

REPORT

OF THE

COMPTROLLER AND AUDITOR GENERAL

OF INDIA

FOR

THE YEAR

ENDED 31ST MARCH 1988

GOVERNMENT OF JAMMU AND KASHMIR

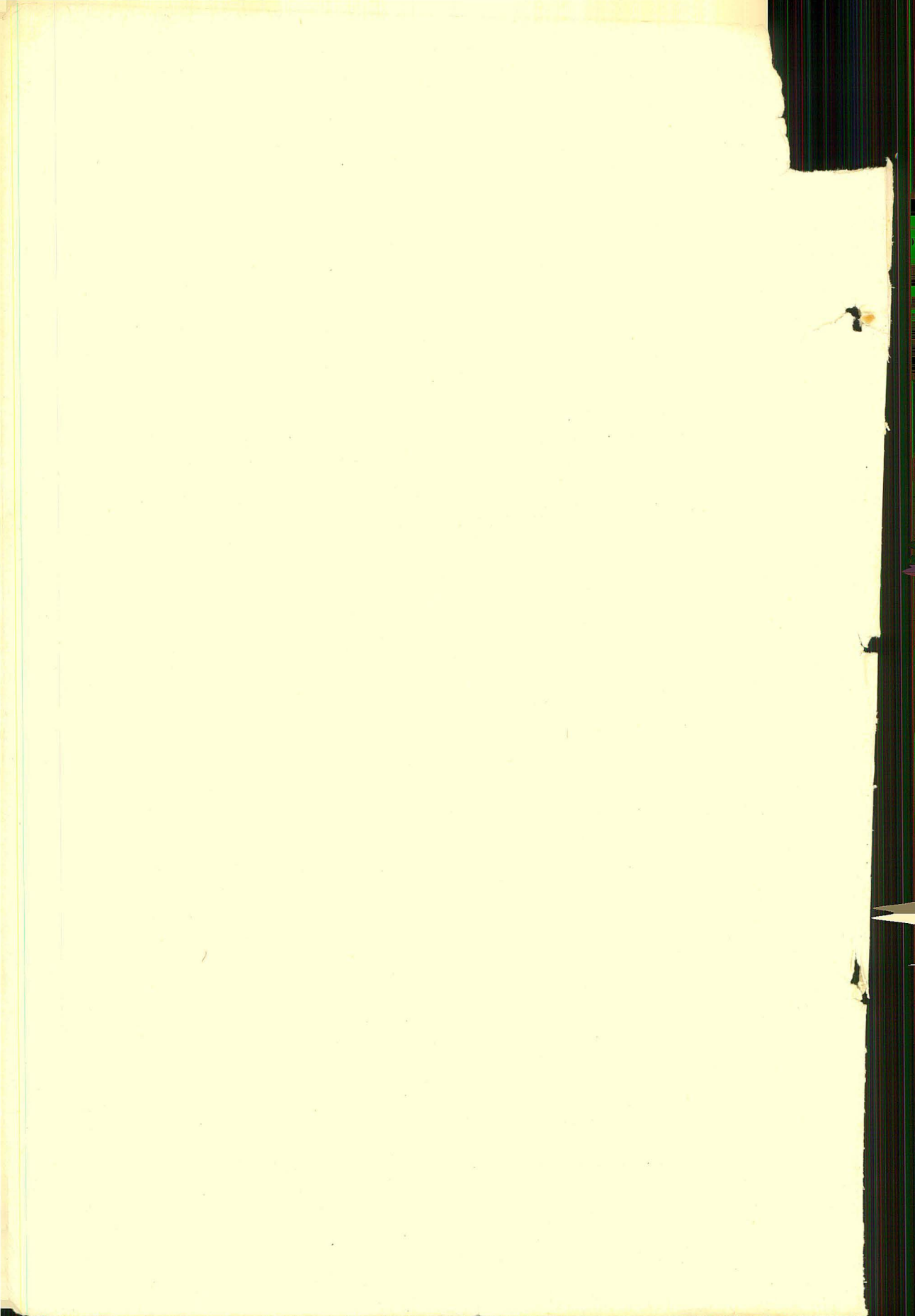


TABLE OF CONTENTS

	<i>Paragraph(s)</i>	<i>Page(s)</i>
Prefatory remarks	..	(ix)
Overview	..	(xi)-(xxvii)
CHAPTER - I		
General		
Summarised financial position	1.1	1-8
Comments on accounts	1.2	8-10
CHAPTER - II		
Appropriation Audit and Control over Expenditure		
General	2.1	11
Results of appropriation audit	2.2	12-21
CHAPTER - III		
Civil Departments		
<i>Home and Revenue Departments</i>		
Upgradation of standards of administration in non-developmental sectors	3.1	22-31
<i>Home Department</i>		
Avoidable payment of interest	3.2	31
<i>Social Welfare Department</i>		
Integrated Child Development Services	3.3	32-41
State Rescue Homes, Rehabilitation Centres and other similar institutions	3.4	42-49
<i>Health Department</i>		
National Malaria Eradication Programme	3.5	49-62

(ii)

<i>Revenue Department</i>	<i>Paragraph(s)</i>	<i>Page(s)</i>
Land Acquisition	3.6	62-73
<i>Agriculture Production and Rural Development Departments</i>		
Seed Multiplication and Distribution Programme	3.7	74-95
Assistance to Small and Marginal Farmers for increasing agricultural production	3.8	95-108
Applied Nutrition Programme	3.9	109-124
<i>Other topics</i>		
Blockage of funds	3.10	124-126

CHAPTER - IV

Works Expenditure

Public Works Department (Roads and Buildings)

Construction of Legislature Complex	4.1	127-138
Idle investment on incomplete building	4.2	138-139
Construction of bridges in Jammu and Kashmir	4.3	139-154

Urban Environmental Engineering Department

Sewerage and drainage schemes	4.4	154-172
-------------------------------	-----	---------

Irrigation and Flood Control Department

Idle investment	4.5	172-173
Defective planning	4.6	173-174
Irregular execution of a work	4.7	174-175
Construction of a tank	4.8	175-176

Mechanical Engineering Department

Non-utilisation of investment on a Pilot Inland Water Transport Scheme	4.9	176- 178
--	-----	----------

(iii)

	Paragraph(s)	Page(s)
<i>Public Health Engineering Department</i>		
Extra expenditure due to backing out of a contractor	4.10	178-179
Delay in completion of a water supply scheme	4.11	179-180
Diversion of Central assistance	4.12	180-182

CHAPTER - V
Stores and Stock

Home Department

Stores and stock account of Home Guards and Civil Defence Organisation	5.1	183-187
Purchase of dental chairs	5.2	187-188

Health and Medical Education Department

Non-installation of X-ray generating unit	5.3	188-189
Loss due to non-functioning of treatment planning system equipment	5.4	189-190

CHAPTER - VI
Revenue Receipts

Trend of revenue receipts	6.1	191-193
Results of Audit	6.2	193-194
<i>Finance Department</i>		
Receipts from Entertainment Duty and Show Tax	6.3	194-198
Receipts from Urban Immovable Property Tax (UIP)	6.4	198-201
Sales Tax--	6.5	
Short levy of sales tax/penalty and non-levy of interest	6.5.1	201-203
Escapement of sales turn over	6.5.2	203-204

(iv)

	Paragraph(s)	Page(s)
Interest Receipts	6.6	204-210
<i>Law Department</i>		
Embezzlement of registration fee	6.7	210-211
<i>Forest Department</i>		
Grant of inadmissible incentive rebate	6.8	211
Short recovery of royalty due to computation error	6.9	211-212
Non-revision of royalty bills	6.10	212
<i>Transport Department</i>		
Short recovery of permit fee	6.11	212-213

CHAPTER - VII

Government Commercial and Trading Activities

General	7.1	214
Government Companies--		
General view	7.2	214-219
Statutory Corporations--		
General aspects	7.3	219-221
Jammu and Kashmir State Financial Corporation	7.4	221-225
Departmentally managed Government Commercial/quasi-Commercial Undertakings--		
General aspects	7.5	225-226
Jammu and Kashmir Bank Limited	7.6	226-241
Miscellaneous topics of interest relating to Government Companies and Departmental Undertakings	7.7	242

(v)

	Paragraph(s)	Page(s)
<i>Jammu and Kashmir State Industrial Development Corporation Limited</i>		
Infructuous expenditure in the purchase of vacuum cleaners	7.7.1	242- 243
Loss of interest - Rs. 1.02 lakhs	7.7.2	244- 245
Watch case project	7.7.3	245- 247
<i>Jammu and Kashmir Industries Limited</i>		
Payment of idle wages and blockage of capital	7.7.4	247- 248
Avoidable payment of sales tax and interest	7.7.5	248- 249
<i>Jammu and Kashmir Projects Construction Corporation Limited</i>		
Unjustified purchase of Wooden Staves	7.7.6	249- 250
<i>Jammu and Kashmir Minerals Limited</i>		
Loss due to rebate	7.7.7	250- 251
Loss of revenue	7.7.8	251
Loss due to non-recovery of Stowing Excise Duty	7.7.9	251- 252
Insallation of vertical shaft kiln in Wuyan Cement Factory	7.7.10	252
Over-billing of electricity charges	7.7.11	253
<i>Food and Supplies Department</i>		
Over-stocking of grains	7.7.12	253-255
CHAPTER - VIII		
Financial Assistance to Local Bodies and Others		
General	8.1	256-257

(vi)

	Paragraph(s)	Page(s)
<i>Housing and Urban Development Department</i>		
Integrated Development of Small and Medium Towns	8.2	257-262
<i>Education Department</i>		
Jammu and Kashmir State Sports Council	8.3	263-266
<i>Ladakh Affairs and Agriculture Production Departments</i>		
Desert Development Programme	8.4	266-283

APPENDICES

Appendix 2.1	Excess over budget provision requiring regularisation	.. 286-287
Appendix 3.1	Department-wise details of compensation and interest accrued/paid	.. 288
Appendix 3.2	Statement showing cases of delay beyond 3 years from the date of preliminary notification to the date of making award under the Land Acquisition Act, as on 31st March 1988	.. 289-296
Appendix 3.3	Statement showing the cases in which sale proceeds of seeds have either not been remitted or partly remitted	.. 297-300
Appendix 4.1	Statement showing particulars of bridges, construction of which were incomplete till March 1988	.. 301-302

Appendix 7.1	Statement showing particulars of paid-up capital, outstanding loans, amount of guarantees given by the Government and amount outstanding thereagainst up-to-date, working results etc. of all Government Companies as on 31st March 1988	.. 303-306
Appendix 7.2	Summarised financial results of all the Government Companies for the latest year for which accounts were finalised-position as on 30th September 1988	.. 307-312
Appendix 7.3	Statement showing summarised financial results of Statutory Corporation	.. 313-314
Appendix 7.4	Statement showing cases	
	(a) Where no interest has been paid by RBI besides imposition of penalty	.. 315
	(b) Where less interest has been paid under scheme of graduated penalties	.. 316
Appendix 8.1	Wanting utilisation certificates	.. 317

Appendix 8.2 Bodies and Authorities
which did not furnish
annual accounts for the
year 1987-88 and for
earlier years .. 318

Appendix 8.3 Statement showing in-
ordinate delay in acqui-
sition of land, its
development or execution
of construction works in
respect of ply fields/
stadia .. 319-321

.....

PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1987-88 together with other points arising from audit of financial transactions of the Government of Jammu and Kashmir. It also includes certain points of interest arising from the Finance Accounts for 1987-88.

2. Consequent on a fire in the office of the Accountant General, Jammu and Kashmir, Srinagar, in March 1977 which destroyed various records including those relating to the accounts for 1976-77, the accounts had to be reconstructed after collecting details from the various Government Departments. This, inter alia, necessitated drawing up of correct balances. The work being still in progress, some of the balances shown in the Finance Accounts 1987-88, and in Chapter I of this Report are provisional and are likely to be revised in the subsequent accounts.

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during 1987-88 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1987-88 have also been included wherever considered necessary.

OVERVIEW

OVERVIEW

OVERVIEW

This Report contains two chapters about the financial position of Government of Jammu and Kashmir for 1987-88 and about Government's overall control over expenditure. The remaining six chapters include Audit reviews on developmental and welfare programmes and other activities, apart from the paragraphs containing comments on various irregularities. The more important audit findings are summarised in the succeeding paragraphs.

2. Financial position and control over expenditure

--The year closed with a revenue deficit of Rs. 71.76 crores as against a revenue deficit of Rs. 77.36 crores during 1986-87.

--The assistance received from the Central Government in the form of grants-in-aid for Central and Centrally Sponsored Plan Schemes was Rs. 50.72 crores against Rs. 56.13 crores during 1986-87.

--The total debt liability of the Government at the close of 1987-88 was Rs. 2310.25 crores (including loans and advances of Rs. 1728.98 crores from Government of India). An amount of Rs. 9.33 crores (Principal: Rs. 1.10 crores and interest: Rs. 8.23 crores) was overdue on loans from the Central Government at the end of 1987-88.

--During 1987-88, the State Government obtained temporary loans aggregating Rs. 204.36 crores from the Jammu and Kashmir Bank Limited. Interest amounting to Rs. 28.05 lakhs was paid during the year.

--The total amount of loans advanced as on 31st March 1988 was Rs. 100.65 crores. Out of the outstanding loan of Rs. 20.90 crores for which detailed accounts are kept by the Accountant General, recovery of

Rs. 15.15 crores (Principal: Rs. 12.44 crores and interest: Rs. 2.71 crores) was in arrears.

--The total investment of the Government in the various Corporations/Companies/Co-operative Institutions as on 31st March 1988 was Rs. 124.70 crores. Dividend/interest of Rs. 0.08 crore on the investment was credited to Government account during the year.

--During the year 1987-88, there was an overall saving of Rs. 179.57 crores in 26 Grants/Appropriations. The overall excess, on the other hand, was Rs. 177.32 crores in 17 Grants/Appropriations requiring regularisation under Section 82 of the Constitution of Jammu and Kashmir.

(Paragraphs: 1.2 and 2.2.03)

3 **Audit reviews on developmental and welfare programmes and other activities**

3.1 **Upgradation of standards of administration in non-developmental sectors - Jails and Revenue and District Administration**

The programme, recommended by the Seventh Finance Commission, aimed at upgradation of standards of non-developmental sectors like Jails and Revenue and District Administration so as to bring them to the level obtaining in more advanced States.

--Against Rs. 287.84 lakhs allotted for the purpose, the expenditure during the period 1979-80 to 1985-86 was Rs. 291.59 lakhs.

--Unutilised Central assistance of Rs. 9.33 lakhs at the end of 1983-84 was not refunded to Government of India.

--Rs. 19.38 lakhs were spent on objects for which no provision had been made in the approved Plan of Action.

--Construction of office-cum-residential complex in 3 cases in Kashmir Division.

(xiii)

was undertaken at district headquarters in disregard of the recommendations of the Seventh Finance Commission.

(Paragraph: 3.1)

3.2 Integrated Child Development Services

The scheme was launched with the main objective of improving the nutritional standard and health status of children in the age group 0-6 years and enhancing the capability of the mother through proper nutrition and health education to look after the normal health and nutritional needs of the child.

--Against the budget provision of Rs. 1100.82 lakhs, expenditure on the scheme during 1984-88 was Rs. 1017.84 lakhs.

--Out of the Central assistance of Rs. 329.91 lakhs, Rs. 4.85 lakhs remained unspent during 1984-88.

--Against the requirement of 152 supervisors for 3418 anganwadi workers, only 70 were in position and of them 28 were untrained. Among 3043 anganwadi workers in position, 1114 were untrained. No systematic training had been imparted despite funds having been made available.

--Against the required minimum per capita expenditure of 65 paise per day under the supplementary nutrition component of the programme, the actual

(xiv)

expenditure during the 3 years ending 1987-88 had been only in the range of 39 paise to 53 paise.

(Paragraph: 3.3)

3.3 State Rescue Homes, Rehabilitation Centres and other similar institutions.

For the purpose of social upliftment and rehabilitation of the oppressed and the destitutes, various residential homes like Bal Ashrams, Nari Niketans, Observation Homes for Children and Home for the Blind were established.

--Although the Observation Home at Jammu was established in 1980-81, just 10 inmates were referred to it during the 8 years ending 1987-88 rendering the expenditure of Rs. 3.36 lakhs on running of the Home largely unfruitful.

--Adequate vocational and educational training was not imparted to inmates of the Blind Home, Jammu, and only 1 inmate was rehabilitated during 1981 to 1987.

(Paragraph: 3.4)

3.4 National Malaria Eradication Programme

The programme was launched in 1953 with a view to eradicating malaria from the country. Due to recrudescence of malaria in 1976, a "Modified Plan of Operation" was implemented from 1977 to prevent deaths due to malaria and to effectively control and contain the disease.

--The expenditure on the programme during 1983-84 to 1987-88 was Rs. 264.59 lakhs.

--Incidence of malaria was not contained; in fact it increased from 5,703 cases in 1981 to 41,815 cases in 1986.

--Coverage of population and dwellings

under spray operations was tardy resulting in insecticides remaining unutilised.

--The backlog in respect of blood smear examinations ranged from 5000 to 11000 during 1981 to 1987. Radical treatment was not given to 2569 positive cases during this period.

(Paragraph: 3.5)

3.5 Land Acquisition

Land required for public purposes was acquired by Government under the provisions of Land Acquisition Act, 1990-S and the rules made thereunder.

--As on 31st March 1988, advances amounting to Rs. 501.25 lakhs made by the indenting departments to 11 Collectors stood deposited in banks instead of treasury in contravention of the Government instructions. In the case of 5 Collectorates, the undisbursed amounts lying in the treasuries, as on 31st March 1988, amounted to Rs. 149.68 lakhs.

--There were considerable delays in land acquisition, impeding the speedy execution of development works. In one case, extra expenditure of Rs. 2.15 lakhs had to be incurred on the completion of a work suspended due to non-acquisition of land and payment of compensation.

--Due to incorrect application of rules for disbursement of compensation, Rs. 31.07 lakhs were paid to some individuals for Shamilat land in July 1981 by the Deputy Commissioner, Badgam.

--Excess award of Rs. 6.10 lakhs was made by the Assistant Commissioner, Jammu, in January 1985, in the land acquisition case of village Deeli for Project Sampark.

(Paragraph: 3.6)

3.6 Seed multiplication and distribution programme

With a view to producing high yielding varieties of seeds for supply to farmers, 45 seed multiplication farms were set up in the State up to 1987.

- The percentage of area cultivated to area available at various farms ranged between 19 and 74 during kharif season and 18 and 100 during rabi season during 1984-85 to 1987-88.
- The quantity of seed produced at the seed multiplication farms was far less than that envisaged.
- Most of the farms were working at a loss. The small farms had at no time been economically viable.
- No action had been initiated to recover outstanding amounts of Rs. 73.22 lakhs and Rs. 41.74 lakhs from the Jammu and Kashmir Supply and Marketing Federation and the Kashmir Peoples' Co-operative Society respectively towards the cost of seeds supplied to them by the department.

(Paragraph: 3.7)

3.7 Assistance to Small and Marginal Farmers for increasing Agricultural Production

With a view to ameliorating the economic condition of the poor farmers in the Country, a Centrally sponsored scheme was launched by Government of India in 1983-84. The scheme envisaged assisting these farmers to enable them to invest in minor irrigation, land development, plantation of fruit and fuel trees and to increase production of oil seeds and pulses.

- Against the budget provision of Rs. 887.75 lakhs under the programme during the period from 1983-84 to 1987-88, the expenditure was only Rs. 509.36 lakhs.

--The extent of shortfall in achieving targets during 1986-87 and 1987-88 ranged between 54 and 96 per cent under minor irrigation and between 59 and 100 per cent under land development.

--Against advance payment of Rs. 4 lakhs made in March 1984 to the Rakhs and Farms Department for supply of 2 lakh mavas (plants), only 0.23 lakh mavas had been lifted resulting in blockage of Government money of Rs. 3.54 lakhs.

(Paragraph: 3.8)

3.8 Construction of Legislature Complex

Construction of the complex was administratively approved by the State Government in February 1977 and was taken up for execution in 1978-79. Work on the project, scheduled to be completed within 5 years, was still in progress.

--Against the administratively approved cost of Rs. 6 crores and estimated revised cost of Rs. 13.04 crores, the expenditure up to end of November 1988 was Rs. 2.97 crores.

--Against interest of Rs. 8.82 lakhs due on the mobilisation advance of Rs. 25 lakhs granted to the civil works contractor, only Rs. 2.61 lakhs were recovered till December 1985 and interest beyond this date on the outstanding balance of Rs. 15.65 lakhs was waived by Government resulting in loss of interest of Rs. 6.89 lakhs for the period ending September 1988.

--A contractor was paid Rs. 11.19 lakhs on account of price escalation till December 1985 without reference to the required data and certificates.

--Owing to suspension of work by the

(xviii)

department for over 3 years, Government had to raise the maximum limit of price escalation from 10 per cent to 67 per cent of the total contract value in the case of a contractor.

- Ex-gratia payments amounting to Rs. 4.63 lakhs made in November 1988 to the contractors for electric installation, water supply and drainage systems were outside the contractual terms.

(Paragraph: 4.1)

3.9 Construction of bridges in Jammu and Kashmir

For effective utilization of the net work of roads which is a basic requirement for the overall economic development of the State, construction of bridges was undertaken by Government during successive Plan periods.

- Taking up of work on 3 bridges without acquiring sites and ensuring availability of funds resulted in blockage of funds of Rs. 33.41 lakhs and extra expenditure of Rs. 16.50 lakhs.
- Injudicious selection of sites, change in design or defective estimation and execution of work resulted in extra expenditure of Rs. 24.66 lakhs in 6 cases and blockage of funds of Rs. 26.99 lakhs in 3 cases.
- There was an extra expenditure of Rs. 8.34 lakhs in 3 cases due to suspension of works by the contractors on account of non-payment of dues or non-supply of departmental material and their completion subsequently by alternative agencies at higher rates.
- Construction of 11 bridges started at different sites during October 1977 to May 1983 was yet to be completed due to paucity of funds, delay in procurement of material etc. resulting in blockage of funds of Rs. 52.78 lakhs.

(Paragraph: 4.3)

3.10 Sewerage and drainage schemes

Sewerage and drainage schemes for Greater Srinagar and Greater Jammu were formulated by the State Government in 1979-80 and execution of these schemes was taken up in 1980-81.

