



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Report of the
Comptroller and Auditor General of India
for the period ended March 2022**

**Government of Union Territory of Jammu and Kashmir
Report No. 6 of 2025
(Composite Audit Report - Civil)**

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PREFACE

This Report of Comptroller and Auditor General of India for the period ended March 2022 has been prepared for submission to Lieutenant Governor of Jammu and Kashmir under Section 72 of the Jammu and Kashmir Reorganisation Act, 2019 for laying in the Legislative Assembly.

This Report contains three Chapters. Chapter-I gives brief profile on receipts and expenditure of the Government of Union Territory of Jammu and Kashmir. Chapter-II and Chapter-III present significant audit findings noticed during Performance Audit and Compliance Audit of various Government Departments.

The instances mentioned in this Report are those which came to the notice in the course of test audit during 2021-22 as well as those which came to notice in earlier years but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2021-22 have also been included, wherever necessary. The Report has been updated as per replies received up to February 2025.

The Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

About the Report

This Report covers matters arising out of the Performance Audit and Compliance Audit of the Departments of Government of Union Territory (UT) of Jammu and Kashmir (J&K). The Report has been organised in three chapters as under:

Chapter- I: Introduction

This Chapter contains brief profile of the J&K UT Government with receipts/ expenditure for the year 2021-22, the authority for audit, audit jurisdiction, planning and conduct of audit. This report also covers response of the Government to various audit products namely Inspection Reports, audit observations/ paragraphs and follow-up action on the Audit Reports.

Chapter-II: Performance Audit

This chapter covers Performance Audit on “Direct Benefit Transfer (DBT) in Integrated Social Security Scheme (ISSS)”.

During 2018-19 to 2021-22, ₹ 10,849.32 crore (Cash and Kind) was paid via DBT mode to 3,77,30,264 beneficiaries. Of the cash transfers of ₹ 10,649.32 crore, an amount of ₹ 4,362.33 crore (41 *per cent*) was transferred by the Social Welfare Department (SWD) to beneficiaries through 28 schemes.

Under Integrated Social Security Scheme (ISSS), ₹ 1,000 is provided as Old Age Pension (OAP) to men above 60 years and women above 55 years of age, Women in Distress (WID) i.e. Widow and Divorcee women above 40 years, Physically Challenged Persons (PCP) and Transgender Community (TG). During 2018-2022, Social Welfare Department (SWD) transferred ₹ 1,974.01 crore (45 *per cent* of ₹ 4,362.33 crore) to the beneficiaries through DBT under ISSS.

Social Welfare Department had not followed the Standard Operating Procedure outlined for DBT and was not able to eliminate the intermediaries for transfer of pension assistance to beneficiaries. The Department did not transfer the benefits directly to the bank accounts of beneficiaries as the Treasury Officer, to whom the bills were submitted by Director, Social Welfare Department (DSWD) transferred the amount into the DDO bank account of DSWD.

The Protocol Document prescribed by the GoI for DBT in States provides for Aadhaar seeding of beneficiary database so that benefit could be transferred directly into bank accounts, preferably Aadhaar linked bank accounts of beneficiaries. Despite instructions of Finance Department (June 2020) to ensure authentication of beneficiaries by linking bank accounts with their Aadhaar number, it was noticed that

as of October 2022, only 6,29,684 (70 *per cent*) out of 9,02,151 ISSS beneficiaries bank accounts of beneficiaries were Aadhaar linked. In six test-checked Districts, shortfall in Aadhaar linking of bank accounts of beneficiaries ranged between 02 *per cent* (Budgam) and 40 *per cent* (Rajouri).

No review to check the completeness, authenticity and correctness of the legacy data was conducted after uploading the beneficiaries' data in Application software. The data had been uploaded on the portal after delay ranging between 02 months and 38 months, resulting in delayed payment of benefits.

The main purposes of integrating the Centrally Sponsored Schemes/ UT Specific Schemes with PFMS were real-time monitoring and tracking of fund flow from the Government to the end beneficiary, reducing leakages by facilitation of direct transfer of benefits to beneficiaries' bank accounts and maintaining a comprehensive audit trail of every financial transaction. Finance Department, GoJ&K instructed (June 2020) all Administrative Secretaries to create user agencies on the PFMS portal for all the Centrally Sponsored/ UT Specific Schemes implemented by the respective Departments by the end of June 2020. Despite Finance Department instructions, due to non-integration, Department of Social Welfare could not get the advantage of better monitoring & tracking and reducing leakage of DBT beneficiaries' accounts.

The SWD was required to maintain records showing initial date of sanction of pension in favour of beneficiaries. Audit noticed in six test-checked Districts that in violation of the Rules, no such records had been maintained by the Department.

As per Rule 6 (5) of ISSS Guidelines, pension was to be disbursed monthly to the beneficiaries. Audit noticed that there was delay of 04 months to 134 months in sanction of 26,135 cases out of test-checked 27,195 cases in five out of six test-checked District offices (no details had been maintained in District Rajouri).

Audit noticed cases of duplicate records of beneficiaries, non-exclusion of ineligible beneficiaries, payment of financial assistance to same beneficiaries under more than one scheme and payments to ineligible beneficiaries.

Mechanism for identification of deceased beneficiaries to ensure discontinuance of financial assistance after demise was absent in the Social Welfare Department.

Audit noticed in four out of six test-checked Districts, ₹ 1.41 crore was recovered (December 2018 to March 2022) from the bank accounts of deceased beneficiaries and credited into the bank accounts of the respective DSWOs. This fact was not communicated to the higher authorities in contravention to Rule 2.59 of J&K Financial Code Vol-I. The amount was held in the DDO bank accounts and was not credited into proper head of Government account.

Recommendations

- *Department needs to complete the process of linking the Aadhaar Card details of beneficiaries with their bank accounts on priority.*
- *There is a need to carry out comprehensive review of data of beneficiaries including the legacy data already ported in application to ensure its completeness, authenticity and correctness.*
- *Department should comply with instructions of Finance Department on PFMS for better monitoring and tracking.*
- *Social Welfare Department may examine the failed transactions reported by respective banks expeditiously.*
- *Beneficiaries' data need to be integrated with the death data available with the Registrar General of India to ensure discontinuance of financial assistance in respect of deceased beneficiaries.*

Chapter-III: Compliance Audit

This chapter covers two Compliance Audit topics. The major findings of these topics are as follows:

(i) Compliance Audit on “Solid Waste Management in Urban Local Bodies (ULBs)”

The SSCA on Solid Waste Management (SWM) in ULBs covered the period 2017-18 to 2021-22. It entailed examination (October 2022 to March 2023) of the records relating to SWM in the Administrative Department i.e. Housing & Urban Development Department (H&UDD), Mission Director, Swacch Bharat Mission (SBM), Directors of Urban Local Bodies (ULBs), Jammu/ Kashmir and 15 ULBs out of 76 ULBs selected on the basis of Probability proportional to size without Replacement method. The significant findings are as follows:

GoJ&K had not prepared any policy/ action plan/ strategy for implementation of Reduce, Reuse and Recycle (3 Rs) in respect of solid waste.

During 2017-22, only 31 *per cent* to 39 *per cent* of collected waste was treated leaving a major portion of solid waste dumped at landfill/ dumping sites, carrying the risk of harmful impact on the environment.

Solid waste Processing facilities such as Waste to Energy Plant, Leachate Treatment Plant, City Compost Plant, Waste Disposer Machine and Bailing machine remained non-functional in various ULBs of the State/ UT.

In 17 ULBs, segregation of waste at source/ house was not being carried out during 2017-22. In 11 ULBs, coverage of door-to-door collection of solid waste from households and commercial establishments was partial. Three ULBs had not carried out door-to-door collection of waste.

In 17 sampled ULBs, there was shortfall in collection of user charges. Besides, two ULBs (MC Hiranagar and MC Rajouri) were dumping solid waste unauthorisedly and unscientifically.

No processing/ treatment facilities were in place at the waste dumping sites of 15 ULBs, as such the waste was being dumped without modifying its physical, chemical or biological characteristics resulting in potential danger to the environment.

In 17 sampled ULBs, shortage of Manpower ranged between 9.25 *per cent* (Bijbehara) and 75 *per cent* (Langate).

Jammu & Kashmir Pollution Control Committee (J&KPCC) had not conducted any air quality assessment in respect of landfills/ dumpsites and had not assessed the risk of contamination of ground water near landfill/ dumping sites.

Recommendations

- *ULBs may ensure that waste is actually segregated at source. ULBs should ensure 100 per cent collection of solid waste from households/ commercial establishments etc.*
- *ULBs should take measures to collect user charges from all households/ commercial establishments.*
- *ULBs may put in place facilities for processing/ treatment of solid waste at dumping sites to modify its physical, chemical or biological characteristics so that no harm is caused to the environment.*
- *J&KPCC may conduct air quality assessment in respect of landfills/ dumpsites and assess risk of contamination of ground water, rivers and streams near landfill/ dumping sites.*

(ii) Compliance Audit on Central Road Infrastructure Fund (CRIF)

Between 2000-01 and 2018-19, 292 projects were sanctioned out of which 117 projects were completed as of March 2022.

Out of 208 projects sanctioned under CRIF during 2000-2001 to 2016-2017, only 115 (55 *per cent*) projects were completed. These projects were scheduled for completion between 2003-04 and 2019-20.

Projects were not prioritised by the Department which resulted in not completing ongoing as well as new projects as of March 2022.

Bids of 75 projects were seriously unbalanced i.e. they were below the advertised cost of works in the range of 15 to 42 *per cent*. Of these, 24 projects amounting to ₹ 214.83 crore were allotted whose bids were liable to be cancelled. Performance security and additional performance security of only ₹ 81.38 crore were obtained against actual of ₹ 121.98 crore in respect of 104 contracts executed during March 2012 to April 2022.

Out of 76 sanctioned projects (2005-06 to 2018-19), 66 projects were sanctioned before completion of land acquisition and shifting of utility services and 24 projects were sanctioned without forest clearance. Execution of 72 projects was taken up without grant of Technical Sanction. Quantities of WBM-II, WBM-III/ WMM¹ laid were in excess of quantities required to be laid in respect of widened portions of roads resulting in extra avoidable expenditure of ₹ 3.67 crore in respect of 11 CRIF road projects.

Provisions of Indian Road Congress (IRC) relating to width of road formation and carriageway were not adhered to in 17 projects which led to additional financial burden of ₹ 60.80 crore on Government exchequer.

Scope of four projects were changed during execution without obtaining approval of the competent authorities of GoI/ GoJ&K.

Recommendations

- *Prioritising the completion of ongoing projects rather than proposing new ones, in view of the fixed allocation under CRIF.*
- *Ensuring that only those projects with encumbrance-free sites are proposed for sanction under CRIF and Technical Sanction must be assured before execution of projects.*
- *Carrying out proper site surveys before preparation of DPRs to ensure that quantities in the DPR are based on actual site conditions and tender documents are prepared as per the current schedule of rates.*
- *Putting in place a mechanism to monitor the expiry and renewal of Bank Guarantees (BGs) obtained from contractors on account of Performance Guarantee and Additional Performance Guarantee.*

¹ WBM: Water Bound Macadam, WMM: Wet Mix Macadam.

CHAPTER- I
INTRODUCTION

CHAPTER-I

INTRODUCTION

1.1 Budget Profile

There are 36 Departments and 111 Autonomous Bodies in the Union Territory (UT) of Jammu and Kashmir. The position of budget estimates, revised estimates and expenditure of the Union Territory of Jammu and Kashmir during 2021-22 is shown in **Table 1.1**.

Table 1.1: Budget and Expenditure of the UT of Jammu and Kashmir during the year 2021-22

(₹ in crore)

Particulars	2021-22		
	Budget Estimates	Revised Estimates	Actuals
Revenue expenditure			
General Services	30,247.98	30,580.82	29,639.86
Social Services	24,827.89	24,782.07	20,933.14
Economic Services	13,727.93	11,874.01	8,696.33
Grants-in-aid ¹ and contributions	0.00	0.00	0.00
Total (1)	68,803.80	67,236.90	59,269.33
Capital expenditure			
Capital Outlay	35,434.47	30,839.41	11,047.04
Loans and advances disbursed	108.90	114.90	73.77
Repayment of Public Debt ²	26,436.62	41,575.98	41,575.17
Contingency Fund	0.00	0.00	0.00
Public Accounts disbursements ³	5,110.60	6,605.39	28,543.10
Closing Cash balance	0.00	0.00	1,447.65
Total (2)	67,090.59	79,135.68	82,686.73
Grand Total (1+2)	1,35,894.39	1,46,372.58	1,41,956.06

(Source: Annual Financial Statements and Finance Accounts of the Government of UT of J&K)

1.2 Application of resources of the UT Government

During the year 2021-22, the total expenditure⁴ of the Union Territory of Jammu and Kashmir was ₹ 70,390.14 crore. During this period, the Capital Outlay constituted 16 per cent of total expenditure.

1.3 Funds transferred directly to Government Departments of UT

During the period 2021-22, various Ministries/ Departments of the Central Government released ₹ 802.04 crore directly to various Government Departments of

¹ Grants-in-aid paid by the UT Government is included in the General, Social and Economic Services.

² Includes transactions under Ways and Means Advances.

³ Actuals exclude transactions of investment of cash balance and departmental cash balance.

⁴ Total expenditure includes revenue expenditure, capital outlay and disbursement of loans and advances.

the Union Territory of Jammu & Kashmir without routing these through UT Budget. Consequently, these amounts remained outside the Budgetary and Accounting system of the UT Government during the year.

1.4 Grants-in-aid from Government of India

The grants-in-aid received from Government of India during 2021-22 is depicted in **Table 1.2.**

Table 1.2: Grants-in-aid from GoI

(₹ in crore)

Particulars	2021-22
Grants for Centrally Sponsored Plan Schemes	6,713.77
Other transfers/ Grants to States/ Union Territories with Legislature	35,977.00
Total	42,690.77
Revenue Receipts	59,238.50
Percentage of total grants to Revenue Receipts	72

(Source: Finance Accounts of 2021-22)

During the year 2021-22, the Government of Union Territory of Jammu and Kashmir received ₹ 42,690.77 crore as Grants-in-aid from Government of India, which accounts for 72 per cent of Revenue receipts during the period.

1.5 Audit process

The audit process starts with the risk assessment of various Departments, Autonomous Bodies, Schemes/ Projects etc., which takes into account the criticality/ complexity of activities, level of delegated financial powers, internal controls and concerns of stakeholders and previous audit findings etc. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

After completion of audit, an Inspection Report containing the audit findings is issued to the Head of the Office with a request to furnish replies within one month. On receipt of replies, audit findings are either settled or further action for compliance is advised. Important audit observations pointed out in these Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India (C&AG). The audit findings incorporated in the Audit Report are based only on test-check of the transactions of the Government of Jammu and Kashmir.

During 2021-22, out of 7,487 Drawing and Disbursing Officers (DDOs) in the UT of J&K, compliance audit of 859 was planned and audit of 989 DDOs was conducted by the Office of the Principal Accountant General (Audit), Jammu & Kashmir. Out of 111 Autonomous Bodies (ABs), audit of 12 ABs was planned and conducted during 2021-22.

1.6 Response of Government to Audit Report Paragraphs

Audit has reported on several significant deficiencies in implementation of various programmes/ activities as well as on the quality of internal controls in selected Departments which have a negative impact on the success of programmes and functioning of the Departments. The focus was on auditing specific programmes/ schemes in order to offer suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens.

The audit paragraphs⁵ proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Principal Accountant General (Audit) to the Principal Secretaries/ Secretaries of the Department concerned drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the Departments/ Government is invariably indicated at the end of such paragraphs included in the Audit Report.

Three audit paragraphs⁶ proposed to be included in this Composite Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2022 were sent to the Principal Secretaries/ Secretaries of the respective Departments. Replies of Government were received in respect of all the three audit paragraphs and same have been included in the Report.

1.7 Response of Government to Compliance Audit Reports

The Handbook of instructions for speedy settlement of audit observations/ Inspection Reports (IRs) issued by the Government (Finance Department) provides for prompt response by the Executive to IRs issued by the Principal Accountant General (Audit) to ensure remedial/ rectification action in compliance with the prescribed rules and procedures. The heads of auditee offices and their controlling administrative Departments are required to comply with the observations contained in the IRs and rectify the defects and report their compliance to the Principal Accountant General (Audit).

Based on the results of test audit, 47,492 audit observations contained in 10,986 IRs were outstanding for settlement as on 31 March 2022 as given in **Table 1.3**.

Table 1.3: Details showing the audit observations outstanding at the end of 31 March 2022

Name of Sector	Opening Balance ⁷ (01 April 2021)		Additions during the year 2021-22		Settled during the year 2021-22		Closing Balance (31 March 2022)	
	No. of Inspection Reports	No. of Paragraphs	No. of Inspection Reports	No. of Paragraphs	No. of Inspection Reports	No. of Paragraphs	No. of Inspection Reports	No. of Paragraphs
Civil Departments	11,397	50,261	1,280	7,273	1,691	10,042	10,986	47,492

⁵ Performance Audits, Subject Specific Compliance Audits (SSCAs) and Draft Paragraphs.

⁶ Includes one Performance Audit and two Subject Specific Compliance Audits.

⁷ Variation in the closing balance of 31.03.2021 and opening balance of 01.04.2022 is due to the reason that some IRs/paragraphs were transferred to Principal Director of Audit (Central), Chandigarh.

The pendency of large number of paragraphs indicates lack of adequate response of the Government Departments to Audit. The Government may look into this matter and revamp the system to ensure proper response to the audit observations from the Departments in a time-bound manner.

During the year 2021-22, 11 Audit Committee meetings were held in which 255 audit paragraphs were settled.

1.8 Follow-up on Audit Reports

1.8.1 Non-submission of *suo-motu* Action Taken Notes

To ensure accountability of the Executive to the issues dealt with in various Audit Reports, the Government (Finance Department) issued instructions in June 1997 to the Administrative Departments to furnish *suo-motu* Action Taken Notes (ATNs) to the Public Accounts Committee (PAC)/ Committee on Public Undertakings (COPU) on all the audit paragraphs featuring in the Audit Reports, irrespective of whether these are taken up for discussion by these Committees or not. These ATNs are to be submitted to these Committees duly vetted by the Principal Accountant General (Audit) within a period of three months from the date of presentation of Audit Reports in the Legislature.

It was, however, noticed that out of 836⁸ audit paragraphs featuring in the Audit Reports from 2000-01 to 2020-21, *suo-motu* ATNs in respect of 472⁹ audit paragraphs had not been received up to 31 March 2025.

1.8.2 Action taken on recommendations of the PAC/ COPU

Action Taken Notes, duly vetted by the Principal Accountant General (Audit) on the observations/ recommendations made by the PAC/ COPU in respect of the audit paragraphs discussed by them are to be furnished to these Committees within six months from the date of such observations/ recommendations. Out of 836 audit paragraphs featuring in the Audit Reports for the years from 2000-01 to 2020-21, only 329¹⁰ audit paragraphs have been discussed by the PAC and COPU up to 31 March 2025. Recommendations in respect of 306¹¹ audit paragraphs have been made by the PAC/ COPU. However, ATNs on the recommendations of the PAC/ COPU are pending from the Government in respect of 228¹² audit paragraphs.

⁸ Civil: 589; Revenue:143; PSUs: 104

⁹ Civil: 309; Revenue: 126; PSUs: 37

¹⁰ Civil: 245; Revenue: 17; PSUs: 67

¹¹ Civil: 223; Revenue: 17; PSUs: 66

¹² Civil: 165; Revenue: 13; PSUs: 50

CHAPTER- II
PERFORMANCE AUDIT

CHAPTER-II

PERFORMANCE AUDIT

Social Welfare Department

2.1 Performance Audit on “Direct Benefit Transfer in Integrated Social Security Scheme (ISSS)”

2.1.1 Introduction

Direct Benefit Transfer (DBT) is a major reform initiative launched by the Government of India on 1st January 2013 to re-engineer the existing delivery of benefits to the people using modern Information and Communication Technology (ICT) applications. It is an attempt at providing timely benefits to the people by using Aadhaar number as a unique identifier, ensuring greater transparency/ accountability and curbing the role of middlemen. The Scheme envisages identification of eligible beneficiaries of Government schemes and removal of ineligible beneficiaries. Electronic transfer of benefits directly to bank accounts of beneficiaries minimises levels involved in benefit flow and reduces delay in payments.

2.1.1.2 Status of Direct Benefit Transfer in the erstwhile State/ UT

In accordance with DBT Mission Guidelines regarding adoption of the DBT framework in the erstwhile State/ UT level, a DBT Cell was constituted (September 2017) in the Finance Department of Government of Jammu and Kashmir (GoJ&K) under the chairmanship of Director General Accounts and Treasuries (DGA&T) and Deputy Director, Budget as Member Secretary to put all the schemes implemented by various Departments on the DBT Bharat portal which includes data of beneficiaries of all States/ UTs.

2.1.1.3 Physical and Financial Status of DBT schemes in the erstwhile State/ UT

There are 100 on-boarded Government schemes and programmes comprising 74 Centrally Sponsored Schemes (CSSs) and 26 erstwhile State/ UT Specific Schemes being operated by 18 Departments of the UT Government where under the entitlements like Government subsidies, benefits and services are being transferred to intended beneficiaries by DBT using National Informatics Centre (NIC) platform.

Information/ Data of DBT schemes implemented by 18 Departments of UT Government ported (December 2022) from DBT Portal is detailed in **Table 2.1.1.**

Table 2.1.1: DBT schemes implemented by 18 Departments of erstwhile State/ UT Government of J&K

Year	Cash Transfer (A)			
	No of Schemes	No of Programme Implementing Departments	No of Beneficiaries	Amount Transferred (₹ in crore)
2018-19	74	18	53,82,370	3,178.73
2019-20	74	18	38,54,903	1,696.53
2020-21	74	18	57,98,606	3,284.47
2021-22	74	18	67,23,630	2,490.06
Total (A)			2,17,59,509	10,649.79
In-Kind Transfer (B)				
2018-19	13	6	81,95,023	6.66
2019-20	13	6	2,34,755	32.70
2020-21	13	6	49,11,511	24.40
2021-22	13	6	15,853	28.46
Total (B)			1,33,57,142	92.22
Cash and In-Kind Transfer (C)				
2018-19	13	6	19,008	8.58
2019-20	13	6	9,12,558	7.93
2020-21	13	6	8,37,445	27.14
2021-22	13	6	8,44,602	63.66
Total (C)			26,13,613	107.31
Total A+B+C			3,77,30,264	10,849.32

The **Table 2.1.1** shows that ₹ 10,849.32 crore (Cash and Kind)¹ was paid via DBT mode to 3,77,30,264 beneficiaries during 2018-19 to 2021-22. Out of 100² schemes, 74 are cash bound schemes under which benefit of ₹ 10,649.79 crore was transferred by 18 Departments to 2,17,59,509 beneficiaries during the period 2018-2022. Out of ₹ 10,649.79 crore, ₹ 4,362.33 crore (41 *per cent*) was transferred by the Social Welfare Department (SWD) to beneficiaries through 28 schemes including payment of pension under National Social Assistance Programme (NSAP) through IGNOAPS³, a CSS where Central Assistance to States/ UT is determined on the basis of Below Poverty Line (BPL) population of the State as per the Census of 2001 and the poverty ratio is determined by the Planning Commission. In view of the limitation of fund available, if there are more deserving beneficiaries, the State has the option to give them pension from its own resources.

The GoJ&K was paying pension/ assistance to old age persons/ widows and transgenders through Integrated Social Security scheme (ISSS) since 1994. ISSS is 100 *per cent* financed by the GoJ&K. Out of ₹ 4,362.33 crore transferred by SWD to

¹ Cash is transferred directly into bank account of beneficiaries and in-kind benefit is provided by Government through service providers/ suppliers.

² Cash bound schemes: 74; In-kind schemes: 13 and Cash-in and in-kind schemes: 13

³ 'Indira Gandhi National Old Age Pension Scheme' (IGNOAPS) under the Umbrella scheme 'NSAP'.

beneficiaries during 2018-2022, ₹ 1,974.01 crore (45 per cent) was transferred to the beneficiaries through DBT under ISSS. SWD started (December 2018) DBT under ISSS with the aim of reforming Government delivery system for simpler and faster flow of information and funds and for reduction of fraud.

2.1.2 Audit Framework

2.1.2.1 Selection of Department and Scheme

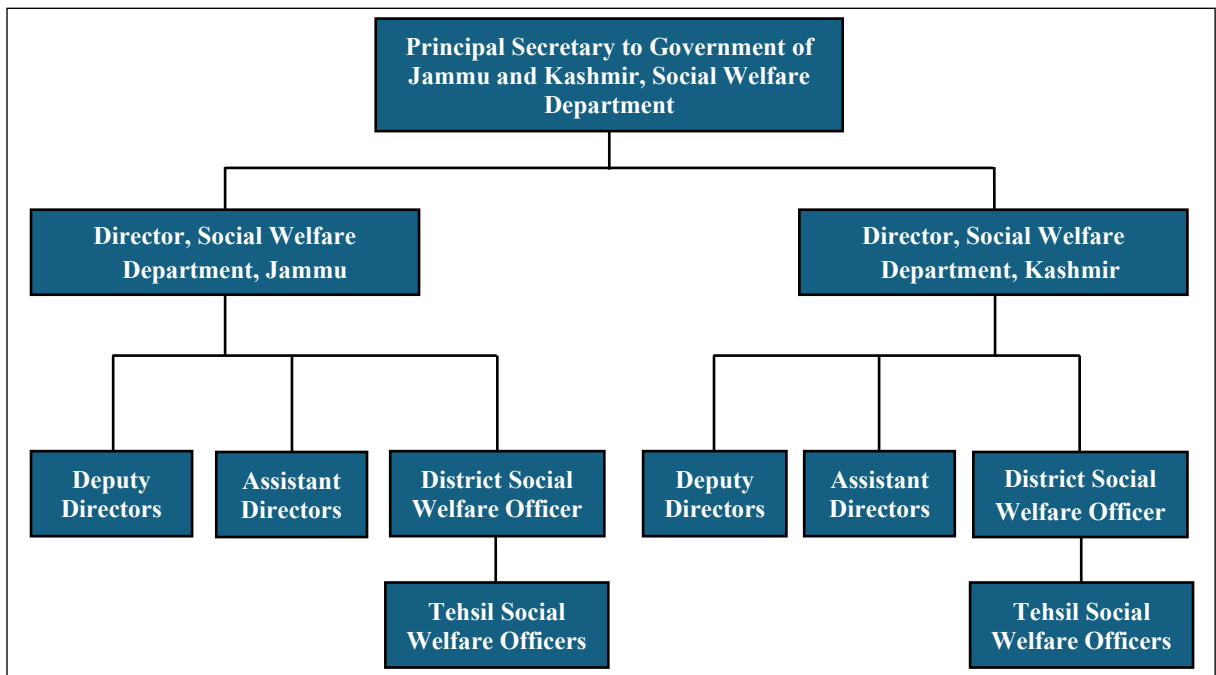
Under Integrated Social Security Scheme (ISSS), ₹ 1,000 is provided as Old Age Pension (OAP) to men above 60 years and women above 55 years of age, Women in Distress (WID) i.e. Widow and Divorcee women above 40 years, Physically Challenged Persons (PCP) and Transgender Community (TG) whose gender identity does not match with their sex assigned at birth.

Considering the criticality of escalating financial outlays and its relative impact on social security schemes which aim at providing monthly financial support to alleviate economic deprivation of marginalised and weaker sections of the community, ISSS was selected on the basis of quantum of expenditure⁴ incurred under the Scheme for conducting the Performance Audit of DBT (cash transfer).

2.1.2.2 Organisational Setup

The organisational Setup of Social Welfare Department responsible for implementation of ISSS is indicated in **Chart No: 2.1.1.**

Chart 2.1.1: - Organisational Setup



(Source: Departmental Data)

⁴ Out of five erstwhile State Sponsored DBT Schemes involving expenditure of ₹ 4,362.33 crore during 2018-19 to 2021-22, expenditure in respect of ISSS was ₹ 1,974.01 crore (45 per cent) as such ISSS was selected for Performance Audit.

2.1.2.3 Audit Objectives

The broad objectives of Performance Audit were to assess:

- Whether the scheme was planned efficiently to cover all the eligible beneficiaries and to exclude ineligible beneficiaries;
- Whether the ISSS scheme was fully digitised with end-to-end IT solutions with necessary re-engineering;
- Whether overall financial management of the scheme ensured timely availability and release of funds to the implementing agency for disbursement to the beneficiaries in a time bound manner; and
- Whether effective control mechanisms existed to avoid duplication in payments and for monitoring the scheme.

2.1.2.4 Audit Coverage, Scope and Methodology

Performance Audit of DBT in respect of implementation of ISSS covering the period from December 2018⁵ to March 2022 was conducted by check of data dump of all beneficiaries of ISSS in the erstwhile State/ UT provided by Centre for Development of Advance Computing⁶ (C-DAC) and test-check (April 2022 to September 2022) of records of 27,195 cases in six selected Districts⁷ out of 20 Districts in the UT of Jammu and Kashmir and in two *Tehsils* selected in each selected District. Districts and *Tehsils* were selected by simple random sampling without replacement method on the basis of number of beneficiaries. Audit also carried out survey of 1,200 beneficiaries in 12 Tehsils of six selected Districts.

An Entry Conference was held with the Commissioner/ Secretary to Government, Social Welfare Department, GoJ&K on 21 February 2022, wherein the objectives, scope, criteria and methodology of audit were discussed. Audit findings were discussed in an Exit Conference held with the Commissioner Secretary to Government, Social Welfare Department, GoJ&K on 22 December 2022. Replies provided by the Department in September 2024 and February 2025 have been incorporated in this report at relevant places.

2.1.2.5 Audit Criteria

Audit criteria were derived from the following:

- Jammu and Kashmir Integrated Social Security Scheme (ISSS) 1994, Rules;
- Jammu and Kashmir Financial Code;
- General Financial Rules, 2017; and

⁵ Start of DBT under ISSS in J&K.

⁶ Implementing agency for creation and maintenance of erstwhile State portal for 27 e-services.

⁷ Jammu, Kathua, Rajouri, Baramulla, Budgam and Kupwara.

- Erstwhile State Government Orders/ instructions, departmental instructions and manuals and Public Financial Management System/ DBT related orders and instructions regarding implementing, monitoring and evaluating the scheme.

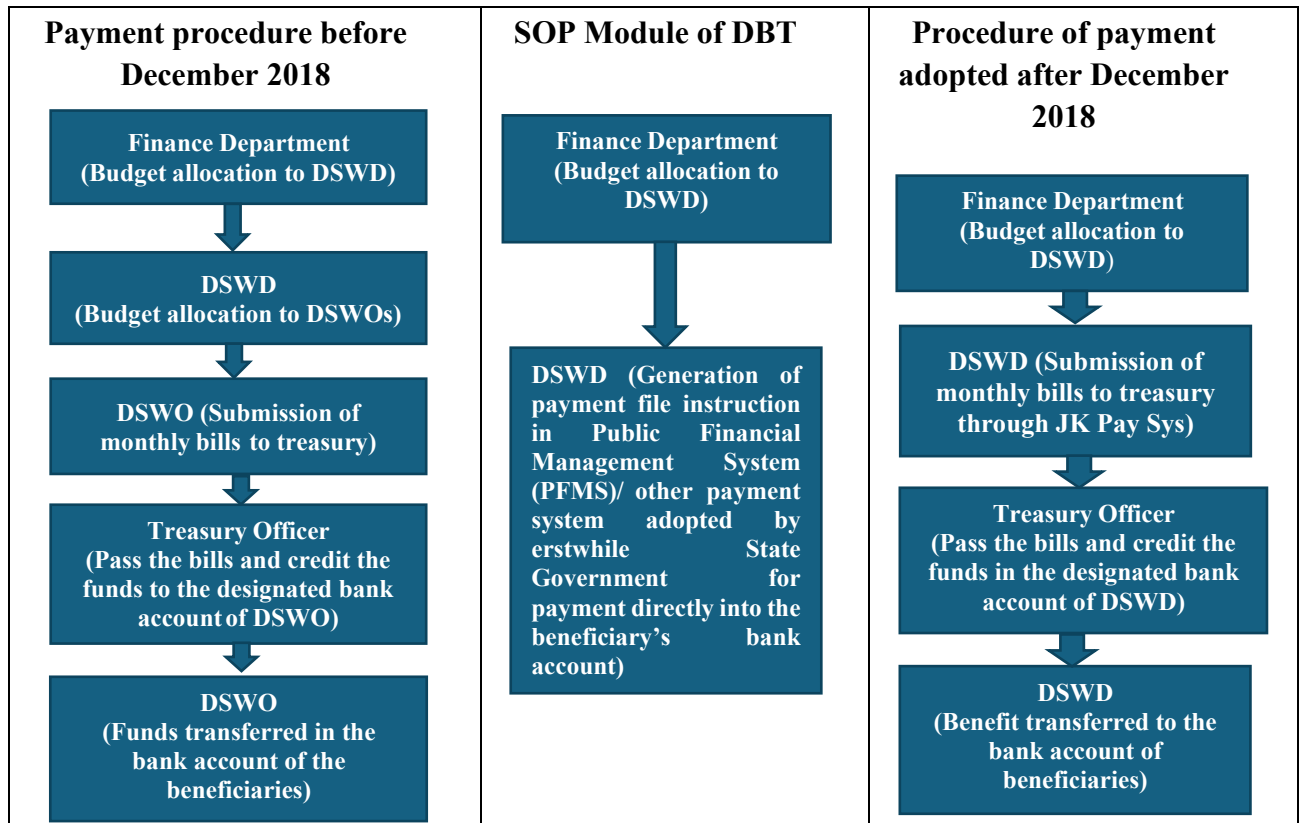
2.1.3 Implementation of Direct Benefit Transfer in respect of ISSS

2.1.3.1 Intermediary Levels not Minimised

According to Rule 87 of the General Financial Rules 2017, benefits should be transferred directly to beneficiaries under various Government Schemes and Programmes using Information and Communication Technology (ICT). Necessary process re-engineering to minimise intermediary levels, to prevent pilferage and duplication in payments and to reduce delay in payments to intended beneficiaries should be put in place.

