

**REPORT**

**OF THE**

**COMPTROLLER AND AUDITOR GENERAL**

**OF INDIA**

**FOR**

**THE YEAR**

**ENDED 31 MARCH 1990**

GOVERNMENT OF JAMMU AND KASHMIR

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## 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 1989-90 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 1989-90.

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 1989-90, 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 1989-90 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 1989-90 have also been included wherever considered necessary.



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## OVERVIEW

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## OVERVIEW

This Report contains two chapters about the financial position of Government of Jammu and Kashmir for 1989-90 and about Government's overall control over expenditure. The remaining three chapters include Audit Reviews on developmental and other activities apart from the paragraphs containing comments on various irregularities. The more important audit findings are summarised in the succeeding paragraphs.

### 1. Accounts of the State Government

The Budget Estimates for the year 1989-90 envisaged a revenue surplus of Rs. 5 crores which was revised to a revenue deficit of Rs. 123 crores in the Revised Estimates. The actual revenue deficit for 1989-90 was, however, Rs. 136 crores. There has been a revenue deficit every year since 1986-87.

During the period 1985-90, while the assets of the State Government increased by 67 per cent from Rs. 1969.72 crores to Rs. 3288.21 crores the liabilities grew by 94 per cent from Rs. 1733.88 crores to Rs. 3362.71 crores.

*Revenue receipts :* The revenue receipts of the State Government increased by 60 per cent from Rs. 600.51 crores in 1985-86 to Rs. 960.00 crores in 1989-90. The increase in tax revenue was only 48 per cent during this period. The non-tax revenue decreased in 1989-90 by Rs. 16.08 crores as compared to the previous year. The aggregate of the amount received by the State on account of share of net proceeds of Income Tax, State's share of Union Excise Duties and Grants-in-aid increased from Rs. 404.56 crores to Rs. 711.13 crores between 1985-86 and 1989-90, an increase of 76 per cent.

*Revenue expenditure :* The Plan revenue expenditure during 1989-90 was Rs. 149.71 crores against the budget provision of Rs. 220.01 crores (including supplementary) disclosing a shortfall of Rs. 70.30 crores. The non-Plan revenue expenditure of Rs. 946.65 crores during the same period was in excess of the budget provision of Rs. 861.21 crores (including supplementary). During 1989-90, while the Plan revenue expenditure increased by Rs. 8.41 crores compared to the previous year, the non-Plan expenditure increased by Rs. 67.71 crores.

*Public debt :* The public debt increased by Rs. 1361.14 crores from Rs. 1332.03 crores in 1985-86 to Rs. 2693.17 crores in 1989-90. During this period the other (debt) liabilities increased from Rs. 170.65 crores to Rs. 305.96 crores. The total outflow on account of repayment of Central Government loans and interest thereon increased by 308 per cent between 1985-86 and 1989-90. The outflow of Rs. 297.59 crores during 1989-90 on account of

The abbreviations used in this Report are listed in the glossary in Appendix 10 (Pages : 173-174).



repayment of Central Government loans and payment of interest thereon worked out to 60 per cent of loans received from the Central Government.

Government paid interest aggregating Rs. 183.17 crores on debt and other obligations during 1989-90. However, the interest received during the year was Rs. 29.30 crores only resulting in a net interest burden of Rs. 153.87 crores.

During the year an amount of Rs. 0.15 crore was received as dividend/interest on investments in Statutory Corporations, Government Companies and Co-operative Banks and Societies aggregating to Rs. 180.37 crores as on 31 March 1990.

(Paragraphs : 1.1 to 1.18)

## 2. Appropriation Audit and control over expenditure

Against the total budget provision of Rs. 2205.89 crores (including supplementary) the actual expenditure was Rs. 2122.12 crores. The overall saving of Rs. 83.77 crores was the net effect of saving of Rs. 289.01 crores in 27 grants/appropriations and excess of Rs. 205.24 crores in 9 grants/appropriations. The excess expenditure requires regularisation by the Legislature under Section 82 of the Constitution of Jammu and Kashmir. Besides, excess expenditure of Rs. 1371.40 crores pertaining to the years 1980-81 to 1988-89 is yet to be regularised.

The supplementary provision of Rs. 206.84 crores obtained during 1989-90 constituted 10 per cent of the original budget provision. Supplementary provision of Rs. 27.35 crores obtained in 8 grants/appropriations, where saving was more than Rs. 0.50 crore in each case, proved wholly unnecessary. In 15 other grants/appropriations, where saving was more than Rs. 0.25 crore in each case, supplementary provision of Rs. 139.27 crores was obtained against the actual requirement of Rs. 57.30 crores. On the other hand, supplementary provision of Rs. 38.22 crores obtained in 5 grants/appropriations proved inadequate resulting in total uncovered expenditure of Rs. 187.68 crores. Persistent savings ranging from 11 to 100 per cent were noticed in 15 grants during the period from 1987 to 1990.

(Paragraphs : 2.1 and 2.2)

## 3. Audit reviews on developmental and other activities

### 3.1 State Motor Garages

The State Motor Garages were set up to meet the light transport requirements of State touring officers, VIPs, State guests etc., besides meeting



the transport requirements in the event of exigencies like floods and law and order problems.

— While officers eligible to use Government vehicles for touring purposes have not been notified by the Government so far, 33 to 55 *per cent* of the total fleet was seen to have been allotted to various officers, including non-touring officers, on permanent basis in contravention of the rules. Only 18 to 24 *per cent* of the fleet was utilized for meeting the demand of touring officers.

— Though misuse of vehicles placed at the disposal of Government servants was found by the Government to be multi-dimensional, no remedial measures have been devised to prevent the same.

(Paragraph : 3.1)

### 3.2 National Literacy Mission

National Literacy Mission was set up by the Ministry of Human Resource Development in early 1988 with a view to giving special emphasis to provision of literacy in age group 15-35 and also ensuring that technological and pedagogical advances were brought to bear on adult education programme.

— The number of adult education centres in six Rural Functional Literacy Projects (RFLPs) ranged between 150 and 255 each against 300 centres to be set up in each project.

— The number of persons made literate and the number of centres in each RFLP declined over the years. The percentage of shortfall in enrolment ranged between 13 and 49 during 1985-86 to 1989-90.

— Project Advisory Committee had not been constituted and selection of supervisors for the centres had been made without considering their ability, aptitude and interest.

— No training was given to the officers and other functionaries of the Programme. The centres were functioning mostly without teaching/learning material and other aids.

— Shramik Vidyapeeth, Jammu had to be closed down due to mismanagement after paying to it grants-in-aid aggregating Rs. 8.48 lakhs during 1984-85 to 1987-88, defeating thus the purpose for which it was set up.

(Paragraph : 3.2)

### 3.3 Ecology and environment

In order to arrest the continuing deterioration of the environment the Government created a Directorate of Ecology and Environment in March 1987. The State Board for Prevention and Control of Pollution was constituted earlier in 1976 and reconstituted in December 1986 with a view to monitoring, preventing and controlling industrial and urban pollution.

- The State Board for Prevention and Control of Pollution has not made any significant progress in laying down a policy framework for implementation of anti-pollution laws and regulations. The Board has not been able to fully utilize the funds received from the State and Central Governments resulting in accumulation of unspent balances.

- The Directorate of Ecology and Environment has not framed any policy guidelines relating to ecology, environment and pollution in the State.

- District level environmental committees constituted in April 1987 have not made any progress in enforcement of statutory enactments as these are yet to become functional.

(Paragraph : 3.3)

### 3.4 Wildlife preservation in Jammu Province

The activities of wildlife preservation were extended to Jammu region in September 1980. In February 1981, Government accorded sanction for the notification of various National Parks, Sanctuaries and Game Reserves in terms of Section 17 (1) of the J&K Wildlife (Protection) Act, 1978.

- The J&K Wildlife (Protection) Act, 1978, to a large extent, has been violated and there has been insufficient emphasis on the implementation element which is a very important aspect of wildlife conservation.

- The progress in regard to education-oriented objective of establishment of Interpretation Centres and research-oriented objective of promoting and propagating captive breeding of various rare and endangered species of animals and birds has been insignificant.

- The suggestions of Wildlife Advisory Board, which did not meet as often as required, have not been followed up.

(Paragraph : 3.4)



### 3.5 Improvement of traffic system in Jammu city

Jammu, the winter capital of the State has undergone rapid urbanisation during the past two decades. Besides increase in population, the inflow of goods and tourist vehicles moving in and out of the city has multiplied. The increase in human and vehicle population requires appropriate upgradation of the traffic infrastructure and system.

- Nothing concrete has so far been done to improve the traffic system in Jammu, the efforts still being on undertaking investigative studies which have so far cost Rs. 7.73 lakhs.

- With no single institution or organisation given the overall responsibility for co-ordinating the activities of improvement in traffic system, it is not known whether the studies undertaken will ultimately bring out any long-term policy.

- Short-term measures undertaken at a huge cost on the recommendations of the Traffic Advisory Committee and other agencies during the last decade have not achieved the intended objectives of easing traffic congestion in the city.

(Paragraph : 3.5)

### 3.6 Institute of Management and Public Administration

The Institute was set up in February 1982 for providing training in administration, management and rural development to the various levels of Government officers, managers and supervisory staff of Corporations and statutory bodies in the public sector.

- During 1987-90, the Institute imparted orientation training to 1647 in-service officers which is negligible as compared to about 1.72 lakh Gazetted/non-Gazetted employees in the State.

- The Institute has not devised any mechanism to monitor and evaluate the impact of training on the trained officers in the field of their activities, nor has it submitted any assessment reports on the performance of the trainee participants to enable the concerned departments to take these reports into account at the time of promotion of such trainees.

- Barring one research study pertaining to Rural Development, which too has not been published, no other research work has been undertaken by the Institute since its inception. Consequently, services of four junior research officers have not been utilized for the purpose for which they were appointed.



- The Institute has not made any progress in the documentation responsiveness reportedly due to non-cooperation of other departments.

(Paragraph : 3.6)

### 3.7 Drug and Food Control Organisation

The Drug and Food Control Organisation was created in the State in the year 1963-64 and placed under the charge of Drug Controller in September 1987. The organisation discharges the statutory functions involved in the implementation of various enactments relating to drugs, foods and cosmetics.

- Though funds provided to the organisation during 1987-88 to 1989-90 have been utilized to the extent of 91 to 97 per cent, the achievements have not been significant.

- The organisation has not performed in a significant manner its regulatory, operational and statutory roles as required under various enactments. On licensing of units and inspection, output has been poor by its own standards. Testing of samples and subsequent enforcement has been tardy.

- Ayurvedic, Unani and Siddha drugs being manufactured, marketed and consumed in the State are yet to be subjected to any of the checks prescribed in the Drugs and Cosmetics Act, 1940, as amended in July 1988.

(Paragraph : 3.7)

### 3.8 Training-and-visit-based Agriculture Extension

Agriculture extension based on regular and frequent field visits by adequately trained extension staff was a five year World Bank-aided project designed to reorganise, strengthen and ensure more effective agricultural development.

- Against a budget allocation of Rs. 2273.07 lakhs during 1984-85 to 1989-90 (upto September 1989), the expenditure amounted to Rs. 1786.38 lakhs. The amount claimed from the World Bank and that reimbursed by it was Rs. 962.62 lakhs and Rs. 740.97 lakhs respectively.

- Staff deployed on the project, especially the Subject Matter Specialists, was far below the targets laid down in the Staff Appraisal Report. There was shortage in other supporting staff as well.

- Progress of construction of buildings, meant to enable regular and frequent visits by extension functionaries, was poor and only 43 buildings out



of 66 completed had been taken over. Progress in providing transport facilities to extension staff was also tardy.

Training programmes, workshops and study tours were not conducted seriously with the result the upgradation of professional competence and skills of extension officers was affected adversely. Applied research also was not given due attention and on-farm trials were weak and un-coordinated.

Results of the monitoring surveys conducted by the Monitoring and Evaluation wing indicated casual approach of the T&V functionaries to the programme.

(Paragraph : 3.8)

### 3.9 Technology Mission on Drinking Water

National Technology Mission on drinking water was set up in 1986 with the objective of improving the performance and cost effectiveness of the on-going projects under the Minimum Needs Programme (MNP) and Accelerated Rural Water Supply (ARWS) Programme. The Mission, *inter alia*, envisaged coverage of all residual problem villages by March 1990 for supply of adequate potable water.

- Against Rs. 341 lakhs released by Government of India upto March 1990 under Water Technology Mini-Mission Project, Udhampur, only Rs. 90 lakhs (26 per cent) were spent till July 1990.

- Out of 625 villages with a population of 4.16 lakhs in Udhampur District, only 552 villages with a population of 3.69 lakhs had been covered under ARWS/MNP schemes upto March 1990.

- Completion of 84 schemes taken up under ARWS Programme was delayed by 1 to 5 years. In respect of 100 schemes already completed or in progress at the end of March 1990 there was a cost over-run of 12 to 173 per cent.

- Defective planning resulted in infructuous expenditure of Rs. 2.32 lakhs in two ARWS/MNP Schemes.

- Physical achievements under the Water Technology Mini-Mission have significantly fallen short of the anticipations. Implementation of the project at the Executive Director's level has been ineffective and monitoring at higher levels weak.

(Paragraph : 4.1)



### 3.10 Stores management in Public Works Department (Jammu Province)

Public Works Divisions (Roads and Buildings) obtain their requirements of main civil stores like cement, steel and asphalt generally through the Stores and Procurement Department. Efficient materials management requires ensuring of proper inventory control over materials in stock till these are finally consumed on works or disposed of otherwise.

- Shortages of stores valuing Rs. 8.27 lakhs were detected in 11 divisions during periodical physical verification and/or on transfer of incumbents. Progress of recovery was tardy.
- Ten to 13 Divisions held stock valuing between Rs. 171.34 lakhs and Rs. 228.24 lakhs in excess of their sanctioned reserve stock limit at the end of each financial year during 1984-85 to 1988-89.
- In 4 Divisions stores valuing Rs. 18.24 lakhs issued to subordinate executives over 2 to 5 years ago for use on works were still outstanding due to incomplete material-at-site accounts.
- Cash security and personal surety were either not obtained or only partly obtained from the store-keepers of various Divisions.

(Paragraph : 5.1)

### 3.11 Other points

- Non-enforcement of the Jammu and Kashmir Handicrafts (Quality Control) Act, 1978 has resulted in the quality of handicrafts not being ensured besides infructuous expenditure of Rs. 3.17 lakhs on wages to staff appointed for implementing the provisions of the Act.

(Paragraph : 3.9)

- Injudicious action of Public Health Engineering Department in having commenced work on Water Supply Scheme, Swarankha without ascertaining the availability of consumable supply of drinking water resulted in infructuous expenditure of Rs. 3.56 lakhs.

(Paragraph : 4.2)

- Investment of Rs. 54.25 lakhs on Water Supply Scheme, Jasmota, started in 1981-82, has been unfruitful so far, as the proposals for intake structure on Chenab river bank are yet to be finalized. No action has been taken on the report of inquiry conducted by the Chief Engineer,

Public Health Engineering, Jammu into various irregularities in the execution of this work.

(Paragraph : 4.3)

— Defective planning and starting of work on a foot bridge on river Ujh at Guddu Falail without site investigation, administrative approval and technical sanction resulted in infructuous expenditure of Rs. 5.66 lakhs due to abandonment of the work in July 1988.

(Paragraph : 4.5)

— Investment of Rs. 6.60 lakhs on an intermediary transmission tower erected near Ramban without properly checking its geological suitability proved unnecessary as the tower could not be utilized because soon after its erection it started sinking which deteriorated its foundations.

(Paragraph : 4.6)

— Delay in processing the case for placing purchase orders for 2 runners for Chenani Power House within the validity period of BHEL's offer and consequent purchase at a higher rate resulted in extra expenditure of Rs. 5.80 lakhs. Similarly, extra expenditure of Rs. 1.28 lakhs had to be incurred on the purchase of two transformers due to inordinate delay in processing the case at different levels.

(Paragraphs : 5.4 and 5.6)

— In Power Development Department, items of machinery and equipment purchased during 1964-65 for Rs. 4.59 lakhs and declared beyond economic repairs during 1968-75 were yet to be disposed of.

(Paragraph : 5.5)



## **CHAPTER I**

### **ACCOUNTS OF THE STATE GOVERNMENT**

#### **1.1 Summarised financial position**

The financial position of the Government of Jammu and Kashmir as on 31 March 1990 emerging from the Appropriation Accounts and the Finance Accounts for the year 1989-90, the Abstract of Receipts and Disbursements and the details of Sources and Application of Funds for the year are given in the following statements :-

## Statement No.1-Summarised financial position of the

Amount as on 31 March 1989	Liabilities	Amount as on 31 March 1990
(Rupees in crores)		(Rupees in crores)
124.86	<b>Internal Debt</b> (excluding overdraft from Jammu and Kashmir Bank Limited)	154.97
	Market Loans bearing interest	126.05
	Loans from Life Insurance Corporation of India	17.29
	Loans from General Insurance Corporation of India	9.71
	Loans from National Bank for Agricultural and Rural Development	0.31
	Loans from other Institutions	1.61
2039.04	<b>Loans and Advances from Central Government</b>	2396.67
	Pre-1984-85 Loans	1728.22
	Non-Plan Loans	281.50
	Loans for State Plan Schemes	368.66
	Loans for Central Plan Schemes	0.76
	Ways and Means Advances	3.00
	Loans for Centrally Sponsored Plan Schemes	14.53
279.48	<b>Small Savings, Provident Funds, etc.</b>	305.96
143.65	<b>Deposits</b>	157.75
69.09	<b>Overdrafts (temporary loans from Jammu and Kashmir Bank Limited)</b>	141.53
67.91	<b>Reserve Funds</b>	78.08
0.40	<b>Contingency Fund</b>	0.39
81.72	<b>Remittance Balances</b>	127.36
44.84	<b>Surplus on Government Account</b>	Nil
2850.99	<b>Total</b>	3362.71

**Government of Jammu and Kashmir as on 31 March 1990**

Amount as on 31 March 1989	Assets	Amount as on 31 March 1990
(Rupees in crores)		(Rupees in crores)
<b>2619.48</b>	<b>Gross Capital Outlay on Fixed Assets</b>	<b>3022.84</b>
	Investment in shares of Companies, Corporations, etc.	180.37
	Other Capital Outlay	2842.47
<b>108.27</b>	<b>Loans and Advances</b>	<b>127.66</b>
	Development Loans	110.02
	Loans to Government Servants and Miscellaneous Loans	17.64
<b>3.59</b>	<b>Other Advances</b>	<b>3.84</b>
<b>76.29</b>	<b>Suspense and Miscellaneous Balances</b>	<b>19.07</b>
<b>43.36</b>	<b>Cash</b>	<b>114.80</b>
	Cash in Treasuries, local remittances and cash in banks	77.73
	Departmental cash balances including permanent advance	3.28
	Cash Balance investment	33.79
<b>Nil</b>	<b>Deficit on Government Account</b>	<b>74.50</b>
	Revenue surplus as on 31 March 1989	44.84
	Adjustment to Miscellaneous Government Account	17.02
	Less Revenue deficit	136.36
<b>2850.99</b>	<b>Total</b>	<b>3362.71</b>

## Statement No. II - Abstract of Receipts

## Section A -

Receipts		
<b>I.</b>	<b>Revenue Receipts</b>	<b>960.00</b>
	(i) Tax Revenue	140.94
	(ii) Non-Tax Revenue	107.93
	(iii) State's share of Union Taxes	233.23
	(a) Share of net proceeds of Taxes on Income other than Corporation Tax	10.59
	(b) Union Excise Duties	222.64
	(iv) Non-Plan Grants	49.89
	(v) Grants for State Plan Schemes	180.25
	(vi) Grants for Central and Centrally Sponsored Schemes	247.76
<b>II.</b>	<b>Revenue Deficit carried over to Section B</b>	<b>136.36</b>
<b>Total Section A</b>		<b>1096.36</b>



**and Disbursements for the year 1989-90****Revenue**

(Rupees in crores )

Disbursements				
<b>I.</b>	<b>Revenue Expenditure</b>			<b>1096.36</b>
	<b>Sector</b>	<b>Non-Plan</b>	<b>Plan</b>	<b>Total</b>
	(i) General Services	355.72	5.48	361.20
	(ii) Social Services	281.62	69.08	350.70
	(iii) Agriculture and Allied Services	63.66	39.25	102.91
	(iv) Rural Development	19.41	4.26	23.67
	(v) Special Area Programme	18.30	6.32	24.62
	(vi) Irrigation and Flood Control	28.97	5.84	34.81
	(vii) Energy	133.16	Nil	133.16
	(viii) Industry and Minerals	21.63	17.38	39.01
	(ix) Transport	15.45	Nil	15.45
	(x) Science, Technology and Environment	0.38	1.00	1.38
	(xi) Other General Economic Services	8.35	1.10	9.45
		946.65	149.71	1096.36
<b>II.</b>	<b>Revenue Surplus carried over to Section B</b>			<b>Nil</b>
	<b>Total Section A</b>			<b>1096.36</b>



## Section-B

Receipts		
<b>III.</b>	<b>Opening Cash Balance including Permanent Advance and Cash Balance Investment</b>	<b>43.36</b>
<b>IV.</b>	<b>Receipts on Miscellaneous Government Account</b>	<b>17.02</b>
<b>V.</b>	<b>Recoveries of loans and Advances</b>	<b>5.90</b>
	(i) From Government servants	4.25
	(ii) From others	1.65
<b>VI.</b>	<b>Contingency Fund</b>	<b>0.28</b>
<b>VII.</b>	<b>Revenue Surplus brought down</b>	<b>Nil</b>
<b>VIII.</b>	<b>Public Debt Receipts</b>	<b>525.38</b>
	(i) Internal Debt other than Overdraft	31.81

## Others

( Rupees in crores )

Disbursements				
<b>III.</b>	<b>Opening Overdraft from Jammu and Kashmir Bank Limited</b>			<b>69.09</b>
<b>IV.</b>	<b>Capital Outlay</b>			<b>403.36</b>
	<b>Sector</b>	<b>Non-Plan</b>	<b>Plan</b>	<b>Total</b>
(i)	General Services	Nil	9.62	9.62
(ii)	Social Services	(-) 0.57	105.45	104.88
(iii)	Agriculture and Allied Activities	43.99	25.49	69.48
(iv)	Rural Development	Nil	1.83	1.83
(v)	Special Areas Programmes	0.11	16.57	16.68
(vi)	Irrigation and Flood Control	Nil	16.17	16.17
(vii)	Energy	Nil	111.93	111.93
(viii)	Industry and Minerals	1.12	6.48	7.60
(ix)	Transport	Nil	40.72	40.72
(x)	Other General Economic Services	Nil	24.45	24.45
		44.65	358.71	403.36
<b>V.</b>	<b>Loans and Advances Disbursed</b>			<b>25.29</b>
(i)	To Government Servants		6.37	
(ii)	To Others		18.92	
<b>VI.</b>	<b>Contingency Fund</b>			<b>0.29</b>
<b>VII.</b>	<b>Revenue Deficit brought down</b>			<b>136.36</b>
<b>VIII.</b>	<b>Repayment of Public Debt</b>			<b>137.64</b>
(i)	Internal Debt other than Overdraft		1.70	

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**Receipts**


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	(ii) Loans and Advances from Central Government	493.57	
<b>IX.</b>	<b>Public Account Receipts</b>		<b>3437.82</b>
	(i) Small Savings, Provident Fund, etc.	57.88	
	(ii) Reserve Funds	10.17	
	(iii) Suspense and Miscellaneous	122.67	
	(iv) Remittances	3082.98	
	(v) Deposits and Advances	164.12	
<b>X.</b>	<b>Closing Overdraft from Jammu and Kashmir Bank Limited</b>		<b>141.53</b>
<hr/> <b>Total Section B-Others</b> <hr/>			<b>4171.29</b>

(Rupees in crores)

Disbursements		
	(ii) Repayment of Loans and Advances to Central Government	135.94
<b>IX.</b>	<b>Public Account Disbursements</b>	<b>3284.46</b>
	(i) Small Savings, Provident Fund, etc.	31.40
	(ii) Suspense and Miscellaneous	65.45
	(iii) Remittances	3037.34
	(iv) Deposits and Advances	150.27
<b>X.</b>	<b>Cash Balance at end</b>	<b>114.80</b>
	(i) Cash in Treasuries, local remittances and cash in banks	77.73
	(ii) Departmental Cash Balances including Permanent Advance	3.28
	(iii) Cash Balance Investment	33.79
<b>Total Section B-Others</b>		<b>4171.29</b>



## Statement No. III

## Sources and Application of Funds for the year 1989-90

(Rupees in crores)

S. No	Sources	Amount	S. No.	Application	Amount
1.	Revenue Receipts	960.00	1.	Revenue Expenditure	1096.36
2.	Increase in Public Debt	387.74	2.	Capital Expenditure	403.36
3.	Increase in Overdraft	72.44	3.	Loans and Advances disbursed	25.29
4.	Recoveries of Loans and Advances	5.90	4.	Contingency Fund	0.29
5.	Contingency Fund	0.28	5.	Increase in Cash Balance	71.44
6.	Miscellaneous Government Account	17.02			
7.	Net receipts from Public Account	153.36			
	(i) Increase in Small Savings, Provident Funds, etc.	26.48			
	(ii) Increase in Deposits and Advances	13.85			
	(iii) Increase in Reserve Funds	10.17			
	(iv) Effect of Suspense and Miscellaneous Balances	57.22			
	(v) Effect of Remittance Balances	45.64			
Total		1596.74			1596.74

**Explanatory notes**

1. The summarised financial statements are based on the statements of the Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.