- Against the administrative approval of Rs. 181.25 crores, expenditure incurred on the schemes up to March 1988 was only Rs. 18.27 crores.
- Out of the 29 drainage schemes taken up in Srinagar City, only 12 were completed till March 1988 at a cost of Rs. 81.34 lakhs. Out of the 16 drainage schemes, taken up in Jammu City, only 3 were completed till March 1988 at a cost of Rs. 11.25 lakhs.
- No significant progress in the execution of sewerage part of the projects for the two cities had been achieved.
- Department paid Rs. 7.93 lakhs between January 1986 and October 1988 on account of price escalation due to delay in making available to the contractor the required land for construction of trunk sewer around Brari Nambal Lagoon.
- Construction material worth Rs. 22.72 lakhs procured during 1981-82 to 1983-84 had remained unutilised.

(Paragraph: 4.4)

3.11 Integrated Development of Small and Medium Towns

This Centrally sponsored programme laun-

ched during the Sixth Five Year Plan period aimed at increasing the rate of growth of small and medium towns by providing them with infrastructure and other essential facilities in order to check migration of population to the large cities. In the case of Jammu and Kashmir State, the project for Anantnag town envisaged development of a bus stand and shopping complex in its premises.

--The financial assistance released to the implementing agency and the expenditure incurred by it during 1982-83 to 1987-88 was Rs. 56.35 lakhs.

--Envisaged loan assistance of Rs. 15.10 lakhs from other financial institutions was not obtained.

--The scheme, envisaged to be completed within 2 years from the date of receipt of financial assistance, was still in progress and eight shops constructed at a cost of Rs. 2.11 lakhs during October 1985 - September 1986 were lying unallotted.

--Interest of Rs. 4.06 lakhs due on the loans from Government of India had not been paid though it was payable annually from the first anniversary of the drawal of loan.

(Paragraph: 8.2)

3.12 Desert development programme

The programme was launched by Government of India in 1977-78 as a Central scheme with a view to ensuring quicker development of desert regions, controlling desertification, restoration of ecological balance of certain desert/semi-desert areas and creation of conditions conducive for raising the level of production, income and employment in these areas. The programme had been in operation in Leh and Kargil districts of the State since 1978-79.

--Against the total funds of Rs. 912.89

lakhs, the expenditure incurred by the Desert Development Agencies Leh and Kargil during 1979-80 to 1986-87 was Rs. 872.99 lakhs.

--The Seed Multiplication Farm, Zanaskar, established in 1981-82 at a cost of Rs. 15.84 lakhs, had not become operational rendering the investment unfruitful.

--Mortality rate among lambs had been high, up to 53 per cent, in the Sheep Farm at Lakthang and higher, up to 71 per cent, in the Rabbit Farm, Chanaspa.

--Expenditure of Rs. 19.57 lakhs incurred on construction of Lagjungthang canal, Leh, had largely gone waste as the command area was full of boulders and rocks, the proposed site for head of the canal was in flood prone zone and the canal being katcha had already started filling up at places.

--Construction material and other equipment worth Rs. 31.68 lakhs were purchased in 1987 for setting up of 5 solar green houses without having gone into the viability of this venture.

(Paragraph: 8.4)

4. other points

--In 3 cases, Government funds amounting to Rs. 5.99 lakhs were blocked due to lack of co-ordination, improper selection of site for a goat farm, and non-execution of agreement, respectively.

(Paragraph: 3.10)

--Construction of an irrigation tank at Bailsar Bawan (Handwara) at a cost of Rs. 10.22 lakhs proved unfruitful as, according to geologists, its site was unsuitable and it was not likely to stand on being commissioned.

(Paragraph: 4.5)

--The Centrally sponsored pilot scheme for introducing inland water transport in the river Jhelum started in 1977-78 had not made much headway even after an expenditure of Rs. 58.15 lakhs ending March 1985. Due to suspension of work, two barges costing Rs. 6.20 lakhs had been lying idle since June 1984 resulting in payment of idle wages to operational and watch and ward staff.

(Paragraph: 4.9)

--The public Health Engineering Department had to incur extra expenditure of Rs. 7.40 lakhs due to suspension of work on R.C.C. overhead tanks in two hospitals at Srinagar by a contractor and their completion by alternative agencies. The extra expenditure along with penalty of 10 per cent of contract value had not been recovered from the contractor in terms of the work allotment order.

(Paragraph: 4.10)

--Out of the Central assistance of Rs. 230 lakhs provided to the State Government in April 1986 for restoration of damages to water supply distribution net work etc., resulting from heavy snowfall and unprecedented cold wave during December 1985 and January 1986, Rs. 88.57 lakhs were diverted to purchase of diesel generating sets, electrical equipment, restoration of flood damages of April 1986 etc.

(Paragraph: 4.12)

--Treatment planning system equipment acquired by the Sher-i-Kashmir Institute of Medical Sciences in February 1979 at a cost of Rs. 11.87 lakhs was not installed and commissioned till February 1984 for want of site for installation and other infrastructure. The equipment had not become

(xxiii)

operational even after utilising spare parts worth Rs. 0.26 lakh rendering the expenditure of Rs. 12.13 lakhs as wasteful.

(Paragraph: 5.4)

5. Revenue Receipts

5.1 Entertainment tax

Non-recovery of show tax from 87 video halls and non-levy of penal interest in respect of 22 cases has resulted in a total loss of Rs. 9.63 lakhs.

The department has not taken any effective measures for recovery of outstanding arrears of Rs. 47.27 lakhs as at the end of March 1987.

(Paragraph: 6.3)

5.2 Tax on urban immovable property

At the end of March 1987, the amount of outstanding arrears was Rs. 2.27 crores. The position had not improved although some arrears had been referred to Collectors (Recovery) for recovery as arrears of land revenue.

(Paragraph: 6.4)

5.3 Interest receipts

An amount of Rs. 381.50 lakhs including interest was outstanding recovery as on 31st March 1985 against the loanees who were granted loans by the District Industries Centres (DICs).

Interest amounting to Rs. 640.77 lakhs was outstanding at the end of March 1987 against the Jammu and Kashmir Co-operative Supply and Marketing Federation Limited (JAKFED) (Rs. 206.25 lakhs), Orchardists (Rs. 9.09 lakhs) and various Government Companies/Corporations (Rs. 399.19 lakhs) and loanees/parties on account of ad hoc and technical loans (Rs. 26.24 lakhs).

(Paragraph: 6.5)

5.4 Sales tax

In 5 cases, sales tax and interest to the extent of Rs. 1.04 lakhs were either levied short or determined incorrectly.

(Paragraph: 6.5)

5.5 Forest receipts

In 3 cases, there has been loss of Rs. 6.64 lakhs on account of inadmissible incentive rebate, incorrect determination of royalty and non-revision of royalty bills.

(Paragraphs: 6.8 to 6.10.)

5.6 Short recovery of permit fee

Short charging of permit fee at Rs. 250 instead of Rs. 10,000 in respect of 81 stage carriages of State Road Transport Corporation had resulted in a loss of Rs. 7.90 lakhs.

(Paragraph: 6.11)

6 Commercial and trading activities

6.1 The State had 15 Government Companies, 4 Statutory Corporations and 5 departmentally managed commercial/quasi-commercial undertakings as on 31st March 1988.

(Paragraphs: 7.2.1, 7.3.1 and 7.5.1)

6.2 The aggregate paid-up capital of these Companies was Rs. 82.03 crores of which Rs. 78.86 crores and Rs. 2.94 crores were invested by the State and Central Governments respectively. The State Government had also advanced loans to 13 Companies and the balance of loans outstanding as on 31st March 1988 amounted to Rs. 15.78 crores. Repayment of loans and interest thereon in respect of 6 Companies carried guarantee by Government. The amounts guaranteed and outstanding thereagainst as on 31st March 1988 were Rs. 44.89 crores and Rs. 28.71 crores respectively.

(Paragraphs: 7.2.2(a) to (c))

6.3 Only two Companies had finalised the accounts for the year 1987-88. One Company earned a profit of Rs. 1.07 crores whereas the other Company incurred a loss of Rs. 0.13 crore. The accounts of the remaining 13 Companies were in arrears for periods ranging from 1 year to 9 years.

(Paragraphs: 7.2.3 and 7.2.4)

6.4 Jammu and Kashmir Financial Corporation had finalised its accounts up to 1987-88. Percentage of default to total loans outstanding which was 24 in 1985-86 increased to 31 in 1987-88.

(Paragraphs: 7.3.3 and 7.4.4)

6.5 The activities of one Government Company viz., Jammu and Kashmir Bank Limited reviewed in audit revealed that

--the Bank failed to strengthen the capital base due to insufficient authorised capital;

--the default in the maintenance of cash-reserve-ratio forced the Bank to pay penal interest of Rs. 33.31 lakhs to Reserve Bank of India and consequent loss of interest amounting to Rs. 60.34 lakhs under the scheme of graduated penalties;

--residential flats purchased at Sahibabad, Ghaziabad (Uttar Pradesh) at a cost of Rs. 36.38 lakhs had not been put to use since September 1986 resulting in loss of interest of Rs. 6.37 lakhs on the blocked amount up to June 1988.

(Paragraph: 7.6)

6.6 Besides, a test check of records of the Government Companies and departmentally managed Government Undertakings revealed cases of infructuous expenditure, loss of interest, idle investment, extra/unjustified expenditure etc., as under :-

(a) Due to lack of proper planning and

failure of the Management to adhere to the requirement of an import licence, the Jammu and Kashmir State Industrial Development Corporation Limited had to incur an infructuous expenditure of Rs. 1.29 lakhs with a consequent blocking of funds to the tune of Rs. 5.87 lakhs.

(Paragraph: 7.7.1)

- (b) Failure to develop technical expertise resulted in idle investment of Rs. 362.06 lakhs on the implementation of a watch case project.

(Paragraph: 7.7.3)

- (c) Two drug factories, taken over from the Council of Scientific and Industrial Research in August 1983 by the Jammu and Kashmir State Agro-Industries Development Corporation, later transferred to Jammu and Kashmir Industries Limited in May 1985, could not be run as the captive farms of the factories were transferred to State Agriculture Department resulting in blockage of capital of Rs. 22.27 lakhs and unfruitful expenditure of Rs. 2.43 lakhs.

(Paragraph: 7.7.4)

- (d) In anticipation of obtaining exemption from the Sales Tax Authority from payment of sales tax on the sale of the products of Rosin and Turpentine Factories at Rajouri and Sunderbani, the Company stopped collecting sales tax from the buyers resulting in a liability of Rs. 27.52 lakhs.

(Paragraph: 7.7.5)

- (e) Unauthorised rebate on the sale of slack coal at Kalakote Coal Mines of the Jammu and Kashmir Minerals Limited resulted in loss of

(xxvii)

Rs. 10.83 lakhs. The company suffered a loss of Rs. 5.14 lakhs on account of non-recovery of stowing Excise Duty on coal from its customers which it had to pay to Coal Controller, Calcutta.

(Paragraphs: 7.7.7 and 7.7.9)

CHAPTER-I

GENERAL

1.1. Summarised Financial Position

The summarised financial position of the Government of the year 1987-88 is indicated in the statement

Statement No. 1—Financial position of the Government

Amount as on 31st March 1987	Liabilities	Amount as on 31st March 1988
(Rupees in crores)		(Rupees in crores)
91.79	Internal Debt	113.61
	(excluding overdraft from Jammu and Kashmir Bank Limited)	
1474.42	Loans and Advances from Central Government	1728.98
	774.13 Pre-1984-85 Loans	748.81
	86.44 Non-Plan Loans	123.35
	591.66 Loans for State Plan Schemes	835.30
	0.34 Loans for Central Plan Schemes	0.45
	8.00 Ways and Means Advances	8.00
	13.85 Loans for Centrally Sponsored Plan Schemes	13.07
192.75	Small Savings, Provident Funds, etc.	230.77
128.85	Deposits	132.64
10.13	Overdraft from Jammu and Kashmir Bank Limited	44.90
52.22	Reserve Funds	59.34
0.40	Contingency Fund	0.40
34.17	Remittance Balances	54.90
175.50	Surplus on Government Account	120.76
	Revenue surplus on 31st March 1987	175.50
	Amount closed to Miscellaneous Government Account	17.02
	Less revenue deficit	(-)71.76
<u>2160.23</u>	Total	<u>2486.30</u>

-I

RAL

Jammu and Kashmir emerging from the Finance Accounts for following :-

of Jammu and Kashmir as on 31st March 1988

Amount as on 31st March 1987	Assets	Amount as on 31st March 1988
(Rupees in crores)		(Rupees in crores)
1976.28	Gross Capital Outlay on Fixed Assets	2272.28
	113.47 Investment in shares of Companies, Corporations etc.	124.70
	1862.81 Other Capital Outlay	2147.58
93.45	Loans and Advances	100.65
	82.59 Development Loans	88.10
	10.86 Loans to Government Servants and Miscellaneous loans	12.55
	2.47 Other Advances	3.53
44.80	Suspense and Miscellaneous Balances	61.78
43.23	Cash	48.06
	18.42 Cash in Treasuries, local remittances and cash in banks	15.49
	2.22 Departmental cash balances including Permanent Advance	4.22
	22.59 Cash Balance Investment	28.35
<u>2160.23</u>	Total	<u>2486.30</u>

Statement No. II-Abstract of Receipts and

Receipts

Section-A-

(In crores of rupees)

I-Revenue Receipts			755.43
(i) Tax Revenue		123.29	
(ii) Non-tax Revenue		113.61	
(iii) State's share of Union Taxes :			
(a) Share of net proceeds of Taxes on Income other than Corporation Tax	15.26		
(b) Union Excise Duties	159.11	174.39	
(c) Estate Duty	0.02		
(iv) Non-Plan grants		160.49	
(v) Grants for State Plan Schemes		132.93	
(vi) Grants for Central and Centrally Sponsored Schemes		50.72	
II-Revenue Deficit			71.76
	Total		<u>827.19</u>

Section-B-

III-Opening Cash Balance including Permanent Advance and Cash Balance Investment		43.23
---	--	-------

Disbursements for the year 1987-88

Disbursements

Revenue

I-Revenue Expenditure

Sector	Non-Plan	Plan	Total
(In crores of rupees)			
(i) General Services	239.15	4.40	243.55
(ii) Social Services	242.74	28.21	270.95
(iii) Economic Services	239.52	73.17	312.69
Total	721.41	105.78	827.19

Others

**II-Opening overdraft from
Jammu and Kashmir Bank
Limited**

10.13

Abstract of Receipts and

Receipts	(In crores of rupees)
IV-Recoveries of Loans and Advances	6.17
(i) From Government Servants	3.87
(ii) From Others	2.30
V-Contingency Fund	0.06
VI-Public Debt Receipts	368.80
(i) Internal Debt (excluding overdraft from Jammu and Kashmir Bank Limited)	23.69
(ii) Loans and Advances from Central Government	345.11
VII-Public Account Receipts	2666.16
(i) Small Savings, Provident Funds, etc.	64.09
(ii) Reserve Funds	7.12
(iii) Suspense and Miscellaneous	38.56
(iv) Remittances	2434.28
(v) Deposits and Advances	122.11
VIII-Miscellaneous	17.02
IX-Closing overdraft from Jammu and Kashmir Bank Limited	44.90*
Total	<u>3146.34</u>

*Figures under reconciliation with Finance Department.

Disbursements for the year 1987-88-Concl'd.

Disbursements	(In crores of rupees)
III-Capital Outlay	296.00
Sector	
(i) General Services	7.78
(ii) Social Services	83.67
(iii) Economic Services	204.55
IV-Loans and Advances Disbursed	13.37
(i) To Government Services	5.56
(ii) To Others	7.81
V-Revenue Deficit Brought Down	71.76
VI-Contingency Fund	0.06
VII-Repayment of Public Debts	92.43
(i) Internal Debt (excluding over- draft from Jammu and Kashmir Bank Limited)	1.87
(iii) Repayment of Loans and Advances to Central Government	90.56
VIII-Public Account Disbursements	2614.53
(i) Small Savings, Provident Funds, etc.	26.07
(ii) Suspense and Miscellaneous	55.53
(iii) Remittances	2413.55
(iv) Deposits and Advances	119.38
IX-Cash Balance at end	48.06
(i) Cash in Treasuries, local remittances and cash in banks	15.49
(ii) Departmental cash balances including Permanent Advance	4.22
(iii) Cash Balance Investment	28.35
Total	3146.34

Statement No. III-Sources and Application of Funds
for the year 1987-88

(In crores of rupees)

I-Sources

1. Revenue Receipts		755.43
2. Increase in Public Debt (excluding overdraft mentioned in item 3), Small Savings, Provident Funds, etc.		314.40
3. Increase in overdraft from the Jammu and Kashmir Bank Limited		34.77
Adjustments		(+)30.62
(i) Increase in Suspense Balance	(-)	16.98
(ii) Add-increase in Reserve Funds	(+)	7.12
(iii) Add-increase in Deposits and Advances	(+)	2.73
(iv) Add-increase in Remittance Balances	(+)	20.73
(v) Miscellaneous Government Account	(+)	17.02
		<u>1135.22</u>

II-Application

Revenue expenditure	827.19
Capital Outlay	296.00
Lending for development and other programmes	7.20
Increase in cash balance including departmental cash balance and cash investments	4.83
	<u>1135.22</u>

Explanatory Notes

(i) The abridged accounts in the foregoing statements have to be read with the comments and explanations in the Finance Accounts.

(ii) As Government Accounts are on cash basis, the surplus on Government Account shown in the above statement indicates the position on cash basis as different from accrual basis of commercial accounting.

(iii) There was a difference of Rs. 0.84 lakh on 31st March 1988 between the figure reflected in the accounts under "Cash in Banks" and that intimated by the Finance Department. This is under reconciliation.

1.2 Comments on accounts

(i) The State Government obtained temporary loans from the Jammu and Kashmir Bank Limited on 99 days during the year 1987-88. The maximum temporary loan was Rs. 3.75 crores on 30th October 1987. The total temporary loans during the year amounted to Rs. 204.36 crores. A balance of Rs. 10.13 crores was also outstanding on 1st April 1987. Government repaid Rs. 169.59 crores during the year leaving a balance of Rs. 44.90* crores on 31st March 1988.

According to the agreement executed by the State Government with the Jammu and Kashmir Bank Limited interest at 10 per cent is charged on the temporary loans up to 3.75 crores and at 17.5 per cent (up to November 1987) and 16.5 per cent (beyond November 1987) in excess of Rs. 3.75 crores. During 1987-88, interest paid was Rs. 28.05 lakhs.

(ii) The net additional public debt (as adjusted by the effect of suspense, remittance, reserve fund and deposit balances) and other receipts of Government during 1987-88 amounted to Rs. 379.79 crores. Out of this, Rs. 296 crores were utilised for capital expenditure and Rs. 7.20 crores were

*Figures under reconciliation with the Finance Department.

disbursed as net additional loans and advances for development and other programmes. The balance of Rs. 76.59 crores after meeting the revenue deficit of Rs. 71.76 crores resulted in marginal increase in cash balance by Rs. 4.83 crores.

(iii) The year closed with a revenue deficit of Rs. 71.76 crores as against a revenue deficit of Rs. 77.36 crores during 1986-87.

(iv) The revenue raised by the State Government (Rs. 236.90 crores) accounted for 31.36 per cent of the total revenue receipts (Rs. 755.43 crores) during the year.

(v) Against the anticipated receipts under "Taxes on Goods and Passengers" (Rs. 32.08 crores) the actual realisation has been Rs. 4.68 crores only during the year though measures were proposed to be taken by the State Government for increasing the mobilization of additional resources under the aforesaid head of account by Rs. 8.79 crores.

(vi) The total amount of loans advanced and outstanding as on 31st March 1988 was Rs. 100.65 crores. The amount of such outstanding loans for which detailed accounts are kept by the departmental officers was Rs. 79.75 crores. Out of the balance amount for which detailed accounts are maintained by the Accountant General, recovery of Rs. 15.15 crores (principal: Rs. 12.44 crores and interest : Rs. 2.71 crores) was in arrears.

(vii) The interest paid on debt and other obligations was Rs. 114.77 crores. The interest received was Rs. 26.31 crores including that from departmental commercial undertakings and others. The net interest burden was thus Rs. 88.46 crores. The interest charges paid on "Small Savings, Provident Funds, etc.", were Rs. 32.76 crores while the net accretion to the balance during the year was Rs. 38.02 crores.

(viii) The assistance received from the Central Government in the form of grants-in-aid for Central and Centrally Sponsored Plan Schemes was Rs. 50.72 crores against Rs. 56.13 crores during 1986-87.

(ix) Against the Plan provision of Rs. 487.57 crores (Revenue : Rs. 155.08 crores, Capital : Rs. 328.59 crores and Loans and Advances : Rs. 3.90 crores), the actual expenditure on Plan schemes was Rs. 394.58 crores (Revenue : Rs. 105.77 crores, Capital : Rs. 280.04 crores and Loans and Advances: Rs.8.77 crores) resulting in an overall shortfall of Rs. 92.99 crores.

(x) The non-plan revenue expenditure (Rs. 721.41 crores) exceeded the budget estimates (Rs. 642.06 crores) by Rs.79.35 crores (12 per cent). Income from tax and non-tax revenues (Rs. 236.90 crores) was not adequate even to finance the total non-plan revenue expenditure.

There was an increase of Rs. 94.38 crores in the non-plan revenue expenditure during 1987-88 over 1986-87 (Rs. 627.03 crores).

(xi) The total debt liability of the Government at the close of 1987-88 was Rs. 2310.25 crores (including loans and advances of Rs. 1728.98 crores from Government of India). An amount of Rs. 9.33 crores (principal : Rs. 1.10 crores and interest : Rs. 8.23 crores) was overdue on loans from the Central Government at the end of 1987-88.

(xii) With fresh investment of Rs. 11.23 crores during the year in the various Corporations, Companies and Co-operative Institutions the total investment of the Government in shares on 31st March 1988 was Rs. 124.70 crores. Dividend and interest of Rs. 0.08 crore on the investments was credited to the Government account during the year.

(xiii) The contingent liability for guarantees given by the State Government for repayments of loans etc. by statutory corporations and other institutions etc. as on 31st March 1988 was Rs. 248.55 crores against the maximum guaranteed amount of Rs. 306.70 crores.

No limit under Article 293 of the Constitution has been fixed by the State Legislature within which Government may give guarantees on the security of the Consolidated Fund of the State.

CHAPTER-II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

2.1.01 The summarised position of actual expenditure during 1987-88 against grants/appropriations is as follows:

11

	Original Grants/ Appropriations	Supple- mentary	Total	Actual Expendi- ture	Variation Saving(-)/ Excess(+)
	(Rupees in crores)				
I. Revenue					
Voted	735.76	65.99	801.75	773.18	(-)28.57
Charged	124.89	12.26	137.15	115.91	(-)21.24
II. Capital					
Voted	431.84	55.50	487.34	396.65	(-)90.69
III. Public Debt					
Charged	121.16	1.35	122.51	262.02	(+) 139.51
IV. Loans					
Voted	9.87	4.77	14.64	13.37	(-) 1.27
Total	<u>1423.52</u>	<u>139.87</u>	<u>1563.39</u>	<u>1561.13</u>	<u>(-) 2.26</u>

2.2 The following results emerge broadly from the Appropriation Audit.

2.2.01 Supplementary provision obtained during the year constituted 9.8 per cent of the original budget provision as against 9.6 per cent in the preceding year.

2.2.02 Unnecessary/ Excessive/Inadequate Supplementary Provisions

Supplementary provision of Rs. 47.55 crores obtained in 15 cases during March 1988 proved unnecessary. In 8 more cases, additional funds required were only 29.09 crores against the supplementary grant of Rs. 61.36 crores; savings in each case exceeded Rs. 10 lakhs.

In 11 cases, supplementary provisions of Rs.30.30 crores proved insufficient by more than Rs. 10 lakhs each, leaving an aggregate uncovered excess expenditure of Rs. 172.90 crores.

2.2.03 Saving/excess over provision requiring regularisation

The overall saving during 1987-88 was Rs. 179.57 crores in 26 Grants/Appropriations. The overall excess (vide Appendix 2.1) on the other hand, was Rs. 177.32 crores in 17 Grants/Appropriations requiring regularisation under Section 82 of the Constitution of Jammu and Kashmir.

The following excesses relating to the years 1980-81 to 1986-87, as detailed below, are also yet to be regularised :

Year	No. of Grants/ Appropriations	Amount of excess
		(In crores of rupees)
1980-81	16	227.90
1981-82	13	41.99
1982-83	10	119.74
1983-84	12	176.75
1984-85	10	65.42
1985-86	10	19.64
1986-87	15	104.22

2.2.04 Unutilised provisions

In the following Grants/Appropriations, the expenditure fell short by more than Rs. 1 crore each and also by more than 10 per cent of the total provision.

Description of the Grant/Appropriation	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
(1)	(2)	(3)
(1) 3-Planning Department Revenue (Voted)	1.44 (46)	Reasons for savings have not been intimated (December 1988) in all these cases.
(2) 5-Ladakh Affairs Department Revenue (voted)	3.11 (12)	
(3) 6-Power Development Department Capital (Voted)	 11.56 (11)	
(4) 8-Finance Department Revenue (Voted)	6.89 (20)	
Capital (Voted)	2.37 (32)	
Revenue (Charged)	21.27 (16)	
(5) 11-Industries and Commerce Department Capital (voted)	 3.26 (32)	
(6) 12-Agriculture Department Capital (Voted)	 39.19 (76)	
(7) 14-Revenue Department Revenue (Voted)	11.15 (19)	

S. No.	Description of Grant	Total Grant	Total saving/ unsurrendered saving
(3)	11-Industries and Commerce Department	10.04	3.26
(4)	12-Agriculture Department	51.77	39.19
(5)	15-Food, Supplies and Transport Department	120.49	19.02
(6)	16-Public Works Department	79.38	16.43
(7)	20-Tourism Department	15.86	1.68
(8)	22-Irrigation and Flood Control Department	30.17	2.65

2.2.06 Persistent savings exceeding 10 *per cent* of the provision were noticed in the following grants.

S. NO.	Grant or Appropriation	Percentage of savings		
		1985-86	1986-87	1987-88
(1)	5-Ladakh Affairs Department Revenue (Voted)	14	16	12
(2)	7-Education Department Capital (Voted)	100	100	100
(3)	8-Finance Department Revenue (Voted)	40	12	20
	Capital (Voted)	49	58	32
(4)	9-Organisation Methods and Parliamentary Affairs Revenue (Charged)	19	29	23

S. No.	Grant or Appropriation	Percentage of savings		
		1985-86	1986-87	1987-88
(5)	11-Industries and Commerce Department			
	Capital (Voted)	11	26	32
(6)	12-Agriculture Department			
	Capital (Voted)	15	55	76
(7)	14-Revenue Department			
	Revenue (Voted)	30	63	19
	Capital (Voted)	58	12	11
(8)	15-Food, Supplies and Transport Department			
	Revenue (Voted)	76	64	58
	Capital (Voted)	23	33	16
(9)	16-Public Works Department			
	Revenue (Voted)	20	18	14
(10)	18-Social Welfare Department			
	Capital (Voted)	100	78	42
(11)	25-Labour, Stationery and Printing Department			
	Capital (Voted)	100	100	18
(12)	26-Fisheries and Wild Life Department			
	Capital (Voted)	46	34	26

2.2.07 In the following Grants/Appropriations, the expenditure exceeded the approved provision by more

than Rs. 25 lakhs each and also by more than 10 per cent of the total provision.

S.No.	Description of Grant	Amount of excess in crores of rupees (Percentage of excess)	Reasons for excess
(1)	1-General Department Capital (Voted)	2.33 (402)	Reasons for excess have not been intimated (December 1988) in all these cases.
(2)	3-Planning Department Capital (Voted)	0.45 (55)	
(3)	8-Finance Department Capital (Charged)	139.51 (114)	
(4)	10-Law Department Revenue (Voted)	2.84 (97)	
(5)	12-Agriculture Department Revenue (Voted)	19.02 (39)	
(6)	18-Social Welfare Department Revenue (Voted)	1.27 (12)	
(7)	24-Estates, Hospitality Protocol and Parks and Gardens Department Revenue (Voted)	0.51 (231)	

2.2.08 Persistent excesses of more than 10 per cent of the provision were noticed in respect of the following Grants.

S.No.	Grant or Appropriation	Percentage of excess		
		1985-86	1986-87	1987-88
(1)	1-General Department			
	Capital (Voted)	339	389	402
(2)	18-Social Welfare Department			
	Revenue (Voted)	11	12	12

2.2.09 Trend of recoveries and credits

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; anticipated recoveries and credits are shown separately in the budget estimates. During the year 1987-88, such recoveries were anticipated at Rs. 243.70 crores (Revenue : Rs. 117.17 crores and Capital : Rs. 126.53 crores). However, the actual recoveries during the year were Rs. 162.56 crores (Revenue : Rs. 61.91 crores and Capital : Rs. 100.65 crores). Significant cases of excess/shortfall in recoveries are detailed below; the reasons for variation have not been intimated (December 1988).

Number and name of the Grant	Budget estimates	Actuals	Amount of excess (+)/ shortfall(-) as compared to estimates
------------------------------	------------------	---------	---

(In crores of rupees)

Revenue

(1)	5-Ladakh Affairs Department	4.40	3.31	(-) 1.09
(2)	6-Power Development Department	54.45	4.67	(-) 49.78

Number and name of the Grant	Budget esti- mates	Actuals	Amount of excess (+)/ shortfall(-) as compared to estimates
(In crores of rupees)			
(3) 22-Irrigation and Flood Control Department	4.45	2.60	(-) 1.85
(4) 23-Public Health Engineering Department	18.50	15.50	(-) 3.00
Capital			
(1) 6-Power Development Department	10.00	8.66	(-) 1.34
(2) 12-Agriculture Department	11.35	8.97	(-) 2.38
(3) 15-Food, Supplies and Transport Department	103.46	82.08	(-)21.38

2.2.10 Reconciliation of departmental figures with those of the Accountant General

To enable the departmental officers to exercise proper control over expenditure, there are standing instructions of the Government that expenditure recorded in their books should be reconciled by them with that recorded in the books of the Accountant General. The Controlling Officers are to effect the reconciliation and send reconciliation certificates to the Accountant General.

It has, however, been noticed that the reconciliation was not done by 139 Controlling Officers out of 176 Controlling Officers for the year 1987-88.

2.2.11 Explanation for savings/excesses

The provisions of the State Budget Manual requires the Controlling Officers to furnish promptly to the Accountant General all information required by him in connection with preparation of Appropriation Accounts.

The Public Accounts Committee had repeatedly stressed the need for prompt submission to the Accountant General by Heads of Department, of explanations for variations for inclusion in the Appropriation Accounts and Report of the Comptroller and Auditor General of India. In regard to Appropriation Accounts for 1987-88 the explanations were required to be furnished in respect of 884 heads in which excesses/savings had occurred. Explanations for variation have not been intimated (December 1989) in all these cases.

CHAPTER-III

CIVIL DEPARTMENTS

Home and Revenue Departments

3.1 Upgradation of standards of administration in non-developmental sectors

3.1.1 Introduction

With a view to upgrading the standards of administration in non-developmental sectors so as to bring them to the level obtaining in more advanced States, the Seventh Finance Commission in its report, inter alia, identified Jail and Revenue and District Administration to fall under non-developmental sectors. The Commission recommended an outlay of Rs. 300 lakhs for the five years from 1979-80 to 1983-84 for meeting additional non-Plan expenditure on revenue and capital account in these sectors as per details given below :-

<u>Sector</u>	<u>Revenue</u>	<u>Capital</u>	<u>Total</u>
	(Rupees in lakhs)		
1. Jails	..	50	50
2. Revenue and District Administration	50	200	250

As against this, Government of India released Rs. 287.84 lakhs during 1979-80 to 1985-86.

Provision for capital expenditure on jails was intended to provide amenities to the prisoners in the existing jails in respect of water supply, sanitary, electrification etc. Provision under "Revenue" in respect of Revenue and District Administration was meant for expenditure on the Agrarian Reforms Organisation and that under "Capital" for construction of office-cum-residential complexes in block centres and in focal points (excluding district headquarters).

3.1.2 Organisational set up

At the State level, the Home and Revenue Departments were responsible for framing the plans of action in physical and financial terms. Each jail in the State is under the administrative charge of a Superintendent, working under the direct control of Director General, Prisons.

The Programme of Agrarian Reforms is implemented by the Commissioner, Agrarian Reforms, through Deputy Commissioners at the district level and Tehsildars at the tehsil level.

Sanitation, water supply and electrification works in respect of jails and construction works for district administration were executed through the State Public Works Department (PWD).

3.1.3 Audit coverage

Records relating to the implementation of the plans of action in the Revenue, Home and Finance Departments as also in the office of the Director General, Prisons, the Agrarian Reforms Commissioner, the Chief Engineer, PWD, and some of the executing agencies of the Public Works Department for the period 1979-80 to 1987-88 were test checked in audit during March 1988 to June 1988. The points noticed are mentioned in the succeeding paragraphs.

3.1.4 Highlights

— Against Rs. 287.84 lakhs allotted for the purpose, the expenditure during the period 1979-80 to 1985-86 was Rs. 291.59 lakhs.

— Unutilised Central assistance amounting to Rs. 9.33 lakhs at the end of 1983-84, was not refunded to Government of India.

(Paragraph : 3.1.5)

— An amount of Rs. 11.14 lakhs was spent on purchase of vehicles for different jails though purchase of vehicles was not provided in the proposals sent to Government of India. The unspent

balance of Rs. 0.59 lakh out of the said amount, instead of being refunded, was utilised by the department towards the purchase of an additional vehicle for one of the jails without sanction of the State Government.

