CHAPTER- III: COMPLIANCE AUDIT

AGRICULTURE PRODUCTION DEPARTMENT

3.1 Implementation of Rashtriya Krishi Vikas Yojana (RKVY)

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

Rashtriya Krishi Vikas Yojana' (RKVY) a Centrally Sponsored Scheme aims at rejuvenating agriculture so as to achieve four *per cent* annual growth in the Agriculture sector during the eleventh plan period (2007-12). Under RKVY, Central funds are provided to the States as 100 *per cent* grant and *inter se* share of each State is determined according to a formula, which seeks to protect non-RKVY funding of Agriculture sector from State's own resources. At least 75 *per cent* of RKVY funds (Stream-I) to a State are to be earmarked for financing new, specific projects and the balance at most 25 *per cent* (Stream-II) is to be earmarked for strengthening the existing State sector schemes and filling of resource gap. The Agriculture Production Department headed by the Commissioner Secretary is the Nodal department at the State level for implementation of the scheme and the Directorate of Agriculture, Kashmir has been designated as a Nodal agency for monitoring activities of the scheme at the State level.

The audit of implementation of the scheme covering the period 2009-10 to 2012-13 was carried out between April-September 2013 through test-check of records of eight[1] provincial Directorates, Nodal Agency and thirty three implementing Agencies. Important Audit findings are as under:

3.1.1 Deficient planning process for the implementation of the scheme

(i) The scheme guidelines provide for formulation of the Comprehensive District Agriculture Plan (DAP) based on proposals of the grass root level (Block/ Panchayat/ *Gram-Sabha*) and District Agriculture Planning Units/ Block Agriculture Planning Unit/ Village Agriculture Plan Units. The DAP would include animal husbandry, fisheries, minor irrigation projects, rural development works and agriculture marketing schemes including schemes for water harvesting and conservation after taking into consideration availability of natural resources and technological possibilities in the district. The participation of all the sections of the society specifically women and the disadvantaged persons was to be ensured while preparing DAPs. The Nodal agency had to prepare a comprehensive State Agriculture Plan

[1] Agriculture, Horticulture, Floriculture and Command (two each)

(SAP) by integrating District Agricultural Plans for submission to the State Planning and Development Department for integrating with the overall State Plans.
Audit noticed that the DAPs were prepared at the district level but the Nodal agency failed to prepare a comprehensive State Agriculture Plan (c-SAP) at the State level. Further, DAPs prepared by the Districts of Kashmir region had been formulated without conducting any study to analyze the agro-climatic conditions, availability of technology, natural resources and participation of all the sections of the society. The Chief Agriculture Officer, Baramulla attributed (July 2013) non-preparation of DAPs in accordance with the scheme guidelines to the lack of expertise and time constraint.

(ii) The scheme guidelines envisage that besides preparing a shelf of projects for submission to the State Level Sanctioning Committee (SLSC) under Stream-I, the Nodal agency was required to frame the Detailed Project Reports (DPRs) of each project and place them before the SLSC for accord of sanction. Audit noticed (June 2013) that as against the shelf of projects under Stream-I to be prepared for submission to SLSC, the ongoing activities being implemented under other schemes were taken as projects under RKVY and presented to the SLSC.

3.1.2 Financial Management

The position of funds received by the State Government and the expenditure incurred there against during the period 2009-13 is indicated in **Table 3.1.1.**

Table-3.1.1

(₹in crore)

Year	Opening Balance	Receipts	Total availability	Expenditure incurred	Unutilized Funds	Percentage of funds unutilized
2009-10	Nil	42.05	42.05	28.27	13.78	33
2010-11	13.78	95.59	109.37	59.02	50.35	46
2011-12	50.35	56.03	106.38	80.39	25.99	24
2012-13	25.99	108.87	134.86	101.28	33.58	25
Total		**302.54**		**268.96**		

(Source: Records of Director Agriculture Kashmir)

Audit noticed that;

- There were considerable delay in release of funds ranging between one month and five months at State Finance Department/ Nodal agency level and upto 6 ½ months at Directorate/ District Level. The Deputy Director (Resources)/ CAO Finance Department attributed (August 2013) the delay to late credit of central assistance and delayed submission of proposals by the Nodal department.
- As against permissible amount of ₹19.38 crore (25 *per cent* of ₹77.52 crore received during the year) an amount of ₹30.68 crore was allocated under Stream-II during the year 2010-11 showing excess allocation of ₹11.30 crore during the year.
- Under the scheme guidelines, assistance is admissible for farm mechanization efforts especially for improved and gender friendly tools, implements and machinery excluding tractors. However, it was noticed that an assistance of ₹13.20 lakh was paid to 13 beneficiaries by Chief Horticulture Officer Kathua/

Udhampur and Chief Agriculture Officer, Udhampur for purchase of tractors during 2010-13.

- Funds to the tune of ₹21.49 crore were released in lump-sum by the Director Horticulture Kashmir/ Jammu during the period 2009-13 to the implementing agencies (Chief Horticulture Officers) without showing component-wise allotment thereby facilitating the implementing agencies to utilize funds at their own convenience.
- 200 projects were sanctioned for execution during the period 2009-13 under the selected sectors at a cost of ₹137.25 crore. Out of these 78 projects had been completed at a cost of ₹50.90 crore and 88 projects were in progress and an expenditure of ₹74.63 crore had been incurred thereon as of March 2013. The remaining 34 projects were yet to be implemented (March 2013). It was noticed that an expenditure of ₹34.80 lakh was incurred on 29 projects (out of 166 completed/ in-progress projects) over and above the sanctioned cost without obtaining approval of the SLSC.

3.1.3 Implementation of schemes under RKVY

3.1.3.1 Micro/ Minor irrigation sector

(i) Creation of liability and wasteful expenditure

As per Technology mission guidelines, an assistance of ₹one lakh was to be provided to an individual for creating water source through construction of farm ponds/ dug wells. Test-check of records of the Chief Horticulture Officer Udhampur (CHO) showed that as against 16 water sources targeted to be created during 2009-10 at a cost of ₹16 lakh, 109 water sources were created during the year at an expenditure of ₹39.73 lakh resulting in creation of liability to the extent of ₹23.73 lakh. The part liability of ₹5.87 lakh was cleared from the same component of the scheme funds and the remaining liability of ₹17.86 lakh had been cleared by diverting funds from other activities of the scheme during the years 2010-11 and 2011-12. It was also noticed that 52 such water sources (out of 109) had got damaged or had developed cracks rendering the expenditure of ₹18.15 lakh incurred thereon wasteful. The Director Horticulture stated that the concerned officer shall be asked to explain the reasons for exceeding the targets.

(ii) Delay in completion of works

The Command Area Development project "On-Farm Development (OFD) works and Water Conservation Structures" taken up by the Command Area Development Department aimed at overall development of natural resources and improvement of socio-economic condition of the farmers by way of creation of field channels which carry water from outlets to individual field plots for irrigation purposes. Against targeted area of 1671 hectares projected to be completed under these two projects in two districts[2] during the period 2010-12, an area of 824.50 hectares (49 *per cent*) only

[2] Kathua and Udhampur

had been covered after incurring expenditure of ₹162.71 lakh as of March 2013 benefiting 647 beneficiaries as against 7600 beneficiaries targeted by the Department.

3.1.4 Horticulture sector

3.1.4.1 Unfruitful expenditure due to non-utilisation of Green houses

Audit noticed that out of five Hi-tech Green houses established at a cost of ₹45.30 lakh (between June 2010 and March 2012) in the test-checked districts only one Green house had been made functional after a period of more than two and half years whereas the remaining four Green houses had not been made functional as of September 2013 due to non-availability of electricity/ water connections and even after incurring further expenditure of ₹24.27 lakh on the construction of bore wells, installation of three phase electric connections and purchase of generators for these four Hi-tech Green Houses. Thus expenditure of ₹60.51 lakh incurred on the establishment of four Hi-Tech Green houses was rendered unfruitful. The Director Horticulture Kashmir however stated (October 2013) that the matter would be looked into and the basic amenities would be arranged for making them functional.

3.1.4.2 Non imposition of penalty

The terms and conditions of the Notice Inviting Tenders (NIT) floated (January 2010) by the Director Horticulture, Kashmir for installation/ establishment of Hi-Tech Green House stipulate that penalty at the rate of 0.5 *per cent* per day of total cost of contract shall be recovered from the suppliers for not making supplies up to 45 days and thereafter supply order was to be cancelled. Audit noticed (September 2013) that the above penalty clause was not incorporated in the terms and conditions of the supply order and no agreement was also executed by the Department with the supplier before issuing supply order. The contractor had however, supplied/ installed Hi-Tech Green Houses at cost of ₹64.22 lakh at seven selected sites after a delay ranging between 2 ½ months and 27 months. The penalty of ₹14.45 lakh as envisaged in the NIT had neither been imposed nor recovered from the contractor, resulting in grant of undue benefit to the contractor. The Director Horticulture Kashmir accepted (December 2013) that no penalty had been imposed on the contractors and that the reasons for non-imposition of penalty are being ascertained from the concerned Chief Horticulture Officers.

3.1.4.3 Non-utilisation of grafting Huts for budders

Thirty two grafting huts had been constructed for budders in Kashmir province under the scheme during 2010-11 at a cost of ₹2.19 crore. Out of these grafting huts 11[3] huts were physically inspected by audit alongwith departmental representatives and it was noticed that nine huts were being used for office purposes, one hut was being used by the contractor for dumping material and one hut had not been put to use since its construction thereby defeating the purpose for which these were constructed.

[3] Baramulla: 3;Kupwara: 3;Bandipora: 3; Srinagar: 1 and Pulwama: 1

3.1.5 Natural resource management sector

3.1.5.1 Grant of assistance in excess of admissible limit

The operational guidelines (2010) of the Technology Mission provides for construction of Water Harvesting Systems/ Tanks (WHT) of 1200 cubic meter capacity by individuals at a cost of ₹1.38 lakh. The assistance is to be provided to the beneficiaries at the rate of 75 *per cent* of the total cost of construction subject to a maximum of ₹1.03 lakh and for smaller size of WHT amount is to be provided on pro-rata basis. The assistance of ₹one lakh (₹333 per cubic meter) for 300 cubic meter was to be provided for creating water source through construction of farm ponds/ dug wells by individuals prior to the year 2010. Test-check of records showed that assistance of ₹1.97 crore had been paid to 198[4] beneficiaries during the period 2009-13 against the admissible assistance of ₹0.59 crore[5] resulting in grant of excess assistance to the extent of ₹1.38 crore.

3.1.6 Organic farming sector

3.1.6.1 Excess payment

The operational guidelines (2010) of the Technology Mission envisage that assistance at the rate of 50 *per cent* of cost of the unit subject to maximum of ₹30,000 per beneficiary was to be provided for establishment of vermi compost units/ organic production units. Test-check of records of five Chief Agriculture Officers[6] showed that against an admissible amount of ₹ 15.69 lakh, an assistance of ₹25.20 lakh was paid to 84 beneficiaries for establishment of vermi compost units during the period 2009-13 resulting in excess payment of assistance to the extent of ₹9.51 lakh.

3.1.7 Non-farm activities sector

3.1.7.1 Non-utilisation of assistance for intended purpose

The terms and condition for availing assistance under custom hiring service through Agri-Business Centre (ABC) of the scheme envisage payment of assistance to the extent of 75 *per cent* subject to maximum of ₹three lakh on purchase of any one Agriculture machinery/ equipment and ₹five lakh for purchase of more than one such equipment The assistance was not to be provided for purchase of tractors and tractor trolleys. Test-check of records of the Chief Agriculture Officer (Kathua and Baramulla) showed that four beneficiaries had produced bills to the Department in respect of machinery/ equipment valuing ₹38.43 lakh which included bills of ₹25.08 lakh relating to purchase of tractors and tractor trolleys. The Department had allowed assistance of ₹20 lakh against the admissible amount of ₹10.01 lakh to the beneficiaries resulting in grant of excess assistance of ₹9.99 lakh. It was also noticed (June 2013) that assistance amounting to ₹10 lakh for establishment of ABC was paid by CAO Baramulla on the recommendations/ directions of the MLAs of concerned areas.