2. Government accounts being mainly on cash basis, the revenue surplus or deficit has been worked out on cash basis. Consequently, items payable and receivable or items like depreciation or variation in stock figures etc. do not figure in the accounts.

3. Although, a part of revenue expenditure (grants) and the loans are used for capital formation by the recipients, its classification in the accounts of the State Government remains unaffected by end use.

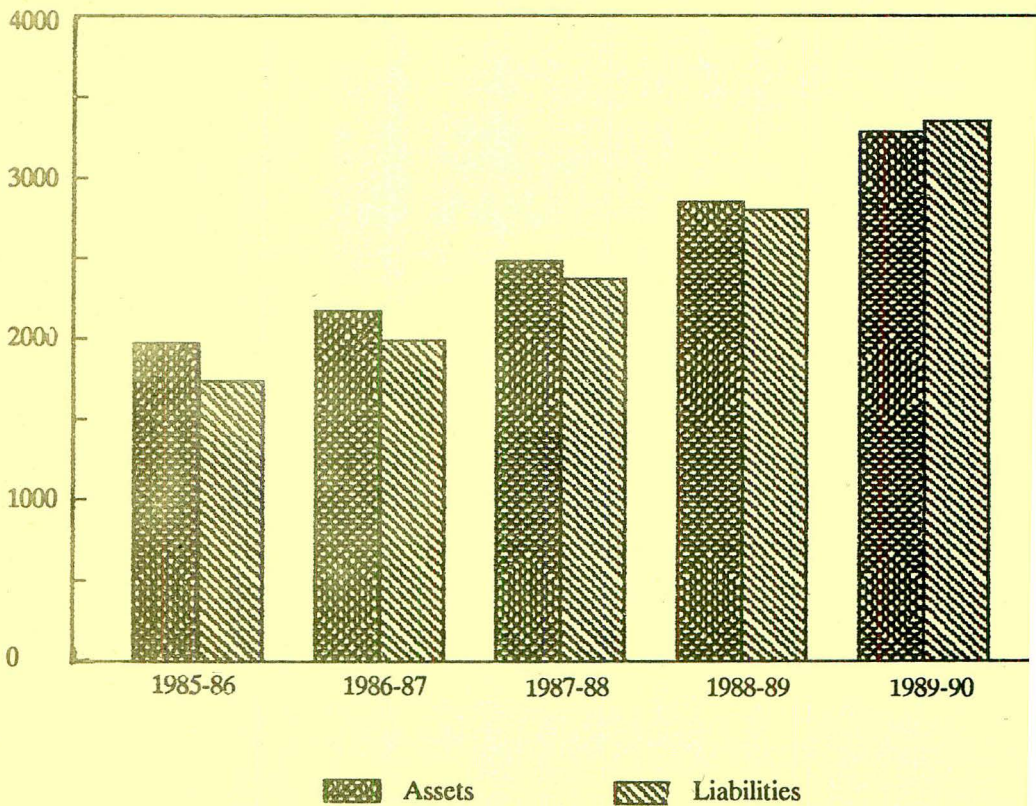
4. There was a difference of Rs.0.01 crore between the figures reflected in the accounts under Cash in Banks and the figures conveyed by the Finance Department. The difference is under reconciliation.



## Assets and Liabilities of the State

(Reference : Paragraph 1.2)

(Rupees in crores)



Based on the foregoing statements and other supporting data, the following paragraphs in this Chapter present an analysis of the management of the finances of the State Government during 1989-90.

## 1.2 Assets and liabilities of the State

The assets comprising capital investments and loans and advances and the total liabilities of the State Government during the last five years were as under :-

( Rupees in crores )		
Year	Assets	Liabilities
1985-86	1969.72	1733.88
1986-87	2160.23	1984.73
1987-88	2486.30	2365.54
1988-89	2850.99	2806.15
1989-90	3288.21	3362.71

While the assets have grown by 67 per cent during the five years, the liabilities have grown by 94 per cent. The growing gap between assets and liabilities is on account of continuing revenue deficit.

## 1.3 Overall deficit/surplus

The overall deficit of Rs. 103.84 crores for 1989-90 estimated at the Budget stage was reduced to nil at the Revised Estimate stage against which the actual overall surplus was Rs. 59.20 crores. The variation was mainly due to increase in receipt of Loans and Advances from the Central Government.

## 1.4 Revenue deficit/surplus

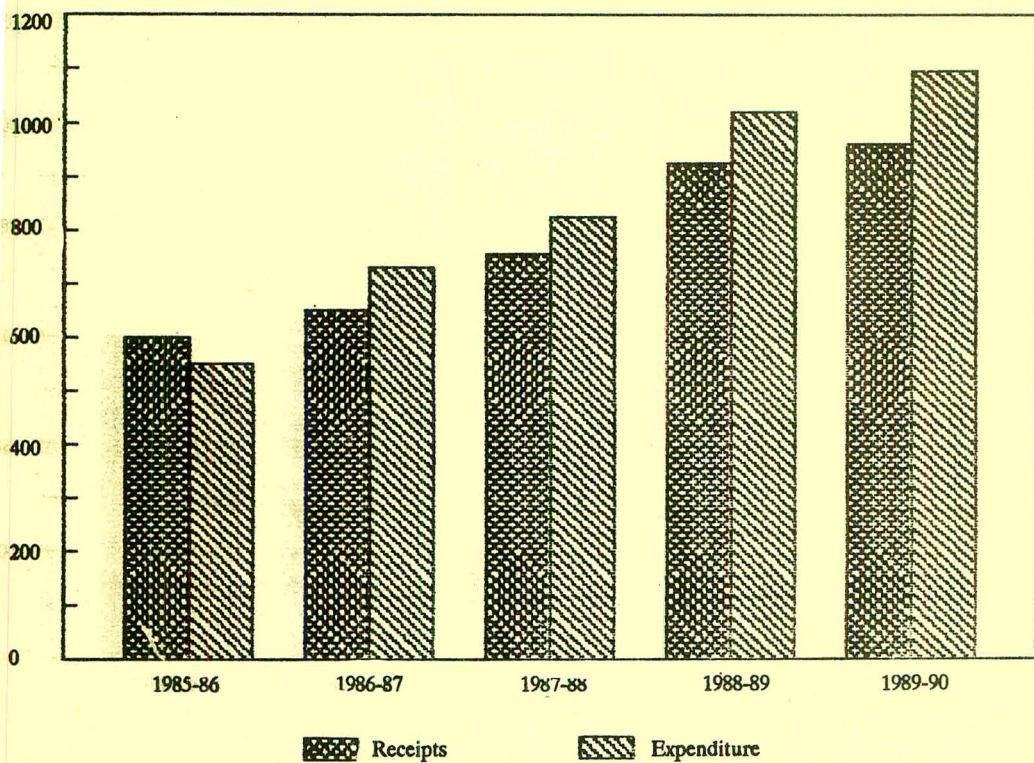
The position of revenue deficit/surplus during the last five years is given in the following table :-



## Revenue Receipts and Expenditure

(Reference : Paragraph 1.4)

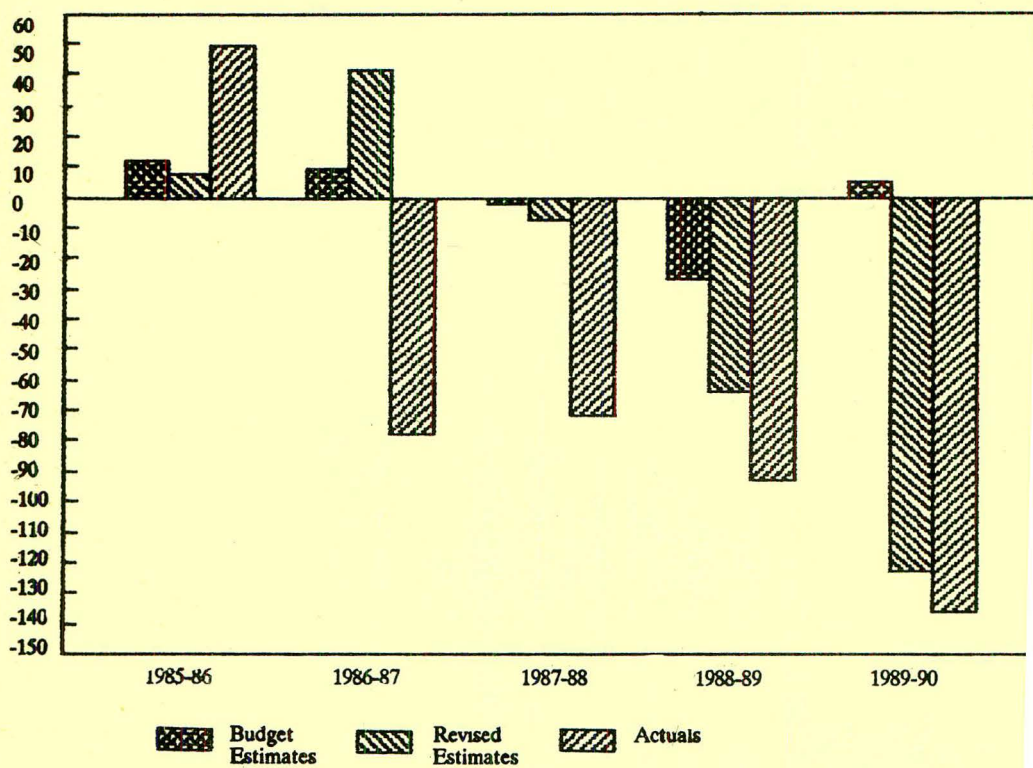
(Rupees in crores)



## Revenue Deficit/Surplus

(Reference : Paragraph 1.4)

(Rupees in crores)





Year	Revenue			Percentage of increase over the previous year		Revenue deficit/Revenue surplus as a percentage of revenue receipts
	Receipts	Expenditure	Deficit(-) Surplus(+)	Reve- nue rece- ipts	Reve- nue expen- diture	
(Rupees in crores )						
1985-86	600.51	552.30	(+) 49	36	14	8
1986-87	651.34	728.70	(-) 78	8	32	12
1987-88	755.43	827.19	(-) 72	16	13	10
1988-89	927.30	1020.24	(-) 93	23	23	10
1989-90	960.00	1096.36	(-) 136	4	7	14

While the revenue receipts increased by 60 *per cent* between 1985-86 and 1989-90, the revenue expenditure grew by 99 *per cent* during the same period.

The revenue deficit/surplus as envisaged in the Budget Estimates and the Revised Estimates *vis-a-vis* the actuals from 1985-86 to 1989-90 is given below:-

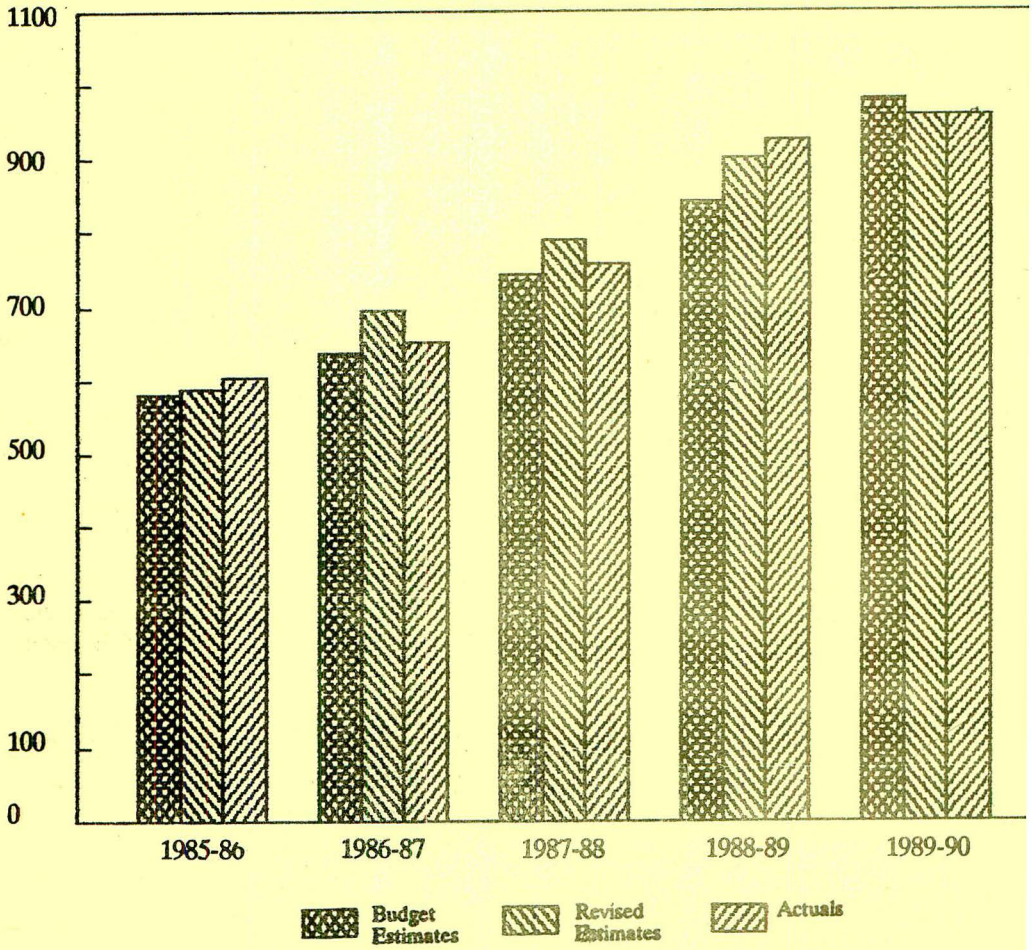
Year	( Rupees in crores )		
	Revenue deficit(-)/Revenue surplus (+)		
	Budget Estimates	Revised Estimates	Actuals
1985-86	(+) 12	(+) 8	(+) 49
1986-87	(+) 9	(+) 41	(-) 78
1987-88	(-) 2	(-) 7	(-) 72
1988-89	(-) 27	(-) 64	(-) 93
1989-90	(+) 5	(-) 123	(-) 136

The revenue deficit has shown an increasing trend since 1987-88 and peaked in 1989-90.

## Revenue Receipts

(Reference : Paragraph 1.5)

(Rupees in crores)





**1.5 Revenue receipts**

The revenue receipts during the five years ending 1989-90 are given below :-

( Rupees in crores )

Year	Budget Estimates	Revised Estimates	Actuals	
			Amount	Percentage growth over the previous year
1985-86	579.41	588.81	600.51	36
1986-87	636.37	694.72	651.34	8
1987-88	741.10	790.26	755.43	16
1988-89	840.89	901.75	927.30	23
1989-90	981.78	957.97	960.00	4

The position of revenue raised by the State Government, State's share of taxes and duties and receipts from the Government of India was as follows :-

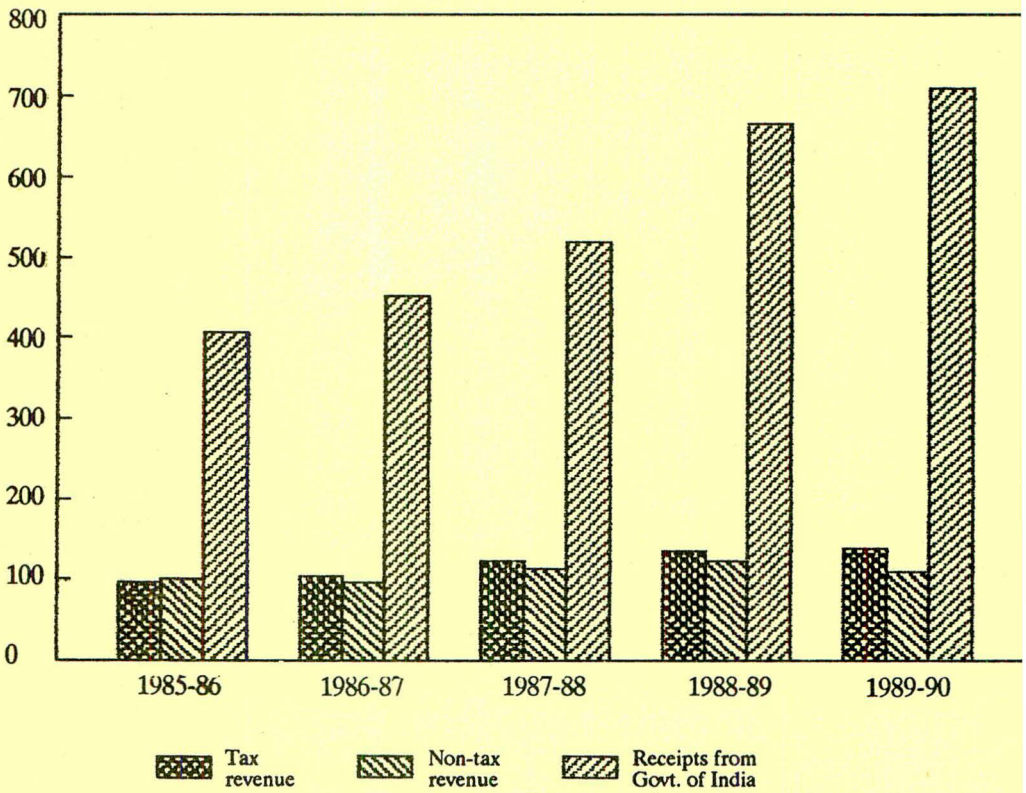
( Rupees in crores )

	1985-86	1986-87	1987-88	1988-89	1989-90
I. Revenue raised by the State Government					
(a) Tax revenue	95.10	102.13	123.29	137.35	140.94
(b) Non-tax revenue	100.85	95.11	113.61	124.01	107.93
Total- I	195.95	197.24	236.90	261.36	248.87
II. State's share of Taxes on Income other than Corporation Tax, etc.	12.66	16.72	15.28	12.96	10.59

## Revenue Receipts

(Reference : Paragraph 1.5)

(Rupees in crores)





III. Receipts from  
Government  
of India

(i) State's share  
of Union Excise  
Duties

132.49	155.91	159.11	163.79	222.64
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(ii) Grants-in-aid	259.41	281.47	344.14	489.19	477.90
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Total-II & III	404.56	454.10	518.53	665.94	711.13
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IV. Total receipts  
of the State  
Government  
(Revenue  
Account)

600.51	651.34	755.43	927.30	960.00
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V. Percentage  
of revenue  
raised to total  
receipts

33	30	31	28	26
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While the revenue receipts of the State Government increased by 60 per cent from 1985-86 to 1989-90, the revenue from the State's own resources increased by 27 per cent during the same period.

### 1.6 Tax revenue

The revenue from taxes levied and collected by the State Government during the five years from 1985-86 to 1989-90 is given below :-

Year	Tax revenue (Rupees in crores)	Percentage of growth over previous year
1985-86	95.10	23
1986-87	102.13	7
1987-88	123.29	21
1988-89	137.35	11
1989-90	140.94	3

An analysis of the tax revenue raised by the State Government is given below :—

( Rupees in crores )					
	1985-86	1986-87	1987-88	1988-89	1989-90
(i) Sales Tax	36.64 (39)	41.04 (40)	43.55 (35)	51.65 (38)	52.39 (37)
(ii) State Excise	36.00 (38)	37.25 (37)	55.42 (45)	56.20 (41)	60.45 (43)
(iii) Taxes on Vehicles	5.10 (5)	5.27 (5)	6.10 (5)	7.62 (6)	6.27 (4)
(iv) Stamps and Registration Fees	3.88 (4)	4.15 (4)	5.39 (4)	6.10 (4)	4.59 (3)
(v) Land Revenue	1.83 (2)	1.33 (1)	1.11 (1)	1.02 (1)	0.75 (1)
(vi) Taxes and Duties on Electricity	3.86 (4)	2.80 (3)	3.51 (3)	4.95 (3)	4.33 (3)
(vii) Taxes on Goods and Passengers	4.86 (5)	7.04 (7)	4.68 (4)	4.72 (3)	9.55 (7)
(viii) Other taxes	2.93 (3)	3.25 (3)	3.53 (3)	5.09 (4)	2.61 (2)
Total	95.10 (100)	102.13 (100)	123.29 (100)	137.35 (100)	140.94 (100)

(Percentage share of individual taxes to the total is given in brackets).

It would be seen that while the contribution of receipts from State Excise and Taxes on Goods and Passengers increased in 1989-90 over that



of the previous year, the contribution from Sales Tax, Taxes on Vehicles, Stamps and Registration and Other taxes declined.

### 1.7 Non-tax revenue

The growth/decline of non-tax revenue during the last five years is indicated below :-

Year	Non-tax revenue (Rupees in crores)	Percentage growth (+)/ decline (-) over the previous year
1985-86	100.85	(+) 27
1986-87	95.11	(-) 6
1987-88	113.61	(+) 19
1988-89	124.01	(+) 9
1989-90	107.93	(-) 13

The overall decrease of Rs. 16.08 crores during 1989-90 over the previous year was mainly under Power (Rs. 13.02 crores) and Forestry and Wild Life (Rs. 10.01 crores). The decrease was partly off-set by higher interest receipts (Rs.9.06 crores) during the year, mainly from public sector undertakings.

### 1.8 State's share of Union Taxes, Duties and Grants received from the Central Government

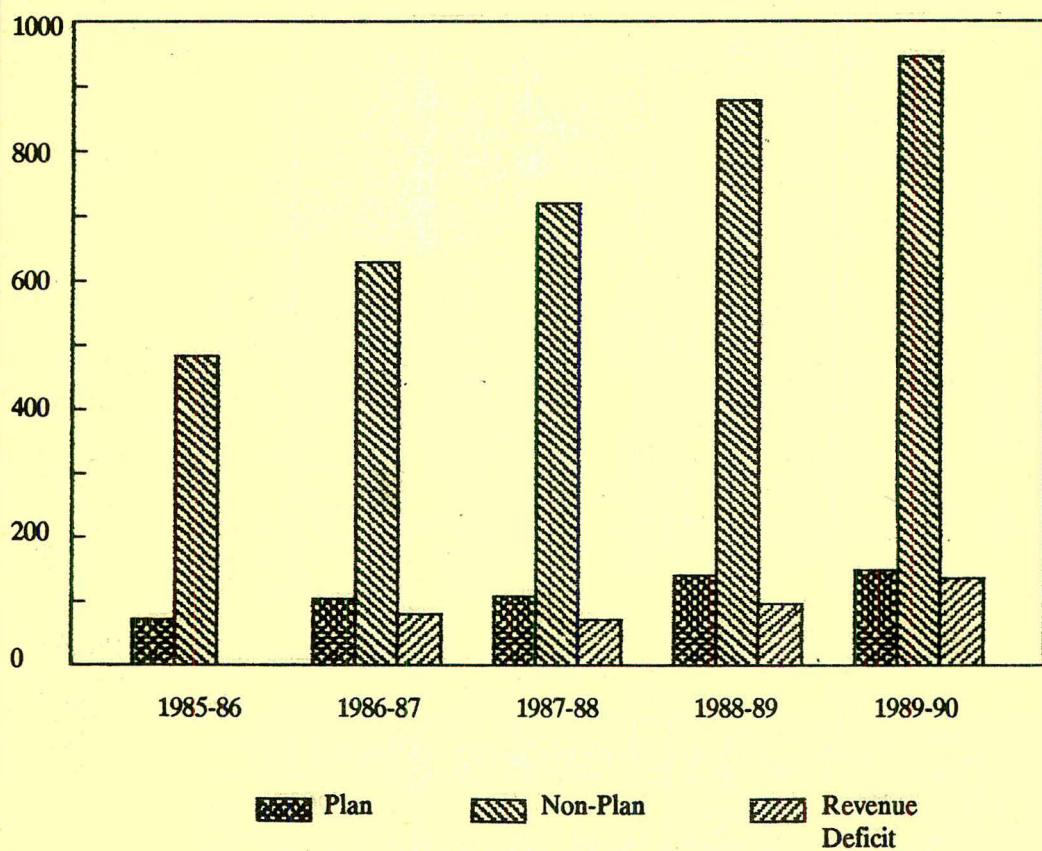
The aggregate of the State's share of Union Taxes, Duties and Grants-in-aid from the Central Government during the year 1989-90 was Rs. 711.13 crores representing 74 *per cent* of the revenue receipts and 65 *per cent* of the revenue expenditure of the State Government. Year-wise details for the period 1985-86 to 1989-90 are given below :-

Year	State's share of Union Taxes/ Duties	Grants- in-aid	Total	Percentage of total to	
				Revenue receipts	Revenue expenditure
(Rupees in crores)					
1985-86	145.15	259.41	404.56	67	73
1986-87	172.63	281.47	454.10	70	62
1987-88	174.39	344.14	518.53	69	63
1988-89	176.75	489.19	665.94	72	65
1989-90	233.23	477.90	711.13	74	65

## Growth of Revenue Expenditure

(Reference : Paragraph 1.10)

(Rupees in crores)





It would be seen that more than 67 per cent of the revenue receipts of the State during these five years consisted of amounts received from the Government of India.

