	<b>116.21</b>		

(Source: Progress Reports furnished by Police Headquarters, J&K)

As seen from the **Table 2.6.1**, the utilisation of funds was 68 per cent (2017-18) and 55 per cent (2018-19) with an unspent balance of ₹ 68.08 crore, as on 31 March 2019. However, there was no firm commitment to spend the balance amount.

On this being pointed out (September 2019) in Audit, the reason put forth by the Department for less spending was attributed to law and order situation in the valley and unrest.

The Department also stated (August 2020) that an expenditure of ₹ 136.22 crore had been incurred till June 2020 and procurement under components of clothing, communication and vehicles was completed, while supply orders had been placed for balance items under the component of Arms and ammunition.

### 2.6.3 Delay in acquisition of land

For establishment of the newly created Battalions and creating the required infrastructure, land was to be acquired at five locations in the districts of Bandipora, Kishtwar, Leh, Pulwama and Udhampur. The process of acquisition of land was to be completed within six months<sup>68</sup> (August 2016). As of November 2019, land was acquired only at three locations Kishtwar, Leh and Pulwama. Acquisition of land was under process at the remaining two locations of Bandipora and Udhampur. There had been considerable delay in acquisition of land due to change of sites and belated payment of compensation to private land owners resulting in non-creation of infrastructure and consequent accumulation of unspent balances under the project.

The Department attributed (August 2020) delay to considerable time involved in land acquisition process, land disputes and shifting of land at Udhampur and Leh.

The reply is not acceptable as the time schedule for land acquisition was six months from date of sanction (February 2016) of the project, which had not been achieved (August 2020).

<sup>68</sup> From the date of sanction of the project.

## 2.6.4 Deficient manpower

For establishment of five IR Battalions at five different locations, the GoJ&K created (September 2016) 5,035 additional posts of different cadres (1,007 posts per Battalion). To make these battalions functional, it was imperative for the Department to recruit/ post staff against these posts at the earliest. The cadre-wise position of posts created, posts filled and shortfall as of March 2019 is given in the **Table 2.6.2**.

**Table 2.6.2: Manpower position**

Sl. No.	Name of the post	Number of posts created	Number of persons engaged	Shortfall	Percentage shortfall
1.	Commandant	5	4	1	20
2.	Deputy Commandant	15	-	15	100
3.	Deputy Superintendent of Police (DSP)	35	9	26	74
4.	Inspectors	35	4	31	89
5.	Sub-Inspectors (SI)	115	13	102	89
6.	Assistant Sub-Inspectors (ASI)	90	29	61	68
7.	Head Constables (HC)	800	77	723	90
8.	Constables	3,375	3,321	54	2
9.	Others	345	340	5	1
10.	Ministerial Staff	35	-	35	100
11.	Wireless staff	165	-	165	100
12.	Medical staff	20	-	20	100
<b>Total</b>		<b>5,035</b>	<b>3,797</b>	<b>1,238</b>	<b>25</b>

(Source: Position of sanctioned posts and men-in-position furnished by the Police Headquarters, J&K)

The overall shortfall in recruitment/ appointment of various categories of posts for five IR Battalions was 25 per cent with post wise shortfall ranging between one per cent and 100 per cent. The shortage at senior ranks<sup>69</sup> was as high as 88 per cent as of September 2020.

The Department stated (August 2020) that during recruitment for five IR Battalions, 341 posts of constables remained unfilled due to non-availability of candidates in reserved categories.

The reply does not address the observations regarding shortages of personnel in senior rank (Head Constable onwards) posts which formed a critical component of the project.

<sup>69</sup> Head constable, Assistant Sub-Inspector, Sub-Inspector, Inspector and Deputy Superintendent of Police.

**Chapter-III**  
**Crisis Management**



## CHAPTER - III

### Crisis Management

#### 3.1 Introduction

The Crisis Management segment under the PMDP includes seven<sup>1</sup> projects to be executed at an estimated cost of ₹ 5,858 crore including a Comprehensive Flood Control Project for River Jhelum and its tributaries including dredging and de-silting; assistance for permanent restoration of damaged public infrastructure assets strengthening the Disaster Management Framework in the State, including setting up of Emergency Operation Centres and allied infrastructure etc.

Under the Crisis Management segment out of a total of seven projects, four<sup>2</sup> projects with an outlay of ₹ 2,830 crore were test checked in Audit.

The financial details including expenditure incurred on these four projects are given in **Table 3.1.1**.

**Table 3.1.1: Project wise details of cost vis-a-vis expenditure incurred**  
(as on 31 March 2019)

Sl. No.	Projects	Project cost	Funds sanctioned	Released	Expenditure	Unutilised funds (Percentage)
1.	Construction of Additional Girls Hostels in Higher Education Institutions	50	23.75	23.75	9.16	14.59 (61)
2.	High end security and law order system in J&K	500	501.86	501.86	261.96	239.90 (48)
3.	Comprehensive plan for Flood Management of River Jhelum and its tributaries (Phase I)	280	287.43	287.43	280.87	6.56 (2)
4.	Permanent Restoration of damaged infrastructure	2,000	1,178.34	1,178.34	915.17	263.17 (22)
	<b>Total</b>	<b>2,830</b>	<b>1,991.38</b>	<b>1,991.38</b>	<b>1,467.16</b>	<b>524.22 (26)</b>

(Source: Departmental records)

Out of a total outlay of ₹ 2,830 crore for these four projects as given in **Table 3.1.1**, ₹ 1,991.38 crore was sanctioned and released by the GoI and an expenditure of ₹ 1,467.16 crore had been incurred as on 31 March 2019, leaving an unutilised balance of ₹ 524.22 crore (26 per cent) as on March 2019.

<sup>1</sup> (i) Construction of Additional Girls Hostel in Higher Education Institutions; (ii) High end security and law order system in J&K by Home Department; (iii) Plan for Comprehensive Flood Management of River Jhelum and its tributaries (Phase-I); (iv) Plan for comprehensive Flood Management of River Jhelum & its tributaries (Phase-II); (v) Permanent Restoration of damaged infrastructure; (vi) Restoration of damaged Horticulture areas and development of Horticulture in J&K; and (vii) 90 per cent Grant portion of World Bank Assistance for Jhelum-Tawi flood reconstruction project.

<sup>2</sup> (i) Construction of Additional Girls Hostel in Higher Education Institutions; (ii) High end security and law order system in J&K by the Home Department; (iii) Plan for Comprehensive Flood Management of River Jhelum and its tributaries (Phase I); and (iv) Permanent Restoration of damaged infrastructure.

## Higher Education Department

### 3.2 Construction of additional Girls Hostels in Higher Education Institutions

The Department of Higher Education, Government of Jammu & Kashmir (GoJ&K) submitted a proposal (October 2016) for Construction of Seven Girls Hostels<sup>3</sup> in Government Degree Colleges (GDCs). This was approved (March 2017) under the Prime Minister's Development Package (PMDP) by the Government of India (GoI) for a total project cost of ₹ 50 crore. The works<sup>4</sup> of the project were technically vetted by the Development Commissioner (Works) for ₹ 48.41 crore and the period for completion was eight months (February 2018) from the date of issue of authorisation order. The assistance from the GoI, through the University Grants Commission (UGC) was 100 *per cent* of the approved cost, subject to the condition that expenditure over and above the allocation by UGC was to be met by the Institutions from their own resources.

Out of the seven Girls Hostels to be constructed, five<sup>5</sup> Girls Hostels in GDCs were selected for test check in audit.

As seen from the records and photographs given in paragraph 3.2.3, out of the five test checked Girls Hostels in GDCs where the construction of Hostels was proposed, work of construction of three<sup>6</sup> Girls Hostels was at different stages. In the remaining two<sup>7</sup> Girls Hostels, work had been stopped at plinth level due to lack of specific experience of the executing agencies as well as the knowhow of the new technology<sup>8</sup> being adopted despite incurring (March 2019) an expenditure of ₹ 3.01 crore. None of the Girls Hostels were complete, as detailed in the subsequent paragraphs.

#### 3.2.1 Financial Management

Out of the sanctioned cost of ₹ 50 crore, an amount of ₹ 23.75 crore was released (July 2017 to October 2018) by the UGC directly into the Bank accounts of the seven GDCs who in turn released ₹ 10.22 crore to the construction agencies<sup>9</sup>.

During the period 2019-20 and 2020-21 (September 2020), an amount of ₹ 9 crore was further released by the UGC into the Bank accounts of three GDCs which in turn released ₹ 11.59 crore to the construction agencies. The balance funds of ₹ 12 crore remained with the colleges as of September 2020 as given in **Table 3.2.1**.

<sup>3</sup> Government Degree Colleges (i) Paloura (Jammu), (ii) Rajouri, (iii) Bhaderwah (initially approved for Thatri-Doda), (iv) Bemina (Srinagar), (v) Kargil, (vi) Pulwama and (vii) Kupwara.

<sup>4</sup> Six works in March 2018 and remaining work in Bhaderwah in December 2018.

<sup>5</sup> Government Degree Colleges (i) Paloura (Jammu), (ii) Rajouri, (iii) Bhaderwah, (iv) Bemina (Srinagar) and (v) Kargil (Ladakh).

<sup>6</sup> GDCs (i) Paloura (Jammu), (ii) Rajouri and (iii) Bhaderwah.

<sup>7</sup> Bemina (Srinagar) and Kargil (Ladakh).

<sup>8</sup> Pre-Engineered Structure Technology.

<sup>9</sup> J&K Housing Board (six colleges): ₹ 9.06 crore; JKPHC (one college): ₹ 1.16 crore.

Table 3.2.1: Fund position as of September 2020

(₹ in crore)				
Period	Sanctioned cost	Funds released by UGC	Released to construction Agencies	Unutilised balance
2017-18	50.00	8.00	9.06*	0.00
2018-19		15.75	1.16	14.59
2019-20		7.00	6.59	15.00
2020-21 (ending September 2020)		2.00	5.00	12.00
<b>Total</b>	<b>50.00</b>	<b>32.75</b>	<b>21.81*</b>	

\*Includes ₹ 1.06 crore (GDC Kupwara: ₹ 1.02 crore and GDC Kargil: ₹ 0.04 crore) released (May 2017) by the Higher Education Department under State Plan funds.

(Source: Departmental records)

Audit further noticed (October 2020) that for four out of the five sampled colleges, where the Jammu and Kashmir Housing Board (JKHB) was the construction agency, an expenditure of ₹ 12.23 crore was incurred (September 2020). However, Utilisation Certificates (UCs), had been submitted (between November 2017 and August 2020) for ₹ 15.29 crore by the construction agency, thereby resulting in submission of inflated UCs to the extent of ₹ 3.06 crore. Moreover, as against the sanctioned amount of ₹ 50 crore for construction of seven Girls Hostels in GDC, total amount of ₹ 33.81 crore was released by UGC. Out of this, ₹ 16.67 crore was spent for seven Girls Hostel as of September 2020.

The Director Planning, Higher Education Department, GoJ&K stated (July 2020) that UCs were issued on the basis of work done which included material brought on site of work.

The reply is not tenable as the actual expenditure incurred included material booked in advance by the executing Divisions and therefore, UCs submitted were inflated. Further, as the differential amount was still lying in the Bank Accounts of the GDCs, the possibility of misutilisation/ misappropriation in future, cannot be ruled out.

The Director Planning, Higher Education Department, GoJ&K attributed (July 2020) the poor progress of work to the late receipt of structural drawings and technical sanctions and also to the prevailing security environment and the long winter season in the Kashmir Division. He further stated that the construction of three<sup>10</sup> girls hostels in Jammu Division was nearing completion, which was, however, not supported by documents in the case of two<sup>11</sup> GDCs and the photographs (*in Para No. 3.2.3*) taken on 30 September 2020.

The reply is not acceptable as none of the Girls Hostels taken up for construction in the four<sup>12</sup> Degree Colleges which were required to be completed by February 2018, had been completed (October 2020) even after 31 months from the original date of completion, and having a provision of pre-engineered structures in the DPR for expeditious completion.

<sup>10</sup> GDCs (i) Paloura (Jammu), (ii) Rajouri and (iii) Bhandarwah.

<sup>11</sup> GDCs (i) Paloura and (ii) Rajouri.

<sup>12</sup> GDCs (i) Paloura Jammu (ii) Rajouri (iii) Bemina Srinagar and (iv) Kargil Ladakh.

Thus, the objective of time bound creation (February 2018) of hostels to ameliorate the hardships faced by girl students was not achieved, despite availability of adequate funds.

### **3.2.2 Building Committees**

As seen from the records made available, Building Committees had not been constituted in GDC, Kargil of Ladakh Division and GDC, Paloura, Jammu. In the remaining three<sup>13</sup> colleges even though the Building Committees had been constituted, these had not exercised any control over execution of works in two Colleges<sup>14</sup>.

### **3.2.3 Construction of Hostels**

The Planning Development and Monitoring Department, GoJ&K instructed (October 2012) that the JKHB, may in addition to its duties of developing colonies participate in competitive bidding process related to the construction/ execution of mega works/ projects of Health and Education sectors in the capital cities of Jammu and Srinagar and its adjacent districts.

Construction work of hostels in four<sup>15</sup>, out of five sampled colleges with the project cost of ₹ 35 crore was allotted on nomination basis. Although the work of four Girls Hostels was being constructed by a Government Agency (JKHB) on nomination basis, without any tendering process<sup>16</sup>, the same were yet to be completed. An expenditure of ₹ 12.23 crore had been incurred on these hostels as of September 2020.

The construction of Girls Hostels in GDCs was to be completed within a period of eight months (February 2018) failing which a monthly penalty at the rate of 2 *per cent* of the cost was to be imposed on the JKHB. No penalty for delay in completion of works was initiated by the Department even after two and half years so as to expedite their completion.

The Director Planning, Higher Education Department, GoJ&K stated (July 2020) that the JKHB, is a Government executing agency for various projects/ works of other Departments and has been empowered to take up such projects. It was also stated (July 2020) that reasons for delay were attributed by the executing agencies to disturbance in the valley and as a result workshop for pre-engineered structure could not be established in Srinagar.

The reply is not acceptable as the JKHB has attributed (July 2019) the delay to the lack of specific experience and knowhow of new technology (pre-engineered structure) at the time of commencement of work leading to stoppage of work after plinth level.

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<sup>13</sup> GDCs (i) Bhaderwah, (ii) Rajouri and (iii) Bemina.

<sup>14</sup> GDC, Bemina and GDC, Rajouri.

<sup>15</sup> GDCs (i) Paloura, (ii) Rajouri, (iii) Bemina and (iv) Kargil.

<sup>16</sup> The Minister for Education, GoJ&K on 16 May 2017 chaired the meeting, wherein authorisation for construction of Girls Hostels by JKHB was conveyed.



Thus, failure of the Department to ensure timely completion of hostel buildings despite availability of funds and entrustment of work on nomination basis, resulted in non-achievement of objective to provide hostel facilities to 936 girl students of five sampled colleges.

*Necessary steps should be taken up to expedite completion of the Project works of the Girls Hostels so that the benefits of the scheme reach to the girls students.*

## Home Department

### High end security and law and order system in Jammu and Kashmir

#### 3.3 Introduction

With a view to enable the Jammu and Kashmir Police to respond promptly to various law and order situations, counter insurgency operations and handling of law and order through the use of latest technology and non-lethal equipment without damage to life and property, a Project<sup>17</sup> was approved (October 2017) by the Ministry of Home Affairs (MHA), Government of India (GoI) under the PMDP at a cost of ₹ 500 crore. The project was scheduled to be completed by March 2020. The salient features of the Project were to:

- Establish integrated command centres involving two central command centres one each in Srinagar and Jammu, district command centres and Closed Circuit Television (CCTV) surveillance system for the National Highway from Lakhanpur to Srinagar,
- Provide CCTV cameras, IP Based Video surveillance system, Electric Boom Barriers, Hydraulic cranes, Bullet Resistant Jackets, Deep Search Metal Detectors etc,
- Provide specially designed anti-riot vehicles, helmets, gas masks, group shield specially for Women protection units, Bullet Proof (BP) Bunker Vehicle<sup>18</sup>, wireless communication centre for better communication and law and order situation.

#### 3.3.1 Financial Management

Initially expenditure is incurred from State Funds and after the claim for reimbursement is lodged with MHA through the Finance Department, GoJ&K, the GoI releases funds to the State Government through Security Related Expenditure (SRE) mechanism for reimbursement of the entire cost of the project. The position of funds released and the expenditure incurred during the period from 2016 to 2019 under the project is given in **Table 3.3.1**.

**Table 3.3.1: Status of Funds and Expenditure**  
(as on 31 March 2019)

Year	Funds released	Expenditure incurred (Percentage)	(₹ in crore)
			Unutilised funds
2016-17	18.30	15.53 (85)	2.77
2017-18	311.69	154.34 (50)	157.35
2018-19	171.87	92.09 (54)	79.78
<b>Total</b>	<b>501.86</b>	<b>261.96 (52)</b>	

(Source: Progress Reports of the Project)

During the period from 2016 to 2019, the GoJ&K released ₹ 501.86 crore out of which an expenditure of ₹ 261.96 crore (52 per cent) was incurred by the Department.

<sup>17</sup> Project No. 42 of PMDP.

<sup>18</sup> Special Bullet Proof Vehicle with predetermined safety standards.

The percentage of expenditure *vis-a-vis* funds available during the period ranged between 50 and 85 respectively. The unspent balances increased from ₹ 2.77 crore as of April 2017 to ₹ 79.78 crore at the close of March 2019. Further, during the year 2019-20 an amount of ₹ 119 crore was sanctioned by the GoI under the project and an expenditure of ₹ 29.77 crore had been incurred by the Department, leaving a balance of ₹ 89.23 crore unutilised as of 31 March 2020. During the year 2020-21 (up to August 2020), an amount of ₹ 25.15 crore was released by the GoI against which no expenditure had been incurred (August 2020).

### 3.3.2 Procurement of equipment

Under the project 56 items/ works were to be procured/ installed out of which procurement/ installation of 33 items/ works (59 *per cent*) were completed by the Department as of August 2020, as detailed in *Appendix 3.3.1*.

- The integrated command centres and its linked components had not been taken up for execution as of 31 August 2020.
- Procurement of 413 CCTVs for Police Stations was under tendering process (August 2020).
- 669 vehicles of various types (Bullet proof Bunkers, Rakshak vehicles, Gypsy, Anti-Riot vehicles, Hydraulic crane, JCB, Tractor) were sanctioned, 547 vehicles had been procured of which 499 vehicles had been delivered as of August 2020.

The following significant deficiencies were noticed in Audit.

#### 3.3.2.1 Purchases without tendering

Rule 8.4 of the Jammu and Kashmir Financial Code provides that purchase of stores should be made in the most economical manner and in accordance with definite requirements of public service. Further, Rule 166 of General Financial Rules 2017, GoI provides that procurement from a single source may be resorted to:

- If it is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods.
- In case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.

Purchases worth ₹ 100.27 crore which included vehicles, Body protectors, Bullet Proof patkas<sup>19</sup>, Anti-Riot vehicles, Farm track tractor and Backhoe loader were made by the Police Headquarter (PHQ), J&K either on repeat order basis or from original manufacturers, without ascertaining reasonability of rates by way of inviting tenders etc; as detailed in *Appendix 3.3.2*.

After the matter was referred (June 2020) to the Government, the Department in reply stated (August 2020) that the PHQ, J&K purchased Bullet Resistant vehicles directly

<sup>19</sup> Bullet Proof patkas: Bullet proof scarves worn beneath helmets.

from original manufacturers/ authorised dealers, as a proprietary item to meet urgent requirement of J&K Police for anti-militancy operations and law and order duties in view of prevailing security scenario after approval of the State Level Purchase Committee (SLPC). It was also stated that vehicles and other items were purchased by the J&K Police from original manufacturers on lowest company rates applicable to Government Departments as proprietary items and the vehicles were not available on GeM<sup>20</sup>.

The reply is not tenable in view of the fact that similar machinery/ equipment and Bullet Proof vehicles were manufactured by several firms and that reasonability of rates even from authorised dealers/ firms was not ensured by the Department.

### **3.3.2.2 Purchases from specific firms**

Audit scrutiny of records revealed that the Department had made purchases from particular firms/ single source, which resulted in avoidable expenditure of ₹ 9.20 crore, as discussed in the succeeding paragraphs.

#### **A. Purchase of Medium Bullet Proof vehicles**

The GoI sanctioned (July 2016) ₹ 18.30 crore for purchase of 40 Bullet Proof Vehicles<sup>21</sup> including 15 Medium Bullet Proof (4x4 Drive) Vehicles (MBPV). The Police Headquarters (PHQ) sent a proposal (August 2016) to the Home Department of the State Government for purchase of:

- Seven MBPVs, BS III from M/s Ashok Leyland Limited for ₹ 54.16 lakh per vehicle; and
- Eight Tata Light Armoured Troop Carriers, BS III from M/s Tata Motors Limited for ₹ 48.09 lakh per vehicle.

In its recommendation, the PHQ had clarified (September 2016) that both MBPVs, BS III and Armoured Troop Carriers, BS III were Medium Bullet Proof (4x4 Drive) Vehicles (MPBV) as sanctioned by MHA, GoI and purchase of these vehicles from original manufactures<sup>22</sup> on DGS&D rates/ lowest company rates as recommended by the SLPC. The Home Department, GoJ&K accorded (October 2016) sanction for purchase of 15 MBP (4x4 Drive) vehicles and released ₹ 18.30 crore<sup>23</sup> in favour of Director General of Police, J&K subject to certain conditions which included that purchase of these vehicles be made on most economical rates.

The PHQ, J&K thereafter placed (October 2016) orders for supply of 15 (4x4 Drive) MBP vehicles as per their proposal to Home Department, GoJ&K (August 2016).

As manufacture or sale of BS III vehicles was not permitted in India after 31 March 2017, the PHQ, GoJ&K asked both the firms to manufacture vehicles with BS IV compliant engines. Thereafter, supply order in favour of M/s Ashok Leyland

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<sup>20</sup> Government e Marketplace.

<sup>21</sup> 15 MBPVs at a rate of ₹ 0.52 crore per vehicle and 25 Bullet Proof SUV vehicle at a rate of ₹ 0.42 crore per vehicle.

<sup>22</sup> M/s Ashok Leyland Limited and M/s Tata Motors Limited.

<sup>23</sup> Including purchase of 25 Bullet proof SUV vehicles.

Limited was modified (August 2017) to ₹ 56.32 lakh per vehicle after including additional charges for conversion of BS III to BS IV and Good and Service Tax thereon. Although the Supply order was not modified, M/s Tata Motors Limited offered (February 2018) a rate of ₹ 50.12 lakh per vehicle with BS-IV specifications. However, the firm made supply of eight vehicles at a rate of ₹ 41.83 lakh per vehicle.

Thus, rates of MBP Vehicles of M/s Tata Motors Limited were lesser as compared to M/s Ashok Leyland Limited by ₹ 14.49 lakh per vehicle, the Department purchased only eight such vehicles from the firm and remaining seven MBP vehicles from M/s Ashok Leyland Limited. M/s Ashok Leyland Limited supplied (September/October 2017) seven MBP vehicles at a cost of ₹ 3.94 crore<sup>24</sup>. M/s Tata Motors Limited supplied eight vehicles at a cost of ₹ 3.35 crore<sup>25</sup> in March/ April 2018. Balance payment of ₹ 62.15 lakh after adjustment of ₹ 9.83 lakh on account of delayed supply was made in favour of M/s Ashok Leyland Limited in April 2018, while balance payment of ₹ 7.63 lakh in favour of M/s Tata Motors Limited was not made due to delayed supply of vehicles.

Thus, the Department purchased seven MBP vehicles at higher rates from M/s Ashok Leyland Limited, thereby incurring an extra expenditure of ₹ 1.01 crore.

After the matter was referred (June 2020) to the Government, the Department stated (August 2020) that the PHQ had initially purchased Medium BP Bunkers Vehicles from two Original Equipment Manufacturers (OEMs) from M/s Tata Motors Limited and M/s Ashok Leyland Defence Systems Limited, being proprietary items as the same were not available on GeM. Based on operational requirement and constraints of delivery in view of prevailing security scenario, order for 15 Medium BP Bunkers under PMDP was given to the two firms.

The fact however remains that despite lower rates offered by M/s Tata Motors Limited for MBP vehicles, seven vehicles were procured from M/s Ashok Leyland Defence Systems Limited at higher rates.

## **B. Purchase of Medium BP vehicles for CRPF**

The GoI sanctioned (October 2017) procurement of 125<sup>26</sup> Bullet Proof (BP) vehicles for CRPF at a cost of ₹ 34.75 crore under the project. The Home Department, GoJ&K accorded (January 2018) sanction in favour of DGP, J&K for advance drawal of ₹ 15.20 crore for purchase of 30 Medium BP vehicles to be placed at the disposal of CRPF subject to the condition that the purchase should be made on most economical rates, after ascertaining reasonability of rates and fulfillment of codal formalities from original manufactures.

Two firms<sup>27</sup> offered (February 2018) their rates for supply of 30 Medium BP vehicles. Instead of purchase of these Medium BP vehicles on most economical rates<sup>28</sup> offered

<sup>24</sup> At the rate of ₹ 56.32 lakh per vehicle with deduction of ₹ 9.83 lakh for late supply of vehicles.

<sup>25</sup> At the rate of ₹ 41.83 lakh per vehicle.

<sup>26</sup> 80 BP Gypsy, 30 Medium BP Vehicles and 15 Mahindra Vehicles.

<sup>27</sup> M/s Ashok Leyland Defence System Limited at the rate of ₹ 58.11 lakh per vehicle and M/s Tata Motors Limited at the rate of ₹ 50.12 lakh per vehicle.

<sup>28</sup> At the rate of ₹ 50.12 lakh per vehicle.

by M/s Tata Motors Limited, the PHQ, J&K placed (February 2018) order for supply of 26 Medium BP vehicles<sup>29</sup> with M/s Ashok Leyland Defence System Limited at higher rate (₹ 58.11 lakh) per vehicle and thereafter requested (April 2018) MHA, GoI to accord *post facto* sanction for purchase of these vehicles within the approved budget of ₹ 15.20 crore. MHA, GoI informed (April 2018) the DGP, J&K that purchase of vehicles of a particular make was discussed in SRE Standing Committee Meeting (February 2018) wherein it was decided that the GoJ&K should procure items as per their laid down procedures within the sanctioned amount by MHA, GoI. The DGP, J&K however, placed (February 2018) the orders at higher rates in favour of M/s Ashok Leyland Defence System Limited and made (June 2018) advance payment (90 *per cent* of the value of the supply order) of ₹ 13.60 crore to the firm. Thus, procurement of 26 Medium BP vehicles at higher rates by the PHQ, J&K resulted in extra expenditure of ₹ 2.08 crore.

After the matter was referred (June 2020) to the Government, the Department stated (August 2020) that the PHQ, J&K had purchased 26 Ashok Leyland Medium BP Bunker, BS IV as a proprietary item, on the recommendations of CRPF made on the basis of decision of their Board of officers and after approval of competent authority/SLPC. The reply should be viewed in light of the fact that lowest rates offered by another reputed firm M/s Tata Motors Limited for similar type of Medium BP vehicles had been ignored by the Department and that recommendations of CPRF made at behest of decision of their Board, were neither on record nor produced with the reply.

### **C. Purchase of BP Vehicles**

The GoI accorded (October 2017) sanction for procurement of 63 Bullet proof (BP) Bunker Vehicles at a cost of ₹ 22.05 crore and 100 Bullet proof (BP) Bunkers for Police stations at a cost of ₹ 50.67 crore under the project. The Home Department, J&K Government accorded sanction in favour of DGP, J&K subject to the condition that purchases should be made on most economical rates, after ascertaining reasonability of rates and fulfillment of codal formalities.

Audit scrutiny (September 2018 and September 2019) of records revealed the following:

For Medium BP vehicles, a rate of ₹ 58.11 lakh per vehicle was offered (February 2018) by M/s Ashok Leyland Defence System Limited and ₹ 50.12 lakh by M/s Tata Motors Limited. The Home Department, J&K accorded (March 2018) sanction for purchase of 38 BP Bunkers (Ashok Leyland Medium BP Vehicle) at a rate of ₹ 58.11 lakh per vehicle and released (March 2018) ₹ 22.08 crore to DGP, J&K. However, the funds lapsed at the end of financial year 2017-18 which were revalidated by the Home Department and released (March 2019) in favour of DGP, J&K. Thereafter, the PHQ, GoJ&K without obtaining offers from the registered manufacturers placed (February 2019) order for supply of 38 BP Bunkers at a rate of

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<sup>29</sup> 4WD, BS IV, upgraded model 'Topchi' with 3,607 mm wheel base.

₹ 57.06 lakh per vehicle in favour of M/s Ashok Leyland Defence System Limited on the basis of proforma invoice (February 2019) of the firm. The PHQ, GoJ&K released (February 2019) advance (90 per cent) payment of ₹ 19.52 crore in favour of the firm.

Thus, by ignoring the offer of M/s Tata Motors Limited and instead procuring BP Bunkers from M/s Ashok Leyland Defence System Limited at higher rates, an additional expenditure of ₹ 2.64 crore had been incurred by the Department. After the matter was referred (June 2020) to the Government, the Department stated (August 2020) that PHQ, J&K had purchased 38 BP Bunkers from Original Equipment Manufacture (OEM), M/s Ashok Leyland Defence Systems Limited, Chennai, as a proprietary item, on reasonable/ tender approved rate and that due procedure was followed in the instant procurement. The reply should be viewed in light of the fact that offer of M/s Tata Motors Limited was not deliberated upon and purchases had been made at higher rates from M/s Ashok Leyland Defence Systems Limited.

**II.** For the purchase of 100 BP Bunkers for Police stations, the Home Department, GoJ&K accorded (January 2018) sanction for drawal of an advance of ₹ 50.67 crore by the DGP, J&K. The PHQ, J&K sought (January 2018) approval of MHA, GoI for the purchase of 94<sup>30</sup> BP Bunkers within approved budget of ₹ 50.67 crore which was not granted. However, the PHQ placed (February 2018) order for supply of 50 Medium Bullet Proof Vehicle (MBPV)<sup>31</sup> at a cost of ₹ 58.11 lakh per vehicle with M/s Ashok Leyland Defence System Limited, Chennai to be supplied within four months while no supply order was placed with M/s Tata Motors Limited. Thereafter, the PHQ, GoJ&K requested (April 2018) MHA, GoI to accord *post facto* sanction for purchase of these vehicles within the approved budget but the MHA, GoI informed (April 2018) that purchase of vehicles of a particular make was discussed (February 2018) in SRE Standing Committee Meeting wherein it was decided that State Government should procure items as per their laid down procedures within sanctioned amount by the MHA. The Home Department, J&K Government revised (June 2018) sanction to procurement of 50 Ashok Leyland Medium BP bunkers (at a rate of ₹ 58.11 lakh per vehicle) at a cost of ₹ 29.06 crore and supply order in favour of M/s Ashok Leyland Defence System Limited was partially modified (January 2019) by the PHQ for supply of vehicles at a rate of ₹ 57.06 lakh per vehicle. Thereafter, the PHQ released (January 2019) advance (90 per cent) payment of ₹ 25.68 crore in favour of the firm.

Thus, by procuring BP Bunkers from M/s Ashok Leyland Defence System Limited at higher rates, the Department had incurred an additional expenditure ₹ 3.47 crore. After the matter was referred (June 2020) to the Government, the Department stated (August 2020) that the PHQ, GoJ&K purchased the first lot of 50 BP Bunkers (out of 100) for Police Stations from M/s Ashok Leyland Defence Systems Limited Chennai, as a Proprietary item, on approved tender rate and that due procedure had been followed in the instant procurement. The fact remains that purchases were not made in

<sup>30</sup> Tata Light Armoured Troop carrier: 50 and Ashok Leyland Medium BP Bunker: 44.

<sup>31</sup> 4WD BS-IV.

economical manner after ascertaining reasonability of rates by way of involving M/s Tata Motors who had offered rate of ₹ 50.12 lakh for the same vehicle.

*Although the Department had taken the plea that MBP Vehicles are a proprietary item, the process of placing supply orders with both the firms was self-contradictory. Thus, considering the nature of urgency in such purchases, the Department may adopt a streamlined procedure, consistent with the objectives of High end security.*

## Jal Shakti Department

### 3.4 Comprehensive plan for Flood Management of River Jhelum and its tributaries, Phase I

#### 3.4.1 Introduction

Srinagar city suffered record flooding in September 2014 as a result of abnormally high and widespread rainfall particularly in the southern part of the catchment area of River Jhelum. The area flooded was about 850 square Kms. In Srinagar, the floodwaters were about 1.5 metres above the river embankments and large parts of the city were inundated by water up to 6 metres. In order to avoid the immediate threat of floods from River Jhelum, the Department prioritised flood mitigation measures under the Project 'Priority Works Plan for Comprehensive Flood Management of river Jhelum and its tributaries: Phase I' which includes increasing capacity of the Flood Spill Channel (FSC) to discharge the flood water, dredging and construction of flood protection structures on river Jhelum. The main objective of the project was to minimise the flood damages in future through immediate measures.

#### 3.4.2 Phase I Project

The Project<sup>32</sup> sanctioned by the Government of India (GoI) in March 2016 at an estimated cost of ₹ 399.29 crore, aimed at increasing the carrying capacity of flood water through the Flood Spill Channel (FSC) and to ensure durability of banks of the river Jhelum, avoid immediate threat of flood and minimise flood damages in future. The major components of the project are as follows:

- Land acquisition for widening of the FSC at Shariefabad and Naidhkhai<sup>33</sup>;
- Re-sectioning/ earth cutting of the FSC Channel at Shariefabad and Naidhkhai<sup>34</sup>;
- Construction of two bridges on the FSC at Shariefabad and Naidhkhai<sup>35</sup>;
- Dredging of river Jhelum in Stretches<sup>36</sup> at Srinagar and Baramulla; and
- Flood protection and Anti-erosion works on river Jhelum, construction of retaining/ toe walls and Gabion/ crate protection works at vulnerable spots

<sup>32</sup> Project No. 61 of PMDP.

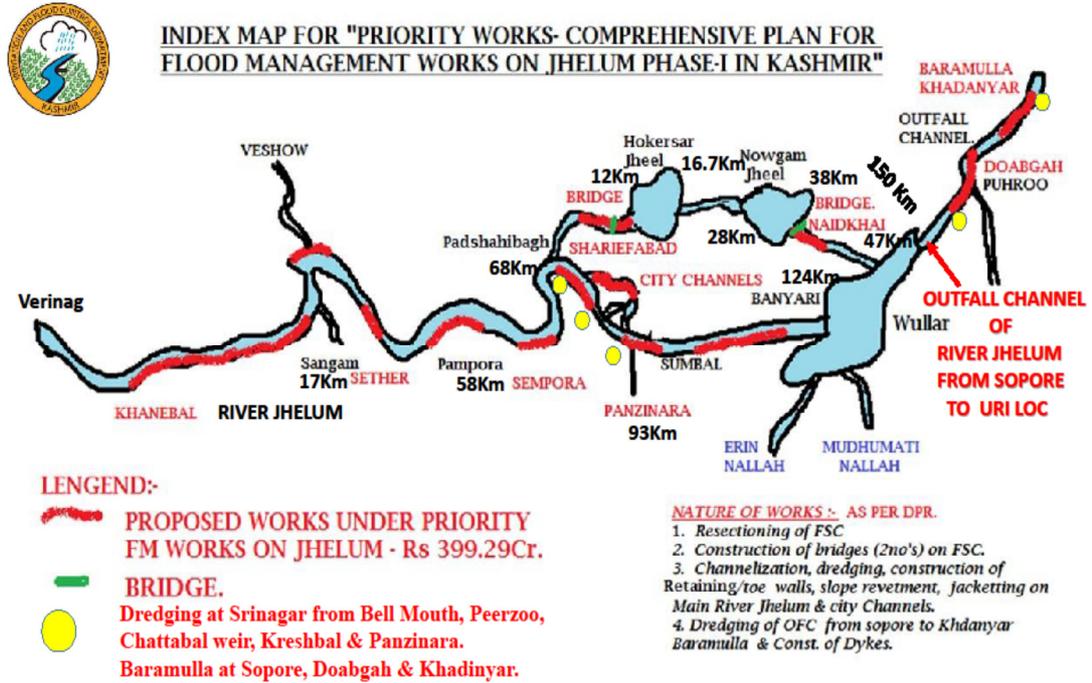
<sup>33</sup> Estimated Cost of ₹ 142.33 crore.

<sup>34</sup> Estimated Cost of ₹ 81.75 crore.

<sup>35</sup> Estimated Cost of ₹ 35.29 crore.

<sup>36</sup> Estimated Cost of ₹ 27.01 crore.

from Khanabal to Hajin including channelisation of outflow of city channels *Sunri* and *KutKul*<sup>37</sup>.



(Source of Map: Executive Engineer Flood Spill Channel Division, Narbal)

### 3.4.3 Financial Management

The estimated cost of the project under the PMDP was ₹ 399.29 crore and the funding pattern under the Flood Management Programme (FMP) was in the ratio of 70:30 between the GoI and the GoJ&K respectively. After deducting an amount of ₹ 22.52 crore as auditing and other establishment charges, the net cost was ₹ 376.77 crore under the FMP, of which only the land acquisition component amount was ₹ 142.33 crore. The GoI share for the project was ₹ 234.44 crore. The year-wise position of funds released by the GoI/ GoJ&K *vis-a-vis* expenditure incurred against the Project during the period from 2015-16 to 2018-19 is given in **Table 3.4.1**.

**Table 3.4.1: Fund position**  
(as on 31 March 2019)

Year	Opening balance (GoI)	Amount sanctioned		Total funds available	Expenditure incurred			Unutilised balance (GoI share)
		GoI share	GoJ&K share		GoI share	GoJ&K Share	Total (Percentage)	
2015-16	-	20.68	35.33	56.01	Nil	35.33	35.33 (63)	20.68
2016-17	20.68	40.56	45.01	106.25	40.49	45.01	85.50 (80)	20.75
2017-18	20.75	92.06	Nil	112.81	75.30	-	75.30 (67)	37.51
2018-19	37.51	40.57	13.22	91.30	71.52	13.22	84.74 (93)	6.56
<b>Total</b>		<b>193.87</b>	<b>93.56</b>		<b>187.31</b>	<b>93.56</b>	<b>280.87</b>	

(Source: Statement of Chief Engineer, I&FC Department, Kashmir)

<sup>37</sup> Estimated Cost of ₹ 81.60 crore.

The **Table 3.4.1** indicates that out of total funds of ₹ 287.43 crore sanctioned by the GoI and the GoJ&K during the period from 2015-16 to 2018-19, an expenditure of ₹ 280.87 crore had been incurred on the project, as of March 2019. The percentage utilisation of available funds ranged between 63 and 93 during the years from the period 2015-16 to 2018-19. No share of the GoJ&K was released during 2017-18 and only ₹ 93.56 crore was released by the GoJ&K during 2018-19 without recording any reasons for the short release. Further, during the year 2019-20, an amount of ₹ 26.37 crore<sup>38</sup> was released under the project and an expenditure of ₹ 32.93 crore<sup>39</sup> was incurred by the Department.

After the matter was referred (June 2020) to the Government, the Chief Engineer, Irrigation and Flood Control (I&FC) Department, Kashmir stated (July 2020) that the total cumulative expenditure of the project ending March 2020 was ₹ 313.79<sup>40</sup> crore leaving a balance of ₹ 85.49 crore<sup>41</sup> as on 01 April 2020 and that central assistance was generally released at the fag end of the financial year, which resulted in less utilisation of funds.

#### **3.4.4 Project execution**

The execution of the project started during 2015-16 and was to be completed within two years by March 2017. However, the completion period was extended by the Department up to March 2019 on the grounds of unrest in the Kashmir valley in the immediate past six months and also due to the delay in release of assistance of the GoI.

The Chief Engineer (CE), Irrigation and Flood Control (I&FC) Department, Kashmir stated (July 2020) that vulnerability assessment had to be redone due to series of flash floods during the year 2015, which threw up more vulnerable spots requiring immediate attention and that these were executed and achievements shown by the Department were reflection of the work done.

The reply was not tenable as protection works to the extent of 6,431.34 RM<sup>42</sup> (42 per cent) at vulnerable spots of river Jhelum were not completed and deviation from the approved Detailed Project Report (DPR) was not got regularised from the Government of India (GoI).

#### **3.4.5 Flood Management measures**

Flood control measures were in the form of continuous maintenance and improvements of the FSC and the banks of River Jhelum. The significant findings are highlighted in the succeeding paragraphs.

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<sup>38</sup> GoI share: ₹ 20.29 crore and GoJ&K share: ₹ 6.08 crore.

<sup>39</sup> GoI share: ₹ 26.84 crore and GoJ&K share: ₹ 6.09 crore.

<sup>40</sup> GoI share: ₹ 214.15 crore and GoJ&K share: ₹ 99.64 crore.

<sup>41</sup> GoI share: ₹ 20.29 crore and GoJ&K share: ₹ 65.20 crore.

<sup>42</sup> RM: Running metre.

### 3.4.5.1 Flood Mitigation measures in Flood Spill Channel

The length of the FSC from its off take at Padshahi Bagh, Srinagar upto its entry in Wullar Lake including the water bodies of Hokersar Jheel and Nowgham Jheel is 49 Kilometres (Kms). The FSC was built in the year 1904 to divert 8,000 cusecs of excess flood discharge from river Jhelum through Padshahi Bagh to Wullar Lake which again drains into river Jhelum at Sopore. The priority works undertaken under the project in the FSC, *inter-alia*, included land acquisition, re-sectioning/ earthwork cutting at RD<sup>43</sup> 6,055 metre to RD 11,947 metre and RD 38,068 metre to RD 39,860 metre, besides construction of bridges over FSC at Shariefabad and Naidhkhai. Re-sectioning of FSC at different sections were treated as per the provisions of approved DPR.

### 3.4.5.2 Flood spill channel

#### I. Land acquisition

Re-sectioning of the Flood Spill Channel (FSC) at various locations was critical item of work of the project. Land measuring 1,761 *kanals* and 13 *marlas* was to be acquired by the Department to facilitate this component of work. The Department could take possession of 1,683 *kanals* and 10 *marlas* land out of the required 1,761 *kanals* and 13 *marlas* land and acquisition of 78 *kanals* and 3 *marlas* of land (RD 39,443 metre to RD 39,824 metre i.e 381 metre) (4 *per cent*) was yet to be completed (September 2020).

Furthermore, 24 structures coming within the ambit of widening portion of FSC were not taken over/ dismantled by the Department. In addition to this, the detailed accounts of advance payment of ₹ 43.60 crore released (between March 2016 and March 2019) through the Collector for further disbursement to owners for compensation of land had not been obtained from the Revenue Department, as of September 2020. The mutation of land was not made in favour of the Department in the Revenue Records.

After the matter was referred (June 2020) to the Government, the Chief Engineer (CE), I&FC Department, Kashmir stated (July 2020) that bills for compensation of land acquisition were deposited into the concerned Treasury for payment to land owners but due to Covid-19 pandemic and instructions from the Finance Department, GoJ&K that bills should not be entertained till 30 June 2020, possession of land was delayed. Reasons for delay in acquisition of land were also attributed to holding of multiple Price Negotiation Committees (PNCs) during the period from March 2016 to March 2019 and non-availability of the Collector for some time.

The reply of the Department confirms the fact that land acquisition processes was not completed in a time bound manner.

Thus, re-sectioning of FSC remained incomplete as of September 2020.

<sup>43</sup> RD: Running Distance.

## **II. Shortfall in re-sectioning**

Due to sedimentation and encroachments over the years, the capacity of the FSC had been reduced to 6,000 cusecs. In order to increase the flood water carrying capacity of FSC up to 8,700 cusecs, re-sectioning was required to be done at various sites. As against the target of 18.11 lakh cum of earth for excavation, 13.13 lakh cum of earth had been excavated, as of March 2019, resulting in shortfall in excavation of 4.98 lakh cum of earth (27 per cent).

**Picture showing unexcavated portion of FSC at RD 38.068-39.860 on 28 December 2019**



After the matter was referred (June 2020) to the Government, the CE, I&FC Department, Kashmir stated (July 2020) that land acquisition process was speeded up and considerable progress had been achieved since March 2019. As of July 2020, only 0.50 lakh cum and 1.50 lakh cum of earth was excavated from Shariefabad and Naidhkhai stretches, respectively. It was further stated that slippage was due to delay in PNCs which had to be done thrice for separate stretches during the period from April 2015 to March 2019, as the land owners were reluctant to accept the rates offered to them.

The reply confirms the delay in land acquisition, as well the target for balance quantity of earth excavation of 2 lakh cum could not be achieved even as of September 2020, thereby hampering the full utilisation of an enhanced carrying capacity of the re-sectioned FSC.

### **3.4.5.3 Bridges**

As per the DPR of the project, a temporary road cutting across the FSC at Shariefabad (Running Distance (RD) 9.60 Km) was to be replaced by a bridge at an estimated cost of ₹ 20.56 crore. The construction of the bridge was entrusted to Jammu and Kashmir Projects Construction Corporation (JKPCC) in March 2017, which was to be completed by March 2019. The work of fabrication and assembling of trussed girders for spans P1 & P2 and construction of approaches for Shariefabad bridge was still under progress (September 2020).