Payment procedure followed by SWD before December 2018, payment process required to be followed by the GoJ&K as per Standard Operating Procedure (SOP) of DBT after deciding (December 2018) to transfer benefits to ISSS beneficiaries by DBT and procedure actually adopted by SWD after December 2018 is detailed in the **Flowchart 2.1.2**.

Flowchart 2.1.2: Procedure followed by SWD for payments under ISSS before and after introduction of DBT



(DSWD: Director, Social Welfare Department; DSWO: District Social Welfare Officer, PFMS: Public Financial Management System, PaySys: Payment Systems)

(Source: Departmental Data)

It can be seen from the **flowchart 2.1.2** that the SWD had not followed the SOP of DBT and was not able to eliminate the intermediaries for transfer of pension assistance to beneficiaries. The Department did not transfer the benefits directly to the bank accounts of beneficiaries as the Treasury Officer, to whom the bills were submitted by DSWDs transfers the amount into the DDO bank account of DSWD.

Social Welfare Department stated (September 2024) that after Government advised to make all disbursements at the Directorate level from the year 2018, involvement of all *tehsil* and District level offices was accordingly regulated in accordance with SOP module of DBT. The reply furnished did not specifically address the observation of reducing the intermediary steps.

2.1.3.2 Budget Allotment and Expenditure

The position of funds allotted for ISSS and expenditure incurred during 2018-22 is given in **Table 2.1.2**.

Table: 2.1.2 Details of budget allotment and expenditure incurred under ISSS during 2018-22

(₹ in crore)

Year	Allotment		Total	Expenditure		Total	Amounts lapsed (percentage)
	Jammu	Kashmir		Jammu	Kashmir		
2018-19	278.99	295.48	574.47	202.27	225.33	427.60	146.87 (26)
2019-20	378.42	354.37	732.79	273.78	354.37	628.15	104.64 (14)
2020-21	476.94	489.90	966.84	323.62	421.22	744.84	222.00 (23)
2021-22	510.65	531.10	1,041.75	410.55	490.99	901.54	140.21 (13)
Total	1,645.00	1,670.85	3,315.85	1,210.22	1,491.91	2,702.13	613.72

(Source: Departmental data)

Against release of ₹ 3,315.85 crore for ISSS, expenditure of ₹ 2,702.13 crore was incurred by SWD during 2018-19 to 2021-22. Yearly lapse of funds under the scheme ranged between 13 *per cent* and 26 *per cent*. Despite availability of funds there was delay in payments and denial of payments to the beneficiaries as detailed in **Paragraphs 2.1.4.1** and **2.1.4.2** respectively. Lapse of funds was also indicative of the fact that correct annual plans and perspective plans were not prepared at the apex level.

Social Welfare Department stated (September 2024) that under the scheme number of future beneficiaries are unpredictable due to which budgetary estimates are projected on higher side for coverage of additional beneficiaries. It added that weeded out beneficiaries due to death, remarriage and change in financial status are replaced by fresh sanctions eliminating chances of underutilisation of funds with minimum chances of denial of benefits to the eligible beneficiaries. The reply could be seen in light of the fact that every year the undisbursed amount was more than ₹ 100 crore.

2.1.3.3 Digitisation of Beneficiaries

With the objective of providing a single window access to the information and services (including ISSS) provided by the Administration of UT of J&K, the Information

Technology Department, GoJ&K appointed (February 2011), C-DAC, Mumbai (Premier Research and Development Organisation of Ministry of Electronics and Information Technology, GoI) for design and development of the State portal and Electronic Form Application. The State portal was launched in J&K in September 2014. C-DAC is the implementing agency for creation and maintenance of State portal for 27 e-services.

Social Welfare Department (SWD) approached (December 2015) the Information Technology Department, GoJ&K for online submission of applications and registration of beneficiaries of ISSS under State Services Delivery Gateway⁸ (SSDG) for implementation by J&K e-Governance Agency (JaKeGA) through Centre for Development of Advanced Computing (C-DAC). The scheme was rolled out in March 2019.

Details of ISSS beneficiaries uploaded on the State portal by DSWOs during 2018-19 to 2021-22 are given in **Table 2.1.3**.

Table: 2.1.3: Details of ISSS beneficiaries uploaded on the State portal during 2018-19 to 2021-22

Pension category	Position as on March 2022		Total
	Jammu	Kashmir	
Old Age Pension (OAP)	2,56,795	2,84,384	5,41,179
Physically Challenged Pension (PCP)	92,956	94,847	1,87,803
Widow (WID)	67,090	1,06,017	1,73,107
Transgender (TG)	0	62	62
Total	4,16,841	4,85,310	9,02,151

(Source: Departmental data)

2.1.3.4 Uploading of Legacy Data

Audit analysis of the database of SWD revealed that there were 4,35,960 ISSS beneficiaries in the UT receiving pension before introduction (December 2018) of DBT mode of payments. The SWD was to upload data of all existing beneficiaries as of December 2018 on the State portal for timely disbursement of pension. Audit noticed that:

- The data had been uploaded on the portal after delay⁹ ranging between 02 months and 38 months. Delay in uploading data on the State portal had resulted in delay in payment of pension to the beneficiaries defeating the purpose of providing social security in the form of income support to the beneficiaries on monthly basis.

⁸ SSDG is a middleware platform or infrastructure that acts as a bridge between National e-Governance Service Delivery Gateway (NSDG) and various State level e-Governance applications to ensure faster delivery of Government services to citizens. It is supposed to handle a large number of transactions and also keep a track and time stamping of all these transactions of State Government.

⁹ Jammu: 1,84,540 beneficiaries, delay 02 to 38 months; and Kashmir: 2,51,420 beneficiaries, delay 01 to 11 months.

- No review had been conducted by the Department to check completeness and correctness of data to determine whether details of all eligible beneficiaries had been uploaded on the portal and death/ remarriage cases had been weeded out.
- In six selected Districts, payments to beneficiaries were being made by Directorates of Jammu and Kashmir on the basis of database maintained by C-DAC, which was not accurate as payments had been made to ineligible beneficiaries as detailed in **Paragraph 2.1.5**.

While accepting the audit observation, Social Welfare Department stated (September 2024) that uploading of huge number of beneficiaries with full details for implementation of DBT in ISSS at initial stage with imperfect/ unsound technical system was a huge task due to which there might have been some delay in timely disbursement of assistance among the beneficiaries.

2.1.3.5 Linking of Aadhaar Number with Beneficiary Account

The Protocol Document prescribed by the GoI for DBT in States provides for Aadhaar seeding¹⁰ of beneficiary database so that benefit could be transferred directly into bank accounts, preferably Aadhaar linked bank accounts of beneficiaries.

Finance Department, GoJ&K instructed (June 2020) the SWD to ensure authentication of beneficiaries by linking bank accounts with their Aadhaar number.

Audit noticed that out of 9,02,151 ISSS beneficiaries in the erstwhile State/ UT of J&K as of October 2022, bank accounts of only 6,29,684 (70 *per cent*) beneficiaries were Aadhaar linked.

Shortfall in linking of beneficiary database with Aadhaar number carries a risk of payments to ineligible beneficiaries [like payment of pension to beneficiaries who had not attained prescribed age (**Paragraph 2.1.5.1**), double/ triple Payments to the same beneficiary (**Paragraph 2.1.5.2**), payment of pension to beneficiaries without seeking required documents (**Paragraph 2.1.5.3**), benefits credited into wrong bank accounts (**Paragraph 2.1.5.4**), payment into accounts of deceased beneficiaries (**Paragraph 2.1.5.6**)] as detailed in succeeding Paragraphs.

In six test-checked Districts, shortfall in Aadhaar linking of bank accounts of beneficiaries ranged between 02 *per cent* (Budgam) and 40 *per cent* (Rajouri) as detailed in **Table 2.1.4**.

¹⁰ Aadhaar seeding is the process of linking an individual's Aadhaar number to their bank account or other essential services like mobile number or PAN card.

Table 2.1.4: Number of beneficiaries whose bank accounts were linked with Aadhaar numbers in six test-checked Districts*(Number in lakh)*

Sl. No	Name of district	OAP		WID		PCP		Total		
		Beneficiaries digitized	Aadhaar linked	Beneficiaries digitized	Aadhaar linked	Beneficiaries digitized	Aadhaar linked	Beneficiaries digitized	Aadhaar linked	Percentage
1.	Jammu	0.73	0.56	0.19	0.13	0.14	0.09	1.06	0.78	74
2.	Kathua	0.32	0.22	0.07	0.05	0.09	0.06	0.48	0.33	69
3.	Rajouri	0.35	0.22	0.09	0.05	0.14	0.08	0.58	0.35	60
4.	Baramulla	0.50	0.42	0.16	0.13	0.14	0.11	0.80	0.66	83
5.	Budgam	0.39	0.39	0.12	0.12	0.10	0.09	0.61	0.60	98
6.	Kupwara	0.47	0.46	0.13	0.12	0.19	0.18	0.79	0.76	96
Total		2.76	2.27	0.76	0.60	0.80	0.61	4.32	3.48	80

*(OAP: Old Age Pension; WID: Widow/ Women in Distress; PCP: Physically Challenged Persons)**(Source: Departmental data)*

Social Welfare Department stated (September 2024) that in terms of Government Order (August 2021), payments are now only disbursed to Aadhaar seeded bank accounts of the beneficiaries.

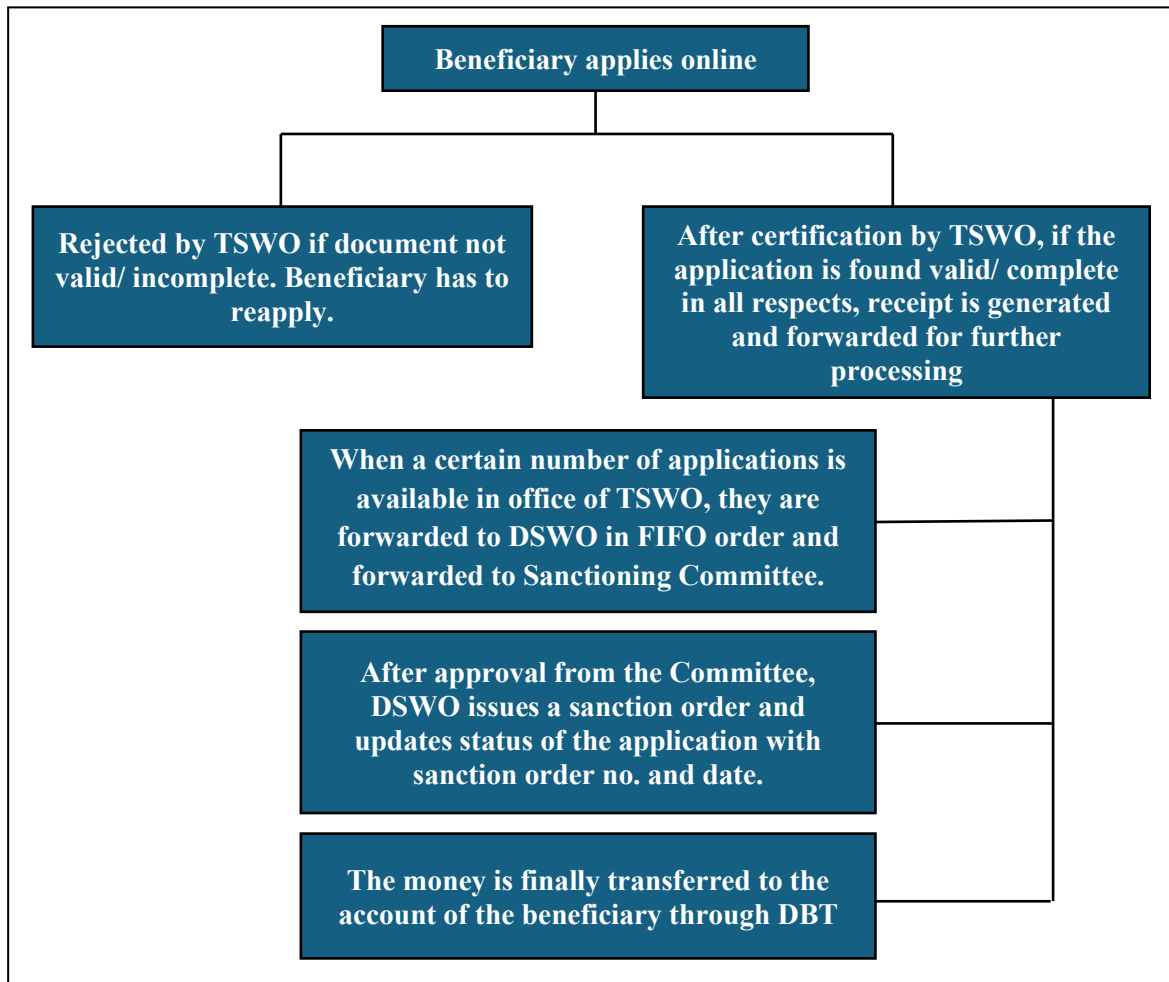
2.1.3.6 Partial Implementation of Online System of Registration

As per Office Memorandum¹¹ (March 2021) of Cabinet Secretariat, DBT Mission, GoI, for ensuring seamless and transparent delivery of benefits of major DBT Schemes to citizens, the State Governments/ UT Administration are required to develop end-to-end digitised IT-based platform which should inter-alia include (i) Online registration of beneficiaries, (ii) Computerised processing of applications and (iii) Electronic payment directly into the beneficiary's bank account. This was to be achieved by March 2022.

SWD was required to seek applications for registration of ISSS beneficiaries on the State portal developed by C-DAC. The Department was to follow system detailed in the **flowchart 2.1.3** for receipt of applications from intended beneficiaries, verification of applications, sanction of pension in favour of beneficiaries under the scheme and transfer of money into the bank account of beneficiaries.

¹¹ Vide No.D-13016/01/2021- DBT of March 2021.

Flow Chart 2.1.3: System to be followed by SWD for sanction and payment of benefits under ISSS



(Source: Departmental data)

Audit, however noticed that the Department had continued manual registration and verification of applicants defeating the intended purpose of DBT to reform benefit delivery system under ISSS. The portal was being used only at the stage of uploading sanctioned list of beneficiaries and payments made to them. The DBT system was not used to process the cases but was instead used only to keep the database. Details of manual registration of 4,66,191 applicants in the erstwhile State/ UT under ISSS during December 2018 to March 2022 are given in **Table 2.1.5**.

Table: 2.1.5: Details of Manual registration from December 2018 to March 2022

Region	Manual registration from December 2018 to March 2022				
	OAP	PCP	WID	TG	Total
Jammu	1,81,599	28,420	22,282	0	2,32,301
Kashmir	1,99,063	19,480	15,285	62	2,33,890
Total	3,80,662	47,900	37,567	62	4,66,191

(Source: C-DAC data)

Financial Advisor & CAO, Social Welfare Department, Srinagar in its reply stated (December 2022) that a new website namely JANSUGAM was launched during

October 2022 for full digitisation of ISSS under which application forms submitted online are automatically forwarded to TSWOs and whole process is made digital till sanction and subsequent payment to the beneficiaries. It was also stated (December 2022) that Director, SWD Jammu had received 967 applications on the new website out of which 12 were sanctioned and Director, SWD, Srinagar had sanctioned 100 cases on the new platform.

Social Welfare Department stated (September 2024) that under new ISSS Rules 2022 notified (September 2022), registration of new and existing beneficiaries is fully online.

2.1.3.7 Non-Integration with PFMS

Public Financial Management System (PFMS) is managed by the Controller General of Accounts (CGA), Ministry of Finance, and is used by various Government Departments and Implementing Agencies.

The main purposes of integrating the Centrally Sponsored Schemes/ UT specific schemes with PFMS were real-time monitoring and tracking of fund flow from the Government to the end beneficiary, reducing leakages by facilitation of direct transfer of benefits to beneficiaries' bank accounts and maintaining a comprehensive audit trail of every financial transaction.

Finance Department, GoJ&K impressed upon (June 2020) all Administrative Secretaries to create user agencies on the PFMS portal for all the Centrally Sponsored/ UT Specific Schemes implemented by the respective Departments by the end of June 2020. Despite Finance Department instructions, due to non-integration Department of Social Welfare could not get the advantage of better monitoring & tracking and reducing leakage of DBT beneficiaries account. Director, SWD, Jammu reported (January 2021) to its Administrative Department that ISSS pension was being disbursed smoothly in DBT mode on State portal maintained by C-DAC. It was also stated that data of pensioners was substantial and it was too time consuming to be loaded on PFMS portal before 1st February 2021. Audit noticed that as of April 2022, SWD had not been created as a user on the PFMS portal for disbursement of pension under ISSS.

Social Welfare Department stated (September 2024) that State Nodal Officer (SNO), PFMS has informed that they have been instructed by the Government to map all schemes that are fully funded by the Central Government on PFMS. It added that ISSS being a UT sponsored scheme could not be mapped on the PFMS. The reply is not acceptable as the instructions (June 2020) were applicable in respect of both Centrally Sponsored and UT Schemes. Thus, there was no real time monitoring and tracking of fund flow from the Government to the beneficiary.

2.1.3.8 Beneficiary data not updated

As per Rule 6 (5) of ISSS Rules, 1994, the validity of the pension to be disbursed on monthly basis shall be for a period of five years after which fresh application shall have

to be furnished by each beneficiary. The SWD was required to maintain records showing initial date of sanction of pension in favour of beneficiaries. Audit noticed in six test-checked Districts that in violation of the Rules, no such records had been maintained by the Department and fresh applications were not being obtained from the ISSS beneficiaries who may have availed the benefit under the scheme for over five years. Thus, by not checking validity of existing beneficiaries, de-weeding of ineligible beneficiaries could not be carried out.

It was also noticed that the centralised database lacked the field for recording the date from which beneficiaries were drawing pension prior to the implementation of DBT scheme. As such, it was not ascertainable which beneficiaries were continuously drawing pension for more than five years.

Social Welfare Department stated (September 2024) that ISSS Rules, 1994 have been repealed and ISSS Rules, 2022 have been notified (September 2022) wherein the scheme has been made end-to-end digitised. It added that weeding out of expired and remarried beneficiaries and those whose financial status has changed is a regular exercise and validity of existing beneficiaries and removal of ineligible beneficiaries is constant and automatic. The reply is elusive to the audit observation that before October 2022, the Department had not maintained records showing initial date of sanction of pension in favour of the beneficiaries and fresh applications were not being obtained from the ISSS beneficiaries availing the benefit under the scheme for over five years. Moreover, the date since when the beneficiary is taking benefit under ISSS is still not available on the centralised database.

2.1.3.9 Uploading of Beneficiary Details on JK Payment System

JK Payment System (JKPaySys) is the billing module under Integrated Financial Management System¹² (IFMS) and provides a common and integrated platform for DDOs to prepare all types of bills online for submission to treasuries for drawal of funds.

According to GoJ&K Circular of Finance Department (August 2020), while submitting bills to treasury on JKPaySys, a DDO has to upload orders sanctioning payment of assistance in favour of beneficiaries with details of amounts to be credited into their bank accounts by DBT.

Scrutiny of records of Directorates of SWD, Jammu and Kashmir revealed that in contravention of the Finance Department circular, bills were drawn on treasuries through JKPaySys without uploading orders sanctioning payment of assistance in favour of ISSS beneficiaries with details of amounts to be credited into their bank

¹² Integrated Financial Management System (IFMS) is an IT based budgeting and accounting system that integrates all financial functions of the Government such as budgeting, expenditure management, receipts, payments, accounting and reporting into a single framework.

accounts by DBT. Thus, no check was in place at treasuries to see that payments were credited by DBT only to the sanctioned beneficiaries and only sanctioned amounts were paid to them. This resulted in disbursement of pension to the beneficiaries online on the State portal without verification of beneficiaries at the treasuries.

Social Welfare Department stated (September 2024) that beneficiary details were not uploaded on JKPaySys, as it has the option to upload any file of up to only 515 KB but details of ISSS beneficiaries run into lakhs and the size of file goes up to 2 GB. It added that the matter would be taken up with the Finance Department.

2.1.4 Disbursement of Pension

2.1.4.1 Delay in Sanction of Pension

ISSS Rules, 1994 provide for application for grant of pension to be submitted in the office of Tehsil Social Welfare Officer (TSWO) between 1st of April and 10th of June every year. Expeditious and accurate payment of financial assistance were to be ensured in such a manner that most needy and deserving get top priority at the time of sanction. As per Rule 6 (5) of ISSS Guidelines, pension was to be disbursed monthly to the beneficiaries.

Audit noticed that:

- In five out of six test-checked District offices in which 1,79,944 cases were sanctioned during December 2018 to March 2022 (no details had been maintained in District Rajouri), 27,195 cases were test-checked to find out whether there was delay in sanction of pension cases. It was noticed that there was delay of 04 months to 134 months in sanction of 26,135 cases as detailed in **Table 2.1.6**.

Table 2.1.6: Delay in sanction of cases in five test-checked District offices

Name of the District	No of test-checked cases	Delay in sanctioning of cases (in months)
Jammu	3,844	4 to 98
Kathua	6,414	5 to 80
Baramulla	5,990	4 to 134
Budgam	5,357	4 to 134
Kupwara	4,530	4 to 24
Total	26,135	

(Source: Records of Sampled Districts)

It is evident from the **Table 2.1.6** that beneficiaries whose cases were sanctioned after delay were eligible but they were denied the pension for considerable periods defeating the intended objective of the scheme to provide expeditious assistance to the beneficiaries.

Social Welfare Department stated (September 2024) that ISSS has now been shifted (October 2022) to JANSUGAM portal and pension cases are sanctioned by DSWOs as per departmental Guidelines. It added that timelines have been fixed at various levels for processing of pension cases and any delays are automatically reported to the Appellate Authorities. The fact remained that before October 2022, eligible beneficiaries were denied the pension for considerable periods which defeated the intended objective of the scheme to provide expeditious assistance to the beneficiaries.

2.1.4.2 Denial of Assistance to the Beneficiaries

After receipt of pension cases under ISSS in the offices of District Social Welfare Officers (DSWOs), the documents enclosed with cases are verified and forwarded to Directorate Offices of Jammu and Kashmir, which further check the validity of documents and get bank account numbers of the beneficiaries verified by the concerned bank. Thereafter the beneficiary data was being uploaded by DSWOs on the State portal.

Audit analysis of the database provided by the C-DAC revealed that data of 36,553 eligible beneficiaries (Jammu: 20,202 and Kashmir: 16,351) who were receiving pension before the introduction (December 2018) of DBT, had been uploaded by 20 DSWOs of the UT of J&K on the portal from December 2018 onwards but no payment was made to these beneficiaries as of March 2022, resulting in denial of intended benefit of the scheme to these beneficiaries as detailed in **Table 2.1.7**.

Table 2.1.7: Denial of assistance to eligible beneficiaries

Year	Number of beneficiaries		Total
	Kashmir	Jammu	
2018-19	2,081	2,244	4,325
2019-20	2,269	2,720	4,989
2020-21	2,074	3,149	5,223
2021-22	9,927	12,089	22,016
Total	16,351	20,202	36,553

(Source: C-DAC Data)

In six test-checked Districts, 17,831 eligible beneficiaries (OAP: 14,790; WID: 1,475; PCP: 1,506; TG: 11, Saksham¹³: 49) were not paid pension as of March 2022 despite their data was uploaded on the portal from December 2018 onwards. No reasons were on record for non-payment of pension to these beneficiaries.

Social Welfare Department stated (September 2024) that details of beneficiaries uploaded on the portal are required to be got validated/ verified from the bank and the concerned DSWOs. It added that the Department tries to approach the beneficiaries, who could not be validated by the bank/ DSWOs, through DSWOs to get their details

¹³ Paid to families of persons who died of Covid-19.

validated but at times contact with beneficiaries who reside in far flung areas cannot be made due to which their payments cannot be timely processed. The Department further stated that payments were made to a good number of beneficiaries who updated their account details and those who did not turn up were deactivated from the portal. The reply is not based on fact as audit scrutiny of database of beneficiaries revealed that none of the 36,553 beneficiaries who were earlier drawing pension, were either deactivated or paid pension assistance after their data were uploaded from December 2018 onwards up to September 2022.

2.1.5 Irregularities in payment of pension

Eligibility criteria for providing financial assistance to beneficiaries under ISSS is detailed in **Table 2.1.8**.

Table 2.1.8: Eligibility criteria for providing financial assistance under ISSS

Sl. No.	Particulars	OAP	WID	PCP
1.	Age	Men above 60 years and Women above 55 years	Widows/ Divorcees above 40 years	Physically Challenged Persons (PCP) with disability of 40 per cent.
2.	Verification	Proof of Date of Birth	Death certificate of husband and proof of Date of Birth	Disability certificate from Government Medical Officer
3.	Annual income Ceiling	Less than ₹ 75,000/- (Income Certificate from Tehsildar concerned)		

(Source: ISSS Rules, 1994)

2.1.5.1 Payment of Pension to Beneficiaries who had not Attained Prescribed Age

In six test-checked Districts, out of 9,170 OAP and WID beneficiaries whose physical files were test-checked, it was noticed that, in respect of five Districts that no mechanism had been put in place by DSWOs to check whether the beneficiaries had attained prescribed age for payment of pension assistance. Resultantly, 89 beneficiaries who had not attained the prescribed age of 60, 55 or 40 years had been paid inadmissible pension of ₹ 7.93 lakh under the scheme as detailed in **Table 2.1.9**.

Table: 2.1.9: Details of beneficiaries who had not attained prescribed age

Name of the District	Number of Beneficiaries		Inadmissible Payment (In ₹)
	OAP	WID	
Rajouri	3	27	6,00,000
Kathua	5	8	67,000
Budgam	15	-	33,000
Baramulla	15	-	45,000
Kupwara	16	-	48,000
Total	54	35	7,93,000

(Source: Records of sampled Districts)

While accepting the audit findings, Social Welfare Department stated (September 2024) that the issue has now been addressed as the payments are being made to sanctioned beneficiaries on JANSUGAM portal as per Guidelines of ISSS. It added that pension payments were halted in cases where beneficiaries had not attained the prescribed age and beneficiaries are now required to provide valid proof of age for preventing payments to ineligible individuals.

2.1.5.2 Double/ Triple Payments to the Same Beneficiary

In Rajouri District two WID beneficiaries¹⁴ had been uploaded on the portal twice with different bank account numbers and pension was credited into both the account numbers resulting in excess payment of ₹ 56,000 to these beneficiaries.

In view of lockdown period due to Covid-19, Finance Department, GoJ&K instructed (March 2020) SWD that under ISSS two installments of pension may be paid immediately to nearly 7.7 lakh persons including 1.7 lakh pending cases. SWD sanctioned the pending 1.7 lakh cases in April 2020.

Audit noticed in three test-checked Districts¹⁵ that out of 28,254 (Jammu: 16,109, Kathua: 6,470 and Rajouri: 5,675) new cases sanctioned by the Department, 2,864 beneficiaries (OAP: 1,228; PCP: 938 and WID: 698) were paid ₹ 57.28 lakh for April and May 2020 both by respective DSWOs and Directorate of SWD Jammu through DBT mode resulting in double payment of ₹ 57.28 lakh.

Further, for the months of April and May 2020 names and bank account numbers of 194 ISSS beneficiaries¹⁶ (OAP: 149; PCP: 01 and WID: 44) were included twice or thrice in the same bank advice resulting in double/ triple payment to the same beneficiary amounting to ₹ 3.92 lakh.

Thus, lack of oversight and monitoring by SWD had resulted in double payment to the beneficiaries causing financial loss to the Government.

Social Welfare Department stated (September 2024) that double payment of pension of ₹ 20.51 lakh stands recovered by DSWO Rajouri and DSWOs of Jammu and Kathua have approached the banks for initiation of recovery from the concerned accounts.

2.1.5.3 Payment of Pension to Beneficiaries without Seeking Required Documents

Scrutiny of 9,170 application forms pertaining to beneficiaries of six test-checked Districts revealed that assistance was sanctioned and paid to beneficiaries either without seeking necessary documents or were ineligible for reasons including husband and wife¹⁷ both receiving pension as detailed in **Table 2.1.10**.

¹⁴ G*****n K**r: (Bank A/c No:084*****23; 002*****53); R****d B****m: (Bank A/c No: 061*****17; 002*****33).

¹⁵ The comment is about three Districts of Jammu Division as Payments in Kashmir division were made at the Directorate level.

¹⁶ Jammu: 104, Kathua: 78 and Rajouri: 12

¹⁷ As per Rule 2 (h) of ISSS Rules 1994, destitute for the purpose of grant of OAP means a person who has no relation of son above 20 years of age or husband/ wife.

Table 2.1.10: Payment of pension without required documents and payments to both husband and wife

Component	District	No of test-checked cases	Income certificate not appended	Both husband and wife drawing pension	Disability certificate not appended/ temporary/ invalid	Death certificate not appended	Forms verified by DSWO/ TSWO
OAP	Baramulla	1,000	71	161	0	0	Nil
	Budgam	775	41	119	0	0	Nil
	Kupwara	1,500	12	190	0	0	Nil
	Kathua	1,071	187	43	0	0	Nil
	Jammu	930	153	25	0	0	Nil
	Rajouri	793	38	10	0	0	Nil
	Total	6,069	502	548	0	0	Nil
WID	Baramulla	100	12	0	0	0	Nil
	Budgam	100	20	0	0	0	Nil
	Kupwara	100	22	0	0	0	Nil
	Jammu	228	73	0	0	10	Nil
	Kathua	421	97	0	0	15	Nil
	Rajouri	529	30	0	0	41	Nil
	Total	1,478	254	0	0	66	Nil
PCP	Baramulla	115	05	0	7	0	Nil
	Budgam	100	27	0	3	0	Nil
	Kupwara	165	37	0	2	0	Nil
	Jammu	450	20	0	17	0	Nil
	Kathua	421	0	0	29	0	Nil
	Rajouri	372	1	0	35	0	Nil
	Total	1,623	90	0	93	0	Nil
Grand total	9,170	846	548	93	66	Nil	

(Source: Records of Sampled Districts)

Sanction and payment of pension to beneficiaries without seeking necessary documents and payment to other ineligible beneficiaries (both husband and wife) was indicative of deficient process for sanction of assistance in favour of applicants under ISSS, including deficiency in registration and scrutiny of applications forms. Further, the applications forms were not verified by the respective DSWO/ TSWO.

2.1.5.4 Benefits Credited into Wrong Bank Accounts

Analysis of data of beneficiaries of erstwhile State/ UT provided by C-DAC revealed that in 12 out of 20 Districts of Jammu and Kashmir, as of March 2022, pension of ₹ 9.97 crore payable to 5,552 ISSS beneficiaries for period ranging between 02 and 39 months had been credited to the bank accounts of persons other than these beneficiaries as verified by the concerned bank authorities resulting in payment to ineligible beneficiaries and denial of pensionary benefit to eligible beneficiaries.

This was indicative that SWD had conveyed wrong details of beneficiaries to the bank for credit of pension sanctioned for ISSS beneficiaries. Details are given in **Table 2.1.11.**

Table 2.1.11: Benefit credited into wrong bank accounts

S. No	Name of District	Number of beneficiaries	Amount credited (in ₹)
1.	Jammu	71	22,22,000
2.	Kathua	228	74,15,000
3.	Rajouri	83	25,14,000
4.	Budgam	113	29,06,000
5.	Ganderbal	6	88,000
6.	Baramulla	84	21,35,000
7.	Kupwara	4,709	7,95,48,000
8.	Samba	182	15,41,000
9.	Ramban	25	3,95,000
10.	Doda	6	1,33,000
11.	Udhampur	9	99,000
12.	Poonch	36	7,25,000
	Total	5,552	9,97,21,000

(Source: C-DAC Data)

Due to credit of pension to persons other than the eligible beneficiaries, chance of fraud and misappropriation of funds by the departmental authorities cannot be ruled out.