### 1.9 Revenue expenditure

The revenue expenditure (Plan) during 1989-90 was Rs. 149.71 crores against the Revised Budget Estimate of Rs. 220.01 crores (including supplementary) disclosing a shortfall of Rs. 70.30 crores. The non-Plan revenue expenditure during the year was Rs. 946.65 crores (Rs. 878.94 crores during the previous year) against the Revised Budget Estimates of Rs. 861.21 crores (including supplementary) disclosing an excess of Rs. 85.44 crores. The main reasons for variations in expenditure with reference to the budget provisions are given in Chapter II of this Report. Further details are available in the Appropriation Accounts for 1989-90.

The revenue expenditure (both Plan and non-Plan) during 1989-90 was Rs. 1096.36 crores as against Rs. 1020.24 crores during 1988-89. The detailed reasons for variation are given in statement No. I of the Finance Accounts of the State Government for 1989-90.

### 1.10 Growth of revenue expenditure

The growth of revenue expenditure (both Plan and non-Plan) during the last five years was as follows:-

Year	Revenue expenditure			(Rupees in crores)
	Plan	Non-Plan	Total	
1985-86	69.32	482.98	552.30	87
1986-87	101.67	627.03	728.7	86
1987-88	105.78	721.41	827.19	87
1988-89	141.30	878.94	1020.24	86
1989-90	149.71	946.65	1096.36	86

The revenue expenditure (both Plan and non-Plan) went up from Rs. 552.30 crores in 1985-86 to Rs. 1096.36 crores in 1989-90 registering an increase of 99 *per cent*. The expenditure under non-Plan increased by Rs. 463.67 crores (96 *per cent*) and that under Plan by Rs. 80.39 crores (116 *per cent*).

#### 1.11 Non-Plan revenue expenditure

The following table shows the details of non-Plan revenue expenditure, other than interest payments, where there has been significant increase over the last five years :-

	1985-86 (Rupees in crores)	1989-90	Percentage increase
Organs of State	3.94	9.45	140
Fiscal Services	9.14	13.84	51
Administrative Services (including Police and Jails)	65.08	120.71	85
Pensions and Miscellaneous General Services	16.19	28.55	76
Education, Sports and Culture	82.42	154.98	88
Medical, Public Health, Sanitation, Water Supply, Housing and Urban Development	58.12	108.66	87
Irrigation and Flood Control	5.74	28.97	405
Energy	62.61	133.16	113
Industry and Minerals	10.27	21.63	111

The growth in non-Plan revenue expenditure during 1989-90 over that of the previous year was stated to be mainly due to (i) increase in the staff strength of departments, (ii) revision of pay scales and enhanced dearness allowance to Government employees, (iii) construction of drop gates, renting of hotels and private accommodation for Police Force, (iv) increase



in number of retirees and revision of pensions, (v) provision of more health facilities in urban areas, (vi) provision of water supply in rural areas, (vii) purchase of power from other States and (viii) expenditure on maintenance of irrigation canals.

### 1.12 Capital expenditure

The capital expenditure during 1989-90 was Rs. 403.36 crores against the Revised Budget Estimates of Rs. 391.48 crores (including supplementary) disclosing an excess of Rs. 11.88 crores.

The main reasons for variation in expenditure are given in Chapter-II of this Report. Further details are available in the Appropriation Accounts for 1989-90.

### 1.13 Financial assistance to local bodies and others

The financial assistance provided to local bodies such as, Universities, State Board of School Education, Aided Schools, Municipalities, Housing Board, District Rural Development Agencies and others during the last five years is given below :—

(Rupees in crores)					
Sector	1985-86	1986-87	1987-88	1988-89	1989-90
(i) Education	7.24	14.34	15.67	18.17	15.94
(ii) Housing and Urban Development	3.22	3.75	6.45	8.74	9.01
(iii) Agriculture	3.90	5.88	5.15	5.16	5.26
(iv) Others	0.84	1.19	1.07	2.12	1.64
Total	15.20	25.16	28.34	34.19	31.85
(v) Percentage growth(+)/decline(-) over the previous year	(-) 10	(+) 66	(+) 13	(+) 21	(-) 7
(vi) Revenue raised by the State (Rs./crores)	195.95	197.24	236.90	261.36	248.87

Sector	1985-86	1986-87	1987-88	1988-89	1989-90
(vii) Percentage of assistance to revenue raised by the State	8	13	12	13	13
(viii) Revenue expenditure (Rs./crores)	552.30	728.70	827.19	1020.24	1096.36
(ix) Percentage of assistance to revenue expenditure	3	3	3	3	3

During the period from 1985-86 to 1989-90 the assistance to local bodies and others represented 8 to 13 *per cent* of the total revenue raised by the State during the respective years and was 3 *per cent* of the total revenue expenditure each year.

#### 1.14 Investment and returns

In 1989-90, the Government invested Rs. 27.18 crores (net) in the share capital of Statutory Corporations (Rs. 8.75 crores), Government Companies (Rs. 15.61 crores), and Co-operative Banks and Societies (Rs. 2.82 crores).

The total investments of Government in the share capital of different concerns and the dividend/interest received during the five year period 1985-86 to 1989-90 were as follows :—

Year	Total investment at the end of the year	Dividend/ interest received during the year	Percentage of dividend/interest received to total investment
------	---	---	--

(Rupees in crores)

1985-86	104.58	0.14	0.13
1986-87	113.47	0.08	0.07
1987-88	124.70	0.08	0.06



Year	Total investment at the end of the year	Dividend/ interest received during the year	Percentage of dividend/interest received to total investment
(Rupees in crores)			
1988-89	153.19	0.10	0.07
1989-90	180.37	0.15	0.08

Thus the return on investment in the respective years was less than the rate of interest for Government borrowings, which ranged from 9 to 11.5 per cent during this period.

The State has 16 Government Companies. One Company had finalised its accounts up to the year 1989-90. Accounts of remaining 15 Companies were in arrears for periods ranging from 1 to 10 years. The cumulative loss in respect of 11 loss making Companies (Government investment up to March 1990 was Rs. 74.82 crores), was Rs. 30.09 crores as on the date of finalisation of the respective accounts by these Companies.

### 1.15 Public debt and other liabilities

Under Article 293 (1) of the Constitution of India, a State may borrow within the territory of India, upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by an Act of the Legislature of the State. No law has been passed by the Jammu and Kashmir State Legislature laying down such a limit.

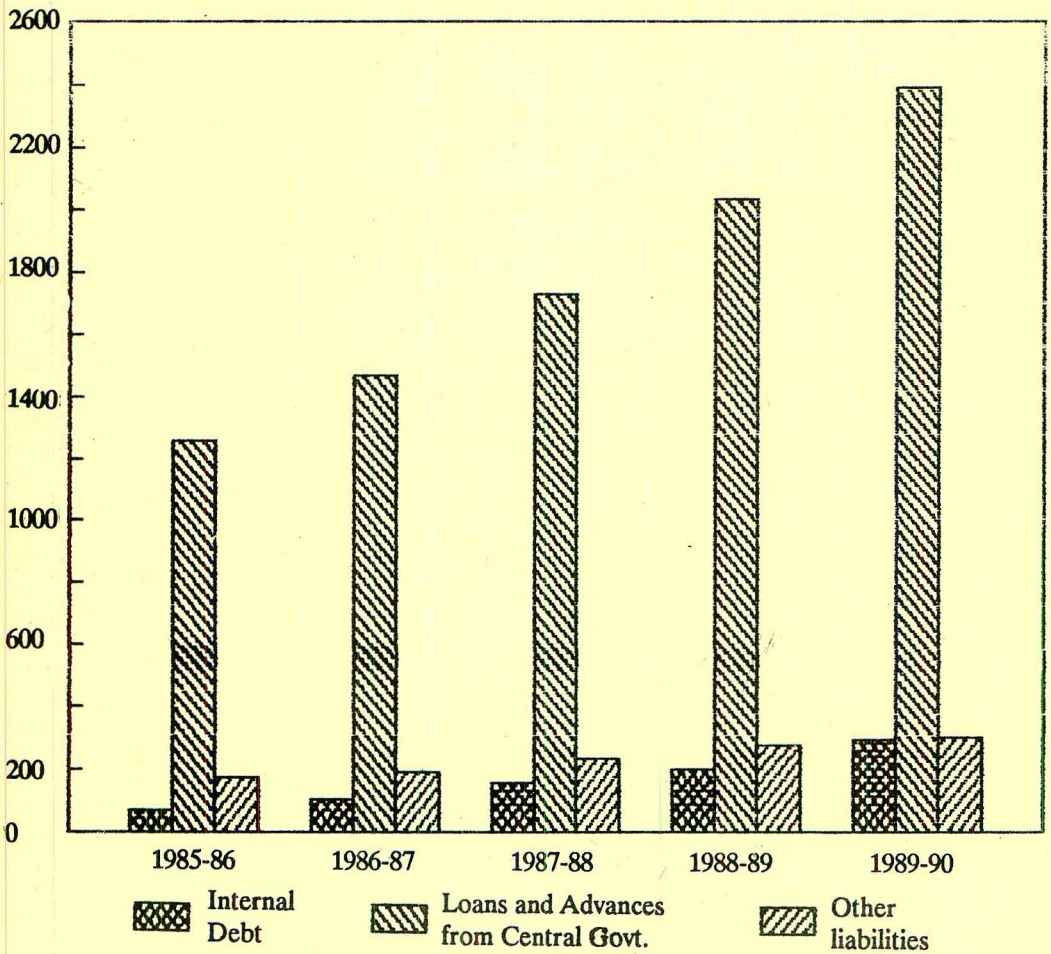
Public debt of the State consists of internal debt and loans and advances from the Central Government. Internal debt comprises long term loans raised in the open market and loans received from financial institutions, etc. This also includes temporary loans obtained from the Jammu and Kashmir Bank Limited and other bonds issued by the State Government. Loans and Advances from the Central Government represent loans received from the Government of India for execution of various Plan and non-Plan schemes. Besides, the Government had other liabilities on account of funds raised through small savings, provident funds, etc.



## Public Debt

(Reference : Paragraph 1.15)

(Rupees in crores)



The details of such liabilities of the State Government during the five years ending March 1990 are given below :-

( Rupees in crores )					
Year	Internal debt	Loans and Advances from the Central Government	Total Public debt (2+3)	Other liabilities (4+5)	Total liabilities
1985-86	70.82	1261.21	1332.03	170.65	1502.68
1986-87	101.92	1474.42	1576.34	192.75	1769.09
1987-88	158.51	1728.98	1887.49	230.77	2118.26
1988-89	193.95	2039.04	2232.99	279.48	2512.47
1989-90	296.50	2396.67	2693.17	305.96	2999.13

It will be thus seen that the total liabilities of the Government had increased from Rs. 1502.68 crores in 1985-86 to Rs. 2999.13 crores in 1989-90 representing an increase of 99 per cent over the last five years.

#### 1.16 Debt service

The annual debt service obligation according to schedule of repayments of principal and payment of interest was Rs. 727.00 crores. The actual discharge was Rs. 585.08 crores compared to Rs. 727.91 crores during 1988-89.

The State Government had not made any amortisation arrangements for open market loans, bonds and loans from the Government of India.

The following table shows the out go of funds on account of interest payment (gross) during the five years ending 1989-90 :-

(Rupees in crores)				
Year	Interest paid	Opening balance		
		Internal debt	Loans and Advances from the Central Government	Small Savings, Provident Funds, etc.
1	2	3	4	5
1985-86	65.20	94.02	1049.61	159.33
1986-87	129.40	70.82	1261.21	170.65



1	2	3	4	5
1987-88	114.77	101.92	1474.42	192.75
1988-89	196.59	158.51	1728.98	230.77
1989-90	183.17	193.95	2039.04	279.48

Total obligations	Percentage of interest to	
	Total obligations	Total Revenue Expenditure
6	7	8
1302.96	5	12
1502.68	9	18
1769.09	6	14
2118.26	9	19
2512.47	7	17

It will be seen that the outflow of funds for payment of interest during the period has been Rs. 689.13 crores and was between 12 and 19 *per cent* of the revenue expenditure.

Interest received during the year was Rs. 29.30 crores while the interest paid on debt and other obligations was Rs. 183.17 crores. The net interest burden during the year was thus Rs. 153.87 crores (16 *per cent* of the total revenue receipts and 109 *per cent* of the tax revenue of the State).

The repayment of Government of India loans and payment of interest thereon by the State Government during the last five years was as follows :

( Rupees in crores )

Year	Repayments			Loans received during the year	Percentage of repayment to loans received
	Principal	Interest	Total		
1985-86	27.58	45.36	72.94	239.19	31
1986-87	57.71	99.02	156.73	270.92	58
1987-88	90.56	71.34	161.90	345.11	47
1988-89	93.57	151.64	245.21	403.63	61
1989-90	135.94	161.65	297.59	493.57	60



The total outflow on account of repayment of Government of India loans and interest thereon increased by 308 per cent between 1985-86 and 1989-90. During 1989-90, 60 per cent of the fresh loans received were utilised for the repayment of outstanding loans and payment of interest thereon.

#### 1.17 Ways and Means advances and overdraft

Jammu and Kashmir Bank Limited, Srinagar conducts State Government business. Government obtains temporary loans from the bank for its ways and means requirement. The maximum limit up to which temporary loans can be obtained at any time, as approved by the Government of India, is Rs.10.00 crores. 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 Rs. 3.75 crores and 16.50 per cent on temporary loans in excess of Rs. 3.75 crores.

The position of temporary loans taken by the State Government and interest paid thereon during the period from 1985-86 to 1989-90 is given below :

	( Rupees in crores )				
	1985-86	1986-87	1987-88	1988-89	1989-90
Temporary loans taken during the year	94.55	89.62	204.36	504.33	342.00
Temporary loans outstanding at the end of the year	0.01	10.13	44.90	69.09	141.53
Interest paid	0.10	0.03	0.28	1.15	3.21

During 1989-90, the State Government obtained temporary loans on 83 days. The maximum temporary loan was Rs. 3.75 crores on 31 March 1990.

#### 1.18 Loans and advances by the State Government

The State Government has been advancing loans to Government companies, corporations, autonomous bodies, co-operatives, non-Government institutions, etc. for developmental and non-developmental

activities. The position of such loans for the five years 1985-86 to 1989-90 is given below :

	( Rupees in crores )				
	1985-86	1986-87	1987-88	1988-89	1989-90
Opening balance	74.75	86.23	93.45	100.65	108.27
Amount advanced during the year	14.54	11.03	13.37	14.55	25.29
Amount repaid during the year	3.06	3.81	6.17	6.93	5.90
Closing balance	86.23	93.45	100.65	108.27	127.66
Net increase	11.48	7.22	7.20	7.62	19.39
Interest received and credited to revenue	0.15	0.03	0.23	0.17	0.06

Out of loans advanced to various bodies etc. the detailed accounts of which are kept in the office of the Accountant General, recovery of Rs. 22.45 crores (principal : Rs. 18.98 crores and interest : Rs. 3.47 crores) was in arrears as on 31 March 1990. Out of this, Rs. 14.62 crores (principal : Rs. 13.47 crores and interest : Rs. 1.15 crores) related to Government servants and Rs. 4.55 crores (principal : Rs. 3.34 crores and interest : Rs. 1.21 crores) to municipalities. Recoveries of Rs. 8.68 crores (principal) were in arrears for five years and more.

In respect of loans, the detailed accounts of which are maintained by the departmental officers, the Controlling Officers are required to furnish to the Accountant General a statement showing details of arrears in recovery of loan instalments and interest by June every year. Information regarding overdue amounts in arrears has not been furnished by the Controlling Officers.

#### 1.19 Guarantees given by the Government

The position of contingent liability for guarantees given by the State Government for repayment of loans and payment of interest thereon by the Statutory Corporations, Companies and Co-operatives, etc. was as follows :



( Rupees in crores )

As on 31 March	Maximum amount guaranteed (Principal only)	Amount outstanding	
		Principal	Interest
1986	229.38	208.96	0.04
1987	256.36	219.15	3.22
1988	306.70	248.55	5.74
1989	352.03	280.92	6.84
1990	422.86	328.59	0.41

The amount of outstanding guarantees increased by 57 per cent over the period of five years.

No law under Article 293 of the Constitution has been passed by the State Legislature laying down the limit within which the Government may give guarantee on the security of the Consolidated Fund of the State.



## CHAPTER-II

### APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

#### 2.1 General

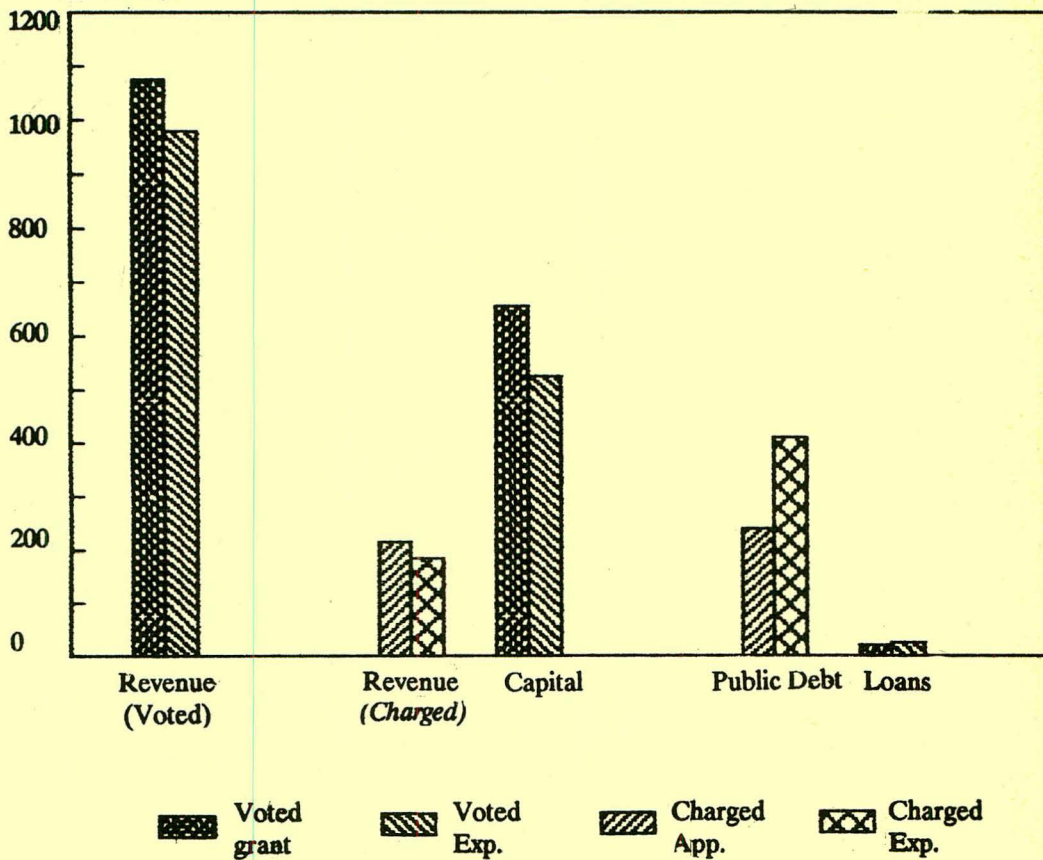
The summarised position of actual expenditure during 1989-90 against grants/appropriations is given below:-

	Original Grants/ Appropri- ations	Supple- mentary	Total	Actual Expendi- ture	Variation Saving(-)/ Excess(+)
(Rupees in crores)					
I. Revenue					
Voted	925.39	150.78	1076.17	978.66	(-) 97.51
Charged	207.79	6.55	214.34	184.98	(-) 29.36
II. Capital					
Voted	611.48	45.16	656.64	525.99	(-)130.65
III. Public Debt					
Charged	239.77	2.21	241.98	407.20	(+)165.22
IV. Loans					
Voted	14.62	2.14	16.76	25.29	(+) 8.53
Total	1999.05	206.84	2205.89	2122.12	(-) 83.77

## Budget Provisions and Expenditure

(Reference : Paragraph 2.1)

(Rupees in crores)





## 2.2 Results of Appropriation Audit

The overall saving was the net result of saving in 27 grants/appropriations and excess in 9 grants/appropriations as shown below :-

(Rupees in crores)						
	Saving		Excess		Net saving(-) Excess(+)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
Voted	130.16	129.48	32.65	7.36	(-)97.51	(-)122.12
Charged	29.37 (27 grants/ appropriations)	...	0.01 (9 grants/ appropriations)	165.22	(-)29.36	(+)165.22

The supplementary grants/appropriations of Rs. 206.84 crores obtained during 1989-90 constituted 10 per cent of the original grants/appropriations as against 12 per cent in the previous year.

### 2.2.1 Excess over grants/appropriations

In the Revenue section there was excess of Rs. 32,66,10,729 in 5 cases of grants/appropriations while the excess in the Capital section amounted to Rs. 1,72,57,28,963 in 4 cases of grants/appropriations as detailed below :-

S. No.	Number and name of the Grant or Appropriation	Total Grant or Appropriation	Expenditure	Excess (Percentage of excess)
1	2	3	4	5

(In rupees)				
<b>Revenue Voted</b>				
1.	7-Education Department	1,51,16,94,000	1,71,59,52,064	20,42,58,064 (14)
2.	11-Industries and Commerce Department	36,21,42,060	37,77,12,236	1,55,70,236 (4)
3.	12-Agriculture and Rural Development Department	59,51,01,000	66,17,23,514	6,66,22,514 (11)

1	2	3	4	5
4.	21-Forest Department	28,53,20,000	32,53,20,074	4,00,00,074 (14)
<b>Revenue Charged</b>				
5.	1-General Department	73,76,000	75,35,841	1,59,841 (2)
		2,76,16,33,000	3,08,82,43,729	32,66,10,729
<b>Capital Voted</b>				
1.	20-Tourism Department	12,58,00,000	12,79,05,203	21,05,203 (2)
2.	23-Public Health Engineering Department	49,18,62,000	56,05,36,778	6,86,74,778 (14)
3.	24-Estates, Hospitality and Protocol and Parks and Gardens Department	50,96,000	78,66,632	27,70,632 (54)
<b>Capital Charged</b>				
4.	8-Finance Department	2,41,98,00,000	4,07,19,78,350	1,05,21,78,350 (68)
		3,04,25,58,000	4,76,82,86,963	1,72,57,28,963

In 6 of these 9 cases the expenditure exceeded the approved provision by more than Rs. 25 lakhs in each case and also by more than 10 per cent of the total provision.

These 9 cases require regularisation under Section 82 of the Constitution of Jammu and Kashmir.