Thus, due to non-completion of construction of the bridge the objective of increasing carrying capacity of flood waters at the Shariefabad site, could not be achieved.

After the matter was referred (June 2020) to the Government, the CE, I&FC, Kashmir stated (July 2020) that reason for delay in completion of bridge in the stipulated time, as per JKPC was that procurement of structural steel and key construction material had put brakes on early completion of the bridges. It was further stated that Shariefabad bridge was completed to the extent of 90 per cent and would be launched in August 2020.



Since this work could not be completed, the existing temporary road at Shariefabad continued to obstruct the FSC. As a result, the waterway remained constricted at this site.

### 3.4.6 Flood Management measures in river Jhelum

The priority works identified under the project were based on improving existing flood water carrying capacity of River Jhelum downstream of Khanabal to the Outfall Channel (OFC) at Baramulla and included construction of toe protection/ retaining walls, Gabion/ crate work, revetment on river Jhelum from Khanabal to Baramulla.

The significant audit findings are highlighted in the succeeding paragraphs.

#### 3.4.6.1 Dredging of River Jhelum

The contracts for dredging of river Jhelum as per the terms and conditions of the order of allotment provides for forfeiture of the entire performance bank guarantee/ security in the event of any breach of contract or failure to perform or observe any of the conditions of the contract by the firm. On completion of the entire work, the Performance Security was to be returned to the firm.

##### I. Bell mouth from Padhshahi Bagh Srinagar to Panzinara

The dredging of seven lakh cum of bed material from Bell mouth (off take point of FSC at Padhshahi Bagh Srinagar) to Panzinara (6.07 Km) in the river Jhelum was awarded (May 2016) to a contractor<sup>44</sup> by the CE, I&FC Department, Kashmir on the recommendations of the State Level Contract Committee (SLCC) at a cost of ₹ 20.23 crore, with stipulated date of completion as January 2017.

<sup>44</sup> M/s Reach Dredging Ltd., Kolkata.

**A.** According to the terms and conditions of the contract, the firm was required to dredge out seven lakh cum of river bed material from six different sites. The contractor dredged out only 0.84 lakh cum bed material (12 *per cent*) of total quantity allotted up to January 2017 and thereby attracted the forfeiture of the performance guarantee as per the terms and conditions of the contract. However, CE, I&FC Department, Kashmir in a SLCC meeting held on 10 October 2017 proposed for shifting of the dredging sites to other spots outside the scope of DPR.

This was, however, not agreed to by the SLCC<sup>45</sup> instead, the SLCC directed the CE, I&FC Department, Kashmir to put on notice the contractor firm to honor the contractual obligations and to also extend the period of completion of contract up to March 2018 on the same terms and conditions, as in the original contract. However, even in the extended period dredging of only 5.015 lakh cum of bed material, which is 72 *per cent* of allotted quantity was achieved. The performance bank guarantee, however, was not invoked by the Department.

The Contractor continued to dredge beyond March 2018 to the extent of 1.85 lakh cum of river bed material for which payment of ₹ 5.34 crore<sup>46</sup> was also made. The Contractor dredged out bed material aggregating 6.86 lakh cum (98 *per cent*) for which payment of ₹ 19.81 crore was made during August 2016 to February 2019.

After the matter was referred (June 2020) to the Government, the CE, I&FC, Kashmir stated (July 2020) that the Cabinet Sub-Committee under the Chairmanship of the then Chief Minister, had directed (May 2017) to continue work without formal extension of the contract and thus, there was no reason for forfeiture of performance guarantee and that there was no pending claim against the work.

The reply was not tenable as there was less execution of work even in the extended period of contract March 2018, which attracted forfeiture of bank performance guarantee in light of the provisions of terms and conditions of contract.

Thus, the contractor was extended undue benefit as well had no compulsion imposed on him to complete the work expeditiously, as was required under this project.

**B.** Audit further noticed that the contractor did not carry out dredging as per the targets fixed at critical locations was as shown in the following **Table 3.4.2**.

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<sup>45</sup> In its meeting held on 10 October 2017.

<sup>46</sup> ₹ 4 crore in July 2018 and ₹ 1.34 crore in February 2019.

Table 3.4.2: Dredging of river Jhelum

Sl. No.	Description of site	Target	Achievement	(In cum)	
				Extra achievement	Less achievement
1.	Bell mouth of FSC to DC office RD 68.606 Kms to RD 74.763 Kms	1,48,999	1,78,406	29,407	-
2.	DC office to Weir RD 74.753 Kms to RD 79.045 Kms	30,950	-	-	30,950
3.	Wier to Guzerbal RD 79.045 Kms to RD 82.467 Kms	1,68,129	1,89,533	21,404	-
4.	Guzebal bridge to Panzinara RD 82.467 Kms to RD 93.050 Kms	2,73,000	2,80,256	7,256	-
5.	Islands	42,244	12,007	-	30,237
6.	Miscellaneous Shivpore	36,678	26,330	-	10,348
	<b>Total</b>	<b>7,00,000</b>	<b>6,86,532</b>	<b>58,067</b>	<b>71,535</b>

(Source: Documents obtained from EE, I&FC Division, Srinagar)

Though the overall achievement of dredging of river bed material was 6.86 lakh cum (98 per cent) against target of 7 lakh cum, the dredging was not carried out as per the requirements fixed at six sites. In fact, 0.58 lakh cum extra bed material was dredged out at three<sup>47</sup> sites on the other hand, no dredging at all was carried out at one site<sup>48</sup> and at two sites<sup>49</sup> less dredging was done. Consequently, a total of 0.72 lakh cum (ten per cent of estimated removal through dredging) of river bed material was not dredged at these three sites. Also the SLCC observed<sup>50</sup> that if the allotted stretches are not dredged, these stretches may be exposed to the progressive silt deposition overtime leading to high probability of inundation of low lying surrounding areas along with these stretches during the incidence of floods.

The CE, I&FC Department, Kashmir has not furnished any specific reply.

Thus, the execution of the work was not as per the terms and conditions of the contract besides would limit the efficacy of the dredging works in river Jhelum for increased flow as was also observed by the SLCC.

## II. Sopore to Sheeri Baramulla

The work of dredging of river Jhelum from Sopore to Sheeri Baramulla (Out Fall Channel) was allotted to a Contractor<sup>51</sup> in November 2016 at a cost of ₹ 26.77 crore and letter of intent was issued on 16 January 2016 with the completion period of 20 months (15 September 2017). As per the terms and conditions of the contract, the Contractor was required to dredge out 9.15 lakh cum of river bed material and in the event of any breach of contract or failure to perform or observe any of the conditions of the contract, entire performance bank guarantee was to be forfeited.

The contractor dredged out only 4.20 lakh cum (46 per cent of allotted quantity) of river bed material up to September 2017. The SLCC<sup>52</sup> asked the CE, I&FC Department, Kashmir to get the work completed through the contractor and extend the date of completion. The CE I&FC, Kashmir extended the date of completion from September 2017 to March 2018. Despite, the extended date of completion, the

<sup>47</sup> Sl. No 1, 3 and 4 of Table 3.4.2.

<sup>48</sup> Sl. No. 2 of Table 3.4.2.

<sup>49</sup> Sl. No. 5 and 6 of Table 3.4.2.

<sup>50</sup> In its minutes of meeting on 10th of October 2017.

<sup>51</sup> M/s Reach India Limited.

<sup>52</sup> In its minutes of meeting of 10 October 2017.

Contractor dredged out only 7.41 lakh cum of bed material (81 *per cent*) thereby 1.74 lakh cum of river bed material (19 *per cent*) remained undredged. The Contractor was paid ₹ 21.66 crore during the period from 2016 to March 2019. The Department did not forfeit performance bank guarantee available with it for failure to complete allotted work by March 2018 as per terms and conditions of the contract and instead released the full amount to the contractor in May 2018.

After the matter was referred (June 2020) to the Government, the CE, I&FC Department, Kashmir stated (July 2020) that the target in terms of quantity was based on preliminary DPR level assessment on the basis of which tenders were invited and during execution detailed survey was conducted and actual requirement worked out and that in some cases locals did not allow dredging for fear of weakening of embankments which also affected progress. It was further stated that desired objective of removing bottleneck and facilitating quick drainage of flood water had been substantially achieved and as such there was no reason to forfeit performance bank guarantee of the contractor.

The reply was not tenable as sections do remain in the river due to non-dredging of 1.74 lakh cum of river bed material, which would limit the desired speed of flow.

### **III. Clearance of bottlenecks at different sites**

The DPR of the Phase I envisages the clearance of bottlenecks at various spots in order to increase the carrying capacity of flood water of river Jhelum. Two spots were identified at RD 50.130 Km to 50.380 Km and RD 7.070 Km to 8.060 Km where 2.02 lakh cum of river bed material was to be dredged out as per the details given in the **Table 3.4.3**. Only 11,698 cum (8 *per cent*) of the targeted 1.42 lakh cum was dredged from Khanabal to Kadalbal, Pampore (August 2019) and no dredging was done against the target of 0.60 lakh cum from Sether to Sempore, Pampore (July 2019).

**Table 3.4.3: Status of dredging works**

<b>(In cum)</b>				
<b>Sl. No.</b>	<b>Description of site</b>	<b>Target</b>	<b>Achievement</b>	<b>Shortfall (Per cent)</b>
1.	Dredging of River Jhelum from Sether to Sempore, Pampore from RD 50.130 Km to 50.380 Km at Galandhar (July 2019)	60,000	Nil	60,000 (100)
2.	Dredging/ deepening/ widening of River Jhelum from Khanabal to Kadalbal, Pampore from RD 7.070 Km to 8.060 Km (August 2019)	1,42,000	11,698	1,30,302 (92)
<b>Total</b>		<b>2,02,000</b>	<b>11,698</b>	<b>1,90,302</b>

*(Source: Departmental records of Field offices of I&FC Department)*

Only 11,698 cum of river bed material was dredged out against the targeted 2.02 lakh cum leaving 94 *per cent* of work not executed at the identified spots, in river Jhelum thereby flood threat was only partially mitigated.

The CE, I&FC Department, Kashmir stated (July 2020) that dredging had been carried out as per recommendations of Central Water and Power Research Station (CWPRS) which advised against dredging in head reaches as the same would be counter productive.

The reply is not tenable as dredging was to be done from Sether to Sempore, Pampore and Khanabal to Kadalbal which lie at middle sectors of river Jhelum and not at head reaches.

### 3.4.7 Execution of protection works

Protection works including laying of piles, preparing slope of bunds, retaining walls etc., were to be executed by three Divisions under this project for an estimated cost in DPR/ allotted cost of ₹ seven crore, where excess expenditure of ₹ 4.96 crore (September 2020) was incurred as indicated in **Table 3.4.4**. These additional items of works, especially for laying of Geo-synthetic bags resulted in extra cost being incurred by the executing Divisions, without approval of the competent authority.

**Table 3.4.4: Excess expenditure on execution of extra items of works**

(₹ in crore)						
Name of the executing Division	Spots/ Sites of execution of works	Period	Estimated DPR cost	Expenditure incurred	Excess Expenditure	Remarks
I&FC Division, Sumbal	RD 105.462 Km to RD 109.356 Km and RD 112.791 Km to RD 115.314 Km (at Pandaboni and Bagnitar)	March 2017 to March 2019	4.29	7.69	3.40	Excess expenditure incurred on items not provided in original DPR including utilisation of Geo-synthetic bags and pile works at Pandaboni as per design obtained from NIT Srinagar.
FC Division, Anantnag	RD 0 to 14,880 metres (Upstream and downstream of Khanabal bridge and Padshahi Bagh)	March 2017 to March 2019	2.07	2.87	0.80	Excess expenditure was booked due to increase in height of retaining wall which was beyond the scope of the original DPR of the project.
I&FC Division, Srinagar	Spot 3 and 4 at Kursoo Rajbagh	March 2017 to March 2019	0.64	1.40	0.76	Excess expenditure booked due to increase in height of retaining wall and execution of additional quantities of concrete by way of providing of raft to address capacity issues which were not provided in DPR of the project.
<b>Total</b>			<b>7.00</b>	<b>11.96</b>	<b>4.96</b>	

(Source: Information received from I&FC Divisions; Sumbal, Anantnag and Srinagar)

The CE, I&FC Department, Kashmir stated (July 2020) that due to site conditions the scope of work such as increase in height of retaining wall and additional quantities of concrete/ earthwork etc. was changed and therefore, the quantities for work done increased. Besides, the use of Geo-synthetic bags was resorted to being modern

innovation for these kinds of works, where time was of essence, resulting in extra expenditure.

The reply was not tenable as the bulk of extra expenditure was due to the use of Geo-synthetic bags, especially not being included in the DPR of the project and not suitable for river training purposes.

### **3.4.8 Other interesting points**

In additions to the observations common to various projects highlighted in the earlier paragraphs, the other observations of general nature specific to sub-projects or group of sub-projects are discussed in the following paragraphs.

#### **3.4.8.1 Sanction of estimates**

For execution of works, the field Divisions prepare estimates and these estimates are sanctioned by the competent authority as per the delegation of powers<sup>53</sup>. Audit examination of records of five Divisions<sup>54</sup> revealed that in respect of 68 works out of 98 estimates examined, the original allotted cost of ₹ 19.81 crore was revised to ₹ 35.60 crore through extensions. The range<sup>55</sup> of the excess of ₹ 15.79 crore over original/ allotted cost of work was 26 per cent to 298 per cent, during the period 2016-17 to 2018-19.

It was also observed that the excess over original/ allotted cost was beyond the powers of the Departmental Officers. As a result, the possibility of splitting of the estimates cannot be ruled out and thereby the necessary scrutiny at appropriate levels did not take place.

The Chief Engineer, Irrigation and Flood Control Department, Kashmir stated (July 2020) that works were mostly of protection/ restoration nature where weak or breached spots were to be strengthened and plugged and that it was not possible or practicable to wait for tendering process to execute these works for fear of widening of damages which would compromise security and safety of habitation residing near these damaged embankments and as such the existing contract was extended to cover entire damages.

The reply is not acceptable as though the works were stated to be urgent, but the fact remained that excess over the allotted cost was done beyond the financial powers of the respective officers.

#### **3.4.8.2 Irregular execution of works**

**(I)** In order to ensure the competitiveness and transparency in the execution of works, the Divisional authorities were required to invite tenders for each work. However,

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<sup>53</sup> In case of EEs and SEs: Within the limit of 5 per cent of the sanctioned estimates provided the amount does not exceed the limit of their powers to sanction estimates technically. Chief Engineer: Up to limit of 5 per cent of the amount of the original estimates as per Rule 5.11, Book of Financial Powers of J&K.

<sup>54</sup> (i) FSC Division, Narbal; (ii) I&FC Division, Sumbal; (iii) I&FC Division, Srinagar; (iv) FC Divisions, Kakapora; and (v) FC Division, Anantnag.

<sup>55</sup> 51 works with excess in the range of 26 to 100 per cent and 17 works excess in the range of 101 to 298 per cent.

two<sup>56</sup> Divisions executed 116 works without inviting tenders which was in contravention of the financial rules. These works were routine in nature including construction of paths, toe walls and other strengthening works of embankments/bunds. Thus, an expenditure of ₹ 3.99 crore incurred on the works during the period 2016-19 was irregular.

The Chief Engineer, Irrigation and Flood Control Department, Kashmir stated (July 2020) that sometimes situation arise when the Department could not wait for execution of works in normal mode of tendering and under compulsion has to resort to departmental execution and that the Divisions had executed urgent nature of works to prevent damages to life and property and also provide immediate relief. The reply is not tenable as the works executed were not emergent in nature, therefore the extant rules under Financial Code Volume I were required to be followed.

(II) Rule 9-3 of the J&K State Financial Code provide for obtaining of administrative approval and technical sanction before taking up works for execution.

Audit examination of records of six executing Divisions, entrusted with execution of priority works, revealed that 185 works on river Jhelum were executed during the period 2015-19 in anticipation of administrative approval and technical sanction and an expenditure of ₹ 100.18 crore had been incurred.

The CE, I&FC, Kashmir stated (July 2020) that the project had been approved and funds released by the GoI and as such it might be construed that administrative approval was given by the GoJ&K. Though, it was acknowledged that technical sanction was to be accorded before start of work but the condition had not been met and that procedural lapses by certain divisions need to be condoned in view of urgent nature of works executed to prevent damage to life and property.

The reply is not tenable as works have to be executed only after administrative approval and technical sanction is accorded.

### 3.4.8.3 Carriage of earth from FSC to dumping sites

The Executive Engineer, FSC Division, Narbal incurred an expenditure of ₹ 3.77 crore during March 2016 to March 2018 on carriage of 3.20 lakh cum of excavated earth on spots between RD 6,554 metre and RD 38,818 metre for de-silting of Flood Spill Channel, Narbal for smooth and uninterrupted flow of flood water. Since the pre-natural surface level and post-natural surface level<sup>57</sup> of site where the excavated material was dumped was not recorded therefore, the expenditure of ₹ 3.77 crore incurred on carriage of earth from FSC to dumping site, could not be verified in Audit (July 2020).

After the matter was referred (June 2020) to the Government, the CE, I&FC, Kashmir stated (July 2020) that both pre-natural surface level and post natural surface level of

<sup>56</sup> (i) FC Division, Anantnag: ₹ 65.83 lakh (8 works) (ii) I&FC Division, Srinagar: ₹ 3.33 crore (108 works).

<sup>57</sup> Pre-natural surface level is the ground level of dumping site before dumping the excavated material. post-natural surface level is such surface level of ground when excavated material is dumped at the site and new surface level emerges.

dumping sites had been recorded and were available with the divisional office but being of voluminous nature these had not been attached with the works register. The earth obtained from excavation was partly dumped in embankment for raising of bunds and surplus earth was carried to designated sites for which pre and post dumping cross-sections were maintained/ recorded and updated constantly. The reply was not tenable as supporting documents indicating pre and post cross sections of dumping sites and carriage details of earth from source to stocking site were not provided to Audit.

#### **3.4.8.4 Misappropriation of funds**

An amount of ₹ six lakh was drawn by the Executive Engineer, Irrigation and Flood Control Division, Sumbal in March 2017 without any documentary evidences/ voucher passed. On verification from the office of the Accountant General (A&E), J&K, Srinagar, it was noticed (June 2019) that a voucher worth ₹ 8,600 for maintenance of photocopier in place of drawn amount of ₹ six lakh was submitted alongwith the monthly account. The misappropriation of funds was facilitated due to lack of proper internal control and monitoring mechanism and evident negligence of the Drawing and Disbursing Officer to check correctness of bills or to get these verified in accordance with standing Financial Rules.

After being pointed out (June 2019) in Audit, the Executive Engineer, I&FC Division, Sumbal admitted the irregularity and recovered ₹ 5.94 lakh (exclusive of one *per cent* labour cess) from the concerned official. Audit also noticed (June 2019) that in Flood Control Division, Anantnag ₹ 0.59 lakh was drawn in favour of M/s Sky Tech, Srinagar for drafting of encroachment details twice (in January 2019 and in March 2019). After being pointed out in audit, the Executive Engineer admitted (July 2019) irregularity and recovered (November 2019) excess amount of ₹ 0.59 lakh from the firm.

After the matter was referred (June 2020) to the Government, the CE, I&FC, Kashmir stated (July 2020) that misappropriated amounts were recovered and action against the official of I&FC Division, Sumbal had been initiated. It was also stated that directions had been issued to all Divisions/ Establishment sections to take utmost care while spending public funds.

#### **3.4.9 Absence of Quality assurance mechanism**

Quality assurance is a way of preventing mistakes and defects in manufactured products and avoiding problems when delivering products or services to consumers. It refers to the management of the quality of raw materials, assemblies, products and components, services related to production and inspection process. The material used for construction of irrigation structures was required to be tested to ensure quality standards. Also, the bunds raised were to be subjected to Proctor density tests<sup>58</sup>. Audit

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<sup>58</sup> Proctor density tests is a compaction test of soil in which in a laboratory the optimal moisture content at which a given soil type will become most dense and achieve its maximum dry density is verified.

noticed (between May 2019 and December 2019) that five<sup>59</sup> implementing divisions had not developed any mechanism for ensuring quality assurance before releasing payment in respect of work done claims. In the absence of any mechanism of carrying out tests of materials like testing of geo-textile bags, cement and iron, execution of sub-standard priority works could not be ruled out. Also, the structures constructed under priority works of the Project were not got tested at any stage.

After the matter was referred (June 2020) to the Government, the CE, I&FC Department, Kashmir stated (July 2020) that the Department is very old and over the period of time evolved a robust mechanism for assuring adherence to quality standards. While key construction material was procured generally through Steel Authority of India Limited and J&K Cements Limited who had stringent quality controls, field tests like density etc. were being conducted as per requirement. The reply should be seen in light of the fact that the executing Divisions had no mechanism for carrying out tests of materials and even geo-synthetic bags which were utilised first time by the Department were not tested at any stage.

***Dredging works form a critical component of this project and significant shortfalls in quantities required to be dredged at identified sites increases the probability of progressive silt deposition over time and reducing the carrying capacity of the river Jhelum, consequential inundation of surrounding areas during floods, negating the gains achieved by dredging.***

***The Department should ensure that the shortfalls in terms of dredging works are made good at least in the Phase II of this project.***

## Planning Development and Monitoring Department

### 3.5 Permanent restoration of damaged infrastructure

#### 3.5.1 Introduction

The Project ‘Permanent Restoration of Damaged Infrastructure’ was sanctioned (October 2016) by the Government of India (GoI) under the Prime Minister’s Development Package (PMDP) at a cost of ₹ 2,000 crore for restoration of infrastructure damaged due to floods of September 2014. Under this Project<sup>60</sup>, 22 Departments/ Agencies of the GoJ&K had been provided funds for execution of various works/ schemes for restoration of damaged infrastructure under their control. The Project was monitored by the Planning, Development and Monitoring Department (PD&MD), of the GoJ&K. Sanction order for a total amount of ₹ 1,263.34 crore was received during the period from 2016-17 to 2018-19. The GoI released ₹ 1,178.34 crore<sup>61</sup> for the project during the above period, against which ₹ 915.17 crore (78 per cent) was utilised as of 31 March 2019. The details of the funds approved, sanctioned and utilised by 22 Departments/ agencies of the GoJ&K for the project is given in **Appendix 3.5.1**.

<sup>59</sup> (i) I&FC Division, Srinagar (ii) I&FC Division, Sumbal (iii) I&FC Division, Baramulla (iv) FC Division, Anantnag and (v) FC Division, Kakapora.

<sup>60</sup> Project no. 29 of PMDP.

<sup>61</sup> 2016-17: ₹ 1,093.34 crore and 2018-19: ₹ 85 crore.

Seven<sup>62</sup> out of 22 Departments/ Agencies were selected for audit on the basis of funds sanctioned, expenditure incurred as well as number of works taken up for execution. The sampled Departments executed 9,076 works, out of which 6,710 works (74 per cent) were selected in Audit as indicated in the **Table 3.5.1**. A total amount of ₹ 1,044.19 crore (89 per cent) was released to the selected Departments out of which an expenditure of ₹ 875.98 crore (84 per cent of sanctioned amount) had been incurred ending 31 March 2019.

Table 3.5.1: Status of works selected as on March 2019

							(₹ in crore)
Sl. No.	Name of the Department	Funds sanctioned	Expenditure incurred (per cent)	Number of works/schemes to be executed	Audit sample (No. of Works) (per cent)	Physical Achievement (Works completed)	Percentage (Works completed)
1.	Public Works (R&B)	415.00	377.41 (91)	1,002	709 (71)	701	99
2.	Irrigation & Flood Control <sup>63</sup>	252.16	219.46 (87)	4,822	3,709 (77)	3,709	100
3.	Industries & Commerce	149.96	147.01(98)	36	36 (100)	36	100
4.	School Education	100.22	22.88 (23)	760	718 (93)	421	59
5.	Public Health Engineering (PHE)	53.64	51.82 (97)	2,412	1,500 (62)	1,500	100
6.	Higher Education	50.00	35.58 (71)	16	10 (63)	02	20
7.	Estates	23.21	21.82 (94)	28	28 (100)	28	100
	<b>Total</b>	<b>1,044.19</b>	<b>875.98</b>	<b>9,076</b>	<b>6,710</b>	<b>6,397</b>	

(Source: Monitoring Report on PMDP 2015 as of 31 March 2019 and also Departmental figures)

As on September 2020, an expenditure of ₹ 926.35 crore was incurred by these seven selected Departments and 6,515 works had been completed against 6,710 works under the project.

### Audit findings

Audit findings common across seven selected Departments are discussed in the following paragraphs.

#### 3.5.2 Diversion of funds

The Government Order issued (December 2016) for PMDP by the Planning and Development Department, GoJ&K stated<sup>64</sup> that funds allocated under the project were to be utilised for specific purposes and cannot be re-appropriated/ diverted. In four Departments, it was noticed that a total amount of ₹ 29.29 crore was diverted on items/ activities which were not part of the project for which specific amount was sanctioned, as given in *Appendix 3.5.2*.

***The Government may fix responsibility and take appropriate action against officials responsible for diversion of funds.***

### Project Implementation

#### 3.5.3 Execution of works without administrative approval and technical sanction

The seven selected Departments had executed 5,707 works (63 per cent) out of total 9,076 works without the Administrative Approval (AA) and Technical Sanction (TS) of the competent authority, on which a total expenditure of ₹ 610.85 crore was

<sup>62</sup> Estates, Higher Education, Industries & Commerce, Irrigation & Flood Control, PHE, Public Works (R&B) and School Education.

<sup>63</sup> Including ₹ 2.50 crore sanctioned for Flood protection works.

<sup>64</sup> Condition (iv) of the Government Order issued (December 2016).

incurred during the period from 2014 to 2019, details of which are given in *Appendix 3.5.3*.

In reply the Department(s) stated the reasons to be (i) emergency nature of works, (ii) presumption that the Administrative Approval (AA)/ Technical Sanction (TS) is already accorded (though actually it was not), (iii) inclusion of works in approved action plans were construed by the department as requisite approval etc.

The replies are not tenable as it was negligence on part of the Department(s) to execute works without obtaining the AA and TS.

***The Government may fix responsibility in respect of execution of works without obtaining the AA and TS.***

### **3.5.4 Execution of works without invitation of tenders**

Four Departments had executed 5,285 works involving an expenditure of ₹ 328.88 crore without invitation of tenders, as detailed in *Appendix 3.5.4*, in violation of instructions contained in the sanction orders.

In reply, it was stated that:

- The works had been executed without invitation of tenders on reasonable rates on urgent basis (I&FC Department);
- The works had been executed without invitation of tenders for immediate restoration of utilities on reasonable market rates prevailing at that time (PHE Department);
- As per the directions of Higher Authorities and Public Representatives on approval basis {PW (Roads and Buildings) Department}; and
- Works in some cases were allotted to the contractors of other projects in view of urgency (Industries and Commerce Department).

The replies are not tenable as the Department(s) failed to follow the Codal provisions and in turn could not ensure that the works were awarded at the most competitive rates.

***The Government may fix responsibility in respect of execution of works without invitation of tenders.***

### **3.5.5 Clearance of pending claims**

As per condition (i) of sanction order (February 2017), the executing agency was required to ensure payment to be booked for those State Disaster Response Fund (SDRF) works which were executed during September 2014 floods and no other liability of prior or post September 2014 floods was to be cleared from the funds released. However, it was observed (May 2019 to November 2019) that:

- In the I&FC Department, six<sup>65</sup> executing Divisions had utilised ₹ 52.21 lakh on payment of liabilities created during May 2012 and August 2014 prior to floods of

<sup>65</sup> Flood Control Divisions: Akhnoor (₹ 1.37 lakh), Kathua (₹ 21.93 lakh), Jammu (₹ 6.18 lakh), Irrigation and Flood Control Divisions: Poonch (₹ 8.64 lakh), Rajouri (₹ 4.72 lakh) and Irrigation Division-II, Jammu (₹ 9.37 lakh).

September 2014 on account of procurement of material/ works completed prior to floods.

The Joint Director (Planning), PD&MD stated (August 2020) that some of the liabilities pertain to procurement of material prior to September 2014 which had been utilised for restoration of public infrastructure damaged due to floods of September 2014 and remaining liabilities were reflected in the damage reports.

The reply is not tenable as material worth ₹ 21.93 lakh had been utilised for pre-existing works and works costing ₹ 28.75 lakh had been executed prior to floods, for which only liability was pending.

- Six executing Divisions<sup>66</sup> of Public Health Engineering, Department had utilised ₹ 6.96 lakh on payment of liabilities of 10 works executed during October 2012 to August 2014, prior to the floods of September 2014.

The Joint Director (Planning), PD&MD accepting the audit observation stated (August 2020) that expenditure was incurred to clear previous claims of the contractor on Water Supply Scheme, Rakiban for which litigation was filed in the Labour Court whereas the Executive Engineers (EEs) of five Divisions accepting the audit observation stated (July 2019 to November 2019) that payment was made keeping in view the pressure from contractors.

### **3.5.6 Incorrect projection of work done**

- The Chief Engineer, PW (R&B) Department, Jammu forwarded (April 2016) to the Commissioner Secretary, PW(R&B) Department, a statement of work done claims amounting to ₹ 155.47 crore in respect of 276 roads for sanctioning of funds under the project. The statement included work done claims of ₹ 4.57 crore in respect of eight works<sup>67</sup> pertaining to four<sup>68</sup> Divisions. However, these eight works in actual were awarded for execution between May 2016 and March 2017 after furnishing of statement of work done claims to higher authorities in April 2016.

The Chief Engineer, PW (R&B) Department, Jammu stated (August 2020) that work wise action plan of macadamisation<sup>69</sup> of roads for ₹ 200 crore was submitted (February 2016) for approval and accordingly, the Administrative Department released work-wise funds.

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<sup>66</sup> PHE Divisions: Baramulla (₹ 0.25 lakh), Bijbehara (₹ 1.19 lakh), Kulgam (₹ 2.14 lakh), Qazigund (₹ 0.90 lakh), Rajouri (₹ 1.03 lakh), and PHE Hydraulic Division, Uri (₹ 1.45 lakh).

<sup>67</sup> (1) Main Road Trikuta Nagar including allied links (2) Road from Macca Masjid and Main Road Gulmarg Colony including allied links (3) (i) Satwari to Technical Gate (Double Lane : 400 Mtrs) (ii) Technical Gate to MH Gate (Double Lane: 600 Mtrs), (iii) Satwari Chowk to Manik Shah Chowk (Three Lane: 650 Mtrs) (iv) Manik Shah Chowk to Technical Gate (Three Lane: 550 Mtrs) (4) Kullian Laswara road including link road to Draptha Village (50 mm thick BM +25 mm thick SDBC) (5) City Road in Jammu West Constituency (a) Rehari Chungi to Patoli via Sarwal (b) Rehari Chungi to Patoli via Subash Nagar and Toph Chowk (c) Subash Nagar to Shiv Nagar (d) Rehari colony to Shakti Nagar via Rajpura (e) Patoli Chowk to Paloura Chowk (f) Main Bakshi Nagar Road (g) Rehari Colony to Maheshpura Chowk via Baby Caterers (h) Canal head to Toph Bridge via A.G. Office including road Toph Chowk via Best price (6) Kamini mohalla Nagrota (7) Ghagwal Town road, Ghagwal Rajpura Road (3.00 km Double lane and 4.50 km Single lane) and Ghagwal - Raghu Chak Malani road and (8) Dayalachak-Hiranagar-Jandi road (single lane).

<sup>68</sup> Construction Division (CD I), Jammu (4), CD II, Jammu (2), Kathua (1) and Samba (1).

<sup>69</sup> To pave by laying and compacting successive layers of broken stone, with water, asphalt or hot tar.

The reply however, does not address the issue of projecting the works not actually done, as completed.

- An amount of ₹ 11.26 crore was sanctioned (August 2016 and March 2017) to I&FC Division, Poonch for 159 works executed after the floods of September 2014 to clear the outstanding liabilities. Of this, payment of ₹ 2.23 crore was made for 61 works which were, however, executed between August 2016 and March 2018 after the receipt of funds incorrectly projected as having been executed.

The Joint Director (Planning), PD&MD stated (August 2020) that 61 works were in continuation to 98 works already completed.

The reply is not acceptable as funds were sanctioned for clearance of work done claims and the Division had taken up execution of 61 works which were distinctly executed only after the receipt of funds.

***The Government may fix responsibility in respect of irregular execution of works under this project.***

### **3.5.7 Delay in completion of works**

**I.** The Notice Inviting Tender (NIT) issued by the Directorate of Rashtriya Madhyamik Shiksha Abhiyan, GoJ&K, envisaged imposition of penalty up to 10 *per cent* of total allotment if works were not completed in time. Three<sup>70</sup> Divisions had taken up 65 works<sup>71</sup> at an approved cost of ₹ 7.92 crore during October 2017 to May 2018 with completion period of 30 days to 90 days. However, the contractors did not adhere to timelines in completion of works and instead completed these works, with delays ranging between 22 and 493 days (38 works were delayed for more than 90 days). The Department failed to invoke the penalty clause for the delay in completion of works.

The Joint Director (Planning), PD&MD stated (August 2020) that in some cases delay had occurred in completion of works due to climatic considerations coupled with unrest which prevailed for some months.

The reply is not tenable as these were repair works and not original works for which short period of working season was required.

**II.** In Higher Education Department, the work of ‘Construction of library cum PG Block at S.P. College Srinagar’ was allotted (February 2017) to a contractor at a cost of ₹ 3.29 crore. The contractor was required to start the work within one week. However, the contractor started the work in January 2018 after 11 months from the date of award of the contract. No action was taken against the contractor for delayed start of work as no provision of penalty etc. had been incorporated in the contract by the Department.

<sup>70</sup> Construction Division IV Jammu, Construction Divisions I and II, Srinagar.

<sup>71</sup> Completed works: 30 and ongoing works: 35.

The reply (August 2020) of the Department did not specifically mention the reasons for delay in start of the work, rather gave reasons for delay in the award of work.

## Public Works (R&B) Department

### 3.5.8 Execution of road works

In eight<sup>72</sup> out of 19 selected Divisions in the PW (R&B) Department, GoJ&K, the road length executed in respect of 153 works was not in consonance of the targeted road length as indicated in **Table 3.5.2**.

**Table 3.5.2: Target and achievement of road length as on March 2020**

Sl. No.	Deviation in execution	No. of Divisions	No. of works	Target length for repairs as per Action Plan (Km)	Actual length of repairs executed (Km)	Excess (+)/ Short (-) (Km)
1.	Excess	7	59	331.68	476.49	(+) 144.81
2.	Short	7	89	813.07	390.85	(-) 422.22
3.	Non-execution	3	5	14.75	Nil	(-) 14.75

(Source: Progress reports of Executing Divisions)

As indicated in **Table 3.5.2**, the following deviations were noticed in 153 works for execution of repairs:

- In case of 59 roads in seven Divisions, where excess road length of a total of 144.81 KM<sup>73</sup> was executed as of March 2020, it was mainly due to allotment of additional works on approval/ agreement basis on directions of local MLAs/ higher authorities without entering into tendering process.
- In case of 89 roads in seven Divisions where there was a shortfall of 422.22 KM<sup>74</sup> road length repaired, the roads were shown completed as per Utilisation Certificate (UC) submitted by Public Works (R&B) Department, GoJ&K but were shown incomplete in the Monthly Progress Report. The figures recorded in the UC were inflated, accordingly.

As there is a mismatch between the progress and expenditure incurred, it needs to be investigated and responsibility needs to be fixed.

- In the case of five roads in three Divisions, with a total road length of 14.75 KM<sup>75</sup> on which expenditure of ₹ 1.59 crore<sup>76</sup> (March 2020) was incurred but shown as not executed at all (March 2020). The funds stated to have been spent, had been diverted for other activities/ items not related to the project.

<sup>72</sup> (i) Basohli, (ii) CD-I Jammu, (iii) CD-II Jammu, (iv) CD-III Jammu, (v) Kathua, (vi) Katra, (vii) Samba and (viii) Udhampur.

<sup>73</sup> (i) CD-I Jammu: 15 works (27.40 KM), (ii) CD-II Jammu: 18 works (34.86 KM), (iii) CD-III Jammu: 03 works (5.63 KM), (iv) Kathua: 11 works (55.50 KM), (v) Katra: 01 works (02.30 KM), (vi) Samba: 02 works (09.00 KM) and (vii) Udhampur: 09 works (10.12 KM).

<sup>74</sup> (i) Basohli: 02 works (5.50 KM), (ii) CD-I Jammu: 39 works (190.80 KM), (iii) CD-II Jammu: 17 works (114.70 KM), (iv) CD-III Jammu: 04 works (04.36 KM), (v) Katra: 13 works (21.26 KM), (vi) Samba: 09 works (57.20 KM) and (vii) Udhampur: 05 works (28.40 KM).

<sup>75</sup> (i) CD-I Jammu: 03 works (11 KM), (ii) CD-III Jammu: 01 works (01.25 KM), (iii) Kathua: 01 work (2.50 KM).

<sup>76</sup> Liabilities of old works: ₹ 2.73 lakh, Other works: ₹ 153.59 lakh, Irregular purchase of material: ₹ 2.20 lakh, Irregular purchase of stationery: ₹ 0.28 lakh.

- The Planning Development and Monitoring Department, GoJ&K had released ₹ 7.21 crore during 2016-17 for a total 33 Macadamisation works<sup>77</sup>. These were not executed as of March 2020, for which no reasons were on record.

The Joint Director (Planning), PD&MD, while accepting the observation stated (August 2020) that the concerned Executive Engineers had informed that efforts were being made for completion of projects and that extra road lengths were executed on the basis of on spot directions of public representatives/ higher authorities.

As the additional works on the roads were executed without invitation of tenders, the Department could not ensure the competitive pricing of the works. The same needs to be investigated to ascertain the correct facts and fix responsibility for negligence, if any.

### 3.5.9 Bridge and flood protection works

Eight<sup>78</sup> works were sanctioned at a cost of ₹ 15 crore for Leh, out of which five<sup>79</sup> works were completed, as of 31 March 2020.

The work for 'Reconstruction of 72 meter span through type motorable steel bridge' over river Zanskar at Tschuthang in Leh was approved (December 2016) by the GoI at a cost of ₹ 5.44 crore. The required funds for this purpose were sanctioned by the Commissioner Secretary (PD&MD), GoJ&K in December 2016. The work for design, fabrication, launching and commissioning of the bridge was allotted (July 2017) by the District Superintending Engineer, PWD Circle, Leh to the contractor on turnkey basis at a cost of ₹ 3.50 crore. The work was completed in September 2018 after incurring expenditure of ₹ 3.58 crore.

Audit noticed (September 2019) that out of total expenditure of ₹ 3.58 crore, an amount of ₹ 4.29 lakh was diverted (March 2018-February 2019) towards expenditure on office expenses and wages of casual workers. The unspent balance was ₹ 1.86 crore.

On being pointed out (September 2019) in Audit, the Executive Engineer, Construction Division, Leh stated (August 2020) that payments towards daily rated wagers has been made as the same was covered under work charged and contingencies of the project and needs not to return back to GoI.

The reply is not tenable as the work was allotted on turnkey basis for design, fabrication, launching and commissioning of the bridge and wages to be paid to daily rated staff working in Division has to be debited to Head 'Wages' instead of debiting to work contingencies.

The liability on account of office expenses and wages of casual workers be cleared from the appropriate head, the money spent is to be recouped and refunded to the GoI.

<sup>77</sup> Jammu: 10 works, Kashmir: 23 works.

<sup>78</sup> Bridges: 5; Flood Protection works: 2; and building work: 1.

<sup>79</sup> Bridges: 3 and flood protection works: 2.

Further, as the unspent balance of ₹ 1.86 crore has not been revalidated, the same needs to be refunded to the GoI.

### 3.5.10 Payment for filling/ cutting of shoulders on road works

During a meeting held (May 2015) by the Chief Engineer, PWD (R&B), Jammu with representatives of Hot mix plant holders/ firms, it was decided (May 2015) that wherever shoulders of roads were required to be improved by filling or cutting, the same was to be borne by the bidder/ contractor as per the contractual conditions and that nothing extra was to be paid on this account as the rates were all inclusive.

Audit examination (May to November 2019) of records relating to improvement of riding quality of surface roads executed under the project in seven selected Divisions<sup>80</sup> revealed that in respect of 43 works, payment of ₹ 3.60 crore was made on account of filling of shoulders at different rates, though it was not part of the NIT/ work order.

The Joint Director (Planning), PD&MD while accepting the audit observation stated (August 2020) that the extra payment pointed out by the audit will be recovered after reconciliation.

However, status of recovery is awaited (December 2020).

### 3.5.11 Irregular allotments/ execution of up-gradation of road work

Work of up-gradation of three single lane roads<sup>81</sup> by way of providing and laying of 30 mm thick Semi Dense Bituminous Concrete (SDBC) including cost of bitumen in stretches was allotted (September 2015) by the Superintending Engineer, Jammu-Kathua Circle to a firm<sup>82</sup> for ₹ 1.55 crore. On the basis of on spot directions of Local MLA (then Industries and Commerce Minister) and on the basis of proposal (September, October 2015 and December 2015) of the executing division, in the absence of supporting executive orders, additional works for ₹ 3.85 crore were allotted (October 2015, January 2016) on approval basis at marginally less rates<sup>83</sup> to the two related firms<sup>84</sup> by revising<sup>85</sup> the scope of roads. Examination of records revealed that against the total allotment of ₹ 5.40 crore, payments of ₹ 7.21 crore was made by the executing division resulting in excess expenditure over allotment by ₹ 1.81 crore.

<sup>80</sup> (i) Basohli: 02 works (₹ 0.30 crore), (ii) CD-I Jammu: 11 works (₹ 1.56 crore), (iii) CD-II Jammu: 05 works (₹ 0.12 crore), (iv) CD-III Jammu: 06 works (₹ 0.47 crore), (v) Kathua: 9 works (₹ 0.43 crore), (vi) Samba: 04 works (₹ 0.45 crore) and (vii) Udhampur: 06 works (₹ 0.27 crore).

<sup>81</sup> (i) Bari Brahmna-Badhori road Km 4<sup>th</sup> (500-600)-Km 9<sup>th</sup>, (ii) Channi-Kartholi road-Km 1<sup>st</sup> and (iii) Kaluchak-Purmandal road Km 1<sup>st</sup>-16<sup>th</sup>.

<sup>82</sup> M/s Jagdambey Road Builders Hot Mix Plant.

<sup>83</sup> 50 mm BM at the rate of ₹ 9,450 per cum and 25 mm thick SDBC at the rate of ₹ 330 per sqm.

<sup>84</sup> M/s Jagdambey Road Builders Hot Mix Plant and M/s A.D. Buildcon.

<sup>85</sup> Upgradation of Bari Brahmna-Badhori road Km 4<sup>th</sup> (500-600)-Km 9<sup>th</sup> in stretches to full road, Kaluchak-Purmandal road in stretches in Km 1<sup>st</sup>-16<sup>th</sup> to full road from Km 1<sup>st</sup> to Km 3<sup>rd</sup> and Km 4<sup>th</sup> to Km 16<sup>th</sup> in stretches and Km 5<sup>th</sup>-7<sup>th</sup> of Kaluchak-Purmandal road.

For completion of the extended scope, one more work<sup>86</sup> was allotted (January 2017) for ₹ 1.04 crore by the SE, Jammu-Kathua Circle to a firm<sup>87</sup> after invitation of tenders (November 2016) which was again enhanced (March 2017) on approval basis for an additional amount of ₹ 3.86 crore.

The Joint Director (Planning), PD&MD stated (August 2020) that quantities of work exceeded in respect of Kaluchak-Purmandal road as on public demand Bituminous Macadam was laid on full width of road which increased the area and in respect of Bari-Brahmna-Badhori road though tenders were invited for repair of damaged portion on 5.50 Km of road the then Industries and Commerce Minister requested for laying of Macadam on full width and complete length of 5.50 Km.

The fact remains that against approved/ tendered work, the specifications were changed and additional works for ₹ 7.71 crore were allotted (October 2015, January 2016, March 2017) on approval basis. There was also excess execution of work over allotments at a total cost of ₹ 1.81 crore. Enhancement/ allotment of work without competitive bidding/ supplementary agreements was inappropriate in terms of applicable rules/ regulations.

### 3.5.12 Irregular release of payments

As per Public Works Account Code<sup>88</sup>, payments to contractors is required to be made after passing of bills in the prescribed running account bill formats duly filled in with required details. Audit examination (November 2019) of records of EE, PWD (R&B), Division-II, Jammu revealed that 11 vouchers valuing ₹ 67.68 lakh were passed for payment on letter heads of Firms in violation of provisions.

The Joint Director (Planning), PD&MD stated (August 2020) that practice would be avoided in future and the contractor's bills would be accepted as per Rules/ Financial Code.

## Irrigation and Flood Control Department

### 3.5.13 Financial position of the project

Funds of ₹ 252.16 crore<sup>89</sup> were sanctioned in favour of PHE, I&FC Department (Administrative Department). Of this, ₹ 247.28 crore was further sanctioned by the Administrative Department in favour of implementing agencies for execution of 4,822 works, with ₹ 4.88 crore retained by the Administrative Department. Out of ₹ 247.28 crore, the executing agencies incurred an expenditure of ₹ 221.96 crore, with unspent balance of ₹ 25.32 crore<sup>90</sup> as on September 2020 and all the works stood completed.

The Joint Director (Planning) PD&MD attributed (August 2020) less utilisation of funds to allotment of works on rates less than the estimated cost, non-receipt of

<sup>86</sup> P/L of 50 mm BM and 25 mm SDBC on Kaluchak-Purmandal road Km 9<sup>th</sup> and 10<sup>th</sup> Double lane.

<sup>87</sup> M/s A.D. Buildcon.

<sup>88</sup> Para 284 to 291.

<sup>89</sup> ₹ 249.66 crore sanctioned by PD&MD and ₹ 2.50 crore by Finance Department.

<sup>90</sup> ₹ 25.32 crore out of funds sanctioned by PD&MD.

verification reports from the concerned District Development Commissioners (DDCs) and non-preference of bills by the contractors in some cases.

#### **3.5.14 Irregular expenditure on execution of unapproved works**

Eight<sup>91</sup> divisions executed 739 works which were not approved by the funds sanctioning authority and an expenditure of ₹ 24.27 crore had been incurred (March 2017) thereon which was irregular and indicated poor internal control. Of this, an expenditure of ₹ 5.43 crore was incurred (September 2016 to March 2017) in excess of allotted cost of ₹ 11.28 crore in respect of 251 works. Further, ₹ 78.43 lakh was diverted (December 2016 to March 2017) on purchase of material such as crate mesh, cement and other items by these eight Divisions, despite the fact that funds were sanctioned (by the Irrigation and Flood Control Department) work-wise indicating that incorrect liability of work done claims was projected by the executing divisions.

The Joint Director (Planning), PD&MD stated (August 2020) that liability statements were framed as per estimated cost of works and that few unforeseen works were restored post floods on verbal instructions of concerned DDCs and local representatives at that time. The fact, however, remained that no ex-post facto approvals had been obtained for the same.

### **Industries and Commerce (I&C) Department**

#### **3.5.15 Identification of PMDP Projects**

In violation of the conditions laid down in the sanction orders which envisaged that expenditure was to be incurred on the approved projects and works, five<sup>92</sup> projects, which were not part of 36 projects approved by the GoI during July/ October 2016 under 'The Aggregative Macro Economics and Infrastructure Rebuilding Plan (TAMEIR)', were taken up under the PMDP and expenditure of ₹ 12.53 crore was incurred (March 2019) on their execution. Besides, two projects approved at a cost of ₹ 0.18 crore under the PMDP were not taken up for execution. Details are given in the following **Table 3.5.3**.

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<sup>91</sup> (i) FCD Anantnag, (ii) ID Anantnag, (iii) I&FC Division, Baramulla, (iv) ID Kulgam, (v) I&FC Division, Sopore, (vi) I&FC Division, Srinagar, (vii) FBI Division, Tangmarg and (viii) Hydraulic Division, Uri.

<sup>92</sup> SICOP-(4): Industrial Estates Bagh-e-Ali Mardan Khan, Digiana, Sanat Nagar and Zainakote, HDC-(1): Export Oriented Handloom Development Project, Samba.

Table 3.5.3: Non-PMDP Projects funded under PMDP

(₹ in crore)					
Sl. No.	Projects not covered under PMDP		Sl. No.	PMDP projects left uncovered	
	Name of Project	Amount		Name of Project	Amount
1.	Upgradation of Infrastructure at IE Zainakote (SICOP)	2.80	1.	Reconstruction/ repair of damages to DIC building at Anantnag, CFC Sether and Lether centre at exhibition ground	0.12
2.	Upgradation of Infrastructure at IE Sanatnagar (SICOP)	3.00	2.	Restoration of damage infrastructure of craft community center, quality control office, chowkidar hut at Solina, Srinagar	0.06
3.	Upgradation of Infrastructure at IE Bagh-i-Ali Mardhan Khan (BAMK) (SICOP)	1.50			
4.	Upgradation of Infrastructure at IE Digiana (SICOP)	0.73			
5.	Upgradation of machinery at Export Oriented Handloom Development Project Samba (JKHDC)	4.50			
	<b>Total</b>	<b>12.53</b>		<b>Total</b>	<b>0.18</b>

(Source: Sanction orders and progress reports)

The Joint Director (Planning), PD&MD stated (August 2020) that 4 works<sup>93</sup> worth ₹ 9.73 crore were taken up with 10 per cent flexibility as authorised by PD&MD with approval of the competent authority. The reply is not tenable as non-PMDP projects were funded from PMDP.

### 3.5.16 Delay in sanction of funds

The PD&MD sanctioned (December 2016) ₹ 149.96 crore to the Industries and Commerce Department under the Project No 29. Audit noticed that these funds were sanctioned by the Industries and Commerce Department to the implementing agencies after delay<sup>94</sup> ranging between 58 days and 406 days. Of this, ₹ 91.55 crore (61 per cent) was sanctioned after delay of 58 days whereas ₹ 58.41 crore (39 per cent) was sanctioned after delay ranging between 327 and 406 days.

Table 3.5.4: Delay in sanction of funds

Sanctioned by PD&MD		Sanctioned by Industries and Commerce Department			Delay in days
Order No. and date	Amount (₹ in crore)	Order No. and date	No. of projects	Amount (₹ in crore)	
339 PD of 2016 dated 26.12.2016	149.96	59 Ind of 2017 dated 10.03.2017 (SIDCO)	10	58.31	58
		59 Ind of 2017 dated 10.03.2017 (SICOP)	20	33.24	58
		271 Ind of 2017 dated 04.12.2017 (SIDCO) (Balance sanction of funds)	-	48.53	327
		63 Ind of 2018 dated 21.02.2018 (Director Industries)	01	0.05	406
		64 Ind of 2018 dated 21.02.2018 (SICOP)	03	5.23	406
		65 Ind of 2018 dated 21.02.2018 (SICOP)	01	0.10	406
		67 Ind of 2018 dated 22.02.2018 (HDC)	01	4.50	406
	<b>149.96</b>		<b>36</b>	<b>149.96</b>	

(Source: Sanction orders)

<sup>93</sup> (i) Up-gradation of Infrastructure at IE Bagh-i-Ali Mardhan Khan (ii) Up-gradation of Infrastructure at IE Digiana, (iii) Up-gradation of Infrastructure at IE Sanatnagar and (iv) Up-gradation of machinery at Export Oriented Handloom Development Project Samba.

<sup>94</sup> Calculated after allowing a margin of 15 days for transfer of funds.

The Joint Director (Planning), PD&MD stated (August 2020) that completion of procedural formalities, preparation of DPRs, administrative approvals and time taken in seeking advance drawal of funds from the competent authority at times do cause delay in release of funds.

### **3.5.17 Deduction of charges by Small Scale Industries Development Corporation (SICOP)**

As per the conditions laid down in the sanction orders, funds were not to be utilised on contingencies and unapproved items.

Against the sanctioned (March 2017) funds of ₹ 2.86 crore for one<sup>95</sup> work, SICOP deducted ₹ 14.30 lakh as agency charges and transferred balance amount of ₹ 2.72 crore to Jammu Kashmir Handloom Development Corporation (JKHDC) without executing any work.

The Joint Director (Planning), PD&MD stated (August 2020) that SICOP was a commercial Organisation and SICOP service charges were part of the DPR prepared and amount deducted as such, was not irregular. The fact remained that SICOP refunded the amount back after deducting agency charges without executing any work envisaged in the DPR.

### **3.5.18 School Education Department**

In all, 718 repair and renovation works relating to permanent restoration of damaged infrastructure in the School Education Department were identified in December 2016 for execution, at an estimated cost of ₹ 107.61 crore. Of this, 536 works (75 per cent) were completed by the Department (September 2020), 99 works were under progress (expenditure: ₹ 30.53 crore) and 83 works were not taken up for execution as of September 2020. Against a total sanction of ₹ 100.22 crore under the project, ₹ 66.14 crore (66 per cent) were utilised by the Department during the period from 2016-17 to 2020-21 (September 2020). The Department attributed climatic considerations and unrest prevailed in the past as reasons for delay in completion of works. The fact remained that the works were identified in December 2016 and were still not complete.

### **3.5.19 Execution of works**

As of September 2020, 83 works as discussed above, at an estimated cost of ₹ 7.72 crore could not be taken up due to land dispute (12 works), insufficient funds (22 works), shifting and clubbing of school buildings (7 works), frequent change of executing agencies (5 works) or works not taken up as per reconstruction plan (37 works).

The Joint Director (Planning) PD&MD stated (August 2020) that the Engineering Wing created in June 2017 took some time to set up with the required manpower etc. and as such the start of the execution of works was delayed. However, substantial

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<sup>95</sup> Purchase of plant & machinery at Srinagar (₹ 2.86 crore).

progress had been achieved in accomplishing the target and delay had also been caused due to the climatic conditions and unrest which prevailed for some time in the past. The reply is not tenable as 83 works which were originally identified in December 2016 for execution/ restoration could not be taken up.

### 3.5.20 Bank Guarantees

Audit examination of records revealed that Bank Guarantees (BGs) of seven works equivalent to ₹ 11.01 lakh which had expired between 25 February 2018 and 14 February 2019, were not revalidated before their expiry date.

The Joint Director (Planning), PD&MD attributed (August 2020) this to lack of manpower in newly established construction divisions and directed the concerned Executive Engineers to get the BGs revalidated immediately, wherever pending.

## Public Health Engineering Department

### 3.5.21 Financial position

Out of sanctioned funds of ₹ 53.64 crore, the PHE, I&FC Department (Administrative Department) in turn sanctioned ₹ 51.97 crore only in favour of executing agencies by retaining ₹ 1.67 crore since March 2017 which was confirmed by the Department (August 2020) citing non-receipt of verified work done claims.

## Higher Education Department

Based on the report of the Committee of Principals constituted in September 2014, the Planning Development and Monitoring Department approved (September 2016) an allotment of ₹ 50 crore under the PMDP for Permanent restoration of damaged infrastructure of the Higher Education Department. Under the project, 16 works were prioritised during 2016-17 for execution at a cost of ₹ 50 crore in seven Government colleges<sup>96</sup>. The works were to be completed within two years.

Audit examination of records revealed that 10 works in three selected colleges<sup>97</sup> (out of seven colleges and 16 works) were taken up at an approved cost of ₹ 39.08 crore. Of this, only five works were completed (50 per cent) and balance five works on which an expenditure of ₹ 23.68 crore was incurred were incomplete (September 2020). The delay in completion was attributed to poor execution of work by the contractors with the impact that the benefits of creation of new infrastructure could not be provided to the students.

### 3.5.22 Short utilisation of funds

While the amount received during the period 2016-19 was ₹ 50 crore, ₹ 42.67 crore (85 per cent) was utilised (September 2020) and ₹ 7.33 crore remained unutilised for past four financial years (September 2020).

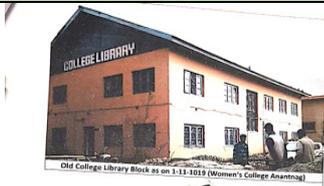
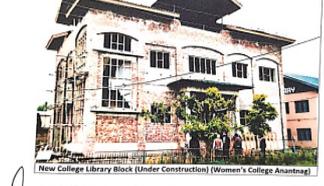
<sup>96</sup> (i) Government Degree College, Anantnag, (ii) Government Degree College for Women, Anantnag, (iii) Government Degree College, Bemina, (iv) Government Degree College, Bijbehara, (v) Amar Singh College, Srinagar, (vi) College of Education Srinagar, and (vii) Sri Pratap College, Srinagar.

<sup>97</sup> (i) Government Degree College for Women, Anantnag, (ii) Government Degree College, Bemina and (iii) Sri Pratap College, Srinagar.

### 3.5.23 Execution of new works

The expenditure was to be incurred only on approved restoration works of existing damaged buildings of selected colleges. It was observed that ten works were already repaired/ restoration works were already carried out, still funds were obtained for creation of new assets. Ten new construction works<sup>98</sup> with a total project cost of ₹ 39.08 crore in three selected colleges (out of seven) were taken up (2016-17) for execution by construction agencies<sup>99</sup> and an expenditure of ₹ 32.78 crore was incurred as of September 2020. Audit noticed (May, June 2019) that old existing damaged infrastructure<sup>100</sup> had already been repaired/ restored via local college funds and the buildings were fully functional during 2015-16. The funds were utilised for creation of new assets which could have been used for other restoration activities.

The Joint Director (Planning), PD&MD stated (August 2020) that minor repairs in some of the old existing buildings had already been carried out of the college local funds. Due to devastating floods of September 2014, some buildings got damaged beyond the scope of repair/ renovation and a conscious decision was taken to dismantle such buildings and construct them afresh for proper functioning of these educational institutions. The reply was not tenable as, in the joint inspection conducted by audit with departmental representatives it was noticed that old existing infrastructure was fully functional. Further, the funds were sanctioned for approved restoration works and not for new construction works.

Photographs showing restored old existing infrastructure and taking up of new constructions		
 <p>Old Block Hostel</p>  <p>New Block Hostel (Under Construction)</p>	 <p>Old College Library Block as on 1-11-2019 (Women's College Anantnag)</p>  <p>New College Library Block (Under Construction) (Women's College Anantnag)</p>	 <p>Photograph of Under Construction Administrative Block at GDC Bemina under PMDP (10052019)</p>  <p>ADMINISTRATIVE BLOCK</p>
<p><b>Old and new Hostel Block of S.P. College, Srinagar as on 01 January 2020</b></p>	<p><b>Old and new Library block of Government Women's College, Anantnag as on 05 March 2020</b></p>	<p><b>Old and new Administrative Block of Government Degree College, Bemina, Srinagar as on 10 May 2019</b></p>

### 3.5.24 Delay in award of work

The work 'Construction of three storied hostel block at S.P College, Srinagar' was allotted (January 2018) at a cost of ₹ 2.53 crore to a contractor by the Superintending

<sup>98</sup> Construction of buildings like library cum PG and hostel block, academic block, administrative block.

<sup>99</sup> Public Works Department, Jammu and Kashmir Housing Board and SICOP.

<sup>100</sup> Including academic block, library block and administrative block of Government Degree College for Women, Anantnag, Government Degree College, Bemina and Sri Pratap College, Srinagar.

Engineer (R&B) Circle, Srinagar/ Budgam, with the scheduled completion period of 500 days. Audit noticed (July 2019) that the contract was awarded after a delay of 355 days from the date of Notice Inviting Tender (January 2017). Delay in award of contract subsequently resulted in delays in completion of the project (September 2020).

The Joint Director (Planning), PD&MD stated (August 2020) that delay in award of contract had been due to non-fulfilment of various conditions such as submission of performance securities, experience certificates by the bidders which took some time and that law and order conditions prevailing in the State during the year 2016 had further delayed the process. The reply is not acceptable as identical work regarding 'construction of Library cum PG Block' at S P College, Srinagar was allotted (February 2017) in time to a contractor by the Chief Engineer, PW, (R&B) Department, Srinagar against the NIT dated December 2016.

### Estates Department

Proposals for execution of 34 restoration works were submitted by the Director, Estates Department to the Planning, Development and Monitoring Department (PD&MD) for restoration of infrastructure damaged due to floods of September 2014. Of ₹ 48.21 crore sanctioned (November 2014 and December 2016) under SPA and PMDP, an amount of ₹ 25 crore was received as Special Plan Assistance (SPA) by the Department till February 2015 which was utilised in full (March 2016). Out of the 34 restoration works, six works<sup>101</sup> were completed under SPA funding after incurring an expenditure of ₹ 4.04 crore and 28 works were under progress as of March 2016. The balance ₹ 23.21 crore was received (2016-19) by the Department under Prime Ministers Development Package (PMDP) of which ₹ 22.26 crore was utilised on execution of remaining 28 works. The balance ₹ 0.95 crore was still unspent (September 2020).

#### 3.5.25 Other major issues

- Out of ₹ 85 crore<sup>102</sup> sanctioned (September 2018) by the Ministry of Finance, GoI as a 'Special Assistance-Capital to the Prime Minister's Reconstruction Plan (PMRP) State Government for State's Annual Plan 2018-19', the Finance Department allocated (October 2018) ₹ 2.50 crore in favour of the PHE, I&FC Department under the PMDP for execution of 21 flood protection works, against a project cost of ₹ 5 crore. The utilisation certificate for ₹ 2.50 crore was submitted by the CE, Irrigation & FC Department Jammu to Administrative Department in April 2019. Reasons for transfer of funds by the Finance Department under PMDP that had been received under PMRP from the GoI were awaited (December 2020). While the matter was referred (June 2020) to the Government, their reply has not been received.

<sup>101</sup> Excluding one work which was physically completed during implementation of PMDP without any releases under PMDP.

<sup>102</sup> Housing and Urban Development Department: ₹ 75 crore; District Development Commissioner Kargil: ₹ 7.50 crore; and PHE/ I&FC Department: ₹ 2.50 crore.

Audit examination of records (June and July 2019) of Small Scale Industries Development Corporation Limited (SICOP) and State Industrial Development Corporation Limited (SIDCO) under Industries and Commerce Department GoJ&K revealed that ₹ 107.14 crore<sup>103</sup> were sanctioned for execution of works on construction and upgradation of 13 projects<sup>104</sup> and was stated to be utilised during the period 2017-19. However, these works were located at such places<sup>105</sup> where no floods were reported.

The Joint Director (Planning), PD&MD stated (August 2020) that damages caused to various Industrial Estates were captured in the DPRs prepared by the SICOP/ SIDCO and that Industrial Estate, Ghatti Kathua was established on foothills and overflowing waters caused damages to the infrastructure. It was also stated that Industrial Estates Bari-Brahmana and Samba were also submerged due to continuous heavy rains and as such restorations of these works were thought necessary to save the infrastructures from further deterioration/ damages. The reply was not tenable as there were no floods reported (Ghatti Kathua, Bari Brahmna, Samba etc.) in the areas where these works had been executed. Besides, notification of the District Development Commissioner regarding areas affected by floods was not produced to audit.

Audit noticed that ₹ 1.98 crore was utilised by the Estates Department during 2017-18 on repairs and renovation works of Government bungalows<sup>106</sup> situated in Jammu where no floods had occurred thereby resulting in irregular expenditure.

The Joint Director (Planning), PD&MD stated (August 2020) that the Planning Development and Monitoring Department released funds only after scrutinising works damaged due to devastating floods of 2014 and expenditure incurred on some buildings damaged due to heavy rainfall and storm occupied by the VIPs and VVIPs. The reply was not tenable as there were no documented instances/ reporting of VVIP buildings being damaged due to floods.

### **3.5.26 Monitoring**

The GoJ&K constituted (April 2016) a monitoring committee headed by the Chief Secretary and comprising Member Secretary and 15 other members to review progress on monthly basis and provide guidance for formulation of action plans. During audit of Industries and Commerce Department, it was noticed (July 2019) that the committee had met only twice (December 2016 and September 2017) during the period from 2016-17 to 2018-19 as against requirement of 36 times.

A team, deputed (September 2017) by NITI Aayog (GoI), had also inspected the sites/ locations of various project works executed under the PMDP. However, the report though called for was neither made available by the Industries and Commerce Department nor by the Estates Department.

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<sup>103</sup> SIDCO (K): ₹ 40.63 crore; SIDCO (J): ₹ 61.48 crore; SICOP (J): ₹ 5.03 crore.

<sup>104</sup> Jammu: 8; Kashmir: 5.

<sup>105</sup> Industrial Estates: Jammu, Kathua, Pulwama, Samba, Sopore, Srinagar and Udhampur.

<sup>106</sup> Gandhi Nagar, Muthi, Rehari, Sarwal, Ved Mandir and Wazarat road.

The Joint Director (Planning), PD&MD stated (August 2020) that in respect of I&C Department the Administrative Department/ HODs periodically reviewed progress of projects with the concerned implementing/ executing agency, whereas in respect of Estates Department it was stated that no adverse report or otherwise were received from the team deputed by Government of India for Inspection of sites/ location of various works executed under the PMDP.

The reply is not acceptable as after the Department did not provide the NITI Aayog report, the same was obtained by Audit from the NITI Aayog itself and as per report of NITI Aayog team (September 2017)<sup>107</sup>, the team was not satisfied with the explanation given for the works undertaken for VIP bungalows at Panama Chowk and Bikram Chowk, Jammu.

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<sup>107</sup> Furnished by NITI Aayog to Audit in December 2020.



**Chapter-IV**  
**Social Infrastructure**



## CHAPTER - IV

### Social Infrastructure

#### 4.1 Introduction

Social infrastructure under the PMDP included, *inter alia*, creation of two All India Institute of Medical Sciences (AIIMSs) like institutions for health care in the State; establishment of Indian Institute of Management (IIM), Jammu and Indian Institute of Technology (IIT), Jammu to be executed by the GoI; one lakh youth to be trained for self-employment and wage employment placement linked skilled training under Himayat scheme; construction of indoor and outdoor stadia in the erstwhile State to encourage sports persons and to increase economic activity in the region. Other schemes like enhanced rate of remuneration to Special Police Officers (SPOs) from ₹ 3,000 per month to ₹ 6,000 per month for two years; undertaking Pashmina promotion programme etc. are also part of this segment.

In the Social Infrastructure segment of the PMDP, ten projects with a total outlay of ₹ 8,057 crore were taken up for development, out of which two projects were selected for detailed test check. These were:

- The 'Himayat' scheme with a total outlay of ₹ 1,601.51 crore including an infusion of ₹ 250 crore exclusively from funds allocated under the PMDP.
- Enhanced rate of remuneration to SPOs with an estimated cost of ₹ 450 crore for a two year period from funds allocated under the PMDP.

### Department of Rural Development and Panchayati Raj

#### 4.2 Stepping up efforts under Himayat scheme

##### 4.2.1 Introduction

The Ministry of Rural Development (MoRD), GoI, launched 'Himayat' (October 2011) which subsequently functioned as a separate vertical under the scheme of Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) for the erstwhile state of Jammu and Kashmir which covered the urban as well as rural youth under both categories of:

- Below Poverty Line (BPL); and
- Above Poverty Line (APL)

In order to impart skills to facilitate employment in the formal sector as well as for self-employment, training of one lakh youth at an estimated cost of ₹ 1,601.51 crore over a period of five years, with ₹ 250 crore as the funding under the PMDP was fixed (November 2015) by the MoRD, GoI. Subsequently, MoRD, GoI revised (July 2016) this target to 1.24 lakh youth, along with placement assurance of at least 70 per cent of the target group to be achieved by November 2020. The training, both residential and non-residential was to be imparted for courses on computer oriented skills, soft skills, communication skills in English as well as technical skills etc. The duration of courses was to range from three to twelve months.

#### **4.2.2 Structural mechanism**

Although the State Government had established a Jammu & Kashmir State Rural Livelihood Mission (JKSRLM), the Himayat Management Mission, a dedicated Mission of GoJ&K, was specifically constituted to implement the programme<sup>1</sup> in the erstwhile state of J&K. This Mission, was to work under the supervision of Department of Rural Development and Panchayati Raj, GoJ&K with a Himayat Mission Management Unit (HMMU) at the State level, headed by a Chief Operating Officer (COO) and Units in Gram Panchayat (GP) at the village level. The field units of HMMU were responsible for identification and counselling of the youth for generating awareness about the programme and facilitating placement in support with the Programme Implementing Agencies (PIAs), who were external agencies to be selected by HMMU on the recommendation of National Institute of Rural Development (NIRD), Hyderabad and approval by State Level Project Review Committee (SLPRC).

As of June 2019, 28 PIAs were engaged for training youth in various trades/ skills through 54 training centres.

#### **4.2.3 Audit Sample**

The HMMU and 14<sup>2</sup> out of 54 training centres imparting training were selected by Simple Random Sampling Without Replacement (SRSWOR) method and the beneficiaries in the 14 training centres sampled were selected randomly for detailed scrutiny.

#### **4.2.4 Implementation**

Examination (June 2019) of the records relating to implementation of the programme, revealed that although the HMMU was established (July 2016) at the State level, no support staff at district and block levels were engaged to assist HMMU in effective implementation of the programme. The GPs were therefore not involved in reaching out to the poorest households within their jurisdiction to generate awareness and in facilitating mobilisation of the youth (up to January 2019), for implementation of the programme at grass root level. The participation in the activities by GPs was initiated by the Department only from January 2019 onwards. Consequently the progress required to be achieved by March 2019 was not achieved.

The Director Finance, Department of Rural Development and Panchayati Raj stated (August 2020) that scheme was initially promoted through Self Help Groups (SHGs) formed under the UMEED<sup>3</sup> programme of JKSRMLM, as Panchayats were constituted only at the fag end of 2018 and the number of PIAs were very less during the early part of the scheme implementation.

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<sup>1</sup> Mission Document.

<sup>2</sup> 1. Baba Saheb Ambedkar, Delhi; 2. Brite Neon, Jammu; 3. Data Pro, Jammu; 4. Earthcon Construction, Srinagar; 5. Fidelis Corporate Solutions Private Limited; 6. ICA, Samba; 7. IL&FS- 1, Budgam; 8. IL&FS-1, Kupwara; 9. IL&FS 1 Udampur; 10. Intelligence Manpower, Kathua; 11. JKDAG, Budgam; 12. Mass Info Tech, Kathua; 13. Rooman Technology; and 14. Syadwad, Delhi.

<sup>3</sup> A scheme being operated by the JKSRMLM.

The reply is not relevant as the absence of support staff at district and block levels to coordinate on behalf of the HMMU limited the impact of the scheme.

#### 4.2.5 Planning

The scheme guidelines<sup>4</sup> envisage the preparation of a State Perspective Implementation Plan (SPIP) to articulate strategies to achieve the projected outputs. This was to be followed by the preparation of an Annual Action Plan, to be submitted to the GoI by 01 December of each year. The SPIP was required to project the number of youth, their skill requirements, for a medium term covering seven years, the trades and sectors covered for which training needed to be imparted and identification of areas for innovation and for special projects as well as placement for the beneficiaries trained under the scheme. The baseline information from Skill Gap Assessment (SGA), market scans and surveys and literature reviews etc. was to be collated to undertake a situation analysis of the scenarios in the State to capture details of youth from various categories of poor and vulnerable communities, so as to impart skills to them through training.

Audit noticed (May 2019) that the SPIP covering a period of seven years was not prepared and instead the Mission submitted (July 2016) a three year plan for the first phase for the period from 2016 to 2019, followed by another three year plan in February 2019, for the period from 2019 to 2022. The plans were also submitted without identification of trades to be covered under the programme.

In the absence of the baseline survey, the Department could not prepare the situation analysis of the scenario in the State for skilling the poor which was expected to capture the details of various categories of youth from the poor and vulnerable sectors to be brought into skilling programmes with the result that the objective to bridge the skill gap of the State could be achieved partially only, as of August 2020.

The Director Finance, Department of Rural Development and Panchayati Raj, GoJ&K stated (August 2020) that Ministry of Rural Development, GoI desired that State should submit a three-year Action Plan for skill/ training of youth in various skills and their subsequent placements in private sector and that the HMMU was in the process of identification of institutions/ agencies to conduct skill gap analysis for which the proposal was under submission with the Administrative Department.

The reply is however silent as to how the inputs to the Action Plan were to flow as the baseline information from the skill gap assessment, a necessary prerequisite, was yet to be conducted (August 2020).

Thus, inefficient planning and without any critical inputs hampered the scheme in achieving its desired goals as detailed in paragraph 4.1.1.

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<sup>4</sup> Para 4.6 of the Guidelines issued on July 2016.

## 4.2.6 Financial Management

Himayat scheme is a separate vertical of DDU-GKY which is funded fully by the GoI for skill training modules. These training modules were to be implemented through the State Government by a dedicated Himayat Mission Management Unit (HMMU). The annual allocation<sup>5</sup> for the scheme was to be released by the GoI, on the basis of poverty ratios and absorption capacity of States.

Initially, the funds received from GoI were required to be transferred to Mission Director, State Rural Livelihood Mission (SRLM) within a period of three days by the State Government, subsequently increased (September 2018) to 15 days. In case of delay in release of funds to the Mission Director within the prescribed period, the State Government was to pay 12 *per cent* interest for the period of delay beyond the specified period.

The position of funds released and expenditure incurred during the period from 2016 to 2019 is detailed in **Table 4.2.1**.

**Table 4.2.1: Financial position**  
(as on 31 March 2019)

(₹ in crore)						
Year	Opening Balance	Funds sanctioned by GoI	Delay in release by GoJ&K	Total availability	Expenditure (Percentage)	Unutilised funds
2016-17	-	45.22	--	46.72	30.40 (65)	16.32
		1.50	222 days			
2017-18	16.32	2.36	--	76.42	28.02 (37)	48.40
		57.74	107 days			
2018-19	48.40	64.67	Between 13 and 16 days	179.32	76.42 (43)	102.90
		66.25	--			
<b>Total</b>		<b>237.74</b>		<b>302.46</b>	<b>134.84 (57)</b>	

(Source: Receipt Expenditure Statement of Himayat Mission)

The funds were released after delays ranging between 13 days to 222 days during the period from 2016-17 to 2018-19. Accordingly, the State Government was liable to pay interest of ₹ 2.81 crore to the Mission on account of delayed releases (May 2019).

The Joint Director (Planning) Department of Rural Development and Panchayati Raj, GoJ&K, while accepting the observation stated (June 2020) that delay in release of funds was due to time taken to follow up the processing procedures between the Administrative Department and the Finance Department, GoJ&K.

Further, during the year 2019-20, an amount of ₹ 234.94 crore was sanctioned by the GoI, against which GoJ&K released ₹ 52.68 crore in favour of the Mission and retained ₹ 182.26 crore. An expenditure of ₹ 23.83 crore was incurred during the year leaving unutilized balance of ₹ 314.01 crore at the close of 31 March 2020.

### 4.2.6.1 Withdrawal of funds

The HMMU directed (March 2017) the Programme Implementing Agencies (PIAs) to use a single dedicated bank account for all receipts and linked disbursements to be

<sup>5</sup> As per the para 5.1 of the guidelines.

mapped to the Central Plan Scheme Monitoring System (CPSMS) of GoI in accordance with the Standard Operating Procedure (SOP). The PIAs were required to transfer the amounts from this dedicated Bank account only when the funds were required to be disbursed.

As per the related records, three<sup>6</sup> PIAs engaged by the HMMU for imparting training had withdrawn ₹ 23.01 crore from the dedicated DDU-GKY Bank account during the period from 2017 to 2019 as given in **Table 4.2.2**.

Audit noticed (May 2019) that instead of making payment from the dedicated account, these three PIAs transferred the amounts as given in **Table 4.2.2** to other Bank accounts in violation of the SOP. Only one<sup>7</sup> refunded ₹ 9.13 crore. The balance ₹ 13.88 crore (60 per cent) was with the PIAs, even after two years had lapsed.

**Table 4.2.2: Withdrawal of funds  
(as on June 2019)**

(₹ in crore)							
Sl. No.	Name of Programme Implementing Agency	Amount advanced	Amount withdrawn	Amount recouped	Amount outstanding	Penalty	Total pending Recovery
1.	M/s Surya Wires Private Limited	12.36	9.37	9.13	0.24	0.29	0.53
2.	M/s Apollo Medskills Limited	8.18	7.39	0.00	7.39	0.16	7.55
3.	M/s Orion Edutech Private Limited	7.39	6.25	0.00	6.25	0.16	6.41
	<b>Total</b>	<b>27.93</b>	<b>23.01</b>	<b>9.13</b>	<b>13.88</b>	<b>0.61</b>	<b>14.49</b>

(Source: Mission records)

On this being pointed out (May 2019), the Director Finance, Department of Rural Development and Panchayati Raj stated (August 2020) that M/s Surya Wires Private Limited had returned/ deposited ₹ 9.13 crore only out of ₹ 9.37 crore up to the end of March 2019. No further details of the recoupment of the balance ₹ 13.88 crore were furnished.

When the matter was further pursued (January 2021) with the Department, details of the updated status of recoupment, the COO, Himayat furnished the following updated information:

- In case of M/s Surya Wires Pvt. Ltd., ₹ 10.09 crore has been recouped and a penalty of ₹ 0.29 crore has been imposed by the HMMU.
- In the case of M/s Apollo Medskills Limited, the entire amount of ₹ 7.39 crore has been recouped and the HMMU has imposed a penalty of ₹ 0.16 crore.
- In case of M/s Orion Edutech Pvt. Ltd., ₹ 3.14 crore has been recouped and a penalty of ₹ 0.16 lakh has been imposed by the HMMU.

<sup>6</sup> 1. M/s Appollo Medskills Limited; 2. M/s Orion Edutech Private Limited; and 3. M/s Surya wires Limited.

<sup>7</sup> M/s Surya Wires Private Limited.

As can be seen from the chronology of events, funds were made available to the PIAs without monitoring their requirement in gross violation of the SOP. Further, although this had been pointed out in the first audit reports of the PIAs, there was no concerted action by HMMU to ensure recovery of the diverted amounts at the earliest.

Thus, temporary embezzlement of a total amount of ₹ 23.01 crore by three PIAs in gross violation of the SOP was not acted upon.

***The reasons for such lapse involving a substantial amount of ₹ 23.01 crore and giving undue benefit to private entities needs to be investigated and responsibility needs to be fixed. Further, adequate steps should be taken to ensure that such lapses do not occur in future.***

#### **4.2.6.2 Separate Bank Account for Administrative cost**

As per instructions issued (September 2018) by the MoRD, GoI, a separate dedicated Bank account for transactions relating to administrative cost was required to be opened under this scheme. However, a separate Bank account was opened by the HMMU only on 29 January 2020 in the J&K Bank, nearly three years after implementation of the scheme, that too, after specifically being instructed (September 2018) by the GoI. In the absence of a separate Bank account from 18 September 2018 to 28 January 2020, the expenditure related to administrative expenses were not maintained in a transparent manner and therefore the same could not be examined by Audit, defeating the very purpose for which the instructions were issued.

***Adequate steps should be taken to ensure that such lapses do not occur in future.***

#### **4.2.6.3 Deduction of Income Tax at Source**

As per section 194 of Income Tax Act, Income Tax is to be deducted when funds were provided to PIAs for imparting training as Tax Deduction at Source (TDS). It was, however, noticed (May 2019) that in case of seven PIAs<sup>8</sup>, TDS of ₹ 55 lakh was not deducted from these PIAs who were imparting training to unemployed youth, at source from payments made to these PIAs thereby extending undue benefit to these PIAs as well as violating the provisions of the Act.

On this being pointed out (May 2019), the Director Finance, Department of Rural Development and Panchayati Raj, GoJ&K while accepting (August 2020) the observation on non-deduction of TDS (Income Tax) stated that the same was due to non-allotment of TAN numbers. It was further stated that the same would be recovered from the concerned PIAs while releasing second instalment.

***The provisions regarding deduction of Income Tax from the payments to PIAs may be stringently enforced by the Department, in order to avoid penalties being imposed.***

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<sup>8</sup> 1. Apollo Medskills; 2 Cap Foundation; 3. IL&FS; 4. Manpower Group; 5. Orion Education; 6. Surya Wires; and 7. Team Lease Services.

## 4.2.7 Commencement of Projects

The HMMU issues orders regarding deemed date of commencement of the projects after these projects are sanctioned. It was imperative for the PIAs to adhere to the time schedule for commencement of the projects for effective implementation of programme. However, as seen from the records of the COO, HMMU, there were significant delays in commencement of projects in the case of 20 PIAs, where the difference between deemed date of commencement and the actual date of commencement of the projects was in a range of 9 days and 169 days, despite availability of funds and engagement of a Technical Support Agency (TSA).

### 4.2.7.1 Progress in training and placement of youth

Training<sup>9</sup> in domain areas/ skills with an assured employment after completion of training to the youth is provided by PIAs under Himayat programme. The PIAs are responsible for conducting training of youth with expected outcome of 70 per cent of trainees to be placed at entry level service/ manufacturing sector jobs within or outside the State. The GoJ&K was requested<sup>10</sup> to mobilise candidates for training and activate existing Self Help Groups (SHGs) for this purpose. The year wise position of targets fixed for training of unemployed youth, achievements and trained youth placed in jobs during the years from 2016 to 2019 is given in **Table 4.2.3**.

**Table 4.2.3: Position of trainings and placements**

Sl. No.	Year	Targets (Number of Trainees)	Achievements (Percentage)	Placements made (percentage <i>vis-a-vis</i> total numbers trained)
1.	2016-17	9,200	0 (0)	0 (0)
2.	2017-18	18,352	123 (1)	0 (0)
3.	2018-19	25,995	4,371 (17)	732 (17)
	<b>Total</b>	<b>53,547</b>	<b>4,494 (8 per cent)</b>	<b>732 (16 per cent)</b>

(Source: Records of Himayat Mission)

As seen from the **Table 4.2.3**, although a target number of 53,547 youth were to be trained during the period from 2016 to 2019, the achievement was only 4,494 (8 per cent)<sup>11</sup>. There were 27 active PIAs which had provided training to 4,494 candidates and 6,871 candidates were undergoing training as of 31 March 2019. Though during the years 2016-17 and 2017-18, only 123 youth were trained and no placements thereof were made during these years. Further, out of a total of 4,494 youth trained, only 732 youth (16 per cent) were placed in jobs during the period from 2016 to 2019. For the year 2019-20, no targets were fixed though 10,045 unemployed youth were trained against which 2,582 youth (26 per cent) were placed in jobs.

<sup>9</sup> Duration of Training programs were ranging from 3 to 12 months.

<sup>10</sup> In the review meeting held by the Principal Secretary to Prime Minister on 13 August 2016.

<sup>11</sup> Training provided in trades viz. Test Engineer software, Banking associate, Retail sales associate, Health care Multipurpose worker, Medical Laboratory Technician, Sales Director, Insurance Sales associate, Medical sales representative, Light Motor Vehicle (LMV) Driver level-III, Hospitality Assistant, Security Guard, Assistant Electrician, Fashion Designer, Sewing Machine operator etc.

The Director Finance, Department of Rural Development and Panchayati Raj, GoJ&K stated (August 2020) that there were challenges in providing placement to the candidates as there was low potential of employment within the State due to limited organised private sector opportunities and unwillingness of candidates to move out of the State for taking up jobs outside the State. To increase the number of placements, the HMMU had organised a Job fair in June 2019 wherein 10 Companies offered jobs to 194 candidates. Further, eight more job fairs had been conducted for providing job opportunities to the trained candidates.

The reply is partially correct as several new institutions like IIT, IIM, specialised Institutions have been set up in the state during this period.

***Thus, despite the increased achievement in 2019-20, there needs to be more concerted efforts to make the scheme a success.***

#### **4.2.8 Human Resource Management**

To oversee the implementation of the programme, the GoJ&K was required to appoint adequate staff so that a fulltime dedicated team headed by Chief Operating Officer (COO) is in place. The Block Programme Managers (BPM) as well as number of Community Resource Persons (CRP) were also required to be appointed and cost of professionals engaged at the block level and below was provided for in the programme costs.

As of March 2019, only 6 posts<sup>12</sup> against 16 sanctioned posts<sup>13</sup> were filled/ occupied, a shortfall of 63 *per cent* at the Apex level. The position did not improve during 2019-20, as the vacancy was 54 *per cent* of the available posts as of March 2020. At district and block level, the shortfall was 100 *per cent* although 340 posts<sup>14</sup> were sanctioned.

The Director Finance, Department of Rural Development and Panchayati Raj, GoJ&K stated (August 2020) that proposal for engagement of staff at State/ district level on outsourced basis, on the suggestion of MoRD, GoI was under process in the Administrative Department.

The proposal of HMMU for engagement of staff on outsourced basis continues to remain under process with the Administrative Department.

***The GoJ&K may consider taking a decision on the proposal on a priority basis.***

#### **4.2.9 Monitoring mechanism**

A comprehensive approach was required to assist the PIAs and States in achievement of agreed goals of this scheme. To monitor the performance of PIAs against agreed performance indicators, the concurrent monitoring through web based internet application was required along with an Enterprise Resource Planning (ERP) system

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<sup>12</sup> COO (1), SPMs (3), DEO (2).

<sup>13</sup> COO (1), SPMs (7), SO (1), PA (1), Accounts Assistant (2), DEO (4).

<sup>14</sup> District Functionaries (22), Block Functionaries (318).

and deployment of independent monitors. High level quality teams were required to be established within PIA and the HMMU to ensure quality monitoring.

Audit examination of records (May 2019) revealed that the Mission had engaged (January 2019) NABARD Consultancy Services (NABCONS) as the Technical Support Agency (TSA). However, the program faced challenges due to non-deployment of sufficient staff by the TSA to undertake the envisaged activities. The Ministry of Rural Development, GoI and GoJ&K were directed<sup>15</sup> (November 2017), to accelerate synergies as well as pace of implementation and the GoJ&K was to appoint seven to eight thematic specialists to enhance industry connect of the related components of the scheme which was yet to be done (August 2020). Thus, quality monitoring teams were not in place despite being provided for under the scheme.

The Director Finance, Department of Rural Development and Panchayati Raj, GoJ&K stated (August 2020) that HMMU had engaged NABCONS as TSA to undertake concurrent monitoring of the projects in May 2018 and that with respect to deployment of staff by NABCONS all the staff in required number were deployed by them as per MOU between HMMU and NABCONS. Further, a two days Chief Executive Officers meet was organised by HMMU during February 2020 at Jammu and dignitaries from the Industry committed to provide job opportunities to Himayat trained candidates besides offering linkages to PIAs in supporting other activities of the project.

However, as was seen from the communication (January 2019) of the COO, HMMU to the Vice President, NABCONS, New Delhi, those were the difficulties being faced by the HMMU in terms of both number and capacity of the human resource, deployed by the NABCONS.

***The monitoring mechanism needs to be strengthened for the scheme to attain the goals set.***

#### **4.2.10 Impact assessment**

As per guidelines<sup>16</sup> of the scheme, impact assessment was required to be conducted by the HMMU.

Audit, however, observed that no impact assessment and evaluation of the scheme had been conducted through independent studies by the HMMU as of June 2020.

To assess impact of the scheme on the rural/ urban youth of the State, Audit interacted with 211 beneficiaries in selected 13 training centres (out of 54 training centres). Some of the important aspects relating to programme management, provision of basic amenities, facilities provided to the youth, awareness of masses, satisfaction level of beneficiaries etc., derived from the interviews held are mentioned in the **Table 4.2.4**.

<sup>15</sup> As per decision taken in the review meeting held by the Union Home Secretary on 20-30 November 2017.

<sup>16</sup> Para 3.2.1.7 (v) of the Scheme guidelines.

**Table 4.2.4: Beneficiary interview**

Sl. No.	Questionnaire	Ratio	Response (In numbers)	Percentage
1.	Whether the youth under training is residential/ Non-residential	Residential/ Non-residential	74/137	35/65
2.	Qualification of youth undergoing training	10 <sup>th</sup> and above but under-Graduate/ Graduate	193/18	91/9
3.	Gender of the youth	Male/ Female	114/97	54/46
4.	Category: whether General/ SC, ST, OBC	General/ SC, ST, OBC	128/83	61/39
5.	Whether the youth is under training or has completed the training period	Under training/ trained	211	100
6.	Awareness of the youth about the programme/ scheme	Through counselling/ relatives, friends	76/135	36/64
7.	How the youth was selected for training	Aptitude test/ otherwise	197/14	93/7
8.	Whether the stream was selected by the youth or was it allotted by the training centre	By the youth/ by the Centre	129/82	61/39
9.	Quality of food and accommodation available at the training centre	Good/ Normal	74/0 (only residential)	100
10.	Whether admissible payment of honorarium (non-residential) has been received or not	Received/ Not received	88/49 (Interacted 137 only)	64/36
11.	Satisfaction level the youth regarding Job opportunities	Yes/ No	211/0	100

(Source: Beneficiary Survey Reports)

The Director Finance Department of Rural Development and Panchayati Raj, GoJ&K stated (August 2020) that extensive impact assessment was not conducted for the programme but individual success stories of various candidates undergoing skill training who were placed in different Companies had been recorded and the Mission would undertake impact assessment and evaluation once the substantial number of trainees with assured placement is achieved.

## Home Department

### 4.3 Enhanced rate of remuneration to Special Police Officers (SPOs) from ₹ 3,000 per month to ₹ 6,000 per month

#### 4.3.1 Introduction

In order to augment operational capability of the erstwhile State police, a scheme for engagement of Special Police Officers (SPOs) was introduced in 1995. Although, this scheme was in existence since 1995, a specific project under the PMDP of GoI for ₹ 450 crore was approved (March 2016) with the objective of improving living conditions of Special Police Officers (SPOs) by enhancing their monthly remuneration in a graded manner<sup>17</sup> from ₹ 3,000 to a maximum of ₹ 6,000, with effect from January 2016. The project was to be implemented for two financial years 2015 to 2017 or up to the currency of Security Related Expenditure (SRE) scheme, whichever was earlier.

<sup>17</sup> Condition 1 of the order dated 5 January 2016.

Out of 79 auditee units, 20 units were selected for detailed check by judgmental sampling method by adopting the criteria of maximum number of SPOs deployed for sample selection.

In this project, Ministry of Home Affairs (MHA), GoI was to provide resource support to the State Government by reimbursement of expenditure through Security Related Expenditure (SRE). At the State level, the project was implemented by Director General of Police (DGP) under the overall supervision of Principal Secretary, Home Department, GoJ&K with Senior Superintendents of Police (SSPs) as implementing agencies.

Scrutiny of performance of SPOs by the Department (March 2019) at the behest of GoI resulted in disengagement of 2,650 SPOs (18 *per cent*) out of 14,539 SPOs engaged during the period from 2013 to 2019.

The entire cost of the project of ₹ 450 crore had been incurred by the Department while regular honorarium charges of SPOs were booked under SRE being reimbursed by the GoI.

### 4.3.2 Compliance to Instructions

#### I. Vacant Posts

Total number of 25,474 posts of SPOs were sanctioned by GoI during the year 1995 and thereafter 10,000 additional posts of SPOs were sanctioned in September 2016, raising the total number of sanctioned posts of SPOs to 35,474. Audit observed that only 30,231 SPOs were in position as on September 2019 against 35,474 sanctioned posts and total SPOs in position increased to only 32,169 as of August 2020, leaving a vacancy of 3,305 (about 9 *per cent*) despite the increased honorarium.

Thus, despite the incentive provided under the Scheme the vacancies of the order of nine *per cent* continued to exist.

#### II. Retention of SPOs

The MHA, GoI directed (August 2017) that 4,251<sup>18</sup> posts of SPOs which were lying vacant, were required to be kept in abeyance till the process adopted by the GoJ&K for their recruitment was approved by the GoI. Instructions were issued (August 2017) by the Police Headquarters (PHQ), GoJ&K that there would be no engagement of SPOs till further orders from the MHA, GoI. However, 1,066 SPOs in 12 sampled offices of the Department were retained in excess of the sanctioned limit and wages up to December 2017 were drawn contrary to the said instructions.

The Department stated (August 2020) that due to late receipt of the MHA communication, the process of engagement continued and concurrence for 940 SPOs engaged during the period was accorded by the MHA in March 2018.

<sup>18</sup> 1,089 out of 25,474 (upto September 2016) sanctioned posts and 3,162 out of 10,000 (from September 2016) sanctioned posts.

The reply is not acceptable as 1,066 SPOs were retained though concurrence for retention was for 940 SPOs only.

Thus, manpower in excess of the authorised numbers continue and are being paid without regularisation of their services.

***It is recommended that the existing vacancies be filled up expeditiously with adherence to due process so as to achieve the benefits proposed in the Scheme.***

**Chapter-V**  
**Development Projects**



## Chapter - V

### Development Projects

#### 5.1 Introduction

Development projects includes sectors relating to Tourism, Agriculture, Horticulture, Urban Development etc. including funding for Externally Aided Projects. There are 13<sup>1</sup> projects with a total project outlay of ₹ 5,521 crore in this sector. Out of these 13 projects, five projects with an outlay of ₹ 2,285 crore as detailed in **Table 5.2.1** were selected for test check in Audit. The findings thereof are discussed in the succeeding paragraphs.

**Table 5.2.1: Details of project cost and expenditure as on March 2019**

(₹ in crore)					
Sl. No.	Projects	Project cost	Funds sanctioned	Expenditure (March 2019)	Unutilised funds (Percentage)
1.	Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	744	328.88	250.00	78.88 (24)
2.	Balance Central share liability of ongoing JnNURM projects for the State of Jammu & Kashmir	163	130.24	78.18	52.06 (40)
3.	EAP project of J&K Urban Sector Development Investment Programme	712	622.28	622.28	Nil
4.	Completion of pending projects under PMRP 2004: Counterpart Funding - ADB-II	566	313.96	313.96	Nil
5.	Construction of Govt. Tourist assets in lieu of damaged/ destroyed assets	100	74.70	45.09	29.61 (40)
<b>Total</b>		<b>2,285</b>	<b>1,470.06</b>	<b>1,309.51</b>	<b>160.55 (11)</b>

(Source: Departmental Monitoring report on PMDP-2015 - Status as on 31 March 2019)

Against the total project cost of ₹ 2,285 crore for the five selected projects mentioned above, an amount of ₹ 1,470.06 crore was released and an expenditure of ₹ 1,309.51 crore had been incurred with an unutilised balance of ₹ 160.55 crore (11 per cent) as of 31 March 2019.

1 (i) Development of Tourism in the State (₹ 400 crore for 5 years) New Projects; (ii) Construction of Government Tourist assets in lieu of damaged/ destroyed assets; (iii) 12 Development Authorities, 3 Tourist circuits, Setting up of 50 Tourist villages proposed under PMRP 2004 and Conservation of Wular lake; (iv) AMRUT; (v) Smart Cities Mission; (vi) Swachh Bharat Mission; (vii) Balance Central share liability of ongoing JnNURM projects for the State of Jammu & Kashmir; (viii) Construction of Cold Storage facilities at Leh & Kargil; (ix) 50 per cent subsidy support for setting up solar driers; (x) Modernization of NIT Srinagar; (xi) EAP project of J&K urban sector development investment programme; (xii) Completion of pending projects under PMRP 2004: Counterpart Funding- ADB-II; and (xiii) Completion of pending projects under PMRP 2004: Rehabilitation of Dal- Nageen Lake.

## **Housing and Urban Development Department**

### **5.2 Atal Mission for Rejuvenation and Urban Transformation**

#### **5.2.1 Introduction**

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme was launched by the Government of India (GoI) in June 2015 in the erstwhile State of Jammu & Kashmir. Under AMRUT, all cities above one lakh population were designated as Mission cities. The AMRUT scheme was subsumed in the Prime Minister's Development Package (PMDP) with effect from November 2015.

The objective of the AMRUT scheme was to:

- Ensure access to tap water with assured supply and sewerage connection for every household;
- Increase aesthetic value of cities by developing greenery and well maintained open spaces; and
- Reduce pollution by switching to public transport or constructing facilities for non-motorised transport.

In the erstwhile State of J&K, five mission cities<sup>2</sup> were selected (June 2015/ June 2016) by the GoI under the AMRUT scheme, where 92 sub-projects<sup>3</sup> under five sectors<sup>4</sup> were identified for execution by the Housing and Urban Development Department, GoJ&K. An Apex Committee (AC) was constituted (August 2015) by the GoI, with the Secretary, Ministry of Urban Development (MoUD), GoI and representatives of related Ministries of GoI and organisations supervising the Mission at national level as members. The AC is mandated to approve a State Annual Action Plan (SAAP) submitted by the State Level High Powered Steering Committee (SHPS) constituted in October 2015 and chaired by the Chief Secretary, GoJ&K. The SHPS is also responsible for identifying gaps in infrastructure on the basis of Service Level Benchmarks (SLBs)<sup>5</sup> and for approving projects after being technically appraised and sanctioned by State Level Technical Committee (SLTC) constituted in October 2015.

Out of the five Mission cities in the erstwhile state of J&K, four sample Mission cities (Anantnag, Jammu, Leh and Srinagar) were selected in Audit by judgemental sampling method taking the criteria of expenditure and social factors into consideration.

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<sup>2</sup> (i) Anantnag, (ii) Jammu, (iii) Kargil, (iv) Leh and (v) Srinagar.

<sup>3</sup> Initially there were 92 sub-projects to which one more sub-project was also added, however, subsequently two sub-projects were dropped leaving behind 91 sub-projects to be executed as of September 2020.

<sup>4</sup> (i) Water supply, (ii) Sewerage and septage, (iii) Drainage, (iv) Urban transport and (v) Green spaces/parks.

<sup>5</sup> Set of standard performance parameters for water and sanitation sectors as per Ministry of Urban Development (GoI).

### 5.2.2 Financial management

The funds for the AMRUT scheme were to be shared by the GoI and GoJ&K in the ratio of 90:10. The status of funds sanctioned by the GoI and the GoJ&K under the scheme to the State Mission Director (AMRUT), GoJ&K and its further release by Mission Director to designated officers of Mission cities, during the period 2015 to 2019 is given in **Table 5.2.2**.

**Table 5.2.2: Financial status as on 31 March 2019**

Year	Opening balance	Funds released during the year		Interest Accrued	Funds available	Funds released by Mission Director to the designated officers of Mission cities	Unutilised balances with Mission Director
		GoI Share	GoJ&K Share				
2015-16	-	31.77	13.75	0.08	45.60	0.003	45.60
2016-17	45.60	37.89	-	1.73	85.22	64.01	21.21
2017-18	21.21	202.65	24.00	1.09	248.95	54.32	194.63
2018-19	194.63	11.32	7.50	1.18	214.63	200.87	13.76
<b>Total</b>		<b>283.63</b>	<b>45.25</b>	<b>4.08</b>		<b>319.20</b>	

(Source: Departmental records)

During the period from 2015-2016 to 2018-2019, funds ranging between ₹ 13.76 crore and ₹ 194.63 crore had remained unutilised with the Mission Director.

Further, project funds ranging between ₹ 25.48 crore to ₹ 54.73 crore were lying unutilised with six<sup>6</sup> designated offices of Mission cities/ implementing agencies at the close of each year during the period from 2015-2016 to 2018-2019 resulting in blockage of funds. Against the availability of ₹ 181.86 crore<sup>7</sup> during the year 2019-20, an amount of ₹ 141.73 crore was released by the Mission Director, leaving a balance of ₹ 40.13 crore unutilised as of 31 March 2020.

The Mission Director, as per guidelines<sup>8</sup> was required to release funds either directly to the Urban Local Bodies (ULBs)/ parastatals into their nodal accounts or keep the funds in one single account with any scheduled Bank. The funds were required to be released through the Public Financial Management System (PFMS). However, the State Mission Director (AMRUT) had neither kept scheme funds in a single Bank account nor were funds released through PFMS to the ULBs/ parastatal during the period 2015-2016 to 2018-2019. Further, the designated offices of the Mission cities of Jammu Municipal Corporation (JMC), Srinagar Municipal Corporation (SMC), Director ULB Kashmir and Chief Executive Officer (CEO), Leh did not maintain separate accounts of scheme funds, as per the scheme guidelines. As a result, the expenditure incurred by the designated officers of Mission cities and implementing agencies under the scheme during the period 2015 to 2019 was not available either with the Mission Director or at Administrative Department level.

<sup>6</sup> (i) Jammu Municipal Corporation (JMC): ₹ 4.27 crore, (ii) Chief Executive Officer (CEO), Leh: ₹ 11.85 crore, (iii) Chief Engineer, UEED, Srinagar: ₹ 14.85 crore, (iv) Executive Engineer, UEED Jammu: ₹ 11.53 crore, (v) Srinagar Municipal Corporation (SMC): ₹ 0.49 crore and (vi) Director Urban Local Bodies (ULBs), Kashmir: ₹ 11.74 crore.

<sup>7</sup> Includes opening balance of ₹ 13.76 crore and interest of ₹ 0.80 crore.

<sup>8</sup> Para 9.5 of the guidelines of AMRUT scheme.

The Department/ implementing agencies were registered with the PFMS belatedly<sup>9</sup>. As a result, an important tool for real time monitoring of utilisation of funds could not be utilised, despite being stipulated in the guidelines<sup>10</sup> of the scheme.

### 5.2.3 Scheme implementation

#### Award of contract

Execution of works in respect of five sectors that were taken up under the scheme in the five mission cities are the following:

- Water supply;
- Sewerage and septage;
- Drainage;
- Urban transport; and
- Green spaces/ parks

The sector wise status of sub-projects approved and completed in the mission cities, as of March 2019 is given in the **Table 5.2.3**.

**Table 5.2.3: Status of Sector-wise sub-projects as of March 2019**

Sector	Water supply	Sewerage and Septage	Urban Transport	Drainage	Green spaces/ parks	Total
Sub-projects approved	11	14	19	31	17	92
Expenditure incurred (₹ in crore)	15.00	72.00	50.00	103.00	10.00	250.00
Sub-projects awarded	11	12	17	31	16	87
Sub-projects completed	0	1	3	11	10	25
Percentage completion of sub-projects	0	7	16	35	59	27
Sub-projects sampled in audit	3	11	12	13	6	45

(Source: Departmental records)

As seen from the **Table 5.2.3**, out of 92 sub-projects under the scheme, works for execution of 87 sub-projects had been awarded during the period from June 2015 to March 2019 and execution of 25 sub-projects (27 per cent) was completed as of March 2019. As per the information furnished by the Department, execution of 31 sub-projects during the period from April 2019 to September 2020 had been completed. Audit sample of 45 sub-projects (as detailed in **Appendix 5.2.1**) was selected by adopting the criteria of expenditure and social factors into consideration as detailed in **Appendix 1.2**.

Significant audit findings in respect of four<sup>11</sup> sectors (out of five) are mentioned in the succeeding paragraphs.

<sup>9</sup> March 2018 to August 2020.

<sup>10</sup> Paragraph 9.5 of the scheme guidelines.

<sup>11</sup> (i) Water supply; (ii) Sewerage and septage; (iii) Drainage; and (iv) Urban transport.

## 5.2.4 Progress of execution of projects

### (A) Water Supply Sector

The guidelines<sup>12</sup> of the AMRUT scheme envisages that the urban local body of the mission city was required to prepare Service Level Improvement Plans (SLIP) for identification of service level gaps in water supply zones and sewerage/ septage so that each household of the mission city is included for the water supply and sewerage/ septage connections. However, of 11 sub-projects under water supply sector, only one sub-project has been completed (September 2020).

Audit scrutiny of three<sup>13</sup> sampled sub-projects in the selected four Mission cities revealed the following deficiencies in the two sub-projects.

#### 5.2.4.1 Water supply schemes

##### I. Leh

Under the 'Augmentation and Reorganisation of left out areas of Leh town' sub-project, Bamgarh Zone was approved by State Level High Powered Steering Committee (SLHPSC) under State Annual Action Plan (SAAP) 2015-16 for supply of drinking water. The DPR (May 2016) of water supply scheme envisaged laying of the distribution network, rising main, construction of Service Reservoir (SR), installation of pumping machine/ creation of sub-station and construction of chowkidar quarter at an estimated cost of ₹ 4.88 crore.

Audit examination (September 2019) of records of the Executive Engineer (EE), Public Health Engineering (PHE) Division, Leh revealed that identification and selection of the site of the area/ zone for which water supply scheme was made and approved (May 2016) was a dumping site, without any built up area or a residential colony. The Department, without reviewing the site conditions of the area/ zone allotted (November/ December 2016 and April 2017) works of the scheme to contractors for laying of main distribution line, construction of service reservoir and laying of rising main. Only three<sup>14</sup> components out of six<sup>15</sup> of the work, were completed (September 2020) and work on other three<sup>16</sup> components was under progress. As a result, the work of the sub-project of the scheme was not completed, despite incurring an expenditure of ₹ 3.06 crore by the Department.

The Director Planning, H&UDD, GoJ&K stated (August 2020) that the scheme was targeted to be fully completed in current working season and attributed delay in its completion to limited working season in Ladakh region.

<sup>12</sup> Para 6 of AMRUT guidelines.

<sup>13</sup> (i) Providing water supply to the University area Anantnag, (ii) Providing/ laying, commission and maintenance of old Ganderbal power house water treatment plant and (iii) Providing/ laying of distribution network etc. at Leh.

<sup>14</sup> Construction of service reservoir; Chowkidar quarter and chain link fencing.

<sup>15</sup> Construction of service reservoir; rising main; distribution network; chowkidar quarter; chain link fencing and pumping machinery.

<sup>16</sup> Rising main; distribution network and pumping machinery.

The reply is silent regarding the audit observation of site selection and non-existence of the built up area.

***The Department should take steps on priority for gainful utilisation of the assets created so as to ensure achievement of the objective of the project along with safe water supply.***

## **II. Anantnag**

In order to provide drinking water supply to the University Campus, South Kashmir at Anantnag, a water supply project at an estimated cost of ₹ 6.20 crore (civil cost: ₹ 3.08 crore and mechanical cost: ₹ 3.12 crore) was approved (December 2016) by the SHPSC. The EE, Public Health Engineering Division, Bijbehara allotted execution of civil components of scheme to a contractor at a cost of ₹ 1.62 crore (March 2017), for completion within 180 days.

As per the available records of PHE Division, Bijbehara, the contractor could not start construction of 2.60 lakh gallon service reservoir at identified site at Sarnal, Anantnag due to non-acquisition of land by the Department. Though an alternate site was provided by the District administration after a gap of 18 months (September 2018), the site required significant earth work for construction of service reservoir. This led to increase in cost of the scheme by ₹ 0.74 crore.

An expenditure of ₹ 1.65 crore had been incurred (September 2020) on civil components of the scheme, which were still incomplete. Further, the electro-mechanical machinery and equipment costing ₹ 2.49 crore procured by the EE, Mechanical Division, Awantipora during the period February to March 2019 were installed (June 2020) after a gap of more than one year from the date of procurement and have been commissioned (September 2020).

After being pointed out (January 2020) in Audit, the EE, Mechanical Division, Awantipora stated (February 2020) that due to non-completion of civil structures, delayed transfer of land by the District Administration and turmoil in valley, expenditure incurred became unproductive. It was further stated (January 2021) that scheme could not be completed due to non-completion of civil works. The Executive Engineer, PHE Division, Bijbehara attributed (January 2020) delay in execution of work and cost escalation to change of site conditions and non-availability of land. Thus, non-availability of land before taking up work, resulted in delay in execution of the scheme, thereby rendering the expenditure of ₹ 4.14 crore<sup>17</sup> largely unfruitful (September 2020).

### **(B) Sewerage and Septage sector**

Out of 14 sub-projects under Sewerage and Septage sector, one sub-project was completed by March 2019 and additionally eight sub-projects were completed as of September 2020. In four sampled mission cities, 11 sub-projects were selected by

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<sup>17</sup> Civil components: ₹ 1.65 crore, Mechanical components: ₹ 2.49 crore.

Audit for test check. The audit findings in respect of six sub-projects are discussed in the following paragraphs.

#### 5.2.4.2 Sewerage treatment plant and Sewerage network system

##### I. Jammu city

The Department decided (May 2016) to construct 4 Million Litre Day (MLD), Sewerage Treatment Plant (STP) with sewer network for discharge of sewage of Jammu city after treatment into river Tawi. The proposal was approved (May 2016) by SLTC/ SHPC and the land at village Rakh Raipur Satwari, Jammu was identified (June 2016) for construction of STP. The DPR was approved (3 August 2016) by the SHPC at a cost of ₹ 28.77 crore, however, subsequently it was decided (30 August 2016) to shift the location of STP at Bhagwati Nagar, Jammu due to non-acquisition of land at the identified site. Accordingly, the DPR for new location of project was revised at a cost of ₹ 27.51 crore (January 2017). Audit scrutiny revealed the following:

- The Chief Engineer, UEED, Jammu directed (April 2017) the EE, Sewerage and Drainage Division, Jammu to invite tenders for STP and Sewerage network separately. However, single tender was invited (May 2017) for both 4 MLD, STP and Sewerage network of five Nallahs. This tender was cancelled due to lack of response. Thereafter, tenders for construction of 4 MLD STP<sup>18</sup> were invited again during July and August 2017 which could not be finalised either due to lack of response or receipt of single bid. Finally (September 2017), M/s M. M Enviro Project Private Limited (being L-1 among three bidders) was awarded (November 2017) construction of STP at a cost of ₹ 6.95 crore to be completed in two years. Tenders for the project were also delayed because the DPR referred to adoption of SBR technology<sup>19</sup>. The environmental clearance for construction of STP was not obtained (August 2020) from the State Pollution Control Board. The civil work has been completed to the extent of 80 *per cent*, procurement/ installation of electro mechanical equipment has been completed to the extent of 80 and 70 *per cent* respectively at an expenditure of ₹ 6.36 crore (November 2020). Thus, due to delay in tendering process, non-finalisation of contract in time, the construction of STP could not be completed as of November 2020 despite incurring an expenditure of ₹ 6.36 crore, with the result that untreated sewage water was still being discharged in river Tawi, causing pollution.
- Tenders for construction of sewerage network by the process of laying sewer lines, construction of manholes including house connections in respect of five Nallahs of Jammu city, were invited five times between May 2017 and October 2017. The bid could not be finalised (October 2017) due to lack of response to the tenders. A single firm responded to the sixth tender call (November 2017) and quoted price of ₹ 29.60 crore against advertised cost of

<sup>18</sup> On SBR technology including operation and maintenance for five years, construction of office building, boundary wall, approach road and all electro mechanical components.

<sup>19</sup> SBR (Sequential Batch Reactors) are a type of activated sludge process for the treatment of waste water.

₹ 20.60 crore. A committee constituted in November 2017 headed by the Superintending Engineer (S&D circle), Jammu reported (December 2017) that rates quoted in BOQ by the Department had been inadvertently mentioned for NP (Non-Pressure)-2 RCC (Reinforced Cement Concrete) pipes instead of NP-3 RCC pipes, resulting in increase in cost of the project to ₹ 27.54 crore. The Consent for execution of work at a negotiated cost of ₹ 27.54 crore was sought (December 2017) from the bidder by the EE (S&D), Division, Jammu. The SLCC however, decided (February 2018) that the cost of ₹ 22.60 crore (being 10 *per cent* above advertised cost of ₹ 20.60 crore) be offered to the bidder. Thereafter, the work was allotted (April 2018) to the contractor at a cost of ₹ 22.60 crore to be completed in 18 months (i.e. by September 2019). The Contractor, after conducting a survey, reported (August 2018) that fresh creeks had developed on the proposed trunk sewer line alignment. Further, due to narrow width of river in the proposed alignment, velocity of flowing water was extremely high during rainy season which could cause failure of the structure, therefore laying sewer line on the left side of the river on gravity basis was not possible due to anomalies found at ground levels. Thereafter, the contractor proposed (August 2018) redesigning/ realignment of trunk sewer by constructing pumping station at different locations and accordingly submitted (March 2019) revised design to the Department. The contractor again reported (April 2019) that proposed trunk sewer line could not be laid without disturbing existing structures in the vicinity of bridges. The Department requested (April 2019) the District Development Commissioner, Jammu for providing 33 *Marlas* land at different locations for construction of four Intermediate Pumping Stations for the project. The Executive Engineer, (S&D) Division, Jammu thereafter revised the cost of the project to ₹ 51.67 crore (July 2020) against original estimate of ₹ 27.51 crore with an overall cost overrun of ₹ 24.16 crore. The revised cost, however is yet to be approved (November 2020). The contractor completed construction of 17 Kms (out of 36.45 Kms)/ trunk line of 2,200 meters (out of 5.48 Kms) at an expenditure of ₹ 9.82 crore (November 2020). The construction of sewerage network system of five nallahs could not be commenced due to non-availability of encumbrance free land and preparation of estimates without adequate survey, which was indicative of its faulty planning, thereby resulting in denial of intended benefits of the scheme to the public.

After the matter was referred (June 2020) to the Government, the Director Planning, H&UUD stated (August 2020) that execution/ completion of sub-project was delayed due to land dispute at initial stage that was resolved and the project was targeted to be completed in current year, whereas construction of sewerage network on five Nallahs was under execution and 40 *per cent* work stood completed (August 2020). The fact remains that work on the project was still incomplete, as of November 2020.

### 5.2.4.3 Septage Management Projects

#### I. Septage Management project for Jammu city

In Jammu city, the effluent from septic tanks of households in the uncovered areas of Zone III was getting discharged directly in nearby Nallahs/ streams or open fields and ultimately flowing into the streams. To provide sewage facility in these areas<sup>20</sup>, the project 'Septage Management Project (SMP)' was approved (May 2016) by SLTC, under the scheme. The land for construction of SMP was identified at Chatha, Jammu and the DPR based on ASP technology was prepared by the consultant<sup>21</sup> for the project, at an estimated cost of ₹ 8.65 crore. The project had six<sup>22</sup> components which also included the construction of Septage Treatment Plant (STP) at Bhagwati Nagar, Jammu to cater to the requirements of the areas under 'B' and 'C' Divisions of Jammu city, instead of specific areas of Zone III as the Floriculture Department did not hand over the land at Chatha to UEED.

Audit examination of records (June 2019) revealed the following:

(i) As per the DPR, the Septage Treatment Plant of 164 KLD capacity at an estimated cost of ₹ 5.53 crore was based on Activated Sludge Process (ASP) technology<sup>23</sup>. The trial run of all essential units was to be carried out for six months after testing and commissioning. As per the records of the EE, (S&D) Division, Jammu, the bids were invited between July 2016 and September 2016 for construction of Septage Treatment Plant on ASP technology by the Department at Bhagwati Nagar, Jammu. The tender could not be finalised due to the bids not fulfilling the required conditions. The Contract Committee of the Department decided (March 2017) that possibilities for the STP be explored for adopting the latest technology only after obtaining clearance from State Pollution Control Board (SPCB) and expertise from IITs/ National Environment Engineering Research Institute. The EE, SPCB suggested analysis of samples of actual septage at different locations for various parameters<sup>24</sup> and thereafter suggested modified version of septic tanks with Anaerobic Digester to treat septage anaerobically, as ASP technology was not cost effective and pragmatic. The Department allotted (August 2017) the work of construction of STP (capacity: 164 Kilo Litre per Day (KLD)) based on ASP technology to a contractor<sup>25</sup> on turnkey basis at an estimated cost of ₹ 4.37 crore, without obtaining clearance from the SPCB. The firm was selected on single tender basis and work for construction of STP was to be completed within 12 months and in case of delay in completion of work, penalty up to 10 *per cent* of the contract value was to be imposed for first six months.

<sup>20</sup> (i) Bahu east, (ii) Bahu west, (iii) Gandhi Nagar, (iv) Trikuta Nagar and (v) Nanak Nagar.

<sup>21</sup> M/s ALPS Engineers PMR Associates.

<sup>22</sup> Activated Sludge Process (ASP) type Septage Treatment Plant complete (₹ 3.52 crore), vehicle and equipment (₹ 3.11 crore), Building and other allied works (₹ 89.92 lakh), Electrification (₹ 11.72 lakh), Transformer and transmission line (₹ 58.41 lakh) and Project contingencies (₹ 41.15 lakh).

<sup>23</sup> As per Environment Engineer (SPCB) Jammu, dry mass having high values of BOD are to be diluted first with water to create effluent having parameters as of sewage waste (low BOD and TSS value) and treated later on through ASP.

<sup>24</sup> Like bio-chemical oxygen demand, chemical oxygen demand and total solids etc.

<sup>25</sup> M/s Sophisticated Industrial Materials, New Delhi.

However, after incurring an expenditure of ₹ 4.16 crore as of November 2020, work on construction of STP (excluding allied works) was completed (September 2020) after a delay of twenty six months and the plant was put on trial run. However, allied works of the sub-project were still in progress (November 2020) with the result that the STP could not be put to use rendering expenditure of ₹ 4.16 crore unfruitful. Further, no penalty had been imposed on the firm/ contractor for the delay.

## **II. Septage Management Scheme for Srinagar city**

AMRUT guidelines (Para 6.10) stipulated that no project should be taken up for execution unless land is available and no project work order should be issued unless clearances from all concerned Departments have been received. As per the survey carried out by the Sewerage and Drainage Division-I, Srinagar, effluent from septic tanks in Zone-I<sup>26</sup> and Zone-II<sup>27</sup> of Srinagar city was discharged directly into nearby Nallahs or open field and undigested sewage<sup>28</sup> was flowing directly into streams, thereby polluting water bodies and creating an unhygienic environment. The Septage Management Scheme for effective sewage treatment for these Zones was approved (May 2016) by SHPSC under AMRUT at an estimated cost of ₹ 18.75 crore. The components of the project included construction of two Septage Treatment Plants (STPs) at a cost of ₹ 11.26 crore and procurement of 54 Sucker Jetting machines<sup>29</sup> at a cost of ₹ 7.49 crore. Construction of two Septage Treatment Plants at Alluchi Bagh (for Zone I) and Achan (for Zone II) had been completed and commissioned (September 2020) at a cost of ₹ 7.67 crore (allotted cost of ₹ 8.59 crore). Audit scrutiny of records of the EE (S&D), Division-I, Srinagar revealed the following issues:

- Statutory clearances<sup>30</sup> for construction of STPs were not obtained (September 2020) and outlet of STP at Alluchi Bagh was flowing into the flood channel even as the clearances from respective Departments were pending (September 2020). On being pointed out in Audit (February 2020), EE(S&D), Division-I, Srinagar stated (February 2020) that the project had been completed (August 2018) and matter regarding 'No Objection Certificates (NoCs)' had not been taken up with the concerned agencies/ Departments. The EE further stated (January 2021) that NoC of one project (Achan) had been obtained and of other project (Allochi Bagh), NoC was under process.
- The Commissioner, SMC and Director, Urban Local Bodies, Srinagar initiated the process for procurement of 54 suction-cum-jetting machines (estimated cost: ₹ 7.49 crore) in December 2016 but could not finalise the tenders for the same till March 2019. Supply orders were subsequently placed (between May 2019 and July 2019) on recommendations (April 2019) of the committee constituted (April 2019) for procurement of 15 machines through GeM Portal, out of which

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<sup>26</sup> Dal Gate, Lal Chowk, Rajbagh, Sarai Bala.

<sup>27</sup> Mehjoor Nagar, Natipora, Chanapora, Baghat Barzulla.

<sup>28</sup> Untreated waste water and excrement conveyed in sewers.

<sup>29</sup> Required for collection and transportation of septic waste of households to the STP.

<sup>30</sup> Pollution Control Board, Irrigation and Flood Control Department and Roads and Bridges Department.

12 machines were received (September 2020). The Executive Officer, Srinagar Municipal Corporation attributed (December 2019) delay in procurement of machines to non-finalisation of contract and stated that in the absence of requisite clearances, the actual performance indicators against the designed standards could not be assessed.

After the matter was referred (June 2020) to the Government, the Director Planning H&UDD, while accepting (August 2020) the audit contention stated that procurement of machine was delayed till completion of proposed Septage Management Plants (STPs) and that 12 machines (out of 15) had been received.

### **(C) Drainage sector**

Out of 31 sub-projects under Drainage sector, 11 sub-projects had been completed as of March 2019 and additionally 12 sub-projects were completed as of September 2020. Of these, 13 sub-projects in four sampled mission cities were selected in Audit and the Important Audit findings in respect of one sub-project are as follows:

#### **5.2.4.4 Storm water drainage scheme in Srinagar city**

The EE, City Drainage Civil, Srinagar proposed (2016-17) a project for storm water drainage of Gangbug area of Srinagar city, as the area did not have a proper drainage system and surface water overflow caused flooding and water stagnation in the Gangbug area. The DPR of the project was approved (December 2016) under AMRUT at an estimated cost of ₹ 1.95 crore, which included laying of Ductile Iron (K7) pipes for 5,680 meters length of drain, with necessary manholes.

Audit noticed (February 2020) that EE, Civil Drainage Division, Srinagar laid 5,436 metres of the drain with RCC NP3 pipes instead of Ductile Iron (K7) pipes which were originally approved as per DPR, at a cost of ₹ 1.32 crore during the period from August 2017 to August 2018. The EE City Drainage Civil, Srinagar incurred (August 2018) extra expenditure of ₹ 74.85 lakh on laying of RCC pipes procured at higher rates against the approved Ductile Iron (K7) pipes.

After this was pointed out in Audit (February 2020), the EE, Civil Drainage Division, Srinagar stated (January 2021) that DPR was prepared by a firm<sup>31</sup> and vetted by another Consulting firm<sup>32</sup> without conducting survey/ examination of requirements and that the matter had been taken up with the consultant and action taken would be intimated to Audit. However, the contract was advertised as per BOQ approved by the competent authority.

The reply should be seen in light of the fact that though DPR had specified providing Ductile Iron (K7) pipes, yet the contractor had laid RCC NP3 pipes at higher rates.

### **(D) Urban Transport Sector**

Urban Transportation sector is aimed at providing basic services to households and build up amenities in cities to improve the quality of life.

<sup>31</sup> M/s WAPCOS Ltd.

<sup>32</sup> M/s IPE Global.

Out of 19 sub-projects under Urban transport sector, which include traffic management system, contract for 17 sub-projects had been awarded, while construction of only three sub-projects had been completed (March 2019) and additionally four sub-projects were completed as of September 2020.

Of these, 12 sub-projects (out of 19) in four sampled mission cities were selected for Audit, on the basis of expenditure incurred and important Audit findings issues in respect of seven sub-projects are given in the succeeding paragraphs.

#### **5.2.4.5 Jammu city**

##### **I. Traffic Management System**

The DPR for 'Installation of Intelligent Traffic Light System (ITLS)' for Jammu city proposed by JMC under SAAP 2015-16 at an estimated cost of ₹ 27.50 crore<sup>33</sup> was approved (January 2016) by SHPSC with four main components<sup>34</sup>. The objective of the project was that intelligent traffic lights system should be capable of integration with city surveillance system, interchange of data with the existing system of Vahan-Sarthi project of Regional Transport Office (RTO), generating real time reports and challans including images for presentation in the Court of law for investigation/analysis.

Against four components of work, the JMC invited tenders<sup>35</sup> for three components with tendering for one component<sup>36</sup> being excluded. The tenders could not be finalised by the JMC between April 2016 and June 2016, due to participation of less than three bidders. On the third occasion (September 2016) two bidders out of three bidders<sup>37</sup> were found to be lacking in at least one of the essential pre-qualification requirement<sup>38</sup> by the SLCC during the technical evaluation (November 2016). The SLCC decided (November 2016) to allot contract to the sole qualified bidder to M/s DIMTS at a cost of ₹ 14.25 crore, who was declared qualified (November 2016) by the contract committee in Technical/ Financial evaluation, with the work to be completed within six months from the date of allotment order (January 2017). The firm was required to provide an integrated system to control and monitor all 64 intersections from a common command control center. The traffic lights at 64 junctions including setting up of a control room were completed (June/October 2018) at a cost of ₹ 14.51 crore. After installation of traffic lighting system at 64 intersections, the Traffic Department placed (between March 2018 and

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<sup>33</sup> Including ₹ 8.40 crore for comprehensive AMC from 3<sup>rd</sup> year upto 10<sup>th</sup> year of its completion.

<sup>34</sup> (1) 'Survey, design, supply, installation, commissioning and maintenance of intelligent traffic signal system with operation & monitoring of traffic lights from a centralized control room remotely at 34 locations in Jammu city'; (2) Upgradation of all existing 30 fixed time standalone traffic signal system to intelligent traffic system with operation and monitoring of the traffic lights from a centralized control room remotely; (3) Survey, design, supply, installation, commissioning and maintenance of pedestrian signal lights at existing 30 locations in Jammu city'; and (4) Survey, design, supply, installation, commissioning and maintenance of red light signal violation detection with vehicle registration number plate recognition system to cover one intersection in Jammu city.

<sup>35</sup> April 2016, June 2016 and September 2017.

<sup>36</sup> Survey, design, supply, installation and maintenance of Red Light Signal Violation Detection (RLVD) with vehicle registration number plate recognition system to cover intersections in Jammu city.

<sup>37</sup> M/s DIMTS (T-1); M/s ONNYX (T-2) and M/s J&K SICOP (T-3).

<sup>38</sup> Experience of maintenance of 40 lights with C-DAC technology.

July 2019) 31 intersections on signal mode and 33 intersections on blinking mode for periods ranging between 12 and 16 months, indicating the limited functionality of these traffic signals. This indicated that proper assessment of site, traffic and requirement of junctions was not made before installation of traffic lighting system.

After being pointed out in Audit, the EE (Electric), Jammu Municipal Corporation (JMC), while accepting the audit observation, stated (August 2019) that all junctions would be brought under the intelligent traffic management system in future and that tender for RLVD for 16 junctions was under way.

Thus, non-execution of work on Red Light Signal Violation Detection (RLVD) and non-existence of mechanism for monitoring violations of traffic signals at 64 intersections besides putting 33 signals at blinking mode defeated the very purpose of installation of Intelligent Traffic Lighting System and rendered expenditure of ₹ 14.51 crore incurred on the project largely unfruitful, as of December 2020.

## II. Srinagar city

Keeping in view the heavy vehicular and pedestrian traffic, the Srinagar Municipal Corporation (SMC) in consultation with Traffic police authorities proposed (2015-16) installation and upgradation of Intelligent Traffic Lighting System<sup>39</sup> in Srinagar city. The project approved (December 2016) by SHPSC at an estimated cost of ₹ 15.92 crore was bifurcated into two phases. Work on Phase I of the project<sup>40</sup> was allotted (February 2017) at a cost of ₹ 4.15 crore to a contractor for completion in six months. Audit noticed (December 2019) that the contractor could not take up execution of work during March 2017 to September 2017, due to pending permission for road cuttings from Roads & Building (R&B) Department. The contractor finally started work in September 2017 and had completed 65 *per cent* of the work, as of September 2020.

The Joint Commissioner (Works), SMC, Srinagar stated (February 2020) that matter regarding start of work at new locations had been taken up with the Chief Engineer, PWD (R&B) Department, Kashmir and notice for delay in execution of work had been issued (October 2019) to the contractor. No progress had been achieved in allotment of second phase of the project to be executed at an estimated cost of ₹ 10.46 crore (January 2020). As of January 2021, work on the project was incomplete.

The Department, while accepting the audit observation, attributed (June 2020) the delay to law and order issues and pending permission for road alterations from R&B Department.

<sup>39</sup> Part-A: Installation of 21 new junctions: ₹ 6.95 crore, Part-B: Upgradation of existing 20 fixed time standalone: ₹ 4.23 crore, Part-C: Installation of Pedestrian Signal lights at existing 28 Junctions: ₹ 0.64 crore, Part D: Standalone Mode Traffic Signals at 21 Junctions and Part E: Installation of Red light signal violation detector at one intersection: ₹ 0.45 crore.

<sup>40</sup> Phase-I installation of 5 Junctions, upgradation of 5 Junctions, Standalone 10 Junctions, RLVD-1 Junction and installation of centralised control room at an estimated cost of ₹ 5.46 crore.

Thus, despite availability of funds, the very purpose of installation of system could not be achieved, as of September 2020.

#### **5.2.4.6 Parking facilities**

Projects for construction of Parking facilities at the four<sup>41</sup> selected Mission Cities were taken up under AMRUT during 2015 to 2017. The succeeding paragraphs highlight audit findings regarding the parking facilities in the three selected Mission Cities.

##### **I. Anantnag City**

Construction of a multi-level car parking sub-project at Janglat Mandi, Anantnag was taken up (May 2017) by the Executive Engineer<sup>42</sup> at an estimated cost of ₹ 17 crore. The work for construction of car parking was allotted (October 2017) to a contractor for ₹ 14.45 crore, to be completed within 24 months. The cost of the sub-project increased by ₹ 1.55 crore to ₹ 16 crore as the foundation was changed from pile to raft, on the basis of soil test carried out by the EE, Urban Local Bodies, Kashmir. This indicated that proper survey was not carried out while preparing the DPR. As of September 2020, about 85 *per cent* of the work of the sub-project was completed.

On being pointed out (December 2019) in Audit, the Executive Engineer, Urban Local Bodies, Kashmir stated (January 2020) that the DPR of the sub-project was prepared on the basis of assumed safe bearing capacity of soil, entailing change from pile to raft foundation, thereby enhancing allotted cost from ₹ 14.45 crore to ₹ 16 crore.

##### **II. Jammu City**

###### **A. Panjthirithi**

The JMC had initially engaged (2015-16), a firm<sup>43</sup> for conducting the geo-technical investigation of the site for construction of this sub-project. The firm reported (June 2015) that the proposed site was developed as a dumping area for more than 25 years. Although it was known that the site was a dumping ground, the same site was proposed by JMC (April 2015) to SLCC (July 2016) for taking up as a parking project under AMRUT. The SLCC approved (April 2017) the project and the work was allotted (June 2017) by the JMC to the contractor at a cost of ₹ 26.20 crore, to be completed in two years. Another consultant was engaged (August 2016) on nomination basis, for providing the designs and drawings and was paid ₹ 12.07 lakh<sup>44</sup>.

The contractor was not able to start the work after allotment due to non-submission of working drawings by the consultant. Further, the Chief Engineer, Design, Inspections and Quality Control Department, Jammu, also advised (April 2018) to get the geological investigation of the site done which was conducted (May/ June 2018) by a

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<sup>41</sup> Anantnag (May 2017); Jammu (April 2015 and March 2017); Srinagar (2016-17); and Leh (2015-16).

<sup>42</sup> Executive Engineer, Urban Local Bodies, Kashmir.

<sup>43</sup> M/s Bharat Analytic House Pvt. Ltd., Jammu.

<sup>44</sup> September 2017 and February 2018.

separate Consultant<sup>45</sup> at a cost of ₹ 13.69 lakh. The Geological Consultant reported (June 2018) that the site was filled with mixed waste material up to 16 meters and suggested to put the pit foundation at a minimum five metres below the filling area. The Joint Commissioner, JMC eventually proposed (August 2018) for the cancellation of the contract, due to probable increase of cost on new items of work necessitated by the deficiencies<sup>46</sup> in the selected site. The JMC had initially incurred (August 2017) an expenditure of ₹ 9.40 lakh for shifting of utilities from the site.

Thus, due to selection of unsuitable site, an expenditure of ₹ 35.16 lakh<sup>47</sup> incurred till January 2019 on Preliminary expenses and shifting of utilities, was rendered wasteful.

## B. Peerkho

The project for construction of Multi-tier car parking was approved under AMRUT by the SLTC and SHPSC in March 2017 and August 2017 and was to be completed in October 2017 at an estimated cost of ₹ 19.90 crore along the right bank of Nallah near Peerkho temple, Jammu. An expenditure of ₹ 25.60 lakh had been incurred (May/June 2017) on preparation of DPR of the project. The contract could not be finalised till September 2018 due to difficult site conditions including steep hill slope at the proposed site. The proposal for construction of the car parking even at the proposed alternate site along the bank of river Tawi was dropped, due to non-availability of encumbrance free land.

The selection of unsuitable land for construction of multi-level car parking at the site resulted in wasteful expenditure of ₹ 25.60 lakh on preparation of DPR. The Joint Commissioner (works) JMC confirmed (October 2019) that proposal had been dropped due to non-availability of land.

## III. Srinagar City

Work for construction of car parking at Sheikh Bagh, Srinagar was allotted (April 2017) for ₹ 22.61 crore to a contractor to be completed within 36 months. The Department revised (June 2018) the DPR of this sub-project due to three chinara trees coming in the alignment of the car parking. This led to increase in cost of the project by ₹ 43 lakh on account of increase in plinth area, indicating that proper survey was not done before preparing the DPR.

As of September 2020, project works to the extent of 59 *per cent* had been completed after incurring expenditure of ₹ 15.43 crore. While accepting the Audit Observation (January 2020), the Financial Advisor and Chief Accounts Officer of Srinagar Development Authority attributed the delay and increase in cost to bottlenecks coming to the notice of executing agency after start of work, entailing change in project design/ specification.

<sup>45</sup> M/s Ishan Calibration, Jammu.

<sup>46</sup> The site included two terraces with sloped surface area (40 *per cent* of total area), and the initial estimate of the project was prepared assuming Soil Bearing Capacity (SBC) in a plain area and no geo-tech investigation was carried out in the sloped part of the land comprising waste fill in material

<sup>47</sup> (i) Shifting of utilities: ₹ 9.40 lakh; (ii) Total of consultancy services: ₹ 25.76 lakh.

### 5.3 Balance Central share liability of ongoing Jawaharlal Nehru National Urban Renewal Mission projects for the State of Jammu and Kashmir

#### 5.3.1 Introduction

The Jawaharlal Nehru National Urban Renewal Mission (JnNURM) launched by the Ministry of Urban Development (MoUD), Government of India (GoI) in December 2005 and was implemented in the State of Jammu and Kashmir in 2007. The Mission, a reform driven fast track programme to ensure planned development of identified cities; focused on efficiency in urban infrastructure/ service delivery mechanism, community participation and on enhancing accountability of Urban Local Bodies (ULBs). The Mission had four sub-missions which included Urban Infrastructure and Governance (UIG), Basic Services to the Urban Poor (BSUP), Urban Infrastructural Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP). The MoUD instructed (August 2015) that all incomplete projects under the scheme sanctioned during the period 2005-12 in which 50 per cent or more of the additional central assistance had been released and physical progress was 50 per cent or more as on 31 March 2014, as well as all such projects sanctioned during the period 2012-14 would be funded under AMRUT. Out of all the projects of JnNURM, J&K, seven projects<sup>48</sup> which could not be completed due to cost revision, non-availability of second/ final instalment and incorporation of some additional components were targeted under funding from the Prime Minister's Development Package (PMDP).

The MoUD, GoI acts as nodal ministry for implementation of projects under UIG/ UIDSSMT. The Commissioner/ Secretary Housing and Urban Development Department assisted by the Chief Executive Officer (CEO), Jammu and Kashmir State Urban Infrastructural Development Agency (SUIDA) oversee the implementation of the Mission in the State. Four out of seven projects were implemented by the Chief Executive Officer, Ladakh Autonomous Hill Development Council (LAHDC), Leh, one road project each of Doda and Ganderbal was implemented by the Directors, Urban Local Bodies, Kashmir and Jammu while one Sewerage project, Srinagar pertaining to Srinagar Municipal Corporation was executed by the National Building Construction Corporation.

#### 5.3.2 Financial Status

The seven held up projects, with an estimated cost of ₹ 378.75 crore, were sanctioned during 2005 to 2014 under erstwhile JnNURM. The GoI released additional ₹ 127.24 crore under the PMDP during February-March 2017 on these projects apart from ₹ 188.39 crore released under JnNURM. The project-wise status of funds sanctioned and released along with expenditure incurred during the period from 2013 to 2020, is given in the **Table 5.3.1**.

<sup>48</sup> Two projects sanctioned (1) Sewerage Project, Srinagar (2) Road Project, Doda during the period 2005-12 and five projects (1) Road Project, Ganderbal (2) Water supply scheme, Leh (3) Improvement of Road Network, Leh (4) Solid waste Management, Leh and (5) Sewerage Project, Leh sanctioned during the period 2012-14.

Table 5.3.1: Position of funds

(₹ in crore)

Sl. No.	Name of the Project	Additional assistance released by GoI			State share released	Total assistance released	Expenditure incurred	Unutilised funds (Percentage)
		Previous scheme <sup>49</sup>	PMDP	Total				
1.	Sewerage Scheme, Srinagar	77.76	21.30	99.06	13.29	112.35	112.35	- (0)
2.	Road Project, Doda	1.94	1.94	3.88	0.43	4.31	2.28	2.03 (47)
3.	Road Project, Ganderbal	10.88	6.19	17.07	1.21	18.28	16.05	2.23 (12)
4.	Water Supply Scheme, Leh	31.72	31.72	63.44	3.52	66.96	50.74	16.22 (24)
5.	Improvement of Road Network, Leh	34.44	34.44	68.88	3.83	72.71	63.85	8.86 (12)
6.	Solid waste Management, Leh	4.92	4.92	9.84	0.55	10.39	8.64	1.75 (17)
7.	Sewerage Project, Leh	26.73	26.73	53.46	2.97	56.43	40.77	15.66 (28)
	<b>Total</b>	<b>188.39</b>	<b>127.24</b>	<b>315.63</b>	<b>25.80</b>	<b>341.43</b>	<b>294.68</b>	<b>46.75 (14)</b>

(Source: Departmental records)

Against sanctioned cost of ₹ 378.75 crore in respect of seven projects, the total Central share committed was ₹ 327.58 crore and the balance amount of ₹ 51.17 crore was to be provided by the State. As of March 2020, a total of ₹ 341.43 crore<sup>50</sup> was released, out of which an expenditure of ₹ 294.68 crore was incurred, leaving ₹ 46.75 crore (14 per cent) unutilised.

After the matter was referred (June 2020) to the Government, the Director Planning, Housing and Urban Development Department (H&UDD) stated (August 2020) that Central assistance of ₹ 21.30 crore released for Sewerage Project, Srinagar had been utilised in full while against release of ₹ 8.13 crore for Road Projects, Doda and Ganderbal under the PMDP, ₹ 3.96 crore had been utilised for Road project Ganderbal and balance was being refunded to the GoI.

### 5.3.3 Project execution

The works under the five projects<sup>51</sup> selected for test check (estimated cost: ₹ 221.65 crore) of the Mission executed by the State/ UT Government were not complete, as of March 2020 due to non-acquisition of land, non-finalisation of contracts, delayed process in settlement of issues and incorporation of additional components of works of these projects. Audit examination of records relating to implementation of selected projects revealed the following.

#### 5.3.3.1 Improvement of Road project in Doda

A DPR for improvement of interior roads of Doda town at a cost of ₹ 4.56 crore was prepared by the Public Works (R&B) Department, with a view to accommodate 500 Passenger Car Units (PCU) per day against existing capacity of 25 units per day and to provide connectivity to interior areas of Doda town for mobility of goods and passengers and relief and rehabilitation services during natural calamities. The project

<sup>49</sup> Prime Minister's Reconstruction Plan

<sup>50</sup> Centre: ₹ 315.63 crore and State: ₹ 25.80 crore.

<sup>51</sup> 1. Road project Doda; 2. Water supply scheme, Leh; 3. Improvement of Road Network, Leh; 4. Solid waste Management, Leh and 5. Sewerage Project Leh.

was approved (December 2006) by the State Level Steering Committee (SLSC)<sup>52</sup> at an estimated cost of ₹ 4.31 crore to widen three<sup>53</sup> interior roads to single lane and construct a new double lane road. Land was to be acquired by the Department for which a provision of ₹ 96 lakh for compensation had been kept in the DPR. As per UIDSSMT guidelines, implementing agencies were required to open and maintain separate Bank accounts for each project in a Commercial Bank for all receipts and expenditure. Audit examination (June 2019) of records of the Executive Engineer (EE), R&B Division, Doda revealed that ₹ 4.31 crore was released under UIDSSMT (₹ 2.37 crore)/ PMDP (₹ 1.94 crore) by the Director, ULB, Jammu to the Division for construction of roads during 2007-08 to 2018-19. Out of ₹ 4.31 crore, an amount of ₹ 2.28 crore was spent (September 2020) on construction of these three roads, while as ₹ 1.94 crore had remained un-utilised in the current Bank account and was subsequently remitted (November 2019) into the Government account. Audit noticed (June 2019) that despite incurring expenditure of ₹ 1.04 crore on works of two roads<sup>54</sup> allotted between March 2008 and January 2009, the project could not be completed due to non-acquisition of land, before award of contracts and stay orders issued (October 2013) by the Jammu and Kashmir High Court. Audit further noticed that EE, R&B Division, Doda after incurring expenditure of ₹ 1.20 crore on the third road<sup>55</sup> submitted (December 2018) a revised estimate of ₹ 4.02 crore to the District Superintending Engineer, PWD (Roads & Buildings), Doda for accord of administrative approval as the work could not be completed in time due to delayed settlement of land compensation cases. The administrative approval was not accorded as of March 2020. Due to non-acquisition of encumbrance free land before allotment of work, construction of roads could not be completed (September 2020) even after incurring expenditure of ₹ 2.28 crore, besides objective of providing improved connectivity to the interior areas of Doda town for mobility of passengers and goods could not be achieved.

After the matter was referred (June 2020) to the Government, the Director Planning, H&UDD stated (August 2020) that execution of work on two road projects could not be carried out in full due to non-acquisition of land which was objected to by the land owners and stayed by the High Court and widening of link road was completed up to 50 per cent. It was further stated that work was unlikely to be executed in near future and that unspent balance of ₹ 2.01 crore was being refunded back to the GoI.

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<sup>52</sup> Comprising Chief Minister/ Minister of Urban Development/ Minister of Housing as Chairman, Minister of Urban Development as Vice-Chairman and Minister Housing, Concerned Mayors/ Chairpersons of Urban Local Bodies, MPs/ MLAs, Secretary (PHE), Secretary (MA), Secretary (Finance), Secretary (Housing) as members and Secretary (Urban Development) as Member Secretary.

<sup>53</sup> (1) Link road from Agriculture complex to Bharath (2) Link road from New Bus stand to Nagri Via Tondwah (3) Old Iddgah road and its extension upto Akramabad.

<sup>54</sup> (1) Link road from Agriculture complex to Bharath (2) Link road from New Bus stand to Nagri Via Tondwah.

<sup>55</sup> Old Iddgah road and its extension upto Akramabad.

### 5.3.3.2 Solid Waste Management project, Leh

The Ladakh Autonomous Hill Development Council entrusted preparation of DPR for Solid Waste Management System (SWMS) for Leh town to M/s Tetra Tech, New Delhi during the year 2007-08. As per the DPR, 13.53 tons of waste was generated in Leh town per day, of which 6.27 tons was bio-degradable, 3.27 tons recyclable and 1.84 tons construction waste. The components of SWMS included primary and secondary waste collection, storage and transportation of waste, followed by processing and disposal. The SLSC approved (March 2013) SWMS under UIDSSMT, at an estimated cost of ₹ 10.94 crore. The SWM facility was proposed at a site located at village Chuchot/ Stoke by the Municipal Council, Leh.

Audit scrutiny (September 2019) of records of the Executive Engineer (EE), Construction Division, Leh revealed that the Division, constructed an approach road at a cost of ₹ 40.02 lakh during the period from October 2013 to November 2015, in anticipation of acquisition of land at Chuchot for establishment of SWMS Project. Due to objection raised by locals to the construction of SWMS, the site was changed (August 2015) to Shakshaliyu due to which the constructed portion of road could not be utilised (September 2019) resulting in unfruitful expenditure of ₹ 40.02 lakh. The key construction material purchased by the Division at a cost of ₹ 2.50 crore during October 2013 to March 2014 had not been utilised on the project and was diverted (September 2013 to April 2016) and utilised on construction of roads and buildings not related to the Project.

Audit further noticed (September 2019) that EE, Construction Division, Leh awarded (November 2016 and August 2017) the work 'Construction and assistance in operation and maintenance of in-vessel compost plant and development of Solid Waste Management System' at Shakshaliyu on a turnkey basis to M/s WAPCOS Limited. The Department revised (July 2017) DPR of the project and the revised cost was retained at ₹ 10.94 crore but some components<sup>56</sup> of previous DPR had been deleted to increase cost of other components, resulting in cost escalation of ₹ 1.76 crore in respect of these components. Audit further noticed that M/s WAPCOS Limited in turn awarded (December 2017) execution of work at a cost of ₹ 5.89 crore to M/s 3R Management Private Limited for completion within 12 working months. However, execution of the project had not been completed by the contractor as of March 2020. Reasons for non-completion were not provided by the Department.

Audit also observed that 10,000 dust bins purchased by the Municipal Committee, Leh at a cost of ₹ 75.28 lakh against an allocation of ₹ 80 lakh during 2015 to 2016 for primary collection of waste had been issued to the householders. The Department had belatedly allotted (September 2019) construction of Sanitary Landfill at the site to M/s 3R Management Private Limited, New Delhi at a cost of ₹ 1.05 crore for completion of work in four months. The work on Sanitary landfill was completed in March 2020. Audit noticed (September 2019) that due to non-establishment of

<sup>56</sup> Primary collection of waste: ₹ 70.38 lakh; Secondary collection of waste: ₹ 8.17 lakh, Sanitary Landfill: ₹ 66.74 lakh; In vessel Compost plant: ₹ 4.59 lakh; and Protection work at new site: ₹ 26.09 lakh.

SWMS, solid waste of town was being disposed of by the Municipal Committee, Leh in open at Bombgard thus, creating unhygienic environment in the area. On spot inspection (September 2019) of the site by Audit together with departmental officials revealed that segregation of biodegradable and non-biodegradable waste was not made before being transported on trial basis to SWM site. Further, no mechanical system was in place for separation of non-biodegradable waste and staff had also not been deployed for segregation of waste at the ramp. An expenditure of ₹ 8.64 crore (against release of ₹ 10.39 crore) on the establishment of SWMS had been incurred by the Department, as of September 2020.



Thus, due to non-acquisition of land in time and improper planning in execution of work, the project could not be completed, despite availability of funds rendering expenditure of ₹ 9.18 crore unfruitful. The Executive Engineer Construction Division, Leh stated (September 2019 and June 2020) that work could not be completed within the prescribed time due to non-finalisation of site and delay in allotment of contract and that work on the project was in progress and would be completed in shortest possible time.

After the matter was referred (June 2020) to the Government, the Director Planning, H&UDD stated (August 2020) that landfill site, road work and boundary wall had almost been completed and that project was being commissioned shortly. Further updation is awaited (August 2020).

### **5.3.3.3 Improvement of Road Network at Leh**

The project 'Improvement of road network of Leh' was approved (March 2013) by the State Level Screening Committee (SLSC) under JnNURM at a cost of ₹ 76.53 crore. Under the project, 80 roads were identified (March 2011) for improvement/ upgradation by the Department.

Audit examination (September 2019) of records of the Executive Engineer, R&B Division, Leh revealed that an amount of ₹ 72.71 crore had been released for the project ending March 2019. After incurring expenditure of ₹ 23.84 crore (as of

March 2017) the DPR was revised (July 2017) and five<sup>57</sup> new items of work with estimated cost of ₹ 15.30 crore were included in the revised DPR indicating that scope of work of the project had been significantly changed by the Department. The revised DPR and new items of work were not approved by the SLSC. An expenditure of ₹ 8.26 crore was incurred during July 2017 to August 2019 on these new items of work in anticipation of approval by the competent authority and ₹ 2.23 crore was spent on procurement of machinery/ equipment, repair of vehicles, salary of casual labourers not related to the project. The Department had completed (March 2020) construction of only 24 roads along with allied items of work<sup>58</sup> after incurring an expenditure of ₹ 63.84 crore. Also, the Division diverted an amount of ₹ 10.48 crore from the project funds for execution of unapproved works/ items etc.

After the matter was referred (June 2020) to the Government, the Director Planning, H&UDD stated (August 2020) that 80 *per cent* of works were completed and that balance works had been allotted to contractors and were expected to be completed during 2020-21.

#### 5.3.3.4 Water Supply Scheme, Leh

In order to supplement the existing water supply system in Leh town, the Ladakh Autonomous Hill Development Council (LAHDC) entrusted (September 2008) preparation of DPR for 'Augmentation and reorganisation of water supply scheme for Leh' to a Consultant<sup>59</sup>. According to the DPR submitted (October 2011) by the firm, water availability for the town from existing sources was inadequate for the present population and highly inadequate for the requirements of the population in future. The DPR envisaged construction of one infiltration well, rising main, five lift stations, five service reservoirs and a distribution network. The project was approved (March 2013) by the SLSC at an estimated cost of ₹ 70.49 crore for submission to GoI for sanction under UIDSSMT. Audit examination (September 2019) of records of Executive Engineer, PHE Division, Leh revealed that the Central Ground Water Board (CGWB) was requested (February 2014) to carry out hydrogeological survey to assess feasibility for construction of tube wells in and around Choglamsar. CGWB had recommended (September 2014) that the area was feasible for construction of tube wells. As of September 2019, the Department had not been able to acquire land for construction of tube wells resulting in non-development of source for water supply. Though construction of service reservoirs of the scheme had been completed as of March 2015 but the work for construction of infiltration well could not be awarded during the period from September 2013 to June 2016 due to lack of response to the tenders. Without ensuring functional source for water supply, the Department had incurred (as of September 2020) an expenditure of ₹ 51.10 crore on construction of

<sup>57</sup> Beautification of Leh Bazar by way of: (1) providing and laying of Granite stone (₹ 22.05 lakh), (2) providing and laying of chilling flag stone (₹ 3.64 crore), (3) side drain, utility duct and road pavement (₹ 6.48 crore), (4) Construction of road from old SSP residence to New Bus Stand (₹ 67 lakh) and (5) Providing for electrification of Bazar by PDD (₹ 3.50 crore) and contingencies thereon (₹ 79.76 lakh).

<sup>58</sup> Central divider 0.30 Km, Side drain, foot path, central verge, utility duct, Installed street lights, RCC pavements, MS pipe crossings.

<sup>59</sup> M/s Tetra Tech India Limited New-Delhi.

remaining components<sup>60</sup> of the scheme and also diverted ₹ 1.23 crore towards maintenance and repairs of works which were not related to the project.

Thus, failure of the Department to acquire land for construction of tube wells and also to award work for construction of infiltration well, resulted in non-establishment of source for water supply, resulting in idle investment of ₹ 51.10 crore on the project. The objective of enhancing water availability for inhabitants of the town and for future population growth also could not be achieved.

After the matter was referred (June 2020) to the Government, the Director Planning, H&UDD stated (August 2020) that possession of land had been taken and tenders for construction of five tube wells were floated and expected to be completed by end of the year. It was also stated that after availability of water from the tube wells, the laid distribution network would be utilised to full capacity.

#### **5.3.3.5 Sewerage system for Leh**

For collection, transportation, treatment and disposal of sewage and sullage discharged from communities, LAHDC decided (August 2011) to establish sewerage system for Leh town. The DPR of the project submitted (November 2011) by M/s Tetra Tech Limited (firm) envisaged construction of 6.5 MLD<sup>61</sup> Sewerage Treatment Plant (STP) with MBBR<sup>62</sup> technology, three pumping stations, three lift stations and laying of sewer lines in three network zones. The SLSC approved (March 2013) the project at an estimated cost of ₹ 59.39 crore for submission to GoI for sanction under UIDSSMT and an amount of ₹ 56.43 crore had been released for the project ending March 2019.

Audit examination (September 2019) of records of EE, PHE Division, Leh revealed that the Department entrusted (December 2016) construction<sup>63</sup> of 6.5 MLD STP at Agling Leh to M/s WAPCOS Limited (GoI undertaking) on turnkey basis at a cost of ₹ 20.40 crore for completion in two years and advanced (March 2017) ₹ one crore to the firm as mobilisation advance. As per the scope of work stipulated in the Memorandum of Agreement executed by the Department with M/s WAPCOS Limited, the latter had to invite E-tender for appointment of construction agency for execution of the project. Tenders for establishment of STP on the basis of Sequencing Batch Reactors (SBR) technology in place of MBBR technology were invited twice by M/s WAPCOS Limited during March 2017 to July 2017 and could not be finalised due to higher rates quoted by the bidders. Even after reducing capacity of STP from 6.5 to 3 MLD, work of STP could not be awarded. M/s Nitasha Constructions was declared (February 2018) qualified with offer of ₹ 21.03 crore (in third tendering) but the work could not be awarded due to budgetary constraints. The Department

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<sup>60</sup> Five reservoirs: ₹ 2.15 crore; Laying of rising main: ₹ 3.85 crore, Distribution main: ₹ 40.32 crore and Contingencies: ₹ 2.02 crore.

<sup>61</sup> Million Litres per Day.

<sup>62</sup> Moving Bed Biofilm Reactor.

<sup>63</sup> Including design, consultancy, erection, commissioning, operation and maintenance.

cancelled (April 2018) the agreement executed with M/s WAPCOS Limited for non-finalisation of contract.

After the Department itself invited (June 2018) tenders, M/s Nitasha Constructions qualified for execution of work at a cost of ₹ 14.38 crore and letter of intent was issued in September 2018. As the firm did not take up work of STP, the Department forfeited (June 2019) bid security of ₹ 30 lakh. The Department however, incurred an expenditure of ₹ 1.93 crore on construction of compound wall at the proposed STP site.

The Department after incurring an expenditure of ₹ 29.48 crore (March 2017) on laying of sewer lines of the project, decided (July 2017) to take up only those sewer lines which flow by gravity. The construction of pumping stations was withdrawn in revised DPR (July 2017) while cost of sewer lines had increased. The Department, in anticipation of establishment of STP incurred an expenditure of ₹ 40.77 crore on construction of sewer lines (₹ 38.35 crore), compound wall (₹ 1.93 crore) and house sewer connections (₹ 0.49 crore) at STP site (March 2020). Thus, failure of the Department to finalise contract of STP of the project, resulted in idle investment of ₹ 40.77 crore in creation of infrastructure.

After the matter was referred (June 2020) to the Government, the Director Planning, H&UDD stated (August 2020) that work of STP had been awarded in February 2020 to be completed by July 2021 and that the infrastructure created for proper disposal of sewage and sludge would be fully utilised. The fact remains that despite approval of the Project in March 2013 and lapse of over six years the sewerage system could not be established in Leh.

## Planning Development and Monitoring Department

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

#### 5.4.1 Introduction

The Jammu and Kashmir Urban Sector Development Investment Programme (JKUSDIP) was approved (31 May 2007) for execution by the Asian Development Bank (ADB) to promote economic growth in Jammu & Kashmir through expansion of basic urban infrastructure and provide better living conditions to people of two capital cities of Jammu & Srinagar and other towns of the State. The original period of implementation of the programme was eight years from the date of approval of the program, which was extended by ADB from time to time and finally closed on 30 May 2017.

Three tranches comprising 50 sub-projects<sup>64</sup> were taken up for execution with a loan of ₹ 1,021 crore and counterpart share of ₹ 673 crore. The counterpart share of ₹ 359.04 crore was received during the currency of Prime Minister Reconstruction

<sup>64</sup> Tranche 1: 10 sub-projects; Tranche 2: 33 sub-projects and Tranche 3: 7 sub-projects.

Package (PMRP). After announcement of the Prime Ministers Development Package (PMDP), a provision for an amount of ₹ 1,278<sup>65</sup> crore was kept for completing the works of 42 sub-projects which had either remained incomplete or had not been taken up for execution under PMRP. Details of sub-projects taken up under PMRP and the PMDP funding are given in **Appendix 5.4.1**.

As per the information made available to Audit (October 2020), out of total of 44 sub-projects (including 2 sub-projects re-allotted against one terminated sub-project), 41 sub-projects had been completed (February 2015 to September 2020) and two sub-projects were in progress as of September 2020. Out of these 44 sub-projects, 15 sub-projects (34 *per cent*), involving a total expenditure of ₹ 663.45 crore (47 *per cent*) were selected for scrutiny in Audit. The sub-projects were selected under each category of completed, ongoing and procurements (5 sub-projects for each) by using judgemental sampling on the basis of expenditure incurred on their execution.

#### **5.4.2 Organisational Set up**

Jammu and Kashmir Economic Reconstruction Agency (JKERA) was governed by a body with the Minister of Planning as its Chairman, Chief Executive Officer (CEO) of JKERA as its Member Secretary and other members comprising Chief Secretary, Principal Secretary Planning Development and Monitoring Department (PD&MD) and three Members of Legislative Assembly (MLAs) one each from Jammu, Kashmir and Ladakh. The Governing Body has the responsibility of providing policy guidance for implementation of the programme and CEO is the executive authority for implementation of the programme.

#### **5.4.3 Selection and execution**

As per schedule V of loan agreement executed between ADB and the GoI, an executive committee was required to be established by GoJ&K to guide JKERA on matters relating to project activities. A Local Level Steering Committee (LLSC) was also required to be established to facilitate interaction between JKERA and participating agencies for selection of sub-projects, review their scope and design and coordinate between various agencies for approvals and clearances. Neither were these Committees formed nor was a shelf of projects framed in coordination with the line Departments for placing it before the LLSC. As a result, sub-projects were randomly taken up for execution, without prioritising these as per specific needs of the state.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S) PD&MD stated (August 2020) that selection of sub-projects was done with the approval of Board of Governors (BOG) after deliberations and discussion with the line departments. The fact remains that LLSC was to facilitate interaction between JKERA and participating agencies for selection of sub-projects and that BOG was not competent for selection of sub-projects, instead it had to guide JKERA in all matters relating to implementation and execution of sub-projects.

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<sup>65</sup> ADB loan: ₹ 712 crore; Counterpart share: ₹ 566 crore.

#### 5.4.4 Financial management

The ADB loan for the project was approved (May 2007) for ₹ 2,425 crore through Multi-tranche Financing Facility (MFF) comprising loan of ₹ 1,500 crore and counterpart share of ₹ 925 crore. The ADB loan was received by Department of Economic Affairs (DEA), Ministry of Finance, Government of India (GoI) and passed on to GoJ&K as Additional Central Assistance (ACA). The counterpart share for implementation of programme was also borne by GoI. Under the PMDP, the GoJ&K received (October 2015 to November 2017) ₹ 936.24 crore comprising ADB loan of ₹ 622.28 crore and counterpart share of ₹ 313.96 crore. Till March 2019, the JKERA received ₹ 1,679.17 crore comprising ADB loan of ₹ 1,006.17 crore (includes ₹ 3.41 crore released by ADB directly<sup>66</sup> to those contractors who had opted for payment of their claims in foreign currency) and counterpart share of ₹ 673 crore for completion of 44 sub-projects under the PMDP. In addition, JKERA also received an amount of ₹ 24 crore out of State plan funds for execution of those sub-projects of JKUSDIP which were either state funded or had not been approved by ADB for financing. The year-wise status of receipts by JKERA and expenditure incurred during the period from 2014-15 to 2018-19 is given in **Table 5.4.1**.

**Table 5.4.1: Fund Status**

Year	Opening Balance	Funds received during the year				Total availability of funds	Expenditure incurred	Balance
		ADB loan	GoI share	State share	Misc. receipts <sup>#</sup>			
2014-15	15.51 <sup>67</sup>	78.36	47.00	0	0.56	141.43	157.27	(-) 15.84
2015-16	(-) 15.84	201.91	104.04	0	0.54	290.65	305.50	(-) 14.85
2016-17	(-) 14.85	196.97	200.00	21.00	1.29	404.41	324.28	80.13
2017-18	80.13	214.14	113.96	3.00	1.92	413.15	395.42	17.73
2018-19	17.73	152.65	0	0	1.71	172.09	158.68	13.41
<b>Total</b>		<b>844.03</b>	<b>465.00</b>	<b>24.00</b>	<b>6.02</b>	<b>-</b>	<b>1,341.15</b>	<b>-</b>

# includes savings Bank interest and sale of bid documents

(Source: Records of JKERA)

As against the total availability of ₹ 1,354.56 crore during 2014-15 to 2018-19, an expenditure of ₹ 1,341.15 crore was incurred by JKERA, leaving unutilised balance of ₹ 13.41 crore, as on 31 March 2019.

As per the information made available by JKERA (October 2020), an amount of ₹ 80 crore were received by JKERA out of the State Plan during the period April 2019 to September 2020 for completion of ongoing sub-projects against which an expenditure of ₹ 68.24 crore was incurred during the same period, leaving an unspent balance of ₹ 26.93 crore as on 30 September 2020.

Audit further noticed as follows:

##### 5.4.4.1 Delay in sanction of funds

As per condition of the sanction orders, funds should be transferred to implementation agencies immediately after receipt from the GoI. Audit noticed (September 2019) that

<sup>66</sup> In accordance with the provisions contained in Chapter-7 of Loan Disbursement Handbook of ADB.

<sup>67</sup> ₹ 15.51 crore closing balance of PMRP for the year 2013-14.

an amount of ₹ 1,307.69<sup>68</sup> crore received from the GoI during the period March 2014 to November 2017 was released in favour of JKERA by the J&K Finance Department with delays ranging between 5 days and 790 days. The funds retained by the Finance Department during the period 2014-15 to 2018-19 ranged between ₹ 3.19 crore and ₹ 167.23 crore, thereby hampering the progress of execution of various sub-projects, as discussed in the succeeding paragraphs. Due to delay in completion of sub-projects within the loan closure period (30 May 2017), the GoJ&K received (August 2009 to November 2017) ₹ 1,006.17 crore only from ADB against an approved amount of ₹ 1,021 crore, thereby resulting in loss of ADB loan assistance of ₹ 14.83 crore.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S), PD&MD stated (August 2020) that delay in release of funds was due to precarious liquidity position faced by erstwhile State of Jammu and Kashmir.

#### **5.4.4.2 Utilisation Certificates**

As per condition laid down in fund release order of the GoI, the GoJ&K had to submit Utilisation Certificates (UCs) to NITI Aayog, GoI. The UCs were to be submitted on the basis of funds utilised by the executing agency (JKERA). Audit noticed (May 2019) that against counterpart funds of ₹ 673 crore received (December 2008 to July 2017) by JKERA, UCs had been submitted (December 2016) to PD&MD for an amount of ₹ 337.30 crore only and UCs for the balance amount of ₹ 335.70 crore had not been submitted, as of March 2020, although the funds had been utilised in full as of March 2019.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S), PD&MD stated (August 2020) that UCs for the remaining amount would be submitted at the earliest. However, as per the information furnished (16 October 2020), the utilisation certificates for the remaining amount had not been submitted by JKERA.

#### **5.4.4.3 Diversion of funds**

As per the condition laid down in the release orders of funds by the GoI, funds released for the Project were to be utilised for the purpose for which it was sanctioned. Audit noticed (July 2019/ September 2019) that counterpart funds of ₹ 53.02 crore received (December 2008 to July 2017) for execution of ADB approved sub-projects were diverted (October 2009 to March 2019) towards execution of five JKUSDIP sub-projects<sup>69</sup> to be funded by the GoJ&K, thereby hampering the progress and completion of sub-projects approved by ADB.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S) PD&MD stated (August 2020) that proposal for taking up five packages

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<sup>68</sup> ADB loan of ₹ 842.69 crore and counterpart funds of ₹ 465 crore.

<sup>69</sup> Fabrication of office premises: ₹ 2.83 crore, Construction of office complexes at Srinagar: ₹ 17.50 crore, SNP 3: ₹ 17.31 crore, SNP 3A: ₹ 8.72 crore and SNP 3B: ₹ 6.66 crore.

funded by the GoJ&K was approved<sup>70</sup> by Board of Governors (BOG) and that funds utilised for the said packages were later on recouped by the GoJ&K. It was further stated that an expenditure of ₹ 2.83 crore was incurred after obtaining approval of the Chief Minister and the same had been reimbursed by the funding agency under incremental expenses.

The reply is not tenable as the funds utilised on four sub-projects funded by the GoJ&K had not been recouped (September 2020) and necessary approval required from the GoI was not obtained before incurring such expenditure.

#### 5.4.4.4 Unadjusted advances

As per generally accepted accounting principles, amounts advanced for execution of various works/ services should be debited to the final head of account and expenditure booked only after obtaining detailed accounts/ utilisation certificates. Non-rendering of detailed accounts/ utilisation certificates for advances granted for a particular work even after the completion of that work is fraught with the risk of misappropriation of funds. Audit noticed (July 2019) that ₹ 153.30 crore were advanced to various Agencies/ Departments for shifting of utilities, conducting surveys, land compensation etc. against which detailed accounts/ UCs were received for an amount of ₹ 114.85 crore only and the balance amount of ₹ 38.45 crore was awaiting adjustment as of March 2020, despite lapse of period ranging between 15 months and 128 months. The amount outstanding against various Departments/ Agencies ranged between ₹ 0.21 lakh and ₹ 10.81 crore for the period ranging between July 2009 and December 2018. It was also noticed that amounts advanced to various agencies were debited directly to the final head and expenditure was booked without obtaining adjustment accounts from the concerned Agencies/ Departments, as no such details were reflected in the statement of closing balance ending March 2020. This indicates lack of monitoring over the adjustment of advances and potential risk of misappropriation of JKUSDIP funds.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S) PD&MD stated (August 2020) that concerned line departments had not furnished UCs and amounts had remained unadjusted despite repeated correspondences with them.

As per the information provided by the Director Finance, JKERA (October 2020), no further adjustment accounts were obtained from the concerned agencies by JKERA as of September 2020. However, ₹ 24.91 lakh was further advanced by JKERA during the period April 2019 to June 2020, thereby aggregating unadjusted advances to ₹ 38.70 crore (September 2020).

#### 5.4.4.5 Loan assistance

(i) As per Paragraph 3.5 of Loan Disbursement Handbook of ADB, it was imperative upon JKERA to complete all the sub-projects within the stipulated time

<sup>70</sup> In its 16<sup>th</sup> meeting held on 10 January 2011.

period and claim reimbursement of ADB loan component, as per the approved ratio, well before the closure date of project of 31 May 2017. Audit noticed (June 2019) that two sub-projects<sup>71</sup> were completed (September 2017) after a delay of four months and six months respectively from the stipulated date of completion. As a result of the delay in completion of these sub-projects, an amount of ₹ 52.83 crore<sup>72</sup> only was reimbursed by ADB against an agreed loan amount of ₹ 60.44 crore<sup>73</sup> due to the expiry of loan period, resulting in loss of potential loan assistance of ₹ 7.61 crore<sup>74</sup>. Delay in completion of sub-projects was attributed (November 2019) by JKERA to delay in shifting of utilities and non-issue of timely permissions by the line departments which was reiterated (August 2020) by the Joint Director (P&S) PD&MD after the matter was referred (June 2020) to the Government.

(ii) Paragraph 1.12 of Procurement Guidelines of ADB envisages that ADB finances expenditure for goods and works that are procured and executed in accordance with the provisions of the contract agreements. If there is any incomplete, inaccurate and misleading information regarding terms and conditions of the contract, ADB reserves the right to declare the contract as mis-procurement. On the recommendations of the Bid Evaluation Committee (BEC), the contract for Sewerage Network Package 3 was approved for allotment for ₹ 39.96 crore out of which ₹ 32.77 crore was to be released by ADB as per ratio fixed under loan agreement.

Audit noticed (September 2019) that a copy of internal correspondence between ADB and JKERA pertaining to the contract was endorsed (September 2008) to the contractor during final stage of award of contract. As a result of non-adherence to the confidentiality conditions of procurement, the loan package for the contract was cancelled by ADB, resulting in loss of ADB assistance of ₹ 32.77 crore. The Director Finance, JKERA was directed (October 2015) to conduct an enquiry into the matter and submit a report within one month.

Audit scrutiny (September 2019) of records revealed that neither was the report submitted nor any action taken against the defaulting official for committing violations of confidentiality conditions of procurement.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S), PD&MD stated (August 2020) that matter would be investigated.

As no action had been taken by JKERA (September 2020), which could have served as a deterrent, no precedence/ mechanism was established for prevention of recurrence of similar incidents in future.

#### **5.4.5 Programme implementation**

The status of execution of 44 sub-projects under the PMDP and 15 sampled sub-projects are shown in the table below:

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<sup>71</sup> Mechanised Car Parking, Jammu and Non-Revenue Water (NRW) Reduction Management Contract.  
<sup>72</sup> Mechanised Car Parking Jammu: ₹ 34.38 crore; NRW Reduction Management: ₹ 18.45 crore.  
<sup>73</sup> Mechanised Car Parking Jammu: ₹ 40.25 crore; NRW Reduction Management: ₹ 20.19 crore.  
<sup>74</sup> Mechanised Car Parking Jammu: ₹ 5.87 crore; NRW Reduction Management: ₹ 1.74 crore.

**Table 5.4.2: Status of projects under PMDP  
(as on 31 March 2019)**

Particulars	Total Sub-projects	Projects completed during February 2015 to June 2019	Delay in completion of projects (in days)	Project terminated	Delay in completion of ongoing sub-projects (in days)	Cost escalation in sub-projects (₹ in crore)	Cost overrun in sub-projects (₹ in crore)
Sub-projects under PMDP	44	37	30 to 1710	1	781 to 1379	302.62 (18 sub-projects)	318.50 (13 sub-projects)
Sub-Projects selected	15	11	30 to 1710	-	781 to 1379	180.17 (9 sub-projects)	197.33 (7 sub-projects)

(Source: MPRs and records of JKERA)

As per the information submitted (October 2020) to Audit by JKERA, there was cost overrun of ₹ 349.57 crore in respect of 14 sub-projects as of September 2020. Also, delay in completion of two ongoing sub-projects was to the extent of 1,451 days and 1,538 days as of September 2020.

The details of 15 sampled sub-projects selected by using judgemental sampling on the basis of expenditure incurred on their execution are given in **Appendix 5.4.2**. Significant audit findings in relation to 12 sub-projects are discussed in the following paragraphs.

#### 5.4.5.1 Faulty estimates

Before taking up execution of a particular work, proper survey of the site is required to be conducted so that the drawings and designs are prepared as per site conditions and estimates are framed on the basis of specifications mentioned in the detailed drawings and designs. This is of utmost importance as it leads to execution of works in a planned manner within the estimated quantities and its completion in a time bound manner within the allotted costs.

Audit scrutiny of records (October 2019/ November 2019) revealed variations between the quantities of works approved as per Bill of Quantities (BOQ) and quantities actually executed in respect of five sampled sub-projects<sup>75</sup>. These works were taken up at a total estimated cost of ₹ 144.91 crore during September 2012 to February 2017 and an expenditure ₹ 160.61 crore was incurred on their execution as of 31 March 2019. Out of total 394 items of works in five sub-projects, only 29 items (7 per cent) were executed as per original estimates. In respect of 113 items (29 per cent), an expenditure of ₹ 75.04 crore was incurred against estimated cost of ₹ 48.74 crore due to execution of works in excess of the original estimates thus, resulting in excess expenditure of ₹ 26.30 crore, which comprises an increase of 54 per cent over the original cost. Remaining 252 items (64 per cent) of works were either executed less than the approved quantities or were not executed at all. It was also noticed (October 2019/ November 2019) that additional works costing ₹ 27.79 crore, not forming a part of original estimates, were got executed as per the site requirements and changes in original drawings and designs. This indicates that

<sup>75</sup> (i) Sewage package 3A, (ii) Sewerage package 3B, (iii) Bikram chowk Flyover, (iv) Landfill cell 2 and (v) Raw water pipeline Doodhganga.

proper surveys were not conducted before execution of the works, which resulted in preparation of faulty and unrealistic estimates.

As per the decisions taken in the 21<sup>st</sup> Governing Body Meeting of JKERA (July 2018), all cases of variations were required to be placed before a sub-committee comprising the Principal Secretary Finance, Commissioner/ Secretary, PD&MD and Commissioner/ Secretary, HUDD for examination and subsequent recommendations to the Board of Governors for approval thereof. In contravention to this, the cost variations below/ above the allotted costs were got approved by Tender Approval Committee<sup>76</sup> (TAC) of JKERA which otherwise was to be approved by the sub-committee. After being pointed out (October 2019/ November 2019) in Audit, JKERA stated (November 2019) that additional/ extra items of works were executed as per site requirements and changes in specifications based on Geo-technical investigations.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S), PD&MD stated (August 2020) that additional extra items of work were executed as per site requirements and changes based on Geo-technical investigations and that variations in various BOQ items were reflected as per design specifications, site requirements and additional requirement of the project in the execution phase. It was also stated that variation had been approved by the competent authority of JKERA as well as ADB.

The reply is not acceptable as the DPR of Jammu Flyover was already prepared on the basis of geo-technological survey and its structural design was vetted by IIT, Roorkee before the award of contract. In respect of remaining four projects, geo-technical survey was not conducted at all and changes were made as per the site requirements, thereby indicating that estimates were not framed on a realistic basis.

#### **5.4.5.2 Bid Evaluation**

Two sub-projects<sup>77</sup> involving similar items of works within same topography, were put to bid with the identical rates for same items of work in both the sub-projects. The two bids were opened by the Bid Evaluation Committee (BEC) on same day. One contractor offered identical rates for the same items for both the bids. However, while negotiating, the BEC allotted similar items of works to the contractor at different rates resulting in extra expenditure of ₹ 58 lakh. The variations arose due to application of different rates of discount at the time of negotiations, while approving rates of these two contracts.

After the matter was referred to the Government in June 2020, the Joint Director (P&S), PD&MD attributed (August 2020) it to varying specifications and different site conditions.

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<sup>76</sup> Internal committee of JKERA headed by CEO of the Agency.

<sup>77</sup> Sewerage Package-3A (Areas of Indra Vihar, Patoli Mangotrian, Toph Sherkhanian, Bhawani Nagar, part Janipur Colony and Mandlik Nagar Sewerage), package-3B (Areas of Ramzanpura, part Janipur Colony, Pamposh Colony and part Paloura).

The reply is not tenable as the estimate as well as rates quoted by the contractor for these items of work in respect of both contracts were same and the works were initially allotted at same rates in the original contract, which also clearly indicated similar site conditions in the areas of execution under these two contracts.

#### 5.4.5.3 Cost revision of sub-projects

Appendix 1 sub-rule 3 of ADB Procurement Guidelines provides that if there is an aggregate increase in cost of the contract by more than 15 *per cent* of the original price, the necessary 'no objection certificate' to proposed extension, modification or change order is to be obtained from the ADB. It was, however, noticed (November 2019) that cost of eight sub-projects<sup>78</sup> was revised from ₹ 505.73 crore to ₹ 773.36 crore involving cost revision of ₹ 267.63 crore without obtaining approval of the ADB. The aggregate increase over original contract amount ranged between 24 *per cent* and 80 *per cent*. The Accounts Officer, JKERA stated (December 2019) that cost over-run was due to inclusion of additional items of works.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S), PD&MD stated (August 2020) that variations and cost overruns were due to inclusion of additional items of works, duly approved by the Tender Approval Committee (TAC) and that necessary approval of ADB had also been obtained.

The reply is not tenable as approval of the ADB was not obtained in respect of sub-projects test checked in audit.

#### 5.4.6 Construction of mechanised Multi-level Parking, Jammu

To overcome the problem of traffic congestion and reduce the menace of roadside parking in areas of old city, Jammu, the agency proposed (August 2013) to construct a fully automatic multi-level car parking facility at an already existing open parking space accommodating around 300 cars. Against parking requirement of 1776<sup>79</sup> cars, a draft Summary Appraisal Report (SAR) for construction of 10 floor mechanised automated multilevel parking facility for accommodating 720 cars was submitted (October 2013) by a Design and Supervision Consultant<sup>80</sup> (DSC), projecting it as a latest technology parking system with minimum maintenance costs, which was followed by submission (June 2014) of Detailed Project Report (DPR) for an estimated cost of ₹ 70.03 crore. However, during discussions held (November 2014) with ADB Mission, the proposal was changed from fully automatic to semi-automatic on the plea that a ten floor parking system required sophisticated technology and would get outdated very soon, thereby contradicting its own statements recorded in the SAR/ DPR wherein it was proposed to construct a 10 floor mechanised automated multilevel parking system, projecting it as a latest technology system with minimum maintenance costs. Another reason stated for changing the proposal was non-

<sup>78</sup> 30 MLD-STP, Landfill cell 2, Jammu Flyover, Srinagar Flyover, S&D of SWM Equip for SMC Lot-2, S&D of SWM Equip for SMC-Dumpers Lot-3, Storm Water Drains at Digiana and Storm Water Drains at Rawalpora.

<sup>79</sup> Requirement for 2016 on the basis of survey conducted by M/s RITES Ltd. (GoI Enterprise).

<sup>80</sup> M/s Shah Technical Consultants (STC).

availability of No Objection Certificate (NoC) from Jammu Municipal Corporation (JMC), which was not based on facts as the NoC for construction of the same was already accorded (July 2014) by Jammu Municipal Corporation (JMC), the authority competent to accord building permissions. Thus, due to communication of incorrect information, the proposal for construction of a fully automatic mechanised car parking facility for accommodating 720 cars was changed to a semi-automatic mechanised car parking facility for 352 cars.

The sub-project was completed (September 2017) by the contractor after a delay of 120 days at a total cost of ₹ 47.08 crore. Further, an expenditure of ₹ 0.02 crore was booked to the sub-project during the period April 2020 to September 2020, taking the total expenditure on the sub-project to ₹ 47.10 crore.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S) PD&MD stated (August 2020) that proposal was changed in order to comply with the guidelines of ADB regarding restriction of height of car parking structure to surrounding buildings.

The reply is not tenable as no such guidelines were issued by ADB and the proposal was changed by ADB Mission due to misrepresentation of facts by JKERA wherein a 14 floor automatic car parking system was projected instead of a 10 floor parking system and apprehensions regarding grant of NoC for the same which, however, had already been issued by JMC well in advance.

#### **5.4.7 Management of Non-Revenue Water (NRW) in Jammu**

Two sub-projects<sup>81</sup> for assessment, analysis and reduction management of Non-Revenue Water (NRW)<sup>82</sup> in Jammu were sanctioned (January 2015/ March 2016) with a total original cost of ₹ 30.84 crore<sup>83</sup>. The work was physically completed between December 2016 and September 2017. As per the information submitted by JKERA, a total expenditure of ₹ 26.27 crore<sup>84</sup> was incurred on these two sub-projects ending September 2020. Audit of the sub-projects revealed the following.

##### **A. Assessment of non-revenue water**

In order to assess the quantum of NRW and develop a comprehensive NRW reduction plan for a pilot zone<sup>85</sup> of 20 identified District Metered Areas (DMAs), the executing agency (JKERA), without any DPR, awarded (January 2015) the work for installation and removal of domestic water meters and ultrasonic flow meters to a contractor at a negotiated amount of ₹ 4.60 crore. The assessment and analysis of water losses was to be done on the basis of data gathered by obtaining readings from domestic water meters and ultrasonic flow meters installed at the identified locations and the work

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<sup>81</sup> (i) Assessment and analysis of NRW by way of supply, installation and removal of domestic water meters and (ii) Management for reduction of NRW by installation of water meters with automated meter readers.

<sup>82</sup> Water losses in the distribution system.

<sup>83</sup> Assessment and analysis of NRW: ₹ 4.60 crore; Management for reduction of NRW: ₹ 26.24 crore.

<sup>84</sup> Assessment and analysis of NRW: ₹ 1.98 crore; Management for reduction of NRW: ₹ 24.29 crore.

<sup>85</sup> With 30,000 households.

was to be completed within 12 months (April 2016). As per the contract agreement, the contractor had to procure eight portable ultrasonic flow meters and 1,800 dry dial inferential type multi jet domestic water meters at a total cost of ₹ 64.50 lakh<sup>86</sup> and assess the extent of water losses by way of installation and removal of domestic water meters in targeted 15,000 households and ultrasonic flow meters at targeted 1,500 locations. Audit noticed (June 2019) that the work was not completed in full by the contractor even after extending (December 2016) the period of contract. The contract was finally fore-closed (July 2016) and shown as completed (December 2016) after incurring an expenditure of ₹ 1.98 crore. As per the note submitted (January 2018) by the Project Manager Hydraulic, JKERA, the contract was foreclosed on the grounds that there was no further scope of work. Against a target of 15,000 households and 1,500 locations, installation and removal of domestic water meters and ultrasonic flow meters was done at only 7,107 households (47 per cent) and 817 locations (54 per cent), resulting in incomplete study besides non achievement of objective of preparing a comprehensive NRW reduction plan consequently rendering expenditure of ₹ 1.98 crore as unproductive.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S), PD&MD stated (August 2020) that study of NRW reduction was not conducted in 20 DMAs of Jammu city and the programme was implemented in identified 4 DMAs under subject package due to time constraints and availability of ADB funding.

The reply is not acceptable because neither was the quantum of Non-Revenue Water (NRW) assessed in the identified DMAs nor were any steps taken to develop a comprehensive NRW reduction plan.

## **B. Monitoring mechanism**

As per clause 3.4.1 of NRW reduction management contract, after completion of the studies at the designated locations, the equipments purchased under the contract were required to be handed over by the contractor to the line department in good working condition, to enable their use in subsequent studies.

Audit noticed (June 2019) that out of 8 ultrasonic flow meters and 1,800 domestic water meters handed over (December 2018) to the PHE City Division-I, Jammu, only 448 domestic water meters were found to be in good working condition. There was no mechanism put in place to verify the condition of retrieved material before handing over these to the line department. The remaining 1,352 water meters and 8 flow meters costing ₹ 58 lakh were handed over (December 2018) in unserviceable condition, in violation of the terms and conditions of the contract. Thus, the usable life of 1,352 water meters and 8 flow meters was reduced.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S), PD&MD stated (August 2020) that 1,352 water meters had been erroneously termed as unserviceable by PHED in its Goods Received (GR) statement.

<sup>86</sup> Ultrasonic flow meters at the rate of ₹ 4,80,000 and Domestic water meters at the rate of ₹ 1,450.

The reply is not acceptable as the Executive Engineer, PHED had stated (June 2019) that the material was of no use to them, as it was unserviceable. Absence of mechanism to ensure that material was handed over by the contractor in working condition, resulted in reduction in the usable life of the equipment, thereby denying the full advantage of the expenditure amount.

### **C. Installation of Equipment**

With a view to reduce water losses, a contract for installation of domestic water meters with Automatic Meter Reading (AMR) facility in four selected sampled zones<sup>87</sup> (out of 20 identified DMAs selected for assessment and analysis) was awarded (March 2016) to the contractor at a cost of ₹ 26.24 crore with period of completion as twelve months. The contract envisaged providing service connections with domestic water meters in 4,300 households; installation of electro-magnetic flow meters at identified locations; assessment of flow; and pressure in the network besides operation and maintenance of the water supply system. In order to achieve the objectives of the contract, a Memorandum of Understanding (MoU) was to be executed between the JKERA and the line department, under which the basic data of consumers and pipe distribution network was to be provided by the line department to the Contractor. As per the contract, 75 per cent payment was to be released to the contractor on receipt of material, 15 per cent after laying and installation of domestic water meters and remaining 10 per cent after testing and commissioning.

Audit noticed (June 2019) that due to failure on part of JKERA to execute MoU with the line department (PHED), the basic data of water supply distribution network, updated pipeline network and customer database was not provided to the Contractor. Consequently, the equipment<sup>88</sup> procured were not installed in full. Against 4,300 domestic water meters (valuing ₹ 5.61 crore) and 15 electro-magnetic flow meters (valuing ₹ 35.26 lakh), only 3,485 domestic water meters (valuing ₹ 4.22 crore) and 7 electromagnetic flow meters (valuing ₹ 15.05 lakh) were installed and the contract was finally closed in September 2017. The remaining uninstalled material comprising 815 water meters, 8 flow meters and allied equipments costing ₹ 2.74 crore was handed over to the PHED and was lying unutilised in the Divisional store of PHE City Division-I Jammu (June 2019). A payment of ₹ 2.06 crore<sup>89</sup> was made (August 2016 to September 2017) to the contractor for these supplies. Failure on part of JKERA to coordinate and execute MoU with the line department for providing basic data of water supply distribution network and consumer database to the contractor, resulted in idle investment of ₹ 2.06 crore.

Similarly, three Hand Held Units (HHUs) costing ₹ 21.30 lakh for Automatic Meter Reading (AMR), on domestic water meters were also not put to use (June 2020) as water meter readings had never been recorded at 3,485 service connections, where

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<sup>87</sup> Trikuta Nagar-A, Trikuta Nagar-B, Shastri Nagar and Karan Nagar.

<sup>88</sup> Sluice valve, Foot valve, Butterfly valve, Automatic metre reader, Woltman meters, Electromagnetic flow meters.

<sup>89</sup> 75 per cent of total cost of procured but not installed material.

water meters had been installed, thereby rendering the expenditure incurred on their purchase and installation as unfruitful.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S), PD&MD, while admitting the audit observation, stated (August 2020) that despite significant correspondences with the PHED by JKERA, requesting for sharing details for providing service connections, there was a delay in sharing these details and the scope was reduced and remaining un-utilised material was transferred to the PHED for installation.

#### **5.4.8 Construction of Flyovers at Jammu and Srinagar**

In order to decongest traffic on road junctions and improve connectivity to different areas, it was proposed (January 2010 and May 2010) to construct two four-lane flyovers, one from Bikram Chowk to Women College at Jammu and another from Jehangir Chowk to Rambagh Natipora at Srinagar at an estimated cost of ₹ 67.31 crore and ₹ 219.26 crore, respectively. The works were allotted (April 2013) to Contractors<sup>90</sup> at a cost of ₹ 64.30 crore and ₹ 200.74 crore respectively with period of completion as 36 months. The sub-project Bikram Chowk flyover was completed in May 2017 at a cost of ₹ 84.84 crore. As per the information furnished (October 2020) by JKERA, Jehangir Chowk flyover had also been completed (September 2020) after incurring an expenditure of ₹ 379.67 crore.

The contract for construction of Jehangir Chowk flyover at Srinagar was allotted (April 2013) at a total cost of ₹ 200.74 crore and was stipulated to be completed by April 2016. The item wise rates allotted under the contract were applicable throughout the period of execution of the project without any provision for revision of unit rates. As per Clause 13.8 of the terms and condition of contract, the contractor was entitled to payment of price adjustment on account of rise in cost of labour and goods and an amount of ₹ 5.47 crore was paid to the contractor on this account for the period July 2016 to May 2019.

Audit however, noticed (November 2019) that rates of various items of works, allotted under the contract, were revised (July 2016) by JKERA on the basis of prevailing market rates of material and labour and the works executed beyond July 2016 were paid to the contractor at revised rates. Revision of rates, in addition to payment of price adjustments resulted in inadmissible and extra payment of ₹ 29.63 crore to the contractor.

After the matter was referred (June 2020) to the Government, the Joint Director (P&S), PD&MD stated (August 2020) that revision of rates had been approved (April 2017) by the Government on recommendations of a committee.

The reply is not acceptable as price adjustment amounting to ₹ 5.47 crore was already paid to the contractor on account of rise in cost of labour and goods and revision of

<sup>90</sup> M/s Valecha Engineering Ltd Mumbai and M/s Simplex Infrastructure Pvt. Ltd., Mumbai.

rates in the instant case had resulted in undue benefit to the contractor, amounting to ₹ 5.47 crore.

#### **5.4.9 Delayed supplies**

As per clause 27.1 of the General Conditions of Contract, penalty at rate of a half *per cent* per week of delay subject to a maximum of 10 *per cent* of the contract value was to be imposed upon the contractor for delayed supplies. Audit noticed (June 2019) that supplies under four sub-projects<sup>91</sup> with a total outlay of ₹ 5.69 crore were received with delays ranging between 7 weeks and 21 weeks. However, no action was initiated to levy penalty amounting to ₹ 36.62 lakh<sup>92</sup>, as envisaged in the contract, on the defaulting contractors while releasing their payments. Non-imposition of penalty resulted in undue financial aid to them.

The Joint Director (P&S) PD&MD stated (August 2020) that delay in contract agreement had not been attributed to the contractor and reasons for same were not clear as per available office records and that the records would be checked and report shared with Audit.

The reply indicates lack of serious attempt to complete the projects in time.

### **Tourism Department**

#### **5.5 Construction of Government Tourist assets in lieu of damaged/ destroyed assets**

##### **5.5.1 Introduction**

The project 'Construction of Government Tourist assets in lieu of assets destroyed in the floods of September 2014' was sanctioned (September 2016) under the Prime Minister's Development Package (PMDP). This project is a part of the Swadesh Darshan Scheme by the Ministry of Tourism (MoT), GoI. The total outlay of the project was ₹ 98.70 crore with 23 sub-projects (components) comprising 109 works/ schemes. Out of the 23 sub-projects, 11 sub-projects were selected in Audit taking into consideration the project cost/ expenditure and geographical location as detailed in *Appendix 1.2*.

As of March 2019, only three sub-projects were completed, 19 sub-projects were under execution and one sub-project had been dropped. As per the information furnished by Department, 15 sub-projects had been completed, one sub-project was dropped and seven sub-projects were under execution as of September 2020. Further, out of 11 sub-projects selected, only five sub-projects<sup>93</sup> had been completed and six sub-projects were under execution (September 2020).

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<sup>91</sup> Solid waste management equipment for SMC, S&D of solid waste management equipment for SMC, S&D equipment for PHED Srinagar and Supply delivery of equipment for use in SMC.

<sup>92</sup> Calculated at a minimum rate of 0.50 *per cent*.

<sup>93</sup> Development of tourist facilities at SKICC, Development of Khadinar Park Baramulla, Development of tourist facilities at Nageen, Development of tourist facilities at Mughal Gardens and Development of tourist facilities at Mansar Lake.

Against project cost of ₹ 66.97 crore in respect of 11 sub-projects comprising 70 works, ₹ 33.69 crore was sanctioned in favour of 10 Agencies/ Departments for execution of works of these sub-projects (September 2020). It was noticed that damage reports were not prepared/ available in respect of six sub-projects and sanctions were accorded without assessing the extent of damages. The status of 11 sampled sub-projects ending September 2020 is given in **Appendix 5.5.1**.

During the year 2015, nearly 1.33 crore tourists had visited<sup>94</sup> J&K while the number had increased to 1.69 crore during the year 2018 and declined to 1.32 crore during the year 2019. The revenue realised by the GoJ&K on account of rent from tourist assets and catering services increased from ₹ 1.37 crore during 2014-15 to ₹ 2.94 crore during 2018-19.

### 5.5.2 Financial Management

Funds under the Project were released by the GoI directly to the Jammu and Kashmir (J&K) State Cable Car Corporation<sup>95</sup> during the period from 2016-17 to 2018-19 which after authorisation by the Department, released funds to the implementing agencies for execution of various works under the project. The year-wise status of funds released *vis-a-vis* expenditure incurred by the implementing agencies during the period from 2016-17 to 2018-19, under the project is given in **Table 5.5.1**.

**Table 5.5.1: Fund Position as of March 2019**

(₹ in crore)						
Sl. No.	Year	Funds provided by GoI	Total funds available with JKCCC	Funds utilised	Unspent balance at the close of the year	Percentage utilisation of funds
(1)	(2)	(3)	(4)	(5)	(6) = (4-5)	(7)
1.	2016-17	19.47	19.47	-	19.47	0
2.	2017-18	27.51	46.98	34.99	11.99	74
3.	2018-19	27.72	39.71	10.10	29.61	25
	<b>Total</b>	<b>74.70</b>		<b>45.09</b>		

(Source: Monitoring Report on PMDP issued by GoJ&K)

From the above table, it is seen that utilisation of funds was only between zero *per cent* and 74 *per cent* during the years 2016-17 to 2018-19 respectively. Audit further observed that:

- The sanctioned project cost was ₹ 98.70 crore, out of which an amount of ₹ 74.70 crore (76 *per cent*) was released (September 2020) by the GoI credited directly into the Bank account of J&K State Cable Car Corporation under intimation to the GoJ&K. The GoJ&K was required to complete the project by providing the balance funds. The final installment of ₹ 24 crore was to be reimbursed by GoI on receipt of the Utilisation Certificate for the entire project cost of ₹ 98.70 crore. As the GoJ&K did not release balance ₹ 24 crore to the implementing agencies for completion of the works of the project, it could not furnish utilisation certificate of entire sanctioned amount of the project. Thereby

<sup>94</sup> Information furnished by the Department.

<sup>95</sup> A Jammu and Kashmir State Public Sector Undertaking (PSU).

the claim of reimbursement of the balance amount from GoI could not be preferred.

Thus, assets remained incomplete and GoJ&K could not avail funding to the extent of ₹ 24 crore.

- J&K Cable Car Corporation Limited released (July 2017) ₹ 78 lakh to J&K Housing Board for execution of sub-project 'Development of tourist facilities around *Khusalsar Lake*'. However, no works were executed by the Board as the area was not identified/ demarcated by the Project Authority. As a result, the sub-project was dropped (February 2019) by the GoI. As per the UCs submitted (November 2018) to GoI of India, an expenditure of ₹ 82 lakh was shown incurred, thereby incorrectly reporting the expenditure to the GoI. Therefore, not only funds were lying with the implementing agency in Bank Account, but also the expenditure incurred was not reduced from the reported figures (August 2020). The risk of misappropriation of the Government money exists in such a situation.
- The Subsidiary accounts and the audited statements of accounts were required<sup>96</sup> to be prepared and submitted to higher authorities. Audit scrutiny of records of ten<sup>97</sup> executing agencies revealed that the same was not being done.

In reply, the Deputy Director, Tourism (M&W), Jammu, CEO, Rajouri and CEO, Surinsar-Mansar Development Authority while accepting the observation, stated (June/ July 2019) that the subsidiary records/ accounts would be maintained.

***The Subsidiary accounts and the audited statements of accounts mandatorily to be prepared so that applicable financial controls can be exercised.***

### **5.5.3 Project execution**

As per the J&K Financial Code<sup>98</sup>, no work should be commenced or liability incurred in connection with it, until administrative and technical sanction is accorded.

However, it was noticed that 84 sub-works of eight sub-projects allotted at a cost of ₹ 15.47 crore were executed by six<sup>99</sup> executing agencies without accord of Technical Sanctions, and an expenditure of ₹ 10.98 crore had been incurred (2016-17 to 2018-19) thereon.

After this was pointed out (June 2019) in audit, the CEO, Rajouri Development Authority stated (June 2019) that the DPR for the works sanctioned under the project was submitted (July 2018) to the Administrative Department for accord of Administrative Approval and technical sanction. However, the Development Commissioner, Works raised certain observations which were cleared (January 2019)

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<sup>96</sup> Condition 15 of the sanction order.

<sup>97</sup> Dy. Director (M&W) Jammu and Srinagar, Surinsar-Mansar Development Authority, Rajouri Development Authority, Poonch Development Authority, Floriculture Department, SKICC, Gulmarg Development Authority, J&K Housing Board (Unit-II); and LAWDA.

<sup>98</sup> Rule 9.3 of the J&K Financial Code.

<sup>99</sup> (i) Deputy Director Tourism, Srinagar, (ii) SKICC, (iii) EE Floriculture Department, Srinagar, (iv) Gulmarg Development Authority, (v) Surinsar-Mansar Development Authority and (vi) Rajouri Development Authority.

but the technical sanction was pending as on the date of Audit (June 2019), which was more than two years from commencement of work in certain cases. The Chief Executive Officer, Surinsar-Mansar Development Authority stated (July 2019) that the DPRs were submitted (June 2019) to the Administrative Department but the technical sanction was awaited (July 2019).

- As per the sanction order<sup>100</sup>, the Executing Agency/ GoJ&K should follow the codal procedures of inviting tenders for award of works for execution. In three<sup>101</sup> implementing agencies, 23 sub-works of three sub-projects were executed without invitation of tenders, in contravention of the conditions of the sanction order and Financial rules. An expenditure of ₹ 4.12 crore had been incurred during the period 2016-17 to 2018-19 on these works was thus, irregular.

The CEO, Poonch Development Authority accepting the observations, stated (August 2019) that instructions had been noted for compliance in future. No reply was received from the other two implementing agencies.

- As per the sanction order<sup>102</sup>, financial assistance from the GoI was to be utilised for the purpose for which it was released. An expenditure of ₹ 83.45 lakh was incurred by three<sup>103</sup> executing agencies on 11 sub-works which were not approved under the project.

After the matter was referred (June 2020) to the Government, the Director Planning, Tourism Department, GoJ&K stated (August 2020) that the Project/ sub-components were executed strictly as per sanction of Ministry of Tourism (MoT), GoI and whenever any new component was added or dropped same was done with the approval of MoT, GoI.

The reply did not address the specific 11 sub-works pointed out in Audit and approval of MoT, GoI, though called for, was not produced to audit.

- The powers<sup>104</sup> to sanction excess over original estimates is to be exercised as delegated in the Book of Financial Powers, GoJ&K. In three<sup>105</sup> implementing agencies, under three sub-projects in case of 19 sub-works for cost of ₹ 1.92 crore excess over original estimates/ allotments ranging from 29 *per cent* to 15,959 *per cent* of original estimates/ allotments was allowed through execution of supplementary agreements. The cost of these 19 works was revised to ₹ 6.02 crore from the original estimates/ allotments. An expenditure of ₹ 2.64 crore had been incurred on these works (March 2019).

<sup>100</sup> Condition 13 of the sanction order of September 2016 issued by the GoI.

<sup>101</sup> (i) SKICC, (ii) J&K Housing Board and (iii) Poonch Development Authority.

<sup>102</sup> Condition 7 of the sanction order of September 2016 issued by the GoI.

<sup>103</sup> (i) Deputy Director (M&W) Srinagar, (ii) SKICC and (iii) Gulmarg Development Authority.

<sup>104</sup> Chief Engineers up to limit of 5 *per cent* of sanctioned amount of the original estimates and to the Superintending Engineers/ Executive Engineers is limited to 5 *per cent* of the sanctioned estimates provided the amount does not exceed the limit of their powers to technically sanction estimates. Para 5.11 of Book of Financial Powers, GoJ&K.

<sup>105</sup> (i) Deputy Director Tourism (M&W) Srinagar, (ii) SKICC and (iii) Gulmarg Development Authority.

- Rajouri Development Authority had created tourist assets with cafeteria, VIP hut etc. for tourists at Chingus during the period from 2008-09 to 2010-11 at a cost of ₹ 1.04 crore. There were also numerous tourist assets in private sector in the vicinity of the Chingus. The Authority obtained sanction (September 2016) for another new sub-project for construction of cafeteria and other facilities. As seen from the records, the sub-project was sanctioned and authorised by the Administrative Department, without considering the existing tourist facilities and without ascertaining actual footfall of tourists in the area. The project was under process of tendering as of June 2019. The CEO Rajouri Development Authority stated (June 2019) that the sub-project was sanctioned and authorised by the Administrative Department.

***The Government should fix responsibility in respect of works executed irregularly under the project.***

#### **5.5.4 Provision for management and maintenance of assets**

As per condition (8) of sanction order of September 2016 issued by the GoI, the State GoJ&K should undertake the responsibility for maintenance and management of assets created under the project. Two cafeterias at Tourist Reception Centre, Poonch and Nature park, Rajouri were completed (2018-19) at a cost of ₹ 1.25 crore. A number of assets like Tourist Information Center, Tourist Cafeteria, Gender based Toilets etc. were to be created under the project which required staff like cooks, waiters, receptionists etc. Audit scrutiny of records of three implementing agencies<sup>106</sup> revealed that the Department did not formulate any plan for operation and management of assets. Audit examination of records of the Deputy Director, Maintenance and Works, (M&W), Jammu revealed that the Department had not undertaken any action plan for skill development/ training programmes under the project.

After the matter was referred (June 2020) to the Government, the Director Planning Tourism Department stated (August 2020) that some of the completed assets had already been outsourced and the Department was formulating policy for operation and management of all assets including those created under the PMDP (Swadesh Darshan).

Audit noticed (June/ July 2019) that two Development Authorities (Rajouri and Poonch) outsourced the Tourist Cafeterias to private contractors for operation and management in contravention of the conditions of sanction order.

In reply, the CEO Poonch Development Authority stated (August 2019) that as per instructions of the Secretary to Government, Tourism Department, GoJ&K the completed assets had to be put to outsourcing for maintenance and operation as there was shortage of trained staff for running assets.

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<sup>106</sup> Dy. Director (M&W) Jammu, Rajouri Development Authority and Poonch Development Authority.

The fact remains that outsourcing of assets was also not successful as in the case of Poonch Tourist Reception Center rent of ₹ 28 lakh for the years 2014 to 2019 was outstanding against the contractors. The CEO, Rajouri Development Authority stated (June 2019) that assets were outsourced as per instructions dated February 2019 of the Administrative Department. However, there were instances where the contractors had not paid rent of assets outsourced to them and the Department had not formulated plans for operation/ management and maintenance of assets created under the project, as specified in sanction order of the project.



**Chapter-VI**  
**Conclusions and Recommendations**



## 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.*

**Srinagar/ Jammu  
The**

**(Dr. Abhishek Gupta)  
Principal Accountant General (Audit)  
Jammu & Kashmir**

**Countersigned**

**New Delhi  
The**

**(Girish Chandra Murmu)  
Comptroller and Auditor General of India**



# **Appendices**



**Appendix 1.1**  
(Reference Paragraph: 1.1)

Statement showing details of PMDP projects executed by Departments/ Agencies of GoI and GoJ&K alongwith funds released and expenditure incurred ending March 2019

(A) Ministry/ Department wise financial position of PMDP projects

(₹ in crore)

Sl. No.	Ministry GoI/ Department GoJ&K	No. of Projects	PMDP cost	Sanctioned cost	Funds released			Funds utilised			Percentage expenditure against	
					GoI Share	GoJ&K Share	Total	GoI Share	GoJ&K Share	Total	Sanctioned cost	Releases
<b>A. Projects executed by Departments/ Agencies of GoI</b>												
1.	Ministry of Defence	4	2,147.00	2,203.99	1,845.82	0.00	1,845.82	1,745.82	0.00	1,745.82	79.21	94.58
2.	Ministry of Road Transport & Highways	14	34,671.00	24,090.49	15,471.07	200.00	15,671.07	15,411.91	200.00	15,611.91	84.81	99.62
3.	Ministry of Health & Family Welfare	1	4,000.00	3,489.00	90.84	0.00	90.84	14.76	0.00	14.76	0.42	16.25
4.	Ministry of Human Resource Development	3	2,100.00	1,945.41	302.84	0.00	302.84	182.08	0.00	182.08	9.36	60.12
5.	Ministry of Power	1	1,115.00	1,788.41	1,699.00	89.42	1,788.42	1,473.42	89.42	1,562.84	87.39	87.39
6.	Ministry of Textiles	1	50.00	21.81	9.03	0.00	9.03	5.15	0.00	5.15	23.61	57.03
	<b>Sub-Total (A)</b>	<b>24</b>	<b>44,083.00</b>	<b>33,539.11</b>	<b>19,418.60</b>	<b>289.42</b>	<b>19,708.02</b>	<b>18,833.14</b>	<b>289.42</b>	<b>19,122.56</b>	<b>57.02</b>	<b>97.03</b>
<b>B. Projects executed by Departments/ Agencies of GoJ&amp;K</b>												
1.	Horticulture Department	3	529.00	500.00	197.89	23.24	221.23	138.82	15.59	154.41	30.88	69.80
2.	Finance/ Planning Department	5	5,428.00	4,841.34	2,936.88	56.28	2,993.15	3,207.28	48.77	3,256.04	67.25	108.78
3.	Public Works (Roads & Buildings) Department	2	6,000.00	356.36	70.58	0.00	70.58	70.58	0.00	70.58	19.81	100.00
4.	Health & Medical Education Department	1	900.00	900.00	723.02	0.00	723.02	645.24	0.00	645.24	71.69	89.24
5.	Higher Education Department	1	50.00	50.00	23.75	0.00	23.75	9.06	0.00	9.06	18.12	38.15
6.	Disaster Management, Relief & Rehabilitation and Reconstruction Department	5	5,213.00	5,207.38	2,482.01	0.00	2,482.01	2,265.71	0.00	2,265.71	43.51	91.29
7.	Home Department	3	1,250.00	1,250.00	1,122.46	28.49	1,150.95	799.60	28.48	828.08	66.25	71.95

Sl. No.	Ministry GoI/ Department GoJ&K	No. of Projects	PMDP cost	Sanctioned cost	Funds released			Funds utilised			Percentage expenditure against	
					GoI share	GoJ&K share	Total	GoI share	GoJ&K share	Total	Sanctioned cost	Releases
8.	Science & Technology Department	3	2,350.00	343.11	27.80	2.56	30.36	26.16	2.56	28.72	8.37	94.59
9.	Power Development Department	4	8,243.00	5,146.29	1,503.97	131.66	1,635.63	739.32	97.85	837.17	16.27	51.18
10.	Rural Development Department	1	250.00	1,581.10	232.39	0.00	232.39	134.84	0.00	134.84	8.53	58.02
11.	Tourism Department	3	2,241.00	650.18	358.27	0.00	358.27	223.10	0.00	223.10	34.31	62.27
12.	Housing & Urban Development Department	5	1,873.00	2,144.91	604.23	163.21	767.44	357.72	86.55	444.27	20.71	57.89
13.	Irrigation & Flood Control Department	2	1,458.00	399.29	193.86	117.59	311.45	187.39	116.28	303.67	76.05	97.50
14.	Youth Services & Sports Department	1	200.00	200.00	100.05	0.00	100.05	81.95	0.00	81.95	40.98	81.91
	<b>Sub-Total (B)</b>	<b>39</b>	<b>35,985.00</b>	<b>23,569.96</b>	<b>10,577.16</b>	<b>523.03</b>	<b>11,100.28</b>	<b>8,886.77</b>	<b>396.08</b>	<b>9,282.84</b>	<b>39.38</b>	<b>83.63</b>
	<b>Grand Total</b>	<b>63</b>	<b>80,068.00</b>	<b>57,109.07</b>	<b>29,995.76</b>	<b>812.55</b>	<b>30,808.31</b>	<b>27,719.91</b>	<b>685.50</b>	<b>28,405.40</b>	<b>49.74</b>	<b>92.20</b>

(Source: Monitoring Report on PMDP Projects issued by the GoJ&K)

## (B) Project-wise financial details of PMDP projects implemented by various Agencies/ Departments

(₹ in crore)

Sl. No.	Name of the Project	Project No.	PMDP cost	Sanctioned cost	Funds released			Funds utilised			Percentage of expenditure against	
					GoI share	GoJ&K share	Total	GoI share	GoJ&K share	Total	Sanctioned cost	Releases
<b>Projects executed by Government of India Agencies/ Departments</b>												
<b>A-Ministry of Defence</b>												
1.	Relocation of 216 Transit Camp	01	150.00	107.55	100.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2.	Special repairs to road and buildings within BB Cantt, Kalai Bridge, Sukhalo Bridge, Bridge on NH-144A	02	57.00	57.55	51.93	0.00	51.93	51.93	0.00	51.93	90.23	100.00
3.	Srinagar-Uri-LOC road, Srinagar – Leh Road via Kargil and Uri-Kaman post (LOC)	03	233.00	1,417.21	1,233.10	0.00	1,233.10	1,233.10	0.00	1,233.10	87.01	100.00
4.	Nimu Padam Darcha Road	04	1,707.00	621.68	460.79	0.00	460.79	460.79	0.00	460.79	74.12	100.00
<b>Sub-Total</b>			<b>2,147.00</b>	<b>2,203.99</b>	<b>1,845.82</b>	<b>0.00</b>	<b>1,845.82</b>	<b>1,745.82</b>	<b>0.00</b>	<b>1,745.82</b>	<b>79.21</b>	<b>94.58</b>
<b>B- Ministry of Road Transport &amp; Highways</b>												
5.	Projects proposed to be taken up under Bharat Mala	05	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
6.	Zojila Tunnel	06	9,090.00	6,808.69	23.75	0.00	23.75	20.86	0.00	20.86	0.31	87.83
7.	Tunnels at Lechulung and Tanglang pass	07	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
8.	Jammu-Akhnoor-Poonch road	08	5,100.00	918.90	74.75	0.00	74.75	26.98	0.00	26.98	2.94	36.09
9.	Chenani–Sudh Mahadev-Goha road	09	2,100.00	255.90	12.01	0.00	12.01	3.51	0.00	3.51	1.37	29.23

Sl. No.	Name of the Project	Project No.	PMDP cost	Sanctioned cost	Funds released			Funds utilised			Percentage of expenditure against	
					GoI share	GoJ&K share	Total	GoI share	GoJ&K share	Total	Sanctioned cost	Releases
10.	Batote-Kishtwar-Simthan pass-Anantnag road	10	130.00	130.00	130.00	0.00	130.00	130.00	0.00	130.00	100.00	100.00
11.	Semi ring road Jammu	11	1,400.00	1,891.00	420.27	70.00	490.27	420.27	70.00	490.27	25.93	100.00
12.	Semi ring road Srinagar	12	1,860.00	1,860.00	462.92	130.00	592.92	462.92	130.00	592.92	31.88	100.00
13.	Jammu-Udhampur section (kms 15 to 67)	13	83.00	1,814.00	2,638.00	0.00	2,638.00	2,638.00	0.00	2,638.00	145.42	100.00
14.	Udhampur-Ramban road (Kms 67 to 89, 130 to 151)	14	2,137.00	2,137.00	1,123.60	0.00	1,123.60	1,123.60	0.00	1,123.60	52.58	100.00
15.	Tunnel Project: Chenani Nashri section (Kms 89 to 130)	15	781.00	2,519.00	4,703.90	0.00	4,703.90	4,703.90	0.00	4,703.90	186.74	100.00
16.	Ramban Banihal road (kms 151 to 187)	16	2,169.00	2,169.00	462.31	0.00	462.31	462.31	0.00	462.31	21.31	100.00
17.	Srinagar Banihal section (Kms 187 to 189.35 & Kms 220.70 to 286.11)	17	735.00	1,600.00	2,834.37	0.00	2,834.37	2,834.37	0.00	2,834.37	177.15	100.00
18.	Tunnel project: Qazigund-Banihal section (kms 189.35 to 204.70)	18	1,386.00	1,987.00	2,585.19	0.00	2,585.19	2,585.19	0.00	2,585.19	130.11	100.00
<b>Sub-Total</b>			<b>34,671.00</b>	<b>24,090.49</b>	<b>15,471.07</b>	<b>200.00</b>	<b>15,671.07</b>	<b>15,411.91</b>	<b>200.00</b>	<b>15,611.91</b>	<b>64.81</b>	<b>99.52</b>
<b>C-Ministry of Health and Family Welfare</b>												
19.	Creation of two AIIMS like institutions	19	2,000.00	1,661.00	48.34	0.00	48.34	12.47	0.00	12.47	0.75	25.80
	(a) AIIMS Jammu											
	(b) AIIMS Kashmir		2,000.00	1,828.00	42.50	0.00	42.50	2.29	0.00	2.29	0.13	5.39
<b>Sub-Total</b>			<b>4,000.00</b>	<b>3,489.00</b>	<b>90.84</b>	<b>0.00</b>	<b>90.84</b>	<b>14.76</b>	<b>0.00</b>	<b>14.76</b>	<b>0.88</b>	<b>31.19</b>
<b>D- Ministry of Human Resource Development</b>												
20.	IIM Jammu (with possibility of out campus in Valley)	20	1,000.00	561.47	61.90	0.00	61.90	61.90	0.00	61.90	11.02	100.00

Sl. No.	Name of the Project	Project No.	PMDDP cost	Sanctioned cost	Funds released			Funds utilised			Percentage of expenditure against	
					GoI share	GoJ&K share	Total	GoI share	GoJ&K share	Total	Sanctioned cost	Releases
21.	IIT at Jammu	21	1,000.00	1,283.94	240.94	0.00	240.94	85.00	0.00	85.00	6.62	35.28
22.	Modernisation of NIT Srinagar	22	100.00	100.00	0.00	0.00	0.00	35.18	0.00	35.18	35.18	
	<b>Sub-Total</b>		<b>2,100.00</b>	<b>1,945.41</b>	<b>302.84</b>	<b>0.00</b>	<b>302.84</b>	<b>182.08</b>	<b>0.00</b>	<b>182.08</b>	<b>9.36</b>	<b>60.12</b>
<b>E- Ministry of Power</b>												
23.	Srinagar Leh 220 KV Transmission Line	23	1,115.00	1,788.41	1,699.00	89.42	1,788.42	1,473.42	89.42	1,562.84	87.39	87.39
	<b>Sub-Total</b>		<b>1,115.00</b>	<b>1,788.41</b>	<b>1,699.00</b>	<b>89.42</b>	<b>1,788.42</b>	<b>1,473.42</b>	<b>89.42</b>	<b>1,562.84</b>	<b>87.39</b>	<b>87.39</b>
<b>F-Ministry of Textiles</b>												
24.	Pashmina Promotion Programme	24	50.00	21.81	9.03	0.00	9.03	5.15	0.00	5.15	2.61	57.03
	<b>Sub-Total</b>		<b>50.00</b>	<b>21.81</b>	<b>9.03</b>	<b>0.00</b>	<b>9.03</b>	<b>5.15</b>	<b>0.00</b>	<b>5.15</b>	<b>2.61</b>	<b>57.03</b>
	<b>Total GoI</b>		<b>44,083.00</b>	<b>33,539.11</b>	<b>19,418.60</b>	<b>289.42</b>	<b>19,708.02</b>	<b>18,833.14</b>	<b>289.42</b>	<b>19,122.56</b>	<b>57.02</b>	<b>97.03</b>
<b>Projects executed by State Government/ Agencies</b>												
<b>A- Horticulture Department</b>												
25.	Restoration of damaged Horticulture areas and development of Horticulture in J&K	25	500.00	500.00	197.89	22.34	220.23	138.82	15.23	154.05	30.81	69.95
26.	50 per cent subsidy support for setting up of solar driers	26	20.00	0.00	0.00	0.50	0.50	0.00	0.36	0.36		72.00
27.	Cold storage facility at Leh and Kargil	27	9.00	0.00	0.00	0.50	0.50	0.00	0.00	0.00		0.00
	<b>Sub-Total</b>		<b>529.00</b>	<b>500.00</b>	<b>197.89</b>	<b>23.34</b>	<b>221.23</b>	<b>138.82</b>	<b>15.59</b>	<b>154.41</b>	<b>30.88</b>	<b>69.80</b>
<b>B- Finance/ Planning Department</b>												
28.	Interest subvention on assistance for restoration of livelihood for traders/ self-employed/ business establishments	28	800.00	800.00	800.00	0.00	800.00	800.00	0.00	800.00	100.00	100.00

Sl. No.	Name of the Project	Project No.	PMDP cost	Sanctioned cost	Funds released			Funds utilised			Percentage of expenditure against	
					GoI share	GoJ&K share	Total	GoI share	GoJ&K share	Total	Sanctioned cost	Releases
29.	Permanent restoration of damaged infrastructure	29	2,000.00	1,263.34	1,176.34	0.00	1,178.34	1,448.75	0.00	1,448.74	114.68	122.95
30.	EAP project of J&K Urban Sector Development Investment Program	30	712.00	712.00	622.28	0.00	622.28	622.28	0.00	622.28	87.40	100.00
31.	Counterpart Funding ADB-II	31	566.00	566.00	313.96	0.00	313.96	313.96	0.00	313.96	55.47	100.00
32.	90 per cent grant portion of World Bank assistance for JTFRP	32	1,350.00	1,500.00	22.30	56.28	78.57	22.30	48.77	71.06	4.74	90.44
<b>Sub-Total</b>			<b>5,428.00</b>	<b>4,841.34</b>	<b>2,934.88</b>	<b>56.28</b>	<b>2,993.15</b>	<b>3,207.29</b>	<b>48.77</b>	<b>3,256.04</b>	<b>67.25</b>	<b>108.78</b>
<b>C- Public Works (Roads and Buildings) Department</b>												
33.	Srinagar – Shopian – Qazigund	33	1,800.00	161.91	3.58	0.00	3.58	3.58	0.00	3.58	2.21	100.00
34.	Kargil Zanskar Road	34	4,200.00	194.45	67.00	0.00	67.00	67.00	0.00	67.00	34.46	100.00
<b>Sub-Total</b>			<b>6,000.00</b>	<b>356.36</b>	<b>70.58</b>	<b>0.00</b>	<b>70.58</b>	<b>70.58</b>	<b>0.00</b>	<b>70.58</b>	<b>19.81</b>	<b>100.00</b>
<b>D- Health and Medical Education Department</b>												
35.	Creation of Infrastructure in District Hospitals, Sub DHs and PHCs over 05 years	35	900.00	900.00	723.02	0.00	723.02	645.24	0.00	645.24	71.69	89.24
<b>Sub-Total</b>			<b>900.00</b>	<b>900.00</b>	<b>723.02</b>	<b>0.00</b>	<b>723.02</b>	<b>645.24</b>	<b>0.00</b>	<b>645.24</b>	<b>71.69</b>	<b>89.24</b>
<b>E- Higher Education Department</b>												
36.	Additional Girls Hostels in Higher Education Institutions	36	50.00	50.00	23.75	0.00	23.75	9.06	0.00	9.06	18.12	38.15
<b>Sub-Total</b>			<b>50.00</b>	<b>50.00</b>	<b>23.75</b>	<b>0.00</b>	<b>23.75</b>	<b>9.06</b>	<b>0.00</b>	<b>9.06</b>	<b>18.12</b>	<b>38.15</b>

Sl. No.	Name of the Project	Project No.	PMDP cost	Sanctioned cost	Funds released			Funds utilised			Percentage of expenditure against	
					GoI share	GoJ&K share	Total	GoI share	GoJ&K share	Total	Sanctioned cost	Releases
<b>F- Disaster Management, Relief &amp; Rehabilitation and Reconstruction Department</b>												
37.	Assistance for completely damaged/severely damaged/partially damaged houses	37	1,200.00	1,194.38	1,194.85	0.00	1,194.85	1,043.55	0.00	1,043.55	87.37	87.34
38.	State Government jobs to additional 3,000 Kashmiri migrants	38	1,080.00	1,080.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39.	Construction of 6,000 transit accommodations in the Kashmir valley	39	920.00	920.00	115.00	0.00	115.00	50.00	0.00	50.00	5.43	43.48
40.	Rehabilitation package for Jammu migrants	40	13.00	13.00	13.00	0.00	13.00	13.00	0.00	13.00	100.00	100.00
41.	Rehabilitation package for one time settlement of 36,384 families from POJK and Chhamb Displaced Persons	41	2,000.00	2,000.00	1,159.16	0.00	1,159.16	1,159.16	0.00	1,159.16	57.96	100.00
	<b>Sub-Total</b>		<b>5,213.00</b>	<b>5,207.38</b>	<b>2,482.01</b>	<b>0.00</b>	<b>2,482.01</b>	<b>2,265.71</b>	<b>0.00</b>	<b>2,265.71</b>	<b>43.51</b>	<b>91.29</b>
<b>G- Home Department</b>												
42.	High end security and law and order system in J&K	42	500.00	500.00	501.85	0.00	501.86	261.95	0.00	261.95	52.39	52.20
43.	IR Battalion (5 in J&K)	43	300.00	300.00	170.60	28.49	199.09	87.65	28.48	116.13	38.71	58.33
44.	Enhance rate of remuneration to SPOs from ₹ 3,000 pm to ₹ 6,000 pm	44	450.00	450.00	450.00	0.00	450.00	450.00	0.00	450.00	100.00	100.00
	<b>Sub-Total</b>		<b>1,250.00</b>	<b>1,250.00</b>	<b>1,122.45</b>	<b>28.49</b>	<b>1,150.95</b>	<b>799.60</b>	<b>28.48</b>	<b>828.08</b>	<b>66.25</b>	<b>71.95</b>
<b>H- Science and Technology Department</b>												
45.	Two Solar Pilot Projects of 20 MW each in Leh and Kargil	45	250.00	240.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Sl. No.	Name of the Project	Project No.	PMDP cost	Sanctioned cost	Funds released			Funds utilised			Percentage of expenditure against	
					GoI share	GoJ&K share	Total	GoI share	GoJ&K share	Total	Sanctioned cost	Releases
46.	Solar off-Grid Home System/ Street Light	46	100.00	95.66	24.22	2.56	26.78	24.22	2.56	26.78	27.99	99.99
47A.	Small Hydro Power Projects: (a) Upto 10 MW Projects	47A	1,000.00	7.45	3.58	0.00	3.58	1.94	0.00	1.94	26.04	54.19
47B.	(b) More than 10 MW upto 25 MW projects	47B	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	<b>Sub-Total</b>		<b>2,350.00</b>	<b>343.11</b>	<b>27.80</b>	<b>2.56</b>	<b>30.36</b>	<b>26.16</b>	<b>2.56</b>	<b>28.72</b>	<b>8.37</b>	<b>94.59</b>
<b>I- Power Development Department</b>												
48.	Pakal Dul project (4x250= 100 MW) – J&K share	48	4,153.00	1,192.00	500.00	0.00	500.00	500.00	0.00	500.00	41.95	100.00
49.	Price escalation under PMRP-2004 project on transmission and distribution network	49	195.00	194.56	130.00	0.00	130.00	65.85	0.00	65.85	31.85	50.65
50.	Distribution: Special Assistance for augmentation of infrastructure for distribution system	50	3,790.00	3,491.93	873.97	131.66	1,005.63	173.47	97.85	271.32	7.77	26.98
51.	Distribution: Advance technology interventions: Smart grids and smart meters	51	105.00	267.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	<b>Sub-Total</b>		<b>8,243.00</b>	<b>5,146.29</b>	<b>1,503.97</b>	<b>131.66</b>	<b>1,635.63</b>	<b>739.32</b>	<b>97.85</b>	<b>837.17</b>	<b>16.27</b>	<b>51.18</b>
<b>J- Rural Development Department</b>												
52.	Stepping up efforts under Himayat scheme, 1,00,000 youth to be trained	52	250.00	1,581.00	232.39	0.00	232.39	134.84	0.00	134.84	8.53	58.02
	<b>Sub-Total</b>		<b>250.00</b>	<b>1,581.00</b>	<b>232.39</b>	<b>0.00</b>	<b>232.39</b>	<b>134.84</b>	<b>0.00</b>	<b>134.84</b>	<b>8.53</b>	<b>58.02</b>

Sl. No.	Name of the Project	Project No.	PMDP cost	Sanctioned cost	Funds released			Funds utilised			Percentage of expenditure against	
					GoI share	GoJ&K share	Total	GoI share	GoJ&K share	Total	Sanctioned cost	Releases
<b>K- Tourism Development</b>												
53.	Development of Tourism in the State – New projects	53	2,000.00	470.48	227.88	0.00	227.88	134.51	0.00	134.51	28.59	59.03
54.	Construction of Govt. tourist assets in lieu of damaged/ destroyed assets	54	100.00	98.70	74.70	0.00	74.70	45.09	0.00	45.09	45.68	60.36
55A.	(a) 12 Development Authorities, 3 Tourist Circuits, setting up of 50 Tourist Villages proposed under PMRP 2004 and	55A	81.00	81.00	55.69	0.00	55.69	43.50	0.00	43.50	53.70	78.11
55B.	(b) Conservation of Wular Lake	55B	60.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	<b>Sub-Total</b>		<b>2,241.00</b>	<b>650.18</b>	<b>358.27</b>	<b>0.00</b>	<b>358.27</b>	<b>223.10</b>	<b>0.00</b>	<b>223.10</b>	<b>34.31</b>	<b>62.27</b>
<b>L- Housing and Urban Development Department</b>												
56.	AMRUT	56	744.00	593.05	265.15	45.25	310.40	221.00	29.00	250.00	42.15	80.54
57.	Smart Cities Mission	57	500.00	1,000.00	106.00	40.00	146.00	23.19	0.00	23.19	2.32	15.88
58.	Swachh Bharat Mission	58	193.00	151.63	105.85	74.96	180.81	38.35	54.55	92.90	61.27	51.38
59.	Balance Central Share liability of ongoing JnNURM projects	59	163.00	127.23	127.23	3.00	130.23	75.18	3.00	78.18	61.45	60.03
60.	Rehabilitation of Dal – Nageen Lake	60	273.00	273.00	0.00	0.00	0.00	0.00	0.00	0.00		
	<b>Sub-Total</b>		<b>1,873.00</b>	<b>2,144.91</b>	<b>604.23</b>	<b>163.21</b>	<b>767.44</b>	<b>357.72</b>	<b>86.55</b>	<b>444.27</b>	<b>20.71</b>	<b>57.89</b>

Sl. No.	Name of the Project	Project No.	PMDP cost	Sanctioned cost	Funds released			Funds utilised			Percentage of expenditure against	
					GoI share	GoJ&K share	Total	GoI share	GoJ&K share	Total	Sanctioned cost	Releases
<b>M- Public Health Engineering, Irrigation and Flood Control Department</b>												
61	Plan for Comprehensive Flood Management of River Jhelum and its tributaries Phase-I	61	280.00	399.29	193.86	93.59	287.45	187.39	93.49	280.88	70.34	97.71
62	Plan for Comprehensive Flood Management of River Jhelum and its tributaries Phase-II	62	1,178.00	0.00	0.00	24.00	24.00	0.00	22.79	22.79		94.96
	<b>Sub-Total</b>		<b>1,458.00</b>	<b>399.29</b>	<b>193.86</b>	<b>117.59</b>	<b>311.45</b>	<b>187.39</b>	<b>116.28</b>	<b>303.67</b>	<b>76.05</b>	<b>97.50</b>
<b>N- Youth Services and Sports Department</b>												
63	Support for sports infrastructure, facilities of coaches/trainers etc.	63	200.00	200.00	100.05	0.00	100.05	81.95	0.00	81.95	40.98	81.91
	<b>Sub-Total</b>		<b>200.00</b>	<b>200.00</b>	<b>100.05</b>	<b>0.00</b>	<b>100.05</b>	<b>81.95</b>	<b>0.00</b>	<b>81.95</b>	<b>40.98</b>	<b>81.91</b>
	<b>Total State</b>		<b>35,985.00</b>	<b>23,569.96</b>	<b>10,577.16</b>	<b>523.13</b>	<b>11,100.29</b>	<b>8,886.77</b>	<b>396.00</b>	<b>9,282.84</b>	<b>39.38</b>	<b>83.63</b>
	<b>Grand Total</b>		<b>80,068.00</b>	<b>57,109.07</b>	<b>29,995.76</b>	<b>812.55</b>	<b>30,808.31</b>	<b>27,719.91</b>	<b>685.50</b>	<b>28,405.40</b>	<b>49.74</b>	<b>92.20</b>

(Source: Monitoring Report on PMDP Projects issued by the GoJ&K)

**Appendix 1.2**  
(Reference Paragraphs: 1.4, 5.2.3 and 5.5.1)  
**Audit sampling of selected PMDP projects**

Name of the scheme	Implementing Agency	Districts/ Units selected	Sampling Procedure
<b>Audit sample for Humanitarian Relief projects</b>			
Assistance for completely damaged/ severely damaged/ partially damaged houses – Approximate 73,000 <i>Kacha</i> houses and 1,58,000 <i>Pucca</i> houses	Disaster Management, Relief, Rehabilitation and Reconstruction Department, J&K	Seven districts viz (1) Srinagar (2) Budgam (3) Baramulla (4) Bandipora (5) Jammu (6) Rajouri (7) Poonch. Further, 25 tehsils/ SDMs <sup>1</sup> out of 69 tehsils/ SDMs in these seven selected districts had been covered in Audit and records relating to payment of compensation in respect of 0.14 lakh (15 per cent) out of 0.95 lakh damaged houses in these 25 selected tehsils/ SDMs were test checked	Districts had been selected on the basis of judgement sampling and beneficiaries were selected on the basis of Random Sampling by using systematic sampling method
Rehabilitation Package for Jammu migrants	Disaster Management, Relief, Rehabilitation and Reconstruction Department, J&K	Reasi, Jammu, Udhampur	Selective (Judgement) sampling method
Rehabilitation package for one-time settlement of 36,384 families from POJK and Chhamb Displaced Persons	Disaster Management, Relief, Rehabilitation and Reconstruction Department, J&K	PRO Jammu and DC Jammu	Selective (Judgement) sampling method
Interest subvention on assistance for restoration of livelihood for traders/ self-employed/ business establishments etc.	Finance Department, J&K	J&KSLBC, Finance Department, Director Tourism, CM Secretariat, concerned DCs	Selective (Judgement) sampling method
IR Battalion (five in J&K at approximate cost of ₹ 60 crore per Battalion)	Home Department, J&K	All Five IR Battalions	100 per cent checked
<b>Audit sample for Crisis Management projects</b>			
Additional Girls Hostel in Higher Education	J&K Housing Board, J&K Police Housing Corporation	Five GDCs in Jammu, Rajouri, Bhaderwah, Bemina Srinagar and Kargil	Non-probability (Selective) sampling method on the basis of expenditure and social factors
High end security and law order system in J&K	Home Department	Administrative Secretary Home Department and DGP J&K	Selective sampling method on the basis of expenditure
Plan for Comprehensive Flood Management of River Jhelum and its tributaries (Phase-I)	Chief Engineer Irrigation and Flood Control Department Srinagar (Kashmir)	Chief Engineer I&FC Department and six executing Divisions	Selective sampling method on the basis of expenditure
Permanent Restoration of damaged infrastructure	20 Departments/ Agencies	Seven Departments viz R&B, I&FC, PHE, School Education, Higher Education, Estates and Industries & Commerce	Selective sampling method on the basis of expenditure

<sup>1</sup> Three tehsils/ SDMs (North, South and Central) in Srinagar district, three tehsils/ SDMs (Budgam, B. K. Pora and Narbal) in Budgam district, four tehsils/ SDMs (Pattan, Sopore, Khoie and Uri) in Baramulla district, two tehsil/ SDMs (Hajan and Sumbal) in Bandipora district, three tehsils/ SDMs (Rajouri, Thanamandi and Sunderbani) in Rajouri district, two tehsils/ SDMs (Haveli and Poonch) in Poonch district and eight tehsils/ SDMs (Jammu South, Mandal, Khour, Chowki Chaura, Marh, Pargwal, Khara Bali and Maira Mandrain) in Jammu district.

<b>Name of the scheme</b>	<b>Implementing agency</b>	<b>Districts/ Units selected</b>	<b>Sampling procedure</b>
<b>Audit sample for Social Infrastructure projects</b>			
Stepping up efforts under HIMAYAT scheme, One lakh youth to be trained in self – employment through placement linked scheme over five years	Department of Rural Development and Panchayati Raj, Government of Jammu and Kashmir through Himayat Mission Management unit (HMMU), Jammu and Kashmir State Rural Livelihood Mission (JKSRLM)	Administrative Secretary, CEO Himayat Mission and 14 training Centres (Jammu: 6; Kashmir: 6 and Delhi: 2) out of 54 training centres	Simple Random Sampling
Enhanced rate of remuneration to SPOs from ₹ 3,000 per month to ₹ 6,000 per month	Director General of Police through its implementing agencies viz Senior Superintendents of Police (SSPs)/ Superintendents of Police (SPs) etc. under the supervision of the Principal Secretary to Home Department, Government of Jammu and Kashmir	20 implementing units (out of 79 units) of the Department	Selective sampling based on strength of SPOs in units
<b>Audit sample for Development projects</b>			
Atal Mission for Rejuvenation and Urban Transformation (AMRUT) in Jammu and Kashmir	Urban Local Bodies, J&K Chief Executive Officer (CEO), Leh	Four Mission cities (Srinagar, Jammu, Leh and Anantnag)	Selective sampling method on the basis of expenditure and social factors
Balance Central share liability of ongoing JnNURM projects for the State of Jammu & Kashmir	Chief Executive Officer, Ladakh Autonomous Hill Development Council (LAHDC), Leh, the Directors, Urban Local Bodies, Kashmir and Jammu, the National Building Construction Corporation	Five sub-projects in Srinagar, Doda and Leh cities	Selective sampling method on the basis of expenditure and social factors
EAP Project of J&K Urban sector development investment programme	Jammu and Kashmir Economic Reconstruction Agency (JKERA)	15 sub-projects out of 44 executed in Jammu and Srinagar cities	Selective sampling method on the basis of expenditure and risk factors
Completion of pending projects under PMRP-2004: Counterpart Funding – ADB-II			
Construction of Government Tourist assets in lieu of damaged/ destroyed assets	Jammu and Kashmir Cable Car Corporation Ltd, Jammu and Kashmir Housing Board (JKHB), Lakes and Waterways Development Authority, Director Tourism Kashmir, Director Tourism Jammu, Director Floriculture Kashmir, SKICC, four Development Authorities (Gulmarg, Rajouri, Poonch and Surinsar-Mansar)	11 sub-projects out of 23 sub-projects sampled	Selective sampling method on the basis of project cost/ expenditure and geographical area

**Appendix 2.3.1**  
**(Reference Paragraph: 2.3.5)**

**Statement showing details of Jammu migrants registered in October 2007 but arrears paid for the period from May 2004 to September 2007**

Sl. No.	Name of head of migrant family	Father's/ Husband's Name	Arrears paid (Amount in ₹)
1.	Abdul Razaq	Ahmad Gani	1,61,584
2.	Asha Devi	Wd/o Bishan Singh	1,16,797
3.	Balbir Singh	Thakur Dass	1,57,974
4.	Banti Devi	Wd/o Nand Lal	79,231
5.	Bimla Devi	Mangat Ram	1,16,797
6.	Bishan Singh	Ganesha	1,54,360
7.	Breet Singh	Tej Ram	1,61,584
8.	Chuni Lal	Prem Nath	1,68,803
9.	Durga Dass	Dolo	1,57,974
10.	Faqeer Mohd	Khudha Baksh	1,54,360
11.	Gulab Singh	Laksha	1,65,193
12.	Gulam Hussain	Raajwah	1,61,584
13.	Hem Raj	Tej Ram	1,79,634
14.	Isher Singh	Ram chand	1,57,974
15.	Jaswant Singh	Chuni Lal	1,54,360
16.	Jodh Ram	Tej Ram	1,65,803
17.	Kalyan Singh	Lal Chand	1,57,974
18.	Krishan Lal	Lal Chand	1,65,193
19.	Krishan Lal	Sukhi Ram	1,57,974
20.	Krishan Singh	Kartar Singh	1,65,193
21.	Krishan Singh	Tej Ram	1,54,360
22.	Krishan Singh	Jai Singh	1,57,974
23.	Lal Singh	Lakshman	1,54,360
24.	Mangat Ram	Sukhi Ram	1,54,360
25.	Millap Singh	Bodh Raj	1,57,974
26.	Mohan Lal	Ram Krishen	1,57,974
27.	Mohd Hanif	Janga	1,72,413
28.	Mohd. Hussain	Fateh Din	1,68,803
29.	Mohd. Hussain	Janga	1,65,193
30.	Mohinder Paul	Shiv Ram	1,61,584
31.	Mohd Khalil	Sher Khan	1,90,459
32.	Naryan Singh	Lal Man	1,61,584
33.	Om Singh	Thakur Dass	1,57,974
34.	Omkar Singh	Dhyan Singh	1,54,360
35.	Parlad Singh	Bansi Lal	1,16,797

Sl. No.	Name of head of migrant family	Father's/ Husband's Name	Arrears paid (Amount in ₹)
36.	Punjab Singh	Gota Thakur	1,65,193
37.	Ram Saran	Chatru	1,54,360
38.	Ram Singh	Chuni Lal	1,57,974
39.	Sanja Singh Katoch	Sher Singh	1,57,974
40.	Santosha Devi	Wd/o Nasib Singh	1,16,797
41.	Shabil Singh	Lakhu	1,61,584
42.	Sham Singh	Gogar Singh	1,54,360
43.	Sher Singh	Amar Nath	1,57,974
44.	Sher Singh	Dilmani	1,57,974
45.	Soba Ram	Anant Ram	1,65,193
46.	Sunit Singh	Thakur Dass	1,61,584
47.	Suram Devi	Shiv Ram	1,61,584
48.	Swami Raj	Ram Dass	1,16,797
49.	Vijay Kumari	Ram Dass	1,16,797
	<b>Total</b>		<b>75,52,660</b>

(Source: Departmental records of Tehsildar Udhampur)

**Appendix 2.4.1**  
**(Reference Paragraph: 2.4.6)**  
**Statement showing undue/ wrong payments of Assistance**

(Amount in ₹)

Sl. No.	File No.	Name of the displaced person with parentage	Amount	Sl. No.	File No.	Name of the displaced person with parentage	Amount
1.	13610	Matwal Singh S/o Hira	55,000	21.	14942	Mian Singh S/o Madan Singh	1,83,230
	15759	Matwal Singh S/o Hira Singh			15800	Mian Singh S/o Madan Singh	
2.	33	Raghubir Singh S/o Ganda Singh	5,49,692	22.	4735	Isher Singh S/o Sunder Singh	5,49,692
	6558	Raghubir Singh S/o Ganda Singh	0		9000	Isher Singh S/o Sunder Singh	
3.	2851	Gian Chand S/o Devi Dass	5,49,692	23.	4606	Sham Lal S/o Ram Chand	1,83,230
	7629	Gian Chand S/o Devi Dass	5,49,692		17925	Sham Lal S/o Ram Chand	
4.	1454	Harnam Singh S/o Jagat Singh	5,49,692	24.	14486	Om Prakash S/o Beli Ram	5,49,692
	18161	Harnam Singh S/o Jagat Singh	5,49,692		17666	Om Prakash S/o Beli Ram	5,49,692
5.	2299	Chuni Lal S/o Beli Ram	0	25.	17817	Netar Singh S/o Gurdit Singh	3,66,461
	17087	Chuni Lal S/o Beli Ram	5,49,692		18431	Netar Singh S/o Gurdit Singh	0
6.	3244	Faqir Chand S/o Narain Dass	0	26.	4932	Teja Singh S/o Kishen Singh	0
	16539	Faqir Chand S/o Narain Dass	5,49,692		17077	Teja Singh S/o Kishen Singh	5,49,692
7.	2425	Kasturi Lal S/o Sunder Dass	5,49,692	27.	14076	Sadhu Singh S/o Hari Singh	0
	11603	Kasturi Lal S/o Sunder Dass	5,49,692		14654	Sadhu Singh S/o Hari Singh	5,49,692
8.	8882	Inder Chand S/o Ram Kishan	1,83,230	28.	12484	Balwant Singh S/o Isher Singh	1,83,230
	9192	Inder Chand S/o Ram Kishan	3,66,461		17528	Balwant Singh S/o Isher Singh	
9.	9543	Bhagwan Singh S/o Kahan Singh	1,83,230	29.	15008	Bala Ram S/o Sohan Lal	0
	18063	Bhagwan Singh S/o Kahan Singh			15050	Bala Ram S/o Sohan Lal	4,12,269
10.	3938	Gian Chand S/o Sham Dass	5,49,692	30.	9222	Harnam Singh S/o Chhattar Singh	0
	16270	Gian Chand S/o Sham Dass	5,49,692		15894	Harnam Singh S/o Chhattar Singh	5,49,692
11.	18200	Gurbux Singh S/o Bhola Singh	2,74,846	31.	13329	Kishan Singh S/o Dewan Singh	5,49,692
	18209	Gurbux Singh S/o Bhola Singh	2,74,846		16379	Kishan Singh S/o Dewan Singh	
12.	11747	Gian Singh S/o Hira Singh	5,49,692	32.	9086	Daulat Ram S/o Amir Chand	0
	9980	Gian Singh S/o Hira Singh	5,49,692		15108	Daulat Ram S/o Amir Chand	5,49,692
13.	9836	Hira Singh S/o Lal Singh	5,49,692	33.	3669	Mool Singh S/o Bhola Singh	5,49,692
	10855	Hira Singh S/o Lal Singh	5,49,692		14091	Mool Singh S/o Bhola Singh	
14.	8481	Raghubir Singh S/o Kartar Singh	5,49,692	34.	10273	Jagat Ram S/o Moti Ram	0
	10157	Raghubir Singh S/o Kartar Singh	5,49,692		15472	Jagat Ram S/o Moti Ram	1,83,230
15.	358	Jagat Ram S/o Shiv Ram	5,49,692	35.	10993	Amar Nath S/o Kalu Ram	1,83,230
	4168	Jagat Ram S/o Shiv Ram	5,49,692		15104	Amar Nath S/o Kalu Ram	0
16.	1464	Nanak Chand S/o Gopi Chand	5,49,692	36.	15808	Attar Singh S/o Pritam Singh	1,83,230
	3063	Nanak Chand S/o Gopi Chand			16428	Attar Singh S/o Pritam Singh	0
17.	15341	Jai Kishen S/o Thakur Dass	2,74,846	37.	14840	Kirpal Singh S/o Isher Singh	5,49,692
	16232	Jai Kishen S/o Thakur Dass	2,74,846		18566	Kirpal Singh S/o Isher Singh	5,49,692
18.	10552	Ram Chand S/o Jagat Ram	5,49,692	38.	2137	Sunder Dass S/o Gokal Chand	0
	14081	Ram Chand S/o Jagat Ram	5,49,692		14492	Sunder Dass S/o Gokal Chand	5,49,692
19.	6099	Roop Singh S/o Mool Singh	2,74,846	39.	5351	Sain Dass S/o Ram Chand	5,49,692
	14914	Roop Singh S/o Mool Singh	2,74,846		18601	Sain Dass S/o Ram Chand	5,49,692
20.	15160	Puran Chand S/o Bala Ram	78,527	40.	3613	Ishro W/o Late Beli Ram	5,49,692
	18477	Puran Chand S/o Bala Ram			12636	Ishro W/o Late Beli Ram	5,49,692
					<b>Total</b>		<b>2,30,83,162</b>

(Source: Departmental records)

Appendix 2.4.2

(Reference Paragraph: 2.4.7)

Case-1: Misrepresentation of fact by claimant

File No.	Name of the displaced person with parentage (POJK address as per applicant)	Family details as per Form A	Family details as per Ledger register	Family details at present	Remarks	Conclusion
11295	Badri Nath S/o Gopi Chand Nagaraki, Haveli, Poonch	POJK address: Narwalket Badri Nath-self Mela Ram-brother	POJK address: Narwal Plandri Self Mela Ram	Udhay Kapoor S/o Badri Nath	Udhay Kapoor has averred in affidavit that Mela Ram had died in 1947 in holocaust in Pakistan and that he was unmarried throughout his life. Court decree referred to in the covering statement has not been kept on record	Udhay Kapoor's averment regarding Mela Ram was contradictory as name of a person who had died in Pakistan would not have appeared in Form A/ Ledger register.
Reply of the Department: Provincial Rehabilitation Officer Jammu stated (August 2020) that the case had been approved on the basis of legal heir certificate, decree and affidavit produced by applicant. The reply is silent about contradiction about Mela Ram's status.						

(Source: Departmental records)

## Appendix 2.4.3

(Reference Paragraph: 2.4.7)

## Case-2: Mismatch between Form A and details furnished by claimant

File No.	Name of the displaced person with parentage (POJK address as per applicant)	Family details as per Form A	Family details at present	Remarks
2866	Sewa Singh S/o Kirpal Singh Bhurka Bagh, Poonch	Self Hartej Kour-wife Uttam Devi- mother Kirat Singh-son Manjeet Kour- daughter	Kirat Singh S/o Sewa Singh Manjeet Kour W/o Late Sewa Singh Mohinder Kour D/o Late Sewa Singh	Family details are as per court decree in favour of Kirat Singh wherein his mother (Manjeet Kour) and sister (Mohinder Kour) are the defendants. Hartej Kour and Manjeet Kour described as wife and daughter of Sewa Singh in Form A have not been referred to in the case. No affidavit in this regard on record
PRO stated (August 2020) that Kirat Singh mentioned in Form A was considered as others were female members. The reply is not acceptable as family members mentioned in Form A do not match with family details of the claimant.				

*(Source: Departmental records)*

**Appendix 2.4.4**  
**(Reference Paragraph: 2.4.7)**  
**Statement showing details of 54 ineligible/ doubtful cases**

(Amount in ₹)

Sl. No.	File No.	Name of the displaced person with parentage	Amount	Sl. No.	File No.	Name of the displaced person with parentage	Amount
1.	8367	Gopal Singh S/o Attar Singh	5,49,692	28.	9241	Gian Singh S/o Jawahar Singh	5,49,692
2.	8104	Jodh Singh S/o Hira Singh	5,49,692	29.	18443	Ganesh Dass S/o Dhani Ram	5,49,692
3.	11295	Badri Nath S/o Gopi Chand	5,49,692	30.	18533	Kaka Singh S/o Sunder Singh	5,49,692
4.	12550	Harnam Singh S/o Hira Singh	5,49,692	31.	16380	Sant Singh S/o Rattan Singh	5,49,692
5.	15457	Balwant Singh S/o Partap Singh	5,49,692	32.	6919	Beli Ram S/o Kala Ram	5,49,692
6.	18187	Sardar Singh S/o Chet Singh	5,49,692	33.	17636	Lehna Singh S/o Partap Singh	5,49,692
7.	14030	Faqir Chand and Ganga Ram Sons of Gokal Chand	5,49,692	34.	1583	Bhajan Singh S/o Saroop Singh	5,49,692
8.	7620	Lal Chand S/o Kala Ram	5,49,692	35.	3790	Shiv Ram S/o Gopi Chand	5,49,692
9.	11005	Krishen Lal S/o Beli Ram	5,49,692	36.	713	Kirpal Singh S/o Gulab Singh	5,49,692
10.	12902	Man Singh S/o Bishan Singh	5,49,692	37.	6735	Lal Chand S/o Kaka Ram	5,49,692
11.	9021	Lal Chand S/o Faquir Chand	5,49,692	38.	1904	Bhagat Ram S/o Kaka Ram	5,49,692
12.	7350	Sunder Singh S/o Hira Singh	5,49,692	39.	623	Balwant Singh S/o Roop Singh	5,49,692
13.	17948	Nand Lal S/o Faqir Chand	5,49,692	40.	3002	Bhagat Singh S/o Devi Singh	5,49,692
14.	6198	Joginder Singh S/o Bhagat Singh	5,49,692	41.	3501	Khem Singh S/o Dharam Singh	5,49,692
15.	5278	Amar Nath S/o Kanshi Ram	5,49,692	42.	17684	Khem Chand S/o Kalyan Chand	5,49,692
16.	10403	Hari Singh S/o Sant Singh	5,49,692	43.	17688	Pritam Singh S/o Tirath Singh	5,49,692
17.	1270	Amar Nath S/o Kanshi Ram	5,49,692	44.	11877	Yog Raj S/o Hari Chand	5,49,692
18.	845	Hakam Singh S/o Jawahar Singh	5,49,692	45.	2703	Moti Ram S/o Sunder Dass	5,49,692
19.	8634	Sant Singh S/o Mohan Singh	5,49,692	46.	12956	Bhagwan Singh S/o Mangal Singh	5,49,692
20.	12108	Tara Singh S/o Laiq Singh	5,49,692	47.	13059	Om Prakash S/o Thakur Dass	5,49,692
21.	12471	Pritam Singh S/o Labh Singh	5,49,692	48.	3097	Jwala Singh S/o Attar Singh	5,49,692
22.	13034	Gian Chand S/o Sunder Dass	5,49,692	49.	13461	Babu Ram S/o Faquir Chand	5,49,692
23.	13511	Man Singh S/o Bishan Singh	5,49,692	50.	3861	Bindraban S/o Basia Ram	5,49,692
24.	13118	Paras Ram S/o Hari Chand	5,49,692	51.	4545	Baldev Singh S/o Amar Singh	5,49,692
25.	7223	Amar Nath S/o Bindraban	5,49,692	52.	9196	Shankar Dass S/o Faqir Chand	5,49,692
26.	3081	Sewa Singh S/o Kirpal Singh	5,49,692	53.	13684	Bhagat Singh S/o Gurdit Singh	5,49,692
27.	2866	Sewa Singh S/o Kirpal Singh	5,49,692	54.	7404	Hari Chand S/o Bishan Dass	5,49,692
					<b>Total</b>		<b>2,96,83,368</b>

(Source: Departmental records)

**Appendix 2.4.5**  
**(Reference Paragraph: 2.4.9)**  
**Statement showing details of 10 ineligible/ doubtful cases**

(Amount in ₹)

Sl. No.	File No.	Name of the displaced person with parentage	Amount	Sl. No.	File No.	Name of the displaced person with parentage	Amount
1.	2541	Pirithi Singh S/o Moti Singh	5,49,692	6.	1139	Prem Chand S/o Mithu Ram	5,49,692
2.	758	Jai Singh S/o Sansar Singh	5,49,692	7.	3053	Rajo Devi W/o Late Chura Ram	5,49,692
3.	1003	Rano Devi W/o Late Dharam Singh S/o Khajoor Singh	5,49,692	8.	2525	Mangu Ram S/o Kheru Ram	5,49,692
4.	46	Prem Chand S/o Sadhu	5,49,692	9.	933	Jalli Ram S/o Amar Nath	5,49,692
5.	149	Rohlu Ram S/o Mohni Ram	5,49,692	10.	3134	Major Singh S/o Jagtu Singh	5,49,692
					<b>Total</b>		<b>54,96,920</b>

(Source: Departmental records)

Appendix 2.5.1

(Reference Paragraph: 2.5.3.2)

Statement showing providing of subvention of 50 per cent of interest charged between  
01 September 2014 and 31 December 2015 to ineligible accounts

(Amount in ₹)

Name Of Borrower	Account Number	Customer ID	Interest charged from 01.09.2014 to 31.12.2015	Interest subvention to the extent of 50 per cent (subject to a cap of ₹ 5 lakh per unit)
Universal Sales Agency Prop. Tahir Ali "Irfan" Kursoo Raj Bagh	0252020100000370	000754372	7,67,590	
Universal Sales Agency Prop. Tahir Ali "Irfan" Kursoo Raj Bagh	0252260120000034	000754372	1,66,901	
		<b>Total</b>	<b>9,34,491</b>	<b>4,67,246</b>
Splendid Developers & Builders	0005020100004420	000871238	8,47,234	
Splendid Developers & Builders	0005260120000032	000871238	18,119	
		<b>Total</b>	<b>8,65,353</b>	<b>4,32,677</b>
Meer Handicrafts Prop. Bilal Ahmad Mir	0101020100008002	004113306	1,02,953	
Meer Handicrafts Prop. Bilal Ahmad Mir	0101260120000010	004113306	0	
Meer Handicrafts Prop. Bilal Ahmad Mir	0101260120000012	004113306	15,496	
		<b>Total</b>	<b>1,18,449</b>	<b>59,225</b>
M/s Posh Pharma Pharmaceuticals Distributors Prop. Ab. Rouf Wani	0231020100000869	004856886	75,793	
M/s Posh Pharma Pharmaceuticals Distributors Prop. Ab. Rouf Wani	0231260120000037	004856886	18,068	
		<b>Total</b>	<b>93,861</b>	<b>46,931</b>
Bilal Ahmad Mir	0391260000000004	001201127	14,468	
Bilal Ahmad Mir	0391266100000019	001201127	86,189	
		<b>Total</b>	<b>1,00,657</b>	<b>50,329</b>
Mohamad Amien Bhat	0134020100000671	002519936	81,161	
Mohamad Amien Bhat	0134260120000032	002519936	31,489	
		<b>Total</b>	<b>1,12,650</b>	<b>56,325</b>
Jehlum Roller Flour Mills	0081020100001257	002871586	17,81,975	
Jehlum Roller Flour Mills	0081260120000021	002871586	16,69,551	
		<b>Total</b>	<b>34,51,526</b>	<b>5,00,000</b>
Shabir Ahmad Bhat S/o Mohd Subhan Bhat	0231260000000002	004343126	11,122	
Shabir Ahmad Bhat S/o Mohd Subhan Bhat	0231266100000055	004343126	34,223	
		<b>Total</b>	<b>45,345</b>	<b>22,673</b>
Noor Fashion Design Prop. Masrat	0002260000000002	008158943	7,648	
Noor Fashion Design Prop. Masrat	0002265550000007	008158943	19,033	
		<b>Total</b>	<b>26,681</b>	<b>13,341</b>
		<b>Grand Total</b>		<b>16,48,747</b>

(Source: Departmental records)

## Appendix 2.5.2

(Reference Paragraph: 2.5.3.2)

Statement showing providing of subvention of five per cent of interest charged from 01 January 2016 to 31 December 2018 to ineligible accounts

(Amount in ₹)

Name of the Borrower	Amount of 5 per cent subvention for interest charged from 01.01.2016 to 31.12.2016	Amount of 5 per cent subvention for interest charged from 01.01.2017 to 31.12.2017	Amount of 5 per cent subvention for interest charged from 01.01.2018 to 31.03.2018	Amount of 5 per cent subvention for interest charged from 01.04.2018 to 30.06.2018	Amount of 5 per cent subvention for interest charged from 01.07.2018 to 30.09.2018	Total Amount of 5 per cent subvention for interest charged from 01.01.2016 to 30.09.2018
Universal Sales Agency Prop. Tahir Ali 'Irfan' Kursoo Raj Bagh	3,34,126	3,29,225	1,00,634	70,548	96,969	9,31,502
Splendid Developers & Builders	2,60,719	3,04,869	76,567	79,184	82,288	8,03,627
Bilal Ahmad Mir	24,730	35,739	7,186	6,664	6,407	80,726
Mohamad Amien Bhat	38,386	36,113	7,940	7,841	7,670	97,950
Jehlum Roller Flour Mills	5,00,000	5,00,000	5,00,000	0	0	15,00,000
Meer Handicrafts Prop.- Bilal Ahmad Mir	38,019	35,412	6,427	9,568	9,463	98,889
Shabir Ahmad Bhat S/o Mohd Subhan Bhat	15,451	13,290	2,007	1,564	774	33,086
M/s Posh Pharma Pharmaceuticals Distributors Prop. Ab. Rouf Wani	33,723	25,983	1,705	1,685	1,634	64,730
Noor Fashion Design Prop. Masrat	9,533	22,556	6,344	6,501	6,430	51,364
<b>Grand Total</b>						<b>36,61,874</b>

(Source: Departmental records)

Appendix 2.5.3

(Reference Paragraph: 2.5.3.3)

Statement showing providing of interest subvention in excess of cap of ₹ five lakh

(Amount in ₹)

Name of the Borrower	Address of the Borrower	50 per cent interest subvention for the period from 01.09.14 to 31.12.2015		5 per cent interest subvention for the period from 01.01.16 to 31.12.16		5 per cent interest subvention for the period from 01.01.17 to 31.12.17		5 per cent interest subvention for the period from 01.01.18 to 30.09.18		Amount disbursed in excess of cap of ₹ 5 lakh
		HDFC Bank	JK Bank	HDFC Bank	JK Bank	HDFC Bank	JK Bank	HDFC Bank	JK Bank	
Himalayan Rolling Steel Industries Pvt. Ltd.	JK SIDCO Industrial Estate Rangreth, Srinagar-190005	86,721.06	5,00,000	1,99,570	5,00,000	1,17,634	0	13,530	5,00,000	2,99,821
Radiant Public School	Anantnag-192101	0	5,00,000	33,421	4,72,691	44,112	0	2,869	4,75,307	6,112
Trumboo Trading Co.	Hyderpora, By-Pass, Srinagar-190014	0	5,00,000	2,18,965	5,00,000	52,367	0	19,929	5,00,000	2,38,894
<b>Total</b>										<b>5,44,827</b>

(Source: Departmental records)

**Appendix 2.5.4**  
**(Reference Paragraph: 2.5.4.2 (III))**

**Statement showing providing of interest subvention under CM's Business Interest Relief Scheme**

Name of Account holder	Customer ID	Amount (₹ in crore)
Peak Auto Pvt. Limited	001865428	5.73
HK Cement Industries Pvt. Limited	006176494	4.48
Khyber Industries Pvt. Limited	001402359	2.60
Trumbo Industries Pvt. Limited	000627715	2.89
Peak Auto Jammu Pvt. Limited	011557556	2.80
Saifco Cements Pvt. Limited	001402041	2.00
Jamkash Vehicle ads	004226807	2.14
Shuhul Automobiles	001758506	1.52
Himalayan Rolling Steel Industries Pvt. Limited	006313874	4.02
Peaks Agro Warehousing Pvt. Limited	009158848	2.00
J&K Cements Limited	001394354	1.84
Iqbal Motor Transport Services	001403176	1.10
Kashmir Fruit Preservers Partners	007278311	0.89
Kashmir Premium Apples Pvt. Limited	009162922	1.32
Gravity Concrete Solutions Pvt. Limited	006426313	1.01
Shaheen Agro Fresh Pvt. Limited	007922392	1.36
Hassan Road Construction Co. Pvt. Limited	002517779	0.69
Pinnacle Resorts Pvt. Limited	001563269	2.09
HN Agriserve Pvt. Limited	007940879	0.84
<b>Grand total</b>		<b>41.32</b>

(Source: Departmental records)

Appendix 3.3.1

(Reference Paragraph: 3.3.2)

Physical Status of various components of Project as of 31 August 2020

Sl. No.	Description/ category of items/ works	Quantity/ works sanctioned (in numbers)	Quantity/ works completed (in numbers)	Status/ Remarks
<b>Part-A (Sanctioned amount: ₹ 203.26 crore)</b>				
1.	BP Rakshak	25	25	Procurement Completed
	BP Bunker	15	15	Procurement Completed
2.	Rakshak Vehicles	67	67	Procurement Completed
3.	Bullet proofing of 100 Gypsy	100	100	Upgradation Completed
4.	BP Gypsy	74	74	Procurement Completed
5.	BP Bunkers for Police stations	100	50	Under progress
6.	BP Jackets for CRPF	9,000	9,518	Procurement Completed
7.	BP Patkas by PHQ	11,000	12,765	Procurement Completed
8.	BP JCB	01	01	Procurement Completed
	BP Tractor	01	01	
9.	BP Morchas	60	00	Under progress
10.	BP Vehicles for CRPF (Gypsy)	80	80	Procurement Completed (Only Base vehicles handed over to CRPF)
	BP Vehicles for CRPF (Mahindra Marksman)	10	10	Procurement completed
	BP Vehicles for CRPF (BP Rakshak)	05	05	Procurement completed
	BP Vehicles for CRPF (BP Bunker)	30	26	Procurement completed with regard to 26 bunkers. Purchase process of 4 BP Bunkers under progress
	<b>Total</b>	<b>20,568</b>	<b>22,737</b>	
<b>Part-B (Sanctioned amount: ₹ 296.74 crore)</b>				
1.	Central Command Centers with allied works and equipment 01 each at Srinagar and Jammu	02	00	Revised proposal for State wide CCTV Surveillance System with command centres for ₹ 116 crore has been approved in June 2019.
2.	District Command Centers with allied works and equipment (Except Leh and Kargil)	18	00	
3.	Video Management System, Video Analysis, Data analysis, facial recognition and other allied features etc. including Big Data Analysis	01	00	Implementation process has been initiated by PHQ. The tendering process for hiring of consultant was completed. Agreement between the parties (Consultant and PHQ J&K) was being signed to frame DPR and initiate process for procurement of State wide CCTV Surveillance System.
4.	Integrated Command/ control vehicles for use on site in case of emergencies	20	00	
5.	Connectivity and bandwidth costs per year	01	00	
6.	District Command Centres for Leh And Kargil	02	00	
7.	Quick Response Centres at all district Hqrs	25	00	

Sl. No.	Description/ category of items/ works	Quantity/ works sanctioned (in numbers)	Quantity procured/ works sanctioned (in numbers)	Status/ Remarks
8.	Light weight BR Jackets	6,240	8,000	Procurement completed
9.	BR Vest Light weight	700	00	Purchases under progress
10.	Bomb Suits	05	00	Purchases under progress
11.	Satellite Phones	50	50	Procurement completed
12	Hydraulic crane	13	13	Procurement completed
13	Electric Boom Barrier	12	12	Procurement completed
14	RFID Based vehicle access control system	10	10	Procurement completed
15	Instruction detection system with fencing component	23	23	Procurement completed
16	Blast Inhibitor	08	09	Procurement completed
17	Pre Initiator for RCIEDs	04	00	Item not to be purchased
18	Shoot House	01	00	Supply order placed
19	Containerised shoot house	02	00	Supply order placed
20	Unmanned Aerial Vehicle	06	00	Tendering under process
21	BP Patka	7,000	9,000	Procurement completed
22	CCTV cameras with allied accessories for all police stations/ police posts	413	00	Tendering under process
23	IP Based Video Surveillance System (VIP Locations)	20	01	Tendering under process
24	Specially designed Anti-Riot vehicles equipped with IP cameras for video footage	130	87	Orders placed with M/s Tata Motors (67) and M/s Mahindra (20). 20 Mahindra vehicles and 19 Tata vehicles received. 48 in pipeline. Proposal submitted for procurement for 43 more vehicles
25	BP Bunkers	63	38	Supply order for (38) BP Bunkers placed with M/s Mahindra. 17 received and remaining under survey
26	BP Rakshak	55	55	Procurement completed
27	Body Protector Suits	14,620	15,000	Procurement completed
28	Pepper Launching Non-Lethal System	50	00	Tendering under process
29	Anti-Riot Helmet	5,000	7,976	Completed. Sanction sought for additional procurement from the Government
30	Anti-Riot Gas Mask	3,334	00	Tendering under process
31	PC Lathi	20,000	00	Tendering process completed. Technical evaluation/ physical demonstration under process
32	Optical Fibro Scope	25	25	Procurement completed
33	Multipurpose belt	2,500	00	Tendering process completed. Technical evaluation/ physical demonstration under process

Sl. No.	Description/ category of items/ works	Quantity/ works sanctioned (in numbers)	Quantity procured/ works sanctioned (in numbers)	Status/ Remarks
34	Anti-Riot Group Shield	1,740	00	Tendering process completed. Technical evaluation/ physical demonstration under process
35	Knee and Elbow protection pads	10,000	2,551	Procurement completed
36	Riot shock baton	18,333	00	Tendering process completed. Technical evaluation/ physical demonstration under process
37	Shin Guard	18,400	4,563	Procurement completed
38	Spotter Xtreme night	30	00	Item not to be purchased
39	Corner shot assembly	35	00	Supply order placed
40	Ballistic Group shields	100	00	CRPF, which is purchasing light weight ballistic shields has been requested to purchase ballistic shields for J&K police as well. CRPF agreed. Funds being transferred to CRPF
41	Wall Through Radar	10	10	Procurement completed
42	Search Lights (Dragon)	1,500	1,500	Procurement completed
43	Monocular Night Sight	20	20	Procurement completed
44	Tactical Ladder (Multipurpose)	43	39	Procurement completed
45	Reflex Sight/ holographic sight on weapon	30	40	Procurement completed
46	Special women protection Units to counter crime against women	08	05	-
	<b>Total</b>	<b>1,10,602</b>	<b>49,027</b>	
	<b>Grand Total (A+B)</b>	<b>1,31,170</b>	<b>71,764</b>	

Total items: (10+46= 56)

Procurement completed = 33 items

(Source: Departmental records)

**Appendix 3.3.2**  
**(Reference Paragraph: 3.3.2.1)**  
**Statement showing Position of purchases without tenders**

Sl. No.	Item	Supply order No. & date	Name of the firm	Quantity	Amount paid (₹ in crore)	Remarks
1.	Bullet proof SUV vehicles/ Mahindra Rakshak	MT/ veh-proc-3/ 2016-17/ 7025-29 dated 26.10.2016	M/s Mahindra Defence System Limited, New Delhi	25	10.59	GoI had sanctioned (October 2017) purchase of 25 BP Rakshak at a cost of ₹ 10.50 crore. Supply order placed with the firm without ascertaining reasonability of rates
2.	Mahindra Scorpio BP (Rakshak Plus)	MT/veh/ proc-04/ 2017-18/ 178-82 dated 08.01.2018	M/s Mahindra Defence System Limited	67	26.15	GoI had sanctioned (October 2017) purchase of 67 Rakshak vehicles at a cost of ₹ 30.15 crore. Supply order placed with the firm without ascertaining reasonability of rates
3.	B P Patkas	Prov-II/sec-86/2017-18/ 77716-20 dated 28.10.2017 supply order dated 27.10.2017	M/s PEC Ltd.	20,000	9.44	GoI had sanctioned (October 2017) purchase of 18,000 BP Patkas at a cost of ₹ 13.85 crore. Supply order placed with the firm without ascertaining reasonability of rates
4.	Body protectors	Prov-I/UE-49/2016-17/ 27262-66 dated 15.04.2016 and supply order dated June 2017	M/s Rubber Private Ltd.	15,000	15.18	GoI had sanctioned (October 2017) purchase of 14,620 Body protector suits at a cost of ₹ 13.35 crore. Supply order placed with the firm on the basis of earlier tenders of March 2015 (Repeat order basis)

Sl. No.	Item	Supply order No. & date	Name of the firm	Quantity	Amount paid (₹ in crore)	Remarks
5.	Farmtrac Tractor and Tipper trolley	MT/veh-proc-03/2017-18/ 379-83 dated 18.01.2018	M/s South Kash sales	One Farmtrac Tractor and one Backhoe loader	0.36	GoI had sanctioned (October 2017) purchase of one BP JCB and BP Tractor each at a cost of ₹ 70 lakh. Supply order placed with the firm without ascertaining reasonability of rates
6.	Specially designed Anti-Riot vehicles	MT/veh-proc-05/2016-17/ 1770-73 dated 13.02.2019	M/s Tata Motors Limited Gurgaon, Haryana	80	13.84	GoI had sanctioned (October 2017) purchase of 130 'specially designed Anti-Riot vehicles equipped with IP cameras for video footage' at a cost of ₹ 15.60 crore. Supply order placed with the firm without ascertaining reasonability of rates
7.	Specially designed Mahindra defence system	MT/veh-proc-05/2016-17/2045-47dated 28.02.2019	M/s Mahindra Defence System Limited	20	3.24	GoI had sanctioned (October 2017) purchase of 55 BP Rakshak at a cost of ₹ 22 crore. Supply order placed with the firm without ascertaining reasonability of rates
8.	BP (Suv) Mahindra Scorpio	MT/veh-proc-05/2016-17/ 2042-44 dated 28.02.2019	M/s Mahindra Defence System Limited	55	21.47	GoI had sanctioned (October 2017) purchase of 55 BP Rakshak at a cost of ₹ 22 crore. Supply order placed with the firm without ascertaining reasonability of rates
<b>Total</b>					<b>100.27</b>	

(Source: Records of Department)

## Appendix 3.5.1

(Reference Paragraph: 3.5.1)

Details of Departments/ Agencies of the State Government for whom the funds have been approved, released as well as utilised under the PMDP as of 31 March 2019

(₹ in crore)

Sl. No.	Name of the Department/ Agency	Amount approved	Amount sanctioned	Amount utilised
1.	Public Works (Roads and Buildings) Department	400.00	400.00	362.41
2.	Estates Department	23.21	23.21	21.82
3.	Industries and Commerce Department	149.96	149.96	147.01
4.	Higher Education Department	50.00	50.00	35.58
5.	School Education Department	100.22	100.22	22.88
6.	Social Welfare Department	5.00	5.00	2.66
7.	Relief & Rehabilitation: (i) Irrigation & Flood control works	254.66	252.16	219.46
	(ii) Water Supply works	53.64	53.64	51.82
8.	Forest	10.00	10.00	6.05
9.	Leh	15.00	15.00	15.00
10.	Animal & Sheep Husbandry Department	5.15	5.15	3.96
11.	Fisheries Department	0.50	0.50	0.48
12.	Agriculture Kashmir	6.00	6.00	3.19
13.	Horticulture Kashmir	4.00	4.00	1.97
14.	Horticulture Planning and Marketing	5.75	5.75	5.71
15.	JK AGROS	4.00	4.00	4.00
16.	Sher-e-Kashmir University of Agricultural Science and Technology, Jammu	6.00	6.00	6.00
17.	Sher-e-Kashmir University of Agricultural Science and Technology, Kashmir	2.00	2.00	2.00
18.	Floriculture Kashmir	1.50	1.50	1.50
19.	Command Area Development Kashmir	0.25	0.25	0.25
20.	Sericulture Jammu and Kashmir	1.50	1.50	1.42
21.	Kargil	15.00	7.50	0.00
22.	Urban Development	150.00	75.00	0.00
<b>Total</b>		<b>1,263.34</b>	<b>1,178.34</b>	<b>915.17</b>

(Source: Monitoring Report on PMDP-2015 as on 31 March 2019)

**Appendix 3.5.2**  
**(Reference Paragraph: 3.5.2)**  
**Statement showing diversion of funds**

(₹ in crore)

Sl. No.	Name of the Department	Funds diverted	Particulars	Reply of the Department	Remarks
1.	Public Works (Roads and Buildings)	26.04	Payment of wages, purchase of stationary, POL, execution of other works, office expenses etc.	The funds had been booked towards office expenses, Stationery, Wages, petrol oil and lubricants etc., debited towards three <i>per cent</i> contingencies inbuilt in the Detailed project report.	The DPR in respect of PMDP works has not been prepared by the Department
2.	Irrigation and Flood Control	0.21	Payment of wages, refreshment charges, purchase of photocopier, kerosene oil, gas, stationary etc.	The payments were made in absence of any separate head, to comply the directions of the Hon'ble High Court and purchases were made out of overall savings.	The amount diverted from PMDP was not regularised by the competent authority
3.	Industries and Commerce	2.83	Payment of wages, purchase of yarn, dyes, chemicals, power & fuel, clearance of liabilities prior to floods of September 2014	J&K SIDCO had made payment of ₹ 1.85 crore to the Power Development Department as decided and approved by the J&K SIDCO Management.	The decision was taken by the SIDCO Management in absence of any approval from the competent authority. No reply was furnished in respect of balance diverted amount of ₹ 0.98 lakh
4.	Public Health Engineering	0.21	Payment of carriage charges, POL, photography charges, uploading of Income Tax returns etc.	The contingency charges were incurred for carriage of material by means of mechanical transport as well as head load and on Photostate of documents related to flood restoration schemes.	The amount diverted from PMDP was not regularised by the competent authority
<b>Total</b>		<b>29.29</b>			

(Source: Departmental records)

## Appendix 3.5.3

(Reference Paragraph: 3.5.3)

Statement showing works executed without Administrative Approval/ Technical Sanction

(₹ in crore)

Sl. No.	Name of the Department	No. of works	Expenditure	Reply of the Department (August 2020)
1.	Public Works (Roads and Buildings)	280	166.95	Works were executed as per approved action plan which was deemed to be administrative approval.
2.	Irrigation and Flood Control	3,709	175.25	The works being of emergency nature were executed in anticipation of accord of administrative approval.
3.	Industries and Commerce	35	149.23	The works were executed on emergency basis.
4.	School Education	145	21.31	It was presumed that administrative approvals and technical sanctions had been accorded by the R&B Department as the estimates were prepared by them.
5.	Public Health Engineering	1,500	44.62	The works being of emergency nature had been executed in anticipation of accord of administrative approval/ technical sanction.
6.	Higher Education	10	31.23	The scheme/ project sanctioned by the GoI on the basis of Detailed Project Report and which is 100 <i>per cent</i> funded by GoI, shall be construed as administrative approval by the Government.
7.	Estates	28	22.26 (SPA: 20.96; PMDP: 22.26)	In view of exigency shown to accommodate the Government employees, officers/ Ministers; works were executed by the Estate Division Jammu/ Srinagar in anticipation of administrative approval.
<b>Total</b>		<b>5,707</b>	<b>610.85</b>	

(Source: Departmental records)

**Appendix 3.5.4**  
**(Reference Paragraph: 3.5.4)**  
**Statement showing works executed without invitation of tenders**

Sl. No.	Name of the Department	No. of works	Expenditure incurred (₹ in crore)	Reply of the Department
1.	Irrigation and Flood Control	3,709	175.25	The works had been executed without invitation of tenders on reasonable rates on urgent basis.
2.	Industries and Commerce	10	5.86	The works were executed through transparent tendering process as the SICOP had its own approved annual rates and J&K SIDCO allotted works on e-tendering basis and in some cases, works were allotted to the contractors for other projects in view of urgency.
3.	Public Health Engineering	1,500	44.62	In view of immediate restoration of utilities, the works had been executed without invitation of tenders on reasonable market rates prevailing at that time.
4.	Public Works (PW) Roads and Buildings (R&B)	66	103.15	The works were taken up without call of tenders at the directions of Higher Authorities and Public Representatives on approval basis.
	<b>Total</b>	<b>5,285</b>	<b>328.88</b>	

(Source: Departmental records)

**Appendix 5.2.1**  
**(Reference Paragraph: 5.2.3)**  
**Sector-wise details of Projects under AMRUT Mission (2015-20) in J&K State**

(₹ in crore)

Sl. No.	Name of project	DPR cost	Allotted cost	Expenditure	Remarks
1.	Design, construction, erection and commissioning of 164 KLD Septage Treatment Plant at Bhagwati Nagar, Jammu	5.53	4.37	3.25	Selected
2.	Purchase of Sewer/ Jetting machine etc.	3.10	3.10	3.10	Selected
3.	Sewerage Treatment of 5 <i>nallahs</i> (a) Design, construction, installation, commissioning and testing of 4.00 MLD sewerage treatment plant (STP) for 5 No. <i>nallahs</i> falling on left side of River Tawi	27.52	7.80	2.03	Selected
4.	(b) Construction of sewerage system by way of laying of sewers construction of manhole for 5 <i>nallahs</i>		22.60	0.00	Selected
<b>Drainage sector</b>					
5.	Construction of deep drain Rajiv/ Bikram Chowk	1.25	1.08	1.05	
6.	Construction of deep drain Vasant Vihar	2.18	1.60	1.77	Selected
7.	Construction of deep drain Saraswati Vihar	1.87	1.60	1.67	Selected
8.	Construction of deep drain Sunder Nagar	2.54	3.08	0	
9.	Construction of deep drain Sharika Vihar	3.64	2.83	1.61	Selected
10.	Construction of deep drain along Tawi Canal in Extension Trikuta Nagar	2.08	1.63	1.70	
11.	Construction of drainage network in ST Mohalla	5.23	3.69	2.32	Selected
12.	Construction of drainage network in Swagat Vihar Deeli	1.70	1.20	1.34	Selected
13.	Construction/ Improvement of main Rehari Nallah	1.60	1.14	1.42	Selected
14.	Construction of Peerkho Nallah	4.63	3.69	1.15	
15.	Construction/ upgradation of drainage scheme from canal road (Aggarwal complex)	6.87	5.28	0.73	
16.	Construction of drainage network Kamla Palace (Phase-2)	5.31	4.40	0.38	
17.	Improvement/ upgradation of Rehari Nallah D/s Jewel Chowk	3.58	3.27	1.96	Selected
18.	Construction of drainage scheme at Christian graveyard	1.21	1.07	1.05	
19.	Construction of Nallah and drainage network near Nidesh Apartments	21.86	18.12	11.37	Selected
20.	Improvement/ Construction of drainage system from CM residence	1.45	1.18	0.65	

Sl. No.	Name of project	DPR cost	Allotted cost	Expenditure	Remarks
21.	Construction/ upgradation of drainage nallahs passing through Trikuta Nagar, Gandhi Nagar etc.	10.39	8.64	0	
22.	Drainage network of Digiana, Preet Nagar etc.	5.38	4.36	2.43	Selected
23.	Construction of deep drain from Daily Excelsior etc.	6.90	4.91	0	
24.	Construction of Rajiv Nagar Nallah	9.37	0	0	
<b>Urban Transport Sector</b>					
25.	Development of Pedestrian Walkways, Footpaths and cycle tracks	5.46	4.24	2.06	Selected
26.	Intelligent Traffic System Jammu	19.09	14.25	8.40	Selected
27.	Construction of Multi-Tier Parking at Panjtirthi, Parade, circular road and Gandhi Nagar	24.00	27.87	0	Selected
28.	Construction of Multi-Tier parking at Peerkho	19.90	0	0	Selected
<b>Green Spaces Sector</b>					
29.	Development of Green space on both sides of different nallahs Jammu	5.04	3.97	2.63	Selected
30.	Development of park alongside of nallah, Muthi Camp JDA	1.28	0.78		
<b>Total projects = 30 Selected = 20</b>					
<b>(2) Anantnag</b>					
<b>Sewerage &amp; Septage Sector</b>					
1.	Alternate Tech for Septage Treatment 62 KLD	3.44	3.30	2.85	
2.	Construction of 4 MLD STPs and Sewerage Pipe Line (a) Design, construction, installation, commissioning of 4.00 MLD STP at Anantnag	40.22	13.90	5.49	Selected
3.	(b) Construction of sewerage system by laying sewers, manhole and house connections at Anantnag		16.81	9.14	Selected
4.	Procurement of sewer jetting machines & suckets	1.55	0	0	Selected
<b>Drainage Sector</b>					
5.	Construction of storm water drains in uncovered areas	12.07	3.652	8.28	Selected
6.	Construction of storm water drains at KP Road etc.		2.7285		

Sl. No.	Name of project	DPR cost	Allotted cost	Expenditure	Remarks
7.	Construction of storm water drains at Khanabal & Janglat Mandi etc.		3.2950		
<b>Green Spaces</b>					
8.	Development of Park at Sheerpora Anantnag	0.56	0.33	0.30	
9.	Development/ Beautification of Khanabal corridor	0.31	0.36	0.16	Selected
10.	Construction of park at Anantnag	0.93	0.7905	0	
<b>Water Supply</b>					
11.	Providing water supply in University Area	6.20	1.62	1.10	Selected
<b>Urban Transport</b>					
12.	Construction of multi-level parking at Janglat Mandi	17.00	14.45	0.28	Selected
<b>Total projects = 12 Selected = 10</b>					
<b>(3) Kargil</b>					
<b>Sewerage &amp; Septage</b>					
1.	Septage management and procurement of machines	3.20	3.04	1.70	
<b>Water Supply</b>					
2.	Laying of distribution network and construction of service reservoirs etc. (a) Providing, laying and fitting of gravity main 300 mm etc.	12.10	5.075	5.00	
3.	(b) Construction of pre-setting tank, clarrifloculator etc.		4.400		
4.	Construction of two chowkidar quarters		0.18		
5.	Construction of approach road		0.428		
6.	Development of lift water supply scheme along with energy efficient pumping	2.96	1.75	0.39	
7.	Upgradation/ laying of distribution network including lift irrigation scheme SR Chanchik to Lankoor etc.	19.27	11.53	0.11	
8.	Development of two quick-win parks Indra Nagar at Baroo	0.30	0.31	0.27	
9.	Development of parks at Sheer bagh Baroo	1.80	1.40	1.20	
10.	Development of parks at Bul Bul Bagh	0.902	0.6651	0.60	
<b>(4) Srinagar</b>					
<b>Sewerage and Septage sector</b>					
1.	Alternate Tech. of Septage treatment (a) Design, construction, erection, testing and commissioning of 130 KLD Septage Treatment Plant at Achan, Srinagar Zone-II	8.61	4.70	5.12	Selected

Sl. No.	Name of project	DPR cost	Allotted cost	Expenditure	Remarks
2.	(b) Design, construction, erection, testing and commissioning of 164 KLD Septage Treatment Plant at Alluchi-Bagh/ Tengpora, Srinagar Zone -1	10.41	5.94		Selected
3.	Sewerage scheme for peripheral area of Dal Lake Zone 2 and 3 of LAWDA	24.80	18.85	7.88	
4.	Sucker/ Jetting Machines	7.90		Not allotted yet	Selected
<b>Drainage Sector</b>					
5.	Construction of Drainage network in waste Stagnant areas (Zone 1, 2 & 3) At Lal Chowk	10.88	9.45	8.42	
6.	At Shalteng	18.16	14.71	6.18	Selected
7.	At Indra Nagar	21.03	9.67	5.23	
8.	At Malbagh	8.49	5.22	4.73	
9.	Construction/ upgradation of Dewatering stations	4.00	3.24	1.86	
10.	Storm water Drainage scheme for Gangbuk Area	12.67	8.14	8.14	Selected
11.	Rejuvenation of Bari Nambal (A) Patch works 250 M each (i) Section 1 <sup>st</sup> MP school side	6.80			Selected
	ii) Section 2 <sup>nd</sup> MP school side				
	(iii) Section 1 <sup>st</sup> Baba Dawood Khaki Bridge onwards				
	(iv) Section 2 <sup>nd</sup> Baba Dawood Khaki Bridge onwards				
12.	Rejuvenation of Bari Nambal (A) Dredging works (i) RD 0 to 370.79 M (ii) RD 370.79 to 831.65 M (iii) RD 831.65 to 1,044.64 M (iv) RD 1,044.64 to 1,294 M (v) RD 1,294 to 1,412.93 M (vi) RD 0 to 250 M- Kuchoos with 2 boatmen (vii) RD 250 to 500 M-supply of Kuchoos with 2 boatmen (viii) RD 500 to 750 M- Supply of Kuchoos with 2 boatmen (ix) RD 750 to 1,000 M- Supply of Kuchoos with 2 boatmen (x) RD 1,000 to 1,500 M- Supply with 2 boatmen		1.50	Nil	Selected
<b>Urban Transport Sector</b>					
13.	Construction of Multi-tier Parking at Sheikh Bagh	23.04	22.61	6.59	Selected
14.	Construction of Multi-tier Parking at SMG	30.05	26.91	9.46	

Sl. No.	Name of project	DPR cost	Allotted cost	Expenditure	Remarks
15.	(a) Idle Parking at Pantha chowk	5.00	1.28	1.13	
	(b) Construction of 3 No. passenger waiting sheds at bus terminal Pantha chowk		0.299		
	(c) Development of road by way of macadmisation of Bus terminal Pantha chowk		2.07		
16.	Intelligent Traffic system Phase-I	5.46	4.15	0.00	Selected
17.	Procurement of buses	10.10	10.1	2.23	
18.	Development of walkways/ footpaths and cycle tracks Shreen Bagh	1.02	1.02		Selected
19.	Development of walkway footpath along Peerbagh bund	2.05	1.83	0.65	
20.	Development of green patch from Rambagh to tengpora bund	1.58	1.53	0.62	
21.	Development of walkway/ footpath at shreen Bagh bund (Darish Kadal side)	0.70	0.70	0.16	Selected
22.	Construction of cycle track along Nishat soth from Nishat towards Rainawari	2.94	0.00	Not allotted yet	Selected
23.	Intelligent Traffic system Phase-II	10.46		Not tendered yet	Selected
<b>Green spaces</b>					
24.	Development of Green spaces along Jehlum Bunds	1.09	0.92	0.70	Selected
25.	Creation of buffer zones at SLF site at Achan	1.33	0.94	0.00	Selected
26.	Extension of Tulip Garden	1.56	0.59	0.56	
27.	Development of park/ green space (Bemina Park)	2.20	1.80	1.46	
28.	Rejuvenation of Bari Nambal-Phase III	5.00	0.41		
29.	Rejuvenation of Brari Nambal-Phase IV	5.11		Not allotted yet	
<b>Water Supply</b>					
30.	Providing/ laying, commissioning including operation and maintenance for one year of 1,200 mm dia K-9 Ductile iron pipe line from fore bay of old Ganderbal Power House Water treatment plant at Rangil on turnkey basis	20.19	20.66	2.00	Selected
<b>Total projects = 30 Selected = 23</b>					
<b>(5) Leh</b>					
<b>Sewerage and Septage sector</b>					
1.	Procurement of two sucker and Jetting Machines	1.92	0.37		
<b>Water Supply Sector</b>					
2.	Providing/ laying of distribution network including replacement of defective pipes and construction of SWR & GSR distribution component	4.88	1.15		Selected

Sl. No.	Name of project	DPR cost	Allotted cost	Expenditure	Remarks
3.	Reservoir Component		0.44		
4.	Rising main component		1.28		
<b>Green spaces Sector</b>					
5.	Improvement/ Development of existing 4 Number of parks & Development of various quick-in-parks in ULB (A) Murtsey Park	1.60	0.60	0.65	Selected
6.	(B) Manali park		0.68	0.68	Selected
7.	Creation of Green spaces at Manglay bagh	2.40	2.54		
<b>Urban Transport Sector</b>					
8.	Construction of foot over bridge near SNM hospital	2.71	0.83	0.00	
9.	Traffic Management in Leh town by creating median divider & Mini Parking system	0.70	0.61	0.34	
10.	Development of Multi-Tier Parking	27.83	26.95	0.00	Selected
<b>Total projects = 10 Selected = 4</b>					

**District wise number of total sub-projects and the number of sub-projects selected**

Sl. No.	Name of the city/ town Selected	Total sub-projects	Sub-projects selected
1.	Jammu	30	18
2.	Anantnag	12	7
3.	Srinagar	30	16
4.	Kargil	10	Not selected
5.	Leh	10	4
<b>Grand total</b>		<b>92</b>	<b>45</b>

*(Source: Departmental records and approved guidelines)*

**Appendix 5.4.1**  
**(Reference Paragraph: 5.4.1)**  
**Details of PMRP/ PMDP funded projects taken up by JKERA under JKUSDIP**

(₹ in crore)

Sl. No.	Sub-project Name	Original cost	Revised cost	Expd. PMRP	Expd. PMDP	Total expd. March 2019	Cost escalation	Cost overrun	Date of start	Stipulated date of completion	Actual date of completion	Financial progress March 2019 (Percentage)	Physical progress March 2020 (Percentage)	Remarks
1.	Approach road to Sanitary Landfil site at Srinagar	2.20	2.57	2.57	0.00	2.57	0.37	0.37	18.06.2008	17.10.2008	17.08.2011	100.00	100.00	Projects taken up and completed under PMRP
2.	Procurement of works at sanitary Landfil site (Cell 1) at Achan Srinagar	14.59	24.11	23.77	0.00	23.77	9.53	9.18	24.12.2008	01.06.2011	21.08.2015	100.00	100.00	
3.	Harwan Nishat raw water pipeline	16.58	15.05	14.31	0.00	14.31	0.00	0.00	18.11.2010	11.05.2011	17.05.2015	100.00	100.00	
4.	Procurement of mobile water tankers and O&M equipment for PHED Lot 4	0.30	0.32	0.32	0.00	0.32	0.03	0.03	10.12.2013	09.06.2014	09.07.2014	100.00	100.00	
5.	Procurement of SWM equipment for SMC Lot 4	0.96	1.03	1.03	0.00	1.03	0.07	0.07	28.10.2013	10.06.2014	10.07.2014	100.00	100.00	
6.	Procurement of solid waste management equipment for Srinagar Municipal Corporation Lot 5	2.56	3.10	3.10	0.00	3.10	0.54	0.54	30.09.2014	30.03.2015	30.07.2015	100.00	100.00	
7.	S&D of Solid Waste Management equipment for Srinagar Municipal Corporation Lot-2	1.90	2.37	2.30	0.07	2.37	0.47	0.47	14.06.2014	13.12.2014	14.05.2015	100.00	100.00	Projects taken under PMRP but completed (financially) under PMDP

Sl. No.	Sub-project Name	Original cost	Revised cost	Expd. PMRP	Expd. PMDP	Total expd. March 2019	Cost escalation	Cost overrun	Date of start	Stipulated date of completion	Actual date of completion	Financial progress March 2019 (Percentage)	Physical progress March 2020 (Percentage)	Remarks
8.	Supply and delivery of Solid Waste Management equipment for Srinagar Municipal Corporation - Dumper Lot 3	2.46	3.05	3.02	0.03	3.05	0.59	0.59	14.06.2014	13.12.2014	14.02.2015	100.00	100.00	Projects taken under PMRP but completed (financially) under PMDP
9.	Lot 3: Supply of pickup vehicle/delivery Van Srinagar	0.25	0.25	0.23	0.02	0.25	0.00	0.00	14.06.2014	13.02.2015	14.09.2015	100.00	100.00	
10.	Lot 5: Supply & delivery of back Hoe Loader of type JCB 3dx Super	0.38	0.38	0.34	0.04	0.38	0.00	0.00	30.09.2014	29.06.2015	16.09.2015	100.00	100.00	
11.	Sewerage network package-1 at Jammu	26.91	24.44	14.75	0.09	14.84	0.00	0.00	01.12.2009	31.05.2012	Terminated	NA	67.96	Terminated under PMRP and re-allotted under PMRP
12.	Sewerage network package-2 at Jammu	42.92	60.85	22.28	-0.07	22.21	17.93	0.00	01.12.2009	30.11.2012	Terminated	NA	31.45	
13.	Sewerage network in Bakshi Nagar, Shakti Nagar, Jammu WW-7	58.08	58.06	2.65	53.35	56.00	0.00	0.00	28.09.2015	27.12.2016	31.03.2018	96.44	99.00	Balance works of S. No 11 & 12 clubbed together
14.	Construction of 30 MLD STP Jammu	28.61	36.73	30.88	5.85	36.73	8.12	8.12	09.06.2010	08.12.2012	30.04.2017	100.00	100.00	
15.	Construction of Sanitary Landfill Cell No. 2 at existing Landfill site, Srinagar	18.61	33.59	22.96	8.98	31.94	14.98	13.33	29.08.2012	28.12.2013	03.09.2018	95.11	100.00	

Sl. No.	Sub-project Name	Original cost	Revised cost	Expd. PMRP	Expd. PMDP	Total expd. March 2019	Cost escalation	Cost overrun	Date of start	Stipulated date of completion	Actual date of completion	Financial progress March 2019 (Percentage)	Physical progress March 2020 (Percentage)	Remarks
16.	Sewerage network storm drains in Bakshi Nagar, Janipur, Shiv Nagar and Shakti Nagar Jammu	10.83	11.03	2.13	7.94	10.07	0.20	0.00	27.06.2014	26.12.2015	31.10.2017	86.17	100.00	
17.	Jehangir Chowk to Rambagh- Natipora Flyover in Srinagar	200.74	340.43	169.63	192.50	362.13	139.69	161.39	22.06.2013	21.06.2016	(In progress)	71.34	98.50	
18.	Construction of Bikram Chowk Flyover Jammu	64.30	81.35	28.09	56.75	84.84	17.05	20.54	15.05.2013	14.05.2016	30.05.2017	99.60	100.00	
19.	Rehabilitation and Channelisation of Storm water Drains in Channi Himmat Jammu	14.87	13.02	7.67	6.23	13.90	0.00	0.00	15.05.2013	14.05.2015	30.05.2017	97.05	100.00	
20.	Construction of tube wells including installation of M&E equipment Lot I Jammu	18.76	21.19	2.87	16.11	18.98	2.43	0.22	01.07.2013	30.06.2016	31.08.2017	83.72	100.00	
21.	Replacement of worn-out pipeline and laying of new pipelines at Jammu	35.76	25.04	5.61	10.58	16.19	0.00	0.00	15.07.2013	14.07.2016	In progress	66.66	80.00	
22.	Construction of parking facility Near Lal Chowk, Srinagar	26.75	27.52	5.41	17.44	22.85	0.77	0.00	24.08.2013	23.02.2015	30.05.2017	77.86	100.00	

Sl. No.	Sub-project Name	Original cost	Revised cost	Expd. PMRP	Expd. PMDP	Total expd. March 2019	Cost escalation	Cost overrun	Date of start	Stipulated date of completion	Actual date of completion	Financial progress March 2019 (Percentage)	Physical progress March 2020 (Percentage)	Remarks
23.	Surface water drainage system in Athwajan, Srinagar	40.40	45.92	11.40	21.62	33.02	5.52	0.00	30.08.2013	29.08.2016	Terminated (27.12.2018)	66.35	78.00	Terminated
	Balance works of surface water drainage system in Athwajan, Srinagar	4.30	4.30	0.00	0.00	0.00	0.00	0.00	20.03.2019	19.06.2019	In progress	Nil	21.76	Balance works re-allotted
24.	Replacement of worn-out machineries in tube wells in Jammu	23.26	24.12	4.44	21.34	25.78	0.86	2.52	26.10.2013	25.10.2015	31.08.2017	94.52	100.00	
25.	Procurement of solid waste management equipment for Srinagar Municipal Corporation Lot 1	1.56	1.90	1.90	0.00	1.90	0.34	0.34	03.08.2015	02.02.2016	02.03.2016	100.00	100.00	
26.	Construction of tube Wells including installation of M&E equipment under City water supply Lot 2 Jammu	12.02	11.64	2.68	7.44	10.12	0.00	0.00	01.07.2013	30.06.2015	31.08.2017	81.25	100.00	
27.	Storm water drains at Digiana, Gangyal, Ashram, Thanger and tributary Jammu	82.10	113.72	41.34	78.28	119.62	31.62	37.52	05.11.2014	04.02.2017	30.05.2017	99.24	100.00	
28.	Supply, installation and removal of domestic water meters in Jammu	4.60	2.08	0.81	1.07	1.88	0.00	0.00	09.04.2015	08.04.2016	31.12.2016	95.38	100.00	

Sl. No.	Sub-project Name	Original cost	Revised cost	Expd. PMRP	Expd. PMDP	Total expd. March 2019	Cost escalation	Cost overrun	Date of start	Stipulated date of completion	Actual date of completion	Financial progress March 2019 (Percentage)	Physical progress March 2020 (Percentage)	Remarks
29.	Lot 1: supply and delivery of water tankers of different capacities	3.51	3.55	0.35	3.20	3.55	0.04	0.04	03.08.2015	02.02.2016	03.03.2016	99.87	100.00	
30.	Storm water drainage system Rawalpura chowk to Chanapora Srinagar	107.01	162.12	42.33	132.01	174.34	55.11	67.33	09.06.2014	08.12.2016	28.02.2019	96.67	100.00	
31.	Rehabilitation of water supply pipe Network Zone 2,3,4 & 5 in Jammu	72.98	73.48	9.80	55.90	65.70	0.49	0.00	26.02.2015	25.10.2016	31.12.2017	93.69	100.00	
32.	New Mehjoor bridge at Jawahar Nagar & two Grade Separators in Srinagar	41.83	64.68	2.73	44.56	47.29	22.85	5.46	24.06.2015	23.12.2016	30.06.2019	57.01	100.00	
33.	Raw water pipeline from higher reaches of Doodhganga Srinagar	43.05	43.17	9.44	24.88	34.32	0.12	0.00	10.10.2014	09.10.2016	Terminated (27.12.2018)	76.99	87.00	Terminated
	Balance works of raw water pipeline from higher reaches of Doodhganga	3.98	3.98	0.00	0.00	0.00	0.00	0.00	27.05.2019	26.08.2019	In progress	Nil	10.60	Balance works re-allotted
34.	Construction of sanitary Landfill Cell 3 at existing Landfill site at Achan, Srinagar	19.55	19.55	0.00	11.12	11.12	0.00	0.00	12.09.2015	08.07.2016	03.09.2018	47.53	100.00	

Sl. No.	Sub-project Name	Original cost	Revised cost	Expd. PMRP	Expd. PMDP	Total expd. March 2019	Cost escalation	Cost overrun	Date of start	Stipulated date of completion	Actual date of completion	Financial progress March 2019 (Percentage)	Physical progress March 2020 (Percentage)	Remarks
35.	Upgradation and upliftment of existing drainage pumping stations in Srinagar Lot A	30.26	30.24	0.00	22.62	22.62	0.00	0.00	01.10.2015	24.12.2016	28.02.2019	66.85	100.00	
36.	Upgradation & upliftment of existing drained pumping stations in Srinagar	20.84	16.24	0.00	11.46	11.46	0.00	0.00	01.10.2015	24.12.2016	28.02.2019	59.25	100.00	
37.	Bhawani Nagar, Jammu (State funded)	47.25	52.88	30.24	-7.93	22.31	0.00	0.00	01.12.2009	30.11.2012	Terminated (27.02.16)	NA	44.25	Terminated under PMDP
38.	Bhawani Nagar, Jammu	12.91	16.41	0.00	9.23	9.23	3.50	0.00	10.02.2017	09.02.2018	In progress	56.22	82.00	Balance works of S.No-37 above
39.	Janipur, Jammu	10.63	14.09	0.00	6.66	6.66	3.46	0.00	10.02.2017	09.02.2018	In progress	47.26	68.00	
40.	S&D of equipment for PHED Srinagar various pumps Srinagar Lot 1	0.25	0.25	0.00	0.25	0.25	0.00	0.00	18.05.2016	17.08.2016	10.11.2016	100.00	100.00	
41.	S&D of equipment for PHED Srinagar Auto prime pumps 5-CuSec Lot 2	0.60	0.60	0.00	0.60	0.60	0.00	0.00	19.05.2016	18.08.2016	23.05.2017	99.77	100.00	
42.	S&D of equipment for PHED Srinagar Auto prime pumps 3-CuSec Lot 3	0.66	0.66	0.00	0.65	0.65	0.00	0.00	28.05.2016	27.08.2016	23.05.2017	99.82	100.00	
43.	S&D of equipment for PHED Srinagar self-prime pumps 77.5 Lts/Sec Lot 4	0.24	0.24	0.00	0.24	0.24	0.00	0.00	19.05.2016	18.08.2016	28.02.2017	99.37	100.00	

Sl. No.	Sub-project Name	Original cost	Revised cost	Expd. PMRP	Expd. PMDP	Total expd. March 2019	Cost escalation	Cost overrun	Date of start	Stipulated date of completion	Actual date of completion	Financial progress March 2019 (Percentage)	Physical progress March 2020 (Percentage)	Remarks
44.	S&D of equipment for PHED Srinagar DG Set 320kva (2) 11 KV/ 440v, 100 KVA HT Dist. Trans. Lot 5	0.66	0.66	0.00	0.66	0.66	0.00	0.00	07.06.2016	06.08.2016	18.10.2016	100.00	100.00	
45.	S&D of Ultra-Sonic flow meters of diameters: (A) 600 mm to 1,200 velocity	0.18	0.18	0.00	0.18	0.18	0.00	0.00	16.06.2016	15.09.2016	02.12.2016	100.00	100.00	
46.	Supply & delivery of water tanker 4k Lot 5	0.63	0.63	0.00	0.50	0.50	0.00	0.00	27.06.2016	26.10.2016	30.07.2017	80	100.00	
47.	Lot 6: supply and delivery of small excavator, portable Asphalt, concrete	0.35	0.35	0.00	0.35	0.35	0.00	0.00	01.08.2016	15.09.2016	15.11.2016	100.00	100.00	
48.	Lot 9: Supply and delivery of hydraulic mobile crane	0.59	0.59	0.00	0.59	0.59	0.00	0.00	01.10.2016	31.01.2017	10.05.2017	100.00	100.00	
49.	Lot 10: Supply and delivery of equipment for use in SMC	0.67	0.67	0.00	0.66	0.66	0.00	0.00	19.10.2016	18.01.2017	17.05.2017	99.66	100.00	
50.	Lot 11: Supply and delivery of equipment for use in SMC	0.59	0.59	0.00	0.59	0.59	0.00	0.00	17.10.2016	09.01.2017	26.05.2017	100.00	100.00	

Sl. No.	Sub-project Name	Original cost	Revised cost	Expd. PMRP	Expd. PMDP	Total Expd. March 2019	Cost escalation	Cost overrun	Date of start	Stipulated date of completion	Actual date of completion	Financial progress March 2019 (Percentage)	Physical progress March 2020 (Percentage)	Remarks
51.	Construction and operation of multi-level parking Jammu	46.11	46.50	0.00	47.08	47.08	0.39	0.97	03.03.2016	02.06.2017	30.09.2017	92.86	100.00	
52.	Procurement of NRW reduction management contract domestic water meter in Jammu	26.24	24.80	0.00	22.97	22.97	0.00	0.00	28.03.2016	27.03.2017	30.09.2017	92.60	100.00	
53.	Supply & installation of bulk flow meters in Jammu	23.16	22.98	0.00	20.50	20.50	0.00	0.00	10.06.2016	09.03.2017	15.03.2018	89.20	100.00	
	<b>Total</b>	<b>1,272.28</b>	<b>1,589.24</b>	<b>523.38</b>	<b>915.19</b>	<b>1,438.57</b>	<b>333.60</b>	<b>329.03</b>						

(Source: Departmental records)

## Appendix 5.4.2

(Reference Paragraph: 5.4.5)

Statement showing details of JKUSDIP sub-projects selected as sample for test-check

(₹ in crore)

Sl. No.	Sub-project Name	Original cost	Revised cost	Expd. PMRP	Expd. PMDP	Total Expd. March 2019	Cost escalation	Cost overrun	Date of start	Target date of completion	Actual date of completion	Delay (days)	Financial progress March 2019 (Percentage)	Physical progress March 2020 (Percentage)	Remarks
1.	Bhawani Nagar, Jammu (3-A)	12.91	16.41	0.00	9.23	9.23	3.50	0.00	10.02.2017	09.02.2018	In Progress	781	56.22	82.00	Balance work of terminated contract
2.	Janipur, Jammu (3-B)	10.63	14.09	0.00	6.66	6.66	3.46	0.00	10.02.2017	09.02.2018	In Progress	781	47.26	68.00	
3.	Supply/ installation/ removal of domestic water meters	4.60	2.08	0.81	1.07	1.88	0.00	0.00	09.04.2015	08.04.2016	31.12.2016	267	95.38	100.00	
4.	Upgradation & upliftment of existing Drainage Pumping Stations in Srinagar Lot A	30.26	30.24	0.00	22.62	22.62	0.00	0.00	01.10.2015	24.12.2016	28.02.2019	796	66.85	100.00	
5.	S&D of equipment for PHED Srinagar- DG Set etc. Lot 5	0.66	0.66	0.00	0.66	0.66	0.00	0.00	07.06.2016	06.08.2016	18.10.2016	73	100.00	100.00	
6.	S&D of equipments for use in SMC	0.67	0.67	0.00	0.66	0.66	0.00	0.00	19.10.2016	18.01.2017	17.05.2017	119	100.00	100.00	
7.	Raw Water Pipeline from higher reaches-Doodhganga	43.05	43.17	9.44	24.88	34.32	0.12	0.00	10.10.2014	09.10.2016	Terminated (27.12.2018)	1269	80.96	87.00	Terminated
	Balance works retendered	3.98	3.98	0.00	0.00	0.00	0.00	0.00	27.05.2019	26.08.2019	In Progress		Nil	10.60	Balance works
8.	NRW reduction management contract in Jammu	26.24	24.80	0.00	22.97	22.97	0.00	0.00	28.03.2016	27.03.2017	30.09.2017	187	92.60	100.00	
9.	Construction of Landfill Cell No. 2 at existing Landfill site	18.61	33.59	22.96	8.98	31.94	14.98	13.33	29.08.2012	28.12.2013	03.09.2018	1710	99.44	100.00	
10.	Jehangir Chowk to Rambagh- Natipora Flyover in Srinagar	200.74	340.43	169.63	192.50	362.13	139.69	161.39	22.06.2013	21.06.2016	In Progress	1379	87.54	98.50	

Sl. No.	Sub-project Name	Original cost	Revised cost	Expd. PMRP	Expd. PMDP	Total Expd. March 2019	Cost escalation	Cost overrun	Date of start	Target date of completion	Actual date of completion	Delay (days)	Financial progress March 2019 (Percentage)	Physical progress March 2020 (Percentage)	Remarks
11.	Construction of Bikram Chowk Flyover, Jammu	64.30	81.35	28.09	56.75	84.84	17.05	20.54	15.05.2013	14.05.2016	30.05.2017	381	99.60	100.00	
12.	S&D of SWM equipment for SMC Lot-2	1.90	2.37	2.30	0.07	2.37	0.47	0.47	14.06.2014	13.12.2014	14.05.2015	152	100.00	100.00	
13.	S&D of SWM Equipment For SMC Dumper Lot 3	2.46	3.05	3.02	0.03	3.05	0.59	0.59	14.06.2014	13.12.2014	14.02.2015	63	100.00	100.00	
14.	S&D of Water Tankers of different Capacities Lot 1	3.51	3.55	0.35	3.20	3.55	0.04	0.04	03.08.2015	02.02.2016	03.03.2016	30	100.00	100.00	
15.	Construction and operation of Multi-Level Parking Jammu	46.11	46.50	0.00	47.08	47.08	0.39	0.97	03.03.2016	02.06.2017	30.09.2017	120	100.00	100.00	
	<b>Total</b>	<b>470.63</b>	<b>646.94</b>	<b>236.60</b>	<b>397.36</b>	<b>633.95</b>	<b>180.29</b>	<b>197.33</b>							

(Source: Departmental records)

**Appendix 5.5.1**  
**(Reference paragraph: 5.5.1)**  
**Status of sampled sub-projects as of September 2020**

(₹ in crore)

Sl. No.	Name of sub-project	Project cost	Funds provided by GoI	No. of works	Executing Agency	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Development of Tourist facilities at SKICC	9.25	7.19	6	Sher-e-Kashmir International Convention Centre	Sub-project completed without preparation of damage report.
2.	Development of Tourist facilities at Dal Lake	9.50	5.69	3	Sher-e-Kashmir International Convention Centre	No damage report was prepared. Sub-project had not been completed and execution of works were under progress.
3.	Development of Tourist facilities at Babademb Lagoon	8.25	2.45	8	Lakes and Waterways Development Authority	Sub-project had not been completed and execution of works were under progress.
4.	Development of Tourist park at Athwajan, Srinagar	4.47	0.89	7	J&K Housing Board	Sub-project had not been completed and execution of works were under progress.
5.	Development of Khadinar Park-Baramulla	1.80	1.11	4	Gulmarg Development Authority	Sub-project had been completed.
6.	Development of Tourist facilities at Nageen	5.20	3.31	6	Director Tourism Kashmir	Sub-project completed without preparation of damage report.
7.	Development of Tourist facilities at Mughal Gardens-Nishat Bagh, Shalimar Bagh and Harwan	6.95	1.22	6	Director Floriculture	Project cost of sub-project was sanctioned in excess of cost of damages. Project had been completed.
8.	Development of Tourist Facilities at Surinsar Lake	1.50	-	1	Surinsar-Mansar Development Authority	Damage report was not available. Sub-project had not been completed and execution of works were under progress.
9.	Development of Tourist facilities at Mansar Lake	1.23	0.90	2	Surinsar-Mansar Development Authority	Sub-project completed but the damage report was not available.
10.	Development of Tourist facilities at Bhagwati Nagar, Jammu	15.96	9.02	15	Director Tourism Jammu	Project cost of sub-project was sanctioned in excess of cost of damages. Sub-project had not been completed and execution of works were under progress.
11.	Development of Tourist Facilities at Rajouri/ Nowshera/ Poonch	2.86	1.91	12	Rajouri Development Authority and Poonch Development Authority	No damage report was available. Sub-project had not been completed and execution of works were under progress.
	<b>Total</b>	<b>66.97</b>	<b>33.69</b>	<b>70</b>		

(Source: Departmental records)



# **Glossary of Abbreviations**



## Glossary of Abbreviations

Abbreviation	Expanded form
A&E	Accounts and Entitlements
AA	Administrative Approval
AC	Apex Committee
ACA	Additional Central Assistance
ACC	Artisan Credit Card
ADB	Asian Development Bank
AIIMS	All India Institute of Medical Sciences
AMR	Automatic Meter Reading
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
APL	Above Poverty Line
ASI	Assistant Sub-Inspectors
ASP	Activated Sludge Process
BAMK	Bagh-i-Ali Mardhan Khan
BEC	Bid Evaluation Committee
BOG	Board of Governors
BOQ	Bill of Quantity
BP	Bullet Proof
BPL	Below Poverty Line
BPM	Block Programme Managers
BSUP	Basic Services to the Urban Poor
CAPD	Consumer Affairs and Public Distribution
CAPFs	Central Armed Police Forces
CCTV	Closed Circuit Television
CD	Construction Division
CE	Chief Engineer
CEO	Chief Executive Officer
CFC	Craft Facility Centre
CGWB	Central Ground Water Board
CID	Criminal Investigation Department
CM	Chief Minister
CMBIRS	Chief Minister's Business Interest Relief Scheme
CMFRF	Chief Minister's Flood Relief Fund
COO	Chief Operating Officer
CPSMS	Central Plan Scheme Monitoring System
CRP	Community Resource Persons
CRPF	Central Reserve Police Force
Cum	Cubic Metre
CWC	Central Water Commission
CWPRS	Central Water and Power Research Station
DBT	Direct Benefit Transfer
DC	Deputy Commissioner
DDC	District Development Commissioner
DDU-GKY	Deen Dayal Upadhyaya Grameen Kaushalya Yojana

<b>Abbreviation</b>	<b>Expanded form</b>
DEA	Department of Economic Affairs
DGP	Director General of Police
DGS&D	Director General of Supplies and Disposals
DIC	District Industries Centre
DMAs	District Metered Areas
DPs	Displaced Persons
DPR	Detailed Project Report
DSC	Design and Supervision Consultant
DSP	Deputy Superintendent of Police
EAP	Externally Aided Project
EE	Executive Engineer
EOCs	Emergency Operation Centres
ERP	Enterprise Resource Planning
FBI Division	Ferozpor Basin Irrigation Division
FC	Flood Control
FCR	Facility Completion Report
FMP	Flood Management programme
FSC	Flood Spill Channel
GDCs	Government Degree Colleges
GeM	Government e Marketplace
GIS	Geographic Information System
GoI	Government of India
GoJ&K	Government of Jammu and Kashmir
GP	Gram Panchayat
GR	Goods Received
GST	Goods and Services Tax
H&UDD	Housing and Urban Development Department
HC	Head Constables
HHUs	Hand Held Units
HMMU	Himayat Mission Management Unit
I&C	Industries and Commerce
I&FC	Irrigation and Flood Control
IBA	Indian Bank Association
IE	Industrial Estate
IHSDP	Integrated Housing and Slum Development Programme
IIM	Indian Institute of Management
IIT	Indian Institute of Technology
INTACH	Indian National Trust for Art and Culture Heritage
IR Battalions	India Reserve Battalions
IT	Information Technology
ITLS	Intelligent Traffic Light System
J&K	Jammu and Kashmir
JKBL	Jammu & Kashmir Bank Limited
JKCCC	Jammu & Kashmir Cable Car Corporation
JKERA	Jammu & Kashmir Economic Reconstruction Agency

Abbreviation	Expanded form
JKHB	Jammu & Kashmir Housing Board
JKHDC	Jammu & Kashmir Handloom Development Corporation
JKPCC	Jammu & Kashmir Projects Construction Corporation
JKPHC	Jammu & Kashmir Police Housing Corporation
JKSLBC	Jammu & Kashmir State Level Bankers Committee
JKSRLM	Jammu & Kashmir State Rural Livelihood Mission
JKUSDIP	Jammu & Kashmir Urban Sector Development Investment Programme
JMC	Jammu Municipal Corporation
JnNURM	Jawaharlal Nehru National Urban Renewal Mission
KCC	Kissan Credit Card
Kms	Kilometres
LAHDC	Ladakh Autonomous Hill Development Council
LLSC	Local Level Steering Committee
M&E	Machinery and Equipment
M&W	Maintenance and Works
MBBR	Moving Bed Biofilm Reactor
MBPV	Medium Bullet Proof Vehicles
MD	Managing Director
MHA	Ministry of Home Affairs
MLA	Member Legislative Assembly
MLD	Million Litres a day
MoHUA	Ministry of Housing and Urban Affairs
MoRD	Ministry of Rural Development
MoT	Ministry of Tourism
MOU	Memorandum of understanding
MOUD	Ministry of Urban Development
MT	Metric Ton
NABARD	National Bank for Agriculture and Rural Development
NABCONS	NABARD Consultancy Services
NBFCs	Non-Banking Financial Companies
NDMA	National Disaster Management Authority
NHRC	National Human Rights Commission
NIT	Notice Inviting Tender
NoC	No objection certificate
NP	Non-pressure
NRW	Non-Revenue Water
OBC	Other backward class
OEMs	Original Equipment Manufacturers
OFC	Outfall Channel
P&S	Planning and Statistics
PC	Personal Computer
PCR	Project Completion Report

<b>Abbreviation</b>	<b>Expanded form</b>
PCUs	Passenger Car Units
PD&MD	Planning, Development and Monitoring Department
PDD	Power Development Department
PFMS	Public Financial Management System
PG	Post Graduate
PHE	Public Health Engineering
PHED	Public Health Engineering Department
PHQ	Police Headquarters
PIAs	Programme Implementing Agencies
PMDP	Prime Minister's Development Package
PMNRF	Prime Minister's National Relief Fund
PMRP	Prime Minister's Reconstruction Plan
PNCs	Price Negotiation Committees
POA	Power of Attorney
POJK	Pakistan Occupied Jammu Kashmir
PRC	Permanent Resident Certificate
PRO	Provincial Rehabilitation Officer
PW (R&B)	Public Works (Roads and Buildings)
RCC	Reinforced cement concrete
RD	Running Distance
RLVD	Red Light Signal Violation Detection
RM	Running metre
RTO	Regional Transport Officer
S&D	Sewerage and Drainage
SAAP	State Annual Action Plan
SAR	Summary Appraisal Report
SBR	Sequential Batch Reactors
SC	Scheduled caste
SDBC	Semi Dense Bituminous Concrete
SDM	Sub Divisional Magistrate
SDRF	State Disaster Relief Fund
SE	Superintending Engineer
SFC	State Financial Corporation
SGA	Skill Gap Assessment
SHGs	Self Help Groups
SHPSC	State Level High Powered Steering Committee
SI	Sub-Inspectors
SICOP	Small Scale Industries Development Corporation
SIDCO	State Industries Development Corporation
SKICC	Sher-I-Kashmir International Convention Centre
SLBs	Service Level Benchmarks
SLCC	State Level Contract Committee
SLIP	Service Level Improvement Plans
SLPC	State Level Purchase Committee
SLSC	State Level Screening Committee
SLTC	State Level Technical Committee

<b>Abbreviation</b>	<b>Expanded form</b>
SMC	Srinagar Municipal Corporation
SMP	Septage Management Project
SOP	Standard Operating Procedure
SPA	Special Plan Assistance
SPCB	State Pollution Control Board
SPIP	State Perspective Implementation Plan
SPOs	Special Police officers
Sqm	Square Metres
SR	Service Reservoir
SRE	Security Related Expenditure
SRLM	State Rural Livelihood Mission
SRO	Statutory Rule and Order
SRSWOR	Simple Random Sampling Without Replacement
SSPs	Senior Superintendents of Police
SSR	Sanctioned Schedule of Rates
ST	Scheduled tribe
STP	Sewerage/ Septage Treatment Plant
SUIDA	State Urban Infrastructural Development Agency
SWMS	Solid Waste Management System
TAC	Tender Approval Committee
TAM	Triangular Aerial Mast
TAMEIR	The Aggregative Macro Economics and Infrastructure Rebuilding Plan
TDS	Tax Deduction at Source
TS	Technical Sanction
TSA	Technical Support Agency
UC	Utilisation Certificate
UEED	Urban Environmental Engineering Department
UGC	University Grants Commission
UIDSSMT	Urban Infrastructural Development Scheme for Small and Medium Towns
UIG	Urban Infrastructure and Governance
ULBs	Urban Local Bodies
UPS	Uninterrupted power supply
UT	Union Territory
VIPs	Very Important Persons





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