

CHAPTER - III

Crisis Management

3.1 Introduction

The Crisis Management segment under the PMDP includes seven¹ projects to be executed at an estimated cost of ₹ 5,858 crore including a Comprehensive Flood Control Project for River Jhelum and its tributaries including dredging and de-silting; assistance for permanent restoration of damaged public infrastructure assets strengthening the Disaster Management Framework in the State, including setting up of Emergency Operation Centres and allied infrastructure etc.

Under the Crisis Management segment out of a total of seven projects, four² projects with an outlay of ₹ 2,830 crore were test checked in Audit.

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

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

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

(Source: Departmental records)

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

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

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

Higher Education Department

3.2 Construction of additional Girls Hostels in Higher Education Institutions

The Department of Higher Education, Government of Jammu & Kashmir (GoJ&K) submitted a proposal (October 2016) for Construction of Seven Girls Hostels³ in Government Degree Colleges (GDCs). This was approved (March 2017) under the Prime Minister's Development Package (PMDP) by the Government of India (GoI) for a total project cost of ₹ 50 crore. The works⁴ of the project were technically vetted by the Development Commissioner (Works) for ₹ 48.41 crore and the period for completion was eight months (February 2018) from the date of issue of authorisation order. The assistance from the GoI, through the University Grants Commission (UGC) was 100 per cent of the approved cost, subject to the condition that expenditure over and above the allocation by UGC was to be met by the Institutions from their own resources.

Out of the seven Girls Hostels to be constructed, five⁵ Girls Hostels in GDCs were selected for test check in audit.

As seen from the records and photographs given in paragraph 3.2.3, out of the five test checked Girls Hostels in GDCs where the construction of Hostels was proposed, work of construction of three⁶ Girls Hostels was at different stages. In the remaining two⁷ Girls Hostels, work had been stopped at plinth level due to lack of specific experience of the executing agencies as well as the knowhow of the new technology⁸ being adopted despite incurring (March 2019) an expenditure of ₹ 3.01 crore. None of the Girls Hostels were complete, as detailed in the subsequent paragraphs.

3.2.1 Financial Management

Out of the sanctioned cost of ₹ 50 crore, an amount of ₹ 23.75 crore was released (July 2017 to October 2018) by the UGC directly into the Bank accounts of the seven GDCs who in turn released ₹ 10.22 crore to the construction agencies⁹.

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

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

⁴ Six works in March 2018 and remaining work in Bhaderwah in December 2018.

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

⁶ GDCs (i) Paloura (Jammu), (ii) Rajouri and (iii) Bhaderwah.

⁷ Bemina (Srinagar) and Kargil (Ladakh).

⁸ Pre-Engineered Structure Technology.

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

Table 3.2.1: Fund position as of September 2020

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

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

(Source: Departmental records)

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

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

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

The Director Planning, Higher Education Department, GoJ&K attributed (July 2020) the poor progress of work to the late receipt of structural drawings and technical sanctions and also to the prevailing security environment and the long winter season in the Kashmir Division. He further stated that the construction of three¹⁰ girls hostels in Jammu Division was nearing completion, which was, however, not supported by documents in the case of two¹¹ GDCs and the photographs (*in Para No. 3.2.3*) taken on 30 September 2020.

The reply is not acceptable as none of the Girls Hostels taken up for construction in the four¹² Degree Colleges which were required to be completed by February 2018, had been completed (October 2020) even after 31 months from the original date of completion, and having a provision of pre-engineered structures in the DPR for expeditious completion.

¹⁰ GDCs (i) Paloura (Jammu), (ii) Rajouri and (iii) Baderwah.

¹¹ GDCs (i) Paloura and (ii) Rajouri.

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

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

3.2.2 Building Committees

As seen from the records made available, Building Committees had not been constituted in GDC, Kargil of Ladakh Division and GDC, Paloura, Jammu. In the remaining three¹³ colleges even though the Building Committees had been constituted, these had not exercised any control over execution of works in two Colleges¹⁴.

3.2.3 Construction of Hostels

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

Construction work of hostels in four¹⁵, out of five sampled colleges with the project cost of ₹ 35 crore was allotted on nomination basis. Although the work of four Girls Hostels was being constructed by a Government Agency (JKHB) on nomination basis, without any tendering process¹⁶, the same were yet to be completed. An expenditure of ₹ 12.23 crore had been incurred on these hostels as of September 2020.

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

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

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

¹³ GDCs (i) Bhaderwah, (ii) Rajouri and (iii) Bemina.

¹⁴ GDC, Bemina and GDC, Rajouri.

¹⁵ GDCs (i) Paloura, (ii) Rajouri, (iii) Bemina and (iv) Kargil.

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



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

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

Home Department

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

3.3 Introduction

With a view to enable the Jammu and Kashmir Police to respond promptly to various law and order situations, counter insurgency operations and handling of law and order through the use of latest technology and non-lethal equipment without damage to life and property, a Project¹⁷ was approved (October 2017) by the Ministry of Home Affairs (MHA), Government of India (GoI) under the PMDP at a cost of ₹ 500 crore. The project was scheduled to be completed by March 2020. The salient features of the Project were to:

- Establish integrated command centres involving two central command centres one each in Srinagar and Jammu, district command centres and Closed Circuit Television (CCTV) surveillance system for the National Highway from Lakhanpur to Srinagar,
- Provide CCTV cameras, IP Based Video surveillance system, Electric Boom Barriers, Hydraulic cranes, Bullet Resistant Jackets, Deep Search Metal Detectors etc,
- Provide specially designed anti-riot vehicles, helmets, gas masks, group shield specially for Women protection units, Bullet Proof (BP) Bunker Vehicle¹⁸, wireless communication centre for better communication and law and order situation.

3.3.1 Financial Management

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

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

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

(Source: Progress Reports of the Project)

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

¹⁷ Project No. 42 of PMDP.

¹⁸ Special Bullet Proof Vehicle with predetermined safety standards.

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

3.3.2 Procurement of equipment

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

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

The following significant deficiencies were noticed in Audit.