### 2.2.2 Excess over grants in previous years not regularised

Cases of excess over grants/appropriations of the aggregate amount of Rs. 1371.40 crores relating to the following years are pending with the



## Finance Department for regularisation :—

Year	Amount
	(Rupees in crores)
1980-81	227.90
1981-82	41.99
1982-83	119.74
1983-84	176.75
1984-85	65.42
1985-86	19.64
1986-87	104.22
1987-88	177.32
1988-89	438.42

## 2.2.3 Unutilised provisions

In the following grants/appropriations, the expenditure fell short by more than Rs.1 crore and also by more than 10 per cent of the total provision in each case:—

S. No.	Grant No.	Department	Savings (Rupees in crores) (Percentage of Provision)	Reasons
(1)	(2)	(3)	(4)	(5)
1	3	Planning Capital (Voted)	6.90 (92)	Reasons for savings have not been intimated (February 1993) in any of these cases.
2	5	Ladakh Affairs Revenue (Voted)	9.17 (25)	
3	6	Power Development Revenue (Voted)	28.76 (17)	
		Capital (Voted)	18.55 (13)	

(1)	(2)	(3)	(4)	(5)
4	8	<b>Finance</b>		
		Revenue (Voted)	22.88 (37)	
		Capital (Voted)	4.65 (38)	
		Revenue ( <i>Charged</i> )	29.29 (14)	
5	11	<b>Industries and Commerce</b>		
		Capital (Voted)	7.45 (28)	
6	12	<b>Agriculture and Rural Development</b>		
		Capital (Voted)	17.40 (48)	
7	14	<b>Revenue</b>		
		Revenue (Voted)	3.77 (18)	
8	15	<b>Food Supplies and Transport</b>		
		Revenue (Voted)	10.30 (74)	
		Capital (Voted)	27.68 (15)	
9	16	<b>Public Works</b>		
		Revenue (Voted)	14.89 (14)	
		Capital (Voted)	27.59 (26)	
10	19	<b>Housing and Urban Development</b>		
		Revenue (Voted)	3.26 (21)	
		Capital (Voted)	9.88 (22)	
11	20	<b>Tourism</b>		
		Revenue (Voted)	6.54 (63)	



(1)	(2)	(3)	(4)	(5)
12	21	Forest Capital (Voted)	4.82 (83)	
13	23	Public Health Engineering Revenue (Voted)	9.70 (16)	
14	27	Higher Education Revenue (Voted)	2.74 (10)	

#### 2.2.4 Surrender of Savings

According to the rules all anticipated savings in a grant/appropriation should be surrendered as soon as the possibility of saving is foreseen from the trend of expenditure, without waiting till end of the year when it cannot be purposefully utilised. During 1989-90, though actual savings of Rs.289.01 crores were available under various grants, these were not surrendered.

In the following grants/appropriation the savings exceeded Rs. one crore in each case, but were not surrendered :—

S.No.	Grant Number	Department	Saving not surrendered
			(Rupees in crores)
<b>Revenue Voted</b>			
1.	1	General	1.00
2.	2	Home	8.30
3.	5	Ladakh Affairs	9.17
4.	6	Power Development	28.76
5.	8	Finance	22.88
6.	13	Animal Husbandry	1.62
7.	14	Revenue	3.77
8.	15	Food, Supplies and Transport	10.30
9.	16	Public Works	14.89
10.	17	Health and Medical Education	3.34
11.	18	Social Welfare	1.50
12.	19	Housing and Urban Development	3.26
13.	20	Tourism	6.54
14.	23	Public Health Engineering	9.70
15.	27	Higher Education	2.74

S.No.	Grant Number	Department	Saving not surrendered
			(Rupees in Crores)
<b>Revenue Charged</b>			
16.	8	Finance	29.29
<b>Capital Voted</b>			
1.	3	Planning	6.90
2.	6	Power Development	18.55
3.	8	Finance	4.65
4.	11	Industries and Commerce	7.45
5.	12	Agriculture and Rural Development	17.40
6.	15	Food, Supplies and Transport	27.68
7.	16	Public Works	27.59
8.	19	Housing and Urban Development	9.88
9.	21	Forest	4.82
10.	22	Irrigation and Flood Control	1.85

### 2.2.5 Persistent savings

Persistent savings exceeding 10 per cent of the provision were noticed in the following grants during the last three years :-

S.No	Grant Number	Department	Percentage of savings		
			1987-88	1988-89	1989-90
1.	4	Information Capital (Voted)	100	100	100
2.	5	Ladakh Affairs Revenue (Voted)	12	11	25
3.	7	Education Capital (Voted)	100	100	100
4.	8	Finance Revenue (Voted)	20	39	37
5.	9	Parliamentary Affairs Capital (Voted)	100	100	100
6.	11	Industries and Commerce Capital (Voted)	32	46	28
7.	12	Agriculture and Rural Development Capital (Voted)	76	54	48



S.No	Grant Number	Department	Percentage of savings		
			1987-88	1988-89	1989-90
8.	13	Animal Husbandry Capital (Voted)	58	91	17
9.	14	Revenue Capital (Voted)	11	11	12
10.	15	Food, Supplies and Transport Capital (Voted)	16	36	15
		Revenue (Voted)	58	70	74
11.	16	Public Works Revenue (Voted)	14	15	14
12.	18	Social Welfare Capital (Voted)	42	73	74
13.	20	Tourism Revenue (Voted)	24	12	63
14.	25	Labour, Stationery and Printing Capital (Voted)	18	12	100
15.	27	Higher Education Capital (Voted)	100	100	100

#### 2.2.6 Unnecessary/excessive/inadequate supplementary provisions

(a) In 8 cases where the saving was more than Rs. 0.50 crore in each case, as detailed in Appendix I, supplementary provision of Rs. 27.35 crores (Revenue : Rs. 25.81 crores ; Capital : Rs. 1.54 crores) was made even though the expenditure in each grant/appropriation did not come up to or exceed the original provision.

(b) In 15 other cases, detailed in Appendix 2, against the actual requirement of Rs. 57.30 crores (Revenue : Rs. 31.20 crores ; Capital : Rs. 26.10 crores) supplementary provision of Rs. 139.27 crores (Revenue : Rs. 95.34 crores; Capital : Rs. 43.93 crores) was made resulting in a saving of Rs. 0.25 crore or more in each case and Rs. 81.97 crores in the aggregate.

(c) Supplementary provision of Rs. 38.22 crores (Revenue : Rs. 34.63 crores ; Capital : Rs. 3.59 crores) obtained in 5 cases as detailed in Appendix 3 proved inadequate resulting in total uncovered expenditure of Rs. 187.68 crores.

#### 2.2.7 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. The anticipated recoveries and credits are shown separately in the budget estimates.

During 1989-90, against the anticipated recoveries of Rs. 353.20 crores (Revenue : Rs. 161.24 crores ; Capital : Rs. 191.96 crores), the actual recoveries were Rs. 189.91 crores (Revenue : Rs. 67.28 crores and Capital: Rs. 122.63 crores). Significant cases of excess/shortfall in recoveries (reasons for variations have not been intimated as of February 1993) are detailed below :-

S. No.	Grant Number	Department	Budget estimates	Actuals	Amount of excess( + )/ shortfall (-) as compared to estimates
(Rupees in crores )					
Revenue					
1	5	Ladakh Affairs	4.42	2.37	(-)2.05
2	6	Power Development	81.35	5.89	(-)75.46
3	16	Public Works	52.22	42.00	(-)10.22
4	22	Irrigation and Flood Control	3.62	2.23	(-) 1.39
5	23	Public Health Engineering	18.50	14.27	(-) 4.23
Capital					
1	6	Power Development	10.00	6.87	(-) 3.13
2	15	Food, Supplies and Transport	173.57	108.24	(-)65.33
3	22	Irrigation and Flood Control	1.50	0.59	(-) 0.91

#### 2.2.8 Reconciliation of departmental figures with those of the Accountant General

With a view to ensuring effective control over expenditure, the departmental officers are required to reconcile periodically as also before the close of the accounts for a year, the departmental figures of expenditure with those



booked in the office of the Accountant General and send reconciliation certificates to the Accountant General.

Out of 183 Controlling Officers, 168 Controlling Officers had not conducted reconciliation of their expenditure for 1989-90.

#### 2.2.9 Explanation for savings/excesses

After closure of the accounts of each financial year, the detailed Appropriation Accounts showing the final grant/appropriation, the actual expenditure and the resultant variation are sent to the Controlling Officers, who are required to explain the variations in general and those under important sub-heads in particular. The State Budget Manual also requires the Controlling Officers to furnish promptly all such information to the Accountant General for preparation of the Appropriation Accounts.

The Public Accounts Committee had repeatedly stressed the need for prompt submission of explanations for variations for inclusion in the Appropriation Accounts and in the Report of the Comptroller and Auditor General of India. In regard to the Appropriation Accounts for 1989-90, the explanations were required to be furnished in respect of 1270 heads in which excesses/savings had occurred. Explanations for variations have, however, not been intimated (February 1993) in any of these cases.

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**CHAPTER—III**  
**CIVIL DEPARTMENTS**  
**Transport Department**

**3.1 State Motor Garages**

**3.1.1 Introduction**

The State Motor Garages were set up to meet the light transport requirements of State touring officers, VIPs, State guests, delegates attending various conferences/seminars being held in the State besides meeting the transport requirements in the event of exigencies like floods, law and order problems and the like.

**3.1.2 Organisational set-up**

The programme was implemented by the Transport Department through the Director, State Motor Garages who was assisted by two Deputy Directors, one each at Srinagar and Jammu.

**3.1.3 Audit coverage**

The records relating to the implementation of the programme for the period 1985-90 were test-checked (January-August 1990) in the Directorate of State Motor Garages, Offices of the two Deputy Directors, Jammu and Srinagar and two District Offices (Kathua and Udhampur) in Jammu Division. The results are contained in the succeeding paragraphs.

**3.1.4 Highlights**

—Category of officers eligible to use the Government vehicles for touring purposes under the Financial Rules have not been notified by the Government so far.

(Paragraph : 3.1.6 (a))

—33 to 55 percent of the total fleet had been allotted to various individual officers including non-touring officers on permanent basis in contravention of the rules ; only a small percentage ranging between 18 and 24 was used to meet the demand of touring officers.

(Paragraph : 3.1.6 (a))



—An amount of Rs. 0.73 lakh due from the Central Government departments, public undertakings and autonomous bodies on account of hire of vehicles allotted to them during 1987-88 to 1989-90 had not been claimed or recovered.

(Paragraph : 3.1.6 (b))

—Misuse of vehicles placed at the disposal of Government servants was found to be multi-dimensional, but no measures had been adopted to prevent them.

(Paragraph : 3.1.7 (a))

—Fuel consumption in respect of local journeys within 13 Kms radius was not restricted to the prescribed ceiling of Rs. 300 per month resulting in excess expenditure of Rs. 0.27 lakh in the case of 6 vehicles alone.

(Paragraph : 3.1.7 (b))

—Petrol and diesel oil worth Rs. 0.47 lakh had been issued in excess of the prescribed scale for 12 vehicles due to non-adoption of scales fixed by the Department.

(Paragraph : 3.1.7 (c))

### 3.1.5 Financial outlay

Against the allocation of Rs. 1213.68 lakhs, an expenditure of Rs. 1207.73 lakhs was incurred on the implementation of the programme during the Seventh Five Year Plan period (1985-86 to 1989-90).

### 3.1.6 Allotment of vehicles

(a) The main function of the State Motor Garages was to cater to the light transport requirements of touring officers of the State Government Departments. The rules governing the use of Government vehicles envisage that the vehicles are intended for use for bonafide official tours only by the officers who are declared as entitled to use them.

It was, however, observed that notification declaring officers eligible to use the Government vehicles for touring purposes under the rules had not been issued by the Government as of February 1990.

The departmental records revealed that 33 to 55 per cent of the total fleet had been attached for use by various individual officers including non-touring officers on a permanent basis, in contravention of the rules. Only

a small percentage ranging between 18 and 24 had been allotted to meet the demand of touring officers. As a result, the Department was not in a position to meet the demand of touring officers as would be apparent from the table given below :—

Year	Month	No. of requisitions received	No. of cases in which allotment was made	Percentage of allotment
1987-88	April 1987	404	221	55
	May 1987	359	153	43
	June 1987	333	150	45
1988-89	April 1988	377	175	46
	May 1988	411	148	36
	June 1988	348	132	38
1989-90	April 1989	297	156	53
	May 1989	378	115	30
	June 1989	357	162	45

On this being pointed out in audit (January 1990), the Director, State Motor Garages, stated (February 1990) that the allotment of vehicles on permanent basis was made to various officers under the orders/instructions issued by the Government.

(b) Allotment of vehicles to Central Government departments, public undertakings, autonomous bodies, corporations, etc. can be made subject, *inter alia*, to recovery of hire charges for the vehicles at Rs. 90 per day besides cost of fuel. In the case of Custodian Department, the hire charges were recoverable at Rs. 20 per vehicle per day besides cost of fuel. In a large number of cases, no amount had been claimed or recovered from the concerned Departments. An amount of Rs. 0.73 lakh was recoverable in the case of 19 departments/public undertakings/autonomous bodies pertaining to the period 1987-88 to 1989-90 (December 1989) as detailed in Appendix 4.

(c) The rules provide that all vehicles whether purchased by departments out of their budget grants or provided under Central schemes/projects etc. shall remain in the pool with the State Motor Garages. It was, however, observed that Departments like Agriculture, Police, Animal/Sheep



Husbandry, Forest, P.W.D., Irrigation, Public Health Engineering, etc., having their own fleet, did not keep their vehicles in the common pool with the State Motor Garages. Nevertheless, they also continued to requisition vehicles from the Garages.

Transport Department decided in September 1986 that no vehicle should be allotted to such Departments except in exceptional circumstances necessitating deployment of additional vehicles.

A test-check of the departmental records, however, revealed that the Government vehicles had frequently been allotted to these Departments without observing the instructions.

### 3.1.7 Misuse of Government vehicles

(a) A committee was constituted in July 1986 to examine misuse of Government vehicles prevalent in the departments. The Committee, in September 1986, had felt that the misuse of vehicles by Government servants was multi-dimensional and that the problem had to be studied in all details.

A detailed paper was prepared by the Transport Department highlighting reasons as mainly due to :-

- (i) use of vehicles for commuting from office/residence when the vehicles are meant only for touring purpose ;
- (ii) use of vehicles by members of family of Government servants for private visits and shopping ;
- (iii) use of vehicles for visiting places of interest like tourist spots ;
- (iv) transportation of personal effects ; and
- (v) learning driving.

A sub-group of three officers was set up in March 1987 to examine the paper in detail and prepare a memorandum for submission to the Cabinet.

No follow-up action was found to have been taken in the matter. No measures had been taken by the Department as of February 1990 to prevent the misuse of vehicles.

(b) In the case of officers allotted vehicles on permanent basis and others who requisition vehicles from the Garages occasionally, the rules provide that the consumption of fuel shall be restricted to Rs. 300 per month in respect of local journeys within 13 Kms radius. The rules further provide

that the log books shall be written daily by the officers using the vehicles and that these should be checked by the Garages weekly.

A test-check of some log books made available to Audit revealed that the fuel consumption in respect of local journeys had not been restricted to the prescribed ceiling, resulting in excess consumption of fuel and loss to Government. An excess expenditure of Rs. 0.27 lakh was incurred in the case of 6 vehicles alone during April 1988 to December 1989.

(c) Excess consumption of fuel

A test-check of some log books made available to Audit revealed that excess fuel of 4824 litres of petrol and 1539 litres of diesel oil worth Rs. 0.47 lakh was issued due to non-application of the prescribed fuel scales in respect of 12 vehicles as detailed in Appendix 5.

**3.1.8 Purchase of spares**

Purchase of spares in the open market by the Deputy Directors of State Motor Garages can be made only on emergent occasions when it is not possible to arrange the meeting of purchase committee or when there is no response to a tender notice duly published and issued strictly according to the standing instructions and prescribed procedure. The instructions further stipulate that purchases at a time can be made up to Rs. 500 subject to a ceiling of Rs. 40,000 in a year with further instructions that the expenditure will be restricted to Rs. 10,000 in a quarter and that further purchases will not be made till the Administrative Department confirms the purchases of 1st quarter after rendition of accounts and certificate from the Director, State Motor Garages.

An expenditure of Rs. 9.50 lakhs was incurred by the Divisional office, Jammu during 1985-90 on purchase of spares in violation of the financial rules inasmuch as

- (i) expenditure at a time had been incurred in excess of Rs. 500 ;
- (ii) the expenditure in a quarter was not restricted to Rs. 10,000 ;
- (iii) the overall ceiling of Rs. 40,000 in a year had been exceeded ;
- (iv) confirmation of the Administrative Department for the purchases made in the 1st quarter was not obtained ;
- (v) purchases had been made in the open market against short-term quotations ; and



- (vi) the purchases had been made very frequently whereas the rules provided for purchase of spares in the open market only on emergent occasions.

Similar information in respect of Srinagar office is awaited. When this was pointed out in audit (January 1990), the Director, State Motor Garages stated (February 1990) that the purchases against short-term quotations had been made mainly due to late receipt of supplies from the manufacturers. As for the other financial irregularities it was stated that the restrictions imposed under rules, if followed, would adversely affect the working of the Department due to escalation of prices. It was further stated that the Government would be approached for enhancing the powers in respect of the Garages.

3.1.9 The points mentioned in this Review were referred to Government in April 1991 ; reply has not been received (November 1991).

## **Education Department**

### **3.2 National Literacy Mission**

#### **3.2.1 Introduction**

The National Adult Education Programme (NAEP), has been in operation in the State since 1978 for removing the illiteracy in adults. The programme was found to be suffering from a number of shortcomings like poor quality of training of functionaries, inadequate monitoring system, lack of proper learning environment in the Adult Education Centres, non-availability of appreciable support by mass media, non-cooperation with voluntary organisations, irregular participation of learners with considerable percentage of drop-outs and relapse to illiteracy, absence of post-literacy and continuing education arrangements, inadequate political and administrative support etc. To overcome these shortcomings and to give special emphasis to provision of literacy in the age group of 15-35 and also to ensure that technological and pedagogical advances were brought to bear on adult education programme, a National Literacy Mission (NLM) was set up by the Ministry of Human Resource Development in early 1988.

#### **3.2.2 Organisational set-up**

A National Literacy Mission Authority (NLMA) was set up as an autonomous wing of the Ministry of Human Resource Development (Department of Education) in June 1988. The NLM envisaged provision of technical resource support to the programme at the national level by an apex National Resource Centre—the Directorate of Adult Education. The

Directorate was responsible, *inter alia*, for organising the media agencies to broadcast/telecast programmes on adult education with a view to developing the right perspective and motivation amongst the masses.

At the State level, the University of Kashmir acted as a State Resource Centre, District level action committees were set up in May 1979 and reconstituted in June 1984. A State Adult Education Board, initially set up in 1978 with Chief Minister as its Chairman, was reconstituted in February 1984 with the Minister of Education and Social Welfare as its Chairman. The Commissioner-cum-Secretary, Education Department, co-ordinated the functioning of the programme and the Regional Directorates of Education, Kashmir and Jammu, assisted by respective Joint Directors, administered the programme through various projects and other agencies.

The programme was implemented in the State through 7 centrally sponsored Rural Functional Literacy Projects (RFLPs) with 1555 Adult Education Centres (AECs), 10 State Adult Education Projects (SAEPs) with 2507 centres and 470 Adult Education Centres (AECs) run by the Handicrafts Department. The programme envisaged 100 per cent coverage of adult illiterates by 1990.

### 3.2.3 Audit coverage

The records of two Centrally sponsored RFLPs at Jammu and Doda and 22 Adult Education Centres under these projects for the years 1985-86 to 1989-90 were test-checked during December 1990. The records of Shramik Vidyapeeth, Jammu and the files of the Administrative Department, the Directorate of Education, Jammu the Joint Directorate, Adult Education, Jammu and other subordinate offices were generally reviewed. The scrutiny was confined to the working of the NLM and the functioning of RFLPs.

A review on the Adult Education Programme before setting up of the Mission was incorporated at para 3.10 of the State Audit Report, 1984-85.

### 3.2.4 Highlights

—Funds available under the Central scheme were not fully utilised by the State Government. Shortfall in expenditure during the years 1985-90 ranged between 8 and 60 per cent under Rural Functional Literacy Project while it ranged between 15 and 100 per cent under Post literacy and continuing education scheme during the years 1987-90.

(Paragraphs : 3.2.5 (a) and 3.2.5 (b))



—The number of adult education centres in RFLPs since their creation in 1979 ranged between 150 and 255 in six out of seven projects against 300 centres required to be set up in each project. The number of persons made literate and the number of centres in each project declined over the years. The percentage of shortfall in enrolment ranged between 13 and 49 during the years 1985-86 to 1989-90.

(Paragraph : 3.2.5 (a-iii))

—Surveys of illiterates were conducted only in the two districts of Jammu and Doda but socio-economic and cultural profiles of the people living in these areas were not drawn out. No action plans at the State and district levels were drawn up for complete eradication of illiteracy in the State.

(Paragraph : 3.2.5 (a-iii))

—Selection of supervisors for the centres was made without considering their ability, aptitude and interest. Due to delay in payment of salaries and honorarium, the staff and instructors did not attend to their jobs wholeheartedly.

(Paragraph : 3.2.5 (a-iii))

—Project Advisory Committees had not been constituted. No training was given to the officers and other functionaries of the programme. Instructors were given training for only 10 days instead of 21 days. There was no co-ordination between the literacy programme and other developmental activities. Social and cultural programmes were not arranged to promote mass mobilisation.

(Paragraph : 3.2.5 (a-iii))

—The centres were functioning mostly without teaching/learning materials and other aids. The basic primers had not been printed in all the important languages. These primers had not been reviewed and revised.

(Paragraph : 3.2.5 (a-iii))

—Proper accommodation for running the centres in villages was not ensured.

(Paragraph : 3.2.5 (a-iii))

—Awami Tailimi Marakiz had not been opened due to delay in appointment of Preraks. Funds released by the Union Government

for the scheme (Rs. 34.30 lakhs) were not put to proper use and materials purchased in advance were lying unutilised.

(Paragraph : 3.2.5 (b))

—The schemes for strengthening administrative structure was not implemented.

(Paragraph : 3.2.5 (c))

—No steps were taken to initiate action for appointment of State Level Mission Authority.

(Paragraph : 3.2.5 (c))

—Mass Programme for Functional Literacy in the State had not been popularised.

(Paragraph : 3.2.5 (d-ii))

—The schemes for Technology Demonstration were not implemented with the result that there was no improvement in the teaching methods.

(Paragraph : 3.2.5 (e-ii))

—A Shramik Vidyapeeth was established in Jammu but it had to be closed down due to mismanagement after receiving grants of Rs. 8.48 lakhs during four years from 1984-85 to 1987-88. The objective of establishing the vidyapeeth was not accomplished.

(Paragraph : 3.2.5 (f-iii))

—There was no scientific system of monitoring and evaluating the impact of the programme on the illiterate adults of each project area.

(Paragraph : 3.2.6)

### **3.2.5 Implementation of the programme**

The following on-going schemes under Adult Education Programme were continued by the Mission after necessary modifications :—

- (i) Rural Functional Literacy Projects (RFLPs) ;
- (ii) Post Literacy and Continuing Education ;



- (iii) Strengthening of Administrative Structure ;
- (iv) Assistance to Voluntary Organisation ; and
- (v) Shramik Vidyapeeths.

The following new programmes were introduced by the Mission to widen the scope of the programme :—

- (i) Mass Programme for Functional Literacy ; and
- (ii) Technology Demonstration.

The achievements under these schemes, as implemented in the Jammu and Kashmir State, are discussed in subsequent paragraphs.

#### (a) Rural Functional Literacy Projects (RFLPs)

##### (i) Objectives

The main objective under this scheme was to impart functional literacy to all illiterate persons in 15-35 age group living in the rural areas by organising specified number of literacy centres so as to achieve the national goal of eradicating adult illiteracy by 1990. Projects were to be set up in well-defined areas with one or more Community Development Blocks, a group of Panchayats or a group of villages.

##### (ii) Financial outlays and expenditure

The scheme was fully financed from grants from the Union Government. These grants were given on year to year basis and the duration of each project was one year.