(Paragraph : 3.1.7.1(i))

— Rs. 6.17 lakhs were spent on construction of the jail at Leh for which no provision had been made in the approved Plan of Action.

(Paragraph : 3.1.7.1(ii))

— Rs. 2.07 lakhs were spent for a jail on objects other than those in the approved Plan of Action or which did not constitute amenities for the prisoners.

(Paragraph : 3.1.7.1 (iv))

— Some of the places initially identified for raising office-cum-residential complexes were subsequently changed and constructions in 3 cases in Kashmir Division were undertaken at district Headquarters in disregard of the recommendations of the Seventh Finance Commission.

(Paragraph : 3.1.7.2(i))

— An expenditure of Rs. 4.85 lakhs was shown against a complex which was not provided for in the original approved scheme.

(Paragraph : 3.1.7.2(ii)(b))

— No monitoring or evaluation of the scheme was done.

(Paragraph : 3.1.8)

3.1.5 Financial arrangements, allocation and expenditure

The Budget Division of the Department of Economic Affairs in the Ministry of Finance, Government of India, was to release funds in accordance

with the approved phasing of the annual Plan of Action and the estimated annual expenditure as communicated to them by the Administrative Ministry. Amount for the first year was to be released "on account" and for the 2nd year it had to be released on the recommendations of the Administrative Ministry after that Ministry had satisfied itself about the progress of the scheme on receipt of departmental figures of expenditure. However, by the 3rd year, the actual expenditure as per certified audited figures was to be made the basis for further releases. Any unutilised amount in a year was to remain available for utilisation in the subsequent years till 1983-84.

No systematic record of the progressive or even total annual expenditure under various Plans of Action had been maintained by the concerned Administrative Departments. On the basis of information collected from the periodical report sent to Government of India and the statements and correspondence in the subordinate offices, the position of funds released by Government of India during 1979-80 to 1985-86 and the expenditure

incurred thereagainst was as under :

Year	Jails		Revenue (Agrarian reforms)		District Administration	
	Funds released (capital)	Expendi- ture	Funds released (revenue)	Expendi- ture	Funds released (capital)	Expendi- ture
	(Rupees in lakhs)					
1979-80	5.00	1.81	Nil	Nil	Nil	Nil
1980-81	11.00	1.43	Nil	Nil	Nil	Nil
1981-82	11.50	6.79	8.94	Nil	50.00	10.00
1982-83	Nil	7.18	Nil	6.72	Nil	48.00
1983-84	22.50	32.01	22.06	22.59	135.11	117.26
1984-85	Nil	Nil	Nil	Nil	Nil	37.80
1985-86	Nil	Nil	6.84	Nil	14.89	Nil
Total	50.00	49.22	37.84	29.31	200.00	213.06

Unutilised grants of Rs. 0.80 lakh (lying unutilised with Public Works Department, Kashmir) in respect of Jail Administration and Rs. 8.53 lakhs in respect of Revenue Department as at the end of 1983-84 were not refunded to Government of India (October 1988).

3.1.6 Plans of Action

3.1.6.1 Jail Administration

Details of the approved schemes and administrative sanctions for works executed during 1979-80 to 1981-82 on which an expenditure of Rs. 10.03 lakhs was incurred against a provision of Rs. 27.50 lakhs were not made available. For want of scheme-wise details, the expenditure of Rs. 10.03 lakhs intimated to Government of India in February 1986 could not be subjected to any audit scrutiny. Schemes for the subsequent period were sanctioned by the State Government only in August 1983 when barely 7-8 months were left for the period of 5 years of the Action Plan to expire, resulting in diversion of funds to unapproved items and schemes.

3.1.6.2 District Administration

There was an initial delay of more than 2 years in formulating plans. In October 1981, Government of India released Rs. 50 lakhs and called for specific physical targets to be achieved with the earmarked grant of Rs. 200 lakhs by the end of 1983-84. The revised plan for Rs. 200 lakhs was forwarded only in October 1982.

The delay in drawing up the Plan of Action resulted in delay in the execution of works none of which could be completed by 1983-84. During the first three years of the period of award, only Rs. 10 lakhs could be spent.

The Plan of Action was not drawn up after careful consideration as the subsequent events revealed that even land was not available at some focal points. Some of the works had to be shifted to other places as mentioned in the succeeding paragraphs.

3.1.6.3 Agrarian Reforms Organisation

The Agrarian Reforms Commissioner had in June 1981 reported to the State Government that there was no immediate need to strengthen the existing field machinery provided under the Plan as the entire field staff of Revenue Department had been associated and engaged in the implementation of agrarian reforms work. Despite this, 46 posts of Agrarian Tehsildars and 48 posts of Junior Accountants, already sanctioned and borne on the normal Plan budget, were included in the Plan of Action sent in July 1981, besides other additional posts, mostly ministerial, to reduce expenditure under the normal Plan budget and the normal expenditure of Rs. 29.31 lakhs was adjusted in 1982-83 and 1983-84 against this scheme.

3.1.7 Implementation of the programme

3.1.7.1 Jail Administration

(i) Purchase of vehicles

Though purchase of vehicles was not provided in the Plan of Action forwarded to Government of India, State Government ordered (November 1983) the purchase of 8 ambulances, 2 cars and one jeep, at a cost of Rs. 9.65 lakhs, as also purchase of petrol, expenditure on maintenance and creation of 11 posts of drivers. Actual expenditure of Rs. 11.14 lakhs reported (February 1986) to Government of India was thus, unauthorised and constituted diversion of funds at the cost of other approved schemes. Out of the balance advance (Rs. 0.59 lakh) remaining unspent out of Rs. 11.14 lakhs, one more car was purchased by the Director General, Prisons, without any sanction of the State Government. The Director General, Prisons, intimated (April 1988) that formal regularisation by Government would be obtained in due course.

(ii) Leh Jail

In the schemes approved by Government of India in May 1983 and sanctioned by the State Government in August 1983, no expenditure was proposed for the

jail at Leh. In the progress report sent to Government of India in February 1986, however, an expenditure of Rs. 6.17 lakhs was shown in respect of this jail on construction, electrification, sanitation and water supply during 1982-83 and 1983-84. Out of Rs. 6.17 lakhs, Rs. 5.15 lakhs had exclusively been spent on the construction of the jail building. The expenditure was not a proper charge against the grants released for the upgradation programme.

(iii) Baramulla Jail

In accordance with the recommendations of the Seventh Finance Commission, priority was to be given to the improvement of amenities in the existing jails only. The jail at Baramulla became operational only in September 1985. Despite this, an expenditure of Rs. 8.66 lakhs was sanctioned for amenities in this jail in August 1983 against which Rs. 3 lakhs were reported to Government of India (February 1986) as having been spent in 1983-84, on sanitation and water supply etc.

(iv) Udhampur Jail

During 1981-82, Rs. 1.74 lakhs were spent by the department on levelling of ground for administrative block/undertrial block and construction of breast walls-items not directly connected with the improvement of amenities for prisoners. Similarly, Rs. 0.33 lakh were spent during 1983-84 on construction of a kitchen block for the undertrial block not included among the schemes approved by Government in August 1983. This resulted in diversion of funds. Besides, Rs. 2.15 lakhs were advanced to Electricity Department during 1981-82 to 1983-84 for providing electric line and installation of transformers etc.

(v) Central Jail, Srinagar

(a) Civil Works

During 1982-84, an amount of Rs. 1.77 lakhs was spent through Public Works Department on sanitary fittings and other building works not covered under

the approved scheme.

The Director General, Prisons, stated (April 1988) that the expenditure had to be incurred on preferential basis according to immediate requirements and that the deviations would be got regularised in due course.

(b) Electric Works

Rs. 1.90 lakhs were spent by the PWD on the purchase of a diesel generating set and Rs. 1.27 lakhs on a 200/250 KVA sub-station. While the set was stated to have been installed sometime in 1985, it had not been formally handed over so far to the department nor had it been commissioned (May 1988). No information was furnished with regard to the installation of the 200/250KVA sub-station.

The department had not obtained the detailed audited statements of expenditure from the Public Works Department.

3.1.7.2 District administration

(i) Selection of focal points

In Kashmir Division, constructions were undertaken at the district headquarters instead of the 3 identified focal points, to house the district offices and to provide residential accommodation.

Thus, the objective of constructing office-cum-residential buildings at block level and at focal points was not achieved since all the construction works in Kashmir region were undertaken at District Headquarters.

(ii) Spill-over works

(a) In November 1984 and January 1986, the Chief Engineer, PWD, Kashmir and Jammu, estimated the requirement of funds for completion of works in progress beyond 1983-84 at Rs. 159.93 lakhs (Kashmir : Rs. 63.14 lakhs; Jammu : Rs. 96.79 lakhs) out of which Rs. 24.74 lakhs were met out of the grants released up to the end of 1985-86.

(b) In March 1984, the Finance Department conveyed approval for the construction of an office complex at Nagam with instructions to book the whole of the expenditure against the scheme. Construction of this complex did not fall under any of the approved schemes and the expenditure of Rs. 4.85 lakhs incurred on this project constituted diversion of funds. Approval of Government of India was not obtained at any stage.

3.1.8 Monitoring and evaluation

As per instructions of the Finance Commission, results of implementation of the programme had to be monitored and evaluated from time to time. No records indicating that monitoring and evaluation had been done regularly and reported to Government of India were produced to Audit.

The above matters were reported to Government in July 1988; reply has not been received (March 1989)

Home Department

3.2 Avoidable payment of interest

During November 1978 to November 1986, the Motor Accidents Tribunal awarded compensation of Rs. 2.90 lakhs in 5 cases to dependents of persons killed or injured in road accidents involving Government vehicles.

Delay in payment of compensation resulted in avoidable payment of interest of Rs. 0.74 lakh in two cases from the date of award to the date of payment. In the other 3 cases, the non-payment of compensation had created an interest liability of Rs. 0.22 lakh from the dates of award up to April 1988 (Appendix 3.1).

The matter was reported to Government in June 1988; reply has not been received (March 1989).

Social Welfare Department

3.3 Integrated Child Development Services

3.3.1 Introduction

The Integrated Child Development Services (ICDS) scheme was launched by Government of India in October 1975 in selected project areas throughout the country with the following objectives :

(i) to improve the nutrition and health status of children in the age group of 0-6 years ;

(ii) to lay the foundation for proper psychological, physical and social development of the child ;

(iii) to reduce the incidence of mortality, morbidity, mal-nutrition and school drop-out amongst children ;

(iv) to achieve an effective co-ordinated policy and its implementation amongst the various departments to promote child development ; and

(v) to enhance the capability of the mother to look after the normal health and nutritional needs of the child through proper nutrition and health education.

To achieve these objectives, the scheme aimed at providing expectant and nursing mothers and children an integrated package of services consisting of supplementary nutrition, immunisation, health check-up, referral services, nutrition and health education for women and non-formal pre-school education to children below 6 years of age. These services were further supplemented with the scheme of Functional Literacy for Adult Women (FLAW) aimed at providing non-formal education to illiterate women in the age group of 15-45 years.

The scheme was launched in the State in October 1975 when a Centrally sponsored project was established in Kangan block. The number of projects rose to 46 up to March 1988. Of these, 23 projects are in the Central sector and 23 in the State sector.

3.3.2 Organisational set up

The ICDS scheme is implemented through the Social Welfare Department.

The package of services under the scheme is offered through anganwadis in the project areas at the rate of one anganwadi per 1000 population in rural and urban projects with adjustment where necessary, with regard to local conditions. There is one Child Development Project Officer (CDPO) for each project and one Supervisor for every 20 to 25 anganwadis in each rural and urban project. Each anganwadi is required to have one anganwadi worker. The Health Department attends to the health and immunisation components of the scheme.

3.3.3 Audit coverage

The implementation of the scheme during 1984-85 to 1987-88 was test checked (April 1988 to June 1988) with reference to the records of 12 projects - Central 9 (Srinagar, Tral, Home Shalebugh, Kangan, Shangas, Jammu, Samba, R. S. Pora and Vijaypur) and State 3 (Bandipora, Keller, Tangmarg). Important points noticed in audit have been brought out in the succeeding paragraphs.

3.3.4 Highlights

— Against the budget provision of Rs. 1100.82 lakhs, expenditure on the scheme during 1984-88 was Rs. 1017.84 lakhs. (Paragraph : 3.3.5)

— Out of the Central assistance of Rs. 329.91 lakhs, Rs. 4.85 lakhs remained unspent during 1984-88. (Paragraph : 3.3.5)

— As at the end of March 1988, against the 2123 and 1295 anganwadi centres sanctioned in the Central and State sectors, only 2112 and 1156 centres respectively were in position. Out of the 282 anganwadis covered by 4 projects test checked (Bandipora, Shangas, Keller and Home Shalebugh), only 180 had the facility of safe drinking water.

(Paragraph : 3.3.6)

— Against the requirement of 152 supervisors for 3418 anganwadi workers, only 70 were in position and of them 28 were untrained. Similarly, out of the 3043 anganwadi workers, 1114 (36.61 per cent) were untrained. No systematic training programme had been evolved despite funds for training having been made available.

(Paragraph : 3.3.7)

— Under the supplementary nutrition component of the programme, as against the required minimum per capita expenditure of 65 paise per day provided under the scheme, the actual expenditure, during the 3 years ending 1987-88, had been less and ranged from 39 paise to 53 paise.

(Paragraph : 3.3.8.1 (ii))

— Although the scheme had been in operation since 1975-76, no evaluation was made to ascertain the impact of services on the community.

(Paragraph : 3.3.9)

3.3.5 Financing of the scheme

The ICDS scheme is implemented by the State Government with 100 per cent Central assistance from Government of India in respect of Central sector projects. Government of India also releases grants to State Government for training centres run by it for training of ICDS personnel. Whereas training of anganwadi workers is conducted by the State Government, the training to other functionaries is imparted in institutions outside the State. Funds for the supplementary nutrition are provided in the State sector under the Minimum Needs Programme (MNP). The projects in the State sector are also to be financed by the State Government. The UNICEF also has provided assistance to meet non-recurring expenses on jeeps, weighing scales, type writers, duplicators, etc.

A sum of Rs. 1017.84 lakhs was spent on the scheme during 1984-85 to 1987-88 against the budget

allotment of Rs. 1100.82 lakhs as shown below :-

Nature of Activity	Provision			Expenditure		
	State Sector	Central Sector	Total	State Sector	Central Sector	Total
(In lakhs of rupees)						
(A) Staff Component	182.91	310.54	493.45	164.37	306.67	471.04
(B) Supplementary Nutrition	588.00	..	588.00	528.41	..	528.41
(C) Anganwadi Workers Training Centre	..	19.37	19.37	..	18.39	18.39
	<u>770.91</u>	<u>329.91</u>	<u>1100.82</u>	<u>692.78</u>	<u>325.06</u>	<u>1017.84</u>

Out of the Central assistance of Rs. 329.91 lakhs, Rs. 4.85 lakhs remained unspent during 1984-88.

3.3.6 Physical Progress

3.3.6.1 Against 2123 and 1295 anganwadi centres sanctioned in the Central and State sectors during 1984-88, 2112 and 1156 centres respectively were in position as at the end of March 1988. The shortfall in setting up of anganwadi centres (AWCs) was attributed (November 1988) by Government to belated selection of anganwadi workers and procedural delays.

3.3.6.2 The scheme envisaged that the project areas should have adequate supply of drinking water. In test check it was observed that safe drinking water was available only in 180 out of 282 anganwadis established in the test checked 4 projects (Bandipora, Shangas, Keller and Home Shalibugh). Government stated (November 1988) that the left out project areas would be referred to the Public Health Engineering Department for providing safe drinking water.

3.3.7 Staff position

3.3.7.1 The number of posts (non-health) sanctioned and staff in position at the end of March 1988 were as follows :-

S. No.	Posts	Sanc-tioned	Staff in position	Untrained
1.	Child Development Project Officers	46	46	5
2.	Assistant Child Development Project Officers	6	5	..
3.	Supervisors	152	70	28
4.	A.W.Ws	3418	3043	1114

No systematic training programme had been evolved to ensure imparting of training to the

anganwadi workers on a regular basis. The extent of untrained anganwadi workers was 36.61 per cent of the total anganwadi workers in position as on 31st March 1988. Government stated (November 1988) that deputation of candidates for training depended on the availability of accommodation in the 3 training centres which at present was only 50 candidates per centre.

3.3.7.2 The position of health staff as on 31st March 1988 in respect of the 12 test checked projects was as under :-

Posts sanctioned			In position		
Doctors	Lady Health Visitors	Auxiliary Nurse Mid-wives	Doctors	Lady Health Visitors	Auxiliary Nurse Mid-wives
Central Sector					
	6	32	6	3	32
State Sector					
	2	2	8	2	Nil Nil

Information in respect of all the 46 projects functioning in the State was not made available by the Director of Health Services.

3.3.8 Components of the programme

3.3.8.1 Supplementary nutrition

Children below 6 years of age were to be identified and enlisted for supplementary nutrition on the basis of weight and measurement. Pregnant women in their sixth to ninth months of pregnancy and nursing mothers (having babies not older than 6 months) were also to be selected for supplementary nutrition. The aim was to supplement the nutritional intake by about 300 calories and 8-10 grams of protein per day and was to be given for 300 days a year.

The targets and achievements vis-a-vis the allocation and expenditure under this programme for the 4 years ending 1987-88 were as given below:-

S. Year No.	Beneficiaries			
	Alloca- tion	Expendi- ture	Targets	Achieve- ments
	(Rupees in lakhs)		(Numbers in lakhs)	
1. 1984-85	40.00	38.81	0.90	0.83
2. 1985-86	150.00	124.00	1.10	1.05
3. 1986-87	165.00	150.60	1.35	1.15
4. 1987-88	233.00	215.00	1.50	1.35

It was noticed in audit that :-

(i) the actual number of feeding days on an average was 124 days in 1984-85, 186 days in 1985-86, 155 days in 1986-87 and 224 days for 1987-88 (arrived at during test check of 10 anganwadi centres per project). The shortfall was mainly due to the delay in finalisation of rate contracts for supply of nutritional items or irregular supply by the suppliers and lack of adequate storage facilities in the project offices.

(ii) As against the prescribed nutritional intake of 300 calories and 8-10 grams of protein, the beneficiaries on an average were provided 105 calories and 3 grams of protein in 1984-85, 134 calories and 5 grams in 1985-86, 107 calories and 6 grams in 1986-87 and 137 calories and 5 grams of protein in 1987-88. This was mainly due to inadequate allocation of funds by the State Government for the scheme. As against the minimum per capita expenditure of 65 paise provided in the scheme, the expenditure incurred per capita per day for the 3 years ending 1987-88 worked out to 39 paise in 1985-86, 44 paise in 1986-87 and 53 paise in 1987-88.

(iii) In the case of the project at Kangan, 80

weighing scales and the slide projector were reported to be completely un-serviceable since 1984-85 ; in the case of Tangmarg Project, 55 weighing scales and the slide projector remained non-functional due to the non-availability of growth charts and the slides respectively and in the case of Tral and R.S. Pora Projects, the slide projectors had been lying idle for want of slides since their procurement.

(iv) During 1987-88, an amount of Rs. 4.29 lakhs was shown in the cash book as expenditure on nutrition. The amount was, however, actually retained in the form of bank drafts by the 5 Project Offices (Bandipora, Samba, Vijaypur, Bishnah and Shopian) for expenditure in the subsequent year. The expenditure on nutrition was thus overstated by Rs. 4.29 lakhs during the year.

3.3.8.2 Immunisation

The package of services in the scheme, inter alia, envisaged immunisation of all children below 6 years of age against Diphtheria, Whooping cough, Tetanus, Polimyelites and Tuberculosis (by first birthday). All expectant mothers were to be immunised against Tetanus ; two doses of Tetanus Toxide being given to expectant women, first dose during 20-24 weeks and second dose during 32-36 weeks of the pregnancy.

The primary health centres for delivery of these services were to first enumerate the number of pregnant and nursing mothers and children to assess their health and immunisation status. The immunisation details for delivery of services were to be recorded in the health cards and in the immunisation register required to be maintained by the anganwadi workers.

In test check of 12 projects, it was observed that no enumeration and assessment of the immunisation status of children was done. Instead, only those children who were registered in the anganwadis for supplementary nutrition were given immunisation. Immunisation registers had not been maintained in 102 anganwadi centres (11 projects).

3.3.8.3 Health check-up

The health component of the scheme was intended to provide for (a) ante-natal care of expectant mothers and post-natal care of nursing mothers and the new-borns and (b) care of children under 6 years of age. No records on this aspect of the programme had been maintained at 11 of the reviewed projects where either no health staff was posted or no health check-up was given.

3.3.8.4 Administration of Vitamin A

The scheme provided for giving Vitamin A twice a year to all children in the age group of 6 months to 6 years for prevention of blindness.

No records in this regard were maintained either at the Directorate level or in the Project Offices test checked.

3.3.8.5 Referral services

In the case of expectant mothers and children with problems requiring specialised treatment, the scheme envisaged provision of referral services to the primary health centres, district hospitals etc.

In 7 of the test checked projects (Srinagar, Bandipora, Tangmarg, Shangas, Samba, R. S. Pora and Vijaypur), no record of any such services having been provided, had been maintained.

3.3.8.6 Nutrition and health education

Nutrition and health education has been included in the package of services with a view to enhance the capability of the mother to look after the normal health and nutritional needs of the child through proper health and nutrition education.

Budget allotment of Rs. 5000 per annum per project, half of which was to be utilised for centralised activities at the State Headquarters and regional level and half by the project authorities for health education, was not utilised in any of the projects or at the State Headquarters.

The education to the mothers was to be imparted through specially organised courses and campaigns in the project areas. Also the supervisors and Child Development Project Officers were to make home visits to provide an opportunity for a direct person-to-person communication. It was, however, seen that neither were any specially organised courses and campaigns held in the project areas nor was any home visit made by the above functionaries.

3.3.8.7 Functional Literacy for Adult Women (FLAW)

The above scheme sponsored by Government of India (1975) with 100 *per cent* assistance, was designed to provide non-formal education to illiterate women in the age group of 15-45 years. A functional literacy class comprising about 30 adult women in a village (an anganwadi) was to be the basic unit of the scheme.

The scheme was not implemented in any of the projects test checked.

3.3.9 Monitoring and evaluation

The monitoring of the scheme was done through the monthly progress reports submitted by the CDPOs. At the State level, an ICDS cell had been established for co-ordinating the work and submission of the quarterly progress reports to Government of India. The cell, could not, however, furnish to Audit the consolidated position of various packages of services in respect of all the projects in operation in the State. It was also seen that the reports furnished by the CDPOs did not show the number of beneficiaries fully covered by all the package services.

Even though the programme had been under implementation since 1975-76, no evaluation study had so far been conducted by Government to determine whether the specific objectives of the delivery of social services to target groups had been achieved.

3.4 State Rescue Homes, Rehabilitation Centres and other similar institutions

3.4.1 Introduction

For the purpose of social upliftment and rehabilitation of the oppressed and the destitutes, the Social Welfare Department has established various residential homes in the State known as Bal Ashrams, Nari-Niketans, Observation Homes for Children and Home for the Blind. The entire expenditure on the maintenance of these institutions is borne by the State Government.

3.4.2 Organisational set up

The institutions are run by the Superintendents who function under the overall control of the District Social Welfare Officers at the district level, the two Deputy Directors of Social Welfare at the divisional level and the Director, Social Welfare, at the State level.

3.4.3 Audit coverage

Working of the institutions, covering the period from 1980-81 to 1987-88 was reviewed during June 1988 with reference to the records maintained by 9 District Offices (out of 14), 9 Bal Ashrams (R.S.Pora, Kathua, Udhampur, Shalimar, Tral, Shopian, Kangan, Bandipora and Damhal Hanjipora), 6 Nari-Niketans (R.S.Pora, Kathua, Udhampur, Shalimar, Anantnag and Baramulla), the Observation Home at R.S. Pora and the Home for the Blind at Jammu as also those of the Deputy Directors at divisional level and the Director at the State level. The results of audit are contained in the subsequent paragraphs.

3.4.4 Highlights

— Although the Observation Home at Jammu was established in 1980-81, just 10 inmates were referred to it during the 8 years ending 1987-88 rendering the expenditure of Rs. 3.36 lakhs on running the Home largely unfruitful.

(Paragraph : 3.4.5.1)

— The inmates of Bal Ashrams were mostly discharged on attaining the age of 16 years and only 11 inmates (out of 375 to 441) were rehabilitated.

(Paragraph : 3.4.5.2)

— No serious efforts had been made to rehabilitate the inmates of Nari-Niketans as provided in the rules in as much as the inmates were discharged either at their own request or due to continued absence and only 20 inmates were rehabilitated during the 8 years ending 1987-88. Reasons for high rate of absenteeism had not been investigated.

(Paragraph : 3.4.5.3)

— Adequate vocational and educational training was not imparted to inmates of the Blind Home, Jammu and only 1 inmate was rehabilitated out of 19 to 24 inmates during 1981 to 1987.

(Paragraph : 3.4.5.4)

— Despite existence of a monitoring and evaluation cell, the progress of inmates of Bal Ashrams, Nari-Niketans, Observation Homes and Home for the Blind was neither monitored nor evaluated.

(Paragraph : 3.4.7)

3.4.5 Performance of institutions

3.4.5.1 Observation Home/Children Home, Jammu

According to the provisions of the Jammu and Kashmir Children Act, 1970, if any police officer or any other person authorised by Government by a general or special order is of the opinion that a person is apparently a neglected child or if a child accused of a bailable or non-bailable offence is arrested, such a child is to be kept in an Observation Home during the pendency of enquiry. For this purpose, one Observation Home has been functioning in the State since 1980-81 at R.S. Pora (Jammu).

In March 1981, although 11 neglected and uncontrollable children were selected by a selection

board constituted by Government (April 1977) for being lodged in the Observation Home, none of these children was sent to this Home without any reasons on record. However, 10 children referred by various Magistrates and the Police were lodged in the Observation Home during 1981-82(3), 1982-83(1), 1984-85(1), 1985-86(1) and 1987-88(4). Of them, only one was still continuing (since July 1981); the rest had either been released or had escaped. The period of stay of the released and escaped children ranged from 8 days to over a year.

Though the Observation Home was started in 1980-81, action for construction of its building had not been taken up so far (December 1988) although a provision of Rs. 0.50 lakh was made for this purpose during 1986-87. In the absence of a separate building for the Observation Home, the inmates of the Home were being lodged in the Bal Ashram at R.S. Pora. However, as reported (December 1987) by the Superintendent of the Observation Home to the District Social Welfare Officer, intermixing of delinquent children with the inmates of the Bal Ashram was fraught with the risk of the inmates getting spoilt and the Bal Ashram building was quite unsafe and unsecure to prevent the delinquent children from escaping.

Thus, the purpose behind the setting up of the Observation Home has largely not been fulfilled despite an expenditure of Rs. 3.36 lakhs during 1980-81 to 1987-88 having been incurred on running of the Home.

3.4.5.2 Bal Ashram

For providing shelter and educational facilities to the orphan, neglected and destitute children, 17 Markazi Falahi Itfal (Bal Ashrams) have been established in the State. An expenditure of Rs. 182.88 lakhs for running of the Ashrams and Rs. 44.10 lakhs on their expansion programmes was incurred during 1980-81 to 1987-88. As against the sanctioned strength of 50 to 55 inmates for each Ashram, the actual strength varied from 16 to 55 during the years 1980-81 to 1987-88 in respect of the 9 Bal Ashrams the records of which were test checked in audit.

It was observed in audit that inmates were discharged on attaining the age of 16 years without ensuring any follow-up programme for their rehabilitation, details in respect of the 9 selected Ashrams are given below :-

Year	Total number of children in the Ashrams at the beginning of the year	Number of children discharged				Total no. of children rehabilitated
		On attaining 16 years of age	On appearing in Matriculation/Higher Secondary Examination	On account of continued absence	At own request	
1980-81	380	1	7	47	7	2
1981-82	387	7	1	98	10	1
1982-83	375	7	8	43	2	2
1983-84	383	6	10	68	8	2
1984-85	441	5	7	57	4	1
1985-86	433	15	14	100	5	1
1986-87	419	17	9	103	11	1
1987-88	378	3	36	58	12	1
Total		61	92	574	59	11

Thus, only a negligible number of children had appeared in the Matriculation/Higher Secondary examination. Records relating to the service rendered by the part-time teachers engaged to impart education to the inmates, were not available in most of the test checked Ashrams. Even the one part-time teacher had not been posted to the Bal Ashrams at Shalimar and Kangan (till November 1987) and Bandipora (since 1982).

Thus, extra coaching facilities were denied to the inmates resulting in the very few of them having been able to appear in the examination. Even the results of the inmates who appeared in the said examination were not on record. Considering that during the 8 years ending 1987-88 just 11 inmates had been rehabilitated, the intended aim of rehabilitating the destitute children was also defeated. The Ashrams were thus only serving as centres for providing food and accommodation to the inmates.

3.4.5.3. Nari Niketans

For the care and protection of the destitute and deserted women, 9 Markazi Falahi Mastoorat (Nari-Niketans) have been established in the State. Every eligible inmate is to be provided with educational and vocational training facilities. During the eight years ending 1987-88, an expenditure of Rs. 93.41 lakhs was incurred on the running of these institutions.

The inmates are required to stay in the institution till they are rehabilitated properly or till they get married.

As against the sanctioned strength of 55 to 25 of each institution, the actual strength varied from 50 to 7 during the years 1980-81 to 1987-88 in respect of the 6 Nari-Niketans test checked in audit.

The position of inmates, discharges and rehabilitation of destitute women for the 8 years ending 1987-88 was as

under :-

Year	Total number of inmates in the institutions at the beginning of the year	Number of inmates discharged				
		On appearing in Matriculation examination	At own/guardian's request	On marriage	For continued absence	On being rehabilitated
1980-81	143	..	8	1	28	Nil
1981-82	151	..	13	1	25	Nil
1982-83	148	..	6	..	29	1
1983-84	162	2	20	..	39	3
1984-85	154	..	13	..	20	9
1985-86	157	..	9	..	28	4
1986-87	163	2	10	..	16	2
1987-88 (except Udhampur)	137	..	5	..	22	1
Total		4	84	2	207	20

Quite a large number of inmates were thus discharged either at the request of the parents and guardians or due to their continued absence and very few of them had been rehabilitated during these years. It was also observed that records of jobs undertaken under the guidance of craft teachers were not available; craft material, purchased for the purpose, had remained unutilised; and in some cases activities had remained confined to stitching of clothes of the inmates only.

3.4.5.4 Home for the Blind

For protection and care of the blind in the State, a Home for the Blind has been operating at Jammu since February 1962.

The number of inmates in the Home as against the strength of 25 varied from 19 to 24 from 1981 to 1987. No vocational training was given to them except in caning of chairs. Records relating to jobs undertaken by them were not made available. Only one inmate had been rehabilitated as teacher since 1981. Thus, one of the important objectives for running the Home was not fulfilled.

3.4.6 Other topics of interest

3.4.6.1 The observation sheets and health cards required to be maintained for each inmate to ascertain his/her performance in trade/studies for proper fulfilment of the objectives for which these institutions were established had not been maintained in 9 out of the 10 Bal Ashrams and 4 out of the 6 Nari-Niketans.

3.4.6.2 In 3 Bal Ashrams (Udhampur, Tral and Uri) and 2 Nari-Niketans (R.S. Pora, and Udhampur) unserviceable stores worth Rs. 2.50 lakhs were lying undisposed of (May 1988). (Twenty-nine bundles of dresses/ blankets dumped in Bal Ashram, Bandipora, apprehended to be spreading disease, were burnt, (January 1986) on the advice of the Medical Officer without preparing any inventory and obtaining sanction of the competent authority for their disposal).

3.4.7 Monitoring and evaluation

Although a monitoring and evaluation cell had been set up (October 1981), at no stage had the performance of the

institutions been evaluated and monitored.

The above matters were referred to Government in August 1988; reply has not been received (March 1989).

Health Department

3.5 National Malaria Eradication Programme

3.5.1 Introduction

The National Malaria Control Programme was launched by Government of India in 1953 with the object of eradicating malaria completely within six to seven years. The programme was renamed as the National Malaria Eradication Programme (NMEP). Due to the resurgence of malaria in 1976, a modified plan of operation (MPO) was implemented from 1977 with a view to preventing deaths due to malaria and effectively controlling and containing malaria instead of its total eradication, as envisaged earlier. Under this programme, the main activities to be undertaken were insecticidal spray during the transmission period, fortnightly collection of blood smears from fever cases and their examination, treatment of fever and malaria cases with anti-malaria drugs and undertaking of anti-larval operations in urban areas.

The NMEP programme has been in operation in the State since 1960-61.

3.5.2 Organisational set up

The programme is implemented by the State Health Department through the Chief Medical Officers at the district level and Block Medical Officers at the block level. The State Malariologist plans and coordinates the activities at the State level.

3.5.3 Audit Coverage

The records of the State Malariologist, Jammu, Chief Medical Officers and 12 blocks (Kotbalwal, R.S. Pora, Bishnah, Samba, Akhnoor, Parole, Billawar, Basohli, Hiranagar, Ramnagar, Reasi and Ramban) in 5 (out of 8) malarial districts, viz. Jammu, Udhampur, Kathua, Kupwara and Baramulla, as also the Anti-Malaria Officer, Urban Malaria Control Programme, Jammu, were test checked in