3.3.2.1 Purchases without tendering

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

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

Purchases worth ₹ 100.27 crore which included vehicles, Body protectors, Bullet Proof patkas¹⁹, Anti-Riot vehicles, Farm track tractor and Backhoe loader were made by the Police Headquarter (PHQ), J&K either on repeat order basis or from original manufacturers, without ascertaining reasonability of rates by way of inviting tenders etc; as detailed in **Appendix 3.3.2**.

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

¹⁹ Bullet Proof patkas: Bullet proof scarves worn beneath helmets.

from original manufacturers/ authorised dealers, as a proprietary item to meet urgent requirement of J&K Police for anti-militancy operations and law and order duties in view of prevailing security scenario after approval of the State Level Purchase Committee (SLPC). It was also stated that vehicles and other items were purchased by the J&K Police from original manufacturers on lowest company rates applicable to Government Departments as proprietary items and the vehicles were not available on GeM²⁰.

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

3.3.2.2 Purchases from specific firms

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

A. Purchase of Medium Bullet Proof vehicles

The GoI sanctioned (July 2016) ₹ 18.30 crore for purchase of 40 Bullet Proof Vehicles²¹ including 15 Medium Bullet Proof (4x4 Drive) Vehicles (MBPV). The Police Headquarters (PHQ) sent a proposal (August 2016) to the Home Department of the State Government for purchase of:

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

In its recommendation, the PHQ had clarified (September 2016) that both MBPVs, BS III and Armoured Troop Carriers, BS III were Medium Bullet Proof (4x4 Drive) Vehicles (MPBV) as sanctioned by MHA, GoI and purchase of these vehicles from original manufactures²² on DGS&D rates/ lowest company rates as recommended by the SLPC. The Home Department, GoJ&K accorded (October 2016) sanction for purchase of 15 MBP (4x4 Drive) vehicles and released ₹ 18.30 crore²³ in favour of Director General of Police, J&K subject to certain conditions which included that purchase of these vehicles be made on most economical rates.

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

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

²⁰ Government e Marketplace.

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

²² M/s Ashok Leyland Limited and M/s Tata Motors Limited.

²³ Including purchase of 25 Bullet proof SUV vehicles.

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

Thus, rates of MBP Vehicles of M/s Tata Motors Limited were lesser as compared to M/s Ashok Leyland Limited by ₹ 14.49 lakh per vehicle, the Department purchased only eight such vehicles from the firm and remaining seven MBP vehicles from M/s Ashok Leyland Limited. M/s Ashok Leyland Limited supplied (September/October 2017) seven MBP vehicles at a cost of ₹ 3.94 crore²⁴. M/s Tata Motors Limited supplied eight vehicles at a cost of ₹ 3.35 crore²⁵ in March/ April 2018. Balance payment of ₹ 62.15 lakh after adjustment of ₹ 9.83 lakh on account of delayed supply was made in favour of M/s Ashok Leyland Limited in April 2018, while balance payment of ₹ 7.63 lakh in favour of M/s Tata Motors Limited was not made due to delayed supply of vehicles.

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

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

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

B. Purchase of Medium BP vehicles for CRPF

The GoI sanctioned (October 2017) procurement of 125²⁶ Bullet Proof (BP) vehicles for CRPF at a cost of ₹ 34.75 crore under the project. The Home Department, GoJ&K accorded (January 2018) sanction in favour of DGP, J&K for advance drawal of ₹ 15.20 crore for purchase of 30 Medium BP vehicles to be placed at the disposal of CRPF subject to the condition that the purchase should be made on most economical rates, after ascertaining reasonability of rates and fulfillment of codal formalities from original manufactures.

Two firms²⁷ offered (February 2018) their rates for supply of 30 Medium BP vehicles. Instead of purchase of these Medium BP vehicles on most economical rates²⁸ offered

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

²⁵ At the rate of ₹ 41.83 lakh per vehicle.

²⁶ 80 BP Gypsy, 30 Medium BP Vehicles and 15 Mahindra Vehicles.

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

²⁸ At the rate of ₹ 50.12 lakh per vehicle.

by M/s Tata Motors Limited, the PHQ, J&K placed (February 2018) order for supply of 26 Medium BP vehicles²⁹ with M/s Ashok Leyland Defence System Limited at higher rate (₹ 58.11 lakh) per vehicle and thereafter requested (April 2018) MHA, GoI to accord *post facto* sanction for purchase of these vehicles within the approved budget of ₹ 15.20 crore. MHA, GoI informed (April 2018) the DGP, J&K that purchase of vehicles of a particular make was discussed in SRE Standing Committee Meeting (February 2018) wherein it was decided that the GoJ&K should procure items as per their laid down procedures within the sanctioned amount by MHA, GoI. The DGP, J&K however, placed (February 2018) the orders at higher rates in favour of M/s Ashok Leyland Defence System Limited and made (June 2018) advance payment (90 *per cent* of the value of the supply order) of ₹ 13.60 crore to the firm. Thus, procurement of 26 Medium BP vehicles at higher rates by the PHQ, J&K resulted in extra expenditure of ₹ 2.08 crore.

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

C. Purchase of BP Vehicles

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

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

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

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

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

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

II. For the purchase of 100 BP Bunkers for Police stations, the Home Department, GoJ&K accorded (January 2018) sanction for drawal of an advance of ₹ 50.67 crore by the DGP, J&K. The PHQ, J&K sought (January 2018) approval of MHA, GoI for the purchase of 94³⁰ BP Bunkers within approved budget of ₹ 50.67 crore which was not granted. However, the PHQ placed (February 2018) order for supply of 50 Medium Bullet Proof Vehicle (MBPV)³¹ at a cost of ₹ 58.11 lakh per vehicle with M/s Ashok Leyland Defence System Limited, Chennai to be supplied within four months while no supply order was placed with M/s Tata Motors Limited. Thereafter, the PHQ, GoJ&K requested (April 2018) MHA, GoI to accord *post facto* sanction for purchase of these vehicles within the approved budget but the MHA, GoI informed (April 2018) that purchase of vehicles of a particular make was discussed (February 2018) in SRE Standing Committee Meeting wherein it was decided that State Government should procure items as per their laid down procedures within sanctioned amount by the MHA. The Home Department, J&K Government revised (June 2018) sanction to procurement of 50 Ashok Leyland Medium BP bunkers (at a rate of ₹ 58.11 lakh per vehicle) at a cost of ₹ 29.06 crore and supply order in favour of M/s Ashok Leyland Defence System Limited was partially modified (January 2019) by the PHQ for supply of vehicles at a rate of ₹ 57.06 lakh per vehicle. Thereafter, the PHQ released (January 2019) advance (90 per cent) payment of ₹ 25.68 crore in favour of the firm.