Table below shows the grants sanctioned by the Union Government, amounts utilised by various RFLPs in the State and the balances lying unutilised during the five years from 1985-86 to 1989-90 :—

Year	Grants sanctioned	Funds available	Amounts utilised	Balances at the close of the year	Percentage of shortfall in utilisation of funds
(Rupees in lakhs)					
1985-86	32.81	50.71	27.31	23.40	46
1986-87	28.25	51.65	33.61	18.04	35
1987-88	34.30	52.34	45.67	6.67	13
1988-89	99.94	106.61	42.45	64.16	60
1989-90	...	64.16	58.83	5.33	8

(\*Includes unspent balance of Rs. 17.90 lakhs on 1st April 1985).

It was stated by the Administrative Department (December 1990) that funds under the scheme were being released in instalments and some times late at the close of the year resulting in non-utilisation.

The position regarding utilisation of funds by the RFLP, Jammu is indicated below :—

Year	Budget allotment	Expenditure	Savings
(Rupees in lakhs)			
1985-86	4.32	3.95	0.37
1986-87	5.05	4.33	0.72
1987-88	8.00	5.69	2.31
1988-89	8.27	5.12	3.15
1989-90	9.94	7.53	2.41
Total	35.58	26.62	8.96

In Doda, no allotment of funds was made during 1988-89 for purchase of teaching/learning materials and other equipment or for meeting contingent expenses of the AECs. During 1989-90, Rs. 3.97 lakhs were spent on salaries against allotment of Rs. 5.51 lakhs and Rs. 1.02 lakhs provided for training of instructors, supervisors etc. was surrendered.

### (iii) Implementation of the scheme

In Jammu and Kashmir State, 7 RFLPs with 1555 centres were set up between 1979 and 1982 at Jammu, Doda, Srinagar, Budgam, Bandipora, Leh and Kargil as indicated below :—

S.No.	Name of the District	Location of the project	Number of centres	Year of establishment
1.	Jammu	Jammu	250	1979
2.	Doda	Doda	255	1979
3.	Srinagar	Srinagar	250	1979
4.	Budgam	Budgam	150	1979
5.	Baramulla	Bandipora	150	1979
6.	Leh	Leh	200	1979
7.	Kargil	Kargil	300	1982
Total			1555	



According to guidelines issued by the Union Government, the number of centres in each project was to be raised to 300. Records revealed that no serious efforts were made to popularise the scheme with the result that the number of centres and the number of persons made literate in these projects declined over the years. The figures in respect of Jammu and Doda districts during the years 1985-86 to 1989-90 were as shown below :-

Year	Jammu			Doda		
	Number of sanctioned centres	Number of centres in operation	Persons made literate	Number of sanctioned centres	Number of centres in operation	Persons made literate
1985-86	250	230	6765	255	250	5318
1986-87	250	231	5897	255	242	5546
1987-88	250	223	5963	255	232	4600
1988-89	250	187	4499	255	220	4648
1989-90	250	177	4400	255	222	4704

The shortfall in enrolment under RFLP for the State as a whole ranged between 13 and 49 *per cent* during the five years 1985-86 to 1989-90 as indicated in the table below :-

Year	Number of sanctioned centres	Required enrolment @30 adults per centre	Actual enrolment	Shortfall in enrolment	Percentage of shortfall as utilisation of capacity
(Figures in lakhs)					
1985-86	1555	0.47	0.29	0.18	38
1986-87	1555	0.47	0.41	0.06	13
1987-88	1555	0.47	0.28	0.19	40
1988-89	1555	0.47	...	...	...
1989-90	1555	0.47	0.24	0.23	49

It was seen in audit that despite high illiteracy rate in the State (73.33 *per cent* of the population according to 1981 Census), enrolment in the Adult Education Centres was very poor.



Courses in AECs were to be conducted for 12 months. Quite a good number of centres were closed down prematurely. Table below shows the number of Adult Education Centres closed down prematurely in Jammu and Doda Districts during the five years 1985-86 to 1989-90 :-

Name of the Project		Number of centres closed down prematurely				
	Year	Before 5 months	Between 5-7 months	Between 7-9 months	Total	Expenditure involved
(Rupees in lakhs)						
Jammu	1985-86	3	4	4	11	0.10
	1986-87	6	1	...	7	0.06
	1987-88	...	1	1	2	0.02
	1988-89	3	1	...	4	0.03
	1989-90	2	3	6	11	0.10
Doda	1985-86	7	...	...	7	0.06
	1986-87	7	...	...	7	0.06
Total		28	10	11	49	0.43

Against sanctioned strength of 30 learners per centre, the average attendance was around 10-12 persons which indicated lack of motivation. It was stated by the project authorities that scattered population in the State made it difficult to attract 30 learners to each AEC.

A scrutiny of the attendance registers of 22 centres in Jammu and Doda districts revealed that the attendance of learners was unsatisfactory and ranged between 50 and 75 *per cent* in case of Jammu and 65 and 85 *per cent* in case of Doda.

The project authorities were to conduct detailed surveys of illiterates in the villages and mohallas in the project area, prepare socio-economic and cultural profile of the population and plan out phased programmes to ensure total eradication of illiteracy. Records revealed that while no such surveys were conducted in Kashmir Region, the surveys conducted in Jammu and Doda districts were not supported by necessary socio-economic and cultural profiles of the people living there. At the district and State levels no Action Plans for complete eradication of the illiteracy in the State had been drawn up.



The project authorities had to identify instructors and other workers and place them in charge of adult education centres. Records revealed that selection of supervisors were made without considering their ability, aptitude and interest. Besides, due to non-availability of funds the employees, instructors and other functionaries were not paid salaries, honorarium etc. in time. This created disinterest and discontent amongst them.

Government had to constitute project Advisory Committee consisting of representatives of the functionaries, local community, people's organisations and officials of the Development Departments concerned. No such committees had been constituted.

The Department had to arrange one time training and orientation programme for all adult education functionaries. No such training was given to Project Officers, Assistant Project Officers and other functionaries during the five years 1985-90. Instructors were given training for 10 days only instead of 21 days as required.

The project authorities had to collaborate with different development and welfare agencies for establishing linkage between adult education and the development programmes, etc. It was seen in audit that no headway in this behalf had been made so much so that even the modalities of integration between different agencies to make literacy as one of the basic inputs of development programmes, was yet to be worked out. According to the findings of a team of officers of NLM who inspected the schemes in June 1989, there was need for closer co-operation and co-ordination between the development agencies and the adult education functionaries. There was much overlapping and duplication of agencies which hampered the programme instead of showing any positive results.

In the State, different educational and literacy programmes were not co-ordinated by any common apex agency.

The project authorities had to organise social and cultural programmes and arrange activities like literacy jathas, rallies, fairs and festivals to promote mass mobilisation and create requisite climate conducive to literacy learning. No such programmes were organised. The media coverage and support to the programme at State level had not been appreciable.

The project authorities were required to procure necessary teaching/ learning materials and ensure their timely supply to the centres. Records, however, revealed that the centres were provided either inadequate materials or not at all. Out of 12 centres in Doda, test-checked, 6 were not issued any slates, 2 were not issued any pencils and 7 were given no ball-pens. In Jammu 153 trainees of 6 centres were given only 81 exercise

note books, 116 slates and 69 pencils. The basic literacy primers were available only in two languages viz., Urdu and Hindi and not in other languages like Kashmiri, Dogri, Bodhi etc. in use in the State. These primers prepared in 1978 had not been revised to bring them in conformity with the present day needs and the objectives of the NLM.

The Adult Education centres under RFLP Jammu had been functioning without teaching/learning materials since 1988.

The scheme received a set-back for want of proper accommodation at village level where the centres were functioning mostly at the residence of the Instructors.

### **(b) Post Literacy and Continuing Education**

#### **(i) Objectives**

The post literacy and continuing education was to be institutionalised through Jana Shikshan Nilayams (JSNs)-renamed as Awami Tailimi Markiz (ATM) in the State. Each ATM/JSN was to be set up for a cluster of 4-5 villages with population of about 5000. The objectives behind setting up of JSNs was to :-

- (a) provide facilities for retention, continuing education and application of functional literacy ;
- (b) disseminate information on developmental programmes ;
- (c) widen and improve participation of traditionally deprived sections of society ;
- (d) create awareness about national topics like national integration, family welfare, improvement of environment, women's equality etc. ;
- (e) improve economic conditions of people and increase productivity ; and
- (f) ensure healthy living and provide recreation.

These objectives were to be achieved by the JSNs/ATM by arranging evening classes, maintaining libraries, conducting reading rooms, charcha mandals, training programmes, sports, adventurous, recreational and cultural activities, information windows to secure information on various developmental programmes, communication centres equipped with radios, audio cassette player-cum-recorders and in some cases video cassette players.



The persons incharge of JSNs/ATM called Preraks were to be paid honorarium of Rs. 200 per month.

## (ii) Financial outlays and expenditure

The scheme was Centrally sponsored with cent *per cent* assistance from the Union Government. It was introduced in the State during 1987-88 and by the end of 1989-90, Union Government had released grants of Rs. 34.30 lakhs to the State as shown below :-

Year	Grants released by the Central Government	Funds available	Funds utilised	Unspent balances	Percentage of shortfall in utilisation of funds
(Rupees in lakhs)					
1987-88	17.85	17.85	...	17.85	100
1988-89	11.55	29.40	...	29.40	100
1989-90	4.90	34.30	29.40	4.90	15

Grants received during 1987-88 and 1988-89 viz., Rs. 29.40 lakhs were fully released by Government to the project authorities during 1989-90 for establishing 210 JSNs/ATM as shown below :-

S.No.	Name of the Project	Number of JSNs to be set up	Funds released
(Rupees in lakhs)			
1.	Jammu	32	4.48
2.	Doda	32	4.48
3.	Srinagar	39	5.46
4.	Budgam	24	3.36
5.	Bandipora	20	2.80
6.	Leh	25	3.50
7.	Kargil	38	5.32
Total		210	29.40

In addition to 210 JSNs/ATM mentioned above, Government was to establish 100 JSNs/ATM under a separate scheme viz., Border Area Development Programme.

### (iii) Implementation

The grants released in favour of each JSN/ATM included 50 *per cent* each for recurring and non-recurring expenditure. No JSNs/ATM were established as of December 1990 on account of delay in appointment of Preraks. Although Government had desired (September 1989) that selection of the Preraks in each division should be done by Divisional Level Committees comprising Director of School Education/Joint Director concerned and representative of the Administrative Department, no action was taken to make the JSNs/ATM functional as of December 1990. It was noticed in audit that the project authorities purchased materials and equipment not required immediately with the result that they were lying unutilised as indicated in the succeeding paragraphs.

The Project Officer, Jammu, was allotted Rs. 2.24 lakhs for non-recurring expenses for establishment of 32 Awami Tailimi Marakiz. He spent Rs. 1.83 lakhs at the close of the financial year 1989-90 on purchase of library books, musical instruments, sports materials, maps and other equipments without waiting for establishment of JSNs/ATM in the district and without approval of the District Level Purchase Committee. These items were lying unutilised (March 1991).

Similarly, for establishment of Awami Tailimi Marakiz in Doda district, the District Project Officer, Doda drew Rs. 3.27 lakhs from the Treasury in March 1990 against proforma bills of various suppliers and deposited the money in Jammu and Kashmir Bank Limited. Rupees 2.70 lakhs were subsequently withdrawn from the Bank and paid to various firms/suppliers, Rupees 0.28 lakh were advanced for supply of newspapers and periodicals to various centres and Rupees 0.29 lakh were still lying in the Bank. All this action was taken by the Project Officer despite the fact that the scheme of opening the JSNs/ATM was kept pending as decided in a meeting of the District Level Officers.

### (c) Strengthening of Administrative Structure

Under this scheme, introduced in 1978-79, the States were given *cent per cent* Central assistance (staff liability) for creating necessary administrative structure for purposeful implementation of Adult Education Programme. Jammu and Kashmir State was authorised additional staff both at the State level and the project level. Provision for purchase of a vehicle was also made.



The revised scheme had, however, not been implemented by the State Government so far (December 1990). This has affected the programme adversely especially with respect to the objectives laid down by the NLM.

The proposals for revision of staff requirements were stated (December 1990) to be under the consideration of Government.

The NLM envisaged setting up of a Literacy Mission Authority at State level. No such Authority had been set up as of December 1990.

#### **(d) Mass Programme for Functional Literacy**

##### **(i) Objectives**

The National Policy on Education (1986) envisaged Mass Programme for Functional Literacy (MPFL) to convert the limited scope of the National Adult Education Programme into a mass programme by involving youth, teachers, students, workers, universities, colleges, trade unions, individuals, voluntary organisations etc. To begin with it was decided that 35 per cent of the National Service Scheme (NSS) students and 25 per cent of the National Cadet Corps (NCC) strength would be involved in propagation of adult education. Under the scheme, the student volunteers would be required to impart literacy course for approximately 150 hours each during summer vacations and pooja holidays. Literacy kits of these students were to be made available by the University of Kashmir. The objective was to make literacy a people's mission to pose mass literacy programme as a challenge for the youth, to secure participation of the disciplined forces and to lay stress on women's participation.

##### **(ii) Implementation**

During the years 1986-87 to 1989-90 the Union Government released Rs. 5.65 lakhs to the University of Kashmir for preparation and supply of literacy kits to the NSS and non-NSS volunteers. As observed by the Director General, NLM during his visit of the State (June 1989), the involvement of student volunteers of NSS, non-NSS and NCC in the MPFL was negligible and much more needed to be done to give a push to their involvement. No reports regarding persons made literate by the volunteers were available.

#### **(e) Technology demonstration**

##### **(i) Objectives**

The scheme envisaged application of findings of scientific and technological research to improve the pace and quality of the literacy programme.

Among 40 districts identified for development, transfer and application of technopadagogic inputs, 2 districts of Jammu and Kashmir viz., Jammu and Poonch were selected for the purpose.

Some of the activities to be covered under this scheme through different agencies (nominated by the Ministry) were

- (a) production/maintenance of solar packs ;
- (b) production of improved petromax/lanterns ;
- (c) production of improved black boards ;
- (d) development of teaching aids ; and
- (e) development, installation, maintenance of TV, VCR, and radio sets, computers etc.

#### **(ii) Implementation**

The scheme had not been implemented in the State with the result that the teaching methods under the programme did not show any improvement.

In the Jammu project the audio-visual equipment along with a van costing Rs. 1.30 lakhs purchased had been lying un-utilised since June 1988. The services of the Driver-cum-Projectionist appointed in June 1988 could not be utilised as he did not possess a driving licence. An amount of Rs. 0.28 lakh was paid as salary to the driver till June 1990.

As regards improvement in other teaching/learning materials, the quality of writing slates issued to the trainees was reported to be so poor that writing on them hardly left any legible impression. Other modern teaching aids were also not used in the centres.

#### **(f) Shramik Vidyapeeths**

##### **(i) Objectives**

Shramik Vidyapeeths are run as autonomous organisations by a University or by a voluntary agency or by the State Government as a registered body.

Under the NLM, the scope and functions of Shramik Vidyapeeths are to meet the various learning needs of the workers, to improve their occupational and technical skills, to enrich their personal life, to widen their range of knowledge and understanding of social, economic and political system in order to create in them a critical awareness about the



environment and their own predicament. The functions of the Vidyapeeths include identifying the educational needs of different categories of workers and their family members, organising literacy, vocational and technical programmes, undertaking training and preparing teaching/learning materials etc.

### (ii) Funding

Funds for establishment of Shramik Vidyapeeths and for expenditure on salaries of full-time staff, rent for the premises, transport and some equipment for organising the programmes etc. are provided by the Union Government.

### (iii) Implementation

In Jammu and Kashmir State a Shramik Vidyapeeth was established under Societies Registration Act in March 1984 with a view to catering to the needs of urban areas of Jammu with about 0.05 lakh industrial workers.

Table below shows the position of grants sanctioned and released by Union Government and the expenditure incurred by the Vidyapeeth during the years 1985-86 to 1989-90 :-

Year	Amount sanctioned	Amount received by the Vidyapeeth	Expenditure incurred by the Vidyapeeth out of grant-in-aid
(Rupees in lakhs)			
1984-85	1.65	...	...
1985-86	2.77	1.65   2.77	1.65   2.77
1986-87	2.86	2.79	2.79
1987-88	1.45	1.27	N.A
1988-89	...	...	...
1989-90	5.00	...	...
Total	13.73*	8.48*	7.21

\*Funds sanctioned for the year 1989-90 were not released. The remaining difference was due to some adjustments carried out by the Ministry in 1986-87 and 1987-88.

After working for two years viz., 1985-86 and 1986-87, the Vidyapeeth was closed down on 1st April 1987 due to mis-management.

The number of programmes conducted by the Vidyapeeth during 1985-86 and 1986-87 are shown in the table below :-

Year	Number of programmes		
	Targeted	Actually conducted	Number of beneficiaries
1985-86	164	164	6164
1986-87	243	243	N.A.

### 3.2.6 Monitoring and evaluation

It was seen in audit that there was no scientific system of monitoring and evaluating the impact of the programme on the illiterate adults of each project area. A monitoring cell required to be created in the Directorate of Adult Education had not been set up. The copies of the reports prepared by the project officers were not received regularly by the Administrative Department with the result that the overall position regarding implementation of various schemes in the State was not available.

Various reports submitted by the Project Officers revealed a number of shortcomings in the working of the projects, but no corrective measures were taken.

3.2.7 The points mentioned in this Review were referred to the Government in February 1991 ; reply has not been received (November 1991).

## Forest Department

### 3.3 Ecology and environment

#### 3.3.1 Introduction

In recent years, visible changes have appeared in the State's ecology and environment which have resulted in fast receding tree-line, recurring floods, sedimenting water bodies etc., and all these have had an impact on the State's economy, viz., agriculture, forest wealth, climate and tourism. In order to arrest the continuing change in the environment and prevent further deterioration of the environment the Government created a Directorate of Ecology and Environment in March 1987, under the administrative control of the Forest Department.

The abbreviations used in this Review are listed in the glossary in Appendix 10 (Pages : 173-174).



Pollution Control is another important environment-oriented activity. In order to monitor, prevent and control industrial and urban pollution, the State Board for Prevention and Control of Pollution (Board), a Statutory body, was constituted in the year 1976 under the Water (Prevention and Control of Pollution) Act, 1974. This Board was re-constituted in December 1986.

### 3.3.2 Audit coverage

The activities of the Pollution (Prevention and Control) Board and the Directorate of Ecology and Environment for the three years ending 31st March 1990, were reviewed in audit and the findings of the test-check are contained in the succeeding paragraphs.

### 3.3.3 Highlights

—The State Board for Prevention and Control of Pollution, constituted in the year 1976, has not made any significant progress in laying down a policy framework for implementation of anti-pollution laws and regulations.

(Paragraph : 3.3.4 (b))

—The Board was not able to fully utilise the funds received from State and Central Governments resulting in accumulated unspent balances.

(Paragraph : 3.3.4 (c))

—Required infrastructure for surveillance activity was not established even though an expenditure of Rs. 53.02 lakhs was incurred for the purpose during March-September 1989.

(Paragraph : 3.3.4 (d))

—Co-ordination between different Government agencies in enforcing anti-pollution measures was lacking due to which the Board was not able to fully discharge its regulatory functions.

(Paragraph : 3.3.4 (e))

—The Board had neither prepared its accounts nor taken action to get its accounts audited as required under the Act. Cash Book was not maintained after April 1989.

(Paragraph : 3.3.4 (f))

—The Directorate of Ecology and Environment created in the year 1987, has not framed policy guidelines relating to ecology, environment and pollution in the State.

(Paragraph : 3.3.5 (b))

—District level environmental committees constituted in April 1987 did not make any progress in enforcement of statutory enactments as these were yet to become functional.

(Paragraph : 3.3.5 (b))

### **3.3.4 Board for Prevention and Control of Pollution**

#### **(a) Aims and objectives of the Board**

In pursuance of the various laws relating to prevention and control of pollution of water, air and environment, the Board was constituted with the following objectives :

- to advise Government on matters relating to prevention, control and abatement of pollution ;
- to enforce pollution control in water-bodies, air pollution control zones and areas declared to be prone to noise pollution ;
- to lay down policies and framework for conducting inspections of industrial areas and report on their performance for installation of anti-pollution devices ; and
- to keep under constant surveillance air control zones as declared by Government.

#### **(b) Functioning of the Board**

Though the Board was constituted in 1976, the rules laying down the manner in which the provisions of the laws were to be implemented were notified by the Government only in 1987 after a gap of 11 years. Thus, the Board could not implement the provisions of anti-pollution laws during the period 1976 to February 1987. The Board is required to meet at least once in every three months to deliberate and discharge its functions. The Board had, since its inception, met only three times as of January 1991, in May 1987, October 1987 and July 1988. The Board was also required to send an account of its activities during the previous financial year to the Government by 15th of May each year for placing before the Legislature. No such report was prepared by the Board (January 1991).



**(c) Availability and utilisation of funds**

Funds received by the Board and expenditure therefrom, as indicated in Appendix 6 reveal that Government provided grants to the Board far in excess of requirements resulting in cumulative unspent balance of Rs. 10.71 lakhs at the end of March 1990. The unspent balance was not managed properly and was held in non-interest bearing current account resulting in loss of interest-income which, otherwise, could have been earned by the Board by short-term investment of idle funds with commercial banks.

To meet its short-term requirements, Government raised loans from the Jammu and Kashmir Bank Limited at an interest rate upto 16.5 *per cent* per annum. Release of funds by Government which could not be utilised by the Board was, therefore, not proper.

**(d) Establishment of laboratories**

The Board was required to establish or specify one or more laboratories for testing the various effluents and emissions into water, air or on land to detect the possible sources of pollution. The Board was also required to notify, with the approval of Government, the appointment of an analyst. While the notification for the appointment of an analyst was yet to be issued (January 1991), Government sanctioned (March 1989) the transfer of the campus and machinery of the erstwhile Drug Research Laboratories at Srinagar and Jammu from the Jammu and Kashmir Industries Limited (a Government Company) to the Board for establishment of its laboratories. Part of the campus at Jammu was accordingly occupied by the Board.

Action for purchase of equipment for testing of liquid effluents was initiated by the Board in January 1988 and orders for two sets of equipment placed on a foreign supplier, through the State Trading Corporation of India, in July 1989. Advance payment of Rs. 38.69 lakhs was made by the Board to the Corporation, for the purpose, between June 1989 and September 1989. Letter of credit for supply was opened in October 1989 and the equipment was to be supplied within two to three months thereafter. The equipment was airlifted by the supplier to India in April 1990 *i. e.* 5 months after opening the letter of credit.

The equipment received at New Delhi on 1st April 1990 remained with the International Airports Authority of India upto 22nd August 1990 when it was cleared by the clearing agent, appointed earlier by the Board in May 1990, after payment of demurrage charges of Rs. 0.20 lakh. The equipment was still lying (January 1991) with the agents at Delhi. The supplier's agent in India asked (December 1989) the Board to make pre-installation arrangements, including provision of air-conditioned rooms and other facilities for the equipment. Action was yet to be taken as of December 1990.

It will be thus seen that due to delay in clearance of the equipment and delay in making pre-installation arrangements, the Board failed in its primary responsibility of curbing pollution activities.

Orders for purchase of two sets of equipment (cost : Rs. 14.33 lakhs) for testing industrial emissions were also placed with a firm in March 1989 to be supplied within 80 days of placing the order. But the equipment was received after a lapse of about 15 months in May 1990. The Board reported (December 1990) that the equipment for Jammu laboratory was being partially used while the equipment for Srinagar laboratory continued to remain (January 1991) in the stores at Jammu.

#### (e) Implementation of laws

##### (i) Grant of consent

The main regulatory provisions of the anti-pollution laws on which consent was to be given by the Board and which had a significant bearing on the pollution control activities of the Board and the extent to which these provisions had been implemented are given below :-

Section	Law	Statutory requirement	Action taken
25	Water (Prevention and Control of Pollution) Act, 1974	Board's consent required to bring into use any new or altered outlet for effluents	250 applications for Board's consent received upto December 1990. Conditional consent granted in 79 cases while 171 cases were pending (December 1991).
26	do.	Board's consent required for outlets for effluents in existence before the commencement of the Act, <i>ibid</i>	Date of effect of this provision is yet to be notified by the Government (December 1990).
25(6)	do.	Board is required to maintain a consent register indicating particulars of cases where consent has been granted	The register has not been maintained by the Board.
21	Air (Prevention and Control of Pollution) Act, 1981	Board's consent required to operate any industrial plant (for the purpose of any industry) specified in the schedule of the Act,	Action taken by the Board to implement the provision could not be verified from the records produced to Audit. However, a number



Section	Law	Statutory requirement	Action taken
		in an air pollution control area	of cement plants were operating in the Kashmir valley without specific consent of the Board.
51	Air (Prevention and Control of Pollution) Act, 1981	Board is required to maintain a consent register indicating particulars of cases where consent had been granted	The register had not been maintained by the Board.