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4 Jammu: 20; Kashmir: 178

5 Size of WHT constructed in the range of 70 cubic meters and 1040 cubic meters during the period 2009-13

6 Kathua, Udhampur, Baramulla, Kupwara and Bandipora

3.1.8 Strengthening and Development of Seed Multiplication Farms

3.1.8.1 Underutilisation of farm land resulting in less productivity

(i) Test check of records of the Manager Farms, Chakroi Jammu showed that an expenditure of ₹1.05 crore[7] was incurred under the scheme for purchase of machinery, creation of irrigation facilities and other agriculture related activities at the Farm in addition to ₹2.48 crore incurred on the purchase of machinery/ equipment under other Centrally Sponsored Scheme "Special Task Force" during 2009-10 to 2012-13. Audit noticed that against the available cultivable area of 761 acres and 6 *marlas* of land, area ranging between 139 acres and 500 acres only, were brought under cultivation by the Department during the period from 2009-10 to 2012-13 resulting in under-utilization of available cultivable land despite incurring of expenditure of ₹3.53 crore on the development of agriculture infrastructure. Though an increasing trend in production of crops was noticed in the Farm during the period 2010-13 (from 2.85 quintals per acre during 2010-11 to 4.61 quintals per acre during 2012-13) yet it had failed to reach the production level of 5.36 quintals per acre achieved during the year 2009-10. The machinery/ equipment valuing ₹67.97 lakh purchased under "Special Task Force" had not also been put to use as of September 2013 due to non-availability of trained/ skilled staff.

The Farm Manager stated (September 2013) that the project proposals were in the process of implementation and total area coverage would be fully exploited after completion of the project to increase the production and productivity.

(ii) The State Government under 'Standardization of quality corm[8] production in public nurseries' component of the scheme approved (July 2010) Detailed Project Report (DPR) for bringing 55 hectares of land (out of total 63 hectares) under cultivation of saffron by providing irrigation facilities and development of land during the period 2010-11 to 2012-13 at Seed Farm Allowpora, Pulwama at a cost of ₹3.99 crore. Test-check of records showed that despite incurring expenditure of ₹59.64 lakh during the period 2010-13 on the development of land, creation of irrigation facilities and farm mechanization, only 37 hectares of land were brought under cultivation. Further against requirement of 1850 quintals of saffron corms for these 37 hectares of land, the Department had procured 1422.38 quintals of corms (costing ₹2.07 crore) during the period 2010-13. This resulted in less productivity of saffron crop by 56.500 kgs. The Joint Director Agriculture (Inputs) Kashmir accepted (October 2013) that due to failure of the crop the desired revenue could not be generated.

The audit findings were referred to the Government in November 2013. The reply had not been received (January 2014).

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7 Purchase of machinery-₹60.03 lakh; Drilling of Tube-Wells-₹45.37 lakh

8 Short thick underground stem base acting as vegetative reproductive structure.

Consumer Affairs and Public Distribution Department

3.2 Blocking of funds

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

The Hill Transport Subsidy Scheme (HTS) of Government of India (GOI) is meant for the predominantly hilly states with little or no railways and poor road communications. The Food Corporation of India (FCI) is required to open godowns at Principal Distribution Centres (PDCs) in such states wherever possible or reimburse to the State Governments the cost of transportation of food grains, on actual basis for lifting of food grains from base depots of FCI to the designated PDCs. The purpose of declaring important distribution centres as PDCs was to mitigate the burden of heavy cost of road transportation of food grains to the people in the hilly areas. The Department claimed reimbursement of transportation charges for two districts Bandipora and Kargil in Kashmir Division where FCI do not have PDCs.

The General Manager FCI Regional Office Jammu had instructed (July 2009) the State Government to submit the documents viz., copies of release orders of FCI, proof of payment made to transporters, copies of gate passes issued by FCI, copies of Government Receipt (GRs) of transporters, attested copies of approved transport rates and proof of receipt at PDC alongwith their reimbursement claims.

Audit check (January 2013) of records of Director Consumer Affairs and Public Distribution Department Kashmir showed that the Department had submitted the reimbursement claims of transport charges between January 2010 and February 2012 without enclosing the required documents to the FCI which were returned by them for want of these documents. The latest reimbursement claim of ₹7.46 crore[9] (₹3.82 crore for Atta and ₹3.64 crore for rice) for the period from 2009-10 to 2011-12 submitted belatedly by the Department to the FCI in July 2013 was again returned (July 2013) by the Area Manager FCI District Office Srinagar due to submission of incomplete prescribed certificate which had not been countersigned by the Secretary (Finance) of the State Government. Thus non-observance of prescribed procedure/ guidelines relating to submission of requisite documents with the reimbursement claims by the State Government resulted in non-release of these charges and consequent blockade of funds to the extent of ₹7.46 crore and a loss of interest of ₹62.62 lakh[10] on the locked up funds.

The audit findings were referred to the Government in October 2013. The reply had not been received (January 2014).

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[9] 2009-10: ₹2.08 crore; 2010-11: ₹2.38 crore; 2011-12: ₹3.00 crore

[10] Amount of interest paid on overdraft taken by the Government from Jammu and Kashmir Bank Limited/ RBI

Forest, Environment and Ecology Department

3.3 Working of State Pollution Control Board

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

The Jammu and Kashmir State Board for Prevention and Control of water pollution was constituted by the State Government in the year 1976 in pursuance of the Water (prevention and control of pollution) Act, 1974. After the entrustment of the additional responsibilities to it under the Air (prevention and control of pollution) Act, 1981 and Environment (Protection) Act, 1986 the Board was renamed as State Pollution Control Board (hereinafter referred to as Board) in the year 1988. The aim of the State Pollution Control Board is to develop all round capabilities to protect the environment by preventing and controlling pollution by effective law enforcement. The overall administrative control of the Board is vested with the Forest, Environment and Ecology Department. The Board comprises 16 official and non-official members nominated by the State Government and is headed by a Chairman who looks after its day to day working.

Audit was conducted with a view to ascertain whether the Board is performing its functions in accordance with the relevant environmental laws covering the period from 2008-09 to 2012-13 by test-check of records of Commissioner Secretary, Forest, Ecology and Environment Department, Chairman State Pollution Control Board, two Regional Directors Jammu/ Kashmir and six[11] out of 20 District officers of the Board between March and May 2013. The following are the important audit findings:

3.3.1 Planning process

It was noticed in audit that Board had neither prepared comprehensive plan nor had made Annual Action Plan since its inception (1976) to serve as a guide to execute pollution control programmes. The Board's activities were largely restricted to granting/ renewal of consent for operating industrial units. Even this activity was not carried out fully and properly as explained subsequently.

[11] Jammu, Kathua, Samba, Srinagar, Budgam and Ganderbal

The Member Secretary while attributing (April 2013) non-formulation of comprehensive programme to prevailing conditions in the State informed that the Board was in the process of formulation of the programme.

3.3.2 Financial Management

(i) The position of receipts and expenditure of the Board from 2008-09 to 2012-13 is given in **Table-3.3.1.**

Table-3.3.1

(₹in crore)

	Particulars		2008-09	2009-10	2010-11	2011-12	2012-13
1.	Opening balance		5.04	7.08	9.49	11.34	14.56
2.	**Receipts**	**(i)** State Government	6.10	6.92	9.04	12.30	15.53
		(ii) Central Government	1.43	Nil	Nil	Nil	Nil
		(iii) Central Pollution Control Board	0.17	0.0013	0.0023	0.02	0.16
		(iv) Other receipts (consent fee)	2.19	3.08	2.83	3.95	3.89
		(v) Miscellaneous receipts recouped amount	2.16	0.36	0.06	0.04	0.02
3.	**Total funds available**		**17.09**	**17.44**	**21.42**	**27.65**	**34.16**
4.	**Expenditure**	**(i)** Expenditure incurred from Opening Balance/ CPCB/ Consent money	10.01 -	1.04	1.04	0.79	0.86
		(ii) Expenditure incurred from State Government allotment (Percentage)		6.67 (96)	8.73 (97)	11.77 (96)	11.63 (75)
5.	Funds surrendered from State Government allotment			0.25	0.31	0.53	3.90
7.	Administrative expenditure from State Government allotment		-	5.98	7.74	10.82	10.79
8.	**Unspent balance (from Opening Balance/ CPCB/ Consent money/ Miscellaneous receipts) {OB+2 (ii) +2 (iii)+ 2 (iv)+2 (v)-4(i)}**		**7.08**	**9.49**	**11.34**	**14.56**	**17.77**

The poor utilisation of funds by the Board resulted in steady increase in the quantum of unspent balances which accumulated to ₹17.77[12] crore as of March 2013. The unutilised amount was lying in five bank accounts of the Board.

The State Government directed (December 2010) the Board to deposit the unspent balance of consent money in excess of ₹two crore lying in its non-interest bearing Bank accounts into Government accounts in the Treasury. It was also directed that in future also the Board should not retain any amount on this account in excess of ₹two crore. The Board had thereafter used drawals from Treasury as budgeted by the Government while it continued to retain unspent balances of funds raised by it. The Board had utilised consent fee ranging between ₹26.10 lakh and ₹91.77 lakh unauthorisedly towards meeting the administrative expenses like travelling allowance, POL, purchase of vehicle, furniture and payment of wages etc., during the years from 2009-10 to 2012-13 despite the fact that non-plan funds allotted by the State Government ranging between ₹12.94 lakh and ₹3.73 crore were surrendered by the Board during the same period. This indicated imprudent financial management of the Board.

(ii) The accounts of the Board are required to be audited by an Auditor appointed by the State Government on the advice of the CAG of India. It was noticed that accounts of the Board were finalised only up to the year 2006-07 and thereafter the

[12] Consent Fee: ₹15.80 crore; CPCB: ₹50.39 lakh; Opening Balance: ₹1.47 crore

finalisation of accounts was in arrears (May 2013). The reasons for non-finalisation of accounts were called for but not intimated by the Board (August 2013).

(iii) Audit observed that the consent money received by the Board had been parked in Current Accounts of two branches of Jammu and Kashmir Bank Limited. The average balances of consent money at the close of each year ranged between ₹1.20 crore and ₹12.73 crore during these years. The non-investment of surplus consent money in fixed bank deposits by the Board resulted in loss of interest of ₹1.91 crore[13] during the period 2008-13.

3.3.2.1 Outstanding Temporary Advances

The temporary advance is granted to the sub-disbursers against the passed vouchers for making disbursements. Audit examination of records showed that temporary advance of ₹21.10 lakh received from Member Secretary by the Regional Directors (Jammu: ₹3.60 lakh and Kashmir: ₹17.50 lakh) upto March 2009 had not been adjusted as of March 2013.

3.3.3 Measures for Environmental protection

3.3.3.1 Consent for industrial units

As per provisions of the Water (protection and control of Pollution) Act 1974, no person shall without the previous consent of the Board establish any industry. Audit noticed that records relating to the number of existing industrial units in the State and units operating un-authorisedly in the State, number of applications received for grant of consent, applications rejected/ refused consent and details of application pending for grant of consent had not been maintained by the Board. No register which was required under the provisions of pollution control Acts to watch the fulfillment of consent conditions, had been maintained either in the Regional offices or by the Member Secretary of the Board to keep a watch on the fulfillment of the conditions or violations in this regard. The consent of the Board is valid for such period as specified in the order. Test-check of records however, showed that 407 units in respect of which the validity of the consent to operate had expired between March 2001 and February 2013 were running without renewal in violation of the provisions of the Act, (June 2013).

3.3.3.2 Lack of facilities at Water and Air laboratories

Under Pollution Control Acts the Board was required to take samples of water from any stream or well or samples of any sewage or trade effluent passing from any plant or vessel or from or over any place into any such stream or well as well as to take samples of air or emission from any chimney flue or duct or any other outlet for analysis in the laboratory. The Board has established one Air testing Laboratory and one Water testing laboratory each in Regional office Jammu and Kashmir divisions No laboratories were established in other districts of the State. It was seen that the laboratories had not been recognised under Environment (Protection) Act due to lack of proper equipment, required manpower and trained staff. The testing of emissions/

[13] Calculated at the minimum rate (five *per cent*) of interest paid by Banks on fixed deposits

effluents for grant of consent for establishment/ operation of industrial units was done from the laboratories located outside the State who had established collection centres in the State. The water testing laboratory in Kashmir had the facility of analysing physio-chemical parameters only and no facility for analysis of heavy metals/ pesticides, microbiology and bio-monitoring existed in the laboratory. In Jammu division, out of 33 parameters required as per general standards for testing of environmental pollutants only about 10 parameters were being tested therein. Similarly, in respect of air pollution testing, in Kashmir division no samples were collected from chimney, flue or dust and only two parameters of Suspended Particulate Matter (SPM) and Respiratory Suspended Particulate Matter (RSPM) were tested therein. No gaseous sampling (SOx and NOx[14]) analysis was done due to non-availability of required facilities in the laboratories.

3.3.3.3 Insufficient activities of the Board

The collection and testing of air/ water samples is one of the core activities of the Board. The annual physical targets which were fixed in 2008-09 were reduced from the year 2010-11. As per the reduced targets, the achievement of testing of water samples/ industrial emissions/ industrial effluents was also not achieved in full as indicated in **Table 3.3.2.**

Table-3.3.2

(In numbers)

Sr. No.	Activity	Annual Targets fixed for the year 2008-09	Annual Targets fixed for the years 2010-13	Achievements (*per cent*)			
				2010-11	2011-12	2012-13	Total
1.	Testing of water samples	1500	800	204 (26)	557 (70)	570 (71)	1331
2.	Testing of industrial emissions	1800	300	86 (29)	71 (24)	160 (53)	317
3.	Testing of industrial effluents	1500	900	447 (50)	645 (72)	517 (57)	1609
4.	Testing of potable drinking water	400	100	81 (81)	136 (136)	168 (168)	385

A total of 385 samples of drinking water were tested in the whole State during the period 2010-13. Similarly, 1609 samples of effluents and 317 samples of industrial emissions were tested during three years in the State which are prima facie not commensurate with the number of sources/ storages of drinking water and industrial/ commercial establishments contributing to air/ water pollution. The reasons for the shortfall were called for from the Department but the same were not furnished to Audit (August 2013).

3.3.4 Inefficient management of wastes

The Environment (Protection) Act, and Rules made thereunder empowered the Board to regulate the management, handling and disposal of solid wastes including Municipal, Hazardous and Bio-medical wastes (BMW). Records however showed that the Board did not formulate any action plan for the purpose as would be seen in the subsequent paragraph:

[14] General oxides of Sulphur and Nitrogen

3.3.4.1 Municipal Solid Waste

In terms of Pollution Control Rules for management of Municipal Solid Wastes (MSW), the Board has to issue authorisation to Municipal Authority/ Committee or the operator of the facility to set up waste processing and disposal facility and monitor the implementation of provisions of these rules. Every Municipal Authority/ Committee under the provisions of these rules has to submit a copy of its annual reports to the Board by 30th June every year who in turn shall submit a consolidated annual report regarding implementation of these rules to CPCB by 15th of September every year.

Audit check of records showed that none of the Municipal Authorities had applied for such authorisation in Jammu Division. No Annual Reports had been submitted by Authorities/ Committees to the Board or by the Board to CPCB. Further the records to suggest that surveys had been conducted for monitoring disposal of MSW in cities/ towns of Jammu Division were not available with the Board. While as the MSW of Srinagar city was dumped in a landfill at Achan, Srinagar, in Jammu city it was dumped in open at various unauthorised places. Thus, the Board had failed to monitor the implementation of these Rules.

3.3.4.2 Hazardous wastes

In terms of Hazardous wastes (Management, Handling and Trans-boundary Movement) Rules, 2008 every person authorized under the rules shall maintain the record of hazardous wastes handled by him in prescribed form and prepare and submit to the Board, an annual return containing the details of wastes handled and disposed of by the handling units on or before 30th June following to the financial year to which that return relates.

Audit scrutiny showed that register, which was required to be maintained under provisions of the Rules, containing particulars of the conditions imposed under these rules had not been maintained to keep a watch on the fulfillment of conditions and their violations. The Board had not ensured the maintenance of records of hazardous waste by the handling units and had not monitored the receipt of annual return submitted by the handling units. Further as no landfill or Treatment, Storage or Disposal facility (TSDF) for hazardous wastes existed in the State, the outcome of hazardous wastes shown as recyclable was not known. The Principal Scientific Officer of the Board at Jammu had stated (June 2013) that the authorization to handle the hazardous wastes was granted to the units for storage only. No programmes were framed by the Board to prevent/ reduce/ minimise the generation of hazardous wastes in the State.

3.3.4.3 Bio-Medical waste

As per Bio-Medical Waste (BMW) Management Rules, every occupier of an institution handling bio-medical waste except such occupier of clinics, dispensaries, pathological laboratories, blood banks providing treatment/ service to less than 1000

(one thousand) patients per month, shall make an application in prescribed form to the Board for grant of authorisation.

(i) Audit noticed that out of 450 Government run HCEs treating more than 1000 patients per month, 30 HCEs (seven *per cent*) were granted authorisation by the Board in Jammu division while as no such HCE was granted authorisation in Kashmir division. Further out of 333 private nursing homes in Jammu division 129 (39 *per cent*) were granted authorization and out of 54 private nursing homes in Kashmir division 34 (63 *per cent*) were granted authorization by the Board (May 2013). This indicated that large number of HCEs in the State was running without authorisation of the Board.

(ii) Audit check of records further showed that no Government Hospital with more than 200 bed strength in the State had been granted authorisation and consent by the Board under these rules. Out of 129 private HCEs granted authorisation by the Board in Jammu division, only 60 (47 *per cent*) had complied with the authorisation conditions whereas in Kashmir division 170[15] HCEs had violated Bio Medical Waste Management (Management and Handling) Rules. Despite the fact that large number of Private HCEs had not complied with the authorisation conditions[16], only seven closure orders were issued in Jammu division and not a single such order had been issued in Kashmir division for the last four years indicating inadequate monitoring of the Board.

The Deputy Director, Directorate of Health Services, Kashmir stated (May 2013) that it had made it mandatory on the part of every occupier treating not less than 1000 patients per month to seek clearance from the Board before they could be authorised to operate a Health Care Establishment (HCE). The fact remains that despite issuing notices, the Board had never initiated any action against the defaulting Institutions.

3.3.5 Poor implementation of schemes

As per the provisions of the Acts, the Board in addition to its own function is to perform such other functions as entrusted to it by the CPCB or Central/ State Governments. The Board had, however, not maintained the records/ registers to indicate the details of programmes and schemes entrusted to it by the CPCB or any other agency for implementation in the State. It was observed in audit that no Utilisation Certificates (UCs)/ Statement of Expenditure (SOE)/ Progress Reports (PRs) were sent to the fund releasing authorities with the result the balance funds could not be claimed. Instances of few cases are discussed below:

- Out of ₹10.25 lakh sanctioned by the GoI in March 1997 for implementation of six[17] schemes, first installment of ₹four lakh was released by the GOI in April

15 Includes HCEs below 1000 patients per month who also have to follow BMW rules

16 Segregation of bio-medical waste for treatment and disposal, creating of treatment facilities or attachment with Common Bio-Medical Waste Treatment Facility (CBMWTF) and keeping of records in respect of generation of BMW)

17 Survey and management of city solid waste (₹3 lakh), preparation of status report on Manesar Lake (₹1.25 lakh), Environment Impact Assessment (EIA) for Patnitop and Sanasar (₹2.25 lakh), Ecology study of Katra (₹1.25 lakh), Polythene menace and assessment (₹Two lakh), Rag pickers and time study (₹0.50 lakh).

1997. The Board had utilized an amount of ₹1.91 lakh only and the balance amount was lying un-utilised as of March 2013.

- An assistance of ₹69.15 lakh for purchase of equipment for upgradation of the laboratories under the scheme 'Assistance for Abatement of Pollution' was sanctioned by GoI in March 2003 and first installment of ₹31.86 lakh was received by the Board in April 2003 with the condition that purchase and installation of equipment shall be completed within the year 2003-04. Audit check of records showed that the Board had spent ₹4.50 lakh only on purchase of equipment in 2006-07.
- For arranging 'training/ workshop programme' under BMW Management ₹15 lakh was released (January 2009) by the Director, Family Welfare and RCH, J&K, Jammu to the Board. Records showed that the entire amount of ₹15 lakh was released by the Board to the field offices in February 2009. The Board utilized ₹10.46 lakh out of the released funds and further funds for the purpose could not be claimed and the scheme remained unimplemented.

3.3.6 Monitoring mechanism

Against the 20 mandatory meetings required to be held during the period from 2008-09 to 2012-13, the Board had met on three occasions and no specific advice concerning the prevention and control or abatement of pollution was sent to the State Government for taking appropriate action. It was observed in audit that the committees constituted in March 2009 by the Board under provisions of pollution control Acts had never convened any meeting during the period 2009-13, thus rendering the constitution of these committees a mere formality.

The Board issued 551 closure orders during the years from 2008-09 to 2012-13 to the defaulting units for non-compliance of Environmental laws. It was seen that 144 closure orders had subsequently been kept in abeyance or were withdrawn and the status of subsequent action taken in remaining 407 cases was not available with the Board. Annual Report required to be prepared under Pollution Control Acts for submission to the State Government for presentation before Legislature was not prepared by the Board during the period from 2008-09 to 2011-12.

The audit findings were referred to the Government in September 2013. The reply had not been received (January 2014).

3.4 Development of Fisheries

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

Department of Fisheries is vested with the mandate of development of fisheries in the State. Department receives budgetary support for carrying out day to day activities. It also receives funds from the Government of India (GoI) under various schemes viz., Prime Minister's Employment Package (upto 2008-09), Rashtriya Krishi Vikas Yojna (RKVY), National Scheme for Welfare of Fishermen besides direct funding from National Fisheries Development Board (NFDB).

Audit on 'Development of Fisheries' in the State for the period from 2008-09 to 2012-13 was conducted between February 2013 to June 2013 by test-check of records of the Director Fisheries, Senior Aquaculture Engineer, four[18] Joint Directors (JDs), Seven[19] Chief Project officers (CPOs)/ Sr. Project officers (SPOs)/ Project officers (POs) and eight[20] Assistant Directors (ADs). The selection of the auditee units was done on simple random sampling method basis. The audit findings are discussed below:

3.4.1 Financial Management

Though the funding through State Budget mainly caters for running day to day affairs of the Department, funding from the GOI is primarily aimed at development of the fisheries and welfare of fishermen in the State besides creating employment avenues for the rural masses particularly the unemployed youth of the State. The position of funds allocated by the Government of India (GoI) and State Government and expenditure incurred thereagainst by the Department during the period from 2008-09 to 2012-13 is indicated in the following **Table-3.4.1**.

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18 Joint Director Kashmir, Joint Director Kashmir (Projects), Joint Director Jammu and Joint Director (Projects) Jammu

19 CPO Kathua, CPO Ghoumanhasan, CPO Kokernag, CPO Manasbal and CPO Regional Fish Farm Development Agency Pandach Srinagar, SPO Gagribal Srinagar, PO Thanpal Reasi

20 Assistant Director Jammu, Assistant Director Samba, Assistant Director Udhampur, Assistant Director Reasi, Assistant Director Kathua, Assistant Director Srinagar, Assistant Director Budgam and Assistant Director Ganderbal

Table-3.4.1

(₹in crore)

Year	Releases/ Allocation of Funds			Total Funds Available	Expenditure incurred		Total expenditure	Closing Balance (GoI)
	Government of India (GoI)		State Government					
	Opening Balance	Releases			Government of India	State Government		
2008-09	3.44	1.31	32.20	36.95	1.61	31.25	32.86	3.14
2009-10	3.14	4.26	38.83	46.23	5.91	37.93	43.84	1.49
2010-11	1.49	9.64	48.30	59.43	10.60	47.28	57.88	0.53
2011-12	0.53	6.33	57.14	64.00	5.77	55.28	61.05	1.09
2012-13	1.09	5.58	60.32	66.99	3.36	59.67	63.03	3.31
Total	**-**	**27.12**	**236.79**	**273.60**	**27.25**	**231.41**	**258.66**	**-**

The percentage utilisation of available funds (GoI and State Government funds) ranged between 89 *per cent* and 97 *per cent* during the years from 2008-09 to 2012-13. The administrative expenditure consumed major portion (between 68 *per cent* and 76 *per cent*) of the budgetary allotment of the State Government leaving lesser allocations for infrastructure and other developmental activities. The revenue realised by the Department during the period from 2008-09 to 2012-13 on account of license fee, auction of fisheries reservoirs, sale of fish seed/ feed, entry fee in Aquariums etc. rose from ₹2.52 crore in 2008-09 to ₹5.20 crore in 2012-13 which was around 10 *per cent* of the administrative expenditure of the Department.

3.4.2 Low production of fish

The records relating to fixation of targets were not maintained by the Department. Audit analysis of the position of targets and achievements of production of fish/ fish seed during the period 2008-13 showed that annual fish production had risen from 19.27 thousand tonnes in 2008-09 to 19.95 thousand tonnes during 2012-13 registering an increase of 3.52 *per cent*. However, the annual growth rate of fish production was low and ranged between 0.16 *per cent* and 2.48 *per cent* during 2008-13.

Audit noticed that the annual targets fixed during the period 2008-13 for fish production were not commensurate with the increase in number of fish ponds/ trout raceways in the State. While the number of fish farms and trout rearing units in the Government sector increased by 12 *per cent* and 14 *per cent* respectively during the period from 2008-09 to 2012-13, the fish ponds in private sector increased by 63 *per cent* during the same period. The trout rearing units in private sector had also increased from only one in 2008-09 to 268 during 2012-13. Despite increase in establishment of infrastructure, the fish production had increased by only four *per cent* in the State during the period 2008-13.

3.4.3 Programme implementation

With the dual purpose of increase in fish production and creating job opportunities to the local educated youth, the Government intended to develop the fisheries sector by way of creation of private ponds by providing incentives under various State and GOI schemes. The Department implemented three Centrally Sponsored Schemes (Prime

Minister's Employment Package (PMEP), Rashtriya Krishi Vikas Yojna (RKVY) and National Scheme for Welfare of Fishermen) besides the schemes under State Sector and National Fisheries Development Board (NFDB). The GOI sponsored schemes mainly focused on construction of ponds and raceways in Government and private sectors.

Audit analysis of the position of fish ponds and trout raceways constructed under the PMEP, RKVY and under State Sector schemes at the end of the year 2007-08 and 2012-13 showed that the number of carp fish ponds and trout raceways had increased by 83 *per cent* from 779 at the close of the year 2007-08 to 1426 at the end of 2012-13. The carp fish ponds increased by 62 *per cent* and the trout raceways increased by 136 *per cent* over the last five years. Though the number of carp fish ponds/ trout raceways had increased over the last five years, yet a large number of ponds had been rendered non-functional as instanced in the succeeding paragraphs.

3.4.4 Non-functional fish ponds under Prime Minister's Employment Package

The Prime Minister's Employment package (PMEP) was introduced in the year 2004-05 for establishment of carp-ponds in the State. Under the scheme 410 ponds (Jammu: 230; Kashmir: 180) were envisaged to be constructed in the private sector in two years at a cost of ₹4.92 crore. Due to delay in implementation the scheme was extended up to the year 2008-09. Audit observed that 480 carp ponds and one trout raceway were constructed at a cost of ₹4.70 crore during the period 2006-09. Out of these, 164[21] fish ponds (34 *per cent)* constructed with an assistance of ₹1.63 crore were rendered non-functional (May 2013). Though the dates of closure of 103 ponds in Jammu Division were not available, the 61 ponds in Kashmir Division were closed down between March 2008 and March 2013. The physical verification of 12 private fish ponds by audit showed that four ponds which were reported non-functional by the Department were actually non-existent (earth filled) and one pond was full with weed growth. The Deputy Director Fisheries (Central) informed (June 2013) that reasons for closure were specific to each pond and the concerned officers would be asked to ascertain the reasons for closure of such ponds. Further progress was awaited (August 2013).

3.4.5 Non-functional fish ponds under Rashtriya Krishi Vikas Yojana

Rashtriya Krishi Vikas Yojana with 100 *per cent* central assistance was launched in the year 2009-10 with an aim of enhancing fish production in the State. Audit noticed that out of 304 fish ponds and 199 trout raceways constructed under the scheme in the private sector during the period 2008-13, seven[22] carp fish ponds and ten[23] trout raceways constructed with the assistance of ₹28.40 lakh were rendered non-functional between March 2010 and February 2013. The reasons for closure of these ponds/ raceways were not on record.

[21] Jammu Division: 103 ponds and Kashmir Division: 61 ponds
[22] Jammu Division: 6; Kashmir Division: 1
[23] Jammu Division: 1; Kashmir Division: 9

3.4.6 Fish seed production and abnormal mortality

Fish seed stocking is one of the major components for the development of the fisheries sector. The fish seed production includes egg to spawn production for three days, spawn to fry nursing for 15-20 days, fry to fingerling rearing for 60-90 days and fingerling to yearling rearing for 8-9 months. With a view to meeting the ever-growing demand of seed for the private fish ponds and also to increase production of trout fish, the State Government established 13 hatcheries for supply of carp fish seed (five) and trout seed (eight) in the State.

(i) Audit analysis of annual capacity of production of fish seed, fish seed actually produced and percentage of mortality in four test-checked farms (carp) and three test-checked hatcheries (rainbow trout) during the years from 2008-09 to 2012-13 showed that against an annual production capacity of 1617.98 lakh eggs in seven farms/ trout units an average 85.80 lakh fry (five *per cent*) were produced annually in these farms/ units. The mortality rate of fertilized eggs/ spawn/ green ova in these hatcheries was very high and ranged between 44 and 96 *per cent*. The low yield from the hatcheries had direct bearing on the production of fish in the State and points to the possibility of unreported production. Similarly, the two trout seed hatcheries (Kokernag and Laribal) produce two varieties of trout fish seed namely Rainbow (*Oncorhynchus mykiss*) and Brown (*Salmo trutta fario*). Audit check of records showed that the mortality rate of Rainbow trout was higher than that of the Brown trout. The mortality of Rainbow trout ranged between 20 *per cent* and 81 *per cent* whereas the mortality in case of Brown trout ranged between 8 *per cent* and 51 *per cent* during the period from 2008-09 to 2012-13.

(ii) The Rainbow trout seed were produced from the eggs obtained from the brood-stock of juvenile reared within the hatchery, the seed for the Brown variety were produced from eggs of the wild fish of Brown trout in natural water sources. This indicated that use of wild fish for seed production in case of the Brown variety was the main reason for high survival rate whereas the inbreeding and consequent sib-mating of the Rainbow variety from the available stock within the hatchery resulted in high mortality. After this was pointed out in Audit, the Deputy Director Fisheries (Central) Kashmir informed (May 2013) that the wild seed could be of better quality as regards their survival.

(iii) Audit noticed that due to introduction of two exotic trout species, Brown trout (*Salmo trutta fario)* and Rainbow trout (*Oncorhynchus mykiss)* which are typical carnivores, in various tributaries of river Jhelum, especially in the areas which served as the breeding grounds for local fish varieties (*Schizothorax*), the native species of fish saw a gradual decline as their eggs and juveniles became easy prey for the new entrants. Besides, other factors viz. introduction of other exotic fish varieties, pollution and siltation in the water bodies also contributed to decline of native fish species. In order to check this decline, the Sher-i-Kashmir University of Agriculture Sciences and Technology (SKUAST) Kashmir cultured *Schizothorax niger* and supplied (February 2012) 1.46 lakh quality seed of this variety comprising hatchlings,

fry, advanced fry, fingerlings and advanced fingerlings to the Fisheries Department for stocking in the Dal lake for increasing its depleted population. There was no evidence to show that the Department had ever approached SKUAST (Kashmir) for adoption of the culture technology to check the loss of the local variety of fish. The Director while admitting (May 2013) the decline in local fish variety informed that necessary steps to introduce the technology adopted by SKUAST would be taken.

3.4.7 Absence of mechanism for seed certification

The fish seed certification is a quality assurance system aimed at ensuring genetic status of the seed. The Department is required to ensure that the quality fish seed is produced under appropriate husbandry conditions. Audit check of records showed that no mechanism for certification of fish seed produced in the farms and hatcheries in the State was in place and the Department had not framed any framework for proper accreditation of hatcheries/ farms in the State. The Director, (May 2013) informed that all the predetermined quality standards and criteria required for the production of quality seed were being adopted and that the matter of seed certification would be taken up as per guidelines of the Indian Council of Agricultural Research. Further progress in the matter was awaited (August 2013).

3.4.8 Recreational Fisheries

The department established two Aquarium-cum-Awareness Centre at Jammu and Srinagar during 2007-12. Though the centre at Jammu had been a source of great attraction for the public and the revenue earned from visitors tickets/ entry fee had increased from ₹47.69 lakh during the year 2008-09 to ₹85.68 lakh in 2012-13, the unit at Srinagar thrown open to public in September 2012 had to be closed for public within three months in December 2012 for want of uninterrupted power supply (UPS) during winter season for ensuring safety of aquarium live stock. Due to non-provision of UPS system the aquarium witnessed 100 *per cent* mortality of ornamental fish during winters of 2012-13. The UPS system was not arranged making the Aquarium non-functional. The Director Fisheries, informed (January 2014) that necessary steps were being taken to make the aquarium fully functional during 2014-15.

3.4.9 Improper functioning of fish feed mills

(i) The Department established (1985-86 to 2005-06) four (two each for carp[24] and trout[25] fish) feed manufacturing units in the State for the production of feed for the two varieties of fish. It was seen that out of two carp feed-producing units, one unit (Kathua unit setup in 1985-86) had been closed in April 2007 reportedly due to continuous repairs, replacement of parts and maintenance. However, after being pointed out (March 2013), the feed mill was made functional again in March 2013. The Carp Feed Mill, Manasbal which has production capacity of five quintals per hour was not operating at the optimum level. Against optimum capacity for production of 14600 quintals[26] in a year, the Mill produced feed ranging between

[24] Carp feed manufacturing units Kathua and Manasbal (2005-06)
[25] Trout feed manufacturing units Kokernag (1991-92) and Harwan (1985-86)
[26] Calculated on the basis of eight working hours per day in a year

113.5 quintals and 517.01 quintals during the years from 2008-09 to 2012-13. Due to under utilization of feed mill and low production of feed the Department had to procure feed from market for its Departmental farms.

(ii) Trout fish feed mill at Kokernag (Anantnag) caters to needs of both the Department and private trout units. It was seen that the pelleted feed produced in this feed mill had never been tested by the Department for ensuring quality production of the feed. Test-check of records showed that out of ten[27] required ingredients the feed did not contain six ingredients[28] during intermittent periods between April 2008 and January 2013 leading to production of sub standard feed. The feed was manufactured without fish meal ingredient for period of 50 days during July-August 2012.

(iii) Audit check of records of Harwan farm showed that pelleted feed, containing all essential nutrients for growth especially before and during the breeding season, was not available in the farm intermittently during the period 2011-13 particularly for 29 days during December 2012. Due to non-availability of pelletted feed the stock had been fed with trash feed in the farm.

(iv) The Department advanced (May 2009 to May 2010) ₹8.78 crore to State Trading Corporation of India (Government of India Enterprise) for supply, erection and commissioning of trout feed mill plant (Capacity: two tons per hour) at Manasbal and advanced (March 2011 to March 2012) ₹1.42 crore to M/s J&K Projects Construction Corporation Limited for construction of Feed Mill Building and Boiler Room. Audit scrutiny showed that the building had been completed (December 2012) and the mill despite having been put to trial run in June 2012 had not been made operational as of June 2013 due to non-provision of power generator set and non-completion of electrification works of main structure/ some items of works of the generator-cum-control room.

3.4.10 Non-completion of works/ projects

The creation of infrastructure viz fish farms/ ponds, hatcheries, raceways in a time bound manner is essential for enhancing the fish production in the State. The position of total works/ projects executed during the period 2008-13, and the works still incomplete at the close of March 2013 was not available with the Department. Audit noticed that construction of five farms/ ponds/ raceways (***Appendix-3.1)*** allotted to JKPCC and PWD (R&B), private contractors and executed departmentally for completion within three months to two year had either not been completed within the stipulated time period or left mid way despite incurring expenditure of ₹2.35 crore on these works due to paucity of funds, non-transfer of land, land dispute and awaited permissions. The Deputy Director (Central) stated (July 2013) that the position would be ascertained from the concerned Project Officers/ Assistant Directors.

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[27] Fish meal, soyabean, whole wheat, linseed or fish oil, D.L.Methionine, Chloline ehloride, Mineral Mixture, Sodium Alginate and vitamins and yeast

[28] Chloline ehloride, Mineral Mixture, Fish meal, vitamin premix, soyabean and D.L.Methionine

3.4.11 Implementation of schemes for welfare of fishermen

3.4.11.1 National Scheme for Welfare of Fishermen

National Scheme for Welfare of Fishermen a Centrally Sponsored Scheme contemplated development of model fishermen villages, Group Accident Insurance for Active Fishermen, Saving-cum-Relief and Training & Extension. The scheme was introduced during the year 2006-07 by replacing two earlier schemes (Janta Personal Accident Policy and National Welfare Fund for Fishermen) with the objective to provide basic amenities like housing, drinking water, community hall, better living standards for fishers and their families, uplift social and economic securities for active fishers and their dependents and to update knowledge, improving skills of fishers in regard to modern fishing technology. The total fishermen population in the State in 2011-12 was estimated at 0.82 lakh. About 15000 professional fishermen of the State derive their livelihood from natural water resources of the State. The implementation of the components of the scheme is discussed in the succeeding paragraphs:-

3.4.11.2 Development of model fishermen villages

(i) The active fishermen identified by the State Government preferably the fishermen below the poverty line and landless fishermen are eligible for houses under this scheme. The cost is shared between GOI and State Government on 50:50 basis. Besides, funds under RKVY were also provided during the period 2009-13 for payment of assistance for low cost housing to the beneficiaries. Audit noticed that during the period 2008-13, an expenditure of ₹6.26 crore was incurred for assistance for construction of 1560 houses out of which assistance for 264 units was provided under RKVY. As per the scheme guidelines the houses were to be constructed in clusters of not less than 10 houses with basic civic amenities like drinking water, community halls/ working sheds. It was, seen that houses were constructed at isolated places where the fishermen were already residing or owning land. This resulted in non-creation of 'Model Fishermen Villages' in the State.

(ii) The State Government had not fixed any norm for identification of genuine and active fishermen in the State. However the fisherman license was the minimum requirement for determination of a bonafide fisherman. The Departmental functionaries at district level had devised formats with content and criteria for applicants at their own level which differed from one district to another. Test-check of records of 489 beneficiary cases (out of 1560 beneficiaries) showed that the financial assistance had been provided to 48[29] beneficiaries without production of any fishermen licenses and Permanent Residence Certificate (PRC) was not on record in respect of 188 cases. The assistance was to be made in two installments to the beneficiaries, first installment after completion of plinth and second at roof level. It was seen that in 27[30] cases full payment of assistance had been released in single

[29] Assistant Director Kathua: 2; Assistant Director Jammu: 1; Assistant Director Reasi: 19; Assistant Director Samba: 16; Assistant Director Udhampur: 8; Assistant Director Srinagar: 1 and Assistant Director Ganderbal: 1

[30] Seventeen (17) case in 2008-09 and 10 in 2010-11 pertaining to Senior Project Officer Gagribal Srinagar

installment. The Director stated (June 2013) that the matter would be looked into and that development of model fishermen village could not be taken up in the form of cluster houses as the beneficiaries constructed the houses on the land in their possession where the cluster was not possible and was the main constraint.

The audit findings were referred to the Government in September 2013. The reply had not been received (January 2014).

Health Department

3.5 Excess payment of HRA and CCA

Failure of the BMO Chattergam Budgam to regulate payment of HRA and CCA to the employees of Health Department in accordance with the Rules resulted in excess payment of ₹86.41 lakh.

The Jammu and Kashmir Civil Services (House Rent Allowance and City Compensatory Allowance), Rules 1992, provide for payment of House Rent Allowance (HRA) to the State Government employees at the rate of 15 *per cent* of Basic Pay in respect of the cities classified as 'A' and 'B-1', at the rate of 7.5 *per cent* of Basic Pay for cities classified as 'C' and at the rate of 5 *per cent* of the Basic Pay for unclassified cities with effect from 1 January 2000. The State Government further re-classified (May 2010) the cities earlier classified as A, B-1 & B-2 to 'Y' category and as 'C' unclassified cities to 'Z' category. The rates of HRA were revised for the cities classified as A, B-1 and B-2 (Y category) to 17.5 *per cent* with effect from 1 June 2010 and to 20 *per cent* of the Basic Pay with effect from 1 June 2011. Also for the cities classified as 'C' and unclassified (Z category), the HRA was revised to 7.5 *per cent* with effect from 1 June 2010 and to 10 *per cent* of the Basic Pay with effect from 1 June 2011. Further, the City Compensatory Allowance (CCA) is admissible to the persons whose place of work falls within the classified constituents of urban agglomeration of Jammu and Srinagar cities.

Test-check (December 2012) of records of the Block Medical Officer (BMO) Chattergam, Budgam showed that CCA and HRA at the rates prescribed for cities classified as B-1 (Y category) had been drawn and paid @ 15 *per cent* from September 2006, @ 17.5 *per cent* from 1 June 2010 and 20 *per cent* from June 2011 to the employees during the period from September 2006 to November 2012. The places of posting of these employees were within the unclassified areas for the purpose of these Rules and as such were entitled for HRA in respect of unclassified cities and were not eligible for CCA. The BMO in contravention of the Rules had drawn and paid CCA besides HRA at enhanced rates which resulted in excess payment of HRA of ₹81.77 lakh and CCA of ₹4.64 lakh to the employees ranging between 25 and 142 during the period from September 2006 to November 2012.

After this was pointed out in audit, the BMO stated (January 2013) that the matter would be referred to the Director Health Services, Kashmir for necessary action and that excess HRA and CCA paid to the staff would be communicated to the higher authorities for effecting recovery. However, the payment of HRA at enhanced rates and CCA to the employees of the office was stopped with effect from January 2013.

The progress of recovery of the excess amount paid was awaited (December 2013). Thus, failure of the BMO Chattergam, Budgam to regulate payment of HRA and CCA in accordance with the Rules resulted in excess payment of ₹86.41 lakh.

The audit findings were referred to the Government in August 2013. The reply had not been received (January 2014).

Irrigation and Flood Control Department

3.6 Unproductive expenditure

Failure of the departmental authorities to conduct geological survey before execution of work on the scheme of construction of *Najwal Khul* in Akhnoor Jammu and to construct the cut-off wall for the concrete dam to make it functional resulted in unproductive expenditure of ₹66.93 lakh, besides denial of intended benefits to the local farmers of the area.

In order to meet the requirement of water during peak irrigation season to the un-irrigated command areas of two[31] villages of tehsil Akhnoor, Jammu, the project for 'construction of *Najwal Khul*'[32] was approved (January 2008) by the State Technical Advisory Committee of the Department at an estimated cost of ₹71.63 lakh under 'Accelerated Irrigation Benefit Programme'. The project was designed to cover cultivable command area of 250 acres of land and population of 1000 souls and was to provide assured irrigation thereby improving the socio-economic condition of the local farmers. This was to be completed within two years. The project comprised construction of dams (earthen as well as concrete) for storage of water (₹22.88 lakh) construction of main channel and distribution channels (₹23.96 lakh) besides construction of approach road, Gauge reader quarter, tractor crossing, protection works and compensation of land etc. (₹24.79 lakh). The source of the scheme was a creek (*Muloo creek*) flowing from the banks of river *Chenab*.

Audit scrutiny (December 2011) of records of the Executive Engineer (EE), Irrigation Division, Akhnoor showed that without conducting geological survey of the soil, the work for construction of concrete dam was allotted (June 2008) to a contractor at a cost of ₹19.95 lakh for completion in three months by October 2008. The design and drawings for the construction of a concrete dam submitted (September 2008) by the Chief Engineer Irrigation and Flood Control Department Jammu was vetted in December 2008 by the Chief Engineer Designs, Inspections and Quality Control Department, Jammu without any reference to pervious foundation at the dam site. The construction of the concrete dam was taken up by the contractor in January 2009 and completed (May 2011) at a cost of ₹27.66 lakh. During the course of inspection (July 2010) of the site by the Hon'ble Deputy Chief Minister of the State, leakages were noticed in the concrete dam and accordingly a committee was constituted (July 2010) for enquiring the reasons of leakage in the dam. The Committee reported (November 2010) that the construction of the dam was made on a pervious foundation at the site

[31] *Najwal* and *Bhalwal Birth*
[32] Irrigation channel

that led to seepage and recommended for construction of a cut off wall after preparation of design. For this purpose the EE approached (January 2011) the Department of Geology and Mining for conducting investigation of the site but the report thereof was awaited (May 2013). Meanwhile an expenditure of ₹66.93 lakh was incurred on the scheme during the period 2008-09 to 2011-12 but only part[33] of the work of the scheme was completed. The work on construction of channels of the scheme was not started as yet. Thus the scheme which was to be commissioned by the year 2009-10 had not been completed and the objective of providing water to un-irrigated land could not be achieved despite incurring an expenditure of ₹66.93 lakh.

The EE stated (March 2012/ May 2013) that high density floods etc. caused corrosion in the bed soil of the dam that led to seepage of water. The reply is not acceptable as the committee had held that the concrete dam was built on pervious foundation that led to seepage, which shows that proper survey was not conducted at the beginning of the project.

The audit findings were referred to the Government in June 2013. The reply had not been received (January 2014).

3.7 Blockade of investment due to non-providing of operational staff

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

To provide assured irrigation facility to 188 hectares of agricultural land of four villages in tehsil Akhnoor district Jammu, the State Technical Advisory Committee of the Department approved four Lift Irrigation Schemes (LIS) at an estimated cost of ₹1.94 crore[34] for funding under the Government of India Scheme, 'Accelerated Irrigation Benefit Programme' in January 2008 and September 2008. These schemes were to benefit a population of 537 souls and were targetted to be completed within two years (February/ October 2010). The Superintending Engineer, Hydraulic Circle, Jammu submitted the detailed project reports of these schemes to the Chief Engineer, Irrigation and Flood Control Department, Jammu for accord of administrative approval in February 2008 (LIS 'Kah', LIS 'Phandwal' and LIS 'Miari') and July 2008 (LIS 'Bhanara') which was awaited (June 2013).

Audit scrutiny (May 2013) of records of Executive Engineer, Irrigation Division, Akhnoor showed that three schemes viz. LIS 'Kah', LIS 'Phandwal' and LIS 'Miari' were taken up for execution during the year 2008-09 while as LIS 'Bhanara' was taken up during the year 2009-10 without accord of administrative approval. All these schemes were completed at a cost of ₹1.94 crore[35] and commissioned/ tested successfully between April 2012 and July 2012 but could not be made functional as

[33] Concrete Dam: 90 *per cent* completed; Earthen Dam: completed; Guide Bank: 70 *per cent* completed

[34] LIS Kah: ₹48 lakh; LIS Bhanara: ₹67 lakh; LIS Phandwal: ₹40 lakh and LIS Miari: ₹39 lakh

[35] LIS Kah: ₹48 lakh; LIS Bhanara: ₹67 lakh; LIS Phandwal: ₹40 lakh and LIS Miari: ₹39.10 lakh

the operational staff was not deputed for operating the schemes. The schemes were to be handed over to the Executive Engineer, Mechanical Irrigation Division (MID) Akhnoor/ Nowshera by the Executive Engineer, Mechanical Irrigation Construction Division (MICD) Jammu for operation and maintenance.

The Executive Engineer, MID Akhnoor/ Nowshera stated (June 2013) that these schemes were to be operated by the MICD, Jammu for one year to cover warranty clause of the equipment and for stabilization and only thereafter handed over to his Division along with the staff for further operation and maintenance. The Executive Engineer Irrigation Division Akhnoor stated (May 2013) that the Executive Engineer, MID Akhnoor/ Nowshera had been requested to depute the operational staff for operating these schemes. Thus, despite commissioning of the schemes over one year back, these could not be operated by the Department (June 2013).

The audit findings were referred to the Government in July 2013. The reply had not been received (January 2014).

3.8 Blocking of funds due to non-acquisition of land

Injudicious action of the Executive Engineer Irrigation Division Akhnoor, Jammu to take up execution of work of the Lift Irrigation Scheme Rajpura without acquisition/ transfer of land in favour of the Department resulted in unfruitful expenditure of ₹42.77 lakh and blockade of ₹48.49 lakh.

To create irrigation facilities for Cultivable Command Area of 160 hectares of agricultural land of four villages[36] in tehsil Akhnoor district Jammu thereby improving the socio-economic condition of poor farmers of these villages, the State Technical Advisory Committee of the Department approved (January 2008) 'Construction of Lift Irrigation scheme, Rajpura' at an estimated cost of ₹98.95 lakh (civil component: ₹53 lakh; mechanical component: ₹45.95 lakh) funded under Government of India scheme 'Accelerated Irrigation Benefit Programme' (AIBP). The detailed project report of the said scheme was submitted (February 2008) by the Superintending Engineer, Hydraulic Circle, Jammu to the Chief Engineer, Irrigation and Flood Control Department, Jammu for according of administrative approval which was awaited (May 2013).The scheme was targetted to be completed within two years (March 2010) and its source was a creek over river *Chenab* near *Bhalwal Mulloo*. The scheme envisaged construction of civil works comprising of approach road, pump house, operator quarter, protection works, delivery tank, tractor crossings, outlets, channels, and distributory as well as electro-mechanical works comprising of procurement and installation of pumping machinery and allied works. A provision of ₹0.85 lakh was kept in the total cost of the scheme for land compensation for construction of channel and distributory.

Audit scrutiny (December 2011) of records of the Executive Engineer, (EE) Irrigation Division, Akhnoor showed that the work on the scheme was taken up in October 2008 without prior acquisition of land for the scheme in favour of the Department. Against

[36] *Jattan De Kothey, Nai Basti, Jamana Bela and Rajpura*

an amount of ₹91.26 lakh[37] released by the Department under the scheme during the period 2008-12, the EE, Irrigation Division Akhnoor advanced ₹45.95 lakh to the EE, Mechanical Irrigation Construction Division (MICD), Jammu for execution of electro-mechanical components of the scheme who incurred an expenditure of ₹29.85 lakh during the period 2008-12 on procurement of pumping machinery and setting-up of electric sub-station. Out of balance of ₹45.31 lakh an amount of ₹12.92 lakh was incurred on construction of Pump house, approach road, delivery tank and channel and ₹32.39 lakh was advanced (March 2012) to Stores Procurement Department and Jammu and Kashmir Cooperative Supply and Marketing Federation Limited for supply of cement and allied material which had been lifted and stored in the divisional stores (October 2013). Further execution of balance work of the scheme could not be carried on due to land dispute created by the inhabitants of the area who approached the court for compensation and the matter was sub-judice.

The Executive Engineer stated (May 2013) that there was no objection by the people of the area at the time of start of work of the scheme. The reply was not acceptable as the EE Irrigation Division, Akhnoor was required to ensure proper acquisition of land in favour of the Department before taking up execution of the scheme. The matter of acquisition of land was however taken up with the Collector of the Department in March 2011 and with the Revenue Department in December 2012 after over three years of sanction of the scheme. Thus, the injudicious action of the EE Irrigation Division Akhnoor to take up execution of work of the Lift Irrigation scheme Rajpura without acquisition of land in favour of the Department resulted in unfruitful expenditure of ₹42.77 lakh and blockade of funds to the extent of ₹48.49 lakh.

The audit findings were referred to the Government in July 2013. The reply had not been received (January 2014).

3.9 Idle investment due to non-completion of the project

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

The State Technical Advisory Committee of the Department approved (April 2005) the project 'Construction of Lift Irrigation Scheme, Dharmni' at a cost of ₹1.77 crore (civil component: ₹74 lakh; and mechanical component: ₹1.03 crore) for funding under Government of India Scheme, 'Accelerated Irrigation Benefit Programme' to provide assured irrigation facility to 182 hectares of agricultural land of four villages[38] of tehsil Billawar district Kathua, for effecting socio-economic advancement of people of the area. The project envisaged lifting of water from right bank of *Ujh* river. The project targetted to be completed within three years involved construction of approach road, pump house/ motorman quarter, delivery tank, two main canals of

[37] 2008-09: ₹24.54 lakh; 2009-10: ₹1.60 lakh; 2010-11: ₹20.40 lakh and 2011-12: ₹44.72 lakh

[38] *Dharmni, Kalyal, Nota and Barota*

length 2300 meters and 1030 meters respectively alongwith three distributories, outlets/ tractor crossings etc. (₹74 lakh), besides installation and commissioning of electro-mechanical equipment (₹1.03 crore). The detailed project report of the scheme was submitted (June 2005) to the State Government by the Chief Engineer, Irrigation and Flood Control Department Jammu for accord of administrative approval which was awaited (February 2013).

Audit scrutiny (January 2012) of records of the Executive Engineer (EE) Irrigation Division Kathua showed that out of an expenditure of ₹1.95 crore incurred on the project during the period 2007-13, an amount of ₹99.20 lakh was incurred on part completion of the civil components of the project by the EE Irrigation Division Kathua and ₹95.71 lakh on electro-mechanical components of the project by the EE Mechanical Irrigation Construction Division, Jammu. The extra expenditure of ₹17.91 lakh over and above the project cost of ₹1.77 crore was met from other deposit works/ schemes of the Division. The design and size of the pump house building was changed immediately after its allotment (February 2008) to the contractor at a cost of ₹6.40 lakh. As a result the contractor refused to execute the work due to increase in the cost of the pump house to ₹11 lakh causing delay in its completion. The main civil components[39] of the project was completed. Thus, due to non-completion of pump house, the project could not be commissioned resulting in idle investment of ₹1.95 crore. After this was pointed out (between January 2012 to June 2013) in audit, the EE, Irrigation Division, Kathua stated (February 2012) that the project would be completed after funding on the revised project cost which was under formulation.

The audit findings were referred to the Government in July 2013. The reply had not been received (January 2014).

REVENUE DEPARTMENT

3.10 Prime Minister's Relief Package for return and rehabilitation of Kashmiri migrants

Only one family had partially availed financial assistance under the Housing component of the scheme. The scheme has not achieved its intended outcome though ₹120.41 crore have been spent upto March 2013.

The Militancy in the State had caused a large scale migration of members of the Kashmiri Pandit community from the Kashmir Valley to mainland at Jammu and other places in the year 1989-90. To provide financial assistance/ relief to the affected families like arrangements for accommodation, payment of cash assistance, issue of free ration etc., a Relief Organisation was created (March 1990), headed by the Relief

[39] Main canal M-1 from RD 1850 meters-2300 meters; Main Canal M-2 from RD 0-1030 meters; Distributories No. 1,2 and 3 of Main Canal M-1, Outlets, Bathing Ghats, Foot bridges, Tractor crossings and Road crossings etc.

and Rehabilitation Commissioner (Migrants) in the Revenue Department Government of Jammu and Kashmir. All the migrants were expected to apply for registration and issue of a ration card to the Department. Presently, around 15000 families are drawing relief at Jammu and the remaining 20000 families are registered without relief benefits.

The Hon'ble Prime Minister during his visit to the State in April 2008, announced, *inter-alia*, a package for return and rehabilitation of Kashmiri migrants. Thereafter, a formal State Government Order was issued in October 2009 detailing seven components[40] of the scheme with total cost of ₹1618.40 crore. The migrant families who were interested to return to Valley and avail the facilities announced under the package were advised to furnish necessary information on the prescribed forms to the office of Relief Commissioner (Migrants) Jammu and office of Principal Resident Commissioner, Government of Jammu and Kashmir, New Delhi. In response, 5136 migrant families had shown willingness to return to the Valley by filing their details in the prescribed form. However, only one family had so far actually returned to the Valley. Against budget allotment of ₹172.09 crore, the department could spend ₹120.41 crore during the years 2008-09 to 2012-13 which was reimbursable by the Central Government. The audit findings are discussed in succeeding paragraphs:

3.10.1 Housing

Under the package, assistance at the rate of ₹7.5 lakh was to be provided to each returnee family for repair/ reconstruction for fully or partially damaged house (more than 20 *per cent* damage) and assistance of ₹two lakh per family for dilapidated/ unused houses (less than 20 *per cent* damage). The assistance of ₹7.5 lakh per family was to be provided for purchase/ construction of a house in Group Housing Societies for those who have sold their properties during the period after 1989 and before the enactment of 'The J&K Migrant Immovable Property (Preservation, Protection and Restraint of Distress Sale) Act, 1997' (30 May 1997). The migrants were expected to form a Group Housing Cooperative Society. Against a budget allotment of ₹1100 lakh for the years 2008-09 to 2011-12, an assistance of ₹five lakh only against the provision of ₹7.5 lakh was provided to one returnee family under the package.

3.10.2 Transit Accommodation

As per the return package, the returnee migrant families were to be provided either transit accommodation during the interim period when they undertake the reconstruction/ repair of their houses and for those who may not be accommodated in transit accommodation were to be paid rental and incidental expenses for a period of one year subject to a ceiling of rupees one lakh per family per annum. A provision of ₹60 crore was made for construction of transit accommodation (two room sets) at four sites (Vessu Anantnag; Hawal Pulwama; Nathnusa Kupwara and Khanpora

[40] (i) Housing (ii) Transit Accommodation (iii) Continuation of cash relief to migrants (iv) Students scholarship (v) Employment (vi) Assistance to Horticulturists/ Agriculturists (vii) Waiver of interest on loans.

Baramulla) and an amount of ₹40.85 crore had been spent on construction of 463 units (Vessu Anantnag: ₹2 crore; Hawal Pulwama: ₹22.73 crore; Nathnusa Kupwara: ₹13.82 crore and Khanpora Baramulla: ₹2.30 crore) as of March 2013.

Since, only one migrant family had returned to the valley, 363 two room sets out of 463 constructed two room sets were allotted to the migrant employees appointed under the PM's package even though their families have not returned to the valley. Thus, the expenditure of ₹40.85 crore incurred on the construction of two room sets had not been utilised effectively.

3.10.3 Providing employment to migrant youth

Fifteen thousand unemployed migrant youth was to be provided with employment opportunities under the package. Out of 15000 overall employment target, 6000 jobs was to be provided in the State Government service. The Central Government had agreed to bear the salary cost for 3000 youth till they were absorbed against regular posts in the State Government. The remaining 9000 unemployed youth was to be assisted with a onetime assistance of ₹five lakh (50 *per cent* grant, 50 *per cent* loan) for facilitating them in getting self-employment/ business venture. Out of 6000 posts sanctioned under the package, 3000 supernumerary posts only had been created (October 2009) by the State Government for Kashmiri migrants in different departments. Out of this only 1446 posts had been filled as of March 2013 in the Valley. The department had incurred an expenditure of ₹79.51 crore on the salary of these employees during the period 2009-10 to 2012-13 but they were not adjusted against regular vacancies.

The youth employed under the scheme are not part of migrant families actually returning to the Valley, evidenced by actual occupation of an owned House or having applied for Housing assistance under the scheme.

The audit findings were referred to the Government in November 2013. The reply had not been received (January 2014).

Rural Development Department

3.11 Implementation of Indira Awaas Yojana

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

Indira Awaas Yojana (IAY), a Centrally Sponsored Scheme, is aimed at construction/ upgradation of dwelling units for the target groups who are below poverty line (BPL) households living in the rural areas belonging to Scheduled Castes/ Scheduled Tribes, freed bonded labourers and Non-SC/ ST BPL rural households, widows and next of-kin to defence personnel/ paramilitary forces killed in action residing in rural areas (irrespective of their income criteria), ex-servicemen and retired member of paramilitary forces fulfilling the other conditions. The Scheme is funded on cost-sharing basis between the Government of India and the State Government in the ratio of 75:25 and houses are constructed by the beneficiaries themselves. The Department had sanctioned assistance to 1.52 lakh beneficiaries for construction of new houses during the period 2008-13. The scheme is implemented in the State by the Rural Development Department through the Assistant Commissioners (Development) (ACD) at the district level and Block Development officers (BDOs) at block level.

The audit of implementation of the scheme covering the period from 2008-09 to 2012-13 was conducted during April to September 2013 by test-check of records of the Commissioner/ Secretary Rural Development Department, two Directors of the Department (Kashmir as well as Jammu), six Assistant Commissioners (Development) of six Districts[41] and 12 Block Development Officers[42] selected on the basis of simple random sampling without replacement method. Audit findings are discussed below:

3.11.1 Financial management

The position of receipt of funds both from the GoI and the State Government and expenditure incurred there against during the years 2008-09 to 2012-13 is given in **Table-3.11.1**.

[41] Jammu, Ramban, Poonch, Budgam, Kulgam, Kargil

[42] Akhnoor, Marh, Banihal, Ramsoo, Surankote, Balakote, B.K.Pora, Khan-Sahib, Phaloo, D.H.Pora, Shar-Chickten and Drass

Table-3.11.1

(₹in crore)

S. No	Year	Opening Balance	Receipts		Miscellaneous	Total	Expenditure	Closing Balance (Percentage)
			GoI	State Share				
1.	2008-09	4.00	49.41	14.11	0.18	67.70	53.54	14.16 (21)
2.	2009-10	17.92	65.46	24.34	0.29	108.01	90.47	17.54 (16)
3.	2010-11	13.57	70.88	20.08	0.69	105.22	89.60	15.62 (15)
4.	2011-12	16.02	57.96	23.45	0.59	98.02	82.39	15.63 (16)
5.	2012-13	15.47	55.82	20.42	0.47	92.18	78.56	13.62 (15)
Total			**299.53**	**102.40**	**2.22**		**394.56**	

The accumulation of unspent balances for the State at the close of the financial years 2008-13 varied between ₹13.62 crore and ₹17.54 crore constituting 15 to 21 *per cent* of the available balances. The non-utilisation of available funds in a particular year affected through cuts in future releases of funds to the extent of ₹6.89 crore in 14 districts of the State during the period from 2008-09 to 2012-13 by the Government of India. The following deficiencies were noticed by the audit:

- The closing balance of funds of the previous year(s) did not match with the opening balance of the subsequent year(s) in the Monthly progress reports (MPRs) submitted by the Assistants Commissioner Development (ACDs) to the Government of India.
- Two to four bank accounts were in operation in five out of six test-checked districts and in 10 Blocks, two to eight bank accounts were being operated by the BDOs in different banks in violation of scheme guidelines.
- Delays ranging between one month and nine months was noticed in release of funds during the years 2008-13 in Jammu district affecting scheme performance.
- None of the test-checked blocks had reconciled the details of funds under the scheme in their records with the banks to ascertain the factual position of un-cashed cheques and exact nature of variations of the balances. The variation between the bank balances and the balances adopted in the cash book ranged between (-) ₹33.95 lakh to ₹143.43 lakh.
- The State Government received less Central assistance to the extent of ₹17.56 crore during the period 2008-13 as GoI had made mandatory deductions of the assistance due to late submission of proposals for release of second installment and inadequate State share.
- Test check of records of BDO Marh showed that ₹28.61 lakh was booked as expenditure in the cash book for the year 2010-11 (₹24.89 lakh in March 2011 and ₹3.72 lakh in February 2011) without recording of details/ other support entries and agency to whom the amount had been paid. Further, ₹14.87 lakh was drawn from the treasury as State Share for IAY in March 2010 which was shown in the general cash book as transferred to the IAY cash book. However the said amount was neither found entered in the cash book nor credited into five IAY bank accounts operated by the BDO. As a result the details of expenditure of ₹43.48 lakh could not be verified.

- As per programme guidelines the inter-district allocation within a State was to be made by giving 75 *per cent* weightage to housing shortage and 25 *per cent* weightage to rural SC/ ST population of the concerned districts. The targets for the blocks within a district and village *panchayats* within the block were to be decided on the same principle. Audit noticed that while making allotment of funds this criteria was not followed and in 23 blocks funds to the extent of ₹19.87 crore was released in excess of the due amount of ₹47.25 crore while as an equivalent amount was released short in other 16 blocks of six test checked districts during the period 2008-13. The ACDs stated (between April 2013 and September 2013) that due care regarding the same would be taken in future.

- There was diversion of ₹3.79 crore from the funds of ₹4.51 crore specifically sanctioned (2008-09) by the GoI under the special package for rehabilitation of 1172 BPL border displaced families of block Akhnoor of Jammu District whose houses got damaged due to heavy shelling from across the border during 2008-09 to 2010-11. The balance of ₹71.91 lakh had remained unspent as of March 2013.

3.11.2 Programme implementation

3.11.2.1 Non-formulation of IAY wait-lists/ annual plans

As per the IAY guidelines, the Department was required to prepare permanent IAY wait list from the BPL lists (prepared on the basis of census-conducted by the Department in the year 2002) and the annual action plans (APs) were required to be formulated from these IAY lists. Scrutiny of records showed that the Department had neither prepared permanent IAY waitlist nor formulated Annual Plans for implementation of the scheme in contravention of the guidelines. Audit observed that six test-checked ACDs had wrongly reported to the GoI that APs were approved and beneficiaries had been selected from the waitlists. The prioritization in selection of beneficiaries from targeted segments prescribed in guidelines was also not undertaken in selected blocks.

On this being pointed out, the ACDs stated that the selection of beneficiaries was made by the *Gram Panchayats* from the BPL Census-2002 as permanent IAY waitlists had not been prepared.

3.11.2.2 Deficient system for selection of beneficiaries

(i) Audit scrutiny showed that the GoI had released funds to the State during the period 2008-13 on the basis of data of Census report 2001 showing shortage of 0.93 lakh houses in the State. However, assistance was been provided to 2.12 lakh houses (2002-08: 0.60 lakh; 2008-13: 1.52 lakh: New Constructions) implying that 1.19 lakh ineligible beneficiaries (households) were provided assistance under the scheme. The Department attributed the increase to bifurcation of BPL families, without any documentary proof to back-up its contention.

(ii) Though the Department had conducted its own BPL Census-2002, yet the selection of beneficiaries was not even confined to the Department's own Survey and

assistance was provided in excess of the number of beneficiaries identified in the Survey. A total of 4258 beneficiaries in 11 blocks out of 12 selected blocks were identified as houseless as per BPL census-2002 and were accordingly entitled for assistance for construction of new houses under the scheme. However the assistance was provided to 7270 beneficiaries during 2008-13 out of which only 815 bona-fide beneficiaries (19 *per cent* of 4258) were covered during the period. The concerned BDOs stated that the selection criteria vested with the Gram Panchayats.

(iii) As against shortage of 14901 houses in five districts[43] as per the BPL Census-2002, the Department had sanctioned assistance for 45899 beneficiaries under 'New constructions' during the period 2008-13 showing coverage of 30998 ineligible beneficiaries. Further against 89117 *Kutcha* houses as per the BPL Census-2002, the Department had sanctioned assistance for 9297 beneficiaries under 'upgradation' component of the scheme. The Department accepted treating *Kutcha* householders as 'houseless'.

3.11.2.3 Wrong selection of beneficiaries

(i) As per Scheme guidelines the benefit was to be provided to only rural houseless BPL families. Audit noticed that out of 12981 assisted beneficiaries 6423 beneficiaries (49 *per cent*) which did not fall in the BPL census- 2002 in 12 test-checked blocks had been paid financial assistance of ₹17.80 crore irregularly during the period 2008-13 under the scheme. Further out of 9282 beneficiaries holding *pucca*/ semi-*pucca* houses as per BPL survey in nine blocks, 1154 beneficiaries had been paid an assistance of ₹3.38 crore irregularly as these beneficiaries did not qualify for any financial assistance as per the scheme guidelines. Also 12 beneficiaries from urban/ town areas were extended undue benefit under the scheme in two test checked blocks which had resulted in inadmissible payment of ₹3.58 lakh. The BDOs stated that selection of beneficiaries was made on the recommendations of GPs. This was not acceptable as the BDOs were required to ascertain genuineness of the individual cases.

(ii) 3762 beneficiaries in 11 selected blocks in possession of *kutcha* houses as per the BPL survey were entitled for financial assistance @ ₹15000 per BPL household for upgradation of their houses but the financial assistance at the enhanced rates for construction of new houses (@ ₹38500/ ₹48500) was paid to them during the period 2008-13. This resulted in excess payment of ₹6.98 crore. The BDOs attributed this to selection of beneficiaries by the GPs**.**

(iii) 20 cases in seven test checked blocks were selected twice during the period 2008-13 and assistance for construction of new houses was paid twice to the same beneficiary resulting in excess payment of ₹5.60 lakh. The BDOs stated that such cases would be investigated.

[43] Jammu; Poonch, Ramban, Budgam and Kulgam

3.11.2.4 Status of new construction and upgradation of dwelling units

The position of physical performance in terms of new construction and upgradation of dwelling units under the scheme in the State during the period from 2008-09 to 2012-13 is depicted in **Table-3.11.2**.

Table-3.11.2

Year	New Construction			Up-gradation		
	Taken-up	Completed	Percentage of completion	Taken-up	Completed	Percentage of completion
2008-09	19794	13700	69	7010	5310	76
2009-10	40211	22100	55	9642	7165	74
2010-11	30345	17716	58	14562	9805	67
2011-12	26626	15262	57	11331	7592	67
2012-13	35215	19692	56	773	174	23
Total	**152191**	**88470**	**58**	**43318**	**30046**	**69**

The percentage of completion of houses by the beneficiaries ranged between 55 and 69 and the percentage of completion of upgradation works ranged between 23 and 76 during the period from 2008-09 to 2012-13. The age-wise details of incomplete works at the end of financial years were not maintained by the Department. The Joint Director (P) of the Administrative Department attributed (September 2013) low performance to poor resourcefulness of the beneficiaries.

3.11.2.5 Incomplete dwelling units

As per the programme guidelines, completion of dwelling unit in no case should take more than two years. Audit observed that out of 8741 dwelling units taken up in 10 selected blocks during the period 2008-12, a total of 5146 dwelling units (59 *per cent*) were completed within the stipulated two years period. Audit analysis of the number of spilled-over-scheme (SOS) dwelling units and the period of their completion and those still lying incomplete as of March 2013 in 10 blocks showed that out of 3595 spilled-over-scheme (SOS) dwelling units, 1731 units had spilled over beyond the mandatory two years period. Further, 1519 dwelling units were incomplete as of March 2013 for the periods ranging between two years and five years for which the second installment of financial assistance had neither been claimed nor paid to them. The BDOs stated that most of the beneficiaries were from *Gujjar* community/ nomads who had not claimed the second installment with the result the works spilled over or were not completed and the beneficiaries had not started the constructions.

3.11.2.6 Selection of beneficiaries under Homestead scheme

The GoI launched (August 2009) as a part of IAY scheme for providing homestead-sites to those beneficiaries from the Permanent IAY waitlists having neither a land nor a house-site. The State Government was required to allot suitable Government land as homestead site. In case suitable Government land was not available the private land was to be purchased or acquired and for this purpose financial assistance of ₹10,000 per beneficiary or actual, whichever was less (shared by Centre and States in the ratio of 50:50) was to be provided for purchase/ acquisition of a homestead site of an area

around 100-250 sqm. Audit scrutiny showed that the scheme had not been implemented in the State denying the benefits thereof to the deserving population.

3.11.2.7 Interlinking of IAY with other Schemes

With a view to providing comprehensive benefits to the rural BPL families, the State Government was expected to facilitate construction of smokeless *chulas,* sanitary latrines, electricity connections etc. For this purpose there was to be convergence of IAY with activities and funds provided under the 'Total Sanitation Campaign' (TSC), 'RGGVY', 'MGNREGS', 'NRDWP', 'SGSY' etc. Audit observed that the Department had failed to inter-link these programmes with the IAY so that the possible benefits under these programmes could be extended to the beneficiaries. The BDOs stated that no instructions in this regard had been received from the higher authorities. The Joint Director (P) stated (September 2013) that all the instructions received from the Government of India were being passed on to the field agencies for implementation of the scheme.

3.11.2.8 Non-reconciliation of data of physical performance

The dwellings actually taken up for construction, those completed and under execution at the block level as worked out by audit from the records of the selected BDOs, did not match with the Monthly progress reports (MPRs) of that particular BDO and the MPRs of the ACDs submitted to the GoI periodically. The variation ranged between one and 346, between one and 433 and between one and 481 in respect of dwelling units taken up, completed and in-progress respectively during the period 2008-13. Further in respect of completed dwellings the figures had exceeded the actuals by over 100 *per cent*. The BDOs stated that the position would be looked into and necessary corrections required, if any, carried out.

(i) There was a lack of monitoring of construction of houses by the Department. It was observed that in 10 blocks, only first installment of financial assistance of ₹3.87 crore was paid to 1903 out of 10674 beneficiaries during the period 2008-13. The second installment due to such beneficiaries was neither claimed nor paid to them. The BDOs stated that as per the reports the work had not been started by the beneficiaries who as such had not claimed the second installment. The reply was not tenable as the construction of houses by the beneficiaries was to be monitored by the Department.

(ii) In 11 blocks the financial assistance was paid less than that admissible to 2944 beneficiaries under the scheme guidelines during the period 2008-13. This resulted in saving of ₹1.32 crore. The Department while accepting the audit comment stated that the balance amount of the assistance would be released to the beneficiaries.

The audit findings were referred to the Government in November 2013. The reply had not been received (January 2014).

Social Welfare Department

3.12 Implementation of Scheme of Post Matric Scholarship to ST students

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

The Post-Matric Scholarship (PMS) to Scheduled Tribe students, a Government of India (GoI) sponsored scheme,(with 100 *per cent* Central assistance) aims at providing financial assistance to the Scheduled Tribe (ST) students studying at post-matriculation or post-secondary stage to enable them to complete their education. The scheme provides for payment of maintenance allowance, reimbursement of non-refundable compulsory fee charged by Educational institutions, Book Bank facility and certain other allowances, with the stipulations that the payment is to be made for pursuing recognized post matriculation/ post-secondary course in recognized institutions, the scholarship holder under the scheme is not the holder of any other scholarship/ stipend, and the refundable deposits like caution money, security deposit do not form part of the fee paid under the scheme.

The scheme is implemented in the State by the Director, Tribal affairs (created in July 2008) through the District Social Welfare Offices and an expenditure of ₹33.99 crore was incurred under the scheme during the period from 2008-09 to 2011-12.

Records of the Commissioner/ Secretary Social Welfare Department and the Director Tribal Affairs in the implementation of schemes for the period 2008-09 to 2011-12 was test checked from September 2012 to December 2012.The audit findings are discussed in the succeeding paragraphs:

3.12.1 Inadequate coverage of students

The Director, Tribal Affairs had received 44,453 applications from ST students during the period 2008-12 under the scheme against which the scholarship had been sanctioned in favour of 37,322 students (84 *per cent*) only leaving 7131 students (16 *per cent*) uncovered. The Director attributed non-disposal of the claims for scholarship to paucity of funds.

3.12.2 Unauthorised payment of scholarship

3.12.2.1 Payment for unrecognised computer courses/ institutes

The scheme guidelines envisage payment of scholarship for under-going recognised post-matriculation or post-secondary courses in recognised educational institutions. Audit scrutiny showed that scholarship had been sanctioned in favour of 2046 students during the period 2008-12 for undergoing computer courses like Diploma in Software Management (DISM), Diploma in Computer Application (DCA), Certificate Course in Computer Application (CCCA) and Diploma in Information Technology

(DIT) from 20 Computer Institutes/ Centres which were not authorised for undertaking these courses resulting in irregular payment of ₹4.26 crore. The Director stated that in future such courses would not be entertained for payment of Post Matric Scholarships unless such institutions are given accreditation for conducting such courses.

3.12.2.2 Payment to ineligible students

Any student intending to pursue the recognized post-matric computer courses like CHM-O Level (Hardware), O, A, & B Level (Software) of National Institute of Electronics and Information Technology (NIELIT)[44] formerly Department of Electronics Accreditation for Computer Courses (DOEACC) through private recognized/ accredited computer Institutes/ Centres has to get himself registered with NIELIT, which issues a unique registration number to such students. Before sanctioning post-matric scholarships in favour of Scheduled Tribe students, the Directorate of Tribal Affairs was required to scrutinize the claims of students/ institutions by verifying whether the students were actually registered with NIELIT.

Scrutiny of records showed that scholarship of ₹4.98 crore was sanctioned during the period 2008-12 in favour of 2342 students who had pursued computer courses viz. Computer Hardware Maintenance (CHM)-O Level (Hardware) Course/ O, A, & B Level (Software) Courses in private computer institutes without being registered with NIELIT. The fact of non-registration of these students with NIELIT had been overlooked by the Department before sanctioning the scholarship, which resulted in un-authorised payment of ₹4.98 crore. The Director attributed the lapse to inadequate manpower and assured that no payment would be made without proper scrutiny of applications in future.

3.12.3 Excess payment of scholarship

The Scheme guidelines envisage that scholars will be paid for enrolment/ registration, tuition, games, Union, Library, Magazine, Medical Examination and such other fees compulsorily payable by the scholar to the Institution or University/ Board. Guidelines further envisages that compulsory non-refundable fee charged by recognized institutions against free and paid seats of recognized courses can be fully reimbursed as per the fee structure approved by the competent authority of State/Central Government. The NIELET had also prescribed a fee structure for its courses like CHM-O level (Hardware), O, A, and B Level (Software)). The State Government had not approved any fee structure for these computer courses to be got conducted by the Private Computer centres (March 2013). Audit examination of records however, showed that the Director Tribal Affairs reimbursed non-refundable fee claimed by various Computer Institutions at various rates ranging between ₹18000 and ₹21000 for CHM-O level Courses and O, A, & B Level (Software) courses against the approved fee of ₹16700 for 'O' level software and ₹17409 for 'CHM-O' level hardware courses. This resulted in excess payment of scholarship of

[44] Autonomous Scientific Society of Department of Electronics and Information Technology, Ministry of Communication and Information Technology, Government of India

₹25.34 lakh to 975 Scheduled Tribe students. The Director informed that the payment was made on the basis of fee structure finalised by the Department. The fact was that the fee structure was not approved by the Government.

3.12.4 Direct release of payments to computer Institutions/ Centres

The Scheduled Tribe students enrolled/ studying in institutions recognized by the Central/ State Government Agencies/ Authorities are entitled to the scholarship on submission of claims enclosing copies of receipts/ acknowledgements issued by the Institutions in token of having received the fees etc. Scrutiny of records showed that instead of making payment of scholarship to the students, the amount was paid directly to the private computer Institutions/ Centres during the period 2008-12. Direct payment to the Institutions carries the risk of non-verification whether the students indeed pursued the course to the full extent and the Institutions filing proxy applications to claim financial assistance.

On this being pointed out, the Director stated (October 2013) that the practice of payment was in vogue in the Department and that the matter would be taken up with the Government for clarification.

3.12.5 Sanctioning of scholarship on deficient applications

Test-check of application forms received from the students for reimbursement of scholarships showed that in 225 out of 1000 test-checked application forms of ST scholars, who had been paid ₹39.15 lakh, neither income certificates of the competent revenue authority i.e. Tehsildar concerned nor affidavits on non judicial stamp paper declaring the income of the parents/ guardians were found attached with the application forms. The income certificates enclosed with the application forms were obtained from local MLAs, who have not been delegated the authority to issue such certificates. Further, in six cases involving scholarship of ₹1.22 lakh, affidavits were found tampered by way of applying correction fluid on names, parentage and signature etc.

3.12.6 Lack of internal control mechanism

Audit observed that the Department had not setup a proper internal control mechanism for implementation of the scheme as would be seen from the following instances:

- The Department did not maintain any records (Year/ Institute/ District-wise) which could reflect full particulars of the students viz., name, parentage, address, name of the course, registration number, amount of reimbursement of fee etc.
- The Department had not conducted any reconciliation with the bank from September 2009 to September 2012 to ascertain the position of un-cashed cheques and accumulation of cash balance of ₹2.05 crore including interest of ₹34.88 lakh in the Saving Bank account as of September 2012.
- The Audit Certificates of the Scheme are pending since 1993-94 and no efforts had been made by the Department to obtain the Audit Certificates for submission to the Ministry of Tribal Affairs.

The audit findings were referred to the Government in September 2013. The reply had not been received (January 2014).

Social Welfare Department

3.13 Idle investment due to non-possession of the building

Non-taking over possession of the *Nari Niketan* complex at village Mangnar (Poonch) by the department resulted in idle investment of ₹92.14 lakh besides non-accrual of intended benefits to the concerned orphans and widows.

To ensure proper accommodation and rehabilitation of the orphans and widows, the District, Social Welfare Officer (DSWO) Poonch approached (March 2005) the Executive Engineer (EE) Public Works (Roads and Buildings) Division Poonch (executing agency) for construction of a *Nari Niketan* complex at village Mangnar (Poonch) as there was no sufficient accommodation and the existing *Nari Niketan* was run in the rented accommodation. Accordingly, the Superintending Engineer, PWD (R&B) Circle Poonch Rajouri submitted (September 2005) the Detailed Project Report (DPR) for construction of the complex at a cost of ₹81.75 lakh to the Director, Social Welfare Department Jammu for completion within one year subject to availability of funds. Consequently, administrative approval (AA) for the project was accorded by the Secretary, Social Welfare Department in September 2006. The works for construction of project were allotted (December 2006/ January 2007) by the EE, PWD (R&B) Division, Poonch to the contractors.

Audit scrutiny (August 2012) of records of the District Social Welfare Officer (DSWO) Poonch showed that the complex had been completed in May 2010 at a cost of ₹92.14 lakh after a delay of about four years. The executing agency had requested (June 2010) the DSWO Poonch to take over possession of the building which had been completed in all respects including toilets/ bathrooms/ electrification etc. The DSWO Poonch reported (June 2012) to the Director, Social Welfare Department Jammu that upon visiting the site the building was found incomplete in respect of toilets/ bath rooms/ electrification and proper drainage system and that the executing authorities had been approached to complete the building. However, the possession of the *Nari-Niketan* building had not been taken over by the Department as of July 2013 and the building continued to be housed in the existing rented accommodation for which an amount of ₹6.12 lakh had been paid as rent from January 2008 to December 2012. Thus, failure of the departmental authorities to take over possession of the complex resulted in (a) idle investment of ₹92.14 lakh for over three years (b) non-accrual of intended benefits to the concerned orphans and widows and (c) avoidable payment of rent (₹3.77 lakh during July 2010 to July 2013).

After this was pointed out in Audit the DSWO Poonch stated (August 2012) that possession of the building would be taken over as and when it was completed satisfactorily. The fact, however, remains that the EE, PWD (R&B) Division Poonch intimated (July 2013) that the building had been completed in all respects and the concerned Department was asked (June 2010) to take over the building.

The audit findings were referred to the Government in November 2013. The reply had not been received (January 2014).

Youth Services and Sports Department

3.14 Irregular expenditure

Failure of the departmental authorities to ensure transfer/ acquisition of encumbrance free land before undertaking execution of a project for construction of an Indoor complex/ Rifle shooting range-cum-open play-field at Nagrota, Jammu resulted in irregular expenditure of ₹1.04 crore and blockage of funds of ₹0.76 crore.

For development of sports facilities, Department of Youth Services and Sports conceived a project 'Construction of an Indoor Complex/ Rifle shooting range-cum-open play field' at Nagrota, Jammu during the year 2008-09. For this purpose, Government land measuring 70 *kanals,* situated behind Sainik School, Nagrota was identified and the matter in this regard was taken up (October 2008) by the Director General, Youth Services and Sports, Jammu with the Vice Chairman, Jammu Development Authority (JDA). The Director General of the Department also approached (October 2008) the Managing Director, Jammu and Kashmir Projects Construction Corporation Limited (Company) for construction of the project without formal transfer and possession of identified land. The Company submitted (December 2008) cost offer of ₹6.49 crore for the project to the Department to be completed within a period of 12 months.

Audit scrutiny (April 2011) of records of the Director, Youth Services and Sports, Jammu showed that ₹50 lakh was placed (December 2008) at the disposal of the Company by the Director General without accord of administrative approval for the project. The work on the project was started by the Company in January 2009 which was stopped (August 2009) by the JDA on the plea that the Department had neither got the land transferred nor the requisite building permission obtained from them. Apart from this, a private person claiming to be owner of a portion (four *kanals* and 18 *marlas*) of land approached the Court of Law which directed (December 2009) for demarcation of land by the Revenue authorities. Though the demarcation report of the land had been submitted by the Deputy Commissioner, Jammu in April 2010, the issue had not been resolved (December 2012).

The Department further released ₹1.30 crore[45] during the period 2010-12 in favour of the Company. The construction work stopped by the JDA in August 2009 was intermittently resumed by the Company and was again suspended in November 2011. An expenditure of ₹1.04 crore was incurred on various components of the project[46] as of November 2012. After this was pointed out in audit, the Director, Youth Services and Sports, Jammu stated (December 2012), that the matter regarding transfer of land was under active consideration of the Government. The matter had, however, not been resolved (April 2013).

[45] (March 2011: ₹one crore and March 2012: ₹30 lakh)

[46] Indoor Shooting Hall; Outdoor Shooting Hall; Pavilion-cum-Spectator stand; shifting of cremation and waiting sheds

Thus, taking up execution of the project without administrative approval and without ensuring transfer/ acquisition of encumbrance free land by the departmental authorities resulted in irregular expenditure to the tune of ₹1.04 crore and blockage of funds retained by the JKPCC to the extent of ₹0.76 crore, besides the objective of development of sports facilities could also not be achieved.

The matter was referred to the Government/ Department in May 2013, reply thereof was awaited (January 2014).

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