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

³⁰ Tata Light Armoured Troop carrier: 50 and Ashok Leyland Medium BP Bunker: 44.
³¹ 4WD BS-IV.

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

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

Jal Shakti Department

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

3.4.1 Introduction

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

3.4.2 Phase I Project

The Project³² sanctioned by the Government of India (GoI) in March 2016 at an estimated cost of ₹ 399.29 crore, aimed at increasing the carrying capacity of flood water through the Flood Spill Channel (FSC) and to ensure durability of banks of the river Jhelum, avoid immediate threat of flood and minimise flood damages in future. The major components of the project are as follows:

- Land acquisition for widening of the FSC at Shariefabad and Naidhkhai³³;
- Re-sectioning/ earth cutting of the FSC Channel at Shariefabad and Naidhkhai³⁴;
- Construction of two bridges on the FSC at Shariefabad and Naidhkhai³⁵;
- Dredging of river Jhelum in Stretches³⁶ at Srinagar and Baramulla; and
- Flood protection and Anti-erosion works on river Jhelum, construction of retaining/ toe walls and Gabion/ crate protection works at vulnerable spots

³² Project No. 61 of PMDP.

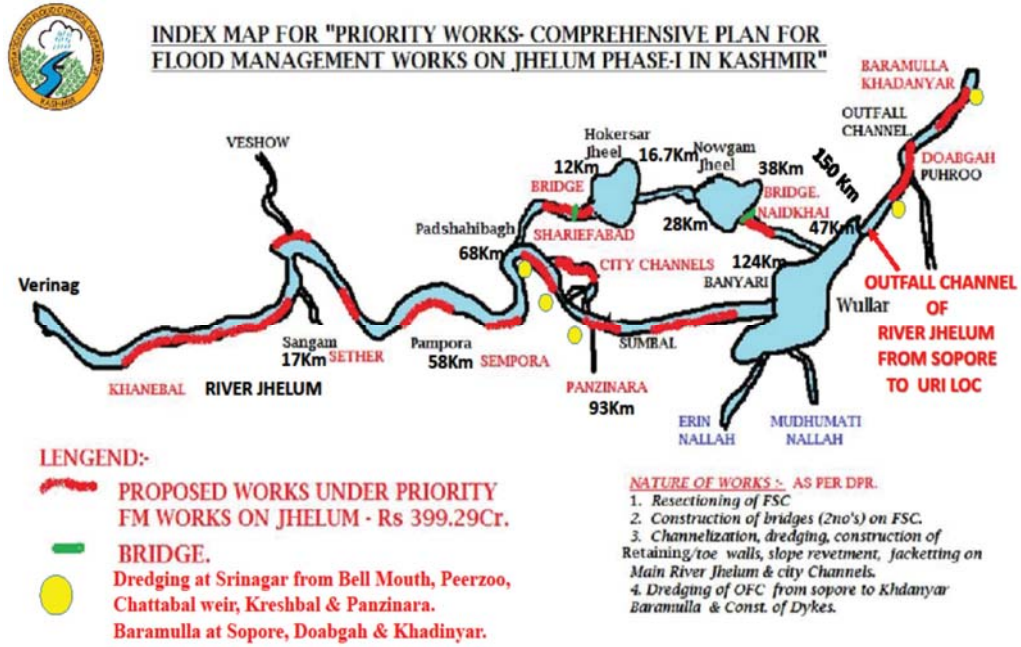
³³ Estimated Cost of ₹ 142.33 crore.

³⁴ Estimated Cost of ₹ 81.75 crore.

³⁵ Estimated Cost of ₹ 35.29 crore.

³⁶ Estimated Cost of ₹ 27.01 crore.

from Khanabal to Hajin including channelisation of outflow of city channels Sunri and KutKul³⁷.



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

3.4.3 Financial Management

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

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

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

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

³⁷ Estimated Cost of ₹ 81.60 crore.

The **Table 3.4.1** indicates that out of total funds of ₹ 287.43 crore sanctioned by the GoI and the GoJ&K during the period from 2015-16 to 2018-19, an expenditure of ₹ 280.87 crore had been incurred on the project, as of March 2019. The percentage utilisation of available funds ranged between 63 and 93 during the years from the period 2015-16 to 2018-19. No share of the GoJ&K was released during 2017-18 and only ₹ 93.56 crore was released by the GoJ&K during 2018-19 without recording any reasons for the short release. Further, during the year 2019-20, an amount of ₹ 26.37 crore³⁸ was released under the project and an expenditure of ₹ 32.93 crore³⁹ was incurred by the Department.

After the matter was referred (June 2020) to the Government, the Chief Engineer, Irrigation and Flood Control (I&FC) Department, Kashmir stated (July 2020) that the total cumulative expenditure of the project ending March 2020 was ₹ 313.79⁴⁰ crore leaving a balance of ₹ 85.49 crore⁴¹ as on 01 April 2020 and that central assistance was generally released at the fag end of the financial year, which resulted in less utilisation of funds.

3.4.4 Project execution

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

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

The reply was not tenable as protection works to the extent of 6,431.34 RM⁴² (42 per cent) at vulnerable spots of river Jhelum were not completed and deviation from the approved Detailed Project Report (DPR) was not got regularised from the Government of India (GoI).

3.4.5 Flood Management measures

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

³⁸ GoI share: ₹ 20.29 crore and GoJ&K share: ₹ 6.08 crore.

³⁹ GoI share: ₹ 26.84 crore and GoJ&K share: ₹ 6.09 crore.

⁴⁰ GoI share: ₹ 214.15 crore and GoJ&K share: ₹ 99.64 crore.

⁴¹ GoI share: ₹ 20.29 crore and GoJ&K share: ₹ 65.20 crore.

⁴² RM: Running metre.

3.4.5.1 Flood Mitigation measures in Flood Spill Channel

The length of the FSC from its off take at Padshahi Bagh, Srinagar upto its entry in Wullar Lake including the water bodies of Hokersar Jheel and Nowgham Jheel is 49 Kilometres (Kms). The FSC was built in the year 1904 to divert 8,000 cusecs of excess flood discharge from river Jhelum through Padshahi Bagh to Wullar Lake which again drains into river Jhelum at Sopore. The priority works undertaken under the project in the FSC, *inter-alia*, included land acquisition, re-sectioning/ earthwork cutting at RD⁴³ 6,055 metre to RD 11,947 metre and RD 38,068 metre to RD 39,860 metre, besides construction of bridges over FSC at Shariefabad and Naidhkhai. Re-sectioning of FSC at different sections were treated as per the provisions of approved DPR.

3.4.5.2 Flood spill channel

I. Land acquisition

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

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

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

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

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

⁴³ RD: Running Distance.

II. Shortfall in re-sectioning

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

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



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

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

3.4.5.3 Bridges

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

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

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

(Incomplete bridge over the FSC at Shariefabad 28 December 2019)



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

3.4.6 Flood Management measures in river Jhelum

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

The significant audit findings are highlighted in the succeeding paragraphs.

3.4.6.1 Dredging of River Jhelum

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

I. Bell mouth from Padhshahi Bagh Srinagar to Panzinara

The dredging of seven lakh cum of bed material from Bell mouth (off take point of FSC at Padhshahi Bagh Srinagar) to Panzinara (6.07 Km) in the river Jhelum was awarded (May 2016) to a contractor⁴⁴ by the CE, I&FC Department, Kashmir on the recommendations of the State Level Contract Committee (SLCC) at a cost of ₹ 20.23 crore, with stipulated date of completion as January 2017.

⁴⁴ M/s Reach Dredging Ltd., Kolkata.

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

This was, however, not agreed to by the SLCC⁴⁵ instead, the SLCC directed the CE, I&FC Department, Kashmir to put on notice the contractor firm to honor the contractual obligations and to also extend the period of completion of contract up to March 2018 on the same terms and conditions, as in the original contract. However, even in the extended period dredging of only 5.015 lakh cum of bed material, which is 72 *per cent* of allotted quantity was achieved. The performance bank guarantee, however, was not invoked by the Department.

The Contractor continued to dredge beyond March 2018 to the extent of 1.85 lakh cum of river bed material for which payment of ₹ 5.34 crore⁴⁶ was also made. The Contractor dredged out bed material aggregating 6.86 lakh cum (98 *per cent*) for which payment of ₹ 19.81 crore was made during August 2016 to February 2019.

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

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

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

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

⁴⁵ In its meeting held on 10 October 2017.

⁴⁶ ₹ 4 crore in July 2018 and ₹ 1.34 crore in February 2019.

Table 3.4.2: Dredging of river Jhelum

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

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

Though the overall achievement of dredging of river bed material was 6.86 lakh cum (98 per cent) against target of 7 lakh cum, the dredging was not carried out as per the requirements fixed at six sites. In fact, 0.58 lakh cum extra bed material was dredged out at three⁴⁷ sites on the other hand, no dredging at all was carried out at one site⁴⁸ and at two sites⁴⁹ less dredging was done. Consequently, a total of 0.72 lakh cum (ten per cent of estimated removal through dredging) of river bed material was not dredged at these three sites. Also the SLCC observed⁵⁰ that if the allotted stretches are not dredged, these stretches may be exposed to the progressive silt deposition overtime leading to high probability of inundation of low lying surrounding areas along with these stretches during the incidence of floods.

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

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

II. Sopore to Sheeri Baramulla

The work of dredging of river Jhelum from Sopore to Sheeri Baramulla (Out Fall Channel) was allotted to a Contractor⁵¹ in November 2016 at a cost of ₹ 26.77 crore and letter of intent was issued on 16 January 2016 with the completion period of 20 months (15 September 2017). As per the terms and conditions of the contract, the Contractor was required to dredge out 9.15 lakh cum of river bed material and in the event of any breach of contract or failure to perform or observe any of the conditions of the contract, entire performance bank guarantee was to be forfeited.

The contractor dredged out only 4.20 lakh cum (46 per cent of allotted quantity) of river bed material up to September 2017. The SLCC⁵² asked the CE, I&FC Department, Kashmir to get the work completed through the contractor and extend the date of completion. The CE I&FC, Kashmir extended the date of completion from September 2017 to March 2018. Despite, the extended date of completion, the

⁴⁷ Sl. No 1, 3 and 4 of Table 3.4.2.

⁴⁸ Sl. No. 2 of Table 3.4.2.

⁴⁹ Sl. No. 5 and 6 of Table 3.4.2.

⁵⁰ In its minutes of meeting on 10th of October 2017.

⁵¹ M/s Reach India Limited.

⁵² In its minutes of meeting of 10 October 2017.

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

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

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

III. Clearance of bottlenecks at different sites

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

Table 3.4.3: Status of dredging works

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

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

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

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

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

3.4.7 Execution of protection works

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

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

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

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

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

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

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

3.4.8 Other interesting points

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

3.4.8.1 Sanction of estimates

For execution of works, the field Divisions prepare estimates and these estimates are sanctioned by the competent authority as per the delegation of powers⁵³. Audit examination of records of five Divisions⁵⁴ revealed that in respect of 68 works out of 98 estimates examined, the original allotted cost of ₹ 19.81 crore was revised to ₹ 35.60 crore through extensions. The range⁵⁵ of the excess of ₹ 15.79 crore over original/ allotted cost of work was 26 per cent to 298 per cent, during the period 2016-17 to 2018-19.

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

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

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

3.4.8.2 Irregular execution of works

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

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

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

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

two⁵⁶ Divisions executed 116 works without inviting tenders which was in contravention of the financial rules. These works were routine in nature including construction of paths, toe walls and other strengthening works of embankments/bunds. Thus, an expenditure of ₹ 3.99 crore incurred on the works during the period 2016-19 was irregular.

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

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

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

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

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

3.4.8.3 Carriage of earth from FSC to dumping sites

The Executive Engineer, FSC Division, Narbal incurred an expenditure of ₹ 3.77 crore during March 2016 to March 2018 on carriage of 3.20 lakh cum of excavated earth on spots between RD 6,554 metre and RD 38,818 metre for de-silting of Flood Spill Channel, Narbal for smooth and uninterrupted flow of flood water. Since the pre-natural surface level and post-natural surface level⁵⁷ of site where the excavated material was dumped was not recorded therefore, the expenditure of ₹ 3.77 crore incurred on carriage of earth from FSC to dumping site, could not be verified in Audit (July 2020).

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

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

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

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

3.4.8.4 Misappropriation of funds

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

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

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

3.4.9 Absence of Quality assurance mechanism

Quality assurance is a way of preventing mistakes and defects in manufactured products and avoiding problems when delivering products or services to consumers. It refers to the management of the quality of raw materials, assemblies, products and components, services related to production and inspection process. The material used for construction of irrigation structures was required to be tested to ensure quality standards. Also, the bunds raised were to be subjected to Proctor density tests⁵⁸. Audit

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

noticed (between May 2019 and December 2019) that five⁵⁹ implementing divisions had not developed any mechanism for ensuring quality assurance before releasing payment in respect of work done claims. In the absence of any mechanism of carrying out tests of materials like testing of geo-textile bags, cement and iron, execution of sub-standard priority works could not be ruled out. Also, the structures constructed under priority works of the Project were not got tested at any stage.

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

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

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

Planning Development and Monitoring Department

3.5 Permanent restoration of damaged infrastructure

3.5.1 Introduction

The Project 'Permanent Restoration of Damaged Infrastructure' was sanctioned (October 2016) by the Government of India (GoI) under the Prime Minister's Development Package (PMDP) at a cost of ₹ 2,000 crore for restoration of infrastructure damaged due to floods of September 2014. Under this Project⁶⁰, 22 Departments/ Agencies of the GoJ&K had been provided funds for execution of various works/ schemes for restoration of damaged infrastructure under their control. The Project was monitored by the Planning, Development and Monitoring Department (PD&MD), of the GoJ&K. Sanction order for a total amount of ₹ 1,263.34 crore was received during the period from 2016-17 to 2018-19. The GoI released ₹ 1,178.34 crore⁶¹ for the project during the above period, against which ₹ 915.17 crore (78 per cent) was utilised as of 31 March 2019. The details of the funds approved, sanctioned and utilised by 22 Departments/ agencies of the GoJ&K for the project is given in **Appendix 3.5.1**.

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

⁶⁰ Project no. 29 of PMDP.

⁶¹ 2016-17: ₹ 1,093.34 crore and 2018-19: ₹ 85 crore.

Seven⁶² out of 22 Departments/ Agencies were selected for audit on the basis of funds sanctioned, expenditure incurred as well as number of works taken up for execution. The sampled Departments executed 9,076 works, out of which 6,710 works (74 per cent) were selected in Audit as indicated in the **Table 3.5.1**. A total amount of ₹ 1,044.19 crore (89 per cent) was released to the selected Departments out of which an expenditure of ₹ 875.98 crore (84 per cent of sanctioned amount) had been incurred ending 31 March 2019.

Table 3.5.1: Status of works selected as on March 2019

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

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

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

Audit findings

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

3.5.2 Diversion of funds

The Government Order issued (December 2016) for PMDP by the Planning and Development Department, GoJ&K stated⁶⁴ that funds allocated under the project were to be utilised for specific purposes and cannot be re-appropriated/ diverted. In four Departments, it was noticed that a total amount of ₹ 29.29 crore was diverted on items/ activities which were not part of the project for which specific amount was sanctioned, as given in *Appendix 3.5.2*.

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

Project Implementation

3.5.3 Execution of works without administrative approval and technical sanction

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

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

⁶³ Including ₹ 2.50 crore sanctioned for Flood protection works.

⁶⁴ Condition (iv) of the Government Order issued (December 2016).

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

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

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

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

3.5.4 Execution of works without invitation of tenders

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

In reply, it was stated that:

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

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

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

3.5.5 Clearance of pending claims

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

- In the I&FC Department, six⁶⁵ executing Divisions had utilised ₹ 52.21 lakh on payment of liabilities created during May 2012 and August 2014 prior to floods of

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

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

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

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

- Six executing Divisions⁶⁶ of Public Health Engineering, Department had utilised ₹ 6.96 lakh on payment of liabilities of 10 works executed during October 2012 to August 2014, prior to the floods of September 2014.

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

3.5.6 Incorrect projection of work done

- The Chief Engineer, PW (R&B) Department, Jammu forwarded (April 2016) to the Commissioner Secretary, PW(R&B) Department, a statement of work done claims amounting to ₹ 155.47 crore in respect of 276 roads for sanctioning of funds under the project. The statement included work done claims of ₹ 4.57 crore in respect of eight works⁶⁷ pertaining to four⁶⁸ Divisions. However, these eight works in actual were awarded for execution between May 2016 and March 2017 after furnishing of statement of work done claims to higher authorities in April 2016.

The Chief Engineer, PW (R&B) Department, Jammu stated (August 2020) that work wise action plan of macadamisation⁶⁹ of roads for ₹ 200 crore was submitted (February 2016) for approval and accordingly, the Administrative Department released work-wise funds.

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

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

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

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

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

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

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

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

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

3.5.7 Delay in completion of works

I. The Notice Inviting Tender (NIT) issued by the Directorate of Rashtriya Madhyamik Shiksha Abhiyan, GoJ&K, envisaged imposition of penalty up to 10 *per cent* of total allotment if works were not completed in time. Three⁷⁰ Divisions had taken up 65 works⁷¹ at an approved cost of ₹ 7.92 crore during October 2017 to May 2018 with completion period of 30 days to 90 days. However, the contractors did not adhere to timelines in completion of works and instead completed these works, with delays ranging between 22 and 493 days (38 works were delayed for more than 90 days). The Department failed to invoke the penalty clause for the delay in completion of works.

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

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

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

⁷⁰ Construction Division IV Jammu, Construction Divisions I and II, Srinagar.

⁷¹ Completed works: 30 and ongoing works: 35.

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

Public Works (R&B) Department

3.5.8 Execution of road works

In eight⁷² out of 19 selected Divisions in the PW (R&B) Department, GoJ&K, the road length executed in respect of 153 works was not in consonance of the targeted road length as indicated in **Table 3.5.2**.

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

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

(Source: Progress reports of Executing Divisions)

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

- In case of 59 roads in seven Divisions, where excess road length of a total of 144.81 KM⁷³ was executed as of March 2020, it was mainly due to allotment of additional works on approval/ agreement basis on directions of local MLAs/ higher authorities without entering into tendering process.
- In case of 89 roads in seven Divisions where there was a shortfall of 422.22 KM⁷⁴ road length repaired, the roads were shown completed as per Utilisation Certificate (UC) submitted by Public Works (R&B) Department, GoJ&K but were shown incomplete in the Monthly Progress Report. The figures recorded in the UC were inflated, accordingly.

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

- In the case of five roads in three Divisions, with a total road length of 14.75 KM⁷⁵ on which expenditure of ₹ 1.59 crore⁷⁶ (March 2020) was incurred but shown as not executed at all (March 2020). The funds stated to have been spent, had been diverted for other activities/ items not related to the project.

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

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

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

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

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

- The Planning Development and Monitoring Department, GoJ&K had released ₹ 7.21 crore during 2016-17 for a total 33 Macadamisation works⁷⁷. These were not executed as of March 2020, for which no reasons were on record.

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

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

3.5.9 Bridge and flood protection works

Eight⁷⁸ works were sanctioned at a cost of ₹ 15 crore for Leh, out of which five⁷⁹ works were completed, as of 31 March 2020.

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

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

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

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

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

⁷⁷ Jammu: 10 works, Kashmir: 23 works.

⁷⁸ Bridges: 5; Flood Protection works: 2; and building work: 1.

⁷⁹ Bridges: 3 and flood protection works: 2.

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

3.5.10 Payment for filling/ cutting of shoulders on road works

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

Audit examination (May to November 2019) of records relating to improvement of riding quality of surface roads executed under the project in seven selected Divisions⁸⁰ revealed that in respect of 43 works, payment of ₹ 3.60 crore was made on account of filling of shoulders at different rates, though it was not part of the NIT/ work order.

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

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

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

Work of up-gradation of three single lane roads⁸¹ by way of providing and laying of 30 mm thick Semi Dense Bituminous Concrete (SDBC) including cost of bitumen in stretches was allotted (September 2015) by the Superintending Engineer, Jammu-Kathua Circle to a firm⁸² for ₹ 1.55 crore. On the basis of on spot directions of Local MLA (then Industries and Commerce Minister) and on the basis of proposal (September, October 2015 and December 2015) of the executing division, in the absence of supporting executive orders, additional works for ₹ 3.85 crore were allotted (October 2015, January 2016) on approval basis at marginally less rates⁸³ to the two related firms⁸⁴ by revising⁸⁵ the scope of roads. Examination of records revealed that against the total allotment of ₹ 5.40 crore, payments of ₹ 7.21 crore was made by the executing division resulting in excess expenditure over allotment by ₹ 1.81 crore.

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

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

⁸² M/s Jagdambey Road Builders Hot Mix Plant.

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

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

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

For completion of the extended scope, one more work⁸⁶ was allotted (January 2017) for ₹ 1.04 crore by the SE, Jammu-Kathua Circle to a firm⁸⁷ after invitation of tenders (November 2016) which was again enhanced (March 2017) on approval basis for an additional amount of ₹ 3.86 crore.

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

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

3.5.12 Irregular release of payments

As per Public Works Account Code⁸⁸, payments to contractors is required to be made after passing of bills in the prescribed running account bill formats duly filled in with required details. Audit examination (November 2019) of records of EE, PWD (R&B), Division-II, Jammu revealed that 11 vouchers valuing ₹ 67.68 lakh were passed for payment on letter heads of Firms in violation of provisions.

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

Irrigation and Flood Control Department

3.5.13 Financial position of the project

Funds of ₹ 252.16 crore⁸⁹ were sanctioned in favour of PHE, I&FC Department (Administrative Department). Of this, ₹ 247.28 crore was further sanctioned by the Administrative Department in favour of implementing agencies for execution of 4,822 works, with ₹ 4.88 crore retained by the Administrative Department. Out of ₹ 247.28 crore, the executing agencies incurred an expenditure of ₹ 221.96 crore, with unspent balance of ₹ 25.32 crore⁹⁰ as on September 2020 and all the works stood completed.

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

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

⁸⁷ M/s A.D. Buildcon.

⁸⁸ Para 284 to 291.

⁸⁹ ₹ 249.66 crore sanctioned by PD&MD and ₹ 2.50 crore by Finance Department.

⁹⁰ ₹ 25.32 crore out of funds sanctioned by PD&MD.

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

3.5.14 Irregular expenditure on execution of unapproved works

Eight⁹¹ divisions executed 739 works which were not approved by the funds sanctioning authority and an expenditure of ₹ 24.27 crore had been incurred (March 2017) thereon which was irregular and indicated poor internal control. Of this, an expenditure of ₹ 5.43 crore was incurred (September 2016 to March 2017) in excess of allotted cost of ₹ 11.28 crore in respect of 251 works. Further, ₹ 78.43 lakh was diverted (December 2016 to March 2017) on purchase of material such as crate mesh, cement and other items by these eight Divisions, despite the fact that funds were sanctioned (by the Irrigation and Flood Control Department) work-wise indicating that incorrect liability of work done claims was projected by the executing divisions.

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

Industries and Commerce (I&C) Department

3.5.15 Identification of PMDP Projects

In violation of the conditions laid down in the sanction orders which envisaged that expenditure was to be incurred on the approved projects and works, five⁹² projects, which were not part of 36 projects approved by the GoI during July/ October 2016 under 'The Aggregative Macro Economics and Infrastructure Rebuilding Plan (TAMEIR)', were taken up under the PMDP and expenditure of ₹ 12.53 crore was incurred (March 2019) on their execution. Besides, two projects approved at a cost of ₹ 0.18 crore under the PMDP were not taken up for execution. Details are given in the following **Table 3.5.3**.

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

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

Table 3.5.3: Non-PMDD Projects funded under PMDD

(₹ in crore)

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

(Source: Sanction orders and progress reports)

The Joint Director (Planning), PD&MD stated (August 2020) that 4 works⁹³ worth ₹ 9.73 crore were taken up with 10 per cent flexibility as authorised by PD&MD with approval of the competent authority. The reply is not tenable as non-PMDD projects were funded from PMDD.

3.5.16 Delay in sanction of funds

The PD&MD sanctioned (December 2016) ₹ 149.96 crore to the Industries and Commerce Department under the Project No 29. Audit noticed that these funds were sanctioned by the Industries and Commerce Department to the implementing agencies after delay⁹⁴ ranging between 58 days and 406 days. Of this, ₹ 91.55 crore (61 per cent) was sanctioned after delay of 58 days whereas ₹ 58.41 crore (39 per cent) was sanctioned after delay ranging between 327 and 406 days.

Table 3.5.4: Delay in sanction of funds

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

(Source: Sanction orders)

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

⁹⁴ Calculated after allowing a margin of 15 days for transfer of funds.

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

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

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

Against the sanctioned (March 2017) funds of ₹ 2.86 crore for one⁹⁵ work, SICOP deducted ₹ 14.30 lakh as agency charges and transferred balance amount of ₹ 2.72 crore to Jammu Kashmir Handloom Development Corporation (JKHDC) without executing any work.

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

3.5.18 School Education Department

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

3.5.19 Execution of works

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

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

⁹⁵ Purchase of plant & machinery at Srinagar (₹ 2.86 crore).

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

3.5.20 Bank Guarantees

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

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

Public Health Engineering Department

3.5.21 Financial position

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

Higher Education Department

Based on the report of the Committee of Principals constituted in September 2014, the Planning Development and Monitoring Department approved (September 2016) an allotment of ₹ 50 crore under the PMDP for Permanent restoration of damaged infrastructure of the Higher Education Department. Under the project, 16 works were prioritised during 2016-17 for execution at a cost of ₹ 50 crore in seven Government colleges⁹⁶. The works were to be completed within two years.

Audit examination of records revealed that 10 works in three selected colleges⁹⁷ (out of seven colleges and 16 works) were taken up at an approved cost of ₹ 39.08 crore. Of this, only five works were completed (50 *per cent*) and balance five works on which an expenditure of ₹ 23.68 crore was incurred were incomplete (September 2020). The delay in completion was attributed to poor execution of work by the contractors with the impact that the benefits of creation of new infrastructure could not be provided to the students.

3.5.22 Short utilisation of funds

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



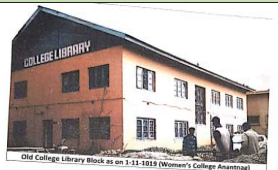
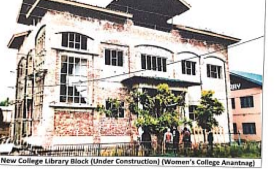
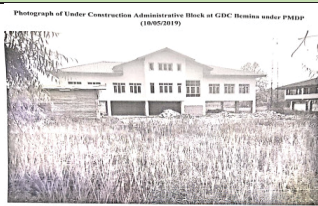

⁹⁶ (i) Government Degree College, Anantnag, (ii) Government Degree College for Women, Anantnag, (iii) Government Degree College, Bemina, (iv) Government Degree College, Bijbehara, (v) Amar Singh College, Srinagar, (vi) College of Education Srinagar, and (vii) Sri Pratap College, Srinagar.

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

3.5.23 Execution of new works

The expenditure was to be incurred only on approved restoration works of existing damaged buildings of selected colleges. It was observed that ten works were already repaired/ restoration works were already carried out, still funds were obtained for creation of new assets. Ten new construction works⁹⁸ with a total project cost of ₹ 39.08 crore in three selected colleges (out of seven) were taken up (2016-17) for execution by construction agencies⁹⁹ and an expenditure of ₹ 32.78 crore was incurred as of September 2020. Audit noticed (May, June 2019) that old existing damaged infrastructure¹⁰⁰ had already been repaired/ restored via local college funds and the buildings were fully functional during 2015-16. The funds were utilised for creation of new assets which could have been used for other restoration activities.