### (ii) Establishment of State laboratories

Under anti-pollution laws relating to water and air, Government was required to specify or establish a State water and a State air laboratory for conducting tests of water effluents/exhausts. While staff for the State laboratories was sanctioned in August 1987, no action was initiated for establishment or notification of the laboratories. Government was also required to notify the appointment of an Analyst. This was not done (January 1991). Establishment or notification of the State laboratory and the appointment of an Analyst was essential for the enforcement of the provisions of the anti-pollution laws relating to water and air.

### (iii) Enforcement of anti-pollution measures

According to information furnished to Audit, the Board conducted inspections and collected samples of effluents and/or exhausts from 18 industrial units in the State during the period January 1988 to December 1990. 10 units were found to be discharging polluting effluents/exhausts. The Board stated (December 1990) that action was taken to launch legal proceedings in three cases and that non-co-operation of other Government agencies like Directorate of Industries, J&K State Industrial Development Corporation, District Industries Centres etc. hampered launching of legal proceedings against the offenders. Action taken in other 7 cases is awaited (January 1991).

### (f) Accounts and Audit

The Board was required to prepare annual accounts in the prescribed format and get them audited by an auditor appointed by the State Government. The Board had neither prepared any accounts (January 1991) nor taken any action to appoint an Auditor and get its accounts audited as provided in the Act. The Board had not maintained record of cash

transactions (Cash Book) after April 1989. Test-check of records produced also revealed that against the consent fee of Rs. 1.61 lakhs collected by the Board during the years 1987-88 and 1988-89, receipts of Rs. 1.30 lakhs only were accounted for in the cash book. Against the available unspent cash balances of Rs. 21.40 lakhs and Rs. 36.32 lakhs at the end of March 1988 and March 1989 respectively, the balances according to the cash book were only Rs. 21.19 lakhs and Rs. 26.76 lakhs respectively. The variation of Rs. 0.21 lakh and Rs. 9.56 lakhs in the cash balances at the end of March 1988 and March 1989 respectively could not be explained.

**(g) Other points of interest**

**(i) Infuctuous expenditure on purchase of equipment**

The equipment for the air laboratories purchased by the Board included two sets each of source monitoring models of Fluorescent Sulphur Dioxide Analyser and Chemiluminiscent Oxides of Nitrogen Analyser. One Fluorescent Sulphur Dioxide Analyser for monitoring atmospheric emissions of fertiliser and detergent factories is being used in Jammu Region, where some detergent plants are located. The other set for Srinagar laboratory and the two chemiluminiscent Oxides of Nitrogen Analysers (Rs. 6.53 lakhs) for monitoring of atmospheric emission of Nitric Acid and Nitrogenous fertiliser factories are not being used by the two laboratories as such factories are not located in the regions.

**(ii) Ineffective utilisation of human resources**

To man the Board Laboratories, scientific and laboratory staff were appointed without sanction in November-December 1988.

Since laboratories were not operational till January 1991, the appointment of the staff in anticipation of the establishment of laboratory and payment of Rs. 1.56 lakhs as pay and allowances to them upto March 1990 resulted in ineffective utilisation of the human resources. Reasons for such defective planning and appointment of the staff, when the laboratories were yet to come into existence, were not available on record.

**(iii) Indus Basin Study**

An amount of Rs. 1.25 lakhs was received from the Central Board for Prevention and Control of Pollution in July 1989 for conducting Indus Basin Studies. No such study was conducted by the Board as of December 1990. The Board stated (December 1990) that the study could not be conducted due to disturbances in the valley. The Board had not ascertained if the study could be conducted in Ladakh Region where the Indus River flows.



### **3.3.5 Directorate of Ecology and Environment**

#### **(a) Objectives**

Government created a separate Directorate of Ecology and Environment in March 1987 under the administrative control of Forest Department.

The aims and objectives of this Directorate were :-

- (i) to frame policies for pollution control ;
- (ii) to protect natural resources ;
- (iii) to implement Environment Protection Act ;
- (iv) to assess environmental impact of developmental schemes and other activities, natural or man made ;
- (v) to restore degraded environment ;
- (vi) to survey and monitor natural resources through remote sensing ; and
- (vii) to bring about environmental awareness.

#### **(b) Planning and policy implementation**

(i) The Directorate of Ecology and Environment was created in March 1987 but policy guidelines relating to ecology, environment and pollution had not been framed as of January 1991. Many developmental activities of the State viz., exploitation of forest wealth, intensive agriculture, industrialisation, tourism, etc. have an impact on the ecology and environment of the State. Reasons for not framing the environmental policies were not on record. The Director, Ecology and Environment stated (February 1990) that survey, monitoring and remedial control of environmental problems were not taken up as the staff required for the purpose was not in position.

(ii) The Environmental (Protection) Act, 1986 passed by the Parliament (May 1986) is applicable to the whole of India. Government of India also notified (April 1987) the Secretary, Environment of the State Government and Chairman and Member-Secretary of the State Board for Prevention and Control of Pollution as the authorities for cognizance of offences under the Act. During audit, it was, however, observed that no action was taken by the Directorate till January 1991 for enforcement of the provisions of the Act. Director, Ecology and Environment, stated (December 1990) that an Environment (Protection) Act for the State was under process. It was also

stated (February 1990) that in absence of any environmental law, the Department could not operate against the offenders. No reasons were on record for initiating action for framing a separate law for dealing with environment protection, when a Central legislation for the purpose was already available and applicable in the State.

(iii) Government constituted an Ecology and Environment Board in September 1976. The Board was re-constituted in January 1984. The Board has held only three meetings (January 1987, May 1987 and June 1987) since its constitution.

(iv) For promoting environmental awareness, identification of environmental problems, formulation of environment related programmes, etc., Government constituted in April 1987, District Level Environmental Committees with District Development Commissioners as Chairmen. The Directorate of Ecology and Environment was responsible for monitoring the activity of the committees. The Director, Ecology and Environment stated (December 1990) that although committees were formed, no action on ground level was taken, for which reasons were not intimated.

#### **(c) Utilisation of funds**

The position of funds placed at the disposal of the Directorate and utilisation of funds during the period 1987-88 to 1989-90 is indicated in Appendix 7.

Utilisation of funds provided by the State Government was *cent per cent* during 1987-88 and 1988-89 and *83 per cent* during 1989-90. Utilisation of funds provided by the Government of India was low. This was attributed to the infrastructural constraints.

#### **(d) Operative functions**

##### **(i) Environment impact assessment studies**

The Directorate undertook 8 ecology-related and 6 development-related schemes for environmental impact assessment studies during the years 1988-89 and 1989-90. The Director, Ecology and Environment stated (December 1990) that his recommendations on the implementation of the schemes were not carried out by the implementing agencies and that no action could be taken for non-compliance with the guidelines, as the State did not have any Environmental Protection Act. Government of India sanctioned (August 1986) a payment of Rs. 7.00 lakhs to the State for conducting environment impact studies on Pahalgam due to tourist influx (Rs. 4.00 lakhs) and environment impact studies on cement factories in the State (Rs. 3.00 lakhs). Funds received by the State Government in October



1986 were not released to the Department nor were the required studies taken up by the Directorate.

**(ii) Restoration of degraded environment-development of water bodies**

Government sanctioned (November 1989) an amount of Rs. 1 lakh during 1989-90 for development of water bodies for Wullar and Nilanag lakes. While no expenditure was incurred out of these funds on development of Wullar lake, an expenditure of Rs. 0.59 lakh was incurred by the Directorate on manual dewatering of Nilanag. Expenditure for dewatering of Mansbal lake (Rs. 0.46 lakh) was also incurred (August 1989) though not envisaged in the original plan by the Directorate.

The budgetary allocation of Rs. 2.00 lakhs for development of wetlands during 1988-89 was reported to have been spent in full by the Directorate for the purpose. A reference to the records of the Directorate, produced to Audit, did not reveal any details of expenditure on the scheme during the year. Particulars were not furnished to Audit by the Directorate.

**(e) Survey and monitoring of natural resources**

(i) To assist planning, based on agro-climatic zones, the National Remote Sensing Agency sanctioned (June 1989) an amount of Rs. 3.66 lakhs to Government for preparation of land use mapping of various districts of the State. The work was to be completed by the Directorate by the end of 1990. An amount of Rs. 0.50 lakh received by the State Government in July 1989 was not utilised by the Directorate as of December 1990. The Director, Ecology and Environment stated (December 1990) that the work had been started but could not be completed for want of staff.

(ii) Government of India sanctioned an amount of Rs. 20.00 lakhs for procurement of Image Interpretation and Analysis equipment, remote sensing data products etc. The amount released in September 1989 has not been utilised (January 1991). The Director, Ecology and Environment, stated (December 1990) that the required equipment would be purchased after building, under construction, was ready for occupation by the Department.

**(f) Environmental awareness**

(i) Against a budget provision of Rs. 10 lakhs the Directorate reported an expenditure of Rs. 8.80 lakhs on environmental publicity during the period April 1987 to March 1990. Departmental records, however, revealed an expenditure of Rs. 4.30 lakhs only on environmental publicity in the form of advances paid to various educational institutions for celebration of environment weeks. Details for the expenditure of Rs. 4.50 lakhs were not available from the records produced to Audit.



(ii) Detailed accounts in respect of advances paid to the educational institutions were awaited (January 1991). No survey was conducted by the Directorate to assess the impact of the expenditure on environmental publicity on the target groups.

**(g) Other points of interest**

**(i) Establishment of science clubs**

The Directorate advanced Rs. 1 lakh each to Sri Partap College, Srinagar and G.M. Science College, Jammu in March 1988 for establishment of science clubs. Details and objectives of the science clubs and their role in ecology and environment preservation was not available from the records of the Directorate. Follow-up action, if any taken, was not recorded. Detailed accounts for the amounts advanced were also not called for from the institutions concerned. The Directorate did not, as such, ensure that expenditure was incurred on the objectives for which the grants were given.

**(ii) Sponsored research**

The Directorate advanced Rs. 3.51 lakhs to various individuals and institutions, as detailed in Appendix 8 during 1987-88 and 1988-89 for undertaking sponsored research. Particular areas in which the research was to be conducted, utilisation of funds advanced and results of the sponsored research programmes, were not available from the records of the Directorate. The utility and benefits proposed to be achieved by spending the amount is, therefore, not known.

**3.3.6** The points mentioned in this Review were reported to Government in March 1991 ; reply has not been received (November 1991).

**3.4 Wildlife preservation in Jammu region**

**3.4.1 Introduction**

The State is endowed with a remarkable avifauna and offers an ideal breeding ground for about 50 species of mammals and over 300 species of birds. The State is also an abode for migratory water fowls due to its location on the fly way of the migrants from Siberia to the plains of India.

For the protection of wildlife the Jammu and Kashmir Wildlife (Protection) Act, 1978 was passed in May 1978. The Jammu and Kashmir Wildlife (Protection) Rules, 1978 were framed in January 1979.

Department for wildlife came into existence in the year 1982, but the activities of wildlife preservation were extended to Jammu region in

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The abbreviations used in this Review are listed in the glossary in Appendix 10 (Pages : 173-174).



September 1980 when the Office of Regional Wildlife Warden was created in Jammu under the control of the erstwhile Game and Fisheries Department. Government accorded sanction for the notification of various National Parks, Sanctuaries and Games Reserves in terms of Section 17 (1) of the Act in February 1981.

### **3.4.2 Objectives proposed to be achieved**

The activities of the Department in terms of the objectives proposed to be achieved can broadly be categorised into the following groups :—

- (i) Education-oriented activities
- (ii) Research-oriented activities
- (iii) Conservation-oriented activities
- (iv) Tourism-oriented activities

For achieving these objectives, the following schemes were implemented according to annual plans :—

- (i) Nature Club Project
- (ii) Research Survey and Census
- (iii) National Parks and Sanctuaries
- (iv) Small and Big Game Reserves
- (v) Wetland Reserves
- (vi) Captive Breeding and Rehabilitation Programme.

In addition to the above programmes, Government of India also funds on 50 : 50 basis the following Centrally sponsored schemes :—

- (i) Nature Education and Interpretation Programmes ;
- (ii) Development of National Parks and Sanctuaries ;
- (iii) Assistance for Development of National Parks under Project-Snow Leopard ;
- (iv) Captive Breeding and Rehabilitation of Endangered Species ; and
- (v) Assistance for Control of Poaching and Illegal Trade.

**3.4.3 Financial outlay**

The year-wise allocation of Plan funds in the State Budget and the expenditure incurred during the period 1987-88 to 1989-90 on the various schemes are given below :-

S. No.	Name of the scheme	1987-88		1988-89		1989-90	
		Allot-ment	Expendi- ture	Allot-ment	Expendi- ture	Allot-ment	Expendi- ture
(Amount in lakhs of rupees)							
1.	Nature Club Project	3.61	3.97	6.10	5.90	0.60	0.60
2.	Research Survey and Census	0.05	0.05	0.72	0.72	2.00	3.05
3.	National Parks and Sanctuaries	20.06	17.08	8.58	8.34	20.74	21.26
4.	Small and Big Game Reserves	...	...	0.95	0.95	...	...
5.	Wetland Reserves	0.03	0.03	0.02	0.01	1.06	1.05
6.	Captive breeding including establish- ment of Fur Pheasant and Chakore Duck Farm	...	...	0.40	0.39	2.50	2.51
Total :		23.75	21.13	16.77	16.31	26.90	28.47

**3.4.4 Audit coverage and findings**

The records of the Regional Wildlife Warden, Jammu and those in the Administrative Department for the period 1987-88 to 1989-90 were test-checked in audit and the results of the test-check in terms of the achievement of the various objectives are given in brief below :-

**(a) Role of Wildlife Advisory Board**

Under Section 5 of the Jammu and Kashmir Wildlife Protection Act of 1978 Government was to constitute a Wildlife Advisory Board with the Minister incharge Forest/Wildlife as Chairman, two MLAs, Secretary Forest/Wildlife,



an officer nominated by the Director of Wildlife Preservation, Government of India, Chief Conservator of Forests, Chief Wildlife Warden and a maximum of 15 officials/non-officials nominated by State Government as its members. The Board was to advise the Government

- (i) in the selection of the areas to be declared as Sanctuaries, National Parks, Games Reserves and Closed Areas and administration thereof ;
- (ii) in formulation of the policy in granting licence and permits under the Act ;
- (iii) in any matter relating to the amendment of any schedule ; and
- (iv) in any matter connected with the protection of Wildlife which may be referred to it by the Government.

(i) The Board was required to meet at least twice a year and the term of office of a Member of the Board was 3 years from the date of his appointment. The reports brought out by the Board were to be placed before the State Legislature. The Board was first constituted in 1980 but met only 4 times ; the last meeting held was in September 1987. There was also nothing on record to show that any of its reports had been presented to the Legislature.

(ii) In June 1987, the Board recommended to the Government establishment of the following proposed Wildlife sanctuaries in Jammu province :-

- (i) Padri Catchment
- (ii) Banasare Catchment
- (iii) Kigai and Kiar Catchment
- (iv) Paribagh to Palmer area

The Advisory Board also resolved (September 1987) to depute a survey team to Billawar for exploring the possibility of establishing a sanctuary at Suchar forest. The Chief Conservator and the Chief Wildlife Warden were also asked to get the area examined. No progress had been made as of December 1990.

The following were some of the other decisions taken by the Advisory Board :-

- (i) the subject of the Wildlife conservation should get adequate representation in the curricula of schools and colleges ;

- (ii) a sub-Committee comprising Director General (Information), Director (Doordarshan), Director (Radio Kashmir) and Chief Wildlife Warden was constituted to take necessary steps to promote conservation education in the schools ;
- (iii) flags on wildlife were decided to be issued to various schools and colleges for sale amongst the students and the proceeds to be utilised for promoting the cause of environment conservation ; and
- (iv) the books on Wildlife of Jammu and Kashmir and picture cards issued by the Department were to be made available at the counters of Tourism Department and at airports etc.

No records were available to show that any effective follow-up action was taken on these recommendations.

**(b) Progress in notification of National Parks and Sanctuaries etc.**

Government issued sanction in February 1981 for notification of one National Park, 4 Sanctuaries and 9 Game/Wetland Reserves for preservation and development of Wildlife in Jammu region, but actual notifications in respect of the National Park and 3\* sanctuaries were issued only in April 1990. The reasons for the delay/non-issue of the notifications were not intimated to Audit.

**(c) Education-oriented objectives**

(i) The Department proposed to achieve this objective through establishment of Interpretation Centres which would impart conservation education to general public. For creating awareness on conservation of environment in general and wildlife in particular, students from various schools and colleges were to be invited to the wildlife reserves for teaching them the concept of conservation. It had also to provide assistance to members of various nature clubs (non-official voluntary organisations interested in the study of nature and wildlife) for visiting Wildlife Reserves and also provide trekking facilities to them.

(ii) For imparting conservation education to general public, the construction of the Indira Gandhi Interpretation Centre at Ramnagar sanctuary was taken up in February 1988 at an estimated cost of Rs. 7.04 lakhs for completion within 4 to 5 months. Though an amount of Rs. 13.47 lakhs was advanced to Jammu and Kashmir Projects Construction Corporation Limited during February 1988 to March 1990 by the Regional Wildlife Warden, Jammu, the work had not been completed as of January 1991. In the meantime, the State Government ordered (October 1990) the handing over on hire basis (for a period of 6 months extendable by another period

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\*Ramnagar, Nandini, Surinsar/Mansar.



of 6 months) of the incomplete building to Doordarshan Kendra for use as a studio. This action not only delayed the accrual of the intended benefits from the Interpretation Centre but also adversely affected the animal life and atmosphere within the sanctuary through changed land use, floodlights set up by Doordarshan for operational purposes and noise pollution from power generators.

(iii) Central financial assistance, on 50 : 50 basis, of Rs. 3.60 lakhs for the years 1986-87 and 1987-88 was received from Government of India for wildlife preservation and interpretation programme. State Government was required to spend this amount on :

- (i) preparation of education material ;
- (ii) designing and preparation of display material ;
- (iii) development of audio-visual and film library ; and
- (iv) fitting and furnishing of Centre.

This Central financial assistance was meant for 5 Interpretation Centres, one each in Jammu, Leh and Kargil Districts and two in Kashmir. From the records, it was observed that no funds were allotted to the Regional Wildlife Warden, Jammu for meeting these objectives. The manner of utilization of the assistance and information whether the State provided the matching contribution was not furnished (November 1991).

**(d) Research-oriented objective**

The research activity comprises conducting animal survey and census of wildlife population, research and preparation of ecological-cum-management plans for National Parks and Sanctuaries and efforts to promote and propagate captive breeding of various rare and endangered species of animals and birds.

(i) On conducting the survey and census of wildlife an expenditure of Rs. 3.82 lakhs was incurred during 1987-90. It was, however, seen from the records examined by Audit that an expenditure of Rs. 1.82 lakhs was not related to the said objective inasmuch as Rs. 0.05 lakh (1987-88) and Rs. 0.72 lakh (1988-89) were expended on daily-wagers engaged for cleaning of animal enclosures and watch and ward staff, and Rs. 1.05 lakhs (1989-90) were incurred on purchase of photostating machine for use in the office of the Chief Wildlife Warden at Srinagar (Kashmir).

(ii) Against the total Central assistance of Rs. 7.58 lakhs received by the State Government in 1987-88 for the Project "Snow Leopard Recovery Programme" to be implemented in Kishtwar National Park, Rs. 5.90 lakhs were allotted to the Regional Wildlife Warden, Jammu. The Regional Wildlife Warden incurred an expenditure of Rs. 3.99 lakhs only during 1987-88. No expenditure was incurred on survey and census. The manner in which the balance assistance of Rs. 3.59 lakhs was utilised could not be ascertained from the records.

**(e) Conservation and tourism-oriented objective**

This objective of the Department was linked with the conservation/development of the various National Parks, wildlife sanctuaries and reserves and development/conservation of the wildlife habitat therein and also preservation of the environment and maintenance of the eco-balance. The development of these places also plays an important role in the promotion of wildlife tourism.

(i) The destruction of wildlife has definite relationship with the increase in the mobility of people in the habitats of the wild animals. With this in view, grazing within the National Parks and Sanctuaries, is prohibited under the Wildlife Act of 1978. Check of records, however, revealed that grazing has been allowed in the Kishtwar National Park and the Wildlife Sanctuaries, which was attributed to the Government initiative to allow grazing in the buffer zone of the sanctuaries.

(ii) For the preservation of wildlife, the Wildlife Protection Act of 1978 prohibits hunting of wild animals except on the basis of licence granted and the conditions specified in the licence. The holder of every licence is required to maintain a record of wild animals killed, captured or wounded. He is also required to intimate in writing to the Department the particulars of such animals, not later than fifteen days from the date of such killing etc. or before leaving the area specified in the licence. The holder of the licence is also required to surrender the records maintained by him not later than fifteen days from the date of expiry of such licence.

Though the following licences were issued during the period 1987-88 to 1989-90 no records of the animals killed, captured or wounded were either maintained or obtained from the licensees :

Year	Number of licences issued	Amount realised
1987-88	50	Rs. 0.08 lakh
1988-89	50	Rs. 0.07 lakh
1989-90	52	Rs. 0.08 lakh



This lack of follow-up on this important provision showed slack control on "Wildlife Conservation".

(iii) Government of India sanctioned for the years 1986-87 to 1989-90, a sum of Rs. 4.80 lakhs under the Centrally sponsored scheme "Control of Poaching and Illegal trade in Wildlife" on a 50:50 sharing basis. The Central assistance remained unutilised as of January 1991, reasons for which were not stated.

(iv) Central financial assistance of Rs. 8.95 lakhs was provided during the year 1989-90 for the development of wildlife sanctuaries of Jammu on various activities as detailed below :-

**Ramnagar Sanctuary**

- |                        |                |
|------------------------|----------------|
| (i) Chain link fencing | Rs. 5.00 lakhs |
| (ii) Soil Conservation | Rs. 0.10 lakh  |

**Jasrota Sanctuary**

- |                        |                |
|------------------------|----------------|
| (i) Chain link fencing | Rs. 3.85 lakhs |
|------------------------|----------------|

The amount remained unutilized with the Department till March 1990 when it was advanced to Jammu and Kashmir Projects Construction Corporation Limited for executing the fencing work which is yet to be taken up (January 1991). Financial assistance was to be provided to those sanctuaries which had been notified under the appropriate legislation. While the Ramnagar Sanctuary was notified only in April 1990, the notification in respect of Jasrota Sanctuary was yet to be issued (January 1991). The utilization of financial assistance in these cases was, therefore, premature.

3.4.5 The points mentioned in this Review were referred to Government in March 1991 ; reply has not been received (November 1991).

**Home Department**

**3.5 Improvement in traffic system in Jammu city**

**3.5.1 Introduction**

(a) Jammu, the winter Capital of the State, has undergone rapid urbanisation during the past two decades. It is also an important commercial and trading centre and a major rail-head and as such attracts a large volume of commercial

and tourist traffic. The population of Jammu (within Municipal limits) which was 2.06 lakhs in 1981 was (1989-90) estimated at 5 lakhs. Besides this, the inflow of domestic and foreign tourists on year-wise basis was as given below :-

Year	No. of tourists (In lakhs)
1988	24.83
1989	26.51
1990	21.82

(b) The number of motor vehicles registered at Jammu increased from 26721 in 1981-82 to 62987 in 1989-90. Besides, the inflow of goods and tourist vehicles moving in and out of the city year-wise was as given below :-

Year	Import side	Export side
	(figures in thousands)	
1988-89	261.20	254.26
1989-90	307.01	300.66
1990-91 (ending November 1990)	185.17	178.63

(c) The increase in human and vehicle population in the city has not been accompanied by appropriate upgradations of the traffic infrastructure and system in Jammu city. Traffic problems manifest themselves in traffic congestions and bottlenecks caused by the mixed nature of traffic, narrow bridges, sharp curves, poor sight distances, inadequate width of vital and important roads and adverse gradients even at intersections. There is a need for effective traffic management and a proper organisational structure to formulate policies and monitor improvements in the traffic system in the rapidly changing scenario.

(d) While the Traffic Department is primarily responsible for regulating the flow of traffic, it had not been made the nodal agency for co-ordinating improvement in traffic system nor had any comprehensive proposals been prepared and examined for easing traffic congestions etc. as of August 1990. The Traffic Department was often not even consulted at the time of execution of improvement works undertaken for ensuring smooth flow of traffic.



### 3.5.2 Long-term policy

#### Proliferating Project Reports and their results

(a) The continuing deterioration in the traffic system in the city is primarily due to non-formation of any long-term, broad based traffic policy on improvement in the traffic system. Short-term measures undertaken by the Department have often resulted in construction of assets at huge cost which could not be utilized. A well formulated long-term policy and a clearly defined organisational system for co-ordinating and monitoring execution of the same are necessary if any future attempts to effect improvements are to bear tangible results.

(b) On the long-term policy, a number of studies/project reports were initiated by Jammu Development Authority during the last decade but no concrete follow-up action on any of these studies has been taken so far. Instead, what is seen is that one study is replaced by another with no tangible results so far. The table below reflects the position in brief on the Project Reports commissioned so far and their results :-

Name of the Agency	When commissioned	Broad terms of reference	Consultancy fee	Expenditure incurred/ amount paid	Actual date of receipt of Report	Remarks
1	2	3	4	5	6	7
(Rupees in lakhs)						
Jammu Development Authority, Jammu	Not available	Overall traffic and transportation plan for Jammu city	...	0.35	June 1983	Neither the comments of the Road Research Institute, New Delhi nor the approval of the Government was on record.
M/S NAT-PAC New Delhi	April 1984	Improvement of overall efficiency of traffic operation at Bus Stand etc.	1.10	1.10	Not available	Report not available. The firm had, however, in their offer suggested a comprehensive study of the problems in the city.
M/S NAT-PAC New Delhi	April 1986	Traffic studies and working out improvement schemes for traffic in cities of Jammu, Srinagar and towns of Pahalgam, Gulmarg and Charisherief.	2.25	1.68	March 1988	While the final report was still awaited, the firm submitted in July 1986 an offer for undertaking a comprehensive traffic and transportation study for the city as a whole at a cost of Rs. 5.75 lakhs.

1	2	3	4	5	6	7
M/S NAT- PAC New Delhi	Feb. 1988	Comprehensive Traffic and Trans- portation studies for the city as a whole	5.75	4.60	January 1990	The offer of the firm was accepted in toto without even negotiating the rates. It has also, <i>inter alia</i> , recom- mended shifting of the General Bus Stand to a site on the new bye-pass road. This, if ac- cepted, would ren- der the expenditure incurred earlier on the improvement of the General Bus Stand as wasteful. The report was also found lacking in respect of certain vital requirements necessitating fresh studies which were entrusted to M/S Rites.
M/S RITES New Delhi	July 1990	Phased compre- hensive urban transportation plan covering short/medium and long-term measures to match the city's growth	16.00	...	October 1991	Interim report sub- mitted was under examination in December 1990.

It is evident from the above analysis that no broad-based traffic policy has so far been framed although M/S NATPAC in their very first offer had made a suggestion in this behalf. The surveys awarded have also not been pursued to achieve the desired objective rendering the expenditure of Rs. 7.73 lakhs, as detailed above, unfruitful.

### 3.5.3 Short-term policy

(a) Apart from the long-term policy oriented traffic studies entrusted to various agencies a Traffic Advisory Committee was set up in August 1983 to consider and discuss the problems arising out of traffic congestion at the State, Divisional and District level. Another Committee was constituted in November 1988 for rationalising and regulating traffic in the city and its surroundings. The recommendations made by the Committee as a short-term measure for urgent attention were approved in December 1988 and an implementation committee was also constituted to oversee the progress and submit fortnightly reports. However, from the records made available to Audit, it was seen th



the Committee had met only once in December 1988, thus defeating the purpose for which it was constituted.

(b) A review of some of the important short-term decisions taken by the Traffic Advisory Committee and other agencies during the last decade to ease traffic congestion and the results of implementation of these measures is given in a tabular form below :—

Broad objectives	Work undertaken	Audit findings
1. Better traffic management to ensure smooth flow	(i) to ease traffic congestion in the core of the city, a goods terminal (Transport Nagar) was constructed at Rail-head complex at a cost of Rs. 5.03 crores with requisite and instant facilities for goods, loading, unloading, storage, warehouse, trading and idle parking of about 1900 trucks at a time.	Although an expenditure of Rs. 5.03 crores has been incurred on the Project, the Transport Companies and the booking counters and business/workshops have not shifted to the new site so far (December 1990) reportedly due to lack of repair facilities and other basic amenities there. The Transport Companies had also reported that sites to various workshops and spare part shops had not been allotted. These were, instead, allotted to non-existent unauthorised persons who in turn had sold their allotted sites on premium. Investigations in this behalf had not been made so far and the traffic across Tawi bridge has thus been a constant hazard.
2. Creation of parking places for inter-State traffic	The Project commenced in 1981-82 and after many revisions etc. was partly completed in September 1990.	
3. Removal of encroachments on various carriage ways		
4. Avoiding proliferation of mini-buses and regulating of stopping and parking places		
5. Organisational requirements	(ii) To reduce congestion at the General Bus Stand a Project to shift the Banihal group buses to Manda by constructing a Bus Stand there was undertaken in January 1989 and completed in February 1990, at a cost of	The buses of the Banihal group have actually not started operating from the Bus Stand with the result that the purpose to remove traffic congestion in and around General Bus Stand, which was designed to cater to 700 vehicles only against

Broad objectives	Work undertaken	Audit findings
	Rs. 28.47 lakhs.	2000 buses presently parking in and around it and choking entire B. C. Road, is yet to be achieved rendering the investment made idle. Some associations had also filed a writ petition to stop the operation of Bus Stand as it would pollute the surrounding atmosphere of the vicinity. The case is pending in Supreme Court.
(iii) To ease traffic congestion in and around B. C. Road (General Bus Stand) existing land behind Gulati Garages previously developed as Sabzi Mandi, at Pacca Talab, Rehari was taken up for construction of new Bus Stand for Chhamb group buses. Work on Bus Stand commenced in December 1988 and was completed in April 1990 after revisions at a cost of Rs. 20.72 lakhs.		The work on widening of approach road to Bus Stand has not been taken up due to non-acquisition of land as the widening of road at the junction point of B. C. Road is considered essential for smooth flow of traffic. The Bus Stand has neither been handed over to Jammu Municipality nor made operational. Besides, 10 shops constructed at the Bus Stand have also not been put on rent resulting in delay in the recovery of premium of Rs. 1.15 lakhs proposed for these shops and loss of rent. Expenditure of Rs. 0.80 lakh incurred on development of Sabzi Mandi (now converted into Bus Stand) has proved unfruitful. Non-utilisation of Bus Stand also resulted in health hazards as reported by Jammu Municipality.
(iv) To house the automobile repair shops which were		The infructuous expenditure of Rs. 8.89 lakhs in-



Broad objectives	Work undertaken	Audit findings
	<p>scattered in the city in Kacha Khokas creating lot of traffic hazards and congestion on roads and berms, a complex of 36 workshops and Mini-Bus Stand was constructed in 1986-87 at a cost of Rs. 8.89 lakhs near M.L.A. Hostel Subsequently, it was decided to shift the existing workshops/Bus Stand to new location at Pacca Talab as also to Mini-Bus Parking sites and land that would become available was to be annexed to the M. L. A. Hostel area for its development.</p>	<p>curred on workshops/Bus Stand at M. L. A. Hostel could have been avoided had a well planned long-term traffic study/policy been adopted in time. The shifting of Bus Stand and workshop has yet to be done.</p>
	<p>(v) To avoid traffic jams at Exchange Road, Kachi Chawni and Parade area a parking place was developed at a cost of Rs. 4 lakhs at Rehari in March 1990.</p>	<p>The site has not been put to use despite the residents of the area having represented in May 1990 to throw the parking place open to ease traffic congestion.</p> <p>1. The reasons for its non-utilisation, which have resulted in continued traffic jams, etc. and rendered investment of Rs. 4.00 lakhs idle, are not on record.</p>
	<p>(vi) To provide immediate relief to public by removing congestion from Tawi bridge to Raghu Nath Bazar/Gumat by diversion of traffic through a link road connecting Dogra Chowk to H. S. High School via Chand</p>	<p>The road has been thrown open pending its completion with regard to foot paths, rotary, electrification and side drains. Extraordinary delay in completion of the scheme also resulted in escalation of cost by Rs. 64.82 lakhs besides</p>

Broad objectives	Work undertaken	Audit findings
	<p>Nagar. Project undertaken in 1984-85 at an estimated cost of Rs. 41.66 lakhs has been revised to Rs. 106.48 lakhs in October 1990. An expenditure of Rs. 39.29 lakhs has been incurred on the project ending November 1990.</p>	<p>inconvenience caused to commuters.</p>
	<p>(vii) For smooth flow of traffic at strategic points, improvement/construction of rotaries at Jewel Chowk and Rehari undertaken as per NATPAC design in March 1988 and completed at a cost of Rs. 31.86 lakhs and Rs. 3.08 lakhs respectively.</p>	<p>The rotaries constructed were disproportionately large for the smooth traffic regulation and had become bottlenecks requiring lot of manpower to keep traffic moving as pointed out by Traffic Department in June 1990. The ground realities also demanded far smaller size rotary at Jewel Chowk and only a traffic point at Rehari. While size of Rehari Rotary was reduced, no action with regard to Rotary at Jewel Chowk was taken on the plea that it had already been constructed. The disassociation of Traffic Department during execution has resulted in continued bottlenecks at these strategic places and rotaries already constructed at a huge cost particularly at Jewel Chowk, Bikram Chowk and Rehari, etc. have rather restricted the normal flow of traffic at these places.</p>



Broad objectives	Work undertaken	Audit findings
	(viii) To relieve traffic congestion, Regional Transport Officer was directed to replan and rationalise the routes of mini-buses and put it in effect by February 1989.	No notification in this behalf has been issued so far resulting in unabated concentration and congestion of buses at starting and terminating points.
	(ix) To lessen the pressure on over-congested city roads, the Regional Transport Officer was instructed not to issue further permits in respect of mini-buses and auto-rickshaws from 1989.	Notwithstanding the decision it was seen that 381 and 280 permits in respect of mini-buses and auto-rickshaws respectively were issued by the Regional Transport Officer from Ist April 1989 to December 1990 adding to the traffic flow.

It is doubtful whether the objectives envisaged have been achieved.

#### 3.5.4 Regulatory activity

The regulatory activities of the Traffic Department have an important bearing on traffic management and its consequent impact on reducing the traffic congestion. A test-check made in audit of some of these regulatory activities has shown the following :—

##### (a) Encroachments

Non-removal of encroachments, which is a traffic menace, is partly due to non-coordination between the various agencies like the Municipality, Traffic Department and the Estates Department. The number of challans booked by the Municipality, as seen from the records decreased from 3830 during 1987-88 to 1295 during 1989-90.

According to the Deputy Inspector General (Traffic), Jammu (January 1989) once an encroachment was removed, the position reverted back the next day. The drive by Municipality to remove encroachments was thus not effective notwithstanding the declining trend in the challans booked.

**(b) Traffic enforcement**

For the regulation of the smooth flow of traffic, the Department is empowered to enforce punitive provisions provided in the Motor Vehicles Act. On the enforcement aspect the following observations were made during the test-check in audit.

(i) There was a decreasing trend in the challans issued and punitive fines collected in the traffic enforcement area. Given the scenario of an increasing vehicle population without expanding infrastructural facilities, the decreasing trend reflected need for a stricter enforcement of the traffic laws.

Year	Challans instituted	Fine realised (Rupees in lakhs)
1985	71,864	32.32
1986	92,691	43.62
1987	98,303	50.27
1988	21,426	8.59
1989	25,859	12.58
1990 (ending October 1990)	28,683	8.94

(ii) A similar decreasing trend in the number of vehicles challaned for wrong parking was noticed as indicated below :—

Year	No. of vehicles challaned	Fine realised/ crane charges (Rupees)
1988	375	68,897
1989	189	29,240
1990 (ending October 1990)	122	20,000



**(c) Road accidents**

The incidence of road accidents also remained more or less constant during 1987 to 1990 and did not show any downward trend. An analysis is presented below :—

Year	Number of accidents	Fatal	Non-fatal	Persons	
				Killed	Injured
1987	900	92	808	103	732
1988	938	78	860	82	835
1989	1018	87	931	92	809
1990 (ending October 1990)	844	53	791	81	723

**(d) Traffic awareness**

(i) Inculcating a sense of traffic awareness amongst the general public is an important socio-educational goal of the Traffic Department. Publicity campaign and providing adequate facilities for traffic complaints/assistance have great significance. There had been little response to the complaint cards printed. Action taken on the complaints received was also not satisfactory.

Cards Printed		Total	Cards issued from stores	Number of complaints received	Number of complaints on which action taken
with postage	without postage				
5000	3000	8000	2350	183	100

(ii) Traffic week was last observed in 1988. Seminars, periodical meetings and exchange of views with road users especially mini-bus operators were not organised, nor was practical demonstration for creating a traffic awareness in the public undertaken.

**(e) Inadequate staff**

The Traffic Department had highlighted (September 1990) the inadequate manpower available with them for adequately enforcing the traffic laws and

regulations. In their projections the staff currently available and that required were as shown below :-

Category of staff	Sanctioned strength	Men in position	Required strength
Dy. Superintendents of Police	2	2	4
Inspectors	9	10	24
Sub-Inspectors	50	16	75
Asstt. Sub-Inspectors	27	13	52
Head Constables	33	28	63
S.G. Constables	172	158	653
Wireless Operators	4	2	25
Driver Constable	...	NA	15

Action taken in this matter is not known.

### 3.5.5 Summary

Despite the increase in vehicle and human population within the urban confines of Jammu during the last decade and the urgent need for developing proper infrastructural facilities the effort is yet on undertaking investigative studies. With no single institution or organisation given the overall responsibility for co-ordinating this work, it is not known whether the studies undertaken will ultimately bring out any long-term policy.

Short-term measures undertaken at a huge cost on the recommendations of the Traffic Advisory Committee and other agencies during the last decade have not achieved the intended objective of easing traffic congestion in Jammu city. The effectiveness of these measures will be limited unless these are linked with long-term policies.

**3.5.6** The points mentioned in this Review were referred to Government in March 1991 ; reply has not been received (November 1991).



## **General Department**

### **3.6 Institute of Management and Public Administration (IMPA)**

#### **3.6.1 Introduction**

The State Government set up, in February 1982, an institute to provide training in administration, management and rural development to the various levels of Government officers and also managers and supervisory staff of Corporations and statutory bodies in the Public sector.

To enable the Institute to qualify for the receipt of grants from the National Institute of Rural Development and Ministry of Agriculture it was converted into a society in September 1986. The society was entrusted with the same functions as were performed by the Institute before its conversion into a society.

The Director of the Institute is the administrative head of the Institute and also of its faculty. After conversion of the Institute into a society, the general superintendence, direction and control of the affairs of the society is vested in the Executive Council, the composition of which has been changed from time to time. However, the High Power Committee, which was constituted before the conversion of the Institute into a society, for taking speedy decisions relating to the Institute, continues to be in existence although there is no provision for the constitution of such a High Power Committee in the society rules.

#### **3.6.2 Objectives of IMPA**

The main objectives of the Institute as mentioned in the project report were as under :-

- (i) to impart training to in-service officers in administration, management and rural development ;
- (ii) to operate as a centre for applied research on administrative issues ;
- (iii) to serve as a clearing house for the latest relevant and appropriate techniques in the field of management and administration ;
- (iv) to function as a documentation centre for all the relevant data and information required for administrative processes ;

(v) to issue publications on administration and publish the result of research projects ; and

(vi) pre-recruitment coaching for such of the candidates who were desirous of joining the services.

The Institute was also declared (October 1985) as the Apex Institute for Training and Research in rural development.

### 3.6.3 Highlights

—The annual financial accounts of the Institute (a registered society) have not been audited since its formation.

(Paragraph : 3.6.4)

—During 1987-90, the Institute imparted orientation training to 1647 in-service officers which is negligible as compared to about 1.72 lakh Gazetted/non-Gazetted employees in the State.

(Paragraph : 3.6.5 (a)(i))

—The Institute has not devised any mechanism to monitor and evaluate the impact of training on the trained officers in the field of their activities, nor has it submitted any assessment reports on the performance of the trainee participants to enable the concerned Departments to take these reports into account, at the time of promotion of such trainees.

(Paragraph : 3.6.5 (a)(ii))

—Barring one research study pertaining to Rural Development, which too has not been published, no other research work has been undertaken by the Institute since its inception. Consequently, services of four junior research officers have not been utilised for the purpose for which they were appointed.

(Paragraph : 3.6.5 (b))

—The Institute has not made any progress in the documentation responsiveness reportedly due to non-co-operation of other Departments.

(Paragraph : 3.6.5 (c))

### 3.6.4 Funding sources and maintenance/finalisation of accounts

(a) The main source of finance for the Institute is the State Government which releases funds to the Institute in the form of grants-in-aid. Assistance



is also provided by the Government of India. The year-wise position of grants/grants-in-aid released by the State Government *vis-a-vis* the expenditure incurred during the years 1987-88 to 1989-90 was as under :-

Year	Grants/Grants-in-aid released		Expenditure	
	Revenue	Capital	Revenue	Capital
(Rupees in lakhs)				
1987-88	21.16	14.27	21.13	...
1988-89	34.07	37.61	33.66	37.61
1989-90	42.98	14.27	42.91	21.79

(b) The position of grants-in-aid received from various Ministries of Government of India is given below. Details of expenditure incurred and unspent balances, if any, were neither available nor furnished.

Year	Ministry of Personnel	Ministry of Agriculture, Department of Rural Development	Ministry of Food and Supplies	Total grant-in-aid
(Rupees in lakhs)				
1987-88	3.25	10.00	...	13.25
1988-89	4.80	27.94	...	32.74
1989-90	1.13	8.15	0.08	9.36

(c) The annual financial accounts of the Institute, which stands functional as a Registered Society from September 1986, were required to be audited by a qualified Chartered Accountant appointed for the purpose by the Institute in consultation with the Government. No auditor had been appointed so far (January 1991) and as a result, the annual financial accounts of the Institute remained unaudited since its formation. Action, if any, taken by the Government in this regard was not on record produced to Audit. Given this position, a true and fair view of the overall financial picture and the utilisation of grants released by the State Government and Government of India for their sanctioned purpose, would not be known to the sanctioning agencies and the Executive Council, which is the Governing Body of the Society.

(d) A special audit inspection was conducted by the Finance Department of the State Government for the year 1987-88 in which they had pointed out

grave irregularities in regard to the maintenance of accounts. The major irregularities are summed up below :-

(i) Withdrawals of Rs. 14.48 lakhs were made from the Bank on self cheques but the amounts received/drawn were not taken on the Cash Book and the disbursement was also not recorded.

(ii) Amounts totalling Rs. 8,967 were misappropriated by the cashier by incorporating fictitious cash adjustment in the advances register, less/non-accountal of refunds made by the various officials and non-remittance of G.P. Fund deductions made from the pay of officials.

(iii) Cash balance as on 11th November 1987 included an amount of Rs. 37,626 shown as temporary advances made to various officers/officials which was not entered in the advances register to watch its adjustment/refund.

(iv) There was a heavy outstanding of Rs. 2.32 lakhs against various officials pending for recovery for a long time.

It was intimated by the Institute that the accounting branch was manned by a junior accountant who had no sound knowledge of accountancy. No remedial measures were taken to set right the accounts and to avoid such occurrences in future.

(e) The society rules required the Director of the Institute to frame rules for the receipt and custody of funds and expenditure therefrom which had not been framed so far (January 1991). The Institute had not also prepared the receipt/expenditure accounts and Balance Sheet so far (January 1991) as required. The cash book was not maintained properly, the transactions with the Bank were not exhibited in the cash book and the reconciliation of Bank transactions was not done at any stage.

### **3.6.5 Audit findings on objectives**

The records of the Institute for the period from 1987-88 to 1989-90 were test-checked in audit to ascertain to what extent the stated objectives were achieved by the Institute. The audit findings objective-wise are given below :-

#### **(a) Class room-oriented training**

(i) Review of the records revealed that the Institute imparted orientation training to 1647 in-service officers during the period of three years (1987-88 to 1989-90), 359 in 1987-88, 727 in 1988-89 and 561 in 1989-90. If the same outturn trend continues, the Institute would require more than two decades



to impart training in a single course to all the 1.72 lakh officers (both Gazetted and non-Gazetted) in service, as assessed (February 1988) by the Institute.

(ii) A proper mechanism has also not been devised to monitor and evaluate the impact of training on the trained officers in the field of their activities. On this being pointed out, it was stated that due to lack of co-ordination among the training Institute, trainees and sponsoring agencies as also the frequent transfer of trained officers, the monitoring of the training was not possible. It was also observed in audit that the Institute did not prepare and submit assessment reports on the performance of trainee participants to the Departments concerned to enable them to take into account these reports at the time of promotion of trainees, as required under Government order of August 1986.

(iii) For imparting training to pre-recruitment trainees taking the All India Service and other services examinations, the coaching was started by the Institute in the year 1987-88. A perusal of the records revealed that 864 candidates were imparted training during the period from 1987-88 to 1989-90. However, only one candidate qualified the main test conducted by the Union Public Service Commission.

**(b) Research-oriented objectives**

An important objective of the Institute was to operate as a centre for applied research on administrative issues and also act as a clearing house for appropriate techniques in the field of management and administration. On the one hand these innovations could serve as vital inputs in the training programmes to be offered by the Institute and on the other hand the Institute could provide guidelines to the policy makers and administrators in improving the existing programmes/procedures and formulating new ones. A perusal of the records revealed that barring one research study pertaining to Rural Development, which too has not been published so far (January 1991), no other research work had been undertaken by the Institute since its inception in February 1982. Four junior research officers appointed for this specific purpose in December 1986 remained without work and were redesignated as Assistant Professors in June 1987. Neither the targets were set in this area nor were the projects to be undertaken for study/research identified. The reply furnished by the Institute to Audit that the research work could not be conducted for want of funds was not in line with the decision of the Executive Council of May 1988, to release the funds subject to furnishing of detailed proposals regarding the objectives of research, their time frame, financial implication and faculty requirement to the standing council.



**(c) Documentation-oriented objectives**

As a premier training institute, it was also to serve as a documentation centre for all relevant data and information required for the administrative processes. The Institute had not made any progress on its documentation responsiveness so far. (January 1991). The failure in this behalf was attributed to the non-cooperation of other Departments.

**3.6.6 Other audit observations**

(i) Without properly estimating their requirement and without first obtaining formal administrative approval, the Institute entrusted the work of construction of a building complex, comprising an administrative block and hostel block, to Jammu and Kashmir Projects Construction Corporation Limited in September 1988 at an estimated cost of Rs. 1.60 crores and Rs. 1.02 crores respectively. The work on the administrative complex was stopped in November 1990 for want of funds. Payments aggregating to Rs. 74.10 lakhs were made against work done for Rs. 87.63 lakhs (August 1990). In January 1989, the proposal for construction of hostel building was deferred for the time being and it was decided to use the existing building as hostel after the new administrative complex was ready. The amount of Rs. 0.54 lakh paid to the architect for the preparation of sketch, design and preliminary estimates for hostel complex thus became infructuous.

(ii) Two computers, one each for Srinagar and Jammu costing Rs. One lakh were purchased in the year 1990. Scrutiny of records in audit revealed that no computer awareness programme was conducted by the Institute till date (January 1991). It was stated (May 1991) by the Director, IMPA, that the computers could not be made operational due to non-availability of suitable computer room pending completion of the new building complex.

(iii) The grants-in-aid sanctions issued by the Government of India, Ministry of Personnel, for conducting specified courses, *inter-alia*, lay down that any expenditure incurred on working lunch, tea, coffee, etc. to the participants during the training shall be borne by the State Government. The Institute, however, incurred such expenses out of the Central grants. Director, IMPA, stated (May 1991) that the Ministry concerned would be approached for adjustment of such amounts and if they did not agree, the State Government would be requested to reimburse the amount to the Ministry.

(iv) The Recruitment and Promotion Rules of staff, stated to have been framed had not been got approved by the Executive Council so far (January 1991).

(v) The Institute continued to draw bills from the treasury upto March 1988 though it was converted into a society in September 1986.



**3.6.7** The points mentioned in this Review were referred to Government in March 1991 ; reply has not been received (November 1991).

### **Health and Family Welfare Department**

## **3.7 Drug and Food Control Organisation**

### **3.7.1 Introduction**

The Drug and Food Control Organisation, under the supervision of the Director Health Services, was created in the State in the year 1963-64. On the recommendation of a High Power Committee, constituted by the Government in February 1987, this organisation was separated from the Director of Health Services in September 1987 and was placed under the charge of a Drug Controller, under the administrative control of the Health and Family Welfare Department.

This organisation discharges the statutory functions involved in the implementation of various enactments relating to drugs, cosmetics and foods.

### **3.7.2 Objective of the organisation**

(a) The per capita drug consumption in this State is amongst the highest in the country. With a view to protecting the health of the consumers, this organisation is required to exercise strict control over the manufacture, sale and distribution of drugs, cosmetics and foods in the State. To achieve this goal, it has to ensure that articles manufactured or marketed in the State are of standard quality and are available to the consumers at controlled prices.

(b) The goal was to be achieved through the three broad objective-based activities given below :-

- (i) authenticating the manufacturing and selling premises by licensing system ;
- (ii) ensuring quality control by drawing samples from the manufacturing and selling premises and subjecting such samples to scientific analysis for ensuring compliance with the prescribed standards ; and
- (iii) maintenance of a vigil on anti-social elements engaged in the manufacture and distribution of sub-standard and spurious drugs.

### **3.7.3 Audit coverage**

Records for the period 1987-88 to 1989-90 were reviewed during December 1990-March 1991 in the offices of the Drug Controller, Jammu and

The abbreviations used in this Review are listed in the glossary in Appendix 10 (Pages : 173-174).

Deputy Drug Controller, Jammu. Points noticed as a result of audit check are contained in the succeeding paragraphs.

### 3.7.4 Availability and utilisation of funds

Funds placed at the disposal of the organisation and the expenditure therefrom during the years 1987-88 to 1989-90 were as under :-

Year	Allocation			Expenditure			Percentage
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Utilisation
1987-88	10.00	17.37	27.37	9.71	15.16	24.87	92
1988-89	15.00	21.27	36.27	14.26	20.98	35.24	97
1989-90	20.00	39.97	59.97	19.86	35.06	54.92	91

### 3.7.5 Audit analysis on objectives

A test-check of the records in the office of the Drug Controller, Jammu revealed that :-

#### (a) Licensing of manufacturing and sale premises

Under the Drug and Cosmetics Rules, 1945 the organisation is vested with the powers to issue and renew licences for manufacture or sale or distribution of drugs. The licences so issued remain current up to the 31st December of the year following the year in which the licence is granted. The licence is to be renewed within its currency period within six months of its expiry. Since its inception in 1963-64, the organisation had issued 5545 licences up to the end of March 1989 for sale and manufacture of drugs. A test-check in Jammu Division revealed that in 43 cases the period of validity of the licences had expired (December 1981 to December 1989) but they had not been renewed or revoked as of January 1991. Some of the licences were issued as far back as 1982, but the records did not indicate if the Department had at any stage ascertained (December 1990) whether the establishments continued to function.

#### (b) Inspection of premises

##### (i) Drugs

As a follow-up on the licensing function under the Drugs and Cosmetics Rules, the organisation is required to inspect the establishment licensed for sale or manufacture of drugs, at least twice a year. The number of



establishments licensed, the number of inspections required to be conducted and the number of inspections conducted, during the period April 1987 to March 1990, were as under :-

Year	Establishments licensed	Required number of inspections	Number of inspections conducted	Percentage achievement
<b>1987-88</b>				
Jammu	1606	3212	903	28
Kashmir	3342	6684	971	15
<b>1988-89</b>				
Jammu	1681	3362	1196	36
Kashmir	3864	7728	1238	16
<b>1989-90</b>				
Jammu	1779	3558	658	19
Kashmir		(Not available)		

Many establishments were not inspected even once during the year. Compared to the actual requirement of inspections, achievement in Jammu region ranged between 19 and 36 per cent during 1987-88, 1988-89 and 1989-90 while in Kashmir region it was only 15 and 16 per cent during 1987-88 and 1988-89 respectively. The Deputy Drug Controller, Jammu attributed the shortfall to unfilled posts, lack of mobility and paucity of travelling grants. Against 9 and 10 sanctioned posts of Drug Inspectors/Senior Drug Inspectors (as on 31st March 1989 and 1990) for the six Districts of Jammu region, the inspectors in position were 8 and 9 as on 31st March of 1989 and 1990 respectively. A test-check of 300 licensed establishments in the licence registers in respect of Udhampur, Kathua, Poonch and Rajouri Districts also revealed that 122 of these establishments were located at the District headquarters. The reasons put forward for shortfall in inspections is, therefore, not tenable.

Due to shortfall in inspections, the organisation has not been effective in achieving the objective of quality control by conducting periodic inspection of the licensed establishments.

#### (ii) Food

The number of licensed establishments dealing in food articles in the Jammu province during the years 1987, 1988 and 1989 was 11695 (except Doda

district), 13875 and 9794 (except Rajouri and Jammu Municipal areas) respectively. The organisation fixed a target of inspection of 11000 establishments during the year 1989-90. The number of inspections conducted by the organisation during the period 1987 to 1990 was not furnished to Audit.

**(c) Quality control-testing of samples**

**(i) Drugs**

The samples lifted during inspection are required to be checked to ensure quality output in the manufacturing sector. According to guidelines of the Government of India, the organisation was required to subject 3000 samples of drugs to laboratory analysis in a year. The number of samples lifted and tested in different laboratories in and outside the State and the results of laboratory analysis during the years 1987-88 to 1989-90 were as under :-

Year	Number of samples		Found standard	Found sub-standard	No opinion	Percentage achievement on target set (3000 samples)
	Lifted	Tested				
1987-88						
Jammu	218	218	151	33	34	
Kashmir	49	49	12	11	26	
Total	267	267	163	44	60	9
1988-89						
Jammu	148	148	105	43	...	
Kashmir	201	201	113	50	38	
Total	349	349	218	93	38	12
1989-90						
Jammu	114	21	15	6	...	
Kashmir	NA	NA	NA	NA	NA	

The samples taken were insignificant with respect to the target laid down. The Assistant Controller, Drugs and Food Control Organisation, attributed (December 1990) this shortfall to inadequate infrastructure. It was observed in audit that on the basis of existing infrastructure, the organisation had fixed a target of 500 samples for the State for analysis during the year 1989-90 against which achievement in Jammu Division was only 8.4 per cent on the pro-rata target. Reasons for declining number of tests conducted during the years 1987-88 to 1989-90 in the Jammu Division were not available on record.



On analysis of the samples tested, no opinion could be offered by the laboratories in 98 cases i.e. 15 per cent of the samples collected during the three years ending March 1990. Assistant Controller, Drug and Food Control Organisation, attributed (December 1990) such cases to faulty collection, leakages during transport of samples and conducting tests after the shelf life of drugs had expired. Action taken, if any, to overcome these shortcomings was not on record.

## (ii) Food

The number of food samples lifted in Jammu Division, tested in Food Testing Laboratory, Jammu and the results of laboratory tests during the three years ending March 1990 were as under :—

Year	Samples lifted and tested	Result of laboratory tests	
		Found standard	Found sub-standard
1987-88	1263	1069	194
1988-89	1523	1303	220
1989-90	1069	947	122

Number of food samples lifted in Kashmir Division and the result of the laboratory findings were not made available.

Samples lifted in Jammu Division corresponded to about 10 per cent of the licensed establishments dealing in food articles in Jammu Division. The organisation fixed a target of testing 5000 food samples during the year 1989-90 for Jammu and Kashmir as a whole against which the achievement in Jammu Division was 43 per cent on a pro-rata basis.

The organisation in Jammu Division had a strength of 46 Food Inspectors out of whom 39 Food Inspectors were working in various health blocks of the Division. Number of food samples received from these blocks for laboratory analysis during the three years ending 31st March 1990 was as under :—

Number of samples received per year	Number of blocks from which samples received		
	1987-88	1988-89	1989-90
0-5	8	8	11
6-10	5	9	10
11-15	7	11	9
16-25	17	9	9
26 and above	2	2	...
Total blocks	39	39	39

Majority of the food Inspectors had lifted less than two food samples in a month in their blocks. There was thus considerable scope for improvement in exercising quality control, over the food articles distributed in the Division, with the available resources.

The organisation had not effectively utilized the resources to ensure proper quality check on the food items sold in the market.

**(d) Delay in follow-up action on samples detected as sub-standard**

(i) According to a test-check made by Audit in nine cases as detailed below, there was a lead time of 3 to 19 months between the date of sampling of drugs and the date of laboratory findings, making the reports irrelevant for seizure and destruction of sub-standard drugs and prevention of their consumption by consumers.

S.No.	Inspection Memo date	Date of issue of laboratory report	Time taken by laboratory (Months)	Follow-up action date	Time taken for follow-up action (Months)
1.	22-9-1986	12-2-1988	17	3-1989	13
2.	25-8-1987	21-11-1987	3	1-3-1989	16
3.	25-3-1989	2-3-1990	12	...	...
4.	25-3-1989	9-11-1990	19	...	...
5.	21-4-1989	1-3-1990	11	...	...
6.	25-4-1989	20-11-1990	19	...	...
7.	3-8-1989	25-4-1990	8	16-5-1990	1
8.	12-3-1990	20-11-1990	8	...	...
9.	19-7-1990	9-11-1990	4	...	...

Preventive action, if any, taken by the organisation to shorten this lead time for preventing the sale and consumption of sub-standard drugs was not available from the records.

(ii) In three cases, Drug Controllers of the States concerned, from where the sub-standard drugs had originated, were advised for action against the



manufacturers. A delay of 13 and 16 months was observed in two of the three cases in initiating follow-up action. Reasons for delay were not available in the records produced to Audit. Legal action against the offenders could not be taken under the Act in respect of the remaining six cases as the laboratory tests were conducted at the Drug laboratory, Jammu (by an Assistant Drug Analyst) for which Drug Analyst was yet (December 1990) to be notified by the Government under the Act. On being pointed out in audit, the Assistant Controller, Drug and Food Control Organisation, Jammu stated (December 1990) that action was being taken on samples that were found not to be of standard quality and Drug Inspectors were asked to take legal samples for further test and analysis. Follow-up action taken, if any, in respect of these six cases was not available on record.

**(e) Non-availability of testing facilities**

In respect of such drugs for which testing facilities were not available in the State, the Government appointed (1973) two officers of the Food and Drug Laboratory, Vadodra, Gujarat as Government Analysts under the Drugs and Cosmetics Act, 1940. Samples of drugs, lifted by inspectorate wing of the organisation, were tested by these notified officers till April 1989 when further testing of samples received from the State was stopped for which no reasons were on record. To overcome the problem, the organisation took up the matter (November 1989) with the Central Pharmacopoeial Laboratory, Ghaziabad which recommended (January 1990) their two officers for being notified as Government Analysts for the State under this Act. Consent of the Government of India, which had to be obtained, was awaited (December 1990). Thus various types of drugs available in the market, for which the required testing facilities were not available in the State, could not be quality tested since April 1989.

**(f) Non-testing of Unani/Ayurvedic drug samples**

(i) The Drugs and Cosmetics Act, 1940 was amended in 1964 to bring Ayurvedic, Unani and Siddha drugs within its ambit. Government, however, notified the date of effect of the amendment in the State as 1st July, 1988. Thus these drugs remained outside the purview of the Act during the period 1964 to 1988.

(ii) For the purpose of laboratory testing of the samples of such drugs, Assistant Drug Analyst, Drug Laboratory, Srinagar was notified (June 1988) as Government Analyst for the entire State. This organisation realised in September 1990 that the Drug Laboratory at Srinagar did not possess the necessary facilities for testing of such drugs, and they approached the Government (September 1990) to declare the Director, Pharmacopoeial Laboratory, Ghaziabad as Government Analyst for the State. Further action in the matter was awaited (December 1990).



Ayurvedic, Unani and Siddha drugs being manufactured, marketed and consumed in the State were thus yet (January 1991) to be subject to any of the checks prescribed in the Act.

**(g) Enforcement of Drugs (Price Control) Order, 1987**

(i) Section 23 of the Drugs (Price Control) Order, 1987, issued under the Essential Commodities Act, 1955, empowers any Gazetted Officer of the Government, authorised by a special or general order in this behalf, to take cognizance of offences under the said Order and to secure compliance with the various provisions of the Order.

(ii) The organisation, in its various reports and plan proposals, claimed responsibility for discharging this statutory function, involving the enforcement of the Order. A review of the records, however, revealed that no Gazetted Officer of the organisation was authorised (December 1990) by the Government to secure compliance with the provisions of the Order. The organisation requested the Government in October 1988 that the posts of Drug Inspectors and higher posts be declared Gazetted to enable the organisation to enforce the provisions of the Order. Government decision in the matter was awaited (December 1990). The organisation had not, however, approached the Government (December 1990) to notify its 5 Gazetted Officers as authorised officers under the Order.

(iii) Even though three years had elapsed since the notification on price control, the organisation was yet to notify (January 1991) an authorised officer for handling these cases.

**3.7.6 Other points of interest**

**(a) Establishment of combined Drug and Food Laboratory**

Existence of proper analytical laboratories is of prime importance in the drive against adulteration of food and drugs. In order to strengthen the laboratory facilities, the Government of India committed (January 1976) cent per cent financial assistance to the State for the laboratory building (subject to a ceiling of Rs. 18.68 lakhs) and Rs. 6.35 lakhs for laboratory equipment. The proposed building with a floor area of 16000 sft. was to house the laboratory divisions of Chemistry (both drugs and food), Microbiology, Pharmacology, Pharmacognosy, animal house and support sections. The laboratory was designed to test 3000 samples of drugs and 9000 samples of food per year.

Construction of the building with a floor area of 12000 sft. was taken up in 1978 and was completed in 1986-87 at a cost of Rs. 16.64 lakhs. The building was occupied by the organisation in September 1987. Central assistance for



the purchase of equipment (Rs. 6.35 lakhs) was not received due to delay in the completion of civil works.

Against various laboratory divisions proposed to be established, only chemistry division for drugs was made functional in April 1989. Food laboratory functioning in the premises of Regional Research Laboratory, Jammu was not shifted to the newly constructed premises (January 1991) reportedly due to non-availability of basic amenities and facilities at the new campus. The space constructed for housing other laboratory divisions was used (January 1991) to house the administrative offices of the organisation.

The expenditure of Rs. 16.64 lakhs on the construction of the laboratory building has, thus, failed to achieve the desired objective of creation of laboratory infrastructure essential for detection and prevention of adulteration in drugs and food.

**(b) Appointment of laboratory staff-ineffective utilisation of human resources**

(i) The laboratory was established in November 1987 and one laboratory technician, two laboratory attendants, one senior laboratory technician, one instrument technician, one senior assistant, one junior assistant and three class IV officials were also appointed by the Controller. However, not a single drug sample was received and subjected to laboratory analysis by the laboratory upto the end of March 1989. Reasons for work not being done/allotted in this laboratory were not available from the records of the organisation. An amount of Rs. 1.71 lakhs was spent as wages for the above staff during the period.

(ii) This laboratory received and analysed 255 drug samples during the period April 1989 to November 1990, out of which 29 samples were found to be sub-standard. The laboratory at Jammu was, however, neither placed under the control of the Government Analyst, notified by the State Government under the Drugs and Cosmetics Act, 1940, nor was a separate Government Analyst for the laboratory notified (January 1991). As such the results of the tests conducted at this laboratory did not have legal validity and could not be used as evidence under the Act.

**(iii) Idle investment on purchase of laboratory equipment**

Even without having staff sanctioned and a functional building for operating the Microbiology and Pharmacology Divisions of the combined Drug and Food Laboratory, Jammu, the organisation purchased laboratory equipment for these two Divisions during 1987-88 (Rs. 0.33 lakh) and 1988-89 (Rs. 0.21 lakh). Due to non-availability of staff and other constraints, these equipments worth Rs. 0.54 lakh could not be put to any use. Reasons for the

purchase of the equipment during 1987-88 and 1988-89, when the laboratory was yet to be established, were not stated. The Assistant Controller, Drugs and Food Control Organisation, however, stated (December 1990) that the equipment had been used in a very limited scale. Details of the tests conducted with the help of the equipment were, however, not available.

### **3.7.7 Conclusion**

(a) The Drug and Food Control Organisation was created in the State in the year 1963-64. Its primary responsibility is to protect the health of the consumer through exercising strict control over the manufacture, sale and distribution of drugs, cosmetics and food items in the State. To achieve the above goal, it has been empowered to implement the provisions of various statutory enactments.

(b) A test-check of the activities of the organisation, however, revealed, as brought out in para 3.7.5 (b), that the organisation had not performed their regulatory, operational and statutory roles as required under various enactments in a significant manner. On licensing of units and their inspection, their output has been poor by their own standards. On testing of samples and subsequent enforcement, output has been tardy. Even the preliminary task of notifying an officer for the purpose of enforcement of the Drugs (Price Control) Order 1987, has not been made (January 1991). The organisation has thus not achieved the laid down and specified goal.

Monitoring at the highest level on the attainment of the objectives and the activities of the organisation is called for particularly as the organisation has utilised its budget allocations without corresponding achievements in activities.

**3.7.8** The points mentioned in this Review were referred to the Government in March 1991; reply has not been received (November 1991).

## **Agriculture Production Department**

### **3.8 Training and Visit-based Agriculture Extension**

#### **3.8.1 Introduction**

Agriculture Extension based on regular and frequent field visits by adequately trained extension staff (popularly known as T&V system) was a five year World Bank-aided project designed to re-organise, strengthen and ensure more effective agricultural development.

Implementation of the project (NAEP-II) in the State started from May 1985. October 1984 to March 1985 was treated as the preliminary year of

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The abbreviations used in this Review are listed in the glossary in Appendix 10 (Pages : 173-174).



retroactive financing for providing the initial start to the project. The project was to be concluded on the 31st of March 1990.

### **3.8.2 Objectives**

The broad objectives of the project were to :

- (i) establish a single line of command between different functionaries of the system ;
- (ii) incorporate regular in-service training as an integral part of extension activities ;
- (iii) introduce a systematic fixed schedule for regular and frequent visits by extension workers to the fields of farmers ;
- (iv) ensure linkage with research so as to increase farm productivity and income of farmers ; and
- (v) remove constraints impeding transfer of new technology from research to farmers and the feedback from farmers for solving their problems.

The objectives were to be achieved by :

- (a) deployment of additional trained staff at all levels and creation of new cadre of Subject Matter Specialists ;
- (b) construction of residential and official accommodation ;
- (c) providing transport facilities and equipment to field staff ;
- (d) conducting different types of trainings, workshops etc ;
- (e) ensuring research support to extension ; and
- (f) creating an independent wing for monitoring the progress achieved by the project.

### **3.8.3 Organisational set-up**

Under the T&V system of Agricultural Extension, the Village Extension Worker (VEW), redesignated as Junior Agriculture Assistant (JAA), was to be the pivotal figure required to cater to 700-800 families. But in view of difficult terrain in the State, the number of families per JAA was limited to 400-600. Each JAA was primarily required to work with 40 to 80 contact

farmers in a circle, visiting them regularly on a given day during a two week cycle. The JAAs were to be assisted by the Agriculture Extension Officers (AEOs) at zonal level and by the Sub-Divisional Agriculture Officers (SDAOs) and Subject Matter Specialists (SMSs) at the District and sub-Divisional levels.

To ensure independent and effective working of the T&V staff, the Extension Organisation in the State was restructured as a separate wing of the Agriculture Production Department with an Additional Secretary to co-ordinate the project activities between the two Directorates in Kashmir and Jammu. The wing was also responsible for general project planning and monitoring. A Joint Director in each Division was responsible for day to day co-ordination and implementation of all project activities at Divisional level. The Districts (14 in all) were divided into 56 sub-divisions, 321 zones and 1800 circles. The number of effective circles as on 31st March 1990 was, however, only 1386.

#### **3.8.4 Audit coverage**

Besides general scrutiny of the records in the Agriculture Production Department, the two Directorates of Agriculture and Project Co-ordinator, the records of the District Agriculture Officers at Srinagar, Baramulla, Anantnag, Pulwama, Jammu, Kathua and Udhampur for the period from 1984-85 to 1989-90 were also test-checked in audit.

#### **3.8.5 Highlights**

—Against a budget allocation of Rs. 2273.07 lakhs during 1984-85 to 1989-90, the expenditure (upto September 1989) amounted to Rs. 1786.38 lakhs.

(Paragraph : 3.8.6)

—The project required deployment of adequately trained staff at all levels and creation of a new cadre of "Subject Matter Specialists". Staff actually deployed, especially the "Subject Matter Specialists", was far below the targets laid down in the Staff Appraisal Report. There was shortage in other supporting staff as well.

(Paragraph : 3.8.7 (a))

—Progress made in construction of residential quarters for the field staff was slow and by the middle of December 1989, only 66 buildings had been completed out of 332 taken up for construction. The number of buildings taken over by the Department was only 43 and that also after October 1988.

(Paragraph : 3.8.7 (b))



—Progress in providing transport facilities to the extension staff was also tardy. Vehicles meant for T&V staff were used by wings other than T&V extension. Audio-visual aids were either not purchased or were not put to use.

(Paragraphs : 3.8.7 (c) and (d))

—Training programme workshops and study tours were not conducted seriously, with the result that upgradation of professional competence and skills of extension functionaries were adversely affected. The workshops organised by the Agriculture University and the Department had not been adequately planned.

(Paragraph : 3.8.7 (e))

—Applied research was not given due attention for development of new technologies. "On-farm trials" conducted by the Agriculture University were weak and un-coordinated. The quality of research support did not keep pace with the requirements of the farmers.

(Paragraph : 3.8.7 (f))

—To provide systematic and continuous evaluation of the programme, an independent "M&E" unit was constituted but it was severely handicapped for want of field investigators. Results of the monitoring surveys conducted by the wing indicated casual approach of the T&V functionaries to the programme.

(Paragraph : 3.8.8)

### 3.8.6 Financial outlays

(i) The project initially (October 1984) estimated to cost Rs. 16.57 crores was revised to Rs. 23.97 crores at the time of signing of the Agreement in Washington (February 1985). 60 per cent of this amount was to be financed by the World Bank and 40 per cent by the Central/State Government. The proceeds of the International Development Agency (IDA) credit were channeled to the State through the Central Government which financed the project initially and claimed reimbursements from the World Bank on the basis of expenditure actually incurred by the State from time to time.

(ii) Table below shows the figures of expenditure required to be incurred by the State Government as per provisions made in the Staff Appraisal Report (SAR), budget provisions made by the State Government, expenditure actually incurred by the Department, re-imbursements claimed from the



World Bank and re-imbursements received during the years 1984-85 to 1989-90 :-

Year	Expenditure to be incurred as per SAR	Budget provision made	Expenditure incurred	Reimbursements	
				Claimed from the World Bank	Received
(Amount in lakhs of rupees)					
1984-85	Nil	100.00*	71.89*	...	...
1985-86	275.96	210.21	193.01	116.90	...
1986-87	512.19	377.55	293.18	190.52	242.00
1987-88	538.92	446.67	393.72	244.35	148.00
1988-89	568.62	504.93	557.04	319.03	210.64
1989-90	501.60	633.71	277.54 (ending September 1989)	91.82 (ending June 1989)	140.33
Total	2397.29	2273.07	1786.38	962.62	740.97

Category-wise details of expenditure *vis-a-vis* projections in the SAR are shown in the Appendix 8-A.

(iii) Despite availability of additional funds of Rs. 100 lakhs and nearly six months for retroactive financing to give an initial start to the project, the Department could not conclude the project within the stipulated period of five years. This was mainly because proper planning had not been done, firstly to ensure availability of funds in accordance with the projections made in SAR and secondly to keep the pace of expenditure commensurate with the allocations made by the Government. The project suffered both on account of shortfall in provision of funds and under-utilisation of available funds with the result that its duration had to be extended. The State Government proposed extