

**Chapter-III**  
**Compliance Audit**



## CHAPTER-III: COMPLIANCE AUDIT

### Agriculture Production Department

#### 3.1 Unfruitful expenditure

**Delayed completion of civil works of Cold Storage building at Chenani and failure to take up the works of installation of plant and machinery even after nine years rendered expenditure of ₹1.70 crore unfruitful thereby defeating its objective of improving economic condition of the poor farmers.**

For improving economic condition of the poor farmers through stabilising the prices by regulating the market period and supplies of vegetables/ fruits, the construction of cold storage unit at Champari, Chenani was approved under District plan scheme by the District Development Board Udhampur during the year 2004-05. For this purpose, the Executive Engineer (EE) (R&B) Division Udhampur on the authority (March 2006) of Chief Agriculture Officer Udhampur submitted (June 2006) application for accord of administrative approval for construction of cold storage unit to the Superintending Engineer PWD (R&B) Circle Udhampur at a cost of ₹1.10 crore (Civil works: ₹76.82 lakh; Plant and Machinery: ₹30 lakh and Contingencies etc: ₹3.20 lakh). The project was to be completed in one year. The cost of the project was however revised (July 2009) to ₹1.93 crore (Civil works: ₹1.49 crore; Plant and Machinery: ₹34 lakh and Contingencies etc: ₹9.56 lakh) and to ₹3.24 crore in June 2011.

Audit check (February 2014) of records of EE, PWD (R&B) Division Udhampur showed that the construction of civil works of the project was taken up in May 2007 and completed in March 2012 after incurring an expenditure of ₹1.70 crore. The cold storage building was handed over by the Division to the Jammu and Kashmir State Agro Industries Development Corporation in October 2013 which could not be put to use due to non-installation of plant and Machinery. The Executive Engineer Mechanical Division Udhampur had submitted (February 2011) estimate of ₹1.56 crore for installation of plant and machinery after approached by the EE, R&B, Division Udhampur in November 2010.

The delay in completion of civil works of the Cold Storage Building and failure to take up the works of installation of plant and machinery rendered the building idle and consequent expenditure of ₹1.70 crore as unfruitful. The Director Finance Jammu and Kashmir Agro Industries Development Corporation Limited admitted (April 2015) that the building could not be put to use in absence of cold storage machinery due to inadequate funding. Audit observed that the Director Agriculture Jammu and Chief Agriculture Officer Udhampur had not monitored the execution of project for its timely and purposeful completion.

On being pointed out in audit, EE, R&B Division Udhampur stated (February 2014) that the installation of mechanical components were in progress, whereas the EE, Mechanical Division Udhampur stated (April 2015) that matter with regard to installation of machinery had not been taken up with it earlier. The reply

was not convincing as the agency for installation of plant and machinery was not identified prior to start of work.

Thus, delayed completion of civil works of Cold Storage building at Chenani and failure to take up the works of installation of plant and machinery rendered expenditure of ₹1.70 crore unfruitful. The project had not been completed after over nine years of its conception thereby defeating its objective of improving economic condition of the poor farmers.

The matter was referred to the Government in May 2015. The reply was not received as of September 2015. However Chief Agriculture Officer stated (August 2015) that the work of construction got delayed/ cost escalated due to inadequate funding and that the building was taken over by the Agro Industries Development Corporation Limited whose prerogative was to complete the installation of the machinery to make the unit functional.

## Education Department

### 3.2 Blockade of funds

**The action of Chief Education Officers to withdraw funds without ascertaining existence, status of registration and willingness to receive financial assistance of the Madrasas under the ‘Scheme for providing quality education in Madrasas’ followed by subsequent credit of advanced amount to the Current Bank accounts resulted in blockade of funds to the extent of ₹1.09 crore for over three years.**

The Centrally Sponsored ‘Scheme for providing quality education in Madrasas’ (SPQEM) aimed at encouraging traditional institutions like Madrasas and Maktabas by giving financial assistance<sup>1</sup> for introducing science, mathematics, social studies, Hindi and English in their curriculum so that academic proficiency for classes I-XII was to be attainable for children studying in these institutions. The process of modernisation of traditional Madrasas and Maktabas was to be voluntary. The Madrasas which were in existence at least for three years and registered under Central or State Government Acts or Madrasa Boards or with Waqf Boards or National Institute of Open Schooling were eligible for assistance under the programme. Under the Scheme, the Government releases funds in favour of the Directors of School Education Jammu/ Kashmir for further release to Madrasas through concerned Chief Education Officers of various districts of the State.

Audit check (March 2013 and June 2013) of records of Chief Education Officers (CEOs) Jammu, Doda and Ramban showed that despite the fact that the CEOs had knowledge that majority of the Madrasas were either non-existent, had refused to accept the assistance or were not recognized they withdrew (January 2012 and

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<sup>1</sup> Payment of salary to teachers appointed under the Scheme, strengthening libraries/ book banks, providing teaching learning materials, purchase of kits for science, Mathematics and establishment of science/ computer labs etc.

March 2012) ₹1.25 crore from the treasuries for payment to 65 Madrasas. The funds were released by the Government and Director Education Jammu in favour of these CEOs. Out of the amount so withdrawn, only ₹15.94 lakh was disbursed to 15 Madrasas<sup>2</sup> while as 42 Madrasas<sup>3</sup> had refused to take the financial assistance and seven<sup>4</sup> Madrasas were found to be non-existent. The balance ₹1.09 crore was credited to Current Bank accounts by the CEOs resulting in their blockade for over three years (March 2015).

After being pointed out by Audit, the CEOs stated (January 2015) that the Madrasas had refused to receive the assistance and the matter relating to the amounts lying in the Bank accounts had been taken up with the higher authorities. The reply was not acceptable as the CEOs were required to ascertain the existence and willingness to receive the financial assistance of Madrasas before withdrawing the funds from the Government account.

Thus, the action of CEOs to withdraw funds without ascertaining existence, status of registration and willingness to receive financial assistance of the Madrasas under the scheme followed by subsequent credit of advanced amount to the Current Bank accounts resulted in blockade of funds to the extent of ₹1.09 crore for over three years.

The matter was referred to the Government in May 2015. Director Finance of the Department stated (August 2015) that out of ₹8.86 crore released by Government of India for 372 Madrasas only ₹1.49 crore was disbursed among 103 Madrasas and that ₹7.37 crore was lying unutilised. The reply was however silent about audit contention that the financial assistance was not paid to 48 Madrasas by three CEOs who had credited ₹1.09 crore to current bank accounts resulting in their blockade for over three years.

### 3.3 Inadmissible payment of pay and allowances

**Incorrect application of provisions of Revised Pay Rules, 1992 along with the Higher Standard Pay Scale Scheme Rules, 1996 by Zonal Education officer Kargil resulted in inadmissible payment of pay and allowances of ₹1.33 crore to 38 teachers.**

According to Rule 9(e) of Jammu and Kashmir Civil Services (Revised pay) Rules 1992 effective from 1 April 1990, all the teachers carrying existing pay scale of ₹900-1830 were to be placed in the revised pay scale of ₹1200-2040. Further for future recruitment the pay scale of ₹1200-2040 was to be available for Graduate teachers and the under-Graduate teachers were initially to be recruited in the pay scale of ₹950-1500 and were to be placed in pay scale of ₹1200-2040 after completing eight years of service in the pay scale of ₹950-1500. The State Government introduced Jammu and Kashmir Civil Services (Higher Standard Pay Scale Scheme) Rules 1996 effective from 1 January 1995 and these rules were

<sup>2</sup> One Madrasa in Jammu district (₹1.83 lakh), 13 in Doda district (₹10.58 lakh) and one in Ramban district (₹3.53 lakh)

<sup>3</sup> 10 madrasas in Jammu district, 12 in Doda and 20 in Ramban

<sup>4</sup> In district Doda (Status of one Madrasa was not furnished to audit)

*inter alia* not to be applied to such of the categories of posts/ employees for which special treatment was expressly provided. However where there was provision of only one time bound promotion and the same was allowable and granted after putting in less than nine years service on the entry post, the next higher standard pay scale in such cases were to be granted from the first of the month following the month in which such employees completed 18 years of regular satisfactory service with reference to entry post without getting any promotion.

Audit check (August 2014) of records of Zonal Education officer (ZEO) Kargil showed that 38 under-Graduate teachers appointed during April 1992 (24) and October 1993 (14) in the pay scale of ₹950-1500 were placed in the pay scale of ₹1200-2040 after completion of eight years of regular service as per the provisions of Revised Pay Rules 1992. These teachers were eligible for grant of next higher standard pay scale (₹4500-7000) from the first of the month following the month in which these employees were to complete 18 years of service from the date of initial appointment as per provisions of Higher Standard Pay Scale Scheme Rules 1996. However in contravention of these Rules, the concerned teachers were placed in the next higher pay scale of ₹4500-7000 in May 2001 and November 2002 after completion of only nine years of regular service from the date of their appointment. This resulted in inadmissible payment of pay and allowances of ₹1.33 crore to these ineligible teachers with effect from January 2006 to December 2014.

After being pointed out in audit the ZEO, Kargil stated (August 2014) that the matter would be examined and recovery effected and admitted (February 2015) that excess payment of pay and allowances had been made to the concerned teachers.

Thus, incorrect application of provisions of Revised Pay Rules, 1992 alongwith the Higher Standard Pay Scale Scheme Rules, 1996 by ZEO Kargil resulted in inadmissible payment of pay and allowances of ₹1.33 crore to 38 teachers.

The matter was referred to the Government in May 2015; reply thereof was not received (November 2015).

### 3.4 Short remittance of games fee

**Failure of the departmental authorities to monitor realisation of games fee from students by the educational institutions and subsequent transfer of its due share resulted in short-remittance of games fee of ₹72.02 lakh to concerned District Youth Services and Sports Officers Jammu and Kathua thereby defeating the purpose of promoting sports activities.**

The State Government accorded (January 1993) sanction to the realisation of games fee from students in schools/ colleges at the prescribed rates<sup>5</sup> and the funds so realised were to be utilised for promotion of games/ sports. Further, 50 per cent of the funds so realised were to be placed at the disposal of concerned District

<sup>5</sup> 1<sup>st</sup> to 5<sup>th</sup> Primary: ₹1 per month; 6<sup>th</sup> to 8<sup>th</sup> class: ₹2 per month; 9<sup>th</sup> to 10<sup>th</sup> class: ₹3 per month; TDC-I, II, III, B. Com-I, II, III and professional colleges: ₹5 per month

Youth Services and Sports officers (DYSSOs) for purchase of sports material and uniforms for students participating in games/ sports held at district and inter district level. Audit noticed that games fee of ₹72.02 lakh had not been remitted by the educational institutions to the concerned DYSSOs during three years from 2011-12 to 2013-14 in only two districts viz. Jammu and Kathua as discussed in the succeeding paragraphs.

During the course of test-check of records of Chief Education Officers and District Youth Services and Sports Officers Jammu and Kathua, it was noticed that games fee of ₹133.92 lakh (Jammu: ₹83.14 lakh; Kathua: ₹50.78 lakh) was realised from 5.20 lakh students (Jammu: 2.99 lakh; Kathua: 2.21 lakh) of classes I to XII enrolled in various Government institutions during the years 2011-12 to 2013-14. Against 50 *per cent* of the realised games fee (₹66.96 lakh), only ₹55.90 lakh (Jammu: ₹33.50 lakh; Kathua: ₹22.40 lakh) were transferred to concerned DYSSOs by these institutions leaving ₹11.06 lakh with them. Further considering the prescribed rates for Government institutions, an amount of ₹162.25 lakh (Jammu: ₹129.26 lakh; Kathua: ₹32.99 lakh) due for realisation from 7.28 lakh students (Jammu: 5.81 lakh; Kathua: 1.47 lakh) enrolled in various private institutions during the years 2011-12 to 2013-14, only ₹20.16 lakh was kept at the disposal of concerned DYSSOs (Jammu: ₹11.53 lakh; Kathua: ₹8.63 lakh) against half of the games fee of ₹81.12 lakh, leaving ₹60.96 lakh with the concerned private institutions. Thus games fee of ₹72.02 lakh had not been remitted to DYSSOs Jammu and Kathua by both Government (₹11.06 lakh) and Private (₹60.96 lakh) educational institutions during the years 2011-12 to 2013-14.

The Director General Youth Services and Sports emphasised (December 1998 and February 1999) upon the Directors of School Education Jammu as well as Kashmir for taking effective measures for contribution of due share of games fee by the Public/ Private schools to the Department. The Directors of School Education instructed (January 1999 and July 2004) all the educational institutions to remit games fee failing which the cases of defaulting institutions would not be considered for grant of extension of their recognition. However the Department had not monitored the realisation of games fee from students and subsequent remittance to the concerned DYSSOs and no action had been taken against the defaulting institutions.

Thus, failure of the departmental authorities to monitor transfer of its due share of games fee collected from the students resulted in short-remittance of ₹72.02 lakh to DYSSOs Jammu and Kathua thereby defeating the purpose of promoting sports activities.

The matter was referred to the Government in May 2015; reply thereof was not received (November 2015).



## Floriculture Department

### 3.5 Blockade of funds and avoidable expenditure

**Failure of the departmental authorities to identify an agency for establishment of cold store at Tulip Garden Srinagar resulted in blockade of funds to the extent of ₹3.95 crore and avoidable expenditure of ₹1.63 crore on purchase of tulip bulbs.**

For propagation and storage of tulip and other bulbs in scientific manner, the Director Floriculture Kashmir proposed (September 2009) establishment of cold store at Tulip Garden Srinagar at a cost of ₹4 crore to the State Government. The project was targeted to be completed by March 2010.

Audit scrutiny (June 2014) of records of Director Floriculture Kashmir showed that the tendering process for the cold store was initiated in October 2009 and then again in April 2010 in consultation with Mechanical Engineering Department Kashmir but due to lack of specific technology for establishment of such store in India there was poor response of the bidders. The Department thereafter approached (August 2011) State Trading Corporation (STC) of India, New Delhi for establishment of cold store. The STC furnished copy of agreement of terms and conditions with the end-user Department for import/ supply for acceptance which was submitted to the Government by the Director and the matter was referred to the Committee already constituted (April 2011) for the purpose. The Committee opined to entrust the job of establishment of cold store to Chief Engineer Mechanical Engineering Department Kashmir. However no headway was made in establishment of cold store (March 2015).

Audit further noticed that administrative approval of the project was accorded (February 2010) and ₹3.95 crore was advanced (March 2010) by the Government to Director Floriculture Kashmir for establishment of the cold store unit. The Director withdrew and deposited ₹3.95 crore in his Current Bank account and the amount was subsequently transferred (March 2013) to the Deposit head of account. The structural storage facilities for preserving tulip bulbs could not be put in place. As a result, the Department had to incur an expenditure of ₹1.63 crore during the period from 2010-11 to 2013-14 on purchase/ import of tulip bulbs. Lack of planning by the Director Floriculture Kashmir in establishment of cold store by withdrawing funds in advance resulted in blockade of ₹3.95 crore for over five years. The Accounts Officer of Directorate of Floriculture Kashmir stated (June 2014), that funds were released in March 2010 and were withdrawn from the treasury to avoid lapsing of funds.

Thus, failure of the departmental authorities to identify an agency for establishment of cold store at Tulip Garden Srinagar resulted in blockade of funds to the extent of ₹3.95 crore for over five years and avoidable expenditure of ₹1.63 crore on purchase of tulip bulbs.

The matter was referred to the Government in May 2015. Director Floriculture, Kashmir stated (July 2015) that to ensure good quality of bloom at tulip garden



fresh tulip bulbs were procured every year and that Mechanical Department had furnished DPR for construction of 37.5 MT capacity Tulip Bulb Cold Store at a cost of ₹1.91 crore. The reply was not convincing as despite lapse of over five years the cold storage was not established and funds amounting to ₹3.98 crore continued to remain in the Civil Deposit Head.

## Forest Department

### 3.6 Audit on Human Resources Management in the Forest Department

#### 3.6.1 Introduction

The functions and responsibilities of the Forest Department are broadly classified into management of forest resources, development of degraded forest area, protection of forest estate, conservation of soil and preservation of water bodies, wildlife protection, fulfilling social obligations (e.g., meeting the bonafide requirements of the people for timber, firewood and fodder). The Forest Department with its nine wings<sup>6</sup> besides Territorial Forest Department<sup>7</sup> is responsible for management of forests in the State.

During December 2014 - June 2015, audit reviewed records of human resources of Territorial Forest Department and Forest Protection Force covering the period from April 2010 to March 2015. Audit was conducted by test-check of records of the Principal Chief Conservator of Forests (PCCF) of the State, Chief Conservator of Forests (CCFs) Jammu and Srinagar, Director Forest Protection Force (DFPF) and 30 Divisions.

The position of funds allocated by the State Government and expenditure incurred there against by the Territorial Forest Department and the Forest Protection Force for the period 2010-15 is given in **Table-3.6.1** below:

**Table-3.6.1**

(₹ in crore)				
Year	Allotment of funds	Expenditure incurred	Expenditure incurred on salary	Salary as percentage of total expenditure
2010-11	309.97	242.04	189.97	78
2011-12	366.78	303.20	244.55	81
2012-13	357.44	320.51	261.94	82
2013-14	402.29	342.67	278.26	81
2014-15	441.74	354.84	294.49	83

As is evident from the table, expenditure on salary ranged between 78 *per cent* and 83 *per cent* of total expenditure during 2010-15 which signifies the importance of the human resources in the selected wings.

<sup>6</sup> Social Forestry; Forest Protection Force; Soil Conservation; Wild Life Protection; Ecology, Environment and Remote Sensing; State Pollution Control Board; State Forest Corporation; State Forest Research Institute and Integrated Watershed Development Project (Kashmir)

<sup>7</sup> An independent Department under the Department of Forests

### **3.6.2 Territorial Forest**

#### **3.6.2.1 Human Resource Planning**

##### **(i) Non-Revision of the Recruitment Rules, 1991 aggravating the Human Resource Planning**

The J&K Forest Non-Gazetted Subordinate Service Recruitment Rules were framed in 1991. Even with the introduction (April 2004) of the Centrally Sponsored Scheme (CSS), the Compensatory Afforestation Fund Management and Planning Authority (CAMPA), which envisage increase in forest cover and the requirements of digitization of records in the Forest Department, no corresponding change had been made in the said Recruitment Rules. The Department submitted (2007) revised Recruitment Rules to the State Government; its approval was still awaited. Further, the J&K Forest Gazetted (Service) Recruitment Rules framed in 1970 (as amended in 1981) had not been considered for revision by the Government.

Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that revised Recruitment Rules for Gazetted as well as non-gazetted cadre were submitted to the Government in the year 2007 but were pending for consideration of the Government.

##### **(ii) Non-formulation of seniority lists and adverse impact on human resource planning**

According to J&K State Civil Services Decentralization Act, 2010 and Rules there under and Government notification (SRO 459 of 1987), each Department is required to categorize its posts into District, Divisional and State cadres and accordingly prepare seniority lists.

Audit noticed that the Department had not categorized its posts as envisaged in the Act and had prepared seniority lists only for Divisional and State Cadre posts and not for the District posts. The following deficiencies were noticed by the audit:

- The seniority list of Class-IV employees was prepared (2005) by Conservator of Forests, Rajouri and thereafter the list was not revised or updated. The Department issued (June 2010) tentative seniority list which was objected to by some employees. Without taking into account the representations of the employees and without revising the seniority list the Department promoted (February 2011) 35 class IV employees of district cadre Rajouri as Forest guards ignoring the seniors depicted in the seniority list of 2005. The aggrieved employees got the promotions stayed by the Honb'le High Court with the result no promotions to the rank of Forest guards could be made affecting the work of Divisions as there was shortage of 38 Forest guards in Forest Division, Rajouri alone.
- Though an attempt was made (year 2005) to finalize the seniority list of

Foresters, it could not be finalized due to promotion of some Foresters with retrospective effect of ten to twelve years and their placement above their seniors; even one Forester was allowed to supersede 151 senior Foresters. The Department issued (January 2010) final seniority list by restoring the 151 superseded Foresters their seniority. However, the Foresters who were senior according to the seniority list of 2005 (those above the 151 Foresters but had been superseded) got the Seniority list of 2010 stayed by the Honb'le High Court. Due to non-finalization of seniority list of Foresters, the promotions to Range officers (ROs) and other higher posts had been affected with the result that the Department had to make *ad hoc* arrangements for higher posts.

- The seniority lists of class-IV employees of CF, Kashmir North Circle, CF, Kashmir South Circle and Srinagar Circle did not indicate date of engagement of the employees as daily wagers. In absence of verification of Date of Birth (DoB) and daily wagers service, authenticity of the seniority list is doubtful. Even in the cases where in the seniority list of class IV officials in the CF Kashmir North Circle the DoB had been mentioned provisional and subject to verification with reference to original DoB certificate/ Service book, no verification had been carried out despite a delay of 2 to 21 years.
- As per the Service records, there were some designated Deputy Foresters working in the Divisions without their name in the seniority list.

Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that the forest divisions were not always co-terminus with the districts and some divisions fell in two to three districts. It was also stated that in Jammu province the seniority list could not be streamlined due to intervention of the Hon'ble High Court. It was further stated that regularized helpers (DRWs) who wanted to be considered for promotion as Forest Guards obtained Court directions to stay the formulation of the seniority list of Class IV employees and that the Government had decided to re-designate the helpers as Class IV employees in order to initiate the process of notifying the said seniority list.

### **3.6.2.2 Staff Strength, Appointments, Promotions, Postings, Deployment, etc.**

#### **(i) Irregularities in Appointments and Irregular Expenditure**

Audit check of records showed that recruitments/ appointments were made by the Department without following procedure and availability of posts as discussed in succeeding paragraphs:

- Selection to the State Forest Service Cadre (SFSC) was made in 1984 and most of the appointees stood inducted to IFS cadre. Subsequently, the selection to SFSC was made in 2011, after a gap of 26 years. Further, direct

recruitment to the posts of RO Grade-I, which is the feeding cadre for the posts of ACFs (SFSC), was made in 1984 and after a gap of 20 years 42 ROs were directly recruited by the Department in the year 2004. Delayed recruitment of officers under SFSC and RO Grade I and non-promotion of staff to these posts at the time of vacancies had resulted in shortage of staff under SFSC. Audit observed that against 23 posts of DCFs (SFSC), only two eligible DCFs were in position and the remaining 21 were ACFs, ROs and Foresters (as on January 2015). Further, out of the 82 posts of the ACFs, 41 were to be filled by direct recruitment and 41 through promotions. Audit noticed that 40 ACFs were appointed through direct recruitment during the year 2011 but 34 posts under the promotion category were vacant (January 2015). Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that the situation had changed due to recruitment of 40 ACFs in the year 2011 and in future there was a need for regular appointment of ACFs as per requirement of the Department.

- Recruitment to Gazetted posts is made by the State Public Service Commission (SPSC). 49 ROs (Grade-I Gazetted rank) were appointed in October 1995<sup>8</sup> for a period of six months on *ad hoc* basis or till selection made by the SPSC, whichever was earlier. Audit observed that neither any effort was made by the Department to get selection process of these ROs (Grade-I) done by the SPSC within timeline nor were they disengaged. This indicated violation of Recruitment Rules. Further, out of 49 candidates of such category, 42 were finally selected by the SPSC in 2004 as ROs (Grade-I Gazetted rank). Audit observed that in addition an Empowered Committee appointed by the Government regularized another five cases (2012-13), which were not selected by the SPSC. Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that ROs who were initially appointed on *ad hoc* basis in the year 1995 on the request of SPSC had passed selection process of the SPSC and got selected in the year 2004. The reply was silent about non-adherence to the timeline for regularisation within six months and regularisation of five ROs without being cleared by the SPSC.
- 73 DDR<sup>9</sup> trained/ B.Sc Forestry candidates were appointed<sup>10</sup> (September 2000) as *ad hoc* Foresters for a period of six months or till the posts were filled by the Services Selection Board (SSB), whichever was earlier. Audit noticed that neither the posts were referred to the SSB nor were they disengaged. In fact, *ad hoc* Foresters were regularized<sup>11</sup> (December 2012) departmentally after 12 years in contravention of Recruitment Rules. Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that 73 DDR trained candidates were appointed as Foresters by the

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<sup>8</sup> Government Order No. 303/ FST of 1995 dated 12.10.1995

<sup>9</sup> Dehradun Returned (DDR)

<sup>10</sup> Government order No. 247 of 2000 dated 04.09.2000

<sup>11</sup> Government Order No. 514-FST of 2012 dated 31.12.2012

Cabinet decision (June 2000) on the basis of training received by these candidates in colleges recognized by GoI (Environment Ministry) and before the said Ministry issued (2004) new entrance rules for Forest Rangers. It was also stated that they continued in the Department on the basis of Court order (February 2001) and Government order (August 2004). It was further stated that 72 DDR trained appointees had been regularized retrospectively under J&K Civil Service (Special Provision Act) 2010. The reply was not convincing as the appointments had not been made through SSB as per Recruitment Rules.

- Government imposed a blanket ban on the engagement of Daily Rated Wagers (DRWs) since 1 April 1994<sup>12</sup>. In the test checked cases, audit observed that despite blanket ban, 2850 casual labourers were engaged by the Department during January 2002 to December 2014. Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that no DRW had been engaged in the Department since 1994 and that some casual labourers who were being paid from works component were engaged in respect of development works whereas some had been engaged for watch and ward of the plantation/ nursery units. The reply is not acceptable as only departments of Agriculture Production, Public Works (R&B), PHE, Irrigation and Flood Control and Power Development were authorized to engage seasonal/ casual labourers as per standing Government instructions (November 2005).
- Government had created temporary posts of Helpers to adjust DRWs who were engaged by the Departments prior to March 1994. These posts were to be abolished by way of adjustment against Class-IV vacancies becoming available in the event of retirement, death of employees over a period of time. Thus, no fresh recruitment was to be made in Class-IV category. Audit noticed that 256 appointments (149 regular Class-IV by the CCF Kashmir and 107 *ad hoc* Class-IV by the CCF Jammu) were made (1998 and 1999) under Class-IV category and service benefits such as annual increments, time bound promotions etc. were also released in favour of eight *ad hoc* Class-IV employees and their service books were maintained in test-checked cases in Jammu region. Despite non-availability of posts in Class-IV category and without any authorization of the Government, the Department had made 256 irregular appointments. Consequently payment of ₹8.97 crore<sup>13</sup> made to these employees was un-authorized and irregular. Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that the Government had Constituted (November 1997) a Committee headed by CCFs for appointment of Class IV officials in the Forest Department. The reply was not convincing as these appointments were not made through these committees but by the CCFs.