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

Photographs showing restored old existing infrastructure and taking up of new constructions		
 <p>Old Block Hostel</p>  <p>New Block Hostel (Under Construction)</p> <p>Principal GOVT. S.P. COLLEGE SRINAGAR (J.K.)</p>	 <p>Old College Library Block as on 1-11-2018 (Women's College Anantnag)</p>  <p>New College Library Block (Under Construction) (Women's College Anantnag)</p> <p>Principal Govt. Degree College for Women, Anantnag</p>	 <p>Photograph of Under Construction Administrative Block at GDC Bemina under P&IP (10/05/2019)</p>  <p>Administrative Block</p> <p>Principal Govt. Degree College for Women, Bemina Govt. Degree College for Women, Srinagar (J.K.)</p>
<p>Old and new Hostel Block of S.P. College, Srinagar as on 01 January 2020</p>	<p>Old and new Library block of Government Women's College, Anantnag as on 05 March 2020</p>	<p>Old and new Administrative Block of Government Degree College, Bemina, Srinagar as on 10 May 2019</p>

3.5.24 Delay in award of work

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

⁹⁸ Construction of buildings like library cum PG and hostel block, academic block, administrative block.

⁹⁹ Public Works Department, Jammu and Kashmir Housing Board and SICOP.

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

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

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

Estates Department

Proposals for execution of 34 restoration works were submitted by the Director, Estates Department to the Planning, Development and Monitoring Department (PD&MD) for restoration of infrastructure damaged due to floods of September 2014. Of ₹ 48.21 crore sanctioned (November 2014 and December 2016) under SPA and PMDP, an amount of ₹ 25 crore was received as Special Plan Assistance (SPA) by the Department till February 2015 which was utilised in full (March 2016). Out of the 34 restoration works, six works¹⁰¹ were completed under SPA funding after incurring an expenditure of ₹ 4.04 crore and 28 works were under progress as of March 2016. The balance ₹ 23.21 crore was received (2016-19) by the Department under Prime Ministers Development Package (PMDP) of which ₹ 22.26 crore was utilised on execution of remaining 28 works. The balance ₹ 0.95 crore was still unspent (September 2020).

3.5.25 Other major issues

- Out of ₹ 85 crore¹⁰² sanctioned (September 2018) by the Ministry of Finance, GoI as a 'Special Assistance-Capital to the Prime Minister's Reconstruction Plan (PMRP) State Government for State's Annual Plan 2018-19', the Finance Department allocated (October 2018) ₹ 2.50 crore in favour of the PHE, I&FC Department under the PMDP for execution of 21 flood protection works, against a project cost of ₹ 5 crore. The utilisation certificate for ₹ 2.50 crore was submitted by the CE, Irrigation & FC Department Jammu to Administrative Department in April 2019. Reasons for transfer of funds by the Finance Department under PMDP that had been received under PMRP from the GoI were awaited (December 2020). While the matter was referred (June 2020) to the Government, their reply has not been received.

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

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

Audit examination of records (June and July 2019) of Small Scale Industries Development Corporation Limited (SICOP) and State Industrial Development Corporation Limited (SIDCO) under Industries and Commerce Department GoJ&K revealed that ₹ 107.14 crore¹⁰³ were sanctioned for execution of works on construction and upgradation of 13 projects¹⁰⁴ and was stated to be utilised during the period 2017-19. However, these works were located at such places¹⁰⁵ where no floods were reported.

The Joint Director (Planning), PD&MD stated (August 2020) that damages caused to various Industrial Estates were captured in the DPRs prepared by the SICOP/ SIDCO and that Industrial Estate, Ghatti Kathua was established on foothills and overflowing waters caused damages to the infrastructure. It was also stated that Industrial Estates Bari-Brahmana and Samba were also submerged due to continuous heavy rains and as such restorations of these works were thought necessary to save the infrastructures from further deterioration/ damages. The reply was not tenable as there were no floods reported (Ghatti Kathua, Bari Brahmna, Samba etc.) in the areas where these works had been executed. Besides, notification of the District Development Commissioner regarding areas affected by floods was not produced to audit.

Audit noticed that ₹ 1.98 crore was utilised by the Estates Department during 2017-18 on repairs and renovation works of Government bungalows¹⁰⁶ situated in Jammu where no floods had occurred thereby resulting in irregular expenditure.

The Joint Director (Planning), PD&MD stated (August 2020) that the Planning Development and Monitoring Department released funds only after scrutinising works damaged due to devastating floods of 2014 and expenditure incurred on some buildings damaged due to heavy rainfall and storm occupied by the VIPs and VVIPs. The reply was not tenable as there were no documented instances/ reporting of VVIP buildings being damaged due to floods.

3.5.26 Monitoring

The GoJ&K constituted (April 2016) a monitoring committee headed by the Chief Secretary and comprising Member Secretary and 15 other members to review progress on monthly basis and provide guidance for formulation of action plans. During audit of Industries and Commerce Department, it was noticed (July 2019) that the committee had met only twice (December 2016 and September 2017) during the period from 2016-17 to 2018-19 as against requirement of 36 times.

A team, deputed (September 2017) by NITI Aayog (GoI), had also inspected the sites/ locations of various project works executed under the PMDP. However, the report though called for was neither made available by the Industries and Commerce Department nor by the Estates Department.

¹⁰³ SIDCO (K): ₹ 40.63 crore; SIDCO (J): ₹ 61.48 crore; SICOP (J): ₹ 5.03 crore.

¹⁰⁴ Jammu: 8; Kashmir: 5.

¹⁰⁵ Industrial Estates: Jammu, Kathua, Pulwama, Samba, Sopore, Srinagar and Udhampur.

¹⁰⁶ Gandhi Nagar, Muthi, Rehari, Sarwal, Ved Mandir and Wazarat road.

The Joint Director (Planning), PD&MD stated (August 2020) that in respect of I&C Department the Administrative Department/ HODs periodically reviewed progress of projects with the concerned implementing/ executing agency, whereas in respect of Estates Department it was stated that no adverse report or otherwise were received from the team deputed by Government of India for Inspection of sites/ location of various works executed under the PMDP.

The reply is not acceptable as after the Department did not provide the NITI Aayog report, the same was obtained by Audit from the NITI Aayog itself and as per report of NITI Aayog team (September 2017)¹⁰⁷, the team was not satisfied with the explanation given for the works undertaken for VIP bungalows at Panama Chowk and Bikram Chowk, Jammu.

¹⁰⁷ Furnished by NITI Aayog to Audit in December 2020.