While accepting the audit contention, Social Welfare Department stated (September 2024) that the necessary corrections have been made and in case of incorrect accounts recoveries have been initiated.

2.1.5.5 Payment credited other than prescribed rates of pension

Audit analysis of data of beneficiaries in the UT of J&K revealed that 7,215¹⁸ beneficiaries were paid more than ₹ 1,000 per month (ranging between ₹ 1,008 and ₹ 10,000) resulting in excess payment of ₹ 2.89 crore to these beneficiaries and 233¹⁹ beneficiaries were paid less than ₹ 1,000 per month (ranging between ₹ 66 and ₹ 167) resulting in less payment of ₹ 2.01 lakh to these beneficiaries. No monitoring/ internal control mechanism was in place either in the database or otherwise to avoid irregular excess/ less payments to the beneficiaries.

Social Welfare Department stated (September 2024) that amounts are directly credited to Aadhaar seeded accounts at ₹ 1,000 per month. The reply is not acceptable as payments were credited to the beneficiaries at rates other than the prescribed one.

¹⁸ Ganderbal: 4,002, Budgam: 01, Shopian: 3,208 and Kupwara: 04

¹⁹ Kathua: 167 and Poonch: 66

2.1.5.6 Payment into accounts of deceased beneficiaries

The DBT Mission, GoI recommends that database of beneficiaries of DBT schemes being maintained by respective Departments needs to be dynamic and linked to death registrations. Paragraph 7 (4) of ISSS Rules 1994 stipulates that in case of death of a beneficiary who was getting pension on a monthly basis, un-drawn pension before his/her death shall lapse. Further as per Paragraph 7 (5) of said rules, the Tehsil Officer shall obtain life certificate in respect of the beneficiary every month before making payment.

Audit noticed that Tehsil Officers of the Department were not obtaining life certificate from the beneficiary every month before making payment and no mechanism was in place to identify deceased beneficiaries from details of deaths registered in municipalities, hospitals, etc., so that no financial assistance after their death was transferred to their bank accounts. The Department was not able to ensure that irregular payments were not made in respect of the deceased pensioners as it was relying only on information of deaths received from Aanganwadi workers, Sarpanches of Gram Panchayats and banks.

Audit scrutiny (April 2022 to October 2022) of records of deceased beneficiaries maintained²⁰ in five out of six test-checked Districts revealed that the DSWOs had not stopped payment of pension even in respect of those deceased beneficiaries' information about whose death was known to them. DSWO Baramulla had not maintained any records of deceased beneficiaries.

Audit noticed that:

- During 2018-2022, pension of ₹ 3.95 lakh had been transferred into bank accounts of 44 beneficiaries after their death resulting in blockade of money in their bank accounts.
- Legal heirs of 72 deceased beneficiaries had drawn ₹ 9.37 lakh from bank accounts of deceased beneficiaries resulting in loss to the Government.
- One beneficiary drawing widow pension was not eligible for pension under ISSS as she was drawing family pension of ₹ 10,830 per month. Pension benefits of ₹ 29,000 was paid to the ineligible beneficiary under ISSS with effect from January 2019 to May 2021. It was also noticed that pension was credited to her bank account even after her death on 06 March 2021.

Social Welfare Department stated (September 2024) that deletion of data of death cases is a regular process after receipt of check list from DSWOs. The reply is not based on fact as no mechanism was in place in the Department to identify deceased beneficiaries from details of deaths registered in municipalities, hospitals, etc. so that no financial assistance was made to deceased beneficiaries.

²⁰ On the basis of information received from a relative of the deceased pensioner or any other source.

2.1.6 Other issues

- **Non-accounting of ₹ 1.41 crore recovered from accounts of deceased beneficiaries by four DSWOs**

Rule 2.59 of J&K Financial Code Vol-I stipulates that amounts withdrawn from the treasury/ bank during a month are required to be reconciled with the treasury/ bank records at the end of the month and verified monthly figures are to be communicated to the Controlling Officer.

Audit noticed in four out of six test-checked Districts, ₹ 1.41 crore²¹ recovered (December 2018 to March 2022) from the bank accounts of deceased beneficiaries and credited into the bank accounts of the respective DSWOs, had not been communicated to the higher authorities. The amount was held in the DDO bank accounts and was not credited into proper head of Government account.

Social Welfare Department stated (September 2024) that instructions have been issued to DSWOs for conducting verification of balances with the bank and identification of amounts recovered from the accounts of deceased beneficiaries.

- **Management of failed transactions**

As per Section 7 of Standard Operating Procedures for DBT, failed payment transactions are to be re-initiated by the Department after carrying out required modification/ rectification.

Audit observed in six test-checked Districts that though information of failed transactions was available in Directorates of Jammu and Kashmir and DSWOs, only limited steps had been taken by the Department in respect of failed payment transactions.

During audit analysis of data of beneficiaries of erstwhile State/ UT, 49,504 (Jammu: 20,519; Kashmir: 28,985) failed transactions amounting to ₹ 4.95 crore were noticed in respect of 18,261 (Jammu: 8,192; Kashmir: 10,069) beneficiaries during December 2018 to March 2022 as detailed in **Table 2.1.12**.

Table 2.1.12: Number of failed ISSS transactions in the erstwhile State/ UT

Year	Kashmir	Jammu	Total
2018-19	2,064	3,788	5,852
2019-20	6,933	7,183	14,116
2020-21	9,596	5,484	15,080
2021-22	10,392	4,064	14,456
Total	28,985	20,519	49,504

(Source: C-DAC Data)

As of March 2022, out of 49,504 failed transactions, only 9,913 failed transactions (Jammu: 3,067 and Kashmir: 6,846) pertaining to 3,355 beneficiaries (Jammu: 885;

²¹ Jammu: ₹ 4.39 lakh; Budgam: ₹ 53.01 lakh; Baramulla: ₹ 69.17 lakh; and Kupwara: ₹ 14.40 lakh.

Kashmir: 2,470) were updated. Out of 9,913 updated failed transactions, only 4,939 transactions (Jammu: 1,759 and Kashmir: 3,180) were cleared by the bank by crediting amounts in the bank accounts of the beneficiaries. Non-clearance of remaining 4,974 transactions out of 9,913 updated transactions and 44,565 out of total 49,504 failed transactions implied that failed transactions were not promptly tracked, monitored and reconciled by the Department resulting in deprivation of financial assistance to intended beneficiaries of ISSS.

Social Welfare Department stated (September 2024) that failed transactions are due to submission of incorrect details like IFSC code, Bank Account etc. by the beneficiaries and payment of pension is made after verification and validation of accounts. It added that no eligible beneficiary is deprived of the due benefit. The reply does not address the fact that failed transactions were not promptly tracked, monitored and reconciled by the Department resulting in deprivation of financial assistance to intended beneficiaries of ISSS.

- **SMS alert to beneficiaries**

Paragraph 16 (4.1) of ‘Standard Operating Procedure for DBT payments’ stipulates that Destination bank²² should inform credit/ debit status to beneficiary through SMS. Information regarding returned transactions (return of funds to Sponsor bank) should also be sent by the Destination bank to the beneficiary through SMS. Audit observed that as of October 2022, no mechanism had been put in place to inform the beneficiary through SMS about payment of financial assistance by DBT into their account or about returned transactions.

Social Welfare Department stated (September 2024) that audit instructions have been noted and passed on to the banks so that beneficiaries are updated about debit/ credit status through SMS.

- **Deactivation of beneficiaries**

Audit analysis of database of beneficiaries of erstwhile State/ UT revealed that as of March 2022, 45,784 (Jammu: 13,471 and Kashmir: 32,313) beneficiaries had been deactivated. Though there was a field for capturing reasons for deactivation of beneficiaries, reasons for deactivation of these beneficiaries were not captured in the database.

Months for which social security payments were made to these beneficiaries before their deactivation ranged between 02 months and 40 months.

Social Welfare Department stated (September 2024) that deactivation is done only in respect of expiry, remarriage and change in financial status of beneficiaries. The reply is not convincing as reasons for deactivation were not captured in the database.

²² In a credit transfer, the destination bank is the payee's bank.

- **Lack of convergence with similar schemes**

SWD disburses Old Age, Disability and Widow pension under State/ UT sponsored ISSS and Centrally sponsored National Social Assistance Programme (NSAP). ISSS is intended to cover such destitute persons who may not be covered under NSAP.

Audit noticed that though same procedure was followed for registration and sanction of pensionary benefits under the two schemes up to December 2021, no mechanism was in place to prevent availing of benefit by a beneficiary under both the schemes.

Comparison of data of the two schemes revealed that 6,219 beneficiaries had been availing the benefit in the erstwhile State/ UT both under NSAP and ISSS.

Comparison of list (October 2022) of NSAP payments furnished by six test-checked DSWOs to Audit with list (March 2022) of ISSS beneficiaries as per C-DAC revealed that 1,627 beneficiaries were included in both the lists. A sample cross-check of 1,627 beneficiaries with their bank statements showed that 1,474 beneficiaries were paid pension of ₹ 8.49 crore (ISSS: ₹ 3.89 crore and NSAP: ₹ 4.60 crore) either under one of the two schemes or under both the schemes for different periods during December 2018 to November 2022. ₹ 3.24 crore was paid to these beneficiaries under both the schemes during the period. Audit further noticed that as of November 2022, only 375 out of 1,474 beneficiaries were removed from one of the two schemes while 1,099 (75 per cent) continued to be paid pension under both the schemes.

Social Welfare Department stated (September 2024) that ISSS is now implemented on JANSUGAM portal on which applicants must provide an affidavit that they are not receiving benefits from other schemes. However, the reply was silent with regard to action taken in respect of 6,219 beneficiaries who irregularly availed benefits of both the schemes.

2.1.7 Beneficiary Survey

A survey of 1,200 beneficiaries in 12 TSWOs of six sampled Districts revealed that:

- 102 (nine per cent) beneficiaries were not eligible to receive pension under ISSS as 12 beneficiaries had income of over ₹ 6,500 per month and in 90 cases (eight per cent) both husband and wife were beneficiaries.
- 70 respondents (six per cent) stated that SWD had sanctioned their cases three months to six months after they had submitted their applications. 540 beneficiaries (45 per cent) stated that the Department had taken 06 months to 12 months to approve their cases, 232 (19 per cent) beneficiaries reported that the Department took about one to two years to sanction their cases while 204 beneficiaries (17 per cent) stated that processing of their cases took over two years.

- 800 beneficiaries (67 per cent) had collected the application forms free of cost from TSWOs and 400 beneficiaries (33 per cent) had purchased application forms from Photostat shops.
- Only 69 per cent beneficiaries were aware about details of the Scheme.
- Out of the total beneficiaries (69 per cent as mentioned above) who were aware, 54 per cent beneficiaries stated that they got information about the scheme from the SWD and other 46 per cent stated that they got the information from other sources.

2.1.8 Monitoring

Monitoring and oversight mechanism for implementation of ISSS as envisaged in ISSS Rules, 1994 were not in place in test-checked Districts as discussed in succeeding paragraphs.

2.1.8.1 Non-constitution of District Level Monitoring Committees

To weed out ineligible beneficiaries who had become self-sufficient, Rule 8 (2) of ISSS Rules, 1994 stipulates constitution of District Level Committees (DLCs) for quarterly/ annual review of all cases sanctioned under the scheme. Audit noticed in test-checked Districts that DLCs had not been constituted for reviewing sanctioned cases and District Development Commissioners or DSWOs had not conducted random checks to identify ineligible beneficiaries.

Social Welfare Department stated (September 2024) that after notification (September 2022) of revised ISSS Rules, 2022 meetings of Gram Sabha/ Ward Committee would be conducted after every quarter for identification of left over eligible beneficiaries and weeding out of ineligible cases. The reply is silent about non-constitution of DLCs for quarterly/ annual review of all cases sanctioned under the scheme.

2.1.8.2 Non-constitution of departmental DBT Cell/ Committee

Paragraph 2.1 of 'Protocol Document on DBT in States' provides that apart from State DBT Cell, individual Departments shall also constitute a DBT Cell/ Committee, to ensure that DBT framework is adopted in implementation of schemes. Audit noticed that as of March 2022, SWD had not constituted a DBT Cell/ Committee as envisaged in the Protocol Document.

Social Welfare Department stated (September 2024) that audit observation has been noted for compliance and constitution of departmental DBT Cell/ Committee is under process.

2.1.8.3 Inadequate grievance redressal mechanism

SWD had not put in place a grievance redressal mechanism in the DSWOs to keep

record of complaints received from public regarding implementation of the scheme and action taken thereon. DSWOs had not monitored public grievances as no such records/ registers were maintained in these offices.

Social Welfare Department stated (September 2024) that the JANSUGAM portal is integrated with Auto Appeal System to comply with Public Services Guarantee Act and applications not processed within 30 days are automatically forwarded to the Director, SWD.

2.1.8.4 Conclusion

Despite lapse of over four years since GoJ&K decided (December 2018) to bring the social security schemes under DBT, during the period covered under audit, the SWD was using the DBT portal only as a database and not as an end-to-end solution from registration of beneficiaries to payment of pension. Bank accounts of only 70 per cent ISSS beneficiaries in the erstwhile State/ UT were linked with Aadhaar numbers. After uploading the beneficiaries' data in Application software, any review to check the completeness, authenticity and correctness of the legacy data was not conducted. Audit noticed cases of duplicate records of beneficiaries, non-exclusion of ineligible beneficiaries, payment of financial assistance to same beneficiaries under more than one scheme and payments to ineligible beneficiaries. Mechanism was not in place in the SWD for identification of deceased beneficiaries to ensure discontinuance of financial assistance in respect of deceased beneficiaries.

2.1.8.5 Recommendations

- *Department needs to complete the process of linking the Aadhaar Card details of beneficiaries with their bank accounts on priority.*
- *There is a need to carry out comprehensive review of data of beneficiaries including the legacy data already ported in application to ensure its completeness, authenticity and correctness.*
- *Department should comply with instructions of Finance Department on PFMS for better monitoring and tracking.*
- *Social Welfare Department may address the failed transactions reported by respective banks expeditiously.*
- *Beneficiaries' data need to be integrated with the death data available with the Registrar General of India to ensure discontinuance of financial assistance in respect of deceased beneficiaries.*
- *To avoid delays, the Government may ensure end-to-end integration of DBT scheme so that payments are directly transferred in real time basis into the bank accounts of beneficiaries through PFMS/ IFMS without involvement of DDO Bank account.*

CHAPTER- III
COMPLIANCE AUDIT

CHAPTER-III

COMPLIANCE AUDIT

Housing and Urban Development Department

3.1 Solid Waste Management in Urban Local Bodies (ULBs)

3.1.1 Introduction

As per the Solid Waste Management (SWM) Rules, 2016, framed under the Environment (Protection) Act, 1986, 'Solid Waste' (SW) includes solid or semi-solid domestic waste, sanitary waste, commercial waste, institutional waste, catering and market waste, other non-residential wastes, street sweepings, silt removed or collected from the surface drains, horticulture waste, agriculture and dairy waste.

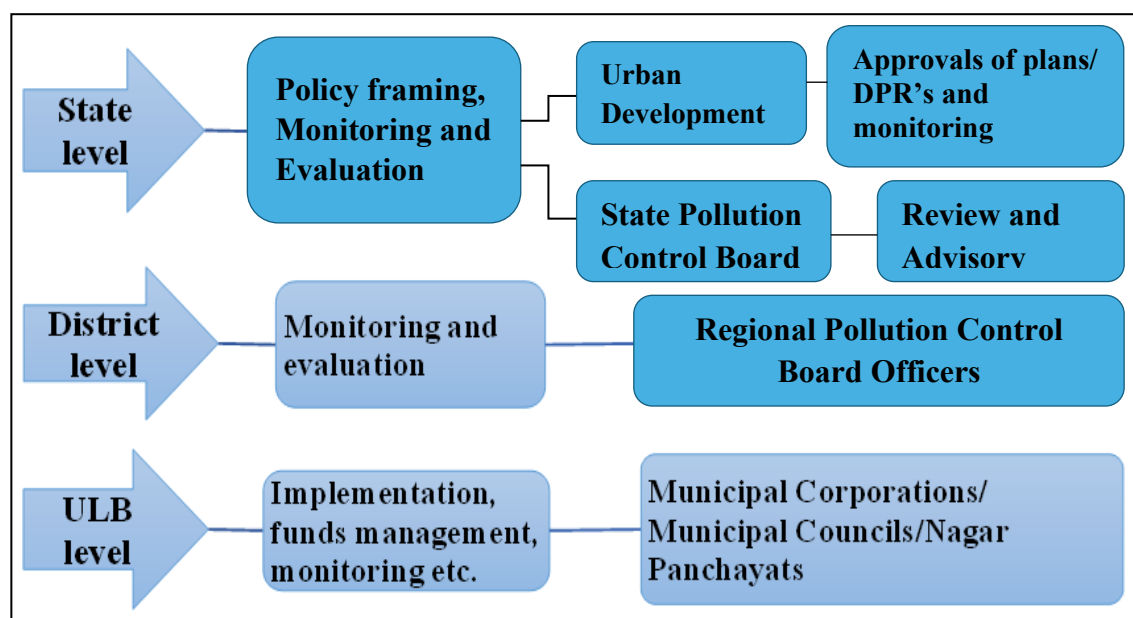
Further, SWM Rules, 2016, provide a legal framework for disposal and management of Solid waste and entrust responsibilities at State/ Urban Local Body/ Citizen level. Guidelines for preparation of a comprehensive plan for prevention, control or abatement of pollution by using scientific SWM techniques have been issued by Government of India (GoI) from time to time.

3.1.2 Administrative Control and Monitoring

In UT of Jammu & Kashmir, function of Solid Waste Management (SWM) is being carried out by the Urban Local Bodies (ULBs).

Role of various authorities in planning, execution and monitoring SWM is depicted in Chart 3.1.1.

Chart 3.1.1: Role of Various Authorities



Housing & Urban Development Department (H&UDD) headed by Commissioner/ Secretary is responsible for Solid Waste Management in Union Territory of J&K. He is assisted at the apex level by Director Planning, Mission Director (Swachh Bharat Mission), Director Finance and at the implementation level by Chairmen, Jammu Municipal Council (JMC) and Srinagar Municipal Council (SMC), Directors ULBs Jammu/ Kashmir and 76 Chief Executive Officers (CEOs) of Municipal Councils/ Committees. Commissioner, Forest, Ecology and Environment Department assisted by Chairman, Jammu and Kashmir Pollution Control Committee (J&KPCC) and its two Regional Directors Jammu/ Kashmir are also responsible for implementation of the solid waste management rules in State/ UT of J&K.

3.1.3 Audit Objectives

This Subject Specific Compliance Audit (SSCA) was conducted to assess whether:

- strategy and planning of SWM in ULBs is commensurate with the wastes generated and aligns with the prevailing legal framework;
- collection, segregation, storage, transportation and disposal of solid waste were effective, efficient and economical.
- planning, construction, commissioning, operation and maintenance of SWM projects were effective, efficient and financially sustainable;
- steps were taken for social inclusion of informal waste workers and
- monitoring and evaluation of SWM system were effective in ensuring awareness generation, citizen engagement for behavioural change, complaint redressal and assessment of environmental impact.

3.1.4 Audit Scope, Sample and Methodology

The SSCA on SWM in ULBs covered the period 2017-18 to 2021-22. It entailed examination (October 2022 to March 2023) of the records relating to SWM in the Administrative Department i.e Housing & Urban Development Department (H&UDD), Mission Director, Swachh Bharat Mission (SBM), Directors of Urban Local Bodies (ULBs), Jammu/ Kashmir and 15 ULBs (Kashmir: eight¹; Jammu: seven²) out of 76 ULBs which were selected on the basis of Probability proportional to size without Replacement method. Additionally, records of Jammu Municipal Corporation (JMC) and Srinagar Municipal Corporation (SMC), Chairman, Jammu and Kashmir Pollution Control Committee (J&KPCC) and Regional Directors, J&KPCC, Jammu/ Kashmir were also audited.

¹ ULB's Anantnag, Sumbal, Kupwara, Langate, Budgam, Kulgam, Bijbehara and Khansahib.

² ULB's Doda, Rajouri, Sunderbani, Reasi, Kathua, Udhampur and Hiranagar.

An Entry Conference was held on 27th January 2023 with the Director Finance, Housing and Urban Development Department (H&UDD) of the Jammu and Kashmir Government during which the audit objectives, scope, and methodology were explained. Audit findings were discussed in an Exit Conference held with the Commissioner/ Secretary to Government, H&UDD on 10th February 2025. The replies furnished during the Exit Conference have been incorporated in the report at relevant places.

The audit methodology involved document analysis, responses to audit queries, joint physical inspections with municipal staff and collection of photographic evidence.

3.1.5 Audit Criteria

The Audit was conducted against the following criteria:

- Solid Waste Management (SWM) Rules, 2016 and Manuals (Part-I and II) of Municipal Solid Waste Management (MSWM) issued by GoI in the Year 2016;
- Construction and Demolition Waste Management (C&DWM) Rules, 2016;
- E-Waste Management Rules, 2016;
- Environment (Protection) Act and Rules, 1986;
- National Urban Sanitation Policy, 2008;
- Revised Swachh Bharat Mission Guidelines issued by Ministry of Housing and Urban Affairs (MoH&UA), GoI; and
- Instructions, guidelines, policies issued from time to time by Central Pollution Control Board (CPCB), J&K Pollution Control Committee (J&KPCC), GoI/ GoJ&K in respect of SWM.

3.1.6 Swachh Survekshan Survey/ CPCB Annual Report

Swachh Survekshan is an annual ranking exercise started by the Ministry of Housing and Urban Affairs (MoH&UA), GoI in the year 2016 to assess urban areas of country on their levels of cleanliness and active implementation of Swachhta mission initiatives in a timely and innovative manner. Rankings of sampled cities of J&K based on the coverage of 4,354 cities in the country, which are categorised into National ranking and Zonal ranking depending upon the population of a city, for the year 2022 are detailed in **Table 3.1.1**.

Table 3.1.1: Ranking of Cities/ Towns of J&K under Swachh Survekshan

Rank	Total Cities	Population	Name of City	Score obtained out of 7,500
National ranking				
41	45	More than 10 lakh	Srinagar	2,986.75
199	382	1 lakh to 10 lakh	Jammu	2,983.22
380	382	1 lakh to 10 lakh	Anantnag	827.69
Zonal ranking				
65	96	50k to 1 lakh	Kathua	2,186.39
76	96	50k to 1 lakh	Udhampur	1,978.75
80	199	25k to 50k	Rajouri	2,502.48
255	284	15k to 25k	Doda	1,504.94
274	284	15k to 25k	Kulgam	1,077.35
278	284	15k to 25k	Bijbhera	938.5
280	284	15k to 25k	Budgam	895.68
281	284	15k to 25k	Kupwara	849.67
152	437	Less than 15k	Hiranagar	2,316.79
255	437	Less than 15k	Sunderbani	1,956.35
370	437	Less than 15k	Reasi	1,512.08
415	437	Less than 15k	Sumbal	1,162.93
431	437	Less than 15k	Khansahib	870.01
434	437	Less than 15k	Langate	785.15

(Source: Swachh Survekshan Survey)

It may be seen from the **Table 3.1.1** that in Swachh Survekshan National ranking, Srinagar ranked 41 out of 45 cities having population of over 10 lakh. Jammu and Anantnag ranked 199 and 380 respectively out of 382 cities having a population between one lakh and 10 lakh. All the other sampled ULBs had ranked more than 100 in Zonal ranking except Kathua, Udhampur and Rajouri.

Similarly, according to Central Pollution Control Board (CPCB) Annual Report 2019-20 on Implementation of SWM Rules, 2016, J&K ranked 26th out of 35 States/ UTs and in the Annual Report 2020-21, J&K ranked 25th out of 35 States/ UTs of the country in environmental performance in respect of SWM.

The below-average rankings of J&K as per Swachh Survekshan Survey and CPCB Annual Report were indicative of poor performance of ULBs of the State/ UT in SWM.

The Department stated (January 2024) that it is taking various initiatives like setting up of two waste processing facilities for proper waste management through

segregation, collection, transportation, processing and disposal of waste, which would help to achieve the best rank in Swachh Survekshan assessment. It was also stated that for ensuring scientific processing of Municipal Solid Waste, establishment of Solid Waste Management Centres (SWMCs)/ Material Recovery Facility (MRF) in 46 locations has been undertaken out of which 23 are already functional with work in progress at remaining 23 sites.

3.1.7 Solid Waste Management Planning

Rule 11 (a) of SWM Rules, 2016 envisaged that the Secretary, Urban Development Department in the State or Union Territory through the Commissioner or Director of Municipal Administration or Director of local bodies shall prepare a state policy and solid waste management strategy for the State or the Union Territory. Further, Rule 11 (b) envisaged that while preparing State policy and strategy on waste management, emphasis should be laid on waste reduction, reuse, recycling, recovery and optimum utilisation of various components of solid waste to ensure minimisation of waste going to the landfill and minimise impact of solid waste on human health and environment.

Audit examination disclosed that although GoJ&K prepared SWM strategy policy in 2017, it had not been finalised/ notified as of January 2024. As such, implementation of 3 Rs (Reduce, Reuse and Recycle) in the State/ UT of J&K for SWM was deficient in policy direction.

During Exit Conference, Commissioner/ Secretary H&UDD admitted (February 2025) that policy has not been notified. It was further stated that SBM Guidelines alongwith Report of MoH&UA regarding solid and liquid waste management are quite detailed and there is no requirement of separate strategy document to be framed by GoJ&K. However, J&K is working on circular economy framework, first draft of which is under discussion.

The reply is not acceptable, as the SWM strategy policy prepared in 2017 has not been finalised/ notified as of February 2025 and the first draft is under discussion. The notified policy as envisaged in rules 11 (a) and (b) of SWM Rules, 2016 would have provided a laid down framework for waste management to all the ULBs in the UT of J&K.

3.1.7.1 Solid Waste Management Plan of ULBs

- (I) Rule 15 (e) of SWM Rules, 2016 envisages that ULBs should frame bye-laws incorporating the provisions of SWM Rules, 2016 within one year from the date of notification of SWM Rules, 2016 and ensure timely implementation.

Audit observed that in the 17 sampled ULBs, including JMC and SMC, bye-laws under SWM Rules had been notified by GoJ&K, after delay of over two years (in 2019 and 2020).

The Department attributed (January 2024) the delays to various reasons observed in the State/ UT from 2016 to 2019 and added that elections to the ULBs were held in 2018 after eight years and after that bye-laws were framed by the ULBs. The bye-laws have been published and enforced now.

- (II) Section 1.4.6 of Municipal Solid Waste Management (MSWM) Manual, 2016 envisaged that ULBs should prepare a short-term SWM plan for five years and a long-term plan for a period of 20-25 years. Each short-term plan was to be reviewed every two-three years to ensure higher success in implementation of plan activities. The implementation plan should also include a detailed estimate of required human resources and investments.

Audit noted that an action plan for five years (2021-22 to 2025-26) was prepared in the offices of Directors, Jammu and Kashmir for all ULBs of J&K, which was belatedly approved in March and July 2021. In respect of JMC and SMC, while short-term plans were prepared, no long-term plans were prepared. In the other 15 sampled ULBs, neither short-term nor long-term plans for SWM were prepared. Not preparing of short-term and long-term plans were one of the reasons for various operational inefficiencies such as non-segregation of Municipal Solid Waste (MSW) at source (**Paragraph 3.1.9.2**), partial door-to-door collection of MSW from households/ commercial establishments etc. (**Paragraph 3.1.9.3**) and unscientific dumping/ disposal of waste (**Paragraph 3.1.9.4**).

In reply, 10 ULBs³ assured (December 2022 and April 2023) preparation of these action plans in future. Accounts Officer, JMC stated (April 2023) that action plan for SWM has been prepared to fulfill short-term requirements for next five years to achieve Service Level Benchmarks. SMC admitted (April 2023) that MSW Plan had not been prepared.

The Department replied (January 2024) that SWM action plan was prepared which envisages collection and transportation of solid waste for five years and its processing and disposal for 20-25 years. It was also stated that JMC has also prepared long term plan with horizon of 20-25 years for waste processing and collection. It was further stated that JMC would review the plan from time to time in terms of development of new technologies and implement it, if required.

The Departmental reply also contradicts the replies furnished by 10 ULBs, JMC and SMC which stated that no short-term and long-term plans for MSW management were prepared and no long-term plans were prepared by JMC and SMC.

³ (i) MC Anantnag, (ii) MC Doda, (iii) MC Hiranagar, (iv) MC Kathua (v) MC Kulgam, (vi) MC Kupwara, (vii) MC Rajouri, (viii) MC Reasi, (ix) MC Sunderbani and (x) MC Udampur.

3.1.7.2 Involvement of Stakeholders in Preparation of SWM Action Plan

Section 1.4.4.1 and 1.4.4.1.3 of MSWM Manual, 2016 stipulate that the main responsibility for preparing a SWM plan lies with the ULB which shall constitute a core team or advisory team (internal stakeholders)⁴ and a stakeholder committee (external stakeholders)⁵ for preparing MSWM plan. The core team had to consult key persons of the ULB such as political head/ mayor/ chairman, District Magistrate and representative from J&K Pollution Control Committee etc.

Audit noted that neither a core/ advisory team (internal stakeholders) nor a stakeholder committee (external stakeholders) was constituted in 17 sampled ULBs including JMC and SMC as of January 2024. Non-constitution of core/ advisory team as well as stakeholder committee had deprived the Government of intended advice/ feedback.

The Department stated (January 2024) that action plan had been prepared in consultation with officials of SBM and sectoral heads of JMC. Regarding SMC, it was stated that SMC had prepared action plan of SWM in consultation with all the committee members of SWM & SBM under the chairmanship of Commissioner, SMC.

The reply is not acceptable as neither a core/ advisory team (internal stakeholders) nor a stakeholder committee (external stakeholders) had been constituted as of January 2024 for preparation of SWM action plans.

3.1.8 Financial Position

Funds for Solid Waste Management (SWM) were received by the Finance Department of GoJ&K from GoI under SBM and 14th Finance Commission (14th FC)⁶. The Finance Department released SBM funds to H&UDD which further released the funds to Mission Director, SBM and Director, ULB Jammu. To monitor and manage all funds under SBM, the Director, ULB Jammu was designated by H&UDD as Single Nodal Agency (SNA) in July 2021. The SNA further released SBM funds to Director, ULBs, Kashmir, JMC and SMC. H&UDD directly released 14th FC funds to Directors of ULBs and JMC and SMC.

The position of funds received by ULBs of the State/ UT including JMC and SMC and expenditure incurred during 2017-18 to 2021-22 is given in **Table 3.1.2**.

⁴ Commissioner or Chief Executive of ULB, Head of the SWM Department, Head of Town Planning Department, Heads of Water Supply Department, Public Health, Sanitation and Sewage.

⁵ Includes households, businesses, industries, informal sector, NGOs, Self Help Groups, Secondary school and College students.

⁶ Expenditure under 14th FC is treated as funds received.

Table 3.1.2: Position of Funds Released for SWM and expenditure incurred during 2017-22

(₹ in crore)

Year	Opening Balance (A)	SWM/ IEC ⁷ (B)	14 th FC (SWM) (C)	Total [D=(A+B+C)]	Expenditure			Unutilised funds H= (D-G)	Percentage of unutilised funds I=(H/D)*100
					SWM/ IEC (E)	14 th FC (SWM) (F)	Total G= (E+F)		
2017-18	21.89	2.62	0.00	24.51	3.98	0.00	3.98	20.53	84
2018-19	20.53	28.55	0.96	50.04	5.72	0.96	6.68	43.36	87
2019-20	43.36	4.79	9.6	57.75	4.98	9.6	14.58	43.17	75
2020-21	43.17	0.00	11.25	54.42	2.78	11.25	14.03	40.39	74
2021-22	40.39	89.55	6.12	136.06	29.16	6.12	35.28	100.78	74
Total		125.51	27.93		46.62	27.93	74.55		

(Source: Information furnished by H&UDD, Directors, ULBs, Jammu/ Kashmir, JMC and SMC)

As against fund availability of ₹ 175.33 crore⁸ for SWM in the State/ UT during 2017-22, an expenditure of only ₹ 74.55 crore (43 per cent) was incurred. The underutilisation of funds ranged between 74 and 84 per cent during the year 2017-22. The underutilisation of funds in the year 2018-19 can partly be attributed to non-utilisation of ₹ 28.55 crore released for Solid Waste Management under SBM. For 2021-22, underutilisation of funds was attributed to release of ₹ 89.55 crore at the fog end (30th March 2022) of the financial year by H&UDD, GoJ&K.

The Department stated (May 2023) that cluster-based approach was earlier adopted under SBM for establishment of integrated SWM facilities which could not be allotted in Public Private Partnership mode due to low waste generation and lack of response to tenders floated multiple times. It was further stated that there was low utilisation of funds as bidders were asking for higher Viability Gap Funding⁹ which was not provided for under the mission Guidelines.

3.1.8.1 Delay in Release of Funds

As per Paragraph 10.4.6 of Guidelines of SBM(U), the State/ UT Governments shall evolve a suitable mechanism to release funds along with State/UT Share to ULBs within 30 days of release of Central share by Ministry of Housing and Urban Development (MoH&UD).

Audit noted that the Finance Department of GoJ&K released funds to H&UDD with

⁷ Information, Education and Communication.

⁸ ₹ 175.33 crore = (Opening balance of 2017-18: ₹ 21.89 crore + SWM/IEC receipts during 2017-22: ₹ 125.81 crore + 14th FC receipts during 2017-22: ₹ 27.93 crore).

⁹ Viability Gap Funding (VGF) is a scheme where the Government provides financial support in the form of grants one time or deferred to infrastructure projects that are economically desirable but not commercially viable. The VGF scheme is administered by the Department of Economic Affairs, Ministry of Finance.

delays ranging between 04 days and 192 days. Also, there was a delay ranging between 15 days and 972 days for release of SBM funds from H&UDD to implementing agencies. The delays in release of funds contributed to underutilisation of funds and consequent inadequate implementation of SWM activities.

During Exit Conference Commissioner/ Secretary accepted (February 2025) that there was delay but could not provide reasons for the same.

3.1.9 Programme Execution

3.1.9.1 Assessment of Quantity/ Composition of Waste Generated

(I) According to Section 1.4.3.3.1 of MSWM Manual, 2016, the waste generated by a specific class of waste generators can be estimated only by averaging data from samples collected continuously for seven days at multiple representative locations within jurisdiction of a ULB in each of the three main seasons of summer, winter and rainy. The quantities of waste can then be extrapolated to the entire ULBs for assessment of per capita generation of waste. The exercise should be repeated once every three to five years at the time of the review of the MSWM plan.

A weighbridge should be placed at a suitable location to weigh waste before being transferred to different treatment or processing and disposal facilities.

Schedule-I (B) (iv) of SWM Rules, 2016 envisages provision of weighbridge to measure quantity of waste brought at landfill site.

Audit noticed that no system was in place in the ULBs of J&K to calculate total waste generated, waste collected and waste treated.

Audit further noticed:

(II) Not adopting of prescribed method for assessment of waste: Audit noted in sampled 17 ULBs including JMC and SMC that the method of averaging data through collection of samples in three main seasons had not been adopted for assessment of waste generation. Instead, the generation of waste was being estimated on the basis of average quantity of waste generated per person. Thus, estimation of waste generation was not realistic.

Accounts Officer, JMC stated (April 2023) that seasonal estimation of waste generation had not been carried out as only one-time estimation was done. SMC stated (April 2023) that the system of quantification of waste generation on the basis of seasonal sample collection would be adopted in future. Sampled ULBs also stated (December 2022 to March 2023) that the method would be implemented in future.

The Department stated (January 2024) that in absence of the per capita waste generation data in the three main seasons, the method for computation of waste

generation prescribed¹⁰ in MSWM Manual, 2016 and SBM Guidelines can be adopted. It was further stated that JMC would do the survey of per capita waste for another two seasons on priority basis.

(III) Absence of weighbridges and MIS: Weighbridges and computerised Management Information System (MIS) were not available at the waste dumping sites of 16 sampled ULBs including JMC to work out the actual waste collected.

The Department stated (January 2024) that as per Central Public Health and Environmental Engineering Organisation Guidelines (CPHEEO) (MSWM Manual, 2016), the quantity of waste has been calculated on population basis so weighbridge is not required in ULBs where population and waste generation is very less. It was further stated that if any cross-check is required for some particular task, the total waste of one day can be checked from the nearby weighbridge installed in ULBs.

The reply is not acceptable as the population criterion is utilised for estimating the quantity of waste generated. However, for depiction of actual quantities of waste collected, it should have been weighed first. The fact also remained that weighbridge had not been installed even by JMC which manages waste in the city of Jammu having a large population.

(IV) Generation, Collection and Processing of Solid Waste: Details furnished by J&KPCC in respect of solid waste generated, collected and processed by ULBs of the State/ UT including JMC and SMC during 2017-18 to 2021-22 are given in **Table 3.1.3.**

Table 3.1.3: Solid Waste Generated, Collected and Treated in the ULBs of the State/ UT of J&K during 2017-22

(in Metric Ton/ day)

Year	ULB name	Waste Generated	Waste Collected (per cent of waste generated)	Waste Treated (per cent of collected waste treated)
2017-18	Kashmir Division	930.60	833.30	450 (450 by SMC)
	Jammu Division	662.18	614.33	3.55
	Total	1,592.78	1,447.63 (91)	453.55 (31)
2018-19	Kashmir Division	828.33	800.50	454.50 (450 by SMC)
	Jammu Division	697.70	641.40	4.90
	Total	1,526.03	1,441.90 (95)	459.40 (32)
2019-20	Kashmir Division	826.75	791.25	461.00 (450 by SMC)
	Jammu Division	687.66	669.90	79.40
	Total	1,514.41	1,461.15 (96)	540.40 (37)
2020-21	Kashmir Division	806.63	792.21	513.50 (500 by SMC)
	Jammu Division	651.6	640.82	34.00
	Total	1,458.23	1,433.03 (98)	547.50 (38)
2021-22	Kashmir Division	875.69	866.34	530.50 (520 by SMC)
	Jammu Division	669.10	669.85	75.70
	Total	1,544.79	1,536.19 (99)	606.20 (39)

(Source: Information provided by the J&KPCC)

¹⁰ As per Section 1.4.3.3 of MSWM Manual, 2016 other studies and observations indicate that waste generation rate is between 200 and 300 gm/ capita/ day in small towns and cities with a population below 2,00,000. It is usually 300-350 gm/ capita/ day in cities with a population between 2,00,000 and 5,00,000; 350-400 gm/ capita/ day in cities with a population between 5,00,000 and 10,00,000; and 400-600 gm/ capita/ day in cities with a population above 10,00,000.

It may be seen from the **Table 3.1.3** that generation of solid waste had decreased from 1,592.78 Metric Ton (MT) per day in 2017-18 to 1,544.79 MT per day in 2021-22. During 2017-22, 91 *per cent* to 99 *per cent* of waste generated in the ULBs of the State/ UT was being collected. Only 31 *per cent* to 39 *per cent* of collected waste was treated leaving a major portion of solid waste dumped at landfill/ dumping sites, carrying the risk of harmful impact on the environment.

Commissioner/ Secretary during Exit Conference stated (February 2025) that for scientific processing of the Municipal Solid Waste under SBM 2.0, establishment of 78 Solid Waste Management Centres (SWMCs) was approved, out of which 33 were made operational till 2024-25.

However, keeping in view meagre quantity (39 *per cent*) of waste treated and the risk involved in unscientific or non-disposal of Municipal waste, there is urgent need for early completion of all the 78 WMCs.

(V) Discrepancy in Solid Waste Data: Audit noticed a significant difference between the quantities of Solid Waste Generated (WG), Waste Collected (WC) and Waste Treated (WT) furnished to Audit by JMC and SMC and the quantities depicted in the annual reports of J&KPCC as detailed in **Table 3.1.4**.

Table 3.1.4: Difference in Quantities of Waste Generated (WG)/ Waste Collected (WC)/ Waste Treated (WT) shown by JMC and SMC and Quantities Depicted By J&KPCC

(MT per day)

Year	Quantities as per SMC and JMC			Quantities as per J&KPCC			Difference		
	WG	WC	WT	WG	WC	WT	WG	WC	WT
2017-18	610.00	461.00	21.23	830.00	800.00	450.00	220.00	339.00	428.77
2018-19	665.00	485.00	37.00	830.00	800.00	450.00	165.00	315.00	413.00
2019-20	722.00	588.00	80.00	900.00	900.00	516.90	178.00	312.00	436.90
2020-21	770.00	666.00	157.50	970.00	950.00	520.00	200.00	284.00	362.50
2021-22	893.00	778.00	325.00	990.00	970.00	540.00	97.00	192.00	215.00

(Source: Records of SMC, JMC and J&KPCC)

Due to difference in data, the accuracy of the information was not ensured. It was also suggestive of poor monitoring by the J&KPCC which had not counter-checked correctness of data provided by ULBs including JMC and SMC. Details are given in **Appendix 3.1.1**.

The Department stated (January 2024) that the average per capita waste generation in SMC is about 0.4 kg which is approximately 600-610 MT per day (MTPD). It was also stated that the details provided by J&KPCC were incorrect.

Commissioner/ Secretary during Exit Conference stated (February 2025) that ULBs sometimes furnish inconsistent data regarding generation, collection and treatment of solid waste. As such the data in this regard furnished by the Department to National Green Tribunal (NGT) will be furnished.

The reply is not acceptable as the quantities of waste, depicted in the annual reports of J&KPCC, are provided by the JMC and SMC to J&KPCC.

3.1.9.2 Segregation of Waste at Source

Segregation means sorting and separate storage of various components of solid waste such as biodegradable waste¹¹ and non-biodegradable waste¹². Rule 4 of SWM Rules, 2016 and Section 2.2.1 of MSWM Manual 2016 stipulate that segregation of waste shall be done at source/ waste generator.

Records of 17 sampled ULBs including JMC and SMC revealed that during 2017-22, segregation of waste at source or household level was not being done. Municipal Council, Doda claimed partial segregation during 2020-21 and 2021-22 and JMC claimed partial segregation of waste during 2021-22. During joint physical inspection (December 2022 to March 2023) it was noticed that waste was being collected in unsegregated manner.

The Department stated (January 2024) that 40 *per cent* of the Municipal Solid Waste (MSW) generated in the ULBs is being segregated at source and that they plan to achieve 100 *per cent* source segregation for which continuous IEC activities are being conducted in ULBs for changing mindset of the people. It was also stated that dustbins are being distributed to houses and commercial establishments to bring in behavior change among the people.

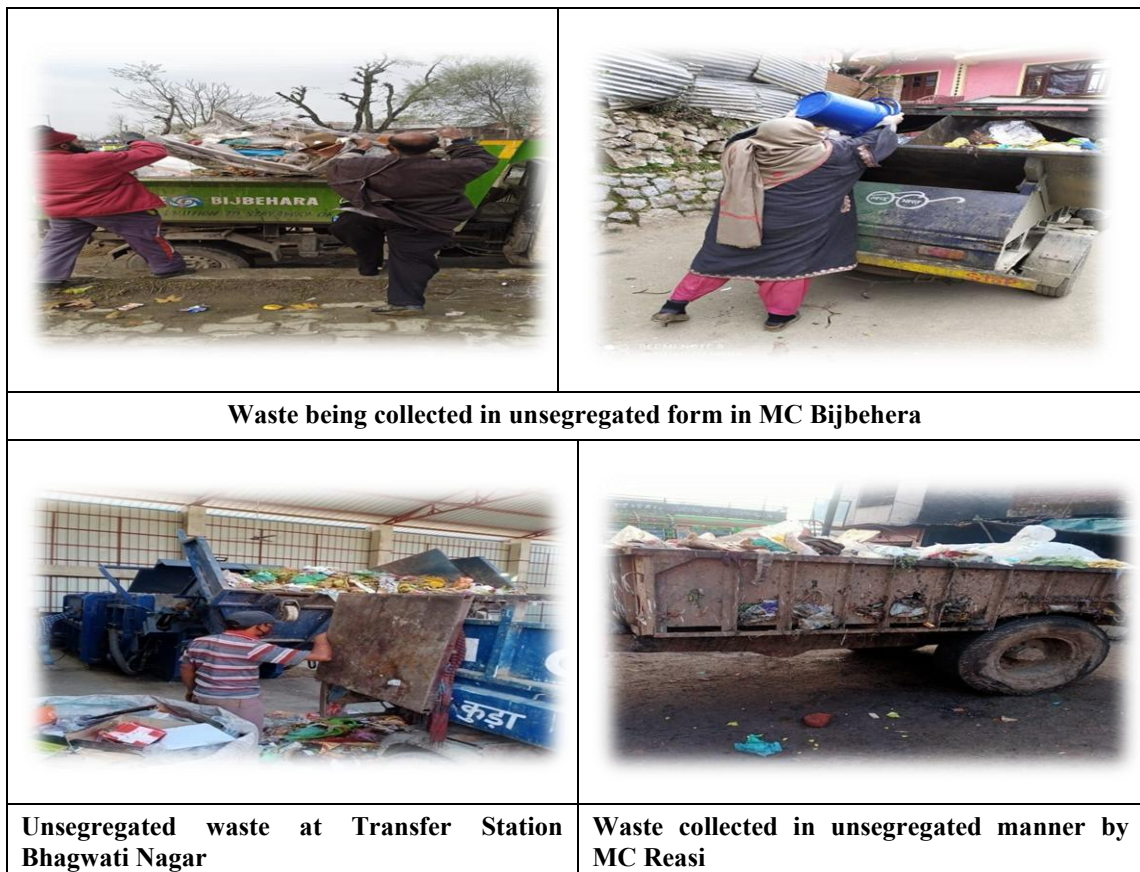
During Exit Conference Commissioner/ Secretary H&UDD accepted (February 2025) that waste collecting vehicles of ULBs do not have segregated compartments. It was further stated that door-to-door collection of waste in JMC has been outsourced and now all vehicles have segregated compartments.

The fact remains that without segregated compartments in the vehicles collecting waste, the segregation of waste at source was not being carried out. Joint physical inspection of ULBs also revealed that the waste was being collected and dumped in an unsegregated form.

¹¹ Agriculture and dairy waste.

¹² Recyclable waste, non-recyclable combustible waste sanitary waste, non-recyclable inert waste, domestic hazardous wastes and construction and demolition waste.

Picture 3.1.1: Collection of waste in unsegregated form



(I) Not Segregating of Domestic Hazardous Waste (DHW)

Rule 15 (i) and (j) of SWM Rules, 2016 define roles and responsibilities regarding Domestic Hazardous Waste (DHW). The ULBs were to notify list of items classified as DHW so as to ensure their segregation at source.

Audit noticed that out of 17 sampled ULBs, only eight ULBs¹³ had notified the list of items classified as DHW to be segregated at source.

Regarding disposal of DHW in 17 sampled ULBs including JMC and SMC, audit further noticed that:

- No waste deposition centres had been established for safe disposal of DHW.
- DHW was being disposed of along with MSW without segregation.
- Records of seven sampled ULBs of Jammu Division indicated that the DHW was being disposed of by burial in pits. However, during joint physical inspection (December 2022 to March 2023) of waste dumping sites of these seven ULBs, audit did not find evidence of disposal of DHW by deep pit burial as claimed by ULBs.

¹³ (i) MC Anantnag, (ii) MC Bijbehara, (iii) MC Budgam, (iv) MC Khansahib, (v) MC Kulgam, (vi) MC Kupwara, (vii) MC Langate, (viii) MC Sumbal.

Non-segregation of DHW at source and its disposal along with Municipal Solid Waste was fraught with potential health risks to the public.

In reply, six sampled ULBs¹⁴ of Jammu Division assured (December 2022 to February 2023) that collection, segregation and transportation of DHW would be done as per Guidelines in future. MC Doda, JMC and SMC did not furnish reply.

The Department stated (January 2024) that JMC has procured new waste collection vehicles with the provision of 4 bins with one of them (the black one) for separate collection of DHW and JMC is disposing of DHW through Material Recovery Facility (MRF) centre and other waste management stakeholders. It was also stated that SMC separately collects DHW which is processed at landfill site through incineration. It was added that all the ULBs of Kashmir Division have notified list of items classified as DHW and ULBs are generating awareness to segregate waste in separate bins for collection of DHW from each household.

The fact remained that segregation of DHW had not been ensured by any of the 17 sampled ULBs for its separate collection and facilities for separate disposal of DHW at the dumping sites had not been provided. The position informed about SMC and JMC is not factual as the MRF facility started at JMC during 2021-22 was not utilised to its full capacity and waste generated in SMC could not be processed due to non-establishment of waste to Energy plant at landfill site Acchan/ non-functional Leachate Treatment plant as detailed in **Paragraphs 3.1.9.5 (I) and 3.1.9.5 (II)** respectively.

(II) Not Segregating of Sanitary Waste

Rule 4 (b) of SWM Rules of 2016 stipulates that waste generator shall wrap sanitary waste like diapers, sanitary pads etc., in the pouches provided by the manufacturers of these products or in a suitable wrapping material as instructed by the local authorities and shall place the sanitary waste in the bin meant for dry waste or non-biodegradable waste.

Audit noted in 17 sampled ULBs that sanitary waste was not being segregated at source, as for collection of dry or non-biodegradable waste, no separate bins were used so that it could be disposed of separately without causing potential health risks to the general public.

The Department stated (January 2024) that JMC had procured new waste collection vehicles with the provision of 4 bins with one of them (the red one) dedicated for sanitary waste and JMC has notified public for wrapping the sanitary waste in paper for handing it over to waste collectors. It was also stated that SMC separately collects sanitary waste which is processed at landfill site through incineration. It was further

¹⁴ (i) MC Hiranagar, (ii) MC Kathua, (iii) MC Rajouri, (iv) MC Reasi, (v) MC Sunderbani and (vi) MC Udhampur.

stated that sanitary disposal machines proposed for all the ULBs of Kashmir Division will be deployed within one year and ULBs of Jammu Division had installed sanitary disposal machines in 14 MRF centres and for the remaining centres installation is under process.

The fact remained that sanitary waste was not being segregated at source in all sampled ULBs. The fact also remained that JMC had not actually ensured collection and disposal of segregated sanitary waste. Reply in respect of SMC is not based on fact as sanitary waste was not being segregated at source.

3.1.9.3 Collection of Solid Waste

Rule 15 (b) of SWM Rules 2016 and Section 2.3.1 of MSWM Manual of 2016 require ULBs to arrange for door-to-door collection of segregated solid waste from all households (including slums and informal settlements), commercial establishments and other non-residential premises.

- Records of 17 sampled ULBs for the period 2017-18 to 2021-22 revealed that 15 ULBs were collecting solid waste using their own vehicles and remaining, two ULBs (Kathua and Udhampur) had outsourced the collection of solid waste. In seven ULBs¹⁵ of Jammu Division, coverage of door-to-door collection of solid waste from households and commercial establishments was partial and ranged from nil to 100 *per cent* as detailed in *Appendix 3.1.2*.
- Four¹⁶ ULBs had not carried out door-to-door collection of waste during this period except for MC Kathua which carried out door-to-door collection only during 2018-19.
- Although the remaining six¹⁷ ULBs including JMC and SMC claimed 100 *per cent* door-to-door collection of waste as of March 2022, Audit noted that the deficient user charges collected from households, commercial establishments etc., did not corroborate the claim that there was 100 *per cent* coverage for door-to-door collection of waste in these six ULBs.

In reply, 16 sampled ULBs including SMC stated (December 2022 to March 2023) that due to shortage of manpower and vehicles, there was less door-to-door collection. However, JMC did not furnish any reply.

The Department stated (January 2024) that 100 *per cent* door-to-door collection is being done in all the ULBs of Jammu and Kashmir Divisions.

The reply is contradictory to the information furnished by sampled ULBs. In their reply 16 ULBs accepted that there was less/ partial door-to-door collection of waste.

¹⁵ (i) MC Doda, (ii) MC Hiranagar, (iii) MC Kathua, (iv) MC Rajouri, (v) MC Reasi, (vi) MC Sunderbani and (vii) MC Udhampur.

¹⁶ (i) MC Budgam, (ii) MC Kathua and (iii) MC Khansahib and (iv) MC Kulgam.

¹⁷ (i) Bijbehara, (ii) JMC, (iii) Kupwara (iv) SMC (v) Sunderbani and (vi) Udhampur.

Further, during joint physical inspection, Audit had noticed waste lying open on the roadside in ULBs of both Jammu and Kashmir Divisions.

Shortfall in Collection of User Charges

According to Rule 15 (zg) (ix) of SWM Rules of 2016, for sustainable SWM, a ULB has to impress upon waste generators to pay monthly user charges to waste collectors or ULB or any other person authorised by the ULB.

Audit check of records of 17 sampled ULBs including JMC and SMC revealed that no user charges were collected in three sampled ULBs¹⁸ and collection was partial in respect of the remaining 14 ULBs during 2017-18 to 2021-22. Against minimum estimated user charges¹⁹ of ₹ 139.04 crore collectable from waste generators (household/ establishment²⁰) covered under door to door collection in the 14 sampled ULBs, only ₹ 35.39 crore had been collected. As such there was shortfall of at least ₹ 103.65 crore in collection of user charges in these 14 sampled ULBs²¹.

The Department attributed (January 2024) the deficit in collection of user charges to shortage of sanitation supervisory staff which has been deployed for revenue collection. It was also informed that JMC is in the process of doing GIS mapping and providing digital door-to-door number to every property for linking user fee with every digital door number and with this JMC will achieve 100 *per cent* collection of user charges by December 2024.

During Exit Conference Commissioner/ Secretary H&UDD stated (February 2025) that position of collection of user charges has improved. Most of the Jammu based ULBs have outsourced collection of waste and user charges to private agencies.

3.1.9.4 Disposal of Waste

Rule 12 of SWM Rules, 2016 provides that Deputy Commissioner (DC) shall allocate land for setting up processing and disposal facilities for solid waste to local authorities in his District and review the performance of local bodies, at least once in a quarter.

Audit noted that concerned DCs had allotted land to 17 sampled ULBs for disposal of waste. As of April 2023, JMC, SMC and 13 other ULBs²² were disposing of waste at

¹⁸ (i) MC Budgam, (ii) MC Khanasahib and (iii) MC Kulgam.

¹⁹ Worked out by Audit at the rate of ₹ 50 per month from households and ₹ 100 per month from establishments.

²⁰ Information regarding number of households/ establishments furnished by the ULBs.

²¹ (i) MC Doda: ₹ 1.15 crore; (ii) MC Rajouri: ₹ 1.79 crore; (iii) MC Sunderbani: ₹ 0.21 crore; (iv) MC Reasi: ₹ 0.41 crore; (v) MC Kathua: ₹ 0.17 crore; (vi) MC Udhampur: ₹ 1.94 crore; (vii) MC Hiranagar: ₹ 0.08 crore; (viii) JMC: ₹ 36.79 crore; (ix) MC Anantnag: ₹ 0.62 crore; (x) MC Bijbehara: ₹ 0.28 crore; (xi) MC Sumbal: ₹ 0.13 crore; (xii) MC Langate: ₹ 0.08 crore; (xiii) MC Kupwara: ₹ 1.53 crore; and SMC: ₹ 58.47 crore.

²² (i) MC Anantnag, (ii) MC Bijbehara, (iii) MC Budgam, (iv) M.C Doda, (v) MC Kathua, (vi) MC Khansahib, (vii) MC Kulgam, (viii) MC Kupwara, (ix) MC Langate, (x) MC Reasi, (xi) MC Sumbal, (xii) M.C Sunderbani and (xiii) MC Udhampur.

the allotted sites. However, MC Hiranagar and MC Rajouri were found to be disposing of waste at locations other than the allotted sites, which poses serious environmental concerns.

- The land allotted at two sites²³ in MC Hiranagar could not be utilised due to objection raised by J&K Pollution Control Committee (J&KPCC) at village Hiranagar and by Gram Panchayat at Allu chak. This indicated that the land was identified by concerned authorities without conducting a proper survey.
- As of February 2023, MC Hiranagar was dumping solid waste unauthorisedly and unscientifically near Shamshan Ghat (Ward No.10) adjacent to a drain. This action was also objected to by the locals and J&KPCC which had served (May 2022) notice to MC Hiranagar for unscientific disposal of solid waste by open dumping and burning leading to air and water pollution and unhygienic atmosphere.
- Similarly, Municipal Council, Rajouri was dumping solid waste in open area at the bank of Rajouri River. Audit also noticed that land had been allotted to MC Kathua for dumping solid waste at the bank of Ravi river (Kathua).

In respect of MC Hiranagar, the Department stated (January 2024) that Revenue Department has been approached to provide encumbrance free land for establishment of waste processing facility.

In respect of MC Rajouri, it was stated that the Deputy Commissioner of Rajouri District has been requested to allot encumbrance free land for construction of SWM facility.

The fact remained that two ULBs continued to dump waste in open spaces with potential risk to environment.

Picture 3.1.2: Dumping of waste in open spaces



²³ Village Hiranagar and Allu Chak.

Review Meetings by Deputy Commissioners: Audit also noted that Deputy Commissioners (DCs) of the 11 Districts²⁴ (where sampled ULBs were located) had not held any meeting to review the performance of ULBs performance in SWM during the period 2017-18 to 2021-22.

Due to not holding of review meetings by DCs, possible solution to vital issues of solid waste management which could have emerged in such meetings remained unaddressed. The Department accepted (January 2024) the audit observation.

(I) Not Disposing of Accumulated Legacy Waste by Recycling/ Treatment

It was observed that as of March 2022, 18.35 lakh MT²⁵ of unprocessed waste was lying in the open at dumping sites of eight sampled ULBs including SMC and JMC. These ULBs had failed to dispose of the waste by recycling or chemical/ physical/ biological treatment methods specified. The non-disposal of waste carries the risk of serious threat to air, water and soil quality leading to health hazards.

The Department outlined (January 2024) plans for bio-remediation of legacy waste. JMC plans to float tenders for bio-remediation of waste and complete the process by March 2025. It was also stated that removal of legacy waste by way of bio-mining has started in six ULBs of Kashmir Division. In SMC, a DPR has been prepared for bio-remediation of legacy waste at landfill site at Acchan.

During Exit Conference Commissioner/ Secretary H&UDD stated (February 2025) that issue has been resolved in most of the places in Jammu Division and tenders of legacy waste (except 13 ULBs) have been allotted and work is going on.

The fact remained that 18.35 lakh MT of legacy waste of eight ULBs had remained unprocessed.

(II) Illegal and Unscientific Disposal of Solid Waste by ULBs

The two Regional Directors of J&K Pollution Control Committee (J&KPCC), Jammu and Kashmir on receiving reports about illegal and unscientific dumping/ disposal of solid waste by seven ULBs²⁶ (including three sampled ULBs), imposed penalty/ Environmental Compensation (EC) of ₹ 5.96 crore²⁷ (November 2019 to January 2022).

²⁴ Jammu, Udhampur and Kulgam (2017-18 to 2021-22); Reasi, Kathua, Rajouri and Srinagar (2017-18 to 2020-21); Budgam, Kupwara and Anantnag (2017-18 to 2018-19); Doda (2017-18 to 2018-19 and 2021-22).

²⁵ JMC: 4.68 LMT, SMC: 12 LMT, MC Sumbhal: 0.02 LMT, MC Langate: 0.04 LMT, MC Kulgam: 0.33 LMT, MC Khansahib: 0.05 LMT, MC Bijbehara: 0.14 LMT and MC Anantnag: 1.09 LMT.

²⁶ Municipal Council, Udhampur (at forest land between Jakheni and Kheri); Municipal Council, Rajouri (at the bank of Rajouri River); Municipal Council, Kathua (at the bank of Ravi River); Municipal Council, Bandipora; Municipal Committee, Ramban; Municipal Committee, Katra and Municipal Committee, Sopore.

²⁷ Municipal Council, Udhampur: ₹ 1.39 crore; Municipal Committee, Katra: ₹ 1.06 crore; Municipal Council, Rajouri: ₹ 0.62 crore; Municipal Council, Kathua: ₹ 0.82 crore; Municipal Committee, Ramban: ₹ 0.13 crore; Municipal Council, Bandipora: ₹ 0.64 crore and Municipal Committee, Sopore: ₹ 1.30 crore.

Besides, the National Green Tribunal (NGT) had also imposed penalty of ₹ one crore on Municipal Council, Budgam for dumping solid waste on the banks of river Doodh Ganga. This amount was to be utilised for restoration of environment as per the plan approved by the Chief Secretary.

Audit further noticed that out of eight ULBs on which penalty was imposed by J&KPCC/ NGT, only two ULBs had deposited (between February 2021 and May 2022) penalty/ EC of ₹ 56.44 lakh²⁸.

Regional Director, J&KPCC, Jammu assured (October 2022) that follow up action regarding recovery of penalty/ Environment Compensation shall be taken.

CEO, MC, Kathua stated (February 2023) that the matter regarding paying penalty for dumping solid waste in open areas along the bank of River Ravi was under consideration of the Administrative Department.

During Exit Conference Commissioner/ Secretary H&UDD stated (February 2025) that the Department is contesting the penalty issue regarding Municipal Council Udhampur and Budgam.

The fact remains that disposal of waste in an improper manner has not only exposed the environment to risk apart from financial burden by way of penalty but also unnecessary litigation to the respective ULBs.

3.1.9.5 Processing and Treatment of Waste

In terms of Rule 3 (35) of SWM Rules, 2016 Processing means any scientific process by which segregated solid waste is changed for reuse, recycling or transformation into new products. The Rule further clarifies that Treatment means the method, technique or process designed to modify physical, chemical or biological characteristics or composition of any waste so as to reduce its volume and potential to cause harm.

Audit noted that no processing or treatment facilities were in place at the waste dumping sites in 14 ULBs²⁹ out of 17 sampled ULBs. As such the waste was being dumped without modifying its physical, chemical or biological characteristics.

During Exit Conference Commissioner/ Secretary H&UDD stated (February 2025) that progress has been made in setting up of Material Recovery Facilities (MRFs) in the ULBs. It was also stated that 33 Solid Waste Management Centres (SWMC) have been made operational during 2022-25.

²⁸ MC Budgam: ₹ 50 lakh and MC Ramban: ₹ 6.44 lakh.

²⁹ (i) Anantnag, (ii) Sumbal, (iii) Kupwara, (iv) Langate, (v) Budgam, (vi) Kulgam, (vii) Bijbehara, (viii) Khansahib, (ix) JMC, (x) Rajouri, (xi) Sunderbani, (xii) Reasi, (xiii) Hiranagar and (xiv) Kathua.

(I) Failure to Establish Waste to Energy Plant

As per Rule 15 (v) (b) of SWM Rules 2016, duties and responsibilities of ULBs include facilitating construction, operation and maintenance of solid waste processing facilities preferably via waste to energy processes.

- State Cabinet approved (October 2017) establishment of Waste to Energy (WtE) plant³⁰ for scientific disposal of Solid Waste at landfill site at Achan, Srinagar.
- After authorisation (November 2017) of H&UDD, SMC issued (December 2017) a Letter of Intent (LoI) to the single bidder³¹ for establishment of WtE plant under Design, Finance, Build, Own, Operate and Transfer (DFBOOT).
- The Power Development Department (PDD), GoJ&K was to purchase electricity generated from WtE plant at ₹ 7.65 per unit for the period of 25 years. SMC was also responsible to get the Power Purchase Agreement (PPA) vetted by PDD, Finance Department, Law Department and Joint Electricity Regulatory Commission (JERC).
- SMC was to provide land at landfill site and establishment of WtE plant was to be completed within 18 months from the date the PPA was signed.
- Commissioner, SMC requested (November 2019) H&UDD to authorise him to submit a petition for adoption of approved power tariff before Central Electricity Regulatory Commission (CERC) or JERC of the State/ UT to facilitate smooth establishment of WtE Plant.
- After seeking legal opinion from Advocate General, J&K, H&UDD directed SMC to have (February 2020) the Project Proponent³² to file a petition for adoption of power tariff before JERC.
- Accordingly, SMC asked (March 2020) the Project Proponent to take up matter with JERC.
- SMC provided (May 2018) land to the agency on which the agency carried out earth filling.

Audit noted that as of January 2024, there was no further progress regarding signing of PPA between the concerned parties, which was a necessity before WtE plant could be established. The WtE plant was to be completed within 18 months from the date the PPA was signed. However, despite lapse of over six years since its approval (October 2017), the WtE plant could not be established as of January 2024 due to procedural delays at various levels.

Commissioner, SMC stated (January 2020) that PPA had been vetted by PDD, Finance Department and Law Department but tariff rate of ₹ 7.65 per unit was not adopted by JERC due to unavoidable circumstances, including non-availability of a

³⁰ Waste-to-energy plants burn municipal solid waste (MSW) to produce steam in a boiler and the steam is used to power an electric generator turbine.

³¹ M/s Highland Automobiles Pvt. Ltd., Srinagar.

³² M/s Syntech Bioenergy Pvt. Ltd. (changed nomenclature of joint venture).

quorum of JERC. The Department stated (January 2024) that the project is under deliberation.

The reply should be seen in the light of fact that even after lapse of over six years PPA could not be executed resulting in not establishing of WtE Plant.

During the Exit Conference Commissioner/ Secretary, H&UDD accepted (February 2025) that the WtE plant could not take off. It was further stated that revised DPR for the project has been submitted for approval under SBM 2.0.

(II) Not Functioning Leachate Treatment Plant

Leachate³³ treatment is important for elimination of harmful contaminants and organic substances that are capable of negatively impacting water sources such as surface water and groundwater which ultimately can affect human health.

SMC was allocated 516 *kanal* of land at Achan, Srinagar for waste dumping and processing of waste in 1986. Since then, the site has been maintained and developed by Economic Reconstruction Agency (ERA) under the supervision of SMC.

J&KPCC issued (July 2018) a notice to SMC for non-functioning of the Leachate Treatment Plant (LTP)³⁴ in violation of environmental laws and directed to make the plant functional within 15 days failing which it would initiate legal action under the Environmental Pollution Act, 1986.

Despite SMC's directive in August 2018 to ERA to ensure that the LTP remains functional 24x7, as of January 2024, the LTP remained non-functional leading to pollution of water sources and potential spread of diseases.

The Department stated (January 2024) that SMC in its tender floated for Cell No. 4 included Operation and Maintenance of LTP. However, the departmental reply is silent with regard to functional status of the LTP. Non-functional LTP carried the risk of pollution of water sources and potential spread of diseases.

(III) Not Functioning of City Compost Plant at Landfill Site, Achan

While handing over (September 2018) Achan landfill site to SMC, ERA had also handed over City Compost Plant (CCP)³⁵ to SMC after getting it inspected (November 2017) by the Agricultural Chemist, Quality Control Laboratory, Srinagar. The CCP remained operational up to June 2020 and earned revenue of ₹ 3.51 lakh. Thereafter, the SMC had not utilised the CCP as of January 2024, which resulted in non-conversion of suitable waste to compost and a consequent loss of revenue.

³³ As per Rule 3 (29) of SWM Rules, 2016 Leachate means the liquid that seeps through solid waste or other medium and has extracts of dissolved or suspended material from it.

³⁴ Leachate Treatment Plant was non-functional when SMC had taken over the landfill site from ERA in September 2018.

³⁵ A city compost plant is a facility that processes organic waste into compost, a nutrient-rich soil amendment.

Chief Sanitation Officer, SMC stated (April 2023) that plant was non-functional due to corrosion of various parts of machines which are beyond repairs.

The Department informed (January 2024) that to process the wet waste scientifically, SMC has proposed a fresh waste to compost plant of 100 MTPD capacity for which the DPR is being prepared.

The fact remained that SMC did not take concrete steps to make the CCP operational again or to commission a new CCP during the period from June 2020 to January 2024.

(IV) Not Functioning Waste Disposer Machine at Municipal Council, Udhampur

The work for installation of advanced fuel-free solid waste disposer, Kill the Waste Machine (KWM)³⁶ at dumping site of Sui Chakkar, Udhampur including comprehensive maintenance of machine for five years was awarded (September 2019) by MC Udhampur to a firm at a cost of ₹ 59.89 lakh. The firm installed (December 2019) KWM at the dumping site and an amount of ₹ 53.96 lakh was paid in two installments in January 2020 and April 2020. However, the KWM had been rendered non-functional in June 2021 due to unavailability of technical manpower and resentment by local people.

As per terms of the supply order (September 2019), the firm was to operate the commissioned machine at site for 60 days and further provide training to the manpower deputed by MC Udhampur during that period. However, no such training had been imparted by the firm. The KWM remained non-functional as of January 2024.

Thus, inaction of MC Udhampur to make the KWM functional resulted in idle investment of ₹ 53.96 lakh and consequent accumulation of solid waste at the dumping site. The Annual Maintenance Contract of five years included in the cost of installation of KWM had also been rendered ineffective.

The Department stated (January 2024) that local population did not allow the operation of machine alleging emission of harmful gases in the atmosphere. It was further stated that for processing waste at Sui Chakkar, a compost pit and Material Recovery Facility (MRF) has been established. Chief Executive Officer, Municipal Council Udhampur accepted (April 2024) that the MRF and compost pits installed at Sui Chakkar are not functional.

³⁶ An eco-friendly and economic solution for solid waste disposal. It runs on the principle of controlled combustion through regulated air supply while addressing and solving the major drawbacks of conventional combustion based incinerator system.

(V) Not Functioning Bailing Machine at Municipal Council, Udhampur

MC Udhampur installed (November 2020) a Bailing Machine (BM³⁷) at the waste dumping site at Sui Chakkar for compressing the waste material into rectangular bales that can be sorted, shipped, sent for further processing or recycling.

Audit observed that the BM had remained functional up to June 2021 during which it compressed approximately 6,468 kg of plastic waste into rectangular bales. The BM ceased functioning thereafter due to unavailability of technical manpower and resentment by local people. As of January 2024, no substantial efforts have been made by the Department to make the BM operational again, thereby defeating the purpose of installing it.

CEO, MC Udhampur stated (February 2023) that a project for treatment of dumped waste had been started at Sui Chakkar, which would take five to six months to clear the waste. The Department informed (January 2024) that the MRF and compost pit has been established as per the action plan. It was also stated that the old bailing machine will be repaired and used in the same infrastructure.

The reply should be seen in light of the fact that MRF and compost pits installed at Sui Chakkar have not been made functional (April 2024), resulting in continued accumulation of plastic waste without proper disposal measures in place.

(VI) Bio-Mining and Bio-Remediation of Legacy Waste

For decades, JMC had been dumping Municipal Solid Waste in 250 *kanal* of land at Bhagwati Nagar, which had accumulated over time as Legacy Waste (LW). To address this issue, a DPR was prepared for removal of LW at Bhagwati Nagar through the process of Bio-mining³⁸ and Bio-remediation³⁹. The DPR was technically vetted (October 2021) by IIT Jammu. As per DPR, volume of LW assessed through contour survey was estimated at 1.20 lakh MT. In terms of DPR, a baseline study of heavy metals in surface and sub-surface water, rainfall, soil type, hydrology, topography, wind direction etc. was to be conducted before and after bio-mining. Periodic study was also to be carried out after completion of bio-mining to check for any adverse effects in the surrounding area.

The contract for Bio-mining and Bio-remediation of LW was awarded (July 2020) to a contractor⁴⁰, at a cost of for ₹ 6.84 crore in anticipation of Administrative Approval which was accorded in November 2020. In the agreement, quantity of LW to be

³⁷ A compacting device that to compact and compress material into rectangular bales that can be sorted, shipped, sent for further processing or recycling. It is designed to change similar and dissimilar wastes into configurations that are easy to handle and organise.

³⁸ Uses microorganisms to extract metals from ores, waste and other solid materials.

³⁹ Uses microorganisms to break down hazardous substances into less toxic or non-toxic substances. Bioremediation is often used to clean up heavy metal pollution or recover precious metals from wastewater.

⁴⁰ M/s Aakansha Enterprises, New Delhi.

treated and area of land to be reclaimed had not been mentioned. As per agreement, removal of LW was to be completed by January 2022. A payment of ₹ 6.84 crore was made by JMC to the contractor for Bio-mining/ Bio-remediation of LW of 1.20 lakh MT, which was completed in April 2022.

As against 250 *kanal* of land required to be cleared, how much land was cleared as a result of Bio-mining/ Bio-remediation of LW was not ascertainable. Neither any survey was conducted after completion of Bio-mining/ Bio-remediation of the area nor any periodic study was done to check for any adverse effects in the surrounding areas.

The contractor had completed Bio-mining/ Bio-remediation of LW after a delay of 82 days, but JMC did not impose penalty of ₹ 28.04 lakh⁴¹ (as per clause 28 of the contract, at the rate of 0.05 *per cent* per day subject to a maximum of 10 *per cent* of contract value) on the contractor at the time of making final payment, thereby providing undue benefit to the contractor.

During Joint Physical Inspection (March 2023) of the site, heaps of waste, including boulders were seen at the site indicating that the area had not been fully cleared of LW. It was also seen that waste collected by JMC from Zone-III of the city was being dumped in the area reclaimed by Bio-mining/ Bio-remediation at Bhagwati Nagar.

The Department stated (January 2024) that the contractor had requested for grant of extension for completion of work and 233 *kanal* of land had been reclaimed. It was further stated that bio-remediation of LW in remaining 17 *kanal* was allotted to another firm. Regarding non-imposition of penalty, it was stated that the contractor had requested for grant of extension on account of disruption of work due to second wave of Covid pandemic during March-June 2021 and the request was agreed.

The reply is not acceptable as no mention was made in the agreement executed with the contractor about quantity of legacy waste to be treated and area of land to be reclaimed due to which the contract for reclaiming the balance 17 *kanal* of land was allotted to another firm. Further, there was no approval of competent authority for extension of time for completion of work.

(VII) Construction and Demolition Waste Management Rules

Ministry of Environment, Forest and Climate Change, GOI notified (March 2016) Construction and Demolition Waste Management (C&DWM) Rules, 2016. These rules apply to every waste resulting from construction, remodeling, repair and demolition of any civil structure of individual or organisation or authority which generates construction and demolition waste such as building material, debris, rubble. Audit noted the following regarding the implementation of C&DWM Rules:

⁴¹ (6,84,00,000 x 0.05 *per cent* * 82).

Delayed Policy Notification

Rule 9 (1) of C&DWM Rules envisage that the Secretary in-charge of Urban Development Department is required to prepare policy document with respect to management of C&DW (Construction and Demolition Waste) in accordance with these rules within one year from the date of final notification (29 March 2016) of these rules.

However, the Department had notified (February 2020) the policy after a delay of 35 months.

Not Implementing Construction and Demolition Waste Management Rules

Rule 6 (4) and (5) of Construction and Demolition Waste Management (C&DWM) Rules, 2016 provides that ULBs shall place appropriate containers for C&DW, remove waste there from at regular intervals either through own resources or by appointing private operators and transport the waste to appropriate sites for processing and disposal.

Further, Rule 4 (c) of MSWM 2016 stipulates that it is the responsibility of the waste generator to store (C&DW), as and when generated, separately in his own premises or get the waste deposited at collection centre made by the ULB.

Despite generation of substantial quantities⁴² of C&DW, ranging between 20,979.91 metric ton per annum (MTA) and 38,127.16 MTA during 2018-19 to 2021-22, no measures as per laid down rules such as placing appropriate containers for C&DW, removing waste there from at regular intervals either through own resources or by appointing private operators and transporting the waste to appropriate sites for processing and disposal were taken by the Department for its safe disposal.

Absence of C&DW Containers: No containers had been placed for collection of C&DW in any of the 17 selected ULBs including JMC and SMC. Further, no directions had been issued to public for proper handling and disposal of such waste.

Absence of C&D Waste Processing Facilities: The ULBs had not established waste processing facilities for safe disposal of C&DW within their jurisdiction in accordance with the provisions of the rules.

Improper Disposal Practices: J&KPCC in their annual report to Central Pollution Control Board reported that in absence of any collection and disposal mechanism for C&DW by ULBs, C&DW was being dumped off by owners on unused vacant land and along river banks and only unclaimed waste was transported by local bodies.

⁴² 2018-19: 20,979.91 MTA; 2019-20: 36,301.17 MTA; 2020-21: 23,607.40 MTA; and 2021-22: 38,127.16 MTA.

The Department stated (January 2024) that JMC has prepared DPR for setting up a C&DW processing facility at Kot Bhalwal. It has also earmarked a C&DW collection point at Bhagwati Nagar for storage of C&DW which will be recycled after the commissioning of C&DW processing facility. SMC had dedicated service for collection of C&DW through tippers which collect and dump the waste at landfill site Achan. It was added that SMC has proposed 50 MTPD, C&DW plant under SBM 2.0 for which DPR is being prepared.

(VIII) Material Recovery Facilities (MRFs) for Management of Plastic Waste

Memoranda of Understanding (MoU) were signed (August 2019 and September 2019) by JMC with Indian Pollution Control Association (IPCA) and Regional and Urban Development Agency (RUDA)⁴³ for plastic waste management in Jammu city.

The MoU with IPCA was valid for five years up to November 2024, while the MoU with RUDA is valid for ten years from November 2021 to November 2031.

As per MoUs, IPCA and RUDA were to each install Material Recovery Facilities⁴⁴ (MRFs) with a capacity of five MT per day at Bhagwati Nagar and Rakh Bandu, Jammu respectively. Both these agencies were to operate and maintain the MRFs for five years and for ten years respectively. JMC was to provide plastic waste to these agencies for processing.

MRFs with a capacity of five MT per day were installed (August 2019 and September 2019) at Bhagwati Nagar and Rakh Bandu. It was observed that neither IPCA nor RUDA had processed any plastic waste during 2019-21. During the period 2021-22, both the agencies had processed only 4 MT of waste per day as against required 5 MT per day.

The Department informed (January 2024) that JMC is focusing to achieve 100 *per cent* segregation at source so that recovery of the waste can be done efficiently. It was further stated that after achieving the target of segregation of waste, MRF will run in full capacity. The reply is not acceptable as MoUs should have been implemented during its validity by providing segregated plastic waste to IPCA and RUDA. The reply should also be seen in light of the fact that the MoUs were signed without ensuring segregation of waste at source.

(IX) Unscientific Disposal of Plastic Waste

Rule 6 of Plastic Waste Management (PWM) Rules, 2016 provides that every local body shall be responsible for development and setting up of infrastructure for

⁴³ Implementation partner on behalf of United Nations Development Programme (UNDP).

⁴⁴ Materials Recovery Facilities (MRFs) is a facility where non-compostable solid waste can be temporarily stored by the local body or any other entity to facilitate segregation, sorting and recovery of recyclables from various components of waste.

segregation, collection, storage, transportation, processing and disposal of plastic waste either on its own or by engaging agencies or producers.

As per information available with J&KPCC, estimated 2,23,158 MTs⁴⁵ of plastic waste was generated in Jammu and Kashmir during 2017-18 to 2021-22.

Audit observed in 17 sampled ULBs that during 2017-18 to 2021-22, there was no record to show that plastic waste was being segregated, collected, transported as per Rule 6 of Plastic Waste Management Rules, 2016.

The Department stated (January 2024) that the total plastic waste generated and collected in 40 ULBs of Kashmir is 50 MTPD and 100 *per cent* of this plastic waste is collected and no waste is left unattended and that record of plastic waste being generated and processed is being maintained by the concerned ULBs. Regarding SMC, it was stated that SMC has 100 MTPD MRF plant at landfill site Achan where plastic waste is being collected and segregated by informal workers on daily or alternate day basis and records in respect of disposal of plastic waste are regularly updated on *Swachhtam* Portal. In respect of JMC, it was informed that two MRFs at Rakh Bandu and Bhagwati Nagar with 5 MTPD capacity each for processing and recycling of plastic waste have been setup where logbook for collection and recycling of plastic waste, on daily basis, are maintained.

The reply is not based on fact as no records regarding segregation, collection, storage, transportation, processing and disposal of plastic waste were produced in sampled ULBs. Further, two MRFs at Rakh Bandu and Bhagwati Nagar started during 2021-22 were not utilised to their full capacity by JMC as mentioned in **Paragraph 3.1.9.5 (VIII)**.

3.1.9.6 Not Assessing Risk to Environment by State Pollution Control Committee

Rule 16 (b) of SWM Rules, 2016 stipulates that State Pollution Control Board or State Pollution Control Committee shall monitor disposal of solid waste according to environmental standards and ensure regular monitoring⁴⁶ of ambient air quality at the landfill site and at the vicinity. It shall also conduct periodical monitoring⁴⁷ of ground water quality within 50 m of the periphery of landfill site to ensure that the ground water is not contaminated.

Audit examination disclosed that J&K Pollution Control Committee had not conducted any air quality assessment of landfills and dumpsites. J&KPCC admitted (June 2023) that sampling for checking the ground water quality near dumping sites

⁴⁵ 2017-18: 27,870 MTs; 2018-19: 34,367 MTs; 2019-20: 74,826 MTs; 2020-21: 51,711 MTs; and 2021-22: 34,384 MTs.

⁴⁶ Schedule I {F} (iv) of SWM Rules 2016.

⁴⁷ Schedule I {E} (i) of SWM Rules 2016.

and landfill sites has not been carried out on a routine basis. It was also stated that nine rivers in the State/ UT had been polluted due to unauthorised dumping of Solid waste and construction/ demolition waste etc. along these rivers.

Not conducting these assessments leads to unchecked environmental degradation, significant public health risks, as well as regulatory non-compliance and increased economic costs due to inadequate waste management practices. Further, it results in missed opportunities for improving waste management and potential social discontent.

3.1.9.7 Deficient Manpower

Section 1.4.5.4 of MSWM Manual, 2016 stipulates that a ULB should have dedicated SWM department or cell having staff with technical and managerial skill specific to SWM.

Audit noted that none of the 17 sampled ULBs had an exclusive SWM department/ cell having staff with technical and managerial skill specific to SWM. Further, against the sanctioned strength of 4,537 posts in 17 sampled ULBs only 3,893 were in position and 677 posts⁴⁸ were vacant. The ULBs were engaging 5,221 casual employees, for managing both SWM and sanitation activities. Shortage of staff ranged between 9.25 *per cent* (Bijbehara) and 75 *per cent* (Langate).

The Department stated (January 2024) that as per Government directions, no new recruitment can be made in any Department as such JMC is carrying out waste management and sanitation activities through own employees and NGO workers. They added that in Directorate Urban Local Bodies, Kashmir, a dedicated and expert PMU has been engaged under SBM-U and in case of dearth of *Safaimitras*, the concerned ULBs are engaging staff on outsource basis.

(I) Not Integrating Informal Waste Collectors in Waste Management

In terms of Section 2.3.7 of MSWM Manual, 2016 and Rule 11(c) and 15 (c) (d) of SWM Rule 2016, the ULBs were to establish a system to recognise organisations of waste pickers or informal waste collectors, facilitate formation of Self Help Groups for them, provide them identity cards and; facilitate their participation in SWM including door-to-door collection of waste. The State Government was to provide broad Guidelines regarding integration of waste picker or informal waste collectors in the SWM system.

Audit noted in sampled 17 ULBs that only SMC and Director, Urban Local Bodies, Kashmir (DULBK) had identified and integrated 283 Rag Pickers, to form Self Help Groups for them. Besides, GoJ&K had not issued (as of January 2024) any Guidelines

⁴⁸ 07 ULBs Jammu: 209; JMC: 164; 08 ULBs Kashmir: 75; and SMC: 229.

regarding integration of waste pickers or informal waste collectors in the SWM system.

The Department informed (January 2024) that registration of rag pickers in all the ULBs is under progress. The SMC has involved 179 informal waste pickers and integrated them into waste management system and DULBK has also identified 204 rag pickers/ Eco-guards and integrated them in SWM. It was also stated that JMC had conducted survey of rag pickers and is in the process of formation of SHGs so that all the informal waste pickets may be associated with SWM. The reply is not acceptable as the process of integration of waste pickers and informal waste collectors was to be carried out in the whole UT of J&K and the issuance of Guidelines would have provided a laid down framework for their integration.

(II) Capacity Building/ Trainings

As per Rule 15 (zc) of SWM Rules, 2016 a ULB has to educate workers including contract workers and supervisors regarding door-to-door collection of segregated waste and transportation of unmixed waste to processing or disposal facility.

Audit noted that records pertaining to provision of training to field staff for door-to-door collection and segregation of waste were not being maintained in the 15 sampled ULBs and SMC. In absence of these records, the number of trainings imparted, if any, to the staff of ULBs could not be ascertained. In respect of JMC, although trainings records were maintained, no training sessions were conducted by JMC to its staff prior to 2021-22.

Chief Sanitation Officer, SMC stated (April 2023) that regular training was being imparted to SWM workers and capacity building programmes were being held through Workshops, Seminars and e-learning courses.

The Department stated (January 2024) that from time to time JMC is organising training session on different subjects as per the requirements by engaging internal/ external trainers. It was further stated that over 20 capacity building programmes have been arranged by DULBK from time to time to enhance their capacity in management of solid waste. It was also stated that capacity building programmes are being conducted on regular intervals for training and knowledge enhancement of all sanitation staff and CEOs/ EOs in Jammu as well as Kashmir Division and SMC holds regular training and capacity building programmes for its SWM manpower.

The reply should be seen in light of the fact that no yearly training calendar or any other record related to any seminar or training course conducted by ULBs including SMC were being maintained.

3.1.10 Conclusion

GoJ&K had not prepared any policy/ action plan/ strategy for implementation of Reduce, Reuse and Recycle (3 Rs) in respect of solid waste and sampled ULBs had not taken any steps to generate awareness among the general public regarding importance of 3 Rs. During 2017-22, 91 *per cent* to 99 *per cent* of waste generated in the ULBs was being collected and only 31 *per cent* to 39 *per cent* of collected waste was being treated in the State/ UT. In 17 ULBs, segregation of waste at source/ house was not being carried out during 2017-22. In 11 ULBs, coverage of door-to-door collection of solid waste from households and commercial establishments was partial. Three ULBs had not carried out door-to-door collection of waste. Although JMC and SMC claimed 100 *per cent* door-to-door collection of waste during 2020-22, there was shortfall in collection of user charges. Besides, two ULBs (MC Hiranagar and MC Rajouri) were dumping solid waste unauthorisedly and unscientifically. No processing/ treatment facilities were in place at the waste dumping sites of 15 ULBs, as such the waste was being dumped without modifying its physical, chemical or biological characteristics resulting in potential danger to the environment. J&KPCC had not conducted any air quality assessment in respect of landfills/ dumpsites and had not regularly assessed the risk of contamination of ground water near landfill/ dumping sites.

3.1.11 Recommendations

- *GoJ&K should devise a strategy for implementation of Reduce, Reuse and Recycle (3 Rs) in respect of solid waste.*
- *ULBs should generate awareness among the general public regarding segregation of solid waste at source and ensure that waste is actually segregated at source. ULBs should ensure 100 per cent collection of solid waste from households/ commercial establishments etc.*
- *ULBs should take measures to collect user charges from all households/ commercial establishments.*
- *ULBs may put in place facilities for processing/ treatment of solid waste at dumping sites to modify its physical, chemical or biological characteristics so that no harm is caused to the environment.*
- *J&KPCC may conduct air quality assessment in respect of landfills/ dumpsites and assess risk of contamination of ground water, rivers and streams near landfill/ dumping sites.*

Public Works Department (Roads and Buildings)

3.2 Central Roads and Infrastructure Fund

3.2.1 Introduction

The Central Road Fund (CRF) Act, 2000 gave statutory status to the Central Road Fund governed by the resolution of Parliament passed in 1988 for development and maintenance of National Highways and improvement of safety at railway crossings. The aim was to develop and maintain National Highways, State roads, Village Roads, railway under/ over bridges etc. and for these purposes to levy and collect by way of cess, a duty of excise and a duty of customs on motor spirit commonly known as petrol and high-speed diesel oil. The CRF Act, 2000 was replaced by the Central Road and Infrastructure Fund (CRIF), 2000 through Finance Act, 2018. The CRF Scheme was introduced in the erstwhile State of Jammu and Kashmir (J&K) in the year 2000-01.

After CRF (State Roads) Rules, 2007 came into force on 10th July 2007, these Rules were revised as Central Road Fund (State Roads) Rules, 2014 and Central Road Fund (State Roads) Amendment Rules, 2016.

A total of 292 roads and bridges projects were sanctioned in J&K under CRIF at a cost of ₹ 4,299.10 crore during 2000-01 to 2018-19¹. Of these, only 117 (40 per cent) had been completed as of March 2022 and 175 incomplete projects continued to be executed under CRIF Scheme. The CRIF projects in J&K were to be completed at allotted cost within three years.

Major CRIF projects with completion between 50 per cent and 80 per cent were approved by the Hon'ble Lieutenant Governor for completion under Languishing Projects Scheme². Accordingly, 82 projects (out of 292 CRIF projects) were sanctioned by the High-Powered Committee (HPC) headed by Financial Commissioner, Finance Department in its 12th meeting (January 2021) under Languishing Projects Scheme for which funds were to be arranged by Jammu and Kashmir Infrastructure Development Finance Corporation (JKIDFC). As per decision of the HPC, the expenditure with respect to CRIF works is reimbursed fully by the GoI and reimbursed amounts shall be taken as a revenue accrual towards JKIDFC for debt servicing.

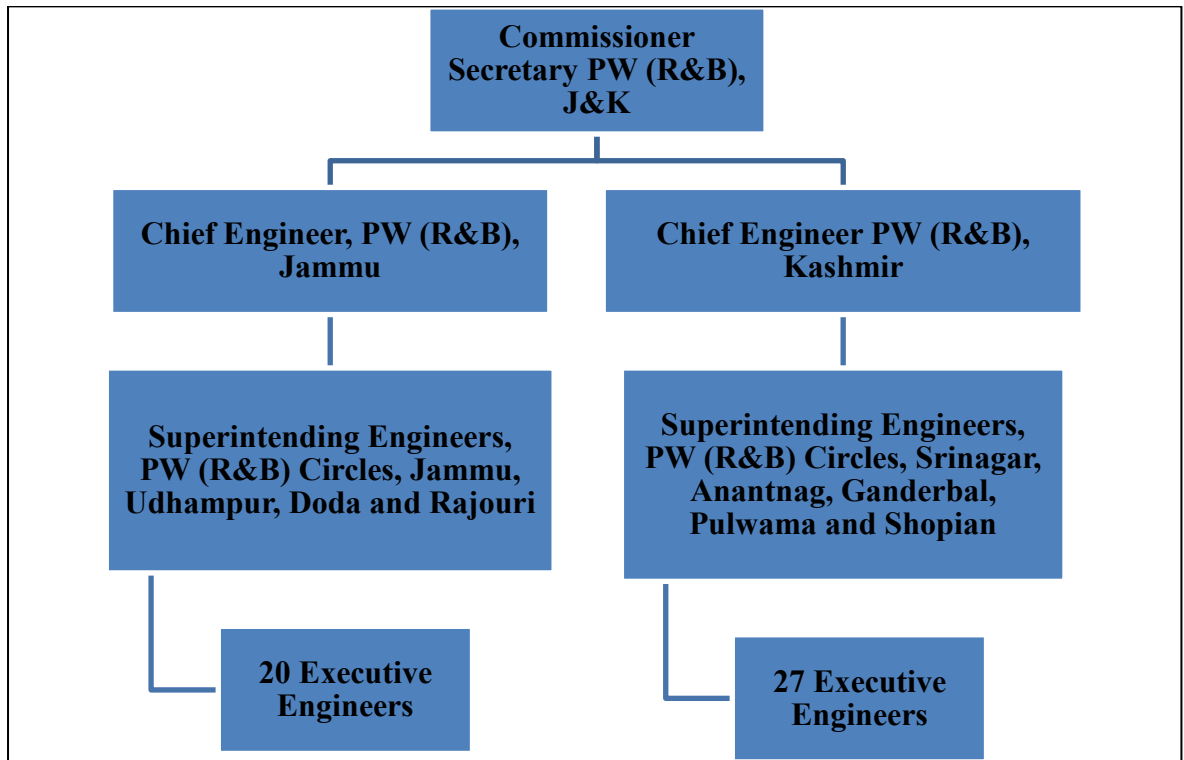
3.2.1.1 Organisational setup

The organisational set up of Public Works Department (Roads and Buildings) responsible for implementing Central Road and Infrastructure Fund (CRIF) projects is shown in **Chart 3.2.1**.

¹ No CRIF projects were sanctioned after 2018-19 till March 2024.

² For completion of unfunded/ languishing infrastructure projects in J&K and any other new infrastructure projects, which are a priority for J&K, the Jammu and Kashmir Infrastructure Development Finance Corporation (JKIDFC), in the Finance Department, was established (September 2018) with an authorised capital of ₹ 50 lakh for raising loans from financial institutions including State/ Nationalised banks.

Chart 3.2.1: Organisational Setup



3.2.1.2 Audit objectives

The objectives of conducting SSCA on CRIF were to assess whether:

- Projects were identified and prioritised as per Central Road Fund Rules and as per criteria formulated by the Government of India.
- The allotment of funds was adequate and funds were spent as per the Scheme guidelines.
- Projects were executed in accordance with prescribed CRF Rules and Indian Roads Congress (IRC) specifications.
- Monitoring and quality control system were adequate and effective.

3.2.1.3 Audit criteria

Audit was benchmarked against the following sources of criteria:

- Central Road Fund Act, 2000.
- Central Road Fund (State Roads) Rules 2007 and Central Road Fund (State Roads) Rules 2014.
- Indian Road Congress (IRC) specifications and specifications prescribed by MoRTH.
- Jammu and Kashmir Public Works Account Code, 1962.
- Forest Conservation Act, 1980 and J&K Forest Conservation Act, 1997
- Jammu and Kashmir Financial Code, 2011.

3.2.1.4 Audit Scope, Sampling and Methodology

Audit scope:

The SSCA covered the period from 2017-18 to 2021-22. However, wherever required, records prior to 2017-18 were also reviewed. Test check of records was conducted during May 2022 to April 2023 in the offices of Administrative Department of Public Works (PW) Roads and Buildings (R&B), J&K, two³ Chief Engineers (CEs) of Kashmir and Jammu, six⁴ Superintending Engineers (SEs) and 24⁵ executing Divisions across 10⁶ Districts.

Audit sample:

Out of total 20 Districts, 10 were selected for audit using Simple Random Sampling without Replacement (SRSWOR) method. All the works executing Divisions implementing CRIF projects in these 10 Districts were audited.

Out of total 292 roads sanctioned under CRIF in J&K between 2000-01 and 2018-19, 189 roads were located in the selected 10 Districts. Out of these 189 roads, 50 roads had been completed before 2017-18 and hence the examination and analysis of remaining 139 roads were selected for audit.

Audit methodology:

Audit methodology entailed examination and analysis of records and documents, as well as issue of audit queries.

An Entry Conference was held with Director Finance, PW (R&B) on 10th May 2022 during which audit objectives, audit criteria, scope and methodology were discussed. This was followed by an Exit Conference on 17th October 2024 during which the audit findings were discussed. The Department's responses to the draft report, as well as those provided during the Exit Conference, have been suitably incorporated into the report.

³ Chief Engineer PW (R&B) Kashmir and Chief Engineer PW(R&B) Jammu.

⁴ Superintending Engineer PW (R&B) Circles (i) Anantnag (ii) Baramulla (iii) Doda (iv) Kathua, (v) Rajouri-Poonch, and (vi) Udhampur.

⁵ Executive Engineers PW(R&B) Divisions (i) Anantnag, (ii) Bandipora, (iii) Baramulla, (iv) Basohli, (v) Bhandarwah, (vi) Doda, (vii) Gandoh, (viii) Gurez, (ix) Handwara, (x) Kathua, (xi) Kupwara, (xii) Magam, (xiii) Nowshera, (xiv) Qazigund, (xv) Rajouri, (xvi) Samba, (xvii) Sopore, (xviii) Srinagar Division-I, (xix) Srinagar Division-II, (xx) Sumbal, (xxi) Tangdar, (xxii) Udhampur, (xxiii) Uri, and (xxiv) Vailoo.

⁶ (i) Anantnag, (ii) Bandipora, (iii) Baramulla (iv) Doda, (v) Kathua, (vi) Kupwara (vii) Rajouri, (viii) Samba, (ix) Srinagar, and (x) Udhampur.

Audit findings

3.2.2 Planning

3.2.2.1 Non-Prioritisation of projects

Rule 5 (1) of CRF (State Roads) Rules, 2014 regarding “Identification and prioritisation of Schemes under State roads including roads of economic importance and inter-State Connectivity” stipulates that the Central Government shall identify and prioritise the projects for release of funds in consultation with the executing agencies (State/ Union Territory Governments). The executing agencies shall observe the criteria and furnish necessary details of the projects as specified under these Rules, to the Central Government to facilitate identification and prioritisation of the Schemes.

Further, Rule 3 of the CRF (State Roads) Rules, 2014 stipulates that the allocation of fund to the executive agencies shall be made on the basis of 30 *per cent* weightage to fuel consumption and 70 *per cent* weightage to the geographical area of the concerned States or Union Territories. Accordingly, there is a fixed allocation of funds for CRIF projects in a year. Besides, the CRIF projects were to be completed at the allotted cost within three years in J&K.

Audit examination disclosed that the prioritisation of projects for sanction under CRIF was not undertaken. No action plan for identifying and prioritising CRIF projects was prepared by the PW (R&B) Department for proposing works to GoI for sanction under CRIF. The DPRs of the projects were submitted to GoI for approval primarily based on the directions of public representatives.

The position of projects sanctioned under CRIF during 2001-17 and 2017-19⁷ (period under audit) and projects completed as of March 2022 is given in **Table 3.2.1**.

Table 3.2.1: Projects sanctioned under CRIF during 2001-2017 and 2017-2019 and their completion status as of March 2022

(₹ in crore)

Period	Projects sanctioned	Sanctioned cost	Projects completed	Projects incomplete (sanctioned cost)	Range of physical completion of incomplete projects (Percentage): (Number of incomplete projects)	Expenditure incurred on incomplete projects	Funds required for incomplete projects
2000-01 to 2016-17	208	₹ 2,969.04	115	93 (₹1,961.72)	00 to 10: (06) 11 to 20: (03) 21 to 30: (11)	₹ 1,000.65	₹ 961.07

⁷ Although SSCA covered the period up to 2021-22, the period of sanction of projects up to only 2018-19 was in sample because no CRIF projects were sanctioned after 2018-19 in J&K.

Period	Projects sanctioned	Sanctioned cost	Projects completed	Projects incomplete (sanctioned cost)	Range of physical completion of incomplete projects (Percentage): (Number of incomplete projects)	Expenditure incurred on incomplete projects	Funds required for incomplete projects
					31 to 40: (06) 41 to 50: (04) 51 to 60: (06) 61 to 70: (11) 71 to 80: (10) 81 to 90: (09) 91 to 97: (27)		
2017-18 to 2018-19 (period under audit)	84	₹ 1,332.12	02	82 (₹1,301.74)	00 to 10: (19) 11 to 20: (12) 21 to 30: (12) 31 to 40: (08) 41 to 50: (07) 51 to 60: (07) 61 to 70: (04) 71 to 80: (06) 81 to 90: (02) 91 to 99: (05)	₹ 228.36	₹ 1,073.38
Total	292	4,301.16	117	175 (₹3,263.46)		1,229.01	2,034.45

(Source: information compiled by audit from Departmental records)

It can be seen from the **Table 3.2.1** that:

- Out of 208 projects sanctioned under CRIF during 2000-2001 to 2016-2017, only 115 (55 per cent) projects were completed. These projects were scheduled for completion between 2003-04 and 2019-20. The remaining 93 projects remained incomplete as they were not prioritised for completion in accordance with Rule 5 (1) of CRF (State Roads) Rules, 2014.
- Instead, 84⁸ new projects were sanctioned during 2017-18 and 2018-19, for which ₹ 228.36 crore was utilised (2017-18 to 2021-22) for their execution. These funds ranged between 0 per cent and 73 per cent⁹ of the sanctioned costs of projects. Since, there is a fixed allocation of funds for CRIF projects, as per Rule 3 of CRF (State Roads) Rules, 2014 in a year, the utilisation/ release of funds on 84 new projects had resulted in scarcity of funds for both

⁸ 2017-18: 69 new projects and 2018-19: 15 new projects.

⁹ Zero expenditure: 14 projects; 0.24 per cent to 20 per cent expenditure: 39 projects; 21 per cent to 30 per cent expenditure: 10 projects; 31 per cent to 50 per cent expenditure: 12 projects and 51 per cent to 73.31 per cent expenditure: seven projects.

93 incomplete projects as well as 82 out of 84 newly sanctioned projects during 2017-19.

- As the amount of ₹ 228.36 crore released by GoI was not sufficient for completion of 84 newly sanctioned projects, this amount could have been utilised for execution and timely completion of 93 incomplete projects.

Thus, non-prioritisation of projects by the Department resulted in non-completion of both 93 ongoing projects as well as 82 new projects as of March 2022.

In reply, the Chief Engineer (CE), PW(R&B) Department Jammu stated (January 2023) that priority had been given to completion of projects sanctioned during 2001-17 as 54 projects of Jammu province sanctioned during 2001-17 and only one project sanctioned during 2017-19 were completed as of March 2022. It was further stated that projects sanctioned under CRIF were prioritised by field offices in consultation with public representatives depending on requirement.

Director Finance, PW (R&B) Department stated (November 2023) that new projects were undertaken to address the requirements and waiting for ongoing schemes to be completed before initiating new ones would not have been a prudent approach.

The reply is not justifiable as Rule 3 of Central Road Fund (State Roads) Rules, 2014 provides for a fixed allocation of funds for CRIF projects in a year. In this context, the Department should have proposed only those projects for approval that were likely to be fully completed in the stipulated timeline. Further, new projects should have been proposed only after achieving significant progress in completion of ongoing projects and availability of fund.

During the Exit Conference (17th October 2024), the Department accepted that completion of projects under CRIF was adversely affected due to fixed allocation of CRIF funds. It was added that ongoing CRIF projects were further affected due to bifurcation of erstwhile J&K State in two UTs (J&K and Ladakh) as large part of geographical area went under UT of Ladakh. Department also confirmed that the projects amounting to ₹ 500 crore, which had been submitted to GoI for approval after 2018-19, were withdrawn to prioritise the completion of ongoing projects.

3.2.2.2 Misreporting for Sanction of Ineligible Roads

Rule 6 (3) of the CRF (State Roads) Rules, 2014 stipulates that in respect of roads proposed under CRIF, no improvement works¹⁰ should have been carried out in the previous three years¹¹. Audit examination disclosed contravention of the aforesaid Rule as discussed in the following paragraphs:

¹⁰ Improvement' means laying of bitumen on existing surface.

¹¹ Preceding three years from the date of proposal of projects to GoI.

- In respect of old Samba-Kathua road, the Executive Engineer (EE), PW (R&B) Division, Kathua had allotted (October 2015) the work of laying Bituminous Macadam (BM)¹² and Semi Dense Bituminous Concrete (SDBC)¹³ (km 9th to km 15th) at a cost of ₹ 1.78 crore under State sector. A payment of ₹ 1.78 crore was made (May 2016) to the contractor for laying of BM¹⁴ and of SDBC¹⁵.
- Similarly, EE, PW(R&B) Division, Kathua had allotted (September 2016) the work of laying BM¹⁶ and SDBC¹⁷ on Dayala chak Jandi road (km 1st RD 800 to km 11th RD 500) at a cost of ₹ 2.40 crore under State Sector. A payment of ₹ 3.17 crore was made (May 2017) to the contractor for laying of BM¹⁸ and SDBC¹⁹.
- However, in violation of CRF Rule, EE, PW(R&B) Division, Kathua had wrongly certified (December 2016 and January 2017) in the Detailed Project Reports (DPRs) that no work had been executed on these two roads during the previous three years. On the basis of this wrong certification, GoI sanctioned (March 2017) ‘Improvement/ widening of old Samba-Kathua road (Km 1st to Km 15th) and ‘Improvement/ upgradation of Dayala chak-Hiranagar-Jandi road via Kattal Gujran’ (km 1st to km 12th) at costs of ₹ 15 crore and ₹ 10 crore respectively under CRIF.

Thus, by wrongly certifying to GoI that no work had been executed on these two roads during previous three years, EE, PW(R&B) Division, Kathua had managed to get these two ineligible roads sanctioned by GoI.

During the Exit Conference (17th October 2024), it was stated that these road projects were inadvertently proposed for sanction and due care would be taken in future not to propose ineligible road projects.

3.2.2.3 Sanctioning of Projects in deviation from CRF Rules

(A) Rule 5 (3) of CRF (State Roads) Rules, 2007 and Rule 6 (2) of the CRF (State Roads) Rules, 2014 stipulate that roads proposed under CRIF should generally cover at least 10 km of length except in cases, such as construction of missing bridges, cross drainage works, rehabilitation of bridges, widening of two-lanes, strengthening of weak pavement sections etc.

Audit noted that 23 out of 139 road projects²⁰ did not include construction of missing bridges, cross drainage works, rehabilitation of bridges, widening of two-lanes,

¹² 50 millimeter (mm) thick.
¹³ 25 mm thick.
¹⁴ 1,074.46 cubic meter (cum).
¹⁵ 21,946.07 square meters (sqm).
¹⁶ 50 mm thick.
¹⁷ 25 mm thick.
¹⁸ 2,050.53 cum.
¹⁹ 46,439 sqm.
²⁰ Kashmir: 15 and Jammu: 08.

strengthening of weak pavement sections etc. but were proposed and sanctioned under CRIF at a cost of ₹ 315.87 crore²¹ during 2013-14 to 2018-19, with length of the roads ranging between 3.2 km and 9.50 km.

During the Exit Conference (17th October 2024), it was stated that these road projects were inadvertently proposed for sanction and due care would be taken in future not to propose ineligible road projects.

3.2.3 Financial Management

Against a total receipt of ₹ 1,102.45 crore²² under CRIF funds during 2017-18 to 2021-22, an expenditure of ₹ 1,329.60 crore was incurred, leading to an excess expenditure of ₹ 227.15 crore. However, the regularisation of this excess expenditure was not available on record. The position of funds released by GoI to GoJ&K, funds further released by GoJ&K to implementing agencies and expenditure incurred there against during 2017-18 to 2021-22 is given in **Table 3.2.2**.

Table 3.2.2: Details of funds received vis-a-vis expenditure incurred

(₹ in crore)						
Year	Opening Balance (1)	Funds received from GoI (2)	Funds released by GoJ&K (3)	Total funds available (4) = (1) + (3)	Expenditure incurred (5)	Closing Balance (6) = (4) – (5)
2017-18	2.18	332.57	236.02	238.20	234.28	3.92
2018-19	3.92 ²³	344.75	336.20	340.12	338.03	2.09
2019-20	2.09	103.48	208.58	210.67	207.00	3.67
2020-21	3.67	128.88	199.48 ²⁴	203.15	192.77	Nil ²⁵
2021-22	Nil	320.78 ²⁶	119.99 ²⁷	119.99	357.52 ²⁸	Nil ²⁹
Total		1,230.46	1,100.27		1,329.60	

(Source: information provided by Department)

Audit noted the following discrepancies regarding financial management of CRIF projects:

(A) GoJ&K had released ₹ 221.87 crore (₹ 70.60 crore + ₹ 151.27 crore) for CRIF projects in anticipation of receipt of funds from GoI (advance positioning) during 2020-21 to 2021-22 to expedite completion of ongoing projects. Further, 82 CRIF projects were sanctioned for funding under Languishing Projects Scheme through

²¹ Kashmir: ₹ 201.50 crore and Jammu: ₹ 114.37 crore.

²² Fund released by GoJ&K (₹ 1,100.27 crore) and opening balance of 2017-18 (₹ 2.18 Crore).

²³ Entire funds of ₹ 3.92 crore revalidated and released to Chief Engineer PW (R&B) Jammu.

²⁴ In addition to funds of ₹ 128.88 crore received from GoI during 2020-21, Finance Department had released funds of ₹ 70.60 crore as advance positioning.

²⁵ Unspent balance of ₹ 10.38 crore during 2020-21 had lapsed as these funds pertain to advance positioning by the Finance Department.

²⁶ Adjustment of ₹ 70.60 crore and ₹ 151.27 crore for advance positioning by the Finance Department respectively during 2020-21 and 2021-22.

²⁷ ₹ 119.99 crore was released to implementing agencies out of advance positioning of ₹ 151.27 crore by the Finance Department.

²⁸ Includes expenditure of ₹ 243.08 crore incurred on CRF projects under languishing projects.

²⁹ Unspent balance of ₹ 5.55 crore during 2021-22 had lapsed as these funds were out of advance positioning by the Finance Department.

JKIDFC during January 2021. These funds were to be demanded from GoI and adjusted against future release of funds by GoI.

However, PW (R&B) Department had received only ₹ 400.18 crore from GoI against expenditure of ₹ 449.02 crore (erstwhile State/ UT Budget: ₹ 205.94 crore; Languishing projects: ₹ 243.08 crore) as of March 2022. Thus, expenditure of ₹ 48.84 crore incurred in advance had remained unadjusted as of March 2022.

In reply, the Director Finance, PW (R&B) Department stated (November 2023) that the expenditure incurred against the bridge loan received from JKIDFC would be adjusted.

(B) The total sanctioned cost of DPRs for five CRIF projects³⁰, executed by four works³¹ Divisions, was ₹ 91.32 crore. However, the total advertised cost of these projects was only ₹ 83.39 crore, resulting in excess sanction of ₹ 7.93 crore. This discrepancy is indicative that the DPRs were prepared without proper surveys and inflated projects' costs were proposed to GoI for sanction. Further, the total allotted cost for execution of these projects was only ₹ 70.90 crore.

Audit further noted that instead of releasing the allotted cost of ₹ 70.90 crore for execution of these projects, CEs, PW (R&B) Department Kashmir and Jammu had released ₹ 86.08 crore. This resulted in excess release of ₹ 15.18 crore to these Divisions which was irregularly expended as discussed below:

- In respect of Samba-Mansar Road, ₹ 3.52 crore was released in excess of allotment. Out of ₹ 3.52 crore, ₹ 2.90 crore was diverted on works not related to the road project.

In reply, the EE, PW(R&B) Division Samba stated (January 2023) that works on link roads were executed on the directions of Commissioner Secretary PW (R&B) Department, J&K and CE, PW(R&B) Department Jammu as per demand of local MLA and public.

The fact remained that CRIF funds were diverted for construction of link road not connected with the sanctioned CRIF project (Samba-Mansar Road).

- In respect of Utterbani-Purmandal road, an amount of ₹ 3.50 crore was released in excess of allotment. The construction of retaining walls/ breast walls allotted to the contractor at zero allotted cost (contractor's bid for these items was zero) was not executed by the contractor. Instead, the EE, PW (R&B) Division Samba had got these components irregularly executed departmentally through the same contractor and made payment of ₹ 1.79 crore.

³⁰ (i) Improvement/ Upgradation of Samba-Mansar Road (ii) Improvement/widening of Utterbani-Purmandal Road via Mandal (iii) Restoration/ Upgradation of Sumbal-Bandipora road (iv) Construction/ Upgradation of Verinag-Kapran road, and (v) Construction of road from Warapora to Fruit Mandi via Saidpora.

³¹ Samba, Bandipora, Qazigund and Sopore.

- In respect of Sumbal-Bandipora, Verinag-Kapran and Warapora to Fruit Mandi roads, ₹ 3.86 crore, ₹ 0.88 crore and ₹ 3.41 crore respectively were released in excess of allotment.

Furthermore, the inflated DPR costs were primarily because the quantities and rates for certain items of works were prepared by the executing Division on typical estimates³² and typical rates respectively which were not based on any approved norms. These typical estimates and rates were higher than the applicable Schedule of Rates, resulting in over-projection of funds and their consequent excess sanction. However, in the Notice Inviting Tenders of these works, the rates were specified as per Schedule of Rates which were significantly less than the typical rates used in DPRs. As a result, the advertised costs were less than the DPR costs.

Regarding mis-utilisation of funds on Departmental execution of retaining wall/ breast wall on Utterbani-Purmandal road via Mandal, the EE, PW(R&B) Division Samba stated (January 2023) that works were undertaken in view of *Amvasya Mela* at Utterbani/ Purmandal.

The reply was not acceptable as execution of retaining wall/ breast wall was allotted in the original contract but was not executed by the contractor. Subsequently, the said work was irregularly executed by Department at higher rates than rates at which the work was originally allotted to the contractor.

In reply, Director Finance, PW (R&B) Department stated (November 2023) that actual execution of project is influenced by various on-site factors, and it is inherent that there would be variations in quantities during execution.

The reply is generic in nature and fails to address the specific audit observation regarding the irregular expenditure of excess release of ₹ 15.18 crore.

During the Exit Conference (17th October 2024), it was stated that such cases would be examined and factual position would be furnished to Audit.

(C) Construction of 80m span pre-stressed concrete bridge over Sukh Tawinalla from Vedant Ashram to Military Engineering Services (MES) store with approach road was sanctioned (2015-16) at a cost of ₹ 6.62 crore under CRIF. The Jammu and Kashmir Project Constructions Corporation Limited (JKPCC) was to execute the work and funds for the project were to be provided by PW (R&B) Department.

The Board of Directors (BoD) of JKPCC decided (2007) to charge 15 *per cent* as overheads for preparing cost estimates of works. These rates were revised

³² As the name indicates, the typical estimates for various items of work, prepared by the executing Divisions, are calculated based on discretionary assumptions of Assistant Executive Engineer and Executive Engineer regarding the expected deployment of labour, machinery, materials, carriage of material, contractor's profit, etc. The rates of these typical estimates are not based on any approved Guidelines/ Rules of either the State or the Central Government.

(August 2012) to 15, 10 and 7.5 *per cent* for projects costing up to ₹ 50 crore, ₹ 100 crore and over ₹ 100 crore respectively.

Records of EE, PW (R&B) Division, Rajouri showed that JKPC had invited (January 2017) e-NIT for construction of bridge and allotted (May 2017) work to a contractor³³ at a cost of ₹ 4.89 crore. As such, ₹ 5.88 crore, including ₹ 0.99 crore (15 *per cent*) as overhead charges, were to be released to the JKPC by the Department.

Audit noted that instead of releasing ₹ 5.88 crore, the EE, PW (R&B) Division Rajouri had released ₹ 6.62 crore to the JKPC resulting in excess release of ₹ 0.74 crore.

Director Finance, PW (R&B) Department stated (November 2023) that the matter regarding releasing excess amount had been taken up with JKPC in July 2023.

3.2.3.1 Submission of Higher Cost of Projects for Approval under Languishing Projects Scheme

The HPC in its 12th meeting (January 2021) had approved 82 CRIF projects under Languishing Projects Scheme. As per the decision of HPC, only the balance cost of projects was to be funded under Languishing Projects Scheme and the works were to be completed within allotted costs within two years. Further, the expenditure on CRIF works was to be reimbursed fully by GoI and would be taken as revenue accrual towards repayment of loan and interest taken from JKIDFC for debt servicing.

Records of CE, PW(R&B) Department, Jammu, CE, PW(R&B) Department, Kashmir and SEs of nine circles³⁴ revealed that contracts had been allotted (February 2015 to July 2022) to 82 contractors in respect of 82 CRIF projects³⁵. Subsequently, these projects were proposed (January 2021) for funding under Languishing programme. As such, the Department had to submit the balance costs³⁶ of projects to HPC for approval of funds under Languishing programme. These projects were sanctioned by HPC in January 2021.

Audit noted that although the approved costs by HPC for 35 out of 82 projects were equal to balance costs, it was more than balance cost in respect of 47 projects. This had resulted in sanction of extra cost of ₹ 196 crore³⁷ in respect of these 47 projects. As of March 2023, an extra expenditure of ₹ 49.97 crore³⁸ over allotted cost was incurred on these projects.

³³ M/s TRB Infra Tech.

³⁴ (i) SE Jammu-Kathua Circle (ii) SE Udhampur-Reasi Circle (iii) SE Doda Circle (iv) SE Poonch-Rajouri Circle (v) SE Anantnag/ Kulgam (vi) SE Baramulla-Kupwara Circle (vii) SE Srinagar-Budgam Circle (viii) SE Bandipora-Ganderbal Circle, and (ix) SE Shopian-Pulwama Circle.

³⁵ Jammu: 52, Kashmir: 30.

³⁶ Allotted cost of project minus the expenditure incurred prior to Languishing programme.

³⁷ Jammu: ₹ 191.74 crore, Kashmir: ₹ 4.26 crore.

³⁸ Jammu: ₹ 41.44 crore, Kashmir: ₹ 8.53 crore.

In reply, Director Finance, PW (R&B) Department stated (November 2023) that the costs of these projects were equal to or greater than initially allotted costs as costs of these projects were calculated based on prevailing Schedule of Rates and factors such as nature and extent of remaining work.

The reply is not acceptable as the decision of HPC clearly stipulated that only the balance cost of projects was to be funded under the programme for Languishing projects and the works were to be completed within allotted costs.

3.2.4 Contract Management

3.2.4.1 Unrealistically low-priced bids

(A) Sub-clause 26.4 of the Standard Bidding Document (SBD) of CRIF projects stipulates that if the bid of the successful bidder was seriously unbalanced (i.e. 15 *per cent* below advertised cost), the employer/ contract awarding authority may require the bidder to produce detailed price analysis for any or all items of the Bill of Quantities (BoQs) to demonstrate the internal consistency of those prices with the construction methods. After price analysis, the employer may require that the amount of the performance security set forth in clause 30 of SBD be increased at the expense of the successful bidder to a level sufficient to protect the employer against financial loss in the event of default by the successful bidder under the Contract.

Records of 31 works executing Divisions³⁹ revealed the following in this regard:

- Out of 101 successful bids⁴⁰ during October 2015 to March 2020, bids of 75 projects⁴¹ sanctioned under CRIF were seriously unbalanced as they were below advertised cost of works ranging from 15 *per cent* to 42 *per cent*.
- The Departmental Contract Committee (DCC)⁴²/ CEs, PW (R&B) Department Kashmir and Jammu had not obtained detailed price analysis for any items of the BoQs from successful bidders to determine internal consistency of prices with the construction methods in terms and conditions of SBD.

Thus, the contracts of 75 projects were allotted without evaluation of price analysis.

During the Exit Conference (17th October 2024), the Department stated that such issues have now been addressed by invitation of tenders on a percentage basis instead of the earlier item-wise rates.

³⁹ Executive Engineers PW(R&B) Divisions (i) Bandipora, (ii) Basohli, (iii) Baramulla, (iv) Bhandarwah, (v) Budgam, (vi) Chadoora, (vii) Doda, (viii) Gandoh, (ix) Handwara, (x) Jammu Construction Division-I, (xi) Jammu Construction Division-II, (xii) Construction Division-III, (xiii) Kathua, (xiv) Khanabal, (xv) Kishtwar, (xvi) Kupwara, (xvii) Magam, (xviii) Nowshera, (xix) Poonch, (xx) Pulwama, (xxi) Qazigund, (xxii) Rajouri, (xxiii) Reasi, (xxiv) Samba, (xxv) Shopian, (xxvi) Sopore, (xxvii) Srinagar Division-I, (xxviii) Srinagar Division-II, (xxix) Udhampur, (xxx) Uri and (xxxi) Vailoo.

⁴⁰ Jammu: 58 and Kashmir: 43

⁴¹ Jammu: 44 and Kashmir: 31

⁴² Development Commissioner (Works), Chief Engineer PW(R&B) Kashmir, Chief Engineer PW(R&B) Jammu, Chief Engineer Design Inspection and Quality Control (DIQC) J&K and Director Finance PW(R&B) Department.

(B) Sub-clause 26.5 of the SBD stipulates that bids which contain 50 *per cent* of items in the BoQs which are unrealistically priced low (25 *per cent* below) and cannot be substantiated satisfactorily by the bidder shall be rejected as non-responsive.

Records of CEs PW(R&B) Department Kashmir and Jammu and SEs, PW(R&B) Doda and Rajouri Circles revealed that lists of advertised/ estimated rate of components were not enclosed with the NIT in the contract files. Audit collected advertised/ estimated rates from 13 works executing Divisions and found that 24 projects⁴³ amounting to ₹ 214.83 crore out of 75 allotted projects were liable to be cancelled as the contractors had quoted 50 *per cent* of BoQs items below 25 *per cent* of advertised/ estimated costs. The prices quoted were below advertised costs in the range of 25 and 100 *per cent* as detailed in *Appendix 3.2.1*. As a result, these bids were liable for rejection as non-responsive in the light of terms and conditions of SBD.

Thus, DCC/ CEs, PW(R&B) Department Kashmir and Jammu SEs, PW(R&B) Doda and Rajouri Circles had allotted 75 projects without price analysis, out of which 24 contracts for ₹ 214.83 crore⁴⁴ were allotted to contractors whose bids were liable to be cancelled.

In reply, Director Finance, PW (R&B) Department stated (November 2023) that establishing a fixed percentage below the estimated cost as a universal criterion for identifying an abnormally low bid is not advisable and each case had to be evaluated on a case-by-case basis.

The reply is not acceptable as the SBD formulated by the Department itself prescribes a fixed percentage below the advertised cost to identify the abnormally low bids. Further, the reply was silent regarding the audit observation that 24 contracts were liable to be cancelled.

During the Exit Conference (17th October 2024), the Department stated that such issues have now been addressed by invitation of tenders on a percentage basis instead of the earlier item-wise rates.

3.2.4.2 Performance Security

As per clause 30.1 of the SBD of CRIF projects, the successful bidder/ contractor shall deliver to the employer/ concerned authority, a Performance Security in any of the required forms for an amount equivalent to five *per cent* of contract price (plus additional performance security for unbalanced bid⁴⁵ in accordance with clause 26.4 of Instructions to Bidders) within 21 days after the date of receipt of the Letter of Acceptance.

⁴³ Jammu: 19 and Kashmir: 05

⁴⁴ Jammu: ₹ 162.16 crore; Kashmir: ₹ 52.67 crore

⁴⁵ 15 *per cent* below advertised cost.

The rates at which additional performance security for unbalanced bids, if any, were to be levied during the period 2017-18 to 2018-19 were not produced to Audit in the office of CE, PW (R&B) Department, Jammu. In supersession of all previous orders, the CEs, PW(R&B) Department Kashmir and Jammu issued (August 2018 and March 2019) circulars prescribing rates of additional performance security for unbalanced bids as detailed in **Table 3.2.3**.

Table 3.2.3: Rates of additional performance security for unbalanced bids

Percentage of unbalanced bids vis-a-vis advertised cost	Additional Performance Security
Up to and including 15 per cent below	Nil
Below 15 per cent up to and including 20 per cent	five per cent of advertised cost
Below 20 per cent up to and including 25 per cent	10 per cent of advertised cost
Below 25 per cent up to and including 30 per cent	15 per cent of advertised cost
Below 30 per cent	20 per cent of advertised cost

(Source: information provided by Department)

However, the CE, PW(R&B) Kashmir excluded CRIF projects from the rates prescribed in the above-mentioned circular of August 2018. The CE, PW(R&B) Jammu withdrew its circular (March 2019) and issued fresh circular (May 2019) prescribing revised rates of additional performance security for unbalanced bids, as detailed in **Table 3.2.4**. The reasons for exclusion of CRIF projects from purview of circular issued by the CE, PW(R&B) Kashmir and withdrawal of circular (March 2019) issued by the CE, PW(R&B) Jammu were not on record.

Table 3.2.4: Revised rates of additional performance security for unbalanced bids

Percentage of unbalanced bids vis-a-vis advertised cost	Additional Performance Security
Up to and including 15 per cent	Nil
Beyond 15 per cent and more	five per cent of advertised cost

(Source: information provided by Department)

Further, Audit reviewed 104 SBDs⁴⁶ of contracts entered into during April 2011 to April 2022 pertaining to CRIF projects in offices of the CEs, PW(R&B) Department Kashmir and Jammu and SEs, PW (R&B) Circles Doda and Jammu and noted the following shortcomings, as detailed in **Table 3.2.5**.

⁴⁶ Jammu: 61; Kashmir: 43

Table 3.2.5: Deficiencies in obtaining Additional Performance Security

No. of cases where additional Performance Security was not obtained at prescribed rate of five per cent from contractors	No. of cases where additional Performance Security was not obtained at prescribed rate of three/ five/ 20 per cent from contractors	No. of cases where clause of additional Performance Security was deleted in SBDs	No. of cases where it was mentioned in the SBDs that rate of additional Performance Security would be decided by the employer	No. of cases where SBDs were silent about obtaining additional Performance Security	No. of cases where Files/ SBDs were not on record
24	20	06	08	10	10

Consequently, against the Performance Security and Additional Performance Security of ₹ 73.87 crore⁴⁷ required to be obtained from the contractors for 70⁴⁸ out of 104 contracts, Performance Security and Additional Performance Security for an amount of only ₹ 51.91 crore⁴⁹ was obtained by CEs PW (R&B) Department.

Thus, the Department failed to collect Additional Performance Security at the rates stipulated in the contracts. This resulted in providing undue financial benefit of ₹ 21.96 crore⁵⁰ to the contractors, besides not safeguarding against financial loss to the Government in the event of default by the contractors.

During the Exit Conference (17th October 2024), the Department stated that the matter would be investigated and factual position would be intimated to Audit.

3.2.4.3 Bank Guarantees

The SBD of CRIF projects stipulates that Performance Security shall be valid up to 28 days after the expiry of Defect Liability Period (DLP)⁵¹ after intended date of completion of work. Further, Additional Performance Security for unbalanced bid shall be valid for 45 days after intended date of completion of work.

As per Guidelines issued (December 2007) by the Central Vigilance Commission, one officer should be specifically designated for verification of genuineness, renewal and timely encashment of Bank Guarantees (BGs).

Audit examination of records of CEs, PW(R&B) Department Kashmir and Jammu and SEs, PW(R&B) Doda circle disclosed the following:

⁴⁷ Jammu: ₹ 34.29 crore and Kashmir: ₹ 39.58 crore

⁴⁸ Jammu: 27 and Kashmir: 43

⁴⁹ Jammu: ₹ 18.63 crore and Kashmir: ₹ 33.28 crore

⁵⁰ Jammu: ₹ 15.65 crore and Kashmir: ₹ 6.31 crore

⁵¹ One to three years.

- In contravention of the terms and conditions of SBD, 61⁵² out of 102 test-checked⁵³ BGs had been obtained from contractors with validity period of only one year despite the fact that intended completion period of these projects ranged between two and three years. These BGs had also not been renewed after one year.
- Although, data of BGs obtained from contractors on account of Performance Security and Additional Performance Security was digitised, no mechanism was in place in the offices of the CEs, PW(R&B) Department Kashmir and Jammu to monitor expiry or renewal of BGs. As a result, 94 BGs⁵⁴ of the 64 ongoing CRIF projects⁵⁵ valuing ₹ 56.07 crore⁵⁶ (including the aforementioned 61 BGs obtained from contractors with validity period of only one year) had expired during January 2016 to October 2022 and these BGs were not got renewed. Non-renewal of BGs of these projects reflect that these projects were being implemented without any financial safeguard and entailed significant risk, if a contractor abandoned the work mid-way or failed to complete the work.
- The copies of 20⁵⁷ out of 102 BGs⁵⁸ valuing ₹ 7.87 crore⁵⁹ were not traceable in the records of the CEs, PWD (R&B) Jammu and Kashmir. Missing BGs were fraught with risk of release of BGs to contractors in an unauthorised manner.

Thus, the failure of the Department to obtain Bank Guarantees for prescribed time period of completion of work plus Defect Liability Period, rather than for only one year, as well as non-renewal of expired BGs had not only compromised the interest of Government but also provided undue benefit to contractors.

During the Exit Conference (17th October 2024), it was stated that SOP shall be issued regarding maintenance of Bank Guarantees and a copy of the same would be furnished to Audit.

3.2.5 Deficiencies in Execution of CRIF projects

3.2.5.1 Status of projects

The position of completed and incomplete projects as of March 2022 in 10 test-checked Districts is given in **Table 3.2.6**.

52	Jammu: 57 and Kashmir: 04
53	Jammu: 69 and Kashmir: 33
54	Jammu: 69 and Kashmir: 25
55	Jammu: 44 and Kashmir: 20
56	Jammu: ₹ 37.39 crore and Kashmir: ₹ 18.68 crore
57	Jammu: 15 and Kashmir: 05
58	Jammu: 69 and Kashmir: 33
59	Jammu: ₹ 5.55 crore and Kashmir: ₹ 2.32 crore

Table 3.2.6: Position of completed and incomplete projects as of March 2022

District	No. of Projects	Projects Sanctioned before 2009-10	Projects Completed	Projects Sanctioned during 2010-19	Projects Completed	Period of delay in respect of incomplete projects as of March 2022
Kathua	19	05	05	14	02	05 to 28 months
Samba	12	02	02	10	02	13 to 43 months
Udhampur	08	03	03	05	00	07 to 31 months
Doda	36	14	07	22	01	09 to 144 months
Rajouri	19	03	03	16	03	09 to 53 months
Srinagar	31	23	23	08	03	05 to 53 months
Baramulla	22	02	02	20	06	04 to 24 months
Anantnag	20	03	03	17	11	04 to 19 months
Kupwara	14	00	00	14	06	03 to 39 months
Bandipora	08	00	00	08	04	16 to 52 months
Total	189	55	48	134	38	

(Source: information compiled by audit from Departmental records)

It can be seen from the **Table 3.2.6** that out of 189 projects sanctioned as of March 2019, only 86 projects (46 per cent) were completed as of March 2022. These projects were scheduled to be completed between March 2004 and March 2022. However, 103 projects remained incomplete even after lapse of 3 to 144 months from the stipulated date of their completion. The reasons for non-completion of these projects included not completing land acquisition formalities before sanctioning of projects, non-provision of funds for shifting of utilities and not obtaining forest clearances prior to execution of works as detailed in the following paragraphs:

Paragraph 7 (8) of CRF (State Roads) Rules, 2007 and Paragraph 6 (2) of CRF (State Roads) Rule, 2014 stipulate that work executing agency should propose only those works where land is available without any encumbrance and paragraph 8 of CRF (State Roads) Rules, 2007 envisages that the executive agency need to render a certificate to the effect that land was available for road development and was in its possession and removing of utilities, if any, was completed. Further, as per Rule 7 (10) of the CRF(State Roads) Rules 2014 the period of completion of the projects shall not exceed 36 months in hilly and North-Eastern States and 24 months in other States unless permitted by GoI.

Audit noted the following violations of the *ibid* Rules:

(I) Not obtaining No Objection Certificate (NOC) from Forest Department

As per the Forest Conservation Act, 1980 and J&K Forest Conservation Act, 1997 prior approval of the Government of India/ erstwhile State Government for use of reserve forest land for non-forest purposes is necessary. The Rule inter-alia provides

that if the proposed work involves forest land in some stretches, the work on even non-forest land/ reaches should not commence till sanction for the use of forest land is obtained.

Audit noted that out of 139 selected projects, 24 CRIF road projects sanctioned (2005-06 to 2018-19) at a cost of ₹ 429.32 crore involved forest land. However, in violation of the provisions of the Forest Conservation Act, 1980, these road projects were started without obtaining the approval of Government of India/ erstwhile State Government. Additionally, it was found that the executing Divisions had incorrectly certified in the DPRs of these projects that encumbrance free land was available. Based on this incorrect reporting, these works were sanctioned by the GoI. Consequently, these projects were stopped mid-way, leading to significant delays ranging from 3 to 39 months and an expenditure of ₹ 80.11 crore was incurred on these projects as of March 2022 without achieving the intended objective.

During the Exit Conference (17th October 2024), it was stated that construction work had resumed in respect of all these 24 road projects and dates of accord of NOCs by the Forest Department will be furnished to Audit.

The reply should, however, be viewed in light of the fact that no documentary evidence to prove that these works were resumed was produced to Audit.

(II) Not ensuring encumbrance free site

Paragraph 7 (5) (x) of CRF (State Roads) Rules, 2014 stipulates that a certificate regarding availability of the entire unencumbered land needed for the project is to be submitted with project proposal for sanction.

Audit observed that 66 out of 139 selected road projects were submitted for sanction under CRIF to GoI, before ensuring encumbrance free land sites for execution of these projects. However, in the DPRs of these projects, the Department incorrectly certified that encumbrance free land was available. Based on the incorrect reporting, these works were sanctioned at a total cost of ₹ 1,143.31 crore by the GoI. However, these works either could not be started or were stopped mid-way due to land disputes and issues of shifting of utility services. Consequently, these projects were stopped mid-way, leading to significant delays ranging from 3 to 144 months and expenditure of ₹ 501.38 crore was incurred on these projects as of March 2022 without achieving the intended objective.

In reply, Director Finance, PW (R&B) Department stated (August 2023) that initially encumbrance free land was available as the land was voluntarily offered by inhabitants, however during the course of execution of work, the inhabitants refused to provide land free of cost and sought compensation which resulted in delays in completion of work.

The fact remained that 66 road projects were submitted for sanction under CRIF to GoI, before ensuring encumbrance free land sites for execution of these projects.

3.2.5.2 Execution of projects without obtaining Technical Sanction

Paragraph 7 (4) of CRF (State Roads) Rules, 2014 stipulates that the executive agency shall ensure that an individual project is technically approved, financially sanctioned and awarded within a period of four months from the date of Administrative Approval of work.

Audit, however, noted that in 155 (82 *per cent*) out of total 189 Administratively Approved projects between 2000-01 and 2018-19 in the selected 10 Districts, the work was started without obtaining the Technical Sanction. Although, for 83 projects, the Technical Sanction was accorded after delays ranging from 01 year to 12 years⁶⁰, in respect of 72 projects, Technical Sanction had not been granted as of March 2022. In absence of Technical Sanction, Audit could not derive assurance whether estimates were accurately prepared based on survey and the works were structurally sound.

During the Exit Conference (17th October 2024), it was stated that this issue has been addressed after the introduction of JK- PWD Online Management System (JK-PW DOMS) in the year 2019-20. It was added that after implementation of this system, no project will be approved/ allotted without Technical Sanction.

The reply, however, was silent on the reasons for commencement of 155 projects without obtaining the required Technical Sanction.

3.2.5.3 Unrealistic preparation of Detailed Project Reports (DPRs)

Records of 12⁶¹ out of 24 test-checked works executing Divisions revealed that quantities and rates of various items of works sanctioned in DPRs of 52 road/ bridge projects under CRIF were significantly reduced in the Bills of Quantities of Notice Inviting Tenders under CRIF as detailed below:

- (i) The total advertised cost of these 52 projects⁶² was ₹ 766.26 crore⁶³, which was 3 *per cent* to 36 *per cent* lower than the total sanctioned DPR cost of ₹ 860.51 crore⁶⁴.
- (ii) The total allotted cost of these projects was ₹ 594.30 crore⁶⁵, ranging from 11 *per cent* to 61 *per cent* below the sanctioned DPR cost, as detailed in *Appendix 3.2.2*.

⁶⁰ Calculated after the four months from the date of accord of Administrative Approval.

⁶¹ (i) Basohli, (ii) Doda, (iii) Gandoh, (iv) Khanbal, (v) Kupwara, (vi) Nowshera, (vii) Qazigund, (viii) Rajouri, (ix) Samba (x) Sopore (xi) Tangdar and (xii) Uri.

⁶² Jammu: 42 and Kashmir: 10

⁶³ Jammu: ₹ 588.19 crore and Kashmir: ₹ 178.07 crore

⁶⁴ Jammu: ₹ 651.21 crore; and Kashmir: ₹ 209.30 crore

⁶⁵ Jammu: ₹ 434.70 crore and Kashmir: ₹ 159.60 crore

As such, there was an excess sanction of ₹ 94.25 crore over the advertised cost and ₹ 266.21 crore over the allotted cost. The reasons for this discrepancy can be attributed to not conducting of pre-DPR surveys, projection of excess quantities for various components in DPRs and application of higher rates of items of works in DPRs compared to those fixed in the NITs.

In reply, the EEs, PW (R&B) Divisions Doda, Gandoh, Rajouri and Samba accepted (October 2022 to January 2023) that DPRs were prepared on basis of typical estimates and no surveys were conducted for preparation of DPRs as no funds were provided for conduct of surveys by the Government. The EEs further stated that surveys were conducted before invitation of tenders as such there was variation between quantities of components projected in DPRs and quantities advertised in NITs.

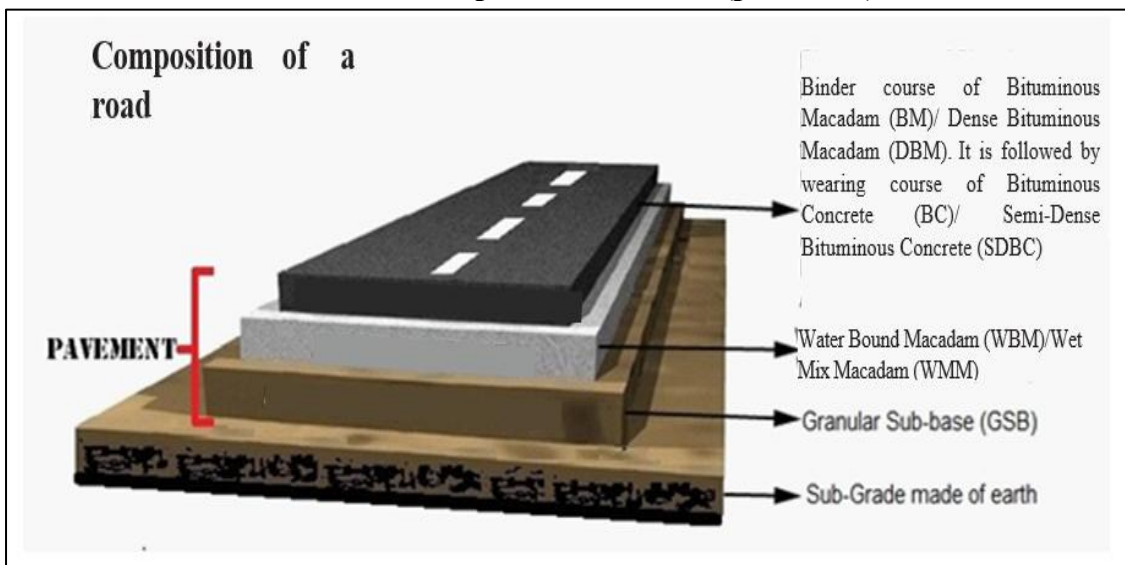
During the Exit Conference (17th October 2024), it was accepted that the cost of projects submitted to GoI was based on rough estimates and detailed estimates were prepared after sanction of projects by GoI. It was added that the tenders were advertised on detailed estimates.

Thus, projects sanctioned on the basis of unrealistic cost estimates indicated faulty planning in execution of CRIF projects.

3.2.5.4 Extra avoidable expenditure on laying of road construction material

A road is constructed in different layers with different kinds of materials. The various components and materials required to construct a road are shown in Chart 3.2.2.

Chart 3.2.2: Composition of a road (pavement)



In 11 out of 139 selected CRIF road projects sanctioned (2014-15 to 2017-2018) in eight test-checked Divisions⁶⁶, the width of existing pavement/ carriageway of roads was proposed to be increased⁶⁷. As per DPRs, all these roads were black topped and Water Bound Macadam (WBM) Gr. II, WBM Gr. III/ Wet Mixed Macadam (WMM) were to be laid only on widened portion of roads.

Audit noted that the quantities of WBM-II/ WBM-III / WMM laid (60,228.99 cum)⁶⁸ were in significant excess by 22,070.49 cum⁶⁹ of quantities required (38,158.50 cum)⁷⁰ to be laid in respect of the widened portions of roads, as detailed in *Appendix 3.2.3*. The excess quantities laid would have been sufficient to cover the entire existing carriageways⁷¹ of three of the roads and portions/ parts of existing carriageways of eight other roads. Moreover, in order to lay these layers of components on existing carriageway of black topped roads, it would have been necessary to excavate/ stratify at least 22,070.49 cum⁷² of existing carriageway. Further, the disposal of the excavated material at a designated place would have required more than 275 tractor trolleys⁷³. However, payment bills of these road projects did not indicate that any work regarding excavation/ stratification of material from existing carriageway was either allotted or carried out by the test-checked Divisions. This is indicative of doubtful laying of these quantities. The extra avoidable expenditure amounted to ₹ 3.67 crore⁷⁴ in respect of 11 CRIF road projects.

In reply, the EE, PW (R&B) Division Kathua stated (October 2022) that excess quantity of works such as WBM Gr. II, WBM Gr. III, BM and SDBC was executed due to actual site conditions.

The reply is not acceptable as area of pavement of a road is always constant and the scope for laying excess quantities of road construction materials is quite limited, as these materials are laid over a specified rectangular pavement (covering the length and width of the road). Further, an additional provision of 05 per cent to 10 per cent of total calculated area of road is invariably provided to account for curves on roads.

In reply, the EE, PW(R&B) Division Doda stated (October 2022) that all pavements were got damaged during execution of works, as such GSB and WMM were laid on entire road length.

⁶⁶ Anantnag, Handwara, Tangdar, Vailoo, Qazigund, Baramulla, Kathua and Doda.

⁶⁷ from existing 3.00 meter (m) to 3.75 m/ 3.75 m to 7.50 m/ 3.65 m to 5.5 m/ 4 m to 7.50 m/ 5.5 m to 7.0 m.

⁶⁸ WBM-II: 27,648.40 cum; WBM-III: 14,034.51 cum; WMM: 18,546.08 cum.

⁶⁹ WBM-II: 7,355.655 cum; WBM-III: 7,275.13 cum; WMM: 7,439.70 cum.

⁷⁰ WBM-II: 20,292.745 cum; WBM-III: 6,759.38 cum; WMM: 11,106.375 cum.

⁷¹ Part of the road designed for vehicular traffic.

⁷² For laying the WBM-II: 7,355.655 cum; WBM-III: 7,275.13 cum; WMM: 7,439.70 cum.

⁷³ Keeping in view 80 cum capacity per tractor trolley.

⁷⁴ WBM-II: ₹ 1.53 crore; WBM-III: ₹ 0.60 crore; WMM: ₹ 1.54 crore.

The reply is not acceptable as no report regarding damage to pavements was on record and approval of the higher authorities was not obtained for execution of GSB and WMM on entire road length.

In reply, Director Finance, PW (R&B) Department stated (November 2023) that the existing surfaces of roads were not disturbed and treated as sub-grade to strengthen the up-gradation work/ crust which is a standard practice and is a cost effective/ cost saving method. It was further stated that the base material reinforces the pavement and is not required to be excavated.

The reply is generic in nature and does not address the specific audit observation. Further, laying of WBM Gr-II and WBM Gr-III on a black topped road is not possible without excavating/ stratifying the existing granular layers of the road.

During the Exit Conference (17th October 2024), it was assured that a detailed investigation would be conducted in such cases and based on the outcome of the investigation, appropriate action would be taken against the defaulting officials.

3.2.5.5 Execution of Projects in deviation of IRC norms

Rule 7 (10) of the CRF (State Roads) Rules, 2014 provides that design and specification of proposed works shall follow relevant Guidelines, Codes and Indian Road Congress (IRC) norms.

Audit noted that provisions of IRC relating to width of road formation and carriageway were not adhered to in respect of 20 projects executed under CRIF as width of carriageway proposed/ allotted/ executed was in excess of IRC norms which led to additional financial burden of ₹ 60.80 crore on Government exchequer as discussed below:

- As per paragraph 6.4 of IRC: 73-1980 geometric design for village non-urban highways, the standard width of single lane and double lane carriageway without kerbs shall be respectively 3.75 m and 5.5 m.

Audit, however, noted that seven single lane roads with a total length of 74.70 km sanctioned at a cost of ₹ 114.05 crore under CRIF had carriageway width of 5.50 m to 7.00 m. This had resulted in additional cost/ expenditure of ₹ 28.64 crore as detailed in **Table 3.2.7**.

Table 3.2.7: Details of additional expenditure on single lane roads

District/ Division	Number of roads/ bridges	Category of road	Carriageway width as per IRC norms	Carriageway width allotted/ executed	Additional cost/ expenditure (₹ in crore)
Kupwara/ Kupwara	03	village roads (single lane)	3.75 m	5.50 m	10.54
Kupwara/ Handwara	01	village roads (single lane)	3.75 m	5.50 m	3.02

District/ Division	Number of roads/ bridges	Category of road	Carriageway width as per IRC norms	Carriageway width allotted/ executed	Additional cost/ expenditure (₹ in crore)
Anantnag/ Vailoo	02	village roads (single lane)	3.75 m	5.50 m	9.30
Kathua/ Kathua	01	village roads (single lane)	3.75 m	7.00 m	5.78 (allotted cost)
Total	07				28.64

(Source: information compiled by Audit from Departmental records)

- Similarly, nine double lane roads with a total length of 97 km sanctioned at a cost of ₹ 174.65 crore had carriageway width of 7.00 m to 7.50 m. This had resulted in additional cost/ expenditure of ₹ 32.16 crore as detailed in **Table 3.2.8**.

Table 3.2.8: Details of additional expenditure on double lane roads

District/ Division	Number of roads/ bridges	Category of road	Carriageway width as per IRC norms	Carriageway width allotted/ executed	Additional cost/ expenditure (₹ in crore)
Kathua/ Kathua	02	village roads (double lane)	5.50 m	7.00 m to 7.50 m	11.63
Samba/ Samba	04	village roads (double lane)	5.50 m	7.00 m to 7.50 m	11.90
Udhampur/ Udhampur	01	village roads (double lane)	5.50 m	07 m	6.30
Doda/ Doda	01	village roads (double lane)	5.50 m	07 m	1.77
Kathua/ Kathua	01	Major District road	7.00 m	7.50 m	0.56
Total	09				32.16

(Source: information compiled by audit from Departmental records)

In reply, the EEs of PW(R&B) Kathua, Doda and Samba Divisions stated (October 2022/ January 2023) that specification of 07 m to 7.50 m was proposed keeping in view the growth of traffic during next 15 years and IRC norms were not applicable to these roads.

Director Finance, PW (R&B) Department stated (November 2023) that as per note 2 of clause 6.4 of IRC, an intermediate carriageway width of 5.5 meters may be adopted, if considered advantageous and as per clause 7 of IRC Code 37-2018, the width of carriageway should be sufficient for traffic expected on road in the design year. It was further stated that as per clause 4.3.1 of IRC Code 37-2018, it is recommended that a design period of 20 years may be adopted for structural designs of pavements for National Highways, State Highways and Urban roads and for other roads a design period of 15 years is recommended. It was added that the proposed and sanctioned road projects did not fall under village roads category.

The reply is not based on facts as no survey or analysis regarding the estimated growth of traffic over the next 15 or 20 years was conducted by the Department. Further, the assertion that the said roads do not fall under village roads category is factually incorrect since these roads are classified as village roads in J&K Road Gazette of Department or in their respective DPRs. Besides, CRF Rules provide that IRC Guidelines shall be followed for design and specification of projects. However, carriageway width of roads in excess of specifications prescribed in IRC norms was allotted and executed.

3.2.5.6 Irregular Change in Scope of project

(A) GoI sanctioned (March 2017) the project “Improvement/ up-gradation of Ramnagar (Padarka) to Chatrari road (Dudu) Phase-I (km 1st to km 16th)” under CRIF at a cost of ₹ 10 crore.

Audit noted that the executing Division, Udhampur instead of allotting the approved length of the road (km 1st to km 16th), irregularly allotted work of construction of unapproved road length from km 16th to 20th to a contractor at a cost of ₹ 8.80 crore. The work was allotted (August 2019) without preparing DPR/ detailed estimates/ details of components in respect of project and also without getting the same approved from the competent authority.

In reply, Director Finance, PW (R&B) Department stated (November 2023) that Improvement/ up-gradation of Ramnagar (Padarka) to Chatrari road (Dudu) Phase-I from km 15th to 30th (Intermediate Lane) stood sanctioned by MoRTH, GoI and accordingly tender was floated for km 16th to km 20th after framing detailed estimates which had been technically vetted by CE for ₹ 8.80 crore.

The fact remained that GoI had sanctioned (March 2017) ‘Improvement/ up-gradation of Ramnagar (Padarka) to Chatrari road (Dudu) Phase-I (km 1st to km 16th) under CRIF at a cost of ₹ 10 crore. Further, the approval of GoI from km 15th to 30th (Intermediate Lane) at a cost of ₹ 8.80 crore was not available on records.

During the Exit Conference (17th October 2024), it was stated that the matter would be examined and factual position would be intimated to Audit.

(B) Rule 7 (8) of CRF Rules, 2014 stipulates that the revised estimates shall not be considered by Central Government.

The work of the project ‘Improvement/ up-gradation of road from Zero Bridge to I.G. Road in Srinagar’, was sanctioned (2015-16) under CRIF at a cost of ₹ 28.79 crore.

Although the construction of retaining walls was not provided in the approved DPR, the revised estimates of ₹ 6.61 crore had been prepared for construction of Retaining (R)-walls and the work was allotted (July 2019) to a contractor at a cost ₹ 4.81 crore without approval of MoRTH, GoI. As of November 2022, expenditure of

₹ three crore was incurred on construction of R-walls and staircases (km 1st and km 2nd of the project).

Thus, CRIF funds of ₹ three crore was diverted towards the works which were not included in the DPR of the project.

In reply, Director Finance, PW (R&B) Department stated (November 2023) that as per clause 6 (6) of CRIF Rules, 2020, the revised estimates up to 10 *per cent* of administratively approved cost is permissible and construction of retaining wall was necessitated due to site conditions. It was added that the expenditure was within the administratively sanctioned cost.

The reply is not acceptable, as the work on separate estimates for the retaining wall were not part of the approved DPR and exceeded the administratively approved cost limit of 10 *per cent*. Further, any revision in the scope of work even if within the sanctioned cost was to be approved by MoRTH, GoI.

3.2.5.7 Four-Laning of Boulevard Road from Nehru Park to Kralsangri

For addressing the problem of traffic jams and saving travel time of inhabitants of Dal Lake area, PW (R&B) Department submitted (June 2014) the Detailed Project Report (DPR) for widening (two lanes to four lanes) of Boulevard road from Nehru Park to Kralsangri Running Distance 2000 m-7000 m, at a cost of ₹ 33.77 crore to GoI for approval under CRIF. In the DPR, it was certified (June 2014) by the Department that encumbrance free land was available for execution of project. The Administrative Approval (AA) of the road project was accorded by GoI in March 2015 at a cost of ₹ 33.77 crore with the condition that encumbrance free land was to be ensured for execution of project. The execution of project also required No Objection Certificate (NOC) from Lakes Conservation and Management Authority (LC&MA) as the widening of the road project was to be undertaken in the periphery⁷⁵ of the Dal Lake.

Audit noted the following discrepancies in execution of this project:

- Without obtaining NOC from LAWDA, the work was awarded (October 2015) to a contractor⁷⁶ at a cost of ₹ 27.52 crore. Further, the work was awarded without acquisition of land as against land compensation of ₹ 84 crore, only ₹ one crore had been provided to the Revenue Department as of December 2015.
- Despite unavailability of encumbrance free land, the Department had wrongly certified in the DPR that encumbrance free land was available.

⁷⁵ NOC from LC&MA is required for construction within 200 meters of Dal Lake.

⁷⁶ M/S Abdul Salam Mir Construction Company.

- In absence of encumbrance free corridor for widening of the road, an unauthorised expenditure of ₹ 1.67 crore was incurred (May 2022) on portion of road⁷⁷ which was outside the scope of approved project.
- Besides, unauthorised expenditure of ₹ 5.29 crore (May 2022) was incurred on various items⁷⁸ other than for road widening.
- After incurring expenditure of ₹ 6.96 crore on road project, the work was proposed for short-closure and the intended objective of widening of road could not be achieved as of October 2024.

In reply, Director Finance, PW (R&B) Department stated (November 2023) that matter was referred to the Hon'ble High Court of J&K for grant of permission for construction of said road, which keeping in view the ecological impact of project directed the Lakes Conservation and Management Authority (LC&MA) to take up the matter with National Environmental Engineering Research Institute (NEERI) and the draft report prepared by NEERI was in favour of execution of project. It was further stated that in view of condition of road, LC&MA was requested for allowing macadamisation and tiling of footpaths of existing road and the same was executed in the interest of Public which was permissible as per clause 6 (6) of CRIF Rules, 2020 which states that revised/ excess cost up to 10 *per cent* of the administrative approved cost is permissible. It was added that in view of the complications the matter is being taken with MoRTH, GoI for short closure of project.

The fact remained that the Department did not ensure encumbrance free land and completion of other necessary formalities before taking up the project. Further, desired objective of widening of road could not be achieved despite incurring expenditure of ₹ 6.96 crore. Besides, the work of tiling of footpaths was not sanctioned under CRIF.

During the Exit Conference (17th October 2024), it was stated that the issue of decongestion of this road will be addressed by the development of a Ring Road and this project would be foreclosed.

3.2.5.8 Construction of Handwara-Bangus road

DPRs for construction of Handwara-Bangus road in two phases (Phase-I and Phase-II) were prepared (2017-18) by the EE, PW(R&B), Division, Handwara under CRIF.

In Phase-I, earthwork, cutting of trees and excavation of soil etc. were to be done, while in Phase-II the road was to be upgraded by laying of GSB, WBM GR-II, WMM and BM. The Administrative Approvals for said DPRs were accorded (January 2017 and March 2018) by GoI for ₹ 20 crore and ₹ 28.59 crore.

⁷⁷ Kralasangri to Nishat.

⁷⁸ Consolidation of sub-base, earthwork filling in embankment, providing/ fixing of RCC boundary pillars, dismantling of devri kerb stones, providing/ laying of sub-base coarse, rubble stone masonry, R/R stone masonry and on providing/ fixing of non-skid vitrified tiles, and rustic kota.

Audit noted the following discrepancies in the construction of Handwara-Bangus road:

- The work for Phase-I was allotted (August 2017) to a contractor⁷⁹ at a cost of ₹ 15.99 crore. As per the allotment order, the total allotted quantity of earth to be excavated was 0.92 lakh cum, while utilisation of only 0.77 lakh cum of excavated earth was specified in the allotment order.
- However, 3.55 lakh cum of earth was actually excavated during execution of work and contractor utilised 0.83 lakh cum of earth amounting to ₹ 1.33 crore⁸⁰ available at site. The utilisation/ disposal of remaining quantity of 2.72 lakh cum of earth amounting to ₹ 4.36 crore⁸¹ was not available on records. Further, the disposal of excavated earth at a designated place would have required more than 3,400 tractor trolleys⁸². However, payment bills did not indicate any such payment to contractor.
- Similarly, during blasting, 0.90 lakh cum of stone of atleast ₹ 1.91 crore⁸³ was extracted at the work site but its utilisation was not on record. Further, the disposal of excavated stone at a designated place would have required more than 1,125 tractor trolleys⁸⁴. However, payment bills did not indicate any such payment to contractor.
- The work of Phase-I was completed (24 July 2020) by the contractor and a payment of ₹ 14.92 crore was made to the contractor as of March 2024.
- The work of Phase-II was allotted (August 2018) to another contractor⁸⁵ at a cost of ₹ 25.74 crore. However, the contractor failed to start the work and reasons for non-start of work were not available on record. The work was re-tendered and allotted (October 2022) at a cost of ₹ 26.29 crore to the contractor⁸⁶ who had executed work of Phase-I.
- The work of levelling of sub-base of the road which had already been executed in Phase-I at a cost of ₹ 0.67 crore was again shown executed in Phase-II at a cost of ₹ 0.54 crore. This resulted in excess undue payment of ₹ 0.54 crore to the contractor.
- The physical progress of the work was 65 *per cent* as of April 2024 and a payment of ₹ 8.43 crore had been made (April 2024) to the contractor.

Thus, the Department failed to accurately estimate the quantities of earth expected to be excavated and did not specify the utilisation of entire excavated materials costing

⁷⁹ M/s JK Constructions.

⁸⁰ 0.83 lakh cum of earth at the rate of ₹ 160.50 per cum (as per Schedule of Rates of 2012) = ₹ 1.33 crore.

⁸¹ 2.72 lakh cum of earth at the rate of ₹ 160.50 per cum (as per Schedule of Rates of 2012) = ₹ 4.36 crore.

⁸² Keeping in view 80 cum capacity per tractor trolley.

⁸³ 0.90 lakh cum of stones at the rate of ₹ 212 per cum (minimum rate of stone as per SSR of 2012) = ₹ 1.91 crore.

⁸⁴ Keeping in view 80 cum capacity per tractor trolley.

⁸⁵ M/s Jhelum Construction.

⁸⁶ M/s JK Constructions

₹ 6.27 crore at worksite in the allotment orders. Further, re-executing the same item of work twice resulted in excess undue payment of ₹ 0.54 crore to the contractor.

In reply, Director Finance, PW (R&B) Department stated (November 2023) that excavated earth had been utilised for filling of road surface along the entire length of road resulting in significant savings for exchequer. It was further stated that up to 30 *per cent* of excavated or blasted material could be retained and reused and the material obtained from cutting process was utilised for patch filling of road, backfilling of protection walls, road filling of pipe cuts and approach filling of 36 number of culverts.

The reply should be viewed in light of the fact that no departmental records indicated the utilisation or disposal of excavated earth. Further, the fact remained that Department had failed to accurately estimate the quantities of earth expected to be excavated and did not specify the utilisation of entire excavated materials at worksite in work allotment orders. The reply was, however, silent regarding re-allotting the already executed item of work.

During the Exit Conference (17th October 2024), it was stated that the matter would be investigated and recovery would be initiated against the contractor, if required.

3.2.5.9 Undue benefits to contractors

(i) The work of Improvement/ upgradation of Old Samba-Kathua link road to a double lane road (km 1st to 15th) was sanctioned (March 2017) under CRIF at a cost of ₹ 15 crore. The work was allotted (November 2017) by works executing Division, Kathua to a contractor⁸⁷ at a cost of ₹ 11.18 crore. The work was to be completed within two years of allotment.

Audit noted that the contractor commenced the work in December 2017 and payment of ₹ 3.18 crore was made to the contractor till March 2019. Thereafter, the contractor stopped (June 2019) the work midway after executing approximately 36 *per cent* of the work. The Department had issued several notices (June 2019 to November 2019) to the contractor to resume the work. However, the contractor did not resume the work after which the executing Division re-allotted (April 2021) the balance work to another contractor⁸⁸ at a cost of ₹ 7.67 crore.

Despite non-fulfillment of contractual obligations by the contractor, the Department had neither forfeited the Bank Guarantee (BG) of ₹ 55.88 lakh of defaulting contractor nor imposed penalty of up to 10 *per cent* of cost of work on the contractor as per terms and conditions of allotment order. Instead, Department had released (October 2019) the full due payment of ₹ 80.12 lakh to the contractor, thereby giving him undue benefit. The work remained only 80 *per cent* complete as of March 2023 despite incurring a total expenditure of ₹ 9.97 crore (89 *per cent* of allotted cost) on the road project.

⁸⁷ Ms A K Engineers.

⁸⁸ Ms Satish Singh Jamwal.

The EE, PW(R&B) Division Kathua stated (October 2022) that the contract had been approved by the CE, PW(R&B) Department Jammu as such penal action against the contractor was to be taken by the CE. It was further stated that ₹ 80.12 lakh was released to the contractor in absence of any instruction from the CE to impose penalty on the contractor.

The reply is not acceptable as penalty was to be imposed at the time of making payments to the contractor which were made by EE, PW(R&B) Division Kathua who should have taken up the matter regarding imposition of penalty with the CE, PW(R&B) Department.

In reply, Director Finance, PW (R&B) Department stated (November 2023) that the permission for setting up of Hot Mix Plant was not granted by Deputy Commissioner, Kathua as such the work was pre closed by Chief Engineer Jammu who found the contractors claims genuine and consequently penalty clause was waived off in favour of contractor.

The reply regarding contractor's claims being found genuine by Chief Engineer, Jammu, contradicts the earlier stance of the Department, whereby it had through several notices directed the contractor to resume the work, failing which necessary action would be taken against him.

During the Exit Conference (17th October 2024), it was stated that the matter would be examined and factual position would be intimated to Audit.

(ii) EE, PW(R&B) Division Doda allotted (July 2016) "Improvement/Up-gradation of Ghat via Nagri road to double lane status (km 1st to km 4th)" to a contractor⁸⁹ at a cost of ₹ 5.19 crore.

Records showed that 12 bills of the contractor amounting to ₹ 5.25 crore were paid during December 2016 to August 2021. The final bill of quantities of pavement executed by the contractor are detailed in **Table 3.2.9**.

Table 3.2.9: Statement showing less/ excess quantities executed

Components	Quantities to be executed	Quantities actually executed
WBM	1,200 cum	1,347.50 cum
WMM	1,200 cum	253.00 cum
BM	1,400 cum	168.13 cum
SDBC	28,000 sqm (700 cum) ⁹⁰	3,374.06 sqm (84.35 cum)

- It can be seen from the **Table 3.2.9** that the contractor had executed less than or in excess of allotted quantities of WMM, BM and SDBC.
- Audit also noted that work of laying of 2,640 cum of cement concrete of specified grade up to plinth level was allotted to the contractor, against which

⁸⁹ M/s Gulam Qadir Nattoo.

⁹⁰ 28,000 sqm x 0.025 m = 700 cum and 3,374.06 sqm x 0.025 m = 84.35 cum.

5,326 cum was laid. Thus, there was excess execution of 2,686 cum which led to extra payment of ₹ 1.13 crore to contractor.

- The further execution of work was abandoned by the contractor. Reasons for abandoning of work were not on record. The executing Division Doda neither imposed penalty up to 10 *per cent* of contract value nor forfeited the BG of ₹ 0.52 crore as per terms and conditions of the contract.
- Despite this, the executing Division Doda had given undue benefit to the contractor by releasing (January 2020 to August 2021) payment of ₹ 58.14 lakh without imposing penalty as per terms of the contract including blacklisting of the contractor.
- Fresh tender for balance works at an estimated cost of ₹ 2.75 crore was invited and the SE, PW (R&B) Doda Circle allotted (October 2019) the balance work to another contractor⁹¹ at a cost of ₹ 2.63 crore. It was observed that an extra expenditure of ₹ 0.50 crore was incurred on the road project due to non-completion of allotted work by the original contractor.

In reply, the EE, PW(R&B) Division Doda stated (October 2022) that the Division had no role in taking punitive action against the contractor as the action was to be taken by the CE, PW(R&B) Department Jammu.

The reply should be seen in light of the fact that the Division had not taken up the matter with CE regarding imposition of penalty on the contractor, as per terms of the contract, including the blacklisting of the contractor.

In reply, Director Finance, PW (R&B) Department attributed (November 2023) execution of some components in excess of allotted quantities to site conditions for achieving the required road width and stated that the contract was closed due to exhaustion of allotted funds. It was further stated that the balance work was executed through another contractor.

3.2.5.10 Excess/ un-allotted execution of quantities of works

Chapter 5.11 of the Book of Financial Powers issued (2002) by the Government of Jammu and Kashmir, Finance Department envisages that execution of work up to maximum of five *per cent* in excess of original estimates was to be allowed and approval of the Competent Financial Authority was to be obtained.

Audit noted in 17 out of selected 139 works pertaining to seven⁹² test-checked Divisions that quantities of various works⁹³ were irregularly executed in significant excess of quantities allotted to contractors as approvals of Competent Financial

⁹¹ M/s Rajesh Kumar.

⁹² (i) Anantnag, (ii) Bandipora (iii) Baramulla, (iv) Handwara, (v) Kupwara (vi) Qazigund and (vii) Vailoo.

⁹³ Such as earthwork, RBM filling for berms, hand packing of stones, cement concrete works, Granular sub-base, WBM, damp proof course with cement concrete, random rubble masonry with hard stone and laying of 450/ 900 mm dia RCC pipes.

Authority⁹⁴ were not obtained. The excess execution of works ranged between 15 and 1,993 *per cent*. This had resulted in extra irregular expenditure of ₹ 26.92 crore in respect of the 17 works. Of these 17, in 9 works various extra items of works⁹⁵ which were not advertised/ allotted to contractors were executed by utilising CRIF funds of ₹ 3.35 crore.

Thus, excess/ un-allotted execution of quantities of works in respect of various components was indicative of preparation of unrealistic estimates of works.

In reply, Director Finance, PW (R&B) Department stated (November 2023) that increase in quantities of earth work and RBM filing was due to poor crust of road and width of road up to 7.5 to 8 meters at curves.

The reply was not acceptable as test report of poor crust of road was not available with executing Divisions and contention regarding laying of extra quantities at curves was also not acceptable as additional five *per cent* of total calculated area of road was already included in the DPR to account for curves.

3.2.5.11 Completion certificate

As per Rule 11 of the CRF (State Roads) Rules 2007, the work executing agency shall send completion report or certificate duly verified by the Audit as soon as the works are completed. Further, Rule 10 (5) of the CRF (State Roads) Rules 2014 add that work executing agency shall fulfill this requirement positively within a period of three months from the date of completion of works.

Audit noted that 46 out of 139 selected projects⁹⁶ under CRIF were shown completed by PW (R&B) Department during 2017-18 to 2021-22. However, in deviation from CRIF Rules, the CEs, PW(R&B) Department Kashmir and Jammu had failed to obtain completion certificate in respect of these projects from the concerned executing Divisions. Even completion of these 46 projects was not confirmed by the CEs, PW(R&B) Kashmir and Jammu and completion certificates thereof were not submitted to the GoI.

Non-obtaining of completion certificates from executing Divisions by CEs PW (R&B) Department Jammu and Kashmir had resulted in misreporting of 10⁹⁷ incomplete projects by executing Divisions as completed by test-checked Divisions as detailed in *Appendix 3.2.4*.

During the Exit Conference (17th October 2024), it was stated that completion certificates of all CRIF projects would be obtained and submitted to GoI in future.

⁹⁴ Commissioner Secretary to Government of J&K, PW (R&B) Department.

⁹⁵ Cement concrete works, WMM, P/L of RCC pipes, earthwork, supply and filling of RBM, P/L of GSB etc.

⁹⁶ Jammu:14 and Kashmir: 32.

⁹⁷ Jammu: 02 and Kashmir: 08

3.2.6 Quality Monitoring

Rule 9 (ii) of CRF (State Roads) Rules, 2014 stipulates that quality monitoring system should be in place at the State/ UT level, consisting of such experts and supporting staff as may be appointed by the State/ UT Government. In addition to quality monitoring system, the GoI shall depute an officer or agency as an independent quality monitor to inspect works every quarter and exercise such checks as may be necessary to ensure observance of time schedule in respect of works under execution.

Audit noted that as of March 2022, PW (R&B) Department had not put in place a quality monitoring system to inspect works executed under CRIF. GoI had also not deputed any officer or agency as independent quality monitor to inspect works every quarter during their execution. Absence of quality monitoring system may be one of the reasons for irregularities, such as extra avoidable expenditure of funds, excess expenditure, unauthorised expenditure etc. in execution of CRIF projects as discussed in preceding paragraphs.

During the Exit Conference (17th October 2024), it was stated that Design and Inspection Quality Control (DIQC) has been designated as the Nodal agency from February 2022 for quality monitoring of all R&B projects including CRIF projects.

The fact remained that until February 2022, no qualified agency had been designated for quality monitoring of works resulting in lack of oversight on the quality of projects executed under CRIF.

3.2.7 Conclusion

Projects were not prioritised by the Department which resulted in both ongoing as well as new projects remaining incomplete as of March 2022. Ineligible projects had been sanctioned under CRIF. In 31 works executing Divisions, out of 101 successful bids during October 2015 to March 2020, bids of 75 projects (74 *per cent*) were unbalanced as they were below the advertised cost of works in the range of 15 to 42 *per cent*. Of these, 24 projects amounting to ₹ 214.83 crore were allotted whose bids were liable to be cancelled. Performance security and additional performance security of only ₹ 51.91 crore were obtained against actual of ₹ 73.87 crore in respect of 70 out of 104 contracts executed during March 2012 to April 2022. 66 projects were sanctioned before completion of land acquisition and shifting of utility services and 24 projects were sanctioned without forest clearance. Execution of 72 projects was taken up without grant of Technical Sanction. Quantities of WBM-II, WBM-III/ excess of quantities required to be laid in respect of widened portions of roads resulting in extra avoidable expenditure of ₹ 3.67 crore in respect of 11 CRIF road projects. Provisions of IRC relating to width of road formation and carriageway were not adhered to in 17 projects which led to additional financial burden of ₹ 60.80 crore on Government exchequer. Scope of two projects were changed during execution without obtaining approval of the competent authorities of GoI/ GoJ&K. In absence of encumbrance free corridor for widening (two lanes to four lanes) of Boulevard

Road from Nehru Park to Kralsangri, an unauthorised expenditure of ₹ 1.67 crore was incurred (May 2022) on portion of road which was outside the scope of approved project. Besides, unauthorised expenditure of ₹ 5.29 crore (May 2022) was incurred on various items other than for road widening and the intended objective of widening of road was not achieved.

3.2.8 Recommendations

In light of the audit findings, GoJ&K may consider:

- *Prioritising the completion of ongoing projects rather than proposing new ones, in view of the fixed allocation under CRIF.*
- *Ensuring that only those projects with encumbrance-free sites are proposed for sanction under CRIF.*
- *Assuring Technical Sanction before execution of projects.*
- *Carrying out proper site surveys before preparation of DPRs to ensure that quantities in the DPR are based on actual site conditions and tender documents are prepared as per the current schedule of rates.*
- *Putting in place a mechanism to monitor the expiry and renewal of Bank Guarantees (BGs) obtained from contractors on account of Performance Guarantee and Additional Performance Guarantee.*



(K.P. Yadaw)

Principal Accountant General (Audit),
Jammu and Kashmir

Srinagar/ Jammu
Dated: 21 October 2025

Countersigned



(K. Sanjay Murthy)

Comptroller and Auditor General of India

New Delhi
Dated: 10 November 2025

APPENDICES

Appendix 3.1.1

[Reference Paragraph No. 3.1.9.1 (v)]

Statement showing difference between data of JMC/ SMC and J&KPCC in respect of Waste Generated, Collection and Segregation

	Information provided to Audit			As per J&KPCC			Variation		
	Waste generated	Waste collected	Treated	Waste generated	Waste collected	Treated	Waste generated	Waste collected	Treated
	2017-2018								
JMC	210	147	0	380	350	0	-170	-203	0
SMC	400	314	21.23	450	450	450	-50	-136	-428.77
Total	610	461	21.23	830	800	450	-220	-339	-428.77
	2018-2019								
JMC	245	184	0	380	350	0	-135	-166	0
SMC	420	301	37	450	450	450	-30	-149	-413
Total	665	485	37	830	800	450	-165	-315	-413
	2019-2020								
JMC	287	230	0	450	450	66.9	-163	-220	-66.9
SMC	435	358	80	450	450	450	-15	-92	-370
Total	722	588	80	900	900	516.9	-178	-312	-436.9
	2020-2021								
JMC	300	300	0	470	450	20	-170	-150	-20
SMC	470	366	157.5	500	500	500	-30	-134	-342.5
Total	770	666	157.5	970	950	520	-200	-284	-362.5
	2021-2022								
JMC	343	343	50	470	450	20	-127	-107	30
SMC	550	435	275	520	520	520	30	-85	-245
Total	893	778	325	990	970	540	-97	-192	-215

Appendix 3.1.2

(Reference Paragraph No. 3.1.9.3)

Detail of collection of waste from Households as well as Commercial establishment of Selected ULBs of J&K, SMC & JMC

(Number of Households)

ULBs, JMC & SMC	Detail of collection of waste from Households of Selected ULBs of J&K, SMC & JMC									
	2017-18		2018-19		2019-20		2020-21		2021-22	
	Total	Covered (per cent)	Total	Covered (per cent)	Total	Covered (per cent)	Total	Covered (per cent)	Total	Covered (per cent)
MC Rajouri	5,513	4,600 (83)	5,513	4,700 (85)	5,513	4,700 (85)	5,513	5,000 (91)	5,513	5,313 (96)
MC Sunderbani	1,221	0 (0)	1,352	0 (0)	1,352	0 (0)	1,352	210 (16)	1,352	1,352 (100)
MC Reasi	1,542	771 (50)	1,542	925 (60)	1,542	1,079 (70)	1,542	1,234 (80)	1,542	1,388 (90)
MC Doda	4,597	1,900 (41)	4,597	2,130 (46)	4,597	2,350 (51)	4,597	2,650 (58)	4,597	2,925 (64)
MC Kathua	10,434	0	10,434	2,785	10,434	0	10,434	0	10,434	0
MC Udhampur	11,271	4,200 (37)	11,271	4,200 (37)	11,271	11,271 (100)	11,271	5,500 (49)	11,271	11,271 (100)
MC Hiranagar	1,723	330 (19)	1,723	330 (19)	1,723	423 (25)	1,723	580 (34)	1,723	1,250 (73)
JMC	1,20,007	72,004 (60)	12,0007	84,005 (70)	1,20,007	1,02,006 (85)	1,47,733	1,47,733 (100)	1,47,733	1,47,733 (100)
MC Kulgam	2,338	0	2,338	0	2,338	0	2,338	0	2,338	0
MC anantnag	12,065	0	12,065	0	12,065	0	12,065	6,563 (54)	12,065	9,565 (80)
MC Bijnbehara	3,098	0	3,098	0	3,098	0	3,098	3,098 (100)	3,098	3,098 (100)
MC Sumbal	2,129	0	2,129	0	2,129	0	2,129	0	2,129	1,300 (61)
MC khansahib	351	0	351	0	351	0	351	0	351	0
MC Langate	912	4 (0.44)	912	4 (0.44)	912	5 (0.55)	912	7 (0.77)	912	10 (1.1)
MC Kupwara	1,934	1,934 (100)	1,934	1,934 (100)	1,934	1,934 (100)	1,934	1,934 (100)	1,934	1,934 (100)
MC Budgam	2,258	0	2,258	0	2,258	0	2,258	0	2,258	0
SMC	202000	2,02,000 (100)	2,06,352	2,06,352 (100)	2,13,500	2,13,500 (100)	2,20,000	2,20,000 (100)	2,36,000	2,36,000 (100)

Detail of collection of waste from Commercial Establishment of Selected ULBS of J&K, SMC & JMC											
ULBS, JMC & SMC	2017-18		2018-19		2019-20		2020-21		2021-22		
	Comm. Total	Covered (in per cent)	Comm. Total	Covered (per cent)	Comm. Total	Covered (per cent)	Comm. Total	Covered (per cent)	Comm. Total	Covered (per cent)	
MC Rajouri	1,960	500 (26)	1,960	500 (26)	1,960	700(36)	1,980	940(47)	2,100	782 (37)	
MC Sunderbani	855	0 (0)	890	0 (0)	900	0 (0)	900	160 (18)	905	905 (100)	
MC Reasi	507	304 (60)	507	380 (75)	507	431 (85)	507	456 (90)	507	507 (100)	
MC Doda	1,578	1,100 (70)	1,605	1,220 (76)	1,655	1,280 (77)	1,700	1,520 (89)	1,730	1,570 (91)	
MC Kathua	0	0	0	0	0	0	0	0	0	0	
MC Udhampur	2,390	1,800 (75)	2,561	1,800 (70)	2,602	1,800 (69)	2,749	1,800 (65)	2,872	1,800 (63)	
MC Hiranagar	307	0	307	40 (13)	307	45 (15)	307	70 (23)	307	80 (26)	
JMC	NA	NA	NA	NA	NA	NA	75,888	75,888 (100)	75,888	75,888 (100)	
MC Kulgam	1,330	0	1,500	0	1,600	0	1,675	0	1,704	0	
MC Anantnag	0	0	0	0	0	0	0	0	0	0	
MC Bihbehara	550	0	550	0	550	150	550	350	550	550	
MC Sumbal	280	0	353	0	418	0	485	0	520	520 (100)	
MC Khansahib	120	0	120	0	120	0	120	0	120	0	
MC Langate	180	120 (67)	184	140 (76)	190	150 (79)	190	150 (79)	210	150 (71)	
MC Kupwara	2,850	1,560 (55)	3,200	1,600 (50)	3,290	1,645 (50)	3,460	1,730 (50)	3,525	1,840 (52)	
MC Budgam	1,270	0	1,270	0	1,270	0	1,270	0	1,270	0	
SMC	12,203	12,203 (100)	16,290	16,290 (100)	19,372	19,372 (100)	22,440	22,440 (100)	28,621	28,621 (100)	

Appendix 3.2.1

(Reference Paragraph No: 3.2.4.1 (B))

List of CRIF Projects with unbalanced bids

Sl. No.	Project	Contractor	Advertised amount	Allotted amount	Unbalanced bid (in per cent)	Total number of items advertised	Number of items which are unrealistically priced Low (25 per cent below) of advertised rates
Jammu							
1	108 mtr. bridge over Nallah at Naili including approach road (Basohli)	M/s A. K. Engineers	1,295.70	1,023.56	below 22	31	30 items below 25 per cent
2	Chattergala to Kailash Kund (Bhaderwah)	D K Projects	1,583.00	1,074.26	below 33	24	13 items below 25 to 91 per cent 01 items below 15 to 24 per cent
3	Malsar to Latijar via Shalala (Gandoh)	M/s Farooq Ahmad Dar	1,040.50	638.47	below 39	20	10 items below 25 to 89 per cent 01 items below 21 to 24 per cent 03 items below 10 to 20 per cent
4	Jai to Suranga Morh (Gandoh)	M/s Kasana Brothers	1,374.00	838.71	below 39	14	08 items below 25 to 89 per cent 01 items below 21 to 24 per cent 02 items below 10 to 20 per cent
5	Goilbar to Benencha (Gandoh)	Sh . Abdul Hamid	1,030.97	648.99	below 38	20	11 items below 25 to 95 per cent 01 items below 21 to 24 per cent
6	Kewal Morh to Targain via Gota Phase-I (Rajouri)	M/s Fazal Rehman	1,500.00	949.04	below 37	15	09 items below 25 to 76 per cent
7	Marasi Morh to Bagyal kote, High School Panchayatgarh Hubigala (Rajouri)	M/s Fazal Rehman	800.00	478.22	below 41	14	07 items below 25 to 71 per cent
8	Choura Gali to Ladote via Muko Brade (Rajouri)	M/s Fazal Rehman	1,390.80	874.14	below 38	12	07 items below 25 to 97 per cent

Sl. No.	Project	Contractor	Advertised amount	Allotted amount	Unbalanced bid (in per cent)	Total number of items advertised	Number of items which are unrealistically priced Low (25 per cent below) of advertised rates
							01 item below 15 per cent to 24 per cent
9	Jij to Narkote (Reasi)	SGF Infra Pvt. Ltd	1,660.00	1,359.47	below 19	18	09 items below 25 to 80 per cent 01 item below 15 per cent to 24 per cent
10	Kanda to Ransoo (Reasi)	New Jhelum Construction	1,787.09	1,395.32	below 22	23	12 items below 25 to 64 per cent 02 items below 15 per cent to 24 per cent
11	Bedar to Brachari (Poonch)	Mohd. Yousuf	1,103.91	703.52	below 37	22	13 items below 25 to 100 per cent 04 items below 15 per cent to 24 per cent
12	Padyarna to Puller (Kishtwar)	Om Parkash	1,328.55	852.04	below 36	20	20 items below 36 per cent
13	Vijaypur – Ramgarh – SM Pura (Samba)	Satish Agarwal	1,619.70	1,135.47	below 30	15	10 items below 25 to 48 per cent
14	Samba Sumb Goran (Samba)	Satish Agarwal	1,104.72	766.25	below 31	17	11 items below 25 to 48 per cent
15	Chadwal to Mangloor (Kathua)	Satish Singh Jamwal	1,702.60	1,219.17	below 29	24	17 items below 25 to 87 per cent
16	Construction of link road from Malsar to Shalala Dherwari Latizer (Gandoh)	Farooq Ahmad Dar	929.21	508.60	below 46	15	11 items below 25 to 65 per cent
17	Construction of link road from Tanta to Draman via Kuthal (Gandoh)	M/s Hamdania Construction	757.84	413.00	below 46	17	10 items below 25 to 73 per cent
18	Construction of 32 mtr. span double lane bridge at Rajouri (Rajouri)	Mohd. Yousuf	483.40	339.97	below 30	20	14 items below 25 to 98 per cent
19	Approach road and under pass for AIIMS at Vijaypur (Samba)	Gee Kay Traders	1,277.18	997.78	below 22	19	11 items below 25 to 92 per cent
			23,769.17	16,215.98			

Sl. No.	Project	Contractor	Advertised amount	Allotted amount	Unbalanced bid (in per cent)	Total number of items advertised	Number of items which are unrealistically priced Low (25 per cent below) of advertised rates
Kashmir							
20	Upgradation/widening of Choorā – BurzwachanDardporaTilgam road including Authoora – hail, Bulgam link road (Baramulla)	Mohd. Akram Sheikh	1,450.57	1,232.98	below 16	37	19 items below 25 per cent
21	Widening/upgradation of Hyderbeigh to Chanderseer road Booch to Shadbush road and Takiya Tapper to Check Tapper road (Baramulla)	M/s Zeal Construction Company	1,881.98	1,599.68	below 16	36	21 items below 25 per cent
22	Widening/Strengthening of Tahab Chakura Naina,Chakura Malangpora road Phase-I (Pulwama)	M/s Tarmac Road and Roof builders	963.17	799.82	below 17	64	36 items below 25 per cent
23	Construction/ Upgr of Nagasari A&B Narikote and Ladda Road including MooriKothiyan road at Kalaroos (phase -1) (Kupwara)	M/s J K Road Constr. Company	804.00	569.36	below 30	28	19 items below 25 per cent
24	Y.K Pore Road (Qazigund)	M/s Khanday Infrastructure	1,281.48	1,065.01	below 17	98	59 items below 25 per cent
			6,381.2	5,266.85			
	TOTAL		30,150.37	21,482.83			

Appendix 3.2.2

(Reference Paragraph No. 3.2.5.3)

Statement showing preparation of DPRs with inflated sanctioned cost

Sl. No.	District/ Divisions	Number of projects	Sanctioned cost of projects (₹ in crore)	Advertisement cost (₹ in crore)	Allotted cost (₹ in crore)	Percentage of advertised cost to sanctioned cost/ percentage of allotted cost to sanctioned cost	Reasons
1	Doda/ Doda, Gandoh	16	208.33	182.55	136.30	68 to 96 per cent/ 39 to 89 per cent	<ul style="list-style-type: none"> • Huge quantities of earthwork, random rubble masonry with cement concrete 1:6:12, dry random masonry in foundation and plinth, WBM Gr. II, III, bituminous macadam and SDBC reduced in NIT • Carriageway width of 7.50 mtr. was projected in the DPR against 7.00 mtr allotted to contractor • Inflated quantities of semi pucca R/wall (6 mtr height) was projected in the DPR • Incorporation of ₹ 7.25 lakh per mtr for construction of sub-structure and super-structure in DPR due to projection of carriageway width of 4.75 mtr against norms of 4.25 mtr. Allotted cost of bridge was ₹ 4.50 lakh per mtr.
2	Kathua/ Basohli	04	72.37	68.78	51.91	93 to 96 per cent/ 67 to 76 per cent	<ul style="list-style-type: none"> • Huge quantities of earthwork, WMM and BM reduced in NIT • Application of high rates of components in DPRs as compared to rates estimated in NIT.

Sl. No.	District/ Divisions	Number of projects	Sanctioned cost of projects (₹ in crore)	Advertisement cost (₹ in crore)	Allotted cost (₹ in crore)	Percentage of advertised cost to sanctioned cost/ percentage of allotted cost to sanctioned cost	Reasons
							<ul style="list-style-type: none"> Component 'P/L WBM Gr.-I for ₹ 137.56 lakh was projected in the DPR against norms of IRC. Such component was also not advertised in the NIT.
3	Rajouri/ Rajouri and Nowshera	14	241.62	225.09	157.48	90 to 97 per cent/ 58 to 89 per cent	<ul style="list-style-type: none"> High rates of earthwork adopted in DPR as compared to rates of Schedule. Inflated works of X-Drainage projected in DPRs Application of higher rates in the DPR in respect of Earthwork as compared to rates applied in the advertisement P/L of RBM in sinking area, P/L of WMM was projected in the DPR whereas such component was not advertised in the NIT Application of ₹ 8.70 lakh per rmt for 32 mtr. span bridge in the DPR whereas in the advertisement of NIT, rate of ₹ 5.50 lakh per rmt was estimated. 20 mtr. span double lane bridge for ₹ 2.00 crore was projected in the DPR but it was not advertised in the NIT.
4	Samba/ Samba	08	128.89	111.77	89.01	64 to 96 per cent/ 50 to 81 per cent	<ul style="list-style-type: none"> Huge quantities of earthwork reduced in NIT Incorporation of

Sl. No.	District/ Divisions	Number of projects	Sanctioned cost of projects (₹ in crore)	Advertisement cost (₹ in crore)	Allotted cost (₹ in crore)	Percentage of advertised cost to sanctioned cost/ percentage of allotted cost to sanctioned cost	Reasons
							<p>inflated quantities of RBM, WMM, bituminous macadam and SDBC</p> <ul style="list-style-type: none"> • Components Hand packed stone filling including supply of stones Random Rubble masonry in foundation and plinth projected in the DPR was not advertised • Provision of 45 mtr. span RCC vented causeway made in the DPR, was not advertised in the NIT
	Total (J)	42	651.21	588.19	434.7	64 to 96 per cent/ 39 to 89 per cent	
5	Kupwara and Tangdar	03	65.24 (15.81 +19.05 +30.38)	54.69 (13.60 +16.09 +25.00)	51.88 (13.04+14. 87 +23.97)	82 to 86 per cent/ 78 to 82 per cent	<ul style="list-style-type: none"> • Huge quantities of various components such as earthwork, WBM Gr. II, WBM Gr-III, BM, and SDBC reduced in NIT. • Application of high rates of components such as earthwork, WBM Gr. II, WBM Gr-III, BM, and SDBC in DPRs as compared to rates estimated in NIT
6	Anantnag and Qazigund	02	61.09 (46.09+1 5.00)	52.56 (40.08+12.48)	45.73 (35.41+10. 32)	83 to 87 per cent/ 69 to 77 per cent	<ul style="list-style-type: none"> • Huge quantities of various components such as earthwork, Cutting, earthwork filling, WBM Gr. II, WBM Gr-III/ WMM, BM, and SDBC reduced in NIT. • Application of high rates of components

Sl. No.	District/ Divisions	Number of projects	Sanctioned cost of projects (₹ in crore)	Advertisement cost (₹ in crore)	Allotted cost (₹ in crore)	Percentage of advertised cost to sanctioned cost/ percentage of allotted cost to sanctioned cost	Reasons
							such as earthwork, WBM Gr. II, WBM Gr-III/ WMM, BM, and SDBC in DPRs as compared to rates estimated in NIT
7	Baramulla, Uri and Sopore	05	82.97 (25.86+11.85+14.15+14.00+17.11)	70.82 (22.66+10.38+11.7964+11.80+14.18)	61.99 (20.40+9.97+10.16+9.95+11.51)	83 to 88 per cent/ 67 to 84 per cent	<ul style="list-style-type: none"> • Huge quantities of various components such as earthwork, WBM Gr. II, WBM Gr-III/ WMM, BM, and SDBC reduced in NIT. • Application of high rates of components such as earthwork, WBM Gr. II, WBM Gr-III/ WMM, BM, and SDBC in DPRs as compared to rates estimated in NIT
	Total (K)	10	209.30	178.07	159.60	82 to 88 per cent/ 67 to 84 per cent	
	Grand Total	52	860.51	766.26	594.30	64 to 97 per cent/ 39 to 89 per cent	

Appendix 3.2.3

(Reference Paragraph No. 3.2.5.4)

Excess execution of quantities in CRIF Projects

Sl. No.	Road Project/ Sanction Month and Year	Division	Projection in DPR	Quantities of components to be executed (in cum)	Quantities of components executed (in cum)	Extra quantities executed (in cum)	Extra cost involved (₹ in lakh)
Kashmir							
1.	Mattan Akura Pushkeri-Hugam Nambal (03-2017)	Anantnag	WBM-II (75mm) was to be laid to the widened portion only (road width to be increased from 3.5 m to 5.5 m)	WBM Gr II: 1,155	2,745.90	1,590.90	30.23
2.	Tangdar to Gabra Hajitra (03-2017)	Tangdar	WBM-II was to be laid to the widened portion (road width to be increased from 3 m to 5.5 m)	WBM Gr.II: 3000.00	3,250.38	250.38	5.63
3.	Mattan Achabal Road (03-2017)	Vailoo	WBM-II was to be laid to the widened portion (road width to be increased from 3.65 m to 5.5 m)	WBM Gr II: 1,050	2,000.26	950.26	13.30
4.	Verinag Kapran Road (03-2017)	Qazigund	WMM to be laid to the widened portion (road width to be increased from 3.5 m to 5.5 m)	WMM: 2,200	5,700.69	3,500.69	68.23
5.	Chooria-Burzwachan –Dardpora Tilgam Road (03-2017)	Baramulla	WBM-II/WMM was to be laid to the widened portion, (road width to be increased from 3.65 m to 5.5 m)	WBM Gr II: 2,289.37 WMM: 3052.50	3,552.19 4,953.77	1,262.82 1901.27	29.04 42.73
6.	Choontipora Darabal road (08-2017)	Handwara	WBM Gr. II should have been laid to the widened portions only (road width to be increased from 3 m to 5.5 m)	WBM Gr. II: 2,475	2,829	354	9.17
7.	Gingle Bijhama Lachipora Road up to Muqam/ Mayan	Baramulla	WBM Gr. II/WMM should have been laid to the widened portions only	WBM Gr. II: 3,010.875 WMM: 3,676.875	4,896.76 4,201.87	1,885.885 524.99	49.22 14.23

Sl. No.	Road Project/ Sanction Month and Year	Division	Projection in DPR	Quantities of components to be executed (in cum)	Quantities of components executed (in cum)	Extra quantities executed (in cum)	Extra cost involved (₹ in lakh)	
	(03-2016)		(road width to be increased from 3.65 m to 5.5 m)					
8.	Villgam Champora Hafrada road including Dohama Tarthpora	Handwara	G-II should have be laid to the widened portions ie from 3.0m to 5.50 m (road width to be increased from 3 m to 5.5 m)	WBM Gr II: 2062.50 Cum,	2,536.21	473.71	11.84	
Jammu								
9.	Pull Doda to Beoli via Doda Town (03-2017)	Doda	WMM in two layers to be executed on widened portion (road width to be increased from 3 to 3.75 m and 5.5 m to 7 m)	WMM: 2,177 cum	3,689.75	1,512.75	28.74	
10.	Dayalachak Hiranagar Jandi road up to Kattal Gujran (03-2017)	Kathua	WBM Gr II, WBM GR III was to be executed in widened portion (road width to be increased from 4 m to 7.5 m)	WBM: Gr II: 5,250 WBM Gr III: 2,625	5,837.70 6,692.63	587.70 4,067.63	4.56 31.54	
11.	Old Samba Kathua Road (03-2017)	Kathua	WBM Gr. II, WBM Gr III was to be executed on widened portion (road width to be increased from 3.75 m to 7.5 m)	WBM Gr II: 8,268.75 WBM Gr III: 4,134.38	6,576 7,341.88	---- 3,207.5	---- 28.07	
Total				WMM	11,106.37	18,546.08	7,439.70	153.93
				WBM-II	20,292.74	27,648.40	7,355.65	152.99
				WBM-III	6,759.38	14,034.51	7,275.13	59.61
Grand Total*				38,158.50	60,228.99	22,070.48	366.53	

* Quantity of WBM – Gr II in respect of Sr. No. 11, Old Samba-Kathua Road not included in the total.

Appendix 3.2.4

(Reference Paragraph No. 3.2.5.11)

Statement showing projects shown as completed but projects were not completed in actual

	Project	Division	Status as per progress report	Actual status as noticed by audit
1	Improvement/ Upgradation strengthening of Samba Mansar road (km 10th to km 19th)	Samba	Completed	<ul style="list-style-type: none"> Drains were executed in the range of 18 per cent to 56 per cent of the total quantities allotted to the contractor. Components such as hand packing stones in wire crates including cost of stones, providing and applying 2.5 mm thick road marking strips (retro-reflective) and providing and fixing of rectangular reflection traffic sign boards were not executed at all even though such components were allotted to the contractor at a cost of ₹ 30.02 lakh.
2	Widening/ Improvement Utterbehani Purmandal road via Mandal	Samba	Completed	<ul style="list-style-type: none"> Safety components such as mandatory/ regulatory sign boards of 900 mm, cautionary/ warning sign boards of equilateral triangle and providing and applying 2.5 mm thick road marking strips (retro-reflective) were not installed/ executed on the road even though these items were allotted to contractor at a cost of ₹ 24.68 lakh.
3	Upgradation of Salkot Halmatpora Batergam Gushi including Marhana Daribal road via Ziyarat Sharif	Kupwara	Completed	<ul style="list-style-type: none"> Quantity of 25 mm SDBC was laid to 50,662 sqm against allotment of 60,500 sqm to cover the 11 Kms. Thus, there was a short lay of 9,838 sqm which works out 1.79 Km. As sanctioned length of 11 Km was not covered with BT specification, project was actually incomplete. Safety components such as mandatory/ regulatory sign boards circular of 600 mm, cautionary/ warning sign boards of equilateral triangle 900 mm were not installed/ executed on the road even though these items were allotted to contractor.
4	Construction of Khumriyal Shumriyal Gund Jahangir road including Doniwari Kantpora on Sewar Kawari road	Kupwara	Completed	<ul style="list-style-type: none"> Quantity of 25mm SDBC was laid to 51,905 sqm against allotment of 63,750 sqm to cover the 17 Km. Thus, there was a short lay of 11,845 sqm which works out 2.45 Km. As sanctioned length of 17 Km was not covered with BT specification, project was actually incomplete. Safety components such as mandatory/ regulatory sign boards circular of 600 mm, cautionary/ warning

	Project	Division	Status as per progress report	Actual status as noticed by audit
				sign boards of equilateral triangle 900 mm were not installed/ executed on the road even though these items were allotted to contractor
5	Improvement/ upgradation of Brakpora-Kanganhal-Chattergul road	Vailoo	Completed	<ul style="list-style-type: none"> Quantity of 25 mm SDBC was laid to 67,838 Sqm against actual of 86,955 sqm to cover the 15.5 Km. Thus, there was a short lay of 19,117 sqm which works out 3.47 Km. As sanctioned length of 15.5 Km was not covered with BT specification, project was actually incomplete.
6	Construction of old Brengi road	Vailoo	Completed	<ul style="list-style-type: none"> Quantity of 25 mm SDBC was laid to 39,611 sqm against actual of 43,312 sqm to cover the 11 Km. Thus, there was a short lay of 3,701 sqm which works out 900 mtr. As sanctioned length of 11 Km was not covered with BT specification, project was actually incomplete Safety components such as mandatory/ regulatory sign boards circular of 600 mm, cautionary/ warning sign boards of equilateral triangle 900 mm were not installed/ executed on the road even though these items were allotted to contractor.
7	Upgradation of Mattan Achabal road	Vailoo	Completed	<ul style="list-style-type: none"> Quantity of 25 mm SDBC was laid to 36,178 sqm against actual of 44,880 sqm to cover the 11 Km. Thus, there was a short lay of 8,702 Sqm which works out 1.5 km. As sanctioned length of 8 Km was not covered with BT specification, project was actually incomplete.
8	Widening/ upgradation of Ladoora Achabal road	Sopore	Completed	<ul style="list-style-type: none"> Quantity of 25 mm SDBC was laid to 67,316 sqm against actual of 75,000 sqm to cover the 10 Km. Thus, there was a short lay of 7,684 Sqm which works out 1.0 km. As sanctioned length of 10 Km was not covered with BT specification, project was actually incomplete.
9	Construction/ upgradation of Hafrada Astan Wali Hatchimarg Tumina Marsarai including Bulnad road	Kupwara	Completed	<ul style="list-style-type: none"> Quantity of 25 mm SDBC was laid to 73,118 sqm against actual of 82,500 sqm to cover the 15 Km. Thus, there was a short lay of 9,382 Sqm which works out 1.70 km. As sanctioned length of 15 Kms was not covered with BT specification, project was actually incomplete. Safety components such as mandatory/ regulatory sign boards circular of 600 mm, cautionary/ warning sign boards of equilateral triangle 900

	Project	Division	Status as per progress report	Actual status as noticed by audit
				mm were not installed/ executed on the road even though these items were allotted to contractor.
10	Upgradation of Vilgam, Champora, Hafrad road including Dohama and Tarathpora road	Handwara	Completed	<ul style="list-style-type: none"> Quantity of 25 mm SDBC was laid to 56,201 sqm against actual of 60,500 sqm to cover the 10 Km. Thus, there was a short lay of 4,299 Sqm which works out 0.75 km. As sanctioned length of 10 Km was not covered with BT specification, project was actually incomplete. Safety components such as mandatory/ regulatory sign boards circular of 600 mm, cautionary/ warning sign boards of equilateral triangle 900 mm were not installed/ executed on the road even though these items were allotted to contractor.

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