<sup>12</sup> The Departments of Agriculture Production, Public Works (R&B), PHE Irrigation and Flood Control and Power Development Department were however permitted (November 2005) to engage casual/ need based workers

<sup>13</sup> Calculated on minimum of basic pay and grade pay for the period April 2010 to March 2015



## **(ii) Deployment of Staff against norms**

Audit check of records showed that human resource was not deployed according to the prescribed norms as discussed in succeeding paragraphs:

- Government of India notified<sup>14</sup> (September 2006) that only IFS officers shall hold the charge of 30 identified territorial divisions including two working plan divisions. Audit noticed that IFS officers were holding charge of only 11 of identified territorial divisions<sup>15</sup> and remaining 19 territorial divisions were manned by ACFs, ROs and DDR Foresters. Audit also noticed that IFS officers were posted in 11 other Divisions/ offices in respect of which there was no requirement for IFS officers according to the GoI notification.
- It was further observed that without any formal promotion/ placement and holding Departmental Promotion Committee, out of 19 posts of Dy. CF, eight posts were manned by ACFs and 11 posts by DDR Foresters who were not authorised to hold such post as they were not in the gazetted cadre. The PCCF stated (March 2015) that promotions to IFS cadre were held up due to non-acquisition of length of service by the aspirants for such posts and that the arrangement was temporary and did not confer the right on the employees to claim the benefits of promotions and other monetary benefits. The reply was not acceptable as the Department had not made timely recruitment due to which promotion to the posts of DCFs/ IFS cadre could not be made.

## **(iii) Staff not deployed and wages paid to idle staff**

With the closure (September 2005) of four Projects under the Integrated Watershed Development Programme<sup>16</sup>, all the assets created under the project were handed over to Territorial Forest Department. Audit noticed that 294 officers/ officials of Forest Department who were assigned the job of implementation of the projects were not repatriated and continued in the project even after the closure of the projects despite shortage of staff in the Department. This had resulted in payment of idle wages of ₹33.07<sup>17</sup> crore to these employees during the period from April 2006 to February 2015. The Chief Executive Officers of these projects stated (April 2015) that matter had been taken up with the Administrative Department for adjustment of the idle staff in the Department.

## **(iv) Vacancies in posts and irregular promotions**

Promotion process in an organization needs to be fair, transparent and non-arbitrary to ensure effective and proper human resource management. Promotions are generally based on seniority. Audit noticed cases of non-promotion of staff due to shortcomings in the promotion process as discussed below:-

- According to the Government notification (1992) out of 225 sanctioned

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<sup>14</sup> Notification issued by the Government of India under No-16016/ 01/2006-AIS II-A dated 15.09.2006

<sup>15</sup> Eight in Jammu province and three in Kashmir province

<sup>16</sup> Launched In J&K State during 1990 with the financial assistance of World Bank

<sup>17</sup> Minimum salary

posts of ROs Grade-I, 68 posts (30 *per cent*) were earmarked for direct recruitment, 112 posts (50 *per cent*) posts were earmarked for promotion from RO Grade II and remaining 45 posts (20 *per cent*) were to be filled up by promotion of DDR Foresters. Audit noticed that all posts falling under the direct recruitment quota were filled up (up to year 2013) but 154 posts under promotion quota were vacant. In respect of RO Grade II, against the sanctioned strength of 65, the Department had the effective strength of only 34 officers. Promotions to the rank of ROs could not be made due to non-finalization of seniority lists of Foresters. Vacant 185 posts of ROs Grade I and II were manned by Foresters as stop gap arrangement. Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that as some Foresters had obtained stay order of the Court against the earlier list (prepared in the year 2010) fresh seniority list of the Foresters had been prepared and that posts would be filled accordingly as per the recruitment rules and eligibility.

- One Forest Guard was promoted (November 2001) as Deputy Forester in the CCF Kashmir and another Deputy Forester was promoted (November 2010) as Forester in DFO Anantnag without rendering minimum service of seven and two years respectively as was required under the Rules. Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that the report from Anantnag Forest Division was being sought and action as per rules would be taken accordingly.

#### (v) Inadmissible training linked incentives

To improve skill development of manpower resources, imparting of training is one of the imperative. Jammu and Kashmir Forest Service (Gazetted) Recruitment Rules, 1970 envisage that ACFs recruited direct or by promotion shall not be entitled to draw their next increment before they pass the prescribed Accounts examination. Audit observed that in five test-checked divisions, five ACFs were paid increments with effect from July 2011 without qualifying the Accounts examination. This had resulted in irregular payment of ₹3.65 lakh on account of inadmissible increments. Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that all but one newly recruited ACFs had completed the training course and that the irregularity if any pointed out by audit would be rectified as per provisions of the rules.

#### (vi) Irregular payment of pay and allowances

Audit noticed the following irregularities in the payment of allowances:

- Government instructions stipulate that *ad hoc* employees are entitled only to a minimum of pay scale and DA as applicable to regular employees from time to time. In three test-checked Divisions (Lidder, Langate and Anantnag)



audit found that house rent allowance/ (HRA), Medical allowance and increments amounting to ₹25.60 lakh was paid to 30 *ad hoc* employees. Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that the report had been sought from the concerned DDOs and after examining the issue, orders for recovery of the amounts would be passed. It was also stated that the DDO of Langate Division had already initiated the recovery process.

- In four test-checked Divisions (Kulgam, Langate, Leh and Kamraj), HRA of ₹6.15 lakh was paid to 12 officers/ officials who were availing Government accommodation.
- In three test-checked Divisions (Lidder, Kulgam and Kamraj), ₹1.07 crore was paid to employees on account of 6<sup>th</sup> pay commission arrears in four installments in March 2011, March 2012, March 2013 and March 2014. However, the amounts were neither depicted in the Income tax returns of the employees nor were income tax of ₹13.46 lakh deducted in respect of these arrears. Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that the concerned DDOs had been asked to examine the cases and effect the recovery of income tax for credit into government account.

### 3.6.3 Forest Protection Force

#### 3.6.3.1 Position of staff strength

The Forest Protection Force (FPF) was established in December 1996 and in 2001 was constituted as a Statutory Armed Force responsible to detect, register and take up investigation of offences under the Jammu and Kashmir Forest Protection Force Act, 2001 and the Rules made (2012) there under. The position of staff strength as of March 2015 in the organization was as shown in **Table-3.6.2** below:

**Table-3.6.2**

Sl. No	Category of staff	Sanctioned strength	Posted strength	Shortage
1.	Gazetted	99	34	65
2.	Non-Gazetted	1654	1085	569
3.	Watchers	682	680	2
4.	Total	2435	1799	636

Audit noticed that there was shortage of staff ranging between 25 *per cent* and 26 *per cent* during the period 2010-15 as detailed in the **Appendix-3.1**. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that revised draft recruitment rules along with restructuring proposal stood submitted to the Government. It was further stated that once the recruitment rules were notified the recruitment and promotions would be carried out to address the issue of shortage of staff.

### 3.6.3.2 Non-finalization of Recruitment rules and irregular appointments

According to the Jammu and Kashmir Forest Protection Force Rules 2012, appointment of Assistant Directors, Inspectors, Guards, etc., was to be made through direct recruitment. Audit noticed that Recruitment Rules specifying qualification, age, and other conditions of service, besides promotion of staff from Guard to Inspector and from Inspector to Assistant Director and other higher posts had not been formulated by the Government despite the fact that the FPF was in existence for over 18 years. The Director, Forest Protection Force stated (January 2015) that the Recruitment Rules was yet to be notified and that recruitment made earlier was in accordance with provisions of J&K Forest Subordinate Service Rules. The reply was not acceptable as posts of Assistant Directors, Inspectors, Guards, etc., were not in existence in the J&K Forest Subordinate Service Rules.

Audit also noticed the following deficiencies:-

- The State Government constituted (1997) two departmental Committees for recruitment of Class-IV staff such as orderlies, chowkidars, safaiwalas, etc. The Committees were allowed by the Government to appoint Watchers against 500<sup>18</sup> posts of Forest Protection Guards (FPGs). Audit noticed that there were no sanctioned posts of watchers in FPF and that against 500 posts approved by the Government, the Committees appointed 682 watchers irregularly. It was after a lapse of over 15 years that the Government constituted (May 2012) a Committee to conduct enquiry and fix responsibility for appointment of 182 excess Watchers. The findings of the enquiry Committee and action taken thereon, if any were not furnished to Audit. As there were no posts of watchers in the FPF, 512 posts of FPGs were downgraded (2012) and 170 supernumerary posts were created to accommodate them. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that a committee constituted by the Government in the wake of judgement of Hon'ble High Court recommended absorbing all Class IV employees who were appointed in absence of sanctioned posts and that the Government accordingly issued orders in September 2012 and March 2013.
- The Forest Protection Force had appointed 43 posts of orderlies and chowkidars in excess of the sanctioned strength of the posts. This had resulted in irregular expenditure of ₹1.70 crore<sup>19</sup> during the period 2009-10 to 2014-15 (December 2014). The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that the appointments had been made keeping in view the requirement of personnel and conditions during establishment of the organization and that their regularization had been taken up with the Government.
- The Government Rules prescribe that the appointment of Junior Assistant

<sup>18</sup> Out of total 1500 posts of FPGs

<sup>19</sup> Calculated on minimum of Basic pay plus Grade pay

should be referred to the J&K SSRB. Audit noticed that one Junior Assistant was appointed (April 1999) by the Director, Forest Protection Force and was posted in Territorial Wing of the Department without referring the post for appointment to the SSRB. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that the Junior Assistants working in the FPF were drawing salary against the sanctioned posts and the Department had no knowledge of any such Junior Assistant. The reply was not acceptable as one Junior Assistant<sup>20</sup> was appointed (April 1999) by the Director, Forest Protection Force and posted in Territorial Wing of the Department without referring the post for appointment to the SSRB.

### **3.6.3.3 Irrational deployment of staff**

According to the provisions of the FPF Act, the Assistant Directors are vested with powers *inter alia* to investigate and search premises and are also responsible for ensuring effective and result oriented deployment of force placed under their command, carry out patrolling in vulnerable areas identified with the help of territorial staff and to detect and bring the offenders to justice. Audit noticed that FPF had not made any recruitment to the posts of Assistant Directors and due to non-formulation of Recruitment Rules had also not made any promotions to the posts of Assistant Directors. Thus, the FPF was carrying out field work like patrolling etc., without the designated officers. The Director FPF stated that the Department was performing to the best of its ability utilizing all the available resources and manpower. Further, according to the creation order of the Forest Protection Force, the Deputy Director of any Gama Unit must not be below the rank of Dy. CF. Audit noticed that in 10 test-checked units (Billawar, Kathua, Natusa, Bandipora, Kehmil, Srinagar, Ganderbal, Jammu, Poonch and Baramulla) the ROs had been posted to Gama Units as In-charge Deputy Directors. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that due to non-notification of recruitment rules the recruitment and promotion as Assistant Directors could not be effected and that due to non-availability of DCF selection grade officers lower cadre officers were made Deputy Directors.

### **3.6.3.4 Non-preparation of seniority lists and irregular promotion**

The seniority lists of FPGs had not been revised/ updated since 2008 in respect of Kashmir Division and since 2009 in respect of Jammu Division. No seniority lists had been prepared in respect of Watchers and other class IV employees as of January 2015. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that working rules (year 2012) for fixing the seniority of FPGs and Inspectors had remained sub-judice and the Department had redrawn the seniority in compliance of Hon'ble High Court judgement. It was also stated that the process for redrawing the seniority of other cadres was under progress.

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<sup>20</sup> Muzzamil Hussain Shah, posted in DFO Special Forest Division Kulgam appointed vide FPF Order No:17 of 1999 dated:10.04.1999

- Audit observed that one Inspector was promoted out of turn as Assistant Director (2002) in relaxation of Rules by the State Government subject to clearance by DPC. The Inspector was further promoted (2010) as Dy. Director but no clearance of DPC in respect of his promotion as Assistant Director had been obtained (January 2015). State Police Department on the lines of which the FPG was created has intermediary posts of Head-Constable, Havildar and Assistant Sub Inspectors for regular promotion of constables to Inspectors. Audit noticed that in the sanctioned strength of FPF there was no intermediary post between Guards and Inspectors which was acting to the detriment of granting promotions to the staff. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that the Inspector had stood first in the basic weapon training course in Punjab Police Academy (PPA) and was given promotion in pursuance of commitment made by the Hon'ble Chief Minister. It was also stated that due to non-notification of recruitment rules the DPC could not be convened to confirm the promotion. It was further stated that the issue of intermediary posts stood addressed in the proposal for restructuring of the Department.
- One watcher was appointed (28 August 1997) in the pay scale of (₹2550-55-3200) in the Directorate, FPF and was posted in one of the Territorial Division. Though all watchers of Forest Protection Force were repatriated (April 2005), the official continued to be posted in Territorial wings of the Forest Department. The official was promoted (January 2003) as Junior Assistant in the Territorial wing of the Forest Department. This resulted in irregular promotion to the official. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that no Watcher had been promoted as Junior Assistant by the Department. The reply was not acceptable as the watcher<sup>21</sup> was promoted as Junior Assistant.

### 3.6.3.5 Inadequate trainings

The following deficiencies were noticed:-

- According to FPF Rules, every person on entering service in the Forest Protection Force as direct recruit in any rank shall undergo an initial training course for efficient performance of the duties. The enrolled members of Force on being selected for promotion are also required to undergo a special course at any training institute for a duration that may be fixed by the Government. Passing out such courses are essential for regular promotion and for joining duty. Audit noticed that the standards, syllabus and duration of training courses had not been formulated by the State Government (January 2015). The Director FPF stated (January 2015) that none of the enrolled members except Drivers stood promoted in the absence of recruitment rules and that the syllabus for promotion linked

<sup>21</sup> Sh. Fida Hussain posted at DFO, Peer Panchal Forest Division Budgam

training courses would be devised. Audit noticed that 107 Guards appointed (2007) in Doda District had not been provided basic training and were posted in Gamma units for field duty for the last more than seven years. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that directly recruited FPF Guards and Inspectors were deputed for initial training course in different Training schools of the State and PPA and that syllabus of promotion linked training courses would be taken up after Recruitment Rules were notified by the Government. It was further stated that 107 FPG Guards were reappointed after their earlier selection had been scrapped by the Government in compliance of Court directions and as the matter continued to remain sub judice the training of FPF Guards of Doda district would be taken up after the matter was decided by the Hon'ble Court.

- No recruitment or promotion as Assistant Directors was made by the Department and promotion as Deputy Directors had not been made from the cadre of the Department (except in one case). However, 22 Deputy Directors were engaged through deputation of Forest officers from Territorial Forest Department who were not trained to command a Force like FPF. Audit noticed that the Deputy Directors had not been imparted any training during the period 2010-15 indicating that untrained officers were running the affairs of FPF. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that due to absence of Recruitment Rules recruitments/ promotions as Assistant Directors could not be made in the Department and the Deputy Directors had to be deputed from the Forest Department. It was further stated that the officers of the Forest Department undergo rigorous training in various Institutes in the country and were well conversant to handle those assignments.

#### **3.6.3.6 Excess payment of pay and allowances**

The following deficiencies were noticed:

- In five test-checked units of FPF, audit noticed that 224 employees who had reached maximum stage in the pay band of ₹4440-7440 with a Grade pay of ₹1400 were placed in the pay band of ₹5200-20200 and were also allowed to draw the higher Grade pay of ₹1800 in violation of Rule 10 of J&K Revision of Pay Scale Rules 2009 (SRO 93) which did not prescribe change in Grade pay. This had resulted in excess payment of ₹30 lakh to such employees during April 2011 to March 2015. The concerned Dy. Directors of the units stated that action would be taken under rules. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that recoveries had been made in certain cases and the remaining cases would also be dealt with accordingly.



- Audit observed that HRA/ Medical allowance and increments amounting to ₹3.79 lakh was paid to three *adhoc* employees who were not entitled to the same. In three test-checked units audit noticed that HRA amounting to ₹7.29 lakh was paid to 13 officers/ officials who were availing Government accommodation. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that the matter regarding recoveries to be effected from those employees was sub-judice.
- Audit check of service records of employees in three units showed that 74 FPGs were appointed (1998-99) in the pay scale of ₹3050-4590. On completion of nine years of service, officials were entitled to first time bound promotion in the pay scale of ₹4200-75-5325. The time bound promotion was given to the officials on completion of nine years of service but were placed in the higher pay scale of ₹4000-100-6000. The grant of higher grade was referred (January 2014) to Administrative Department by the Directorate of FPF with the plea that the grade of FPGs as per creation order was ₹950-1500 (pre revised). Audit noticed that neither the concurrence of the Administrative Department nor sanction for release of higher grade was obtained from the Finance Department. The wrong fixation of pay had resulted in excess payment of ₹34.93 lakh to the officials. The Director Forest Protection Force endorsed (September 2015) a copy of the reply sent to the Principal Secretary of the Department wherein it was stated that the pay scale of ₹3050-4590 was upgraded to ₹3050-4910 vide Government Order of December 1998 and that the release of pay scale of ₹4000-100-6000 was correct. It was also stated that pay scale of ₹4200-5325 was wrongly given to some officials. The reply was not convincing as clarification of the Finance/ Administrative Department was not obtained in this regard.

#### 3.6.4 Welfare measures for staff

Audit noticed the following cases of unattended welfare cases:-

- The next of kin of 18 employees in CCF Jammu, who had died while in service, had not been employed in the Department under the Jammu and Kashmir (Compassionate Appointment) Rules, 1994 despite a lapse of four months to 14 years. The CCF Jammu stated that the cases were pending either for want of Class-IV vacancies or relaxation of norms (related to age/ qualification) by the State Government.
- The Government ordered regularization of DRWs who were engaged before January 1994 after completion of their seven years of continuous service. Audit check of records of eight Divisions<sup>22</sup> showed that 132 DRWs who were engaged before January 1994 had not been regularized despite completing 22 to 27 years of continuous service. Out of these, six DRWs in three divisions (Kathua, Ramban, and Jammu) had already expired with the result their families could not avail the pensionary and compassionate

<sup>22</sup> TDs: Udhampur; Kathua; Billawar; Batote; Ramban; Jammu; Rajouri and Poonch

appointment benefits. The concerned DFO's of the Division stated that cases for regularization of such employees had been submitted to the higher authorities. The Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that the cases though submitted for regularization of those DRWs were pending with the Administrative Department.

- Due to non-completion of service books, the pension cases of three employees in two Divisions (Bhaderwah and Batote) who had retired on attaining age of superannuation between November 2009 to March 2014 had not been settled despite lapse of one year to over five years. The DFOs stated that pension cases of retired employees could not be submitted due to non-submission of documents by the concerned employees. The reply is not tenable as completion of formalities had to be ensured by the DDO prior to retirement/ superannuation of the employee. The Director Finance of the Department forwarded a copy of the reply addressed by PCCF to the Principal Secretary of the Department wherein it was stated (September 2015) that instructions were being given to the Divisions to complete the pension cases timely as per Government directives.

### **3.6.5 Conclusion and Recommendations**

The J&K Forest Gazetted (Service) Recruitment Rules had not been considered for revision by the Government and the Department had not made any change in the Forest Non-Gazetted Subordinate Service Recruitment Rules. Territorial Forest Department had not categorized its posts as envisaged in the Act and had not prepared seniority lists for the District cadre posts.

**The Government may consider suitable revision/ change in the Rules and also categorisation of posts in accordance with the Act besides preparation of seniority lists for the District cadre posts.**

Recruitments/ appointments were made by the Department without following prescribed procedure.

**The Government may consider following prescribed procedure for recruitment/ appointment of staff.**

There was shortage of staff in the Forest Protection Force ranging between 26 *per cent* and 27 *per cent* during the period 2010-15. Recruitment Rules specifying qualification, age, and other conditions of service, besides promotion of staff had not been formulated by the Government despite the fact that the FPF was in existence for over 18 years.

**The Government may consider formulation of Recruitment rules for FPF.**

The seniority lists of FPGs had not been revised/ updated since 2008 in Kashmir Division and since 2009 in Jammu Division. The standards, syllabus and duration of training courses had not been formulated by the State Government.



**The Government may consider revision/ updation of seniority lists of FPGs and formulation of standard, syllabus and duration of training courses.**

### 3.7 Suspected embezzlement

#### **Lack of internal control mechanism facilitated suspected embezzlement of ₹one crore in Special Forest Division, Tangmarg.**

The Divisional Forest Officer (DFO), Special Forest Division Tangmarg was carved out (March 2010) from Pirpanjal Forest Division Budgam and JV Forest Division Baramulla. The Division has four different Bank accounts with J&K Bank Limited Tangmarg, each meant for separate purpose<sup>23</sup>. Drawal of salary by the Division from the Treasury is made on the basis of Establishment Bill/ Acquittance Roll (Form-39) and amounts drawn are credited to the official Salary Bank Account maintained with the J&K Bank Limited Tangmarg. Subsequently, salary advices are issued to the Bank for credit of salary in personal accounts of the staff by debit to the official Bank Account. Details depicted in Form 39 should match with corresponding entries in Form 36 (Schedule of cheques drawn) to the extent of cheques drawn on account of salary.

In the course of Central Audit of monthly divisional accounts for the months of September 2013, November 2013, March 2014, June 2014, July 2014, August 2014 and October 2014 of the Division, Audit came across instances of (i) mismatch of salary drawn through Form-39 with that of Form-36, (ii) drawal of salary arrears through Form 39 without due and drawn statements and, (iii) absence of statement of summary of expenditure in the Divisional Accounts.

Audit conducted (November 2014) test-check of the establishment records, Form-46 (Advance Register), Form 39, Form 36 and service records of few employees of the Division, (made available to Audit) and cross verified same with the Bank advices (sent by the Division to the J&K Bank Limited Branch, Tangmarg) and also the Bank Statements of the official Bank Accounts of the Division which showed as under:

- As per the Bank Statement of official Account<sup>24</sup> of the Division, ₹49.77 lakh were withdrawn by the Junior Assistant of the Division in his name through cheques during 01 June 2010 to 24 October 2014. Of these, ₹15.64 lakh was drawn in cash on self cheques and ₹34.12 lakh was transferred to his personal Bank Account. Apart from this, Temporary/ Forest advance of ₹3.46 lakh was paid (June 2012 to June 2014) to the Junior Assistant. This too was drawn in cash/ transferred to his personal Account. However, Audit noticed that this amount was reflected in the books of accounts.
- Against ₹13.43 lakh due on account of salary to the Junior Assistant for

<sup>23</sup> (1) Account No. CD-0139010200001007: Receipt and disbursement of Salary and day to day expenses, (2) Account No. CD-0139010200001008: Credit of Amount received on account of sale of timber for Sarva Shiksha Abhiyan (SSA), (3) Account No. SB-1021: Crediting Revenue Receipts for transfer to Government Account and (4) Account No. SB-13302: For CAMPA funds

<sup>24</sup> Account No. CD-0139010200001007)

the period from March 2010 to October 2014, an amount of ₹47.19 lakh was credited to his personal account through salary advices issued by the Division resulting in excess credit of ₹33.76 lakh made between June 2011 and October 2014.

- Out of an inadmissible pay arrear claim of ₹1.17 lakh drawn (June 2014) in favour of one of the Deputy Forester in June 2014, ₹0.37 lakh were credited to the personal account of the Deputy Forester and balance ₹0.80 lakh<sup>25</sup> was credited to the personal bank account of the Junior Assistant.
- The Division opened a current bank account<sup>26</sup> from 22 March 2010 for Revenue receipts on account of sale of timber to *Sarva Shiksha Abhiyan* (SSA) schools. An amount of ₹54.54 lakh was credited in this account from date of operation of account upto 5 November 2014. Audit scrutiny showed that ₹11 lakh were paid to three officials through cash/ bank transfer which included ₹9.56 lakh paid to the Junior Assistant.
- Test-check of salary drawn and paid into personal accounts of the employees of the Division for six months (September 2013, November 2013, June 2014, July 2014, August 2014 and October 2014) showed credit of ₹5.58 lakh to 25 employees of the Division in excess of salary due.

Thus, ₹100.48 lakh was drawn from the official salary Account of the Division through bank advices/ cheques and credited to the Bank Accounts of the Junior Assistant or the individual employees. This was facilitated due to absence of some of the vital internal controls as indicated below:

- (i) The Junior Assistant held multiple charges like cashier, head clerk and was also maintaining accounts, holding cheque books, passing of vouchers etc. from inception of the Division.
- (ii) There were names of some officials appearing in the Form 39 submitted with monthly accounts which were not forthcoming from the Form 39 maintained in the Division. This indicated that either these officials were non-existing or were transferred or had retired from the services etc. However, salary continued to be drawn against them and credited unauthorisedly to the bank account of some of the employees of the Division.
- (iii) Government revenue of ₹5.64 lakh was transferred to salary account instead of remitting the same into the treasury.
- (iv) The amount drawn from the treasury against the pay bill was either not paid or less paid to the officials against whom it was drawn and the accumulated balance thereof was paid in excess of the salary to some employees of the Division and to persons whose names were not figuring in Form 39.
- (v) The Division had prepared fictitious arrear claim in respect of employees and amount thereof was less credited to the salary account of such employees. Savings on this count were credited to the personal account of Junior Assistant.

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<sup>25</sup> Amount forms part of excess amount of ₹33.76 lakh drawn by Junior Assistant

<sup>26</sup> Account Number: 0139010200001008

(vi) Huge amounts were retained in the salary account of the Division at the end of financial years 2010-11 to 2013-14.

The statement of facts and figures of audit observations was brought to the notice of the Government/ Department and the Division in January 2015 for reply within three weeks' time. The response from the Government/ Department was awaited (May 2015). However, in reply (April 2015) the DFO Special Forest Division, Tangmarg reported/ admitted as follows:

(a) The Accountant had not been posted by the Director Accounts and Treasuries and that Form 39 was not properly maintained. Also Form 39 and Form 36 were at variance and required re-verification.

(b) That transfer (October 2011) of ₹5.64 lakh from SSA Revenue Account to Salary Account of the Division, had been carried out to correct the wrong credit representing salary afforded (October 2011) to SSA Revenue Account. The reply was not based on facts as no such amount was credited to the Revenue Account in October 2011 as cross verified by Audit from the Bank Statement of SSA Revenue Accounts.

(c) While accepting drawal of ₹49.77 lakh and ₹3.46 lakh by the Junior Assistant and credit thereof to personal account, claimed that the money was used for official payments on account of fare/ carriage, wages of labourers, office expenses, fuel etc. during 2010-11 to 2014-15. The reply is not acceptable as no sub-disburser account was maintained by the Division against drawal of ₹49.77 lakh and that crediting of Government money into personal account was irregular.

(d) All cheques issued from salary account above ₹one lakh were credited to personal account of the Junior Assistant.

(e) That ₹13.43 lakh was payable to Junior Assistant on account of salary from March 2010 to October 2014 and that excess amount credited to his account alongwith credit of ₹5.58 lakh made to 25 employees and arrear claim of ₹1.17 lakh would be got verified by the committee constituted for the purpose.

Thus, lack of internal control mechanism facilitated suspected embezzlement of ₹one crore in Special Forest Division, Tangmarg.

The matter was referred to Government/ Department in June 2015; reply thereof was not received (November 2015).

## General Administration Department

### 3.8 Implementation of Right to Public Services Legislation

#### 3.8.1 Introduction

The State Government has enacted the Jammu and Kashmir Public Services Guarantee Act 2011, which came into force from 10<sup>th</sup> August 2011. The Act provides for delivery of public services to the people of the State within the specified time limit and relate to the matters connected therewith and incidental

thereto. For carrying out provisions of the Act, the Government notified (July 2011) the Jammu and Kashmir Public Services Guarantee Rules 2011. Subsequently, the Government notified, between July 2011 and September 2013 a total of 80 public services spread across 13 Government Departments and the designated officers/ appellate authorities besides specified time limit for providing such services to the eligible persons.

### 3.8.2 Audit Review

Audit reviewed related records of 40 offices of six Departments in five districts<sup>27</sup> for the period August 2011 to December 2014 where 18 notified services provided by 131 Designated Officers (DOs) (Jammu Division: 88; Kashmir Division: 43) were test-checked between February and June 2015. In total 1.73 lakh cases (69 per cent) out of 2.52 lakh cases where services were provided by the DOs were test-checked by Audit as indicated in **Table-3.8.1** below:

**Table-3.8.1 (Details of Test-Check by Audit)**

Sl. No.	Name of the Department	No of offices test-checked	No of Designated Officers test-checked	No of cases where services provided	No of cases reviewed in Audit
1.	Revenue and Rehabilitation	14	23	79219	27335
2.	Industries & Commerce	5	10	2977	1040
3.	Transport	5	5	84040	73925
4.	Public Health Engineering	6	12	12783	3425
5.	Power Development	7	66	13066	11241
6.	Housing & Urban Development	3	15	59590	56137
	<b>Total</b>	<b>40</b>	<b>131</b>	<b>251675</b>	<b>173103</b>

### 3.8.3 Implementation of the Act and the Rules and shortcomings

#### 3.8.3.1 Non-maintenance of Register by Designated officers

Rule 16 provide that every DO is required to maintain a register in a prescribed form (Form 3) wherein necessary details such as Name and address of the applicant, Service for which application is given, last date of the stipulated time limit, application allowed or disallowed and date/ details of order passed are to be recorded. Audit noticed that prescribed register was not maintained by 82 (Jammu: 61; Kashmir: 21) out of 131 test-checked DOs. As a result of non-maintenance of the prescribed register, DOs could not keep a watch on timely delivery of services.

The DOs attributed non-maintenance of registers to shortage of staff and also stated that requisite registers would be maintained as per the provisions of the Act. 27 DOs including nine of Revenue and Rehabilitation Department Jammu did not reply.

<sup>27</sup> Jammu Division: Jammu, Rajouri, Doda: Kashmir Division: Baramulla and Anantnag

### 3.8.3.2 Non-issue of acknowledgement to applicants

According to Rule 4, the DO or any official authorised by him is required to give an acknowledgement to the applicant in the prescribed form (Form-I) and in case, the necessary documents have not been annexed with the application, the same are to be mentioned in the acknowledgement without recording the stipulated time limit. In case, all the necessary documents are annexed with the application and the application is complete in all respects then the stipulated time limit is necessarily to be recorded in the acknowledgement.

Audit noticed that the system of issuing acknowledgements to the applicants was not in place in 116 DOs<sup>28</sup> out of test-checked 131 DOs of six Departments thereby not complying with the provisions of the Act/ Rules.

The DOs stated that acknowledgements would be issued in future. One DO<sup>29</sup> stated that issue of acknowledgements was not possible due to heavy rush of applicants and scarcity of staff. Two DOs<sup>30</sup> stated that acknowledgements were not issued to applicants as Building Permission cases for no objection certificate (NOC) were received online from various departments and not directly from applicants. 23 DOs including 9 of Revenue and Rehabilitation Department (Jammu) did not reply.

### 3.8.3.3 Display of information on Notice Board

Rule 6 provides that the DO, for the convenience of general public, is required to display all relevant information related to the services provided on the notice board installed at a conspicuous/ prominent place of the office for public knowledge and also in the public domain. The necessary documents to be attached with an application for obtaining notified services are also to be displayed. Further, in the event of non display of such information in the public domain appropriate action is to be initiated against the DO by the competent authority.

Audit noticed that out of 131 test-checked DOs, notice board was installed in the premises of 109 DOs (Jammu: 70, Kashmir: 39) only. No notice board existed in the premises of 22 (Jammu: 18, Kashmir: 4) DOs. Out of the displayed notice boards, incomplete notice boards or notice boards showing incorrect information were installed in the premises of 42 (Jammu: 19; Kashmir 23) DOs. No action was taken against the DOs who had not installed the notice board or had displayed incomplete/ incorrect information on the notice boards.

The DOs stated that necessary action would be initiated to display the updated and corrected information on the notice boards. Three DOs<sup>31</sup> stated that notice board have been installed now. As such, this critical action was still to be completed. 27 DOs including nine of Revenue and Rehabilitation Department Jammu did not reply.

<sup>28</sup> It does not include 15 DOs where no applications were received

<sup>29</sup> Regional Transport Officer Jammu

<sup>30</sup> Executive Engineer (EE) Inspection Division Power Development Department Jammu and Executive Engineer EM&RE Division Anantnag

<sup>31</sup> District Industries Centre Jammu, District Industries Centre Doda and EE PHE-2<sup>nd</sup> Jammu

### 3.8.3.4 Non-communication of delay in delivery of services to the applicant

Rule 4 provides that in the event any service is denied or delayed, the DO is required to communicate to the person eligible and/ or applying for the service: (i) the reasons for such denial or delay, (ii) the period within which an appeal against such denial be preferred, and (iii) the particulars, including all available contact information of the competent appellate authority under the provisions of the Act. Though 1.73 lakh applicants were provided services by 116 DOs in test-checked offices after a delay ranging between one day and 1146 days, Audit did not find any evidence of having communicated reasons for such delay by any DO to the applicant concerned showing non-compliance with the provisions of the Act except Assistant Regional Transport Officer Baramulla. The DOs stated that provisions of the Act would be followed in future. 40 DOs did not reply.

### 3.8.4 Delay in delivery of services by the Departments covered under Audit

Delays in providing services by 131 selected DOs of six Departments noticed by Audit are discussed in the succeeding paragraphs:-

#### 3.8.4.1 Revenue and Rehabilitation Department

The Government notified 16 public services (July 2011: 14 services and July 2012: two services) under the Act for the Revenue and Rehabilitation Department, out of which, Audit reviewed three public services provided by 23 DOs during the period from August 2011 to December 2014, as indicated in **Table-3.8.2** below:

**Table-3.8.2**

Name of Service	Stipulated time frame for providing services (Days)	No of DOs involved			No. of cases where services provided			No of Cases test-checked			No of Cases delayed			Range of Delay (Days)		
		J <sup>32</sup>	K <sup>33</sup>	Total J&K	J	K	Total J&K	J	K	Total J&K	J	K	Total J&K	J	K	Average J&K
		Reserved Category Certificate	15	6	3	9	19214	5878	25092	5047	1555	6602	2959	1325	4284	1-849
Copy of Mutation	10	6	3	9	8181	4161	12342	8181	1120	9301	40	100	140	1-46	1-353	1-353
Permanent Resident Certificate	30	3	2	5	17621	24164	41785	5080	6345	11425	2796	2524	5320	1-872	1-807	1-872
<b>Total</b>		<b>15</b>	<b>8</b>	<b>23</b>	<b>45016</b>	<b>34203</b>	<b>79219</b>	<b>18308</b>	<b>9020</b>	<b>27328</b>	<b>5795</b>	<b>3949</b>	<b>9744</b>	<b>1-872</b>	<b>1-811</b>	<b>1-872</b>

As is evident from the table, out of 27328 test-checked cases (Jammu: 18308; Kashmir: 9020) of services by 23 DOs, delay ranging between one and 872 days in providing services was noticed in 9744 cases (36 per cent) against the prescribed time limit. The delay in Jammu Division ranged between one to five days in 559 cases, six to 30 days in 1813 cases, 31 to 60 days in 1111 cases and 61 to 872 days in 2312 cases. The delay in Kashmir Division ranged between one to five days in 422 cases, six to 30 days in 1385 cases, 31 to 60 days in 812 cases and 61 to 811 days in 1330 cases.

<sup>32</sup> Jammu Division (J): (Jammu, Rajouri and Doda)

<sup>33</sup> Kashmir Division (K): Anantnag & Baramulla



In reply 16 DOs stated that delay was due to incomplete documents appended with the applications, time taken in submission of reports by subordinate officers and also due to shortage of staff. They further stated that efforts would be made to deliver the services on time. Seven DOs did not reply.

### 3.8.4.2 Industries and Commerce Department

The Government notified three public services (July 2012) under the Act for the Industries and Commerce Department, out of which, Audit reviewed two services provided by 10 DOs during July 2012 to December 2014 in 5 District Industries Centres and the results thereof are indicated in **Table-3.8.3** below:

**Table-3.8.3**

Name of Service	Stipulated time frame for providing service (Days)	Services Reviewed in Audit														
		No of DOs involved			No. of cases where services provided			No of Cases test-checked			No of Cases delayed			Range of Delay (Days)		
		J <sup>34</sup>	K <sup>35</sup>	Total J&K	J	K	Total J&K	J	K	Total J&K	J	K	Total J&K	J	K	Average J&K
Registration of New Industrial units (Provisional/ EM Part-I)	5	3	2	5	867	1368	2235	332	346	678	155	225	380	1-360	1-361	1-361
Registration of New Industrial units (Formal/ EM Part (II))	15	3	2	5	316	426	742	211	151	362	80	104	184	1-186	1-195	1-195
<b>Total</b>		<b>6</b>	<b>4</b>	<b>10</b>	<b>1183</b>	<b>1794</b>	<b>2977</b>	<b>543</b>	<b>497</b>	<b>1040</b>	<b>235</b>	<b>329</b>	<b>564</b>	<b>1-360</b>	<b>1-361</b>	<b>1-361</b>

As is evident from the table above, out of 1040 test-checked registration certificates issued to industrial units by 10 DOs, delay in providing services was noticed in 564 cases (54 per cent) ranging between one day and 361 days against the prescribed time limit. Analysis further showed that delay in Jammu division was between one to five days in 62 cases, six to 30 days in 125 cases, 31 to 60 days in 28 cases and between 61 to 360 days in 20 cases while as in Kashmir division the delay ranged between one to five days in 88 cases, six to 30 days in 179 cases, 31 to 60 days in 41 cases and between 61 to 361 days in 21 cases.

The DOs stated that delay was due to non-completion of pre-requisite formalities by the applicants and late receipt of NOC from various agencies. The DOs further stated that measures would be taken to provide timely services.

### 3.8.4.3 Transport Department

The Government notified three public services (July 2011) and subsequently two more public services (October 2012) under the Act. Audit reviewed one service 'Driving license' issued by Regional Transport officer/ Assistant Regional Transport officer concerned in five DOs<sup>36</sup>, which showed that 84040 Driving

<sup>34</sup> Jammu Division (J): General Manager District Industries Centre Jammu, Rajouri & Doda

<sup>35</sup> Kashmir Division (K): General Manager District Industries Centre Anantnag & Baramulla

<sup>36</sup> Regional Transport Officer Jammu; ARTOs: Rajouri, Doda, Anantnag and Baramulla



Licenses (DLs) had been issued by DOs during September 2011 to December 2014, as indicated in **Table-3.8.4** below:

**Table-3.8.4**

Name of Service	Stipulated time frame for providing services (Days)	No of DOs involved			Services Reviewed in Audit											
					No. of cases where services provided			No of Cases test-checked			No of Cases delayed			Range of Delay (Days)		
		J	K	Total J&K	J	K	Total J&K	J	K	Total J&K	J	K	Total J&K	J	K	Average J&K
Driving License	30	3	2	5	52474	31566	84040	51861	22064	73925	10329	540	10869	1-1146	1-653	1-1146
<b>Total</b>		<b>3</b>	<b>2</b>	<b>5</b>	<b>52474</b>	<b>31566</b>	<b>84040</b>	<b>51861</b>	<b>22064</b>	<b>73925</b>	<b>10329</b>	<b>540</b>	<b>10869</b>	<b>1-1146</b>	<b>1-653</b>	<b>1-1146</b>

As is evident from the table above out of 73925 test-checked DLs, 10869 (15 per cent) were issued after a delay ranging between one to 1146 days from the date of successful test trial against the stipulated time frame of 30 days. Analysis further showed that delay in Jammu division was between one to five days in 1541 cases, six to 30 days in 5089 cases, 31 to 60 days in 2902 cases and between 61 to 1146 days in 797 cases. The delay in Kashmir division was between one to five days in 55 cases, six to 30 days in 292 cases, 31 to 60 days in 72 cases and between 61 to 653 days in 121 cases.

The DOs stated that delay was due to non-availability of printing material and other technical faults. Two DOs did not reply.

### 3.8.4.4 Public Health Engineering Department

The Government had notified (July 2011) two services (sanction for domestic water connection and actual domestic water connection supply) under the Act. Audit reviewed both the services sanctioned by the Executive Engineers concerned during September 2011 to December 2014 involving 12 DOs as indicated in **Table-3.8.5** below:

**Table-3.8.5**

Name of Service	Stipulated time frame for providing services (Days)	No of DOs involved			Services Reviewed in Audit											
					No. of cases where services provided			No of Cases test-checked			No of Cases delayed			Range of Delay (Days)		
		J	K	Total J&K	J	K	Total J&K	J	K	Total J&K	J	K	Total J&K	J	K	Average J&K
Sanction for domestic water connection;	15	4	2	6	8195	2294	10489	3425	-	3425	631	-	631	1-275	-	1-275
Actual domestic water connection supply	30	4	2	6	-	2294	2294	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>8</b>	<b>4</b>	<b>12</b>	<b>8195</b>	<b>4588</b>	<b>12783</b>	<b>3425</b>	<b>-</b>	<b>3425</b>	<b>631</b>	<b>-</b>	<b>631</b>	<b>1-275</b>	<b>-</b>	<b>1-275</b>

Audit noticed delay in providing services by two DOs of Jammu Division wherein 631 cases out of 3425 test-checked cases the delay ranged between one day to 275 days in respect of the service “Sanction of Domestic Water Connection”

against the prescribed limit of 15 days. The DOs stated that delay in providing services under “Sanction for domestic water connection” was due to incomplete documents appended with applications.

The records in respect of the other notified service, viz, ‘Actual domestic water connection supply’ in test-check offices of Jammu Division (4 DOs) and in respect of both notified services in test-checked offices of Kashmir Division (4 DOs) were not maintained. As a result, the performance of implementation of these services under the Act could not be reviewed in Audit.

All the DOs stated that records under the services “Actual domestic water connection supply” shall be maintained as per the Act. The reply was not convincing as the Department had not implemented the provisions of the Act.

### 3.8.4.5 Housing and Urban Development Department

The Government notified (July 2011) 10 public services under the Act for the Housing and Urban Development Department (HUDD). Audit reviewed four services provided by 15 DOs during the period from August 2011 to December 2014 and the results thereof are indicated in **Table-3.8.6** below:-

**Table-3.8.6**

Name of Service	Stipulated time frame for providing service (Days)	Services Reviewed in Audit														
		No of DOs involved			No. of cases where services provided			No of Cases test-checked			No of Cases delayed			Range of Delay (Days)		
		J <sup>37</sup>	K <sup>38</sup>	Total J&K	J	K	Total J&K	J	K	Total J&K	J	K	Total J&K	J	K	Average J&K
Building Permission for construction of house from Jammu Municipal Corporation	30	1	-	1	3910	0	3910	930	Nil	930	847	0	847	1-826	-	1-826
NOC for construction of house by Power Development Department	30	3	2	5	2383	237	2620	2358	205	2563	782	79	861	1-341	1-414	1-414
NOC for construction of house by Public Health Engineering Department	30	4	2	6	2638	282	2920	2354	150	2504	997	49	1046	1-484	1-700	1-700
Death/ Birth Certificate	30	3	-	3	50140	0	50140	50140	0	50140	0	0	0	-	-	-
<b>Total</b>		<b>11</b>	<b>4</b>	<b>15</b>	<b>59071</b>	<b>519</b>	<b>59590</b>	<b>55782</b>	<b>355</b>	<b>56137</b>	<b>2626</b>	<b>128</b>	<b>2754</b>	<b>1-826</b>	<b>1-700</b>	<b>1-826</b>

The issue of Building permission (BP) for construction of house under the Act by the Joint Commissioner (Admn)/ Planning, Jammu Municipal Corporation designated as DO is dependent on receipt of “No Objection Certificates” (NOCs) from seven line Departments<sup>39</sup> of the State Government. The stipulated time frame for providing this notified service by the DO is 30 days from the date of receipt of application.

<sup>37</sup> Joint Commissioner (Admn) Jammu Municipal Corporation Jammu; Registrars Jammu Municipal Corporation Jammu, Municipal Committee Rajouri, Doda, EE PHE Division City-I, City-II Jammu, Rajouri, EE Investigation Division Jammu, EE EM&RE Divisions, Rajouri and Doda

<sup>38</sup> EE, Public Health Engineering Divisions: Anantnag and Baramulla; Executive Engineer, Electric Maintenance and Rural Electrification Divisions: Anantnag and Baramulla

<sup>39</sup> Power Development Department, Public Health Engineering, Revenue and Rehabilitation Department (two), Sewerage and Drainage Department, Jammu Development Authority, Town Planning Organisation.

Out of 3910 BPs issued during the period from August 2011 to December 2014 by the Jammu Municipal Corporation, 930 cases were test-checked in audit. The delay ranging between one day to 826 days in providing the service was noticed in 847 (91 *per cent*) cases and delay ranged between one and five days in 26 cases, six and 30 days in 163 cases, 31 and 60 days in 193 cases and between 61 and 796 days in 465 cases. No reply was furnished by the DO.

**(i) Delay due to inadequate coverage under the Act**

After receipt of application for BP by the DO, the same is uploaded for obtaining NOC from seven line departments out of which DOs of five notified departments<sup>40</sup> are bound to issue NOC within the specified time limit of 30 days fixed separately for them under the Act for this service. The other two Departments (Revenue and Rehabilitation Department (one), Sewerage and Drainage) who also are to issue NOC have not been notified under the Act. Thus, specified time frame of 30 days for the DO to issue BPs being dependent on issue of NOC by line Departments wherein a period of 30 days stand fixed under the Act was not reasonably justified.

Test-check of 2062 cases of NOCs issued by five notified line departments showed that instead of issuing NOC within 30 days, there was delay which ranged between one day and 382 days in 617 cases. Thus, there was delay in issue of NOCs as well as of BPs at all stages and the purpose of bringing the service under the Act had not been achieved.

**(ii) Delay in providing services for issue of NOC for construction of house**

The Government had notified (July 2011) that NOC for construction of house to be obtained from PDD for availing the service under the Act in the HUDD to be provided by the Executive Engineer (PDD) concerned (Designated Officer) within stipulated time of 30 days. Audit noticed that out of 2620 NOCs issued by 5 DOs of the PDD, delay in providing of services was in the range of one day to 414 days in 861 (34 *per cent*) cases (out of 2563 NOCs test-checked). The DO of Inspection Division Power Development Department (PDD), Jammu stated that delay in issue of NOC was due to non-location of construction sites. The DO of Electric Division Baramulla stated that cases are received from Municipal Committee through the applicant who submits documents as per his wish which resulted in delay.

The Government had notified (July 2011) the service of 'NOC' for construction of house from Public Health Engineering Department under the Act in the HUDD to be provided by the Executive Engineer concerned (Designated Officer) within stipulated time of 30 days. Audit noticed that out of 2920 NOCs issued by 6 DOs of PHE Department, the delay in providing service of issue of NOC in 1046 cases (42 *per cent*) ranged between one day and 700 days. The delay in Jammu division ranged between one and five days in 161 cases, six and 30 days in 584 cases, 31 and 60 days in 187 cases and between 61 and 484 days in 65 cases. In Kashmir division the delay ranged between one and five days in 5 cases, six and 30 days

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<sup>40</sup> Power Development Department, Public Health Engineering, Revenue and Rehabilitation Department (one), Jammu Development Authority, Town Planning Organisation

in 14 cases, 31 and 60 days in 10 cases and between 61 and 700 days in 20 cases. The DO of EE, PHE Division 1<sup>st</sup> Jammu stated that time is consumed in obtaining feasibility reports from Sub-Divisions. EE, PHE Division Baramulla attributed delay to incomplete documentation. Four DOs did not reply.

The position with regard to issue of Birth and Death certificates by HUDD in test-checked cases was satisfactory as there was no delay noticed in audit.

### 3.8.4.6 Power Development Department

The Government notified (July 2011) 12 public services under the Act in the Power Development Department. Audit reviewed 6 services provided by 66 DOs in six<sup>41</sup> offices of the Department and the position in this regard is indicated in **Table-3.8.7** below:

**Table-3.8.7**

Name of Service	Stipulated time frame for providing service (Days)	Services Reviewed in Audit														
		No of DOs involved			No. of cases where services provided by DOs			No of Cases test-checked			No of Cases delayed			Range of Delay (Days)		
		J	K	Total J& K	J	K	Total J& K	J	K	Total J& K	J	K	Total J& K	J	K	Average J&K
Electric Connection Commercial - 05 KW	30	11	5	16	1269	942	2211	1269	298	1567	2	64	66	32-52	1-266	1-266
Electric Connection with Domestic load 10 KW	30	11	5	16	8809	1579	10388	8809	416	9225	1	95	96	15	4-872	4-872
Electric Connection with Industrial Load 10 KVA	30	11	5	16	134	31	165	134	26	160	5	13	18	3-60	3-321	3-321
Electric Connection with Commercial Load 20KW	35	4	2	6	146	15	161	143	15	158	50	10	60	1-375	9-116	1-375
Electric Connection with Domestic Load 20 KW	35	4	2	6	0	0	0	0	0	0	0	0	0	-	-	-
Electric Connection with Industrial Load 30 KVA	35	4	2	6	111	30	141	106	25	131	49	15	64	3-430	5-368	3-430
<b>Total</b>		<b>45</b>	<b>21</b>	<b>66</b>	<b>10469</b>	<b>2597</b>	<b>13066</b>	<b>10461</b>	<b>780</b>	<b>11241</b>	<b>107</b>	<b>197</b>	<b>304</b>	<b>1-430</b>	<b>1-872</b>	<b>1-872</b>

As is evident from table above, out of 11241 test-checked cases, delay in 304 cases (three *per cent*) ranged between one to 872 days. There was delay of one to 430 days in 107 (one *per cent*) cases only in Jammu Division. The position in Kashmir Division was adverse and the delay in 197 cases (25 *per cent*) out of 780 cases ranged between one day and 872 days and was between one to five days in 18 cases, six to 30 days in 70 cases, 31 to 60 days in 62 cases and between 61 to 872 days in 47 cases.

The DOs stated that delay was due to incomplete documents appended with applications and late submission of feasibility reports by the subordinate officers.

<sup>41</sup> EE, EM&RE Division 2<sup>nd</sup> Jammu, 3<sup>rd</sup> –Jammu, Rajouri, Doda, Anantnag & Baramulla

### 3.8.5 Impact assessment by Audit

To assess the public opinion and impact of implementation of Public Services Legislation, Audit interacted with 226 persons in the office premises of seven DOs<sup>42</sup> of Revenue and Rehabilitation Department (156 persons) and three DOs<sup>43</sup> of Transport Department (70 persons). Some of the important responses of the people relating to awareness about the Act/ Rules, official guidance, issue of acknowledgement, specific time limit, awareness camps etc. derived are brought out in **Table-3.8.8** below:

**Table-3.8.8**

Sl. No	Questionnaire	No of persons questioned	Response		Percentage	
			Yes	No	Yes	No
1.	Awareness about Acts and Rules	226	38	188	17	83
2.	Guidance provided for the documents required to be appended with application	198	5	193	3	97
3.	Receipt of acknowledgement against the application submitted	226	2	224	1	99
4.	Insist on issue of acknowledgement as it was necessary under the Act.	198	0	198	0	100
5.	Notice board seen anywhere in the office premises	226	85	141	38	62
6.	Instructions displayed on the notice board gone through	226	84	142	37	63
7.	Awareness about filing of an appeal before Appellate Authority (AA) for non-providing service within the specified time period.	198 <sup>44</sup>	35	159	18	80
8.	File an appeal with the AA who has power to penalize the DO and provide compensation	198 <sup>44</sup>	35	159	18	80
9.	Witnessed any awareness camps organized by any agency in your area	196	0	196	0	100

As evident from the table above, on the nine questionnaires Audit sought response from the public, majority of respondents had expressed their negative view or unawareness.

### 3.8.6 Monitoring and inspection

A Public Service Management Cell (PSMC) was established (March 2012) by the Government to monitor implementation of the Act and Rules and to coordinate with the departments in the matter of inclusion of different services, to arrange capacity building programmes for the DOs/ Appellate Authorities (AAs) independently or through Jammu and Kashmir Institute of Management, Public Administration and Rural Development, to evolve mechanism for third party monitoring of implementation of the Act and to conduct public awareness camps etc. Audit noticed that the PSMC had undertaken 20 field monitoring visits in 13 districts<sup>45</sup> (Jammu: 3; Kashmir: 10) during the period 2012-13 to 2013-14 and

<sup>42</sup> Tehsildar Jammu, Tehsildar Bishnah, Tehsildar Rajouri, Tehsildar Nowshera, Tehsildar Doda, Tehsildar Baderwah and Tehsildar Baramulla

<sup>43</sup> Regional Transport officer Jammu, Assistant Regional Transport officer Rajouri and Assistant Transport officer Doda

<sup>44</sup> Four persons did not respond

<sup>45</sup> Samba, Kathua, Udhampur, Srinagar, Budgam, Shopian, Anantnag, Ganderbal, Pulwama, Kulgam, Bandipora, Kupwara and Baramulla

conveyed findings to respective District level Nodal Officers for taking remedial measures against deficiencies noticed.

Audit observed that no action was taken by the Nodal Officers (NOs) at District or at the State level against the findings. One NO<sup>46</sup> in reply to audit query stated that the officer had visited seven Block Development offices (BDOs) where general public was made aware of their rights under the Act. The fact, however, is that services provided by BDOs are not covered under the Act. This shows non-seriousness of the Government towards implementation of the provisions of the Act. Further, 13 tour notes of PSMC showed that out of 65 DOs visited by the PSMC, non-maintenance of register was noticed in 53 DOs and non-issue of acknowledgement by 57 DOs. Also incorrect notice boards were displayed in the premises of 6 DOs and incomplete notice boards were found in 40 DOs. The PSMC had also observed non-compliance of the Act by DOs of various Departments in the State.

The findings of the PSMC being an effective tool should be seriously recognized by the service providers and should be implemented.

No mechanism was evolved for third party monitoring of implementation of the Act preferably by a non-Government organization. The Government stated that this shall be undertaken in the times to come.

#### **3.8.6.1 Lack of Awareness about the Act**

In order to sensitize the DOs and AAs about the issues for proper implementation of the provisions of the Act, the PSMC conducted 16 capacity building measure programmes in 12 districts and had also held seven public awareness camps in seven districts. However, the impact of conducting such awareness camps was not observed as audit interaction with persons conducted in the office premises of 10 DOs (Tehsildars: 7; Regional/ Assistant Transport Officers: 3) showed unawareness of provisions of the Act among the general public to the extent of 99 *per cent*.

#### **3.8.7 Conclusion and Recommendations**

82 out of 131 test checked Designated officers had not maintained prescribed register to keep a record of applications received from individuals for delivery of public services as required under the Jammu and Kashmir Public Services Guarantee Rules 2011.

**The Government may consider maintenance of prescribed register to keep record of applications received from individuals for delivery of public services.**

System of issuing acknowledgements to the applicants was not in place in 116 designated offices. Notice board was not installed in the premises of 109 designated offices.

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<sup>46</sup> Additional District Development Commissioner Doda



**The Government may consider putting in place a system for issuing acknowledgements to the applicants and installation of Notice Boards in the premises of designated offices.**

There was delay in delivery of services provided by Government Departments and out of 1.73 lakh test checked cases, delay in providing services in six Departments ranged between one day and 1146 days. There was lack of Awareness among the general public about the provisions of the Act.

**The Government may consider initiatives for avoiding delay in delivery of services provided by the Government Departments and take measures to spread awareness among the general public about the provisions of the Act.**

The matter was referred to the Government/ Department in July 2015; reply thereof was not received (November 2015).

## Health and Medical Education Department

### 3.9 Unfruitful expenditure on BMW incinerators

**Indifferent approach of the authorities to install BMW incinerators at the Government SMGS Hospital and CD Hospital Jammu without obtaining approval of the SPCB and their subsequent inaction to operate the incinerators resulted in unfruitful expenditure of ₹54.21 lakh incurred thereon.**

According to the guidelines issued by the Central Pollution Control Board the installation of Bio-Medical Waste (BMW) incinerator should be allowed only after the approval is granted by the concerned State Pollution Control Board (SPCB). The Medical Superintendents of Government Sri Maharaja Gulabh Singh (SMGS) Hospital, Jammu and Government Chest Diseases (CD) Hospital Jammu had approached (December 2012) the Regional Director SPCB, Jammu for grant of approval and issuance of 'No objection certificate' for replacement of old incinerators with new ones.

Audit check (June 2014) of records of Executive Engineer (EE), Mechanical, Hospital and Central Heating Division, Government Medical College and Hospital (GMC&H) Jammu showed that without approval of the SPCB the contract for supply, installation, testing and commissioning of 50 kg/ hour capacity incinerator at SMGS Hospital Jammu and 25 kg/ hour capacity incinerator at CD Hospital Jammu was finalised in January 2013 by the Chief Engineer, Mechanical Engineering Department Jammu at a cost of ₹53.65 lakh<sup>47</sup> and in March 2013 by the EE at a cost of ₹4.90 lakh<sup>48</sup>. The suppliers installed the equipment in March 2013 and payment of ₹51.71 lakh was released<sup>49</sup> in their favour. Further, an

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<sup>47</sup> ₹34.60 lakh for SMGS Hospital Jammu and ₹19.05 lakh for CD Hospital Jammu

<sup>48</sup> Supply, installation, testing and commissioning of waste shredder equipment to be installed at CD Hospital Jammu

<sup>49</sup> March 2013: ₹32.77 lakh; August 2013: ₹12.64 lakh; February 2014: ₹4.90 lakh and June 2014: ₹1.40 lakh



expenditure of ₹0.90 lakh and ₹1.60 lakh was incurred on allied works<sup>50</sup> at SMGS Hospital and CD Hospital, Jammu respectively. Though the incinerators had been installed (March 2013) but these could not be put to use for over two years for want of approval of the SPCB. The SPCB repeatedly informed (between January and October 2013) the hospital authorities to apply with the requisite documents for grant of mandatory clearance to operate the incinerators. The hospital authorities belatedly applied (July 2014 and September 2014) with the requisite documents for grant of permission to operate the incinerators. However both the cases were found deficient by the SPCB in treatment and final disposal of scrubbed water generated from air pollution control device of the incinerator. The SPCB had also observed that no proposals for installation of Effluent Treatment Plant for treatment of liquid waste generated from the hospitals had been furnished by the hospital authorities. As a result, the SPCB had not granted permission to operate the incinerators.

Audit further noticed that completion certificate for successful installation and operation of the equipment had not been issued in favour of the supplier and both the incinerators had not been handed over to the hospital authorities for their further operation. The incinerators as such continued to remain inoperative for disposal of biomedical waste generated from the hospitals thereby resulting in unfruitful expenditure of ₹54.21 lakh incurred thereon. After being pointed out in audit, the EE, Mechanical Hospital and Central Heating Division GMC&H Jammu stated (June 2014 and January 2015) that SPCB had pointed out some deficiencies which stood communicated (December 2014) to the Principal Government Medical College Jammu. The Chief Engineer Mechanical Engineering Department Jammu stated (August 2015) that for rectifying deficiencies pointed out by the SPCB requisite funds had been demanded from the Department.

Thus, indifferent approach of the authorities to install BMW incinerators at the Government SMGS Hospital and CD Hospital Jammu without obtaining approval of the SPCB and their subsequent inaction to operate the incinerators resulted in unfruitful expenditure of ₹54.21 lakh incurred thereon.

The matter was referred to the Government/ Department in April 2015; reply thereof was not received (November 2015).

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<sup>50</sup> Replacement of CGI sheets, painting/ white washing and Desktop with Printer

## Higher Education Department

### 3.10 Blockade of funds due to failure to ensure possession of encumbrance free land

**Injudicious action of the Government to release ₹6.24 crore before ensuring possession of encumbrance free land for construction of Government Degree College at Chatroo Kishtwar resulted in their blockade for over three years. The purpose of construction of the college to provide benefits of education to the local students could also not be achieved.**

The State Government accorded (December 2007) sanction for setting up of a new Government Degree College (GDC) under the Prime Minister's Reconstruction Plan at Chatroo in district Kishtwar. For this purpose the Collector, Land Acquisition (CLA) (Dy. Commissioner Kishtwar) issued (April 2008) notification under the Jammu and Kashmir State Land Acquisition Act and final award for acquisition of land measuring 73 *kanals* and 01 *marla*<sup>51</sup> at villages Chatroo and Udil Gujran was issued (February 2011) for ₹1.32 crore. Funds to the tune of ₹1.34 crore<sup>52</sup> were released (November 2008: ₹15 lakh; March 2010: ₹40.82 lakh; August 2010: ₹61.18 lakh and February 2012: ₹17.23 lakh) by the Government and placed at the disposal of CLA Kishtwar. After possession of land was taken over (December 2012) by the Principal GDC Chatroo, the Managing Director Jammu and Kashmir Projects Construction Corporation Limited (Company), who had been entrusted (August 2010) with preparation of detailed project report for the purpose was requested (February 2013) by the Department to start construction of the college. The concerned land owners not satisfied with the final award and compensation amount sought judicial intervention and the Hon'ble High Court directed (December 2012) for not dispossessing the land owners from the land in their occupation. The CLA Kishtwar deposited (June 2012) ₹1.32 crore in official Bank account of Principal District and Sessions Judge Kishtwar. The administrative approval for construction of the college at a cost of ₹13 crore was accorded (January 2012) by the Government. However, construction work could not be started by the Company due to court stay order obtained by the land owners.

Audit check (August 2014) of records of the Principal GDC Chatroo showed that without first taking possession of the identified encumbrance free land, the Commissioner Secretary, Higher Education Department released ₹6.24 crore in favour of Financial Advisor and Chief Accounts Officer (FA&CAO) of the Department (March 2011: ₹4.90 crore) and Principal, GDC Chatroo (February 2012: ₹1.34 crore) for further placement at the disposal of the Company. Audit observed that ₹4.90 crore parked in civil deposits by the FA&CAO of the Department was transferred (March 2012) into current Bank account of the College and kept outside the Government account. Further ₹1.34 crore was released (March 2012) by the Principal GDC Chatroo to the Company for construction of

<sup>51</sup> Land notified in April 2008: 66 *kanal* 01 *marla* minus land denotified in August 2009: 51 *kanal* 05 *marla* plus and notified in August 2009: 58 *kanal* 05 *marla*

<sup>52</sup> Includes compensation on account of value of trees/ structures not included earlier

the College. As the construction work could not be taken up due to non-resolving of the issue of land, the amount of ₹6.24 crore continued to remain blocked.

Thus, injudicious action of the Government to release ₹6.24 crore before ensuring possession of encumbrance free land for construction of Government Degree College at Chatroo Kishtwar resulted in their blockade for over three years. The purpose of construction of the college to provide benefits of education to the local students could also not be achieved.

The matter was referred to the Government in March 2015. Director Finance of the Department stated (May 2015) that after taking over possession of land and assigning construction work to the executing agency, the work could not be taken up as the land owners being reluctant to part with their land approached the Hon'ble High Court to obtain stay order against construction of the building. The reply was not convincing as funds for construction of the College were released before ensuring possession of encumbrance free land by the Department.

### 3.11 Blockade of funds due to non-establishment of satellite centres

**Injudicious action of the State Government to release funds before acquisition of land for the satellite centres at Billawar and Surankote resulted in blockade of funds to the extent of ₹1.70 crore.**

For taking higher education to less privileged population living in far flung areas of Jammu division, the University of Jammu submitted proposal for establishing campuses at Bhaderwah (satellite centres at Doda and Kishtwar); Kathua (satellite centre at Billawar); Udhampur (satellite centre at Ramnagar and Reasi) and Poonch (satellite centre at Surankote) to the State Government during the year 2008-09 which in turn released ₹3.70 crore for five<sup>53</sup> satellite centres during the period 2009-12<sup>54</sup>.

Audit scrutiny (September 2013) of records of the Registrar, University of Jammu showed that three satellite centres at Kishtwar, Ramnagar and Reasi were made functional but the two satellite centres at Billawar and Surankote for which ₹1.70 crore were released had not been made functional due to non-availability of land. These funds had been kept in the Bank account/ fixed deposit. Though the land for the functional satellite centres at Kishtwar, Ramnagar and Reasi was provided by the State Government, but no land was transferred/ acquired by the State Government in respect of satellite centres Billawar and Surnakote, as of December 2014. As a result, these satellite centres could not be established. Audit further noticed that despite identification (October 2012) of land by the Sub-Divisional Magistrate Billawar and further follow up by DC, Kathua (January 2013) with Registrar, Jammu University no follow up action had been taken by the authorities of the University of Jammu to acquire land for the satellite centre Billawar.

<sup>53</sup> Reasi (₹70 lakh); Ramnagar (₹80 lakh); Surankote (₹70 lakh); Billawar (₹One crore) and Kishtwar (₹50 lakh)

<sup>54</sup> 2009-10: ₹1.40 crore; 2011-12: ₹1.85 crore and 2011-12: ₹45 lakh

On being pointed out in audit, the Coordinator (Campuses), University of Jammu stated (October 2013) that satellite centres at Surankote and Billawar could not be made functional for want of land and resources to begin any academic activities and the State Government had been requested time and again for providing sufficient funds to make these centres functional. The Registrar, University of Jammu stated (December 2014) that process of land acquisition for the satellite centre Billawar had been initiated and that in respect of satellite centre Surankote, the authorities decided to strengthen the already established campuses at Poonch first and then initiate the process for establishment of new satellite centre.

Thus, injudicious action of the Government to release funds before acquisition/transfer of land for the satellite centres followed by subsequent inaction to provide land for the satellite centre Billawar and decision of the University of Jammu to delay the process for establishment of satellite centre Surankote resulted in blockade of funds to the extent of ₹1.70 crore for the period ranging between three to five years besides depriving the less privileged population living in far flung areas, of the envisaged benefits of satellite centres.

The matter was reported to the Government in January 2015; reply thereof was not received (November 2015).

## **Housing and Urban Development Department**

### **3.12 Working of Jammu Development Authority**

#### **3.12.1 Introduction**

With a view to promoting and securing development of the local area of Jammu city, the Jammu Development Authority (JDA) was constituted in February 1971 in pursuance of Section 3(1) of the Jammu and Kashmir Development Act, 1970. The Authority headed by Vice chairperson functions under the administrative control of the Commissioner/ Secretary, Housing and Urban Development Department (HUUD)

Audit reviewed working of the JDA for the period from 2009-10 to 2014-15 by test-check of records conducted between October 2014 and January 2015 in the offices of Vice Chairperson, Secretary, Financial Adviser and Chief Accounts Officer, Director Land Management, Superintending Engineer, Collector Land Acquisition and Chief Town Planner. The results of audit are discussed in the succeeding paragraphs:

#### **3.12.2 Non-implementation and Non-revision of Master Plan**

**3.12.2.1** The Master Plan-2021 of Jammu local areas notified by the Government in 2004 envisaged development of Jammu city in three phases<sup>55</sup> in 10 planning

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<sup>55</sup> Divisions K and E in Phase-I, Divisions A, B and C in Phase-II, and Divisions F, G, H, J and D in Phase-III

divisions<sup>56</sup> for covering over 38792 hectares of land and 19.29 lakh souls by the year 2021. These planning Divisions were further divided into 236 zones for which zonal developmental plans incorporating site plans, land use plans etc. were to be prepared.

Audit observed that divisional, zonal and annual action plans had not been prepared. Due to non-preparation of zonal plans, none of the objectives<sup>57</sup> of the Master Plan could be achieved. The Report of the CAG of India for the year ended 31 March 2007 had brought out that implementation of the First Master Plan (1974-94) suffered to a large extent due to non-preparation of Zonal Plans as only 10-15 *per cent* of proposals were implemented.

After being pointed out (October 2014) the Chief Town Planner (CTP) stated (January 2015) that the Zonal Development Plans could not be formulated due to non-availability of qualified manpower. This indicated that the Authority had not assessed/ addressed its manpower requirement despite being in existence for more than 44 years.

Audit further observed that the plan for development of residential areas for catering to the housing needs of the people and checking unauthorized growth in Phase-I had not been prepared (January 2015) in spite of the fact that survey and contouring of areas was got done (July 2008) through an agency<sup>58</sup> at a cost of ₹21 lakh.

In reply (July 2015), non formulation of plan for development of residential areas was attributed to lack of technical manpower. However, it was stated that the site plan framed would be utilized for local plans of the area after incorporating ground changes.

**3.12.2.2** Rule 13 of J&K Development Rules 1976 read with Master Plan require a periodic review of the Master Plan to be conducted every five years. Audit noticed that the Authority initiated the process of revision of the Master Plan belatedly in July 2010 and engaged (March 2011) the services of Centre for Environmental Planning and Technology University, Ahmedabad for revision of the Master Plan and preparation of Master Plan-2031 with a ten year perspective. The revision of the Plan was to be completed within eleven months. Though a payment of ₹27.25 lakh had been made (March 2013) to the consultant, the draft Master Plan had not been submitted (January 2015). Further, consent for preparation of Zonal plans sought belatedly (May 2014) from the consultant was awaited (December 2014).

After being pointed out by audit the Government stated (June 2015) that cancellation order had been issued to the consultant and revision of Master Plan had been taken up in house.

<sup>56</sup> A,B,C,D,E,F,G,,H,J,K,

<sup>57</sup> Development of commercial centres, shifting of major wholesale/ retail trade activities from old city to new divisions, expansion/ shifting of Industrial areas, development of open areas , modernization of existing Bus stand; development of a sub-urban rail link, development of power infrastructure, sewerage systems, landfill sites, water supply and treatment plants, development of hospitals, university campuses, Government offices, defence establishments etc.

<sup>58</sup> Chadha Project services

### 3.12.3 Financial Management

The developmental activities of the JDA were financed by revenue generated through internal resources<sup>59</sup> and funds provided by the State Government. Against availability of funds of ₹480.76 crore during 2010-11 to 2014-15 the Authority incurred expenditure of ₹140.49 crore (29 per cent) only leaving unspent balance of ₹340.27 crore at the close of March 2015 (Table-3.12.1). Audit noticed that the Authority had incurred expenditure without approval of annual budgets by the Board of Directors since 2007. The FA&CAO stated (December 2014) that the yearly Budgets were formulated and discussed with the Administrative Department. The reply was not convincing as the Authority had irregularly spent funds without getting approval of annual Budgets from the Board.

Table-3.12.1

(₹ in crore)

Year	Opening Balance	Funds Received			Other Capital receipt	Internal Receipts	Total Availability	Expenditure		Unspent Balance	
		State Plan	DC Works	Debt receipt				Amount	Percentage	Amount	Percentage
2010-11	133.05	5.84	0.30	0.27	0.80	37.08	177.34	22.50	12.68	154.84	87.32
2011-12	154.84	5.68	4.93	0.56	1.13	37.57	204.71	25.74	12.57	178.97	87.43
2012-13	178.97	2.01	7.02	0.14	-	36.63	224.77	28.05	12.47	196.72	87.53
2013-14	196.72	2.86	1.92	0.29	-	33.79	235.58	28.59	12.13	206.99	87.87
2014-15	206.99	-	2.25	0.17	-	166.48	375.89	35.62	9.47	340.27	90.53

As can be seen from above, the percentage of expenditure *vis-a-vis* availability of funds was very poor and ranged between 9 and 13 during the years 2010-11 to 2014-15. The expenditure on development works ranged between 19 per cent and 45 per cent of the total expenditure incurred by the JDA during the period from 2010-11 to 2014-15.

This indicated that the Authority had not taken up developmental activities commensurate with the availability of funds.

After it was pointed out, the Superintending Engineer JDA stated (January 2015) that deposit works were pending due to court cases and other hurdles in execution and that works of State Plan were on-going in nature resulting in accumulation of unspent balances. The reply was not convincing as the JDA had failed to overcome the constraints before taking up execution of works.

#### 3.12.3.1 Unadjusted Advances

As per provisions of para 2.33 of J&K financial code volume I, all advances are required to be got adjusted immediately. Audit observed that advances to the extent of ₹7.06 crore<sup>60</sup> granted by the Authority during 1994-95 to 2013-14 were pending adjustment as of March 2014. The officers/ officials of the JDA against whom the advances were outstanding had either been transferred or had retired from service. The outstanding advances had not been adjusted before issue of

<sup>59</sup> Premia, rent of plots and other built up assets

<sup>60</sup> Collector Land Acquisition: ₹3.01 crore; 33 officials (temporary travelling allowance and Miscellaneous advances): ₹4.05 crore



No demand certificate or reflected in the last pay certificates in respect of such employees.

While admitting the audit contention, it was stated by the Government (June 2015) that notices had been issued to concerned authorities for effecting recoveries.

#### **3.12.3.2 Non-submission of accounts to the State legislature**

Under Section 21 of the Jammu and Kashmir Development Act 1970, the Authority is required to prepare its annual accounts and present the report thereof after being certified by the Auditor to the State Legislature. The accounts of the Authority had not presented to the State Legislature since establishment of the Authority. The Government while admitting the audit contention (June 2015) stated that the instructions had been noted for future compliance.

#### **3.12.4 Non-holding of meetings of the Board**

According to the J&K Development Act, the Authority was required to make regulations for carrying out purposes of the Act which *inter alia* included summoning and holding meetings of Board of Directors. Audit observed that such regulations had not been framed by the Authority even after 45 years of the enactment of the Act. Further, no meetings had been held since April 2012 and the activities/ programmes undertaken by the Authority after April 2012 had not been approved by the Board of Directors.

On being pointed out, the FA&CAO stated (November 2014) that the Board meeting scheduled for July 2014 could not be held. However as per the latest reply of the Government, Board meeting has now been held on 11 June 2015.

#### **3.12.5 Management of land assets**

**3.12.5.1** The JDA is vested with the power to acquire, hold, manage and dispose of land and other property, to carry out building, engineering and other allied infrastructure works. The State Government transferred over 75833 *kanals* of land during years 1974 and 2003 to the JDA for all-round development of Jammu city. Audit observed that land measuring 57948 *kanals* had not been demarcated (December 2014). The Authority was not able to get the entire land transferred in its name or take the physical possession thereof. Out of the demarcated land measuring over 17885 *kanals*, total of 2810 *kanals* (16 *per cent*) of land had been encroached upon and remained under illegal occupation. The Director Land Management (DLM) stated (December 2014) that while 2810 *kanals* of land remained under unauthorized occupation; over 1882 *kanals* of encroached land had been retrieved. The DLM stated (January 2015) that the Authority had been in active correspondence with the Deputy Commissioners Jammu and Samba for demarcation of the land.

**3.12.5.2** The land acquisition proceedings at 13 places involving 9704 *kanals* of land were stalled due to faulty land acquisition process as indicated in

**Appendix-3.2.** The Collector Land Acquisition (CLA) attributed (December 2014) this to litigations, non-availability of funds and non-finalization of acquisition cases by the higher authorities. The reply was not convincing as no land could be acquired by the JDA during five year period 2009-14 as a result actual development could not take place as conceived in the Master Plan.

### **3.12.6 Dismal performance in execution of developmental projects**

#### **3.12.6.1 Sidhra-Majeen-Ragoora Township**

The Master Plan (1974-94) envisaged development of Sidhra-Majeen-Ragoora township on 19,154 *kanals* of land, which included private, State and Forest land. In absence of clear title to land and non-finalization of rates in consultation with Revenue Department, 8279 *kanals* of land could not be acquired despite initiation of acquisition process by the CLA in the year 1999. This resulted in lapse of awards, re-occupation of land by erstwhile owners on grounds of inadequate compensation etc. Audit noticed that of the 6432 *kanals* of land acquired after payment of compensation of ₹7.86 crore, 4879 *kanals* were re-occupied by the former owners. The project area also included 623 *kanals*, 10 *marlas* of Forest land which was transferred (June 1998) to the JDA for construction of satellite township. Though a payment of ₹11.34 lakh on account of cost of trees/compensatory afforestation had been made (March 2002 and November 2003) to the Forest Department, the physical possession of land had not been taken over (December 2014).

On being pointed out, the Secretary and the CLA of JDA stated (December 2014) that land acquisition process in respect of Sidhra Township was in progress for which new rates of compensation had been proposed and forwarded to the Deputy Commissioner Jammu for approval. Further progress in the matter was awaited (May 2015).

## 3.12.6.2 Other development Projects

Table-3.12.2

Sl. No	Name of project	Remarks	Reply of Authority/ Government
1.	New Jammu township	Proposal for development of a full fledged <sup>61</sup> township over an area of 2052 Ha, approved in 2007 remained a non-starter though extensive physical surveys were carried out.	The Government in reply (June 2015) stated that though detailed site plan was framed, acquisition of land could not take off. It was further stated that the same would be taken up as part of new JMP 2032 presently under approval with Government.
2.	Housing colonies and residential flats	Out of 12 proposed housing colonies approved by the Board during 2007-12, applications for allotment of residential plots at three sites <sup>62</sup> was initiated belatedly (July 2014) by the Authority which were pending as of January 2015.	On being pointed out in audit, it was stated (December 2014, June 15) that plans for establishment of various projects were being formulated and that transferred land would be utilized in the interest of public.
3.	River Tawi front park	Project for development of river tawi front park over 43 <i>kanals</i> transferred to the Authority and approved in February 2012 had to be abandoned (September 2015) due to objections raised by the Irrigation and Flood Control Division after ₹73.86 lakh had been incurred on the project.	In reply it was stated (June 2015) that JDA has initiated the process of development of park and would be completed in due course. But the reply is evasive and silent about non-obtaining of NOC from I&FC Department.
4.	Development of multi-tier parking lots in Jammu city	For development of multi-tier parking lots at three sites <sup>63</sup> in Jammu city on Public Private Partnership (PPP) basis, the Authority (October 2010) hired the services of a transaction advisor <sup>64</sup> at a cost of ₹9.15 lakh. Bid documents in respect of one site <sup>65</sup> for the development of which Government had released (March 2013) ₹2.53 crore, could not be processed further as the Administrative Department opined (June 2012) that the rights could not be leased out to a non-state subject and advised to explore other options. Thereafter, no further progress was made in the matter resulting in unfruitful payment to the consultant and blockade of Government funds (January 2015). For the second site <sup>66</sup> the JDA had ownership issues with Jammu Municipal Corporation and the construction of multi-tier parking at the third site <sup>67</sup> was shelved as the site had been taken over by the Legislative Assembly.	After being pointed out the CTP (Chief Town Planner) stated (November 2014) that the project was being taken up in Engineering Procurement and Construction (EPC) mode for which approval of Administrative Department for inviting Request for Qualification (RFQ) cum Request for Proposal (RFP) was awaited. Further the Government (June 2015) stated that further decision would be taken in the next board meeting.
5.	Bus stand at Gurah Brahmana	In order to decongest traffic in Jammu city the JDA proposed (December 2007) to construct Bus stand at Chamb, Gurah Brahmana. Audit noticed that even after final award for acquisition of 204 <i>kanals</i> of land was issued (January 2013) the Authority did not provide funds to the extent of ₹6.98 crore for acquisition of land as of January 2015 despite availability of huge unspent balance of ₹340.27 crore (March 2015).	Latest reply of the Government (July 2015) indicates that no progress had been achieved so far.

<sup>61</sup> Construction of Ware house, Transport Nagar, University Campus, Social and Cultural Complex, Police lines, District center etc;

<sup>62</sup> Birpur, Gole Gujral and Kot Balwal

<sup>63</sup> General Bus stand, Panjtirthi Matador stand and City Chowk

<sup>64</sup> Abacus Legal Group

<sup>65</sup> General Bus stand

<sup>66</sup> Panjtirthi Matador Stand

<sup>67</sup> Doctors lane (city chowk)

### 3.12.7 Discrepancies in allotment of plots of land

#### 3.12.7.1 Irregular allotment of plots of land

(i) The enquiry committee, appointed (January 2005) by the JDA for verification of genuineness of the allottees of plots of land in different housing colonies reported (March 2006) 148 cases of allotments in violation of norms. The committee recommended cancellation of these allotments. Instead of taking any action thereon, the BOD decided (April 2012) to constitute another committee under the chairmanship of Principal Secretary of the Department to put up a proposal for resolving the issue. However, no action was taken in the matter (January 2015).

After being pointed out by audit, the Secretary, JDA stated (December 2014) that matter was being pursued with the Administrative Department and the BOD. The latest reply of Government indicates that all irregular allotments have been cancelled by the BOD.

(ii) Audit noticed instances of faulty allotment of plots of land to non-state subjects in violation of J&K Land Grants Act, handing over possession to allottees without execution of lease deeds and delayed action in cancellation of allotments for default in payment of premium etc, resulting in litigations and consequent blockade of properties at prime locations valuing ₹146.96 crore as indicated in the *Appendix-3.3*.

On being pointed out, the Government stated (June 2015) that land would be disposed of after settlement of court cases. The reply was not acceptable as adhocism and delayed action by the JDA had invited such litigations and further the Authority had not taken sufficient steps towards legal remedy for retrieval of plots of land.

#### 3.12.7.2 Allotment of land on insufficient bids

(i) To ensure transparency and adequate competition, a uniform procedure was required to be followed in allotment of commercial sites. Audit check of records showed that the JDA had not followed a uniform procedure for allotment of commercial sites. Out of five allotments made during the period 2009-14, three commercial plots of land measuring 9.26 *kanals* and valuing ₹3.18 crore were allotted (December 2010 and February 2011) on the basis of single bid (one case)/ two bids (two cases).

On being pointed out (November 2014), the Secretary JDA stated (December 2014) that bids were accepted as the bid amount was more than minimum reserve price. The reply was not acceptable as minimum reserve price was only indicative and that finalization of allotment process in absence of minimum prescribed bidders defeats the purpose of competitive bidding. The reply also contradicted the action of the Authority in August 2007 for withdrawal of an allotment (July 2007) of land measuring 7.29 *kanals*<sup>68</sup> on the plea that allotment was decided on the basis of insufficient two bids.

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<sup>68</sup> Located near Director, School Education, Jammu

(ii) A parking lot<sup>69</sup> constructed at a cost of ₹13.83 lakh had been allotted<sup>70</sup> at a fixed rate of ₹0.25 lakh per month since 2011 without going through the open auction process. The Government stated (June 2015) that efforts would be made to enhance the rates. The reply was however silent about deviation from prescribed procedures.

### 3.12.7.3 Injudicious allotment of land to trusts/ societies

The Authority had not framed any policy in respect of leasing out of land at concessional rates to social, religious, charitable trusts or institutions with reference to conditions for allotments and quantum of land. In absence of any policy, allotment of plots of land was made randomly on the basis of applications received.

(i) The JDA had allotted 867.90 *kanals* of land to seven societies/ trusts<sup>71</sup> between September 2002 and December 2010 at varying concessional rates. Information whether or not the lessees utilized the land for the purpose it had been leased out was not available with the Authority. Audit noticed that no mechanism for ensuring fulfillment of post allotment conditions of lease deeds existed. No follow-up action was taken (January 2015) against the lessees to rectify the lapses noticed in four cases as detailed in **Table-3.12.3** below:

**Table-3.12.3**

Name of the Trust/ Society	Objectives of the trust	Land allotted/ location	Premium	Ground rent payable	Date of allotment/ lease period	Whether lease deed executed	Lapses noticed
Late Bhagat Chajju Ram Memorial Trust	Education Institute for poor	7.9 <i>kanals</i> at Gadigarh	₹5 lakh per <i>kanal</i> (base rate) no concession	₹5000 per <i>kanal</i> per annum	27.12.2010	Yes	Land allotted on the recommendation of Dy. CM Land yet to be utilised. Site inspection carried out by party.
Sant Shri Asa Ram Babu trust	Religious purposes	283 <i>kanal</i> Gole	₹0.50 lakh/ location	₹20 per <i>kanal</i> per annum	28.05.2005	Yes	Illegal construction of 30 flats. Possession of excess land. No. formal approval from Government.
Bhartiya Yog Sansthan	Setting up of Yoga center	15 <i>kanals</i> Gole Allotment of Addition at 10 <i>kanal</i>	₹0.50 lakh/ <i>kanal</i> 4 lakh/ <i>kanal</i>		10.02.2005 (40 years) 09.08.2007	Yes No	Allotment made on the recommendation of Minister. Construction of compound wall and other construction carried out without taking over formal possession.
Jammu Dental Charitable Trust	Chritable Dental Hospital	100 <i>kanals</i> at Sidhra	Token amount of ₹5 lakh		14.09.2002	No	Possession handed over on <i>supurdnama</i> without execution of lease deed. LOI issued was subsequently withdrawn as the allotment was rejected by the Board. The rejection was challenged in the Court which granted protection in favour of the lessee. Status quo in force since 04.11.2004.

<sup>69</sup> Ware House Jammu

<sup>70</sup> Chamber of Ware House Jammu

<sup>71</sup> Late Bhagat Chajju Ram Memorial Trust; Vitasta Health Care Trust; Sant Shri Asa Ram Babu Trust; Bhartiya Yog Sansthan; Samaj Kaliyan Kendra; Jammu Dental Charitable Trust and Shree Chander Chinar Bada Akhara Udaisin Trust

In reply (July 2015) it was stated that these allotments were made after proper verification. The reply was not convincing as the Authority was yet to come up with a policy for leasing out land to trusts.

Audit also noticed that without ascertaining legal status of the society and without ensuring fulfilment of mandatory conditions for setting up medical charitable trust/ college, the Authority allotted (December 1994) land measuring 250 *kanals* located at Nagrota to a society<sup>72</sup> for establishment of hospital-cum-medical college for a period of 40 years at a concessional premium of ₹0.25 lakh per *kanal*. The land was allotted on the basis of Letter of Intent without execution of lease deed in anticipation of clearance from Medical Council of India (MCI). Audit noticed that the allottee had failed to obtain mandatory clearance from the Medical Council of India for setting up medical college for the last twenty years. Though the Department had directed (October 1999) the JDA to cancel the allotment for delay in payment of outstanding premium, rent and interest in respect of allotted land but no action was taken by the JDA for retrieval of land. The outstanding premium and interest of ₹62.11 lakh was paid (February & March 2013) by the allottee after lapse of over 20 years. Further the allottee being a Society changed (October 2013) its status to a Trust through execution of trust deed with additional aims and objectives without prior permission from the Authority.

After it was pointed out, the Secretary JDA admitted (December 2014) that possession of land had been handed over without execution of lease deed and stated that the matter was being pursued in the Hon'ble Court.

### **(ii) Irregular allotment of land to media institution**

The guidelines for allotment of plots/ flats to different categories of people issued by the Government in September 1991 did not provide for allotment of land at concessional rate to media institutions. Audit noticed that 4.65 *kanals* of land was allotted (May 2004) to the editor of a local daily<sup>73</sup> at the rate of ₹15 lakh per *kanal* (50 *per cent* of market price) for establishment of office and printing press. Further no lease deed was executed by the Authority with the allottee who also failed to deposit the outstanding premium/ interest of ₹22.65 lakh (December 2014). Audit observed that the allottee did not utilize the land for the intended purpose and the Authority took no action to cancel the allotment in view of default by the allottee.

After being pointed out in audit, the Government stated (June 2015) that concessional rate had been allowed by the Board. The reply is not acceptable as the standing Government instructions disallowed allotment of land at concessional rate to media institutions.

### **3.12.8 Change of land use by the Authority irregularly**

According to Section 12 of J&K Development Act 1970, the Authority can make such modifications to the Master Plan, which do not relate to the land use.

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<sup>72</sup> Krishan Hira Nand Memorial Society

<sup>73</sup> Sh. Prabodh Jamwal editor of Kashmir Times



The modifications relating to land use could be permitted only after obtaining sanction of the Government after observing formalities like publishing of notice in newspapers and inviting objections and suggestions from stakeholders. Test-check of records showed that change of land use from residential to commercial purpose was allowed without sanction of the Government and without observing due process in four cases as discussed in the following paragraphs:

**3.12.8.1** A plot<sup>74</sup> of land measuring 6000 sft was allotted (2002-03) by the Authority on the basis of open auction to a Society<sup>75</sup> for construction of a Guest house. The lessee did not carry out any construction within the validity period prescribed (September 2003) in approved building plan. The lessee sought (November 2008) permission from the Jammu Municipal Corporation for construction of an office complex and restaurant in addition to Guest house which was not granted due to the reason that the land was meant for residential purpose and there were parking constraints also. The Society sought no objection certificate (NOC) from the Authority for change of land use which was allowed after relaxation of conditions of auction notice and lease deed. The change of land use was illegal as there was no Government approval. Further, no conversion charges were levied against the Society resulting in loss of ₹49.23 lakh to the Authority.

**3.12.8.2** The Authority allotted (September 2004) a plot of land<sup>76</sup> measuring 5400 sft (against prescribed minimum area of 10880 sft for nursing homes as per Master Plan 2021) to an individual for construction of Nursing Home. The lessee sold (2007) the leasehold rights to another individual who applied to the Authority for grant of permission to utilize the site for commercial purposes. Without Government approval the conversion was allowed by the Authority subject to payment of conversion charges of ₹one crore.

**3.12.8.3** Under a Government package for rehabilitation of dislocated families who were in possession of State land, three plots<sup>77</sup> measuring 10 *marlas* each were allotted (1984) at Rail head complex, Jammu to as many individuals for residential purposes. One of the allottees<sup>78</sup> who had subsequently acquired (2003) possession of all the three plots applied (July 2006) for change of land use for construction of a hotel. Without following the prescribed procedure as per Development Act including publishing of notice, inviting suggestions and objections from the stakeholders etc. the matter was belatedly referred (October 2013) by the Authority to the Administrative Department which allowed the conversion subject to payment of conversion charges by the allottee. Accordingly, a fee of ₹1.05 crore was charged from the lessee in April 2014.

The reply of Government (June 2015) that the case was approved by the BOD by charging commercial rate of plots prevailing at the time does not hold ground as the conversion was against the basic intent of the rehabilitation package. Besides prescribed procedure was not followed for the said conversion.

<sup>74</sup> Gandhi Nagar Extension opposite Bahu Plaza Complex (Plot No.5)

<sup>75</sup> JK Educational Society

<sup>76</sup> Rail head complex (site No. 2)

<sup>77</sup> Plot Nos 6,8 and 9

<sup>78</sup> Mr. Baldev Raj Mahajan

**3.12.8.4** Two plots<sup>79</sup> of land measuring 13077 sft were allotted (1998) and approved (March 1999) by the Authority through open auction to an individual for construction of a Guest house. Without following due process and without obtaining Government approval, the Authority allowed (April 2000) change in land use to raise a hotel, bar, restaurant and banquet hall on the site. This resulted in revenue loss of ₹1.67 crore on account of unpaid conversion charges.

After being pointed out, the Secretary JDA stated (June 2015) that the conversion of two plots from residential to commercial was allowed by the Authority on the basis of feasibility of site. The reply was not acceptable as Government approval had not been obtained for conversion of land.

### **3.12.9 Excess land in possession of allottees**

The JDA had not carried out measurement of plots of land at the time of allotment in favour of the allottees. For regularization of excess land in possession of lessees, the Authority proposed (June 2011) to conduct a survey to assess the quantum of excess land and to give the allottees two months' time to deposit the cost at a concessional rate failing which the allottees were to deposit the cost at the prevalent market rate. Audit noticed that no survey had however been conducted as of January 2015. Test-check of records showed that six lessees to whom the leasehold rights were transferred between January 2014 and November 2014 were in possession of excess land. Accordingly recovery of cost of excess land and execution of fresh lease deed were effected in respect of these lessees by the JDA.

The Government stated (June 2015) that recovery of cost of excess land within the plots at prevalent notified rates had been initiated.

### **3.12.10 Non-issue of occupancy certificate**

The JDA was required to obtain completion certificate of a qualified architect and to issue occupancy certificate to the allottees in respect of constructed buildings. Audit observed that neither the completion certificates of qualified architects were obtained nor occupancy certificates issued to the allottees in respect of constructed buildings. The Authority had not maintained records of approval of plans, stipulated date/ actual date of completion and date of occupancy of buildings by the allottees.

In reply it was stated (June 2015) that no applicant had approached JDA for obtaining occupancy certificate. The reply was not convincing as the Authority had failed to ensure that the applicants comply to the statutory requirement despite being equipped with a full fledged Enforcement wing.

### **3.12.11 Short realization of regularization charges**

Government introduced (May 1974) land regularization scheme to regularize illegally occupied colonies with unauthorized layouts and plots of land. Audit observed that out of 51 illegal/ un-authorized colonies<sup>80</sup> under jurisdiction of the

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<sup>79</sup> 6137 sqft and 6940 sqft

<sup>80</sup> Area of 5467 kanals 4 marlas and 59 sft

JDA, 31 colonies<sup>81</sup> stood regularized by the Government subject to payment of regularization charges by the occupants. Out of total regularization charges of ₹6.61 crore recoverable in respect of the regularized colonies, only ₹3.98 crore had been realized (September 2014) resulting in short realization of regularization charges of ₹2.63 crore. The remaining 20 colonies were reported to be under process of regularization.

In reply (July 2015) it was stated that the recoverable amount was yet to be recovered because of litigation whereunder Court has stayed regularization of illegal buildings.

### 3.12.12 Outstanding revenue

**3.12.12.1** The arrears of rent outstanding in respect of commercial sites<sup>82</sup> had increased from ₹5.92 crore in 2008-09 to ₹6.93 crore in 2013-14. Though rent remained in arrears in respect of 249 properties during 2011-12 to 2013-14, no action had been taken by the Authority for revocation of such lease deeds.

**3.12.12.2** The Authority had not renewed lease deeds of 486 properties at 17 sites and had enhanced (June 2009) rate of rent of let out properties at eleven locations by 150 *per cent*. However, the enhanced rates could not be applied in respect of locations/ properties where lease deeds had expired resulting in loss of revenue to the extent of ₹58.97 lakh.

After this was pointed out, the Secretary JDA stated (December 2014) that the rent could not be enhanced as in most cases rent deeds had expired and there was no clause in the agreements requiring enhancement after every three years. The reply is not convincing as the JDA had not renewed the expired lease deeds.

**3.12.12.3** Audit noticed that the JDA had suffered revenue loss of ₹1.41 crore due to non-collection of *adda fee*/ parking fee and rent, short levy of building permission fee and non-levy of penalties during the period from 2011-12 to 2013-14. No action had been taken by the Authority to initiate action for recovery of revenue. In reply it was stated (July 2015), that sincere efforts were being made for making recoveries.

### 3.12.13 Conclusion and Recommendations

The objectives of the Master Plan could not be achieved due to non-preparation of Divisional, zonal and annual action plans.

**The Government may consider preparation of Divisional, zonal and annual action plans by the Authority.**

The Authority had incurred expenditure without approval of annual budgets by the Board of Directors since 2007.

**The Government may ensure that expenditure by the Authority is incurred after approval of annual budgets by the Board of Directors.**

The accounts of the Authority had not been presented to the State Legislature

<sup>81</sup> 4454 kanals 8 marlas 125 sft

<sup>82</sup> Buildings, shops, institutions, halls, shopping centers and transport yards

since establishment of the Authority.

**The Government may consider presentation of the accounts of the Authority to the State Legislature.**

The Authority was not able to get the entire land transferred by the State Government registered in its name or take the physical possession thereof.

**The Government may consider that the Authority gets the entire land registered in its name and take the physical possession thereof.**

Out of the demarcated land measuring over 17885 *kanals*, total of 2810 *kanals* (16 *per cent*) of land had been encroached upon and remained under illegal occupation.

**The Government may consider that the Authority gets the encroached land vacated.**

Change of land use from residential to commercial purpose was allowed without sanction of the Government and without observing due process in four cases.

**The Government may ensure that the Government sanction is obtained and due process observed by the Authority in respect of change of land use from residential to commercial purpose.**

Out of total regularization charges of ₹6.61 crore recoverable in respect of the regularized colonies, only ₹3.98 crore had been realized. The arrears of rent outstanding in respect of commercial sites had increased from ₹5.92 crore in 2008-09 to ₹6.93 crore in 2013-14. The Authority had suffered revenue loss of ₹1.41 crore due to non-collection of *adda fee*/ parking fee and rent, short levy of building permission fee and non-levy of penalties during the period from 2011-12 to 2013-14.

**The Government may consider that the Authority recovers the outstanding regularisation charges and arrears of rent of commercial sites and ensure that the Authority collects/ levies *adda fee*/ parking fee and rent, building permission fee and penalties.**

## Irrigation and Flood Control Department

### 3.13 Unauthorised expenditure and unproductive investment

**Injudicious action of the Executive Engineer Irrigation and Flood Control Division Nowshera to utilise funds unauthorisedly sanctioned for 'Construction/ extension of *Thumba Nehoti Gravity Canal*' (extension scheme) on the original irrigation scheme 'Construction of *Thumba Nehoti Gravity Canal*' resulted in irregular expenditure of ₹75.50 lakh. The unplanned execution of these schemes rendered investment of ₹2.85 crore unproductive besides depriving the local population of the intended benefits of these schemes.**

The scheme 'Construction of *Thumba Nehoti Gravity Canal*' (existing scheme) with the proposed length of 5270 Mts of irrigation canal was taken up for execution

by the Department during the year 2003-04 under 'Accelerated Irrigation Benefits Programme' (AIBP) at an estimated cost of ₹2.10 crore. The scheme was to provide organised and scientific system of irrigation to the population of *Thumba*, *Nehoti* and *Barnara* villages of tehsil Sunderbani in district Rajouri and was to be completed by the year 2005-06.

Audit check (November 2014) of records of the Executive Engineer (EE) Irrigation and Flood Control Division Nowshera showed that the scheme could not be completed even after incurring an expenditure of ₹2.10 crore during the period 2003-11 due to change of alignment and abandonment of work of the irrigation canal by the contractors. A mention about taking up of construction work of this irrigation scheme without preliminary survey and geological investigation was made in the Report of C&AG of India (Government of Jammu and Kashmir) for the year ended 31 March 2009. It was reported therein that the work of the scheme was abandoned since March 2008 due to non-approval of changed design and for want of funds after incurring an expenditure of ₹1.86 crore thereon. However further expenditure of ₹24.25 lakh was reported on this scheme by the Department during 2010-11. Out of proposed length of 5270 Mts of irrigation canal, the construction work was restricted to various stretches of the irrigation canal upto RD 4910 Mts and further no work was executed beyond this point.

Notwithstanding the fact that existing scheme could not be completed, another scheme 'Construction/ extension of *Thumba Nehoti* Gravity Canal' (extension scheme) an extension to the existing scheme was approved under AIBP at a cost of ₹75.30 lakh during the year 2008-09. The extension scheme was aimed at construction of tail part of irrigation canal beyond RD 5270 Mts up to RD 5900 Mts and was to be completed by March 2010. Instead of incurring expenditure on approved items of work of the extension scheme of irrigation canal, the expenditure of ₹75.50 lakh was incurred<sup>83</sup> on the existing scheme during the period 2009-10 to 2013-14. Thus the funds sanctioned for the extension scheme were irregularly spent on the existing scheme resulting in unauthorised expenditure of ₹75.50 lakh and diversion of funds to that extent. Audit observed that despite diverting the funds towards the existing scheme, the irrigation canal could not be made functional rendering entire investment of ₹2.85 crore unproductive. Moreover, the EE had wrongly reported the expenditure against the extension scheme in the Monthly Progress Reports.

After being pointed out in audit, EE stated (November 2014) that funds had been utilised on the existing scheme as per decision taken in the meeting conducted (December 2009) by the Hon'ble Minister for PHE, Irrigation and Flood Control Department for commissioning of the existing scheme upto 5200 Mts by the end of March 2010.

Thus, injudicious action of the Executive Engineer Irrigation and Flood Control Division Nowshera to utilise funds unauthorisedly sanctioned for 'Construction/ extension of *Thumba Nehoti* Gravity Canal' (extension scheme) on the original

<sup>83</sup> Carriage charges of material; wages of casual labours; construction work of several spots between RD 2625 Mts and RD 4910 Mts; jungle/ slip clearance on existing scheme etc;



irrigation scheme 'Construction of *Thumba Nehoti* Gravity Canal' resulted in irregular expenditure of ₹75.50 lakh. The unplanned execution of these schemes rendered investment of ₹2.85 crore unproductive besides depriving the local population of the intended benefits of these schemes.

The matter was referred to the Government in March 2015. Director Finance of the Department endorsed (April 2015) the reply furnished by the Chief Engineer Irrigation and Flood Control Department to the Commissioner/ Secretary of the Department wherein it was stated that due to shortfall of funds for completion of original scheme the funds allocated for *Thumba Nehoti* Extension Gravity Canal were used in respect of main canal. The reply was not acceptable as existing scheme had not been completed despite unauthorised utilisation of entire funds thereon meant for the extension scheme leading to unfruitful expenditure of ₹2.85 crore.

### 3.14 Unfruitful expenditure due to improper selection of sources of water

**Injudicious action of the Department to take up execution of an irrigation scheme, 'Augmentation of *Rajwar* Storage tanks' without identifying sources of water after proper surveys and ascertaining their hindrance free working afterwards resulted in unfruitful expenditure of ₹2.65 crore besides depriving the people of area of the intended benefits of the scheme.**

The detailed project report for an Irrigation Scheme 'Augmentation of *Rajwar* Storage tanks' was submitted (May 2005) by the Executive Engineer (EE) Irrigation and Flood Control Division Handwara at an estimated cost of ₹3.37 crore under the Rashtriya Shram Vikas Yojana (RSVY<sup>84</sup>). The scheme was aimed at providing sufficient irrigation supplies to *Rajwar* area in south west of Handwara town comprising of about 16 villages and was targeted to be completed within two years. With the completion of the scheme its cultivable command area (CCA) was to be enhanced by 363 hectares in addition to an existing CCA of 161 hectares. Under the schemes, the water was to be carried under gravity from *Mawar Nallah* (source) in village Patwari through ductile pipes for a length of 10 kms up to an underground reservoir at village Lach. The water from this reservoir was to be carried to various storage tanks<sup>85</sup> of block *Rajwar*. Apprehending shortage of water to the area falling under *Marwar* area, the concerned people did not allow (April 2006) the execution of work on the scheme. Accordingly the scheme was revised (November 2006) at a cost of ₹three crore by the EE, I&FC Division, Handwara and the source was changed from *Mawar Nallah* to *Poshdhari Nallah*. From this new identified source, the water was to be carried for a length of 10 kms upto RCC reservoir at *Yalmar* wherefrom it was to be distributed to the existing storage tanks<sup>86</sup>. The scheme was targeted to be completed by March 2008.

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<sup>84</sup> The scheme was later renamed as 'Backward Region Grant Fund' (BRGF)

<sup>85</sup> Machipora, Kakernar, Gujjarnar, Nowdoger, Khatinar and Yalmar

<sup>86</sup> Machipora, Kakernar, Nowdgam, Katinar, Nagrad-Nar and Yalmar



Audit scrutiny (September 2014) of records of EE, Irrigation and Flood Control Division, Handwara showed that an expenditure of ₹2.65 crore was incurred during the period 2005-12 on procurement/ laying of ductile pipes, earthwork excavation, construction of RCC reservoir/ intake chamber/ spill ways etc. The scheme could not be made functional as people of the area did not allow (April 2012) the Department to utilise water from the changed source of *Poshdari Nallah* thereby rendering expenditure of ₹2.65 crore unfruitful. This indicated that the sources of water were not identified by the EE after proper surveys and after ascertaining their hindrance free working for smooth functioning of the scheme.

After this was pointed out in audit, the EE, Irrigation and Flood Control Division Handwara stated (October 2014) that the efforts were on for an amicable settlement with villagers residing in vicinity of *Poshdari Nallah*. The reply was not convincing since the Department should have ensured hindrance-free sources of water before taking up work on the irrigation scheme.

Thus, injudicious action of the Department to take up execution of an irrigation scheme without identifying sources of water after proper surveys and ascertaining their hindrance free working afterwards resulted in unfruitful expenditure of ₹2.65 crore besides depriving the people of the area of the intended benefits of the scheme.

The matter was referred to the Government in April 2015; reply thereof was not received (November 2015).

### 3.15 Unfruitful expenditure due to non-completion of scheme

**Improper survey and failure to provide alignment free from encumbrances for execution of works of the Lift Irrigation Scheme *Hari-tar* by the Department resulted in unfruitful expenditure of ₹6.99 crore. The purpose of the scheme to provide irrigation facilities to the intended population was not achieved.**

With a view to provide irrigation facilities to the Cultivable Command Area of 736 hectares<sup>87</sup> of agriculture land in five villages<sup>88</sup> of district Baramulla, construction of 'Lift Irrigation scheme *Hari-tar* with augmentation of existing *Tarzo* weir scheme' was approved (2006) for funding under Accelerated Irrigation Benefits programme (AIBP). The scheme which was to be completed within three working seasons at a cost of ₹7.30 crore (Civil component: ₹1.83 crore; Mechanical component: ₹5.47 crore) envisaged construction of a sump and pump house at the bank of Nallah *Hari-tar* (Khanjoor) and laying of rising mains of 3265 meters on *Tarzo* side upto *Tarzo* weir and of 502 meters on *Hari-tar* side upto delivery sump from where water was to be supplied through existing network of *canals*.

Audit check (October/ November 2014) of records of the Executive Engineer (EE) Irrigation and Flood Control (I&FC) Division, Sopore and EE, Mechanical Irrigation Division (MID), Baramulla showed that the Department had released

<sup>87</sup> For stabilisation of area of 570 hectares and for irrigation of new 166 hectares of land

<sup>88</sup> Tarzo, Amberpora, Hygam, *Hari-tar* and Dharamal

₹6.94 crore<sup>89</sup> during the period from 2006-07 to 2012-13 in favour of both these Divisions<sup>90</sup> for execution of the scheme. The execution of works of laying of rising main of 502 meters on *Hari-tar* side was completed at a cost of ₹69.37 lakh and this part of the scheme was made functional. However, on the *Tarzo* side of the scheme, the local population objected to laying of rising main as it was passing through a playground. Besides, the Wild Life and Social Forestry Departments objected to execution of work as the alignment was passing through Hygam<sup>91</sup> wet land and as a result the work on the rising main had to be stopped. The prior permission/ clearance from these Departments for laying of the rising main was not obtained. This necessitated change in the alignment of the rising main thereby resulting in increase in its length by 433 meters from 3265 meters to 3698 meters indicating improper survey for identification of alignment of the rising main. The Department had incurred an expenditure of ₹7.68 crore<sup>92</sup> on the scheme during the period from 2006-07 to 2012-13 including liability of ₹1.25 crore. The scheme which was scheduled for completion in 2008-09 could not be fully completed resulting in unfruitful expenditure to the extent of ₹6.99 crore<sup>93</sup>. To meet the increased cost a revised project report of the scheme was submitted (January 2013) by EE, I&FC Division Sopore at a cost of ₹8.53 crore (Civil component: ₹2.42 crore and Mechanical component: ₹6.11 crore). The Chief Engineer I&FC Department Kashmir asked (February 2013) the EE, I&FC Division Sopore that as the revision of cost of the scheme under AIBP was not permissible, the proposal for financing its revised cost be intimated. Further, no action was taken to make the scheme functional (March 2015).

After this was pointed out in audit, the EE, I&FC Sopore Division stated (October 2014) that the scheme had got delayed due to objections raised by the local populace and Wild Life and Social Forestry Departments. The EE, MID, Baramulla stated (November 2014) that due to cost escalation and increase in length of rising mains due to change in alignment, the scheme could not be completed. The reply was not convincing as encumbrance free alignment of rising mains was not ensured before taking up execution of works of the scheme.

Thus, improper survey and failure to provide alignment free from encumbrances for execution of works of the scheme by the Department resulted in unfruitful expenditure of ₹6.99 crore including work done liability of ₹1.25 crore. The purpose of the scheme to provide irrigation facilities to the intended population was not achieved.

The matter was referred to the Government in June 2015; reply thereof was not received (November 2015).

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<sup>89</sup> Central share: ₹6.82 crore and State share: ₹12.83 lakh

<sup>90</sup> I&FC Division Sopore: ₹2.28 crore and Mechanical Irrigation Division Baramulla: ₹4.66 crore

<sup>91</sup> Wetland of Hygam is located some 50 kms from Srinagar on the fringes of the Wular Lake

<sup>92</sup> I&FC Division Sopore: ₹1.88 crore on civil components ; MID Baramulla: ₹5.80 crore on electrical and mechanical components including work done liabilities of eight allotted works of the scheme

<sup>93</sup> ₹768.32 lakh-₹69.37 lakh=₹698.95 lakh

## Power Development Department

### 3.16 Loss of revenue

**Wrong interpretation of the Government Order relating to charging of electricity tariff from occupants of Government accommodation resulted in revenue loss of ₹1.47 crore.**

Allotment of Government accommodation to the State employees including move employees is made at Srinagar and Jammu by the Estates Department. At the time of allotment, a license deed called 'License for occupation of residential accommodation' is drawn between the grantor (Estates Department) and the licensee (the occupant Government employee). The deed *inter-alia* includes a clause for payment of electricity charges by the licensee.

Government Order (February 2013) envisaged that non-gazetted move employees occupying one, two and three room tenements shall be charged at a flat rate of ₹250, ₹400 and ₹700 respectively for consumption of electricity. The order, however, did not apply to gazetted move employees and other tenant consumers, who were to pay electricity tariff on actual consumption and metered rates.

Audit check (April 2015) of records of Executive Engineer, Electric Maintenance and Rural Electrification (EM&RE) Division-III, Jammu relating to revenue collected from the occupants of Government quarters situated at Janipur, Tophsherkhania, and Roop Nagar, Jammu showed that the Divisional authorities had raised bills against the tenants of these quarters upto year 2011-12 only and thereafter had stopped raising of bills against all category of consumers. Even maintenance of records like electricity charges due, electricity charges collected and outstanding thereof had also been dispensed with by the Division. It was further noticed that even though, the Division had stopped maintenance of records and raising of electricity bills, a large number of occupants (including Gazetted, non-move, migrants and others) had deposited electricity dues on their own at flat rates, indicating that consumers were willing to pay electricity charges.

Audit analysis of the impact of non-raising of bills, showed that the State had suffered a minimum revenue loss of ₹1.47 crore<sup>94</sup> on this account during the period 2012-15.

On being pointed out in Audit, the EE while attributing non-raising of electricity bills to wrong interpretation of the Government order by the Divisional authorities, stated that instruction would be issued for maintenance of ledgers in future. The reply is not acceptable as wrong interpretation of the order had resulted in revenue loss to the State, and steps should have been taken to recover the same from the occupants.

The matter was referred to the Government in May 2015. Chief Engineer, EM&RE Wing Jammu endorsed (July 2015) a copy of letter addressed to

<sup>94</sup> Calculated at flat rates for all types of consumers occupying these flats less amounts deposited by the individual consumers

Principal Secretary of the Department wherein it was stated that due to non-payment of electricity charges by some of the earlier allottees of quarters, the arrears had accumulated and new/ present allottees had refused to pay the dues. It was also stated that despite being asked to submit their allotment orders issued by the Estates Department, the allottees had not produced the same and that the power supply to Government quarters at various places had been got disconnected for non-payment of pending dues but had to be restored on the instructions of the higher authorities. It was further stated that necessary action would be taken to recover the arrears of electric charges from the Estates Department as well as from the Government employees.

### 3.17 Unfruitful expenditure and diversion of funds

**Indifferent approach of the departmental authorities to execute the scheme of replacement of LT lines by Aerial Bundling Cables in Watergam village in absence of surveys/ detailed project report and without proper planning resulted in unfruitful expenditure of ₹32.92 lakh and diversion of ₹42.08 lakh. The purpose of the scheme to facilitate checking of power theft could as such not be achieved.**

The Departmental Committee<sup>95</sup>, constituted for clearing work done claims and completion cost of schemes/ projects sanctioned under Accelerated Power Development and Reforms Programme (APDRP) (Xth Plan) under short closure decided (March 2011) to replace the LT Lines by Aerial Bundling Cable (ABC) instead of their stabilization by way of procurement/ erection of bare conductor in order to facilitate checking of power theft. The Committee recommended two areas, Gulmarg and Watergam to be covered under ABC. For this purpose, the Chief Engineer (CE), Electric Maintenance and Rural Electrification (EM&RE) Wing, Srinagar released (November 2011) ₹1.50 crore in favour of Executive Engineer (EE) Electric Division Baramulla (₹75 lakh for Watergam) and Assistant Executive Engineer, Special Sub Division Tangmarg (₹75 lakh for Gulmarg) under APDRP. Both the executing Divisions were required to take up works relating to replacement of LT lines by ABC in these identified areas on the basis of proper surveys and after formulations and approval of required detailed project report in this regard.

Audit scrutiny (January 2014) of records of EE, Electric Division Baramulla showed that the Division without any survey and also without framing the detailed project report thereof placed ₹75 lakh<sup>96</sup> at the disposal of EE, Electric Central Stores Division, Pampore, Srinagar for purchase of electric poles. After receipt of electric poles by the Division from the Central Stores Division Pampore, 170<sup>97</sup> electric poles (cost: ₹14.11 lakh) were erected in Watergam village and 120<sup>98</sup> electric poles (cost: ₹9.24 lakh) were diverted and erected in an un-approved village *Ladoora*. An expenditure of ₹9.57 lakh had been incurred

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<sup>95</sup> Under the chairmanship of Development Commissioner (Power)

<sup>96</sup> ₹15.40 lakh in December 2011 and ₹59.60 lakh in March 2012

<sup>97</sup> 8 metre long Steel tabular electric poles (135) and 9 metre long Steel tabular electric Poles (35)

<sup>98</sup> 8 metre long Steel tabular electric Poles (120)

(between July-August 2012) on the erection and allied works of these electric poles. The material received against the balance amount of ₹42.08 lakh had been diverted and utilised for other works executed by the Division. Audit noticed that the ABC had not been procured and the electric poles erected remained idle as a result the scheme which was targeted to be completed during 2011-12 had not been completed (February 2015) thereby rendering expenditure of ₹32.92 lakh unfruitful. Further ₹75 lakh released in favour of Assistant Executive Engineer, Electric Special Sub-Division Tangmarg were surrendered (March 2012) and no expenditure had been incurred by the Division.

On being pointed out in audit, the EE, Electric Division Baramulla stated (April 2014) that after receipt of the material from the Central Stores Division, the work was taken up in hand and ST electric poles were erected at sites in Watergam and *Ladoora* villages. It was further stated that various cable manufacturing and accessories suppliers were contacted through email for getting their specification but due to poor response, the work could not be taken up. The EE, further stated (February 2015) that due to non-availability of ABC in the Central Stores Division Pampore, only ST electric poles were purchased for full amount with the intention to make adjustments in the subsequent year. The reply was not convincing as in absence of any proper planning and without a detailed project report for the scheme, its execution suffered as the funds were specifically allotted for replacement of LT lines by ABC to prevent power thefts in the Gulmarg and Watergam villages.

Thus, indifferent approach of the departmental authorities to execute the scheme of replacement of LT lines by Aerial Bundling Cables in Watergam village in absence of surveys/ detailed project report and without any proper planning resulted in unfruitful expenditure of ₹32.92 lakh besides, diversion of ₹42.08 lakh. The purpose of the scheme to facilitate checking of power theft could as such not be achieved.

The matter was referred to the Government in March 2015; reply thereof was not received (November 2015).

## Public Works Department (Roads and Buildings)

### 3.18 Short deduction of service tax

**Injudicious action of the Executive Engineer, R&B Division-II Kargil to deduct service tax on net value of bills of execution of works of contractors resulted in short deduction of service tax of ₹92.51 lakh.**

The services provided in the shape of works contract is taxable in the State under the Jammu and Kashmir General Sales Tax (GST) Act. The Commercial Taxes Department clarified (February 2000) that service tax has to be charged on whole of the contract irrespective of the source of procurement of material for execution of works contract. The Commissioner Commercial Taxes had also clarified



(May 2005 and January 2014) that service tax has to be recovered from the contractor on the gross value of the contract and that incidence of service tax has to be on the aggregate of the amounts of services and goods consumed in the contract.

Audit check (August 2013) of records of Executive Engineer (EE), Roads and Buildings (R&B) Division-II, Kargil showed that instead of deducting service tax on the gross value of bills of the contractors including cost of material, the service tax was deducted from net value of the bills without taking into account cost of the material. Against ₹1.54 crore recoverable on account of service tax from the bills of execution of works of the contractors valuing ₹14.63 crore during March 2011, March 2012 and March 2013, only ₹61.13 lakh had been deducted by the EE, resulting in short deduction of ₹92.51 lakh.

After being pointed out in audit, the EE, R&B Division-II Kargil stated (August 2013) that instructions from higher authorities regarding recovery of service tax in respect of material component had been received belatedly due to which the full service tax could not be recovered. The reply was not acceptable as EE was required to deduct service tax in compliance with the provisions of the Act and relevant instructions of the Government/ Department.

Thus, injudicious action of the EE, R&B Division-II Kargil to deduct service tax on net value of bills of execution of works of the contractors instead on gross value including cost of material resulted in short deduction of service tax of ₹92.51 lakh.

The matter was referred to the Government in May 2015. EE R&B Division-II Kargil endorsed (June 2015) a copy of letter addressed to District Superintending Engineer, PWD wherein it was stated that ₹36.55 lakh were recovered (June 2015) from various contractors out of available deposits and that balance amount of less deducted Service tax would also be recovered from the contractors out of payments due to them when funds would be made available by the authorities.

### 3.19 Unfruitful Expenditure

**Failure of the Departmental Authorities to ensure clearance from the Forest Department before preparation of the DPR and sanction of the project for construction of a bridge over *Anji Nallah* resulted in non-completion of the project for five years besides resulting in unfruitful expenditure of ₹2.54 crore.**

To provide road connectivity to the populace of villages Anji, Suketar and Kayala (Reasi district), the Chief Engineer, Public Works Department (R&B) Jammu (Project Authority) allotted (March 2010) work for construction of 110 M span single lane deck type steel plate girder bridge over *Anji Nallah*, to the Jammu and Kashmir Projects Construction Corporation (JKPCC) at a cost of ₹4.36 crore for completion by March 2012. The project was sanctioned (March 2010) under NABARD RIDF-XV and an amount of ₹2.18 crore were placed (2009-10/2010-11) at the disposal of JKPCC by the Indenting Department.



Scrutiny (February 2012) of the records of the EE, PWD (R&B) Reasi showed that the project was approved on the basis of a Detailed Project Report (DPR) submitted (June 2008) by the EE, PWD (R&B) Reasi, which *inter-alia* included proposed alignment of the bridge and approach roads. After allotment of the work, the JKPCC proposed (February 2011) construction of the bridge 250 m down stream on the ground that the proposed site had no direct approach road and the only available approach was a fair weather track along the *Anji Nallah* which remained blocked during rainy season. Besides, access to the existing approach passed through the forest area and involved private land. However, despite a joint inspection (February 2011) of the site by the officers of the Department and the JKPCC, the proposal was rejected by the Department. The JKPCC submitted (September 2011) a cost offer of ₹4.73 crore and started (December 2011) the work on the project. Having realised that the completion of the project required clearance of the forest land, the Department belatedly approached (February 2012) the Forest Department for the clearance, which was pending as of December 2014. Apart from delays due to non-availability of the approach road to the site, the work on the project was held up due to awaited forest clearance. As per the data provided by the JKPCC/ Department, out of an amount of ₹3.93 crore released to the JKPCC, an amount of ₹2.54 crore had been expended on the project as of December 2014.

Thus, failure of the Department to take into account the aspect of non-availability of approach roads, involvement of the forest and private land at the time of preparation of the DPR of the project, resulted in unfruitful expenditure of ₹2.54 crore, besides non-completion of the project during the last five years. The action of the project authority defeated the objective of raising loans for the scheme and taking up the work was contrary to the NABARD guidelines which stipulate for project formulation only after proper survey.

After being pointed out in Audit, the EE stated (July 2013) that the process of obtaining Forest clearance was in pipeline. The reply was not acceptable as the requisite clearance was awaited as of December 2014, indicating non-seriousness of the Department in completion of the already delayed project.

The matter was referred (June 2015) to the Government; reply thereof was not received (November 2015).

### 3.20 Unplanned execution of road project

**Wrong reporting by the EE about availability of land and also failure to ensure encumbrance free land before execution of work resulted in unplanned execution of road project at a cost of ₹1.36 crore.**

To provide assured road connectivity to five villages<sup>99</sup> of district Udhampur, a project for construction of three Km. long road from M.I.Room to Megani was proposed (September 2005) by the Executive Engineer (EE), Public Works (R&B) Division Udhampur under loan assistance from NABARD at an approved cost of

<sup>99</sup> Kotli, Megani, Tali, Doda and Mangoite

₹1.36 crore<sup>100</sup>. The project was targetted to be completed by March 2008. While submitting the project report to the Superintending Engineer PWD (R&B) Circle Udhampur, the Executive Engineer of the Division had recorded that the people would provide land voluntarily for construction of road and that the earthwork had already been executed for construction of half of the proposed road.

Audit scrutiny (February 2013) of records of EE Public Works (R&B) Division Udhampur showed that the EE executed work on 2.5 Kms of the road at a cost of ₹1.36 crore during 2006-07 to 2011-12. However, the work on 500 meters road length at the take off point of the road project could not be taken up for want of clearance of stretch of land by the Army authorities as the area was under their Occupation. This indicated that the EE of the Division had furnished wrong information about availability of land to the Department and had also failed to ensure acquisition of encumbrance free land before execution of work on the road project.

On this being pointed out in audit, the EE stated (September/ December 2014) that the road connectivity to the general public of the area had not been provided due to non-settlement of the land issue falling under the alignment of road with the Army authorities. The reply was not convincing as the land was to be acquired before taking up execution of the road project.

Thus, wrong reporting by the EE about availability of land and also failure to ensure encumbrance free land before execution of work resulted in unplanned execution of road project at a cost of ₹1.36 crore. Further non-construction of portion of 500 Mts road length at the take off point of the road project had adversely affected free flow of traffic and had failed to establish connectivity of the concerned villages with the National Highway.

The matter was reported to the Government in January 2015; reply thereof was not received (November 2015).

## Public Health Engineering Department

### 3.21 Inadmissible payment of arrears of pay and allowances

**Failure of the Executive Engineer PHE Division Samba in adhering to the extant orders and rules resulted in inadmissible payment of arrears of ₹3.85 crore on account of pay and allowances to 105 employees.**

Rule 2.43 of the Jammu and Kashmir Financial Code envisages that the re-opening of old cases should be deprecated as a fundamental principle and where, however, such cases are opened as a special case as for instance in relation to the re-fixation of initial pay in time scale, the arrears should not be allowed. Further, Government instructions under the *ibid* Rule stipulates that a case which has been under correspondence throughout and in which the question of payment arises only when it is decided and final orders passed thereon, will not attract the provisions of Rule 2.43. In such cases the payment of arrears if

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<sup>100</sup> NABARD loan: ₹1.09 crore; State share: ₹27.25 lakh

any due, may be paid retrospectively provided that the competent authority who has issued final orders on the disposal of the case specifically mentions the date from which the arrears due as a result of retrospective sanction are to be paid and also records briefly the reasons for payment of such arrears. Such sanction should not be issued by the competent authority without the previous consent of the Finance Department and in case of disagreement by the Finance Department with approval of the Cabinet.

According to the office order (11 June 1993) issued by the Chief Engineer, (CE), Public Health Engineering Department Jammu, all those officials who had notionally completed at least three years in the lower grade and had physically worked against the post for at least one year were eligible for promotion of next higher grade. The office order further stipulated that this was to be only notional promotion in the next higher grade and such a promotee was not entitled to any arrears. In pursuance of this office order, the Executive Engineer (EE), PHE Rural Division Jammu placed (October 1993) 47 field staff<sup>101</sup> in the next higher grade with effect from 18 September 1993.

Audit scrutiny (February 2013) of records of EE, PHE Division Samba showed that similarly placed employees of the EE, PHE Division Samba filed writ petitions during the years 2010 and 2011 in the Hon'ble High Court Jammu and Kashmir for getting the benefit of the order and the Court directed the Department to consider the cases of the petitioners for their placement in the higher grade in terms of office order of October 1993 of the EE, PHE Rural Division Jammu by taking cognizance of any other rules/ instructions/ orders issued in this behalf. Accordingly, CE, PHE Department Jammu and EE, PHE Division Samba issued (between March 2010 and December 2011) orders for re-fixation of pay of 105 employees in the next higher grade notionally with effect from 18 September 1993 making it clear that though pay was to be re-fixed notionally but the arrears on account of pay and allowances were not to be drawn. However, the EE, PHE Division Samba made payment of arrears to the extent of ₹3.85 crore to 105 employees during the period from March 2010 to March 2012. The arrears were not admissible and were drawn unauthorisedly without sanction of the Administrative Department and consent of the Finance Department.

After this was point out (February 2013) in audit, the EE PHE Division Samba stated (February 2013) that 105 officials were upgraded and paid arrears as per directives of the Hon'ble High Court and in pursuance of orders (June 1993 and October 1993) issued by the CE, PHE Department Jammu and EE, PHE Rural Division Jammu. The reply is not acceptable as the Court directions explicitly identified the order of the EE, PHE Rural Division Jammu, which had been issued on the basis of order of the CE, PHE Department Jammu, as the main instrument for application to the petitioners for regulating payment which clearly provided that the promotees were not entitled to any arrears.

Thus, failure of the EE, PHE Division Samba in adhering to the extant orders and rules resulted in inadmissible payment of arrears of ₹3.85 crore on account of pay and allowances to 105 employees.

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<sup>101</sup> Fitter, Turn cock, Pump Driver, Line Man, Sr. Operator, Assistant Inspector etc.

The matter has been referred to the Government/ Department in January 2015; reply thereof was not received (November 2015).

## Revenue Department

### 3.22 Management of Evacuee Property in the State

#### 3.22.1 Introduction

The Jammu and Kashmir State Evacuees (Administration of Property) Act, Svt. 2006 (1949 A.D) provides for administration of evacuees property in the State. The Jammu and Kashmir State Evacuees (Administration of Property) Rules, Svt.2008 (1951 A.D) for carrying out the provisions of the Act were made by the Government in January 1952. As per the Act, an evacuee means any person who on account of setting of Dominions of India and Pakistan or on account of civil disturbances or the fear of such disturbances leaves or has on or after the 1<sup>st</sup> day of March 1947 left, any place in the State for any place outside the territories now forming part of India or forming part of Pakistan or in any part of the territory as is under the operational control of Pakistan armed forces. Audit carried out test-check of records of the Custodian General and two Custodians Evacuees Property (EP) Jammu as well as Kashmir covering the period from 2010-11 to 2014-15.

Audit findings relating to administration and management of the evacuee properties and assets are discussed in the following paragraphs:

#### 3.22.2 Human resources policy and management of Act/ Rules and Property

##### 3.22.2.1 Human resources policy

Section 4-A of the Act empowers the Custodian General to appoint officers and employees with the approval of the Minister Incharge on prescribed conditions of service. The method of recruitment and conditions of service of the officers and employees appointed are to be such as prescribed.

The Act vests the powers of administration of the evacuees property in the State with the Custodian General. The latter functions under the overall administrative control of the Commissioner Secretary, Revenue Department and is assisted by two Custodians Evacuee Property (EP), one each, at Jammu and at Kashmir. The EP Department had staff strength of 236 as of March 2015 and 87 employees (39 *per cent*) out of 220 non-gazetted employees were Orderlies (53) and Gardeners (34). The Department had not prescribed any mechanism for recruitment and conditions of services of the officers and employees despite a lapse of over 65 years since promulgation of the Act in 1949.

The Dy. Custodian (Central) stated (April 2015) that approval to Draft Recruitment Rules (DRRs) had not been accorded by the Administrative Department.

##### 3.22.2.2 Inconsistencies of guidelines with the rules

The Minister for Revenue, Relief and Rehabilitation observed that there was

absence of uniform policy with regard to the principles and method for fixation of amount of premium, rent and grant of permissions for repairs/ improvements etc; in the EP Department. The Minister in the meeting held (June 2010) with Secretary Revenue Department, Custodian General, and two Custodians EP Jammu and Kashmir *inter alia* took series of decisions which were adopted as guidelines by the Department. Audit noticed inconsistencies of these guidelines with the Rules in respect of following cases, as the required amendments to the Rules to give effect to the guidelines had not been carried out.

Table-3.22.1

Rule	Rule Provision	Decision as per Guidelines
13	Prescribed period of lease or allotment of residential property for a period of one year and two or three years in case of commercial and industrial undertakings.	The allottees of the evacuee property were allowed an option for long lease of 40 years for residential and commercial purposes, subject to a maximum period of 99 years.
14 (3) (vi)	Prohibits the allottees of subletting or permitting any other person to occupy the property allotted or leased out to him.	Allowed regularization of sublet/ illegal occupation on payment of 70 per cent and 50 per cent of the auctionable value of the structure as premium for commercial and residential purposes respectively.

The Custodians admitted (April-May 2015) the fact regarding inconsistencies of guidelines with the Rules and stated that guidelines were issued by the Administrative Department. After adoption of guidelines, the Custodian General regularized 50 cases of land, residential and commercial structures (Jammu: 21 cases and Kashmir: 29 cases) between January 2011 and February 2015 with period of lease ranging between one year and 40 years at a premium of ₹2.59 crore (Jammu: ₹0.89 crore; Kashmir: ₹1.70 crore) thereby increasing revenue of the EP Department. However, no amendment to the Rules had been carried out.

### 3.22.2.3 Position of Evacuee Property

The details of the evacuee property in the State as of March 2015 was as shown in **Table-3.22.2** below:

Table-3.22.2

Particulars of evacuee property	Jammu	Kashmir	Total evacuee property in the State
Houses/ Flats/ Hutments (Number)	4201	288	4489
Shops/ Halls/ Garages/ Godowns (Number)	1150	354	1504
Kholas/ Cow sheds/ Orchards/ Convention Centres (Number)	589	28	617

(Source: Departmental records)

Audit observed that the complete profile of the evacuee property leased/ rented out by the Department indicating period of lease and area of the individual property leased/ rented out was not maintained by the Department. The Custodians EP

Kashmir and Custodian EP Jammu stated (April-May 2015) that such record was being computerized.

#### 3.22.2.4 Illegal occupation of land

The position of total evacuee land and land under illegal occupation/encroachment by private individuals in the State as of March 2015 was as indicated in **Table-3.22.3** below:

**Table-3.22.3**

Name of the Division	Total land ( <i>kanals</i> )	Land under illegal occupation of private individuals (in <i>kanals</i> )
Jammu	1412006	142776
Kashmir	58428	8030
<b>Total</b>	<b>1470434</b>	<b>150806</b>

(Source: Departmental records)

As apparent from the above, over 1,50,806 *kanals* of land out of the total of 14,70,434 *kanals* of land, was under illegal occupation, as of March 2015. The Deputy Custodian Central stated (June 2015) that major portion of land under illegal occupation was locked in litigation and that field staff had been directed to get remaining land retrieved from illegal occupants.

#### 3.22.2.5 No transparent and uniform system for leasing out of the evacuee property

Section 9 (2) (1) of the Act empowers the Custodian to allot or transfer any evacuee property with the previous approval of the Custodian General. The allotment or transfer of any such property is required to be made in a transparent manner.

Audit noticed that the Department had not followed any uniform system of allotment of residential properties such as draw of lots, first come first serve or through auction notice. Instead, the properties had been allotted in an arbitrary manner on pick and choose basis. The Custodians, Kashmir and Jammu stated (May 2015 and August 2014) that the properties were allotted on the instructions of the higher authorities.

During the period 2010-15 a total of 291 *kanals* of land and 112 residential (67)/ commercial (36)/ residential-cum-commercial (9) evacuee properties were leased out by the EP Department. Audit noticed instances of irregular leasing out of evacuee properties resulting in short levy of premium and incorrect application of rates. A snap shot of such cases are listed in **Table-3.22.4**.



Table-3.22.4

(₹ in lakh)

Sl. No.	Name of the allottee (S/Sh./Smt.)	Description of property (land/structure)	Location	Assessment made (potential value)	Premium/ Rent		Short realization	Remarks
					Due	Paid		
(i)	Rabia Wali	19 <i>marlas</i>	Sanat Nagar, Srinagar	71.25	49.88	17.10	32.78	Plot of land of higher potential value allotted in exchange of previously allotted land.
(ii)	Imtiyaz Ismail Parray and Showkat Ahmad Shah	30 <i>marlas</i>	Bagat-e-Barzulla, Srinagar	97.50	97.50	48.75	48.75	Plot of land was allotted at lesser premium than determined by the Department.
(iii)	Inder Krishan Raina and Shibban Krishan Raina	Standard Hotel (EP-1186)	Residency Road, Jammu	226.00	33.85	7.50	26.35	Furnishing of incorrect information to the higher authorities and incorrect determination of premium.
(iv)	Insha Mir	EP-258 (New)	Wazarat Road, Jammu	10.00	22.00	5.00	17.00	Flat allotted at low premium arbitrarily without any auction.
(v)	Tanveer Ahmad Kitchloo	EP-257	Mohalla Dal-patian, Jammu	₹6000 per month	₹6000 per month	₹2000 and ₹3000 per month	4.56	Fixation of rent of property arbitrarily in disregard of Court orders and assessment of the EP Department.
(vi)	Kifayat Hussain Rizvi	BC-239(P)	Pan-jbakhtar Road, Jammu	17.30	8.65	6.00	2.65	Furnishing of wrong information of premium payable by the allottee to the higher authorities.
(vii)	Mudassar Ahmad Khan	BC-85	Baba Jiwan Shah Mohalla, Jammu	16.30	8.15	1.00	7.15	Execution of agreement with the allottee without realization of full premium.
(viii)	Sehar Iqbal	Flat no. 4-B	Sanat Nagar, Srinagar	₹3000 per month	₹3000 per month	0.09	1.45	Flat allotted arbitrarily without any auction and without realization of premium.

(i) According to guidelines of June 2010, Ms. Rabia Wali D/o Late Wali Mohd. Itoo was required to pay premium of ₹49.88 lakh (70 per cent of potential value) for plot of land at Sanat Nagar, Srinagar which was transferred in her favour in December 2012. The lessee was however allowed to pay a premium of ₹17.10 lakh on the basis of a plot of land located at Majeed Bagh which had been earlier allotted (December 2009) in favour of the lessee who requested for allotment of other piece of land due to dispute. On this being pointed out, the Custodian EP Kashmir stated (May 2015) that the matter would be taken up with the higher authorities for review of lease order.

(ii) 30 *marlas* of evacuee land at Bagat-e-Barzulla Srinagar was leased out (May 2013) in favour of Shri Imtiyaz Ismail Parray and Shri Showkat Ahmad Shah (15 *marlas* each) for residential purposes for a period of 40 years without putting it to open auction as was required under Rule 13 C. The case was re-examined (May 2014) by the Custodian General in the light of price of ₹97.50 lakh determined by

a committee and notices were served (December 2014) to the lessees to deposit the balance premium of ₹48.75 lakh. Further progress in the matter was awaited (June 2015).

(iii) The allottee of the Standard Hotel, Residency Road, Jammu (EP No. 1186) requested (December 2012) for extension of lease period upto 99 years from existing 40 years. Accordingly, potential value of the property was assessed (April 2013) at ₹2.26 crore by the EP Department on the recommendation of an assessment committee. On the contrary, the Custodian, EP, Jammu, while forwarding the case to the Custodian General for sanction, mentioned the potential value of ₹3 lakh only which had been assessed on 31 March 1973 and recommended a meagre premium of ₹5 lakh for the property, instead of the potential value of ₹2.26 crore. However, the premium amount was increased (May 2013) to ₹7.50 lakh by the Custodian General, which was deposited by the allottee in May 2013.

Audit noticed that no provision about charging of premium on commercial properties from lessees opting for long lease existed in the Rules and the Act. The Department had not issued any instructions in this regard. In the absence of Rules, as per the guidelines (June 2010), the premium in case of residential BC<sup>102</sup> houses was to be charged at rate of 15 *per cent* of the potential value. Had the premium on commercial properties been charged even at this rate, ₹33.85 lakh was payable by the allottee against ₹7.50 lakh charged by the Custodian General. Arbitrary action by the departmental authorities resulted in a loss of ₹26.35 lakh. The Custodian EP Jammu stated (April 2015) that the Custodian General was being requested to review the case in exercise of powers vested in him and that the matter regarding non-charging of premium of commercial properties from the lessees who opted for long lease was taken up (April 2015) with the Custodian General. Further progress in the matter was awaited (June 2015).

(iv) Audit noticed that no open auction of the flat (New EP No. 258 1<sup>st</sup> floor) constructed at a cost of ₹13.18 lakh at Wazarat Road Jammu was carried out before leasing it out. During the year 2012-13, the EP Department had determined premium for 2 bedroom flats adjacent to this property at ₹22 lakh per flat. The said property was leased out (February 2013) by the Custodian General to Miss Insha Mir on lease for a period of 40 years on a premium of ₹5 lakh on the basis of potential value of ₹10 lakh assessed (February 2013) for the property by a Committee of the EP Department. Thus, irregular allotment of property resulted in a loss of ₹17 lakh to the Department. On being pointed out, the Custodian EP Jammu admitted the facts of the case and stated (April 2015) that the Custodian General was being requested to review the case. Further progress of the case was awaited (June 2015).

(v) The Evacuee Property (No. 257) situated at Mohalla Dalpatian, Jammu was transferred (April 2005) to Sh. Tanveer Ahmad Kitchloo after the death of his father subject to condition that rent was to be assessed by the Public Works (R&B) Department (PWD) on the basis of approval of Hon'ble Revenue Minister. The existing rent of the property was ₹1331 per month. The rent of the property

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<sup>102</sup> Brick Cottage

was assessed (September 2006) on the norms of the PWD at ₹6000 per month. Aggrieved over the fixation of revised rent of ₹6000 per month, the allottee filed application for grant of stay and the Court ordered (May 2007) for maintenance of status quo. Thereafter the allottee again filed (August 2007) revision petition before the Court of Law (J&K Special Tribunal Jammu) who rejected (December 2010) the revision petition and upheld the order for payment of rent at revised rate of ₹6000 per month. The allottee did not make payment of rent on revised rates and instead submitted (February 2013) an application before Custodian, Evacuee Property Jammu for reconsideration of the order fixing the rent of ₹6000 per month. The Custodian forwarded the case to the Executive Engineer of the Department who justified the assessment of rent for the property at ₹6000 per month. Thereafter, the Custodian, Evacuee Property Jammu arbitrarily fixed (March 2013) rent of ₹2000 from May 2005 and ₹3000 from January 2013 in disregard to the Court orders and by ignoring the assessment of rent of property made by the Engineering wing of the EP Department. The allottee made the payment of rent as per the fixed rates<sup>103</sup> in May 2013 on the basis of these rates fixed by the Custodian in March 2013.

Arbitrary action on the part of the Custodian Jammu to reverse the orders of the higher authorities and also disobeying Court orders resulted in a loss of ₹4.56 lakh to the EP Department. On being pointed out, the Custodian EP Jammu admitted (April 2015) the facts of the case and stated that the Custodian General was being requested to review the case.

**(vi)** Sanction for allotment of ground floor of evacuee property (BC House No. 239 P) situated at Panjbakhtar Road, Jammu was accorded (August 2006) by the Custodian EP Jammu in favour of Sh. Kifayat Hussain Rizvi at a monthly rent of ₹500. On receipt of request (January 2013) for grant of long lease by the allottee, the potential value of the property was assessed (February 2013) at ₹17.30 lakh by the assessment committee of the EP Department. While forwarding the case to the Custodian General for sanction of the long lease, the amount of premium payable by the allottee was shown at ₹6 lakh by the Custodian EP Jammu instead of ₹8.65 lakh (50 per cent of ₹17.30 lakh) which was deposited (September 2013) by the allottee. Furnishing of wrong information resulted in short realization of ₹2.65 lakh by the EP Department thereby providing undue benefit to the allottee. On being pointed out, the Custodian EP Jammu admitted facts of the case and stated (April 2015) that the Custodian General was being requested to review the case.

**(vii)** Sanction for transfer of Evacuee Property (No. BC-85) situated at Baba Jiwan Shah Mohalla, Jammu in favour of Sh. Mudassar Ahmad Khan was accorded (February 2008) by the Custodian General after death of his father Sh. Haji Buland Khan. Further, sanction for conversion of said property from residential to commercial was accorded (April 2013) against premium of ₹7.50 lakh. Audit noticed that potential value of the property was determined at ₹16.30 lakh by the assessment Committee of the EP Department and accordingly allottee was liable to pay ₹8.15 lakh (50 per cent of potential value). The

<sup>103</sup> May 2005 to December 2012 at the rate of ₹2000 per month and from January 2013 onwards at the rate of ₹3000 per month

allottee deposited (August 2013) only ₹one lakh as premium and executed (August 2013) agreement with the EP Department. The balance amount was ordered to be made in three equal instalments by the Custodian EP Jammu. The allottee had not made the balance payment of ₹7.15 lakh payable on account of premium. The EP Department executed the agreement with the allottee which was irregular. After this was pointed out, the Custodian EP Jammu stated (June 2015) that the premium would be charged by modifying the orders of the Custodian General and that balance premium would be recovered.

(viii) Evacuee Property (Flat No. 4-B) located at Sanat Nagar, Srinagar after dehiring (December 2010) from the Estates Department was allotted (December 2010) by the Custodian EP Kashmir in favour of Ms. Sehar Iqbal for a period of one year on monthly rent of ₹3000/- per month. The flat was allotted arbitrarily without following the due auction process. As per guidelines (June 2010) of the Department, the allottee was required to pay 70 *per cent* of the potential value of the property as premium. However, the property was allotted on rent basis without assessing the potential value of the property. Audit noticed that allotment of flat beyond one year in favour of allottee was not renewed. In a similar case (Flat No.4-A) adjacent to this property, the Department had assessed (June 2013) potential value of the property at ₹35.79 lakh. The allottee had not paid any rent during the period from April 2011 to March 2015 amounting to ₹1.45 lakh. Thus, irregular allotment of flat resulted in non-realisation of premium from the potential value of property besides rent arrears of ₹1.45 lakh. The Custodian, EP, Kashmir stated (May 2015) that matter would be taken up with the higher authorities and that notices for recovery of rental arrears would be served to the lessee.

The Custodian General/ Custodians EP should take appropriate action to recover/ realize the outstanding amounts and avoid such cases in future.

### 3.22.3 Financial Management

The establishment Budget of the Custodian General is sanctioned by the State Government and funds for this purpose are allotted by the Commissioner Secretary, Revenue Department under Major Head 2070-Other Administrative Services. The Custodian, EP, Jammu and the Custodian EP, Kashmir are meeting the expenses out of the income received by way of rent, premium on account of transfer of evacuee properties, conversion of residential properties for commercial purposes, etc. The position of funds allotted by the Government, income received by the Custodians (EP) and expenditure incurred thereagainst during the period 2010-11 to 2014-15 are as given in **Table-3.22.5**.

Table-3.22.5

(₹in crore)

Sl. No.	Year	Funds allotted by the Government	Expenditure incurred against funds allotted	Income received	Expenditure incurred against income received
1.	2010-11	NA	NA	13.38	9.13
2.	2011-12	0.61	0.57	16.61	9.68
3.	2012-13	0.74	0.73	26.10	14.91
4.	2013-14	0.77	0.71	32.22	16.82
5.	2014-15	1.01	0.71	28.78	12.47

(Source: Departmental Records)

### 3.22.3.1 Excess administrative expenditure by Custodian (EP) Jammu

As per Rule 22, the Custodian is authorized to incur administrative expenditure to the extent of 30 *per cent* of the total income and 10 *per cent* of the interest accruing thereon and on other evacuee property deposits during the year. The administrative expenditure incurred by the Custodian EP Kashmir was within the permissible limits whereas the administrative expenditure of ₹18.04 crore was incurred by the Custodian EP Jammu during 2010-11 to 2013-14 against admissible expenditure of ₹10.44 crore. This resulted in incurring of excess administrative expenditure of ₹7.60 crore.

The Custodian EP Jammu attributed (May 2014) this to hike in salaries and pension on account of 6<sup>th</sup> Pay Commission. However, in Custodian EP, Kashmir no such compulsion arose due to their higher revenue.

### 3.22.3.2 Shortfall in achievement of revenue targets and inefficient recovery mechanism

(i) The shortfall in realization of revenue against targets fixed ranged between 72 *per cent* and 89 *per cent* in Jammu Division and 28 *per cent* and 55 *per cent* in Kashmir Division during the years 2010-11 to 2014-15. The Custodians stated (April-May 2015) that shortfall was mainly due to non-payment of rent by the Government Departments.

(ii) The position of recovery of premium, rent on account of leasing out of evacuee properties by the EP Department was not satisfactory and huge arrears of ₹120.40 crore on account of outstanding premium and rent had accumulated against 491 lessees/ allottees at the close of March 2015, as indicated in **Table-3.22.6**.

Table-3.22.6

Sl. No.	Description of Properties	Amount outstanding (₹ in crore)	No. of lessees	Reasons
1.	Land	2.89	111	Non/short depositing of premium by the allottees.
2.	Rented	117.09	49	Non/short depositing of rent by the allottees.
3.	Residential	0.32	139	Non execution of fresh lease deeds and non revision of rent.
4.	Commercial	0.10	192	Non execution of fresh lease deeds and non revision of rent.
<b>Total</b>		<b>120.40</b>	<b>491</b>	

Premium of ₹2.89 crore was outstanding against 111 allottees on account of transfer charges of land, shops/ houses etc. ending March 2015 in Jammu Division. Huge outstanding was due to non or short depositing of premium by the allottees. The less premium was accepted by the Custodian EP Jammu despite the fact that there was no provision for depositing the premium in installments.

The Custodian EP Jammu stated (June 2015) that allotment would be cancelled in case of failure of allottees to deposit balance premium.

An amount of ₹117.09 crore (Jammu: ₹112.92 crore; Kashmir: ₹4.17 crore) was outstanding as rent against 49 Government offices. No action was taken by the Department to recover huge arrears of rent. The position of rent outstanding as of 31 March 2015 against private individuals was not available with the Department, as the rent ledgers were not updated, in absence of which rent outstanding against individuals could not be ascertained.

The Custodians stated (May and June 2015) that the matter would be taken up with the concerned Administrative Departments before taking further course of action. The Custodian EP Jammu had not devised any mechanism to collect/recover outstanding premium.

Rule 13-A envisages revision of rent of all evacuee property buildings whether constructed by the Department or by the evacuee himself on the basis of principles applied by the Engineering Department in assessment of rent of private buildings. The fresh lease deeds were also to contain provision of revision of rent after a gap of three years and such increase was to be in no case less than 15 per cent over and above the original rent. Audit scrutiny showed that out of 1200 test-checked cases (Jammu: 900; Kashmir: 300), fresh lease deeds in respect of 622 cases (Residential: 387; Commercial: 235) (Jammu: 555; Kashmir: 67) had not been executed with the allottees as of March 2015 for the period ranging between one year and 56 years. Non-execution of fresh lease deeds and consequent non-revision of rent in 331 cases (Residential: 139; Commercial: 192) (Jammu: 264; Kashmir: 67) out of 622 test-checked cases resulted in short realization of revenue to the extent of ₹42.31 lakh (Residential: ₹32.48 lakh; Commercial: ₹9.83 lakh) (Jammu: ₹39.32 lakh; Kashmir: ₹2.99 lakh). On being pointed out, the Custodians stated (May and June 2015) that notices had been issued to the allottees.



Rule 13-B provides for revision of rent in respect of buildings used for commercial purposes after taking into consideration the location and value of the property, which was not to be less than the prevailing market rates provided that the rent was to be enhanced by 10 *per cent* of rent fixed after every three years. The Department had not adopted any mechanism for revision/ fixation of rent of Commercial properties in accordance with the provisions of Rule 13-B. Instead meagre monthly rent in respect of properties located at posh/ commercial areas ranging from ₹63 to ₹500 per shop in Jammu Division and from ₹250 to ₹700 per shop in Kashmir Division had been charged. This resulted in under assessment of rent.

The Custodians stated (May and June 2015) that the Department was making every effort to revise the rent as per the policy in vogue.

### 3.22.3.3 Non-formulation of financial investment plan

Rule 23 provides that the income realized by the Department by way of rent, lease, sale proceeds or any other source was required to be deposited in the Evacuee Property Fund and invested in purchase of land or other immovable property. For this purpose, a financial investment plan was to be prepared for investment of surplus funds for high yield/ return.

Audit observed that the Department neither established Evacuee Property Fund nor formulated any financial investment plan during the period 2010-15 in spite of the fact that ₹100 crore were invested in FDRs as of March 2015 by the Custodian Jammu (₹45 crore) and Custodian Kashmir (₹55 crore).

The Custodian Kashmir stated (May 2015) that the matter would be discussed with the higher authorities to boost income generation. The Custodian Jammu stated (April 2015) that expenditure had been incurred on ongoing projects and on creation of assets. The reply should be viewed in light of the fact that financial investment Plan was to be prepared for investment of surplus funds.

### 3.22.3.4 Non-realisation of rent

Thirty residential flats at Meen Sarkar, Bari Brahmana, Jammu were constructed (2008) on evacuee land by the Department at a cost of ₹two crore. The flats remained idle for about three years and were handed over in January 2011 on monthly rent of ₹4585 per flat to Estates Department.

Audit noticed that neither any lease agreement was executed nor any rent was realized from the Estates Department. As a result, the expenditure of ₹two crore incurred on construction of flats remained unproductive.

The Custodian EP Jammu stated (April 2015) that action would be taken by the Department under relevant provisions for recovery of rental arrears.

### 3.22.4 Unproductive and extra expenditure

**3.22.4.1** The Custodians spent ₹25.21 lakh (Jammu: ₹14.71 lakh; Kashmir: ₹10.50 lakh) for purchasing two vehicles (January and June 2013). Audit found

that the expenditure was not authorized by the Government and the vehicles after their purchase remained attached with the Administrative Department. This indicated that the vehicles were purchased in absence of any requirement. After the matter was pointed out, the Administrative Department accorded (March 2015) post facto sanction for authorization of expenses incurred on purchase of vehicles.

**3.22.4.2** Tender notices for construction of 24 flats at Rawalpora Srinagar comprising four blocks, six flats in each block at an advertised cost of ₹2.50 crore<sup>104</sup> were called for three times during the period November 2011 to August 2012. Tenders of November 2011 could not be finalized due to limited number of tenderers. On the basis of the second tender invited on 30 January 2012, the contractor, M/s Hafizullah Beigh was declared (February 2012) L-1 with a bid offer of ₹2.05 crore followed by another contractor M/s Manzoor Ahmad Gilkar (₹2.17 crore) against the advertised cost of ₹2.50 crore. The L-1 contractor however, opted out (June 2012) due to delay in allotment of contract and escalation of cost of building materials. However, no efforts were made by the Department to negotiate with the 2<sup>nd</sup> lowest tenderer and instead tenders were again called for. In response to the third tender notice dated 08 August 2012, the work was awarded (December 2012) to M/s Manzoor Constructions, being the lowest tenderer at a bid of ₹2.50 crore. Thus due to delay in allotment of contract and inaction to negotiate with the second contractor in February 2012, the Department had to allot the contract at extra cost of ₹44.77 lakh. Even compared to the second contractor there was a gap of ₹33 lakh. The Custodian EP Kashmir admitted (May 2015) that the work order could not materialize in time and as such could not be issued.

### 3.22.5 Conclusion and Recommendations

There was accumulation of huge arrears of ₹120.40 crore on account of outstanding premium and rent against 491 lessees/ allottees at the close of March 2015.

**The Government may ensure recovery of outstanding premium and rent against lessees/ allottees.**

The Department had neither established Evacuee Property Fund nor formulated any financial investment plan.

**The Government may consider establishing Evacuee Property Fund and formulation of financial investment plan.**

There were inconsistencies of guidelines adopted by the Department with the Rules.

**The Government may consider rationalising the guidelines adopted by the Department to make them compatible with the Rules.**

Over 1,50,806 *kanals* of land out of total 14,70,434 *kanals* of evacuee land, was under illegal occupation.

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<sup>104</sup> Cost estimates as per quantity schedule

**The Government may consider taking measures for getting the evacuee land under illegal occupation vacated.**

Irregular leasing out of evacuee properties and incorrect application of rates resulted in short levy of premium of ₹1.41 crore.

**The Government may consider taking measures for proper leasing out of evacuee properties and correct application of rates.**

Expenditure of ₹two crore incurred on construction of 30 flats remained unproductive due to non-execution of lease agreement with the Estates Department.

**The Government may consider ensuring execution of lease agreement with the Estates Department before starting construction works.**

The matter was referred to the Government/ Department in July 2015; reply thereof was not received (November 2015).

## Revenue Department

### (Relief and Rehabilitation Commissioner (Migrants))

#### 3.23 Irregular and extra expenditure

**Action of the departmental authorities to incur extra cost of ₹2.86 crore on ‘water supply scheme’, allotment of its operation and also award of work of ‘Internal electrification’ of the project for construction of mini township at Jagti Nagrota Jammu without invitation of tenders resulted in irregular expenditure of ₹6.51 crore.**

The detailed project report (DPR) for construction of mini township at Jagti Nagrota Jammu for rehabilitation of Kashmiri migrants approved (April 2007 at a cost of ₹270 crore) by the Planning Commission of India *inter alia* included components like electrification (₹6.50 crore) and water supply (₹12.40 crore) of the township. As per the DPR, these works were to be executed by the line Departments viz Power Development Department (PDD) and Public Health Engineering (PHE) Department.

Audit check (March 2015) of records of the Relief and Rehabilitation Commissioner (Migrants) Jammu showed that works relating to ‘providing of internal electrification’ and ‘execution of water supply scheme’ of the project were allotted (May 2008) to the contractor<sup>105</sup> by the Relief Commissioner Jammu at a cost of ₹18.90 crore on the basis of sanction accorded (March 2008 and May 2008) by the Secretary Revenue Department. The contractor was also executing main project of the township. The cost offer of ₹12.33 crore for execution of water supply scheme of the contractor was found lowest amongst cost offers of three agencies<sup>106</sup>. The work was to be executed by the contractor under strict supervision of the Executive Engineer PHE of the concerned area. The execution

<sup>105</sup> M/s Maytas Rithvik J.V

<sup>106</sup> JKPC (₹22 crore); PHE (₹15.95 crore) and the contractor M/s Maytas Rithvik J.V (₹12.33 crore)

of water supply scheme was completed (March 2011) at a cost of ₹15.19 crore by the contractor in excess of the allotted cost by ₹2.86 crore. The work of 'providing of internal electrification' of the project was allotted to the same contractor on the basis of estimates of the PDD without ascertaining reasonability of rates through the process of tendering. The internal electrification was partly completed<sup>107</sup> (March 2011) by the contractor at a cost of ₹4.45 crore.

For regulating and operating the water supply scheme it was decided in the meeting held (April 2011) under the chairmanship of Hon'ble Minister for Revenue, Relief and Rehabilitation that the PHE Department would take over the scheme and in case PHE Department faced problems the contractor (executing agency) would be authorised to operate the scheme for three to six months. However operation of the scheme was handed over to another firm<sup>108</sup> without tendering at ₹2.50 lakh per month from 1 May 2011 and *post facto* sanction thereof was accorded by the Relief and Rehabilitation Commissioner (M) Jammu in September 2011. After joint inspection of the scheme by the authorities of both PHE and Revenue Departments, the Chief Engineer PHE Department Jammu informed (July 2013) the Relief and Rehabilitation Commissioner (M) Jammu that in view of defective design and execution of water supply scheme, it was not advisable to take over the scheme unless shortcomings were rectified. The Hon'ble Chief Minister of the State in the meeting of Apex Advisory Committee directed (September 2013) the PHE Department to take over the scheme and carry out required design changes. However no further action was taken in the matter and the scheme continued to be operated and maintained by the same firm for which ₹2.06 crore was paid from May 2011 to December 2014.

Thus action of the departmental authorities to incur extra cost of ₹2.86 crore on the 'water supply scheme', allotment of its operation and also award of work of 'Internal electrification' of the project for construction of mini township at Jagti Nagrota Jammu without invitation of tenders resulted in irregular expenditure of ₹6.51 crore.

The matter was referred to the Government/ Department in June 2015. The Relief and Rehabilitation Commissioner (Migrants), Jammu endorsed (July 2015) reply of the Executive Engineer Relief Organisation Jammu wherein it was stated that the Development Commissioner Town Planning Jammu who had designed the Colony suggested that to ensure minimum interference of multiple agencies at site the allied works such as water and power supply to the township be entrusted to the firm which was executing construction work of main project and that the decision had resulted in no loss to the Government as the cost offer of the agency was less than that of PHE Department Jammu and PDD Jammu. The reply was not acceptable as the works which were to be executed through line departments were executed without invitation of tenders.

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<sup>107</sup> Electric Transformer proposed for the Hospital not commissioned due to non-completion of Hospital building

<sup>108</sup> M/s Sai Constructions, Engineers and contractors Jammu

### 3.24 Undue favour to contractors

**Award of contract for construction of transit accommodation at different sites in Kashmir valley to SICOP without bidding after cancellation of tendering process by the Relief Commissioner Migrants Jammu resulted in extra expenditure of ₹11.94 crore.**

Government of India (GoI) sanctioned (April 2008) a package of ₹1618.40 crore for return and rehabilitation of Kashmiri Migrants to Kashmir valley. For this purpose, Government order was issued (October 2009) and one of the seven components of the scheme was construction of transit accommodation at three sites in Kashmir valley at a cost of ₹60 crore (@ ₹20 crore each).

Audit check (March 2015) of records showed that the Relief organisation Migrants decided to construct pre-fabricated structures for transit accommodation at two locations viz Vessu (Qazigund) and Khanpora (Baramulla) in Kashmir valley. Accordingly, tenders were invited (23 October 2009) and on the next day, a corrigendum was issued wherein annual turnover of firms/ agencies being one of the eligibility condition was increased. On 11 November 2009, few days before the last date of bidding, Minister for Industries and Commerce demi officially requested Minister for Revenue for placement of orders of prefabricated structures with the Jammu and Kashmir Small Scale Industries Development Corporation Limited (SICOP). During the tendering process the SICOP was found ineligible as it had not executed even a single work of such nature during the last five years, which was a mandatory requirement. Three firms for location at Vessu and five firms for location at Khanpur were found eligible. M/s Sintex Industries which had quoted a rate of ₹960 per square feet (for a unit of 480 square feet area) was found to be the lowest for the works at both locations and was accordingly requested to furnish the design of the proposed structure. After the tendering process was completed, a contract committee was constituted which decided to cancel the current bid and invite fresh NIT on the ground that a corrigendum issued one day after issuing NIT would invite criticism.

Thereafter a fresh process of bidding was initiated (18 December 2009). Again the process was terminated (30 December 2009) on the advice of Relief Commissioner on the ground that the organisation shall not be able to supervise the works in the valley with skeleton staff. The advice for cancellation of tendering was injudicious as the Relief Commissioner had authorised the first bidding process and was a member of the contract committee that had initiated the second bidding process. The Department took up (January 2010) the matter with Jammu and Kashmir Projects Construction Corporation Limited (JKPCC) who though willing to execute the work expressed inability to complete it by 15 March 2010. The matter was taken up (February 2010) with SICOP for furnishing cost offer and willingness to execute work within the stipulated time frame (15 March 2010) and the SICOP proposal was approved (02 March 2010) by the Minister for Revenue. The SICOP was authorised to take up construction of transit accommodation for Kashmiri migrants at a revised negotiated cost of



₹1309<sup>109</sup> per square feet (for per unit of 525 square feet area). Audit had noticed that the SICOP in turn allotted the work to two contractors without any bidding as brought out at Audit Paragraph 4.1.9.3(ii) in the Report of the C&AG on Revenue sector and PSU for the year ended 31 March 2014. As of March 2015 the project was incomplete. Thus, after terminating the tendering process on two occasions, the work was finally allotted arbitrarily by the Department.

Audit scrutiny further showed that against the cost of ₹6.87 lakh per unit payable to the SICOP ₹7.50 lakh per unit was paid by the Relief commissioner at his own level without obtaining approval from the State Government.

The Department in reply (March 2015) stated that the SICOP had not for the first time executed any project for the Relief organisation and that many State Government departments had been getting works executed through SICOP. The reply was not acceptable as arbitrary decision making of the Department to cancel tendering process twice without valid reasons and subsequent award of contract without ascertaining reasonability of rates resulted in extra expenditure of ₹11.94 crore<sup>110</sup>.

Thus, award of contract for construction of transit accommodation at different sites in Kashmir valley to SICOP without bidding after cancellation of tendering process by the Relief Commissioner Migrants Jammu resulted in extra expenditure of ₹11.94 crore.

The matter was referred to the Government/ Department in June 2015; reply thereof was not received (November 2015).

## **Rural Development Department**

### **3.25 Total Sanitation Campaign**

#### **3.25.1 Introduction**

The Central Rural Sanitation Programme (CRSP) was launched by the Government of India (GoI) in the year 1986 with the objective to provide sanitation facilities in rural areas and also to provide privacy and dignity to women. The Government of India (GoI) improved CRSP and revised (1999) approach in the programme 'Total Sanitation Campaign (TSC)' renamed (2012) as 'Nirmal Bharat Abhiyan' for sustainable reforms in the rural sector. The scheme envisaged payment of incentives to the households living Below Poverty Line (BPL) on construction of individual household latrine units.

The campaign is being implemented through seven identified components (i) Start-up activities and Information, Education and Communication (IECs); (ii) alternate delivery mechanism; (iii) individual latrines for BPL families, households having disabled persons and community sanitary complexes; (iv) individual household latrines for Above Poverty Line (APL) families; (v) institutional toilets including

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<sup>109</sup> Cost of ₹6.87 lakh for each unit of 525 sq. ft. area

<sup>110</sup> Payment made to SICOP (₹35.03 crore)- Payment due to M/s Syntex for same area (₹23.09 crore)



Schools and *Anganwadi* sanitation; (vi) administrative charges including training, staff supports, services, monitoring and evaluation etc.; and (vii) solid and liquid waste management. In Jammu and Kashmir, TSC was implemented in 21 project districts. The programme is implemented in the State through State Water Sanitation Mission (SWSM) at the State level and at block/ Gram Panchayat level through the Block Development Officers. The funds are released through District Development Commissioners/ District Panchayat Officers.

The Audit reviewed implementation of the programme by test-check of records of Chairman SWSM, Director Rural sanitation, two Deputy Directors Rural sanitation, five DWSMs, five District Panchayat Officers, 10 out of 143<sup>111</sup> BDO's and 77 *Panchayats* out of 4143 *Panchayats* during the period from July 2014 to October 2014. Audit also surveyed 667 beneficiaries jointly with the departmental authorities. The following are the Audit findings:

### 3.25.2 Institutional mechanism

According to the programme guidelines, State Water Sanitation Mission (SWSM) was to be constituted to supervise implementation of the programme in the project districts in the State, ensure convergence between line departments, prepare the Annual Implementation Plan for each district, receive Grant-in-aid from Centre earmarked for specific project districts and release funds to the District Water and Sanitation Mission (DWSM). The mission was to meet at least once in six months. The States were required to set up Water and Sanitation Support Organisation (WSSO) under SWSM to deal with activities like Information, Education and Communication (IEC), Human Resources Development (HRD) and monitoring and evaluation of the programme. DWSM was to implement the District Projects through DPOs and was to ensure fund flow to the Gram *Panchayats* (GPs) for attaining the objectives/ implement the District projects through DPOs leading to sustainable *Nirmal Gram Panchayats*.

Audit noticed that though SWSM was constituted (December 2003) there was shortfall of 50 *per cent* in holding meetings. WSSO had not been set up under SWSM at the State level. Though DWSMs had been constituted in the five selected Project Districts<sup>112</sup>, there was shortfall ranging between 75 *per cent* and 100 *per cent* in holding of meetings during the period 2010-15. The DWSMs of the project Districts implement the District TSC/ NBA Project through District Panchayat Officers (DPOs). The DPOs instead of releasing funds to Gram *Panchayats* for attaining objectives of the Programme released funds in favour of the Block Development Officers (BDOs).

### 3.25.3 Planning

The planning was to begin with start-up activities which included baseline surveys (BLSs) and preparation of the project Implementation Plan (PIP). The preliminary survey to assess the status of sanitation and hygiene practices, people's attitude and

<sup>111</sup> During 2014-15 further 177 BDOs were created in the State

<sup>112</sup> Ramban, Poonch, Kupwara, Leh and Budgam

demand for improved sanitation etc, under which Project Implementation and Annual Implementation Plans were to be prepared had not been conducted. The Project Implementation Plan (PIP) was not prepared for the project objectives viz. IHHLs, CSC/ WSC, *Anganwadi*, school toilets, etc. The BLS though started belatedly in 2012-13 had not been completed as of March 2014. The DPOs/ Director Rural Sanitation stated that base line data would be consolidated in 2014-15 and would be used for implementation of programme in future.

The State Annual Implementation Plans (AIPs) were not prepared after compiling the District Implementation Plans. Though, the Department reported that the project AIPs had been prepared at the State level, it was noticed in five selected districts that out of 20 AIPs due for submission to the State Government authorities during the period 2010-14, only 11 AIPs were produced to audit by DPOs. Audit also noticed that AIPs had not been prepared in 77 selected *Panchayats* of the 10 test-checked blocks<sup>113</sup>.

The GPs had not been identified for the purpose of achieving saturation<sup>114</sup> as envisaged in the guidelines and implementation of the programme had not been undertaken from the saturation point of view in any of the selected districts except district Budgam where 89 and 96 *Panchayats* had been identified for saturation during 2012-13 and 2013-14 respectively. As a result none of the GPs have been made *Nirmal*. The DPOs stated that the aspect of the selection of GPs for achieving full saturation would be taken care of while preparing AIPs.

### 3.25.4 Financial Management

The position of funds released by GoI and State Government for implementation of the programme during the years 2010-11 to 2014-15 was as given in **Table-3.25.1** below:

**Table-3.25.1**

Year	Approved Allocation		Opening balance	Receipt of funds				Total availability of funds	Expenditure incurred	Closing balance/ percentage
	Central share	State share		GoI share	State share	Interest on Bank Deposits	Total			
2010-11	26.55	5.57	10.43	13.28	5.36	0.48	19.12	29.55	15.99	13.56 (46)
2011-12	47.03	6.07	13.56	22.96	5.68	1.40	30.04	43.60	30.38	13.22 (30)
2012-13	70.22	6.07	13.22	35.11	6.89	1.11	43.11	56.33	43.73	12.60 (22)
2013-14	44.57	17.60	12.60	39.57	16.50	0.72	56.79	69.39	51.90	17.49 (25)
2014-15	103.25	13.05	17.49	103.25	7.94	0.20	111.39	128.88	40.99	87.89 (68)
<b>Total</b>	<b>291.62</b>			<b>214.17</b>	<b>42.37</b>	<b>3.91</b>	<b>260.45</b>		<b>182.99</b>	

There was shortfall in utilization of funds *vis-a-vis* total availability of funds which ranged between 22 *per cent* and 68 *per cent* during the years 2010-11

<sup>113</sup> Ramban, Banihal, Mandi, Surankote, Beerwah, Nagam, Ramhall, Trehgam, Khalsi, Nyoma

<sup>114</sup> According to the 'concept of saturation' the rural community has to be comprehensively covered through renewed strategies to bring about a movement in the community to achieve *Nirmal* status

to 2014-15. The funds were not earmarked for various components viz. Start-up activities, IEC, IHHL, Community-centre complexes, Institutional latrines, administrative charges etc; though stipulated in the guidelines of the Programme. The Director, Rural Sanitation stated that the allotment of funds made by the GoI was not component-wise. The reply was not convincing as the funds were earmarked for each component in the plans.

The shortfall in release of funds by GoI ranged between 11 *per cent* and 51 *per cent* during the period 2010-14 and the short release of State share ranged between four *per cent* and 39 *per cent* during the years 2010-11 to 2014-15. Audit noticed that non-release of central funds to the tune of ₹77.45 crore during the period 2010-15 was due to non-submission of mid-term utilization certificates and audited statements of accounts to the GoI.

The Director Rural Sanitation stated that component-wise allotment of funds was not made by the higher authorities and State share was utilized on the basis of availability of funds.

#### 3.25.4.1 Deficient account maintenance

The J&K Financial Code provides that all monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check. Audit noticed that the SWSM had not prepared cash book for the amounts received under the programme during the period 2010-15. Audit noticed that in deviation from Programme guidelines two<sup>115</sup> blocks and the District Development Commissioner Ramban had deposited the programme funds in the current Deposit (CD) bank account. As a result of this, the Department had to suffer loss of ₹5.87 lakh on account of interest. The Department stated that in future the CD accounts maintained for TSC/ NBA funds would be converted into Saving Bank accounts.

According to programme guidelines, the interest accrued on NBA funds are to be treated as part of the NBA resources. The District implementing agency has to submit certificate of utilization of interest accrued on NBA funds along with claims for subsequent instalments. Audit observed that ₹82.05 lakh earned as interest by SWSM (₹69.82 lakh) and DWSM Poonch (₹12.23 lakh) had not been accounted for in the accounts. The non-accountal of interest by DWSM Poonch facilitated irregular expenditure of ₹7.25 lakh<sup>116</sup> from the interest amount. The Chief Planning Officer Poonch stated that unspent interest would be released to the DPO for programme implementation and that due care would be taken in accountal of interest in future.

#### 3.25.4.2 Beneficiary contribution

For all the hardware activities executed under the programme, the corresponding beneficiary share/ community contribution are to be taken and reflected appropriately in the progress reports. Audit noticed short/ excess accountal of

<sup>115</sup> Ramhall and Trehgam

<sup>116</sup> Expenditure was incurred by the DWSM Poonch on POL and repair of vehicle

beneficiary and community contribution in five selected districts as detailed in **Table-3.25.2** below:

**Table-3.25.2**

(Amount in lakh)

Name of District	Individual household latrines (IHHL)		Community sanitary complexes (CSC)		Short (+)/ Excess (-) accountal	
	Beneficiary share due	Beneficiary share accounted for	Community contribution due	Community contribution accounted for	Beneficiary share	Community contribution
Ramban	37.58	36.72	3.37	1.17	0.86	2.20
Poonch	100.35	102.25	14.53	5.40	-1.90	9.13
Budgam	110.30	115.06	6.67	4.40	-4.76	2.27
Kupwara	106.71	-	13.02	-	106.71	13.02
Leh	17.31	9.57	15.38	8.16	7.74	7.22
<b>Total</b>	<b>372.25</b>	<b>263.60</b>	<b>52.97</b>	<b>19.13</b>	<b>108.65</b>	<b>33.84</b>

Against ₹3.72 crore and ₹52.97 lakh due as beneficiary share and community contribution only ₹2.64 crore (71 per cent) and ₹19.13 lakh (36 per cent) respectively had been accounted for in the accounts in five test-checked districts.

### 3.25.4.3 Submission of Utilisation Certificates/ completion reports

According to programme guidelines, completion reports alongwith audit certificate/ utilization certificate are required to be sent to the GoI on completion of the project. It was, however, seen that out of 21 projects taken up, none of the projects had been completed as of March 2015 despite time overrun ranging between six and nine years.

Audit observed that accounts were not audited by Chartered Accountant at the State level and in two selected districts<sup>117</sup> as required under Programme guidelines the UCs submitted to the GoI by SWSM were at variance with the actual expenditure as detailed in *Appendix-3.4*.

### 3.25.5 Programme implementation

The position of physical targets and achievements under different components of the programme during the years 2010-11 to 2014-15 was as shown in **Table-3.25.3** below:

**Table-3.25.3**

Year	Construction of IHHLs for BPL		Construction of IHHLs for APL		Construction of Community Sanitary Complexes		Construction of School toilets		Construction of Anganwadi toilets		Construction of Rural Sanitary marts (RSM) and production centres	
	Tar.	Ach.	Tar.	Ach.	Tar.	Ach.	Tar.	Ach.	Tar.	Ach.	Tar.	Ach.
2010-11	212581	35880	-	-	209	145	9182	1545	868	40	42	4
2011-12	80000	51352	-	-	245	166	6000	2671	250	79	-	-
2012-13	151039	50125	114907	18194	111	126	5549	1728	359	78	-	-
2013-14	144471	62730	94844	27312	138	92	3313	454	222	52	-	-
2014-15	149094	42499	150906	21906	476	150	874	128	325	21	-	-

<sup>117</sup> Ramban and Poonch

The percentage shortfall in achievement of targets ranged between 36 and 83 for construction of IHHLs for BPL households, between 71 and 85 for construction of IHHLs for APL, between 31 and 68 for construction of community sanitary complexes, between 55 and 86 for school toilets and between 68 and 95 for *Anganwadi* toilets during the years 2010-11 to 2014-15. The Director Rural Sanitation attributed shortfall to lack of awareness among the people and shortage of manpower with implementing agencies.

Audit noticed that shortfall in achievement of targets of construction of household toilets in the five selected districts ranged between 50 and 60 *per cent* for BPL households and between 61 to 97 *per cent* for APL households during the years 2010-11 to 2014-15. Joint inspection (by Audit and departmental authorities) in 77 selected *Panchayats* covering 667 (BPL: 630; APL: 37) beneficiaries showed that 10 *per cent* of the households were without IHHLs and 13 *per cent* of the households were not using IHHLs. The concerned DPOs of these districts attributed shortfall to paucity of funds and staff.

Records showed that the BPL and eligible APL households were not identified by the GPs for construction of IHHLs as no preliminary survey had been conducted by the Department during the period 2009-14. No separate provision of IHHLs for SC/ ST/ other minorities was targeted in the State and no survey had been conducted to identify the households with bucket latrines. In the absence of such provision audit could not verify whether ₹18.57 crore (SC: ₹9.79 crore; ST: ₹8.78 crore) released by the GoI during the period 2010-15 for construction of IHHLs for the vulnerable sections of the society had been utilized for the intended purposes.

The base-line survey conducted by the Department as uploaded (October 2014) on the web-site showed number of constructed IHHL units as 4.11 lakh in the State out of which 0.40 lakh (10 *per cent*) were shown to be non-functional. The percentage of non-functional IHHLs in five selected districts ranged between two and 17 *per cent*.

Audit further noticed in five selected districts instances where expenditure incurred did not match with the physical achievements as detailed in **Table-3.25.4** below:

**Table-3.25.4**

(₹ in lakh)

Year	Physical achievements reported (No. of IHHLs)	Rate of incentive	Expenditure involved for execution of works	Expenditure actually incurred	Excess/ Less expenditure
2010-11	5886	₹2700	158.92	224.52	65.60
2011-12	7229	₹3700	267.47	242.86	(-) 24.61
2012-13	12261	₹5100	625.31	605.63	(-) 19.68
2013-14	18351	₹5100	935.90	941.59	5.69
<b>Total</b>	<b>43727</b>		<b>1987.60</b>	<b>2014.60</b>	<b>27.00</b>

It would be seen that excess expenditure of ₹27 lakh was incurred on construction of 43727 IHHLs during 2009-14 taking the rate of incentive into consideration. The DPOs stated that the matter would be investigated. Joint inspection (by

Audit and departmental authorities) showed that 38 IHHLs (6 per cent) were constructed without receiving full incentives out of 667 beneficiaries surveyed.

#### **3.25.5.1 Construction of Community Sanitary Complexes**

Under the Programme the Community Sanitary Complexes (CSC) were to be constructed at public places; markets etc. where large scale congregation of people took place. The responsibility for the upkeep and maintenance was to be given to the respective GPs. Audit noticed that in five selected districts only 237 (57 per cent) CSCs had been constructed against the target of 413 CSCs during the period 2010-15. The concerned BDOs/ DPOs attributed shortfall to shortage of staff and paucity of funds.

Audit noticed that CSCs assets created at a cost of ₹19.58 lakh in Bathni panchayat (Ramban), Badipora, Hayatpora, Bonzanigam, Gundipora, Sonpah, Rutsum and Darsan Gram Panchayats (Budgam) during 2010-11 to 2012-13 were non-functional (August 2014) for the last over one to three years. The BDOs stated that the CSCs were non-functional due to non-formation of maintenance committees.

#### **3.25.5.2 Construction of School toilets**

The Programme guidelines envisage that toilets are to be constructed in all types of Government schools. Against target of construction of 24918 school toilets during the period 2010-15 only 6526 school toilets were constructed resulting in shortfall of 74 per cent. Out of the targeted 5050 toilets fixed for construction in the selected districts during 2010-15, the achievement stood at 2067 (41 per cent). The non-achievement of targets ranged between 53 and 74 per cent during the period. The Department attributed shortfall to shortage of staff and paucity of funds.

The percentage of co-educational schools without separate girl toilets ranged between 40 and 81 during the years 2010-11 to 2013-14. The DPOs attributed the shortfall in construction of toilets for girl child to shortage of funds. The reply is not acceptable as funds under the programme were not utilized in full and percentage of unspent balances ranged between 22 and 68 during the years 2010-11 to 2014-15.

#### **3.25.5.3 Construction of Anganwadi toilets**

The progress in construction of toilets in Anganwadi centres against the targets fixed at the State level was dismal, as against a target of 2024 toilets only 270 (13 per cent) toilets had been constructed in the State during the period 2010-15. In five selected districts 191 Anganwadi toilets had been constructed against 998 toilets targeted during the period 2010-15 resulting in shortfall of 807 (81 per cent) toilets. Audit noticed that baby friendly toilets, required to be provided in each Anganwadi centre to encourage practice of using a toilet in children from a very early stage, had not been constructed in the selected districts.



The DPOs stated that the shortfall was due to shortage of staff and inadequate funding and that best efforts would be made to achieve targets in future.

#### **3.25.5.4 Construction of Rural Sanitary Marts & production centres**

Audit observed that Rural Sanitary Mart (RSM) which had to provide material, hardware and designs required for the construction of sanitary latrines, soakage and composite pits, vermin-composting, washing platforms, certified domestic water filters and other sanitation and hygiene accessories, had been established one each in four<sup>118</sup> of the 21 project districts in the State. The DPOs stated that the RSMs of the programme had not been established due to non-receipt of instruction and funds for the purpose. Audit further observed that at State level no specific design was approved for constructions of IHHL toilets. Joint Director (Rural Development, Panchayat) stated (July 2014) that the matter would be taken up with the district implementing agencies.

#### **3.25.5.5 Construction/ upgradation of solid and liquid waste management**

In deviation from Programme guidelines, the Department had not taken up the component 'SLWM' of the programme in the State during the period 2010-15 thus depriving the households from intended benefits. The Director, Rural Sanitation stated (January 2015) that audit observations had been noted for future compliance.

#### **3.25.6 Information Education and Communication**

The Director, Rural Sanitation, did not allocate budget separately for Information Education and Communication (IEC) activities intended to trigger the demand for sanitary facilities in the rural areas for households, schools, *Anganwadis* and CSCs through behavioural change. As a result, it could not be ascertained whether the ratio of share 80:20 between Centre and State as prescribed in the guidelines was ensured and limited to 15 *per cent* of the total project cost. Similarly the funds were not provided to the DWSMs, Blocks and GPs separately for carrying out various activities under IEC component. The selected DWSMs had not prepared the annual plans for carrying out IEC activities. Audit noticed that ₹1.41 crore comprising 3.27 *per cent* of total expenditure had been spent on carrying out the IEC activities during the period 2009-14 in the selected districts. The IEC personnel (key motivators) had not been appointed in all the 10 selected blocks. Regular staff had not been imparted training to create awareness about preventive and curative aspects of health among the masses besides, IEC activities like inter-personal communication and door to door contact had also not been carried out.

#### **3.25.7 Nirmal Gram Puraskar**

The Government of India (GoI) launched (October 2003) an award-based incentive programme for fully sanitized and open defecation free GPs, blocks, districts and State called "*Nirmal Gram Puraskar*" (NGP). Audit observed that

<sup>118</sup> Jammu, Kathua, Rajouri and Samba

no targets for securing *Nirmal Gram Puraskar* for GPs were set in the annual implementation plans during the period 2010-15. 17 applications received by the SWSM from *Nirmal Gram Panchayats* during 2012-13 for award of NGP had not been decided as of March 2015. The Director, Rural Sanitation received (June 2009) award money of ₹11 lakh from the GoI for 12 GPs. The first instalment of prize money of ₹six lakh was released (March-April 2012) after delay of 32 months and the balance ₹five lakh continued to remain in the current bank account as of March 2015. The utilization certificate of the prize money had also not been submitted to the GoI.

### 3.25.8 Convergence with other departments

SWSM had not ensured effective coordination between the Rural Development Department and the PHE Department so that sanitation programme could be dove-tailed with *Indira Awas Yojana* (IAY) and Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) respectively as envisaged in the Programme guidelines. The selected DWSMs had not devised any convergence mechanism for effective planning and implementation of district project. In five selected districts (1045 GPs), the convergence was seen to be poor as out of 17378 dwellings, only 305 dwellings (two *per cent*) constructed under IAY had been brought under the ambit of sanitation. The DPOs and BDOs stated that due care would be taken to provide sanitation facilities to IAY beneficiaries. Further in the selected districts against 38810 IHHLs constructed during the period 2011-14, only 12754 (33 *per cent*) IHHLs had been constructed under convergence with MGNREGS. The DPOs stated that the programme would be monitored at district level.

### 3.25.9 Non-taking up of programme activities

#### (i) *Establishment of Block Resource Centres (BRCs)*

Audit observed that the Block Resource Centers required to monitor water supply and sanitation status in GPs were not set up in 10 selected blocks of five selected districts. The Director Rural Sanitation stated that only four activities were taken up under the programme as they were directly linked with health and hygiene.

#### (ii) *Formulation of Village Water and Sanitation Committee*

Audit observed that in 77 selected *Gram Panchayats* (GPs), of 10 selected blocks the Village Water and Sanitation Committees (VWSC) were not formulated, as envisaged in the guidelines, as a sub-committee of GP.

#### (iii) *Revolving Fund*

Audit observed that Revolving fund required to be created under the programme guidelines to the extent of ₹50 lakh for alternative delivery mechanism in respect of each TSC project had not been created in any of the selected project districts. The DPOs attributed this to non-receipt of instructions from the higher authorities. The Director, Rural Sanitation stated (January 2015) that funds had not been made available by the higher authorities.

**(iv) Social Audit**

As part of Social Audit neither Gram *Swachata Sabhas* nor the *Swachata Divas* had been observed in the selected districts for comprehensive and continuous public vigilance. The DPOs stated that no instructions were received from the higher authorities for conduct of social audit.

**(v) Research**

SWSM had not engaged any research agency for study of latest technology of human excreta and waste disposal systems in the rural areas as required under the programme guidelines. The Director Rural Sanitation stated (January 2015) that separate funds for research purpose had not been provided by the higher authorities.

**(vi) Involvement of Non Government Organisations**

Contrary to Programme guidelines, Audit did not see any role of the Non-Government Organisations (NGOs) in programme implementation at the District or Block level except in district Budgam where NGOs were involved to conduct awareness camps only. The District authorities stated that no directions about involvement of NGOs had been received from the higher authorities.

**3.25.10 Monitoring and Evaluation of the programme**

The project authorities were required to review implementation of the programme through a team of experts at least once in a quarter. Against 20 such reviews to be conducted by DWSM in each district during the period 2010-15, no such reviews had been carried out in any of the selected districts. The State Review Mission required to ascertain as to whether the Districts qualified for release of the second instalment by the GoI, had not been constituted. No review had been undertaken by the project authorities at the block and DPO level except in the selected blocks of Budgam, Kupwara and Leh districts. The DPOs stated that in future such reviews would be conducted.

**3.25.11 Management Information System (MIS)**

Under the programme guidelines, physical and financial progress of execution of the programme was to be uploaded on the web-site on monthly basis. Audit, observed variations between the figures of the Monthly Progress Reports and those uploaded on the web-site (Management Information System) as detailed in *Appendix-3.5*. After being pointed out in audit, Director Rural Sanitation stated (December 2014) that sometimes wrong figures got uploaded and no corresponding corrections were made resulting in variation in two sets of figures and that care would be taken in future.

**3.25.12 Beneficiary survey**

Joint inspection (by Audit and departmental authorities) of households in 77 selected *Panchayats* covering 667 (BPL: 630; APL: 37) beneficiaries under the

programme brought out the following facts as detailed in **Table-3.25.5** below:

**Table-3.25.5**

Sl. No.	Nomenclature	Status	Percentage
	Households (667) :		
1.	Not having IHHL	66	10
2.	Having bucket latrines	52	8
3.	Having IHHL but not using it	89	13
4.	Not disposing child faeces safely	493	74
5.	Not having piped water supply	250	37
6.	Not having knowledge of hand washing after defecation	8	1
7.	Not having knowledge of hand washing after handling child faeces	43	6
8.	Constructed toilet without receiving full incentive	38	6

The details were indicative of the fact that the programme had not been implemented in the State properly as envisaged in the programme guidelines.

### 3.25.13 Conclusion and Recommendations

The Department had not conducted preliminary survey to assess the status of sanitation and hygiene practices.

**The Government may consider conducting preliminary survey to assess the status of sanitation and hygiene practices.**

There was shortfall in utilization of funds ranging between 22 *per cent* and 68 *per cent* of available funds during the years 2010-11 to 2014-15. Non-release of central funds of ₹77.45 crore was due to non-submission of mid-term UCs and audited statements of accounts to the GoI.

**The Government may ensure rationalising the utilisation of funds and submission of UCs and audited statements of accounts to the GoI.**

Shortfall in achievement of targets ranged between 31 and 95 *per cent* for construction of IHHLs for BPL/ APL households/ community, sanitary complexes/ school toilets/ *Anganwadi* toilets.

**The Government may consider ensuring that the targets for construction of IHHLs/ Community Sanitary Complexes/ school toilets/ *Anganwadi* toilets are achieved.**

CSCs assets created at a cost of ₹19.58 lakh in eight Gram *Panchayats* during the years 2010-11 and 2012-13 were non-functional for the last over one to three years.

**The Government may consider making the CSCs assets functional.**


SWSM had not devised any convergence mechanism with the PHE Department for integrated implementation of the sanitation programme with

*Indira Awas Yojana (IAY) and Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).*

**The Government may consider devising a convergence mechanism for integrated implementation of the sanitation programme with IAY and MGNREGS.**


The matter was referred to the Government/ Department in December 2014; reply thereof was not received (November 2015).

**Srinagar/Jammu  
The 29<sup>th</sup> March 2016**

  
**(Hoveyda Abbas)  
Accountant General (Audit)  
Jammu and Kashmir**

**Countersigned**

**New Delhi  
The 4<sup>th</sup> April 2016**

  
**(Shashi Kant Sharma)  
Comptroller and Auditor General  
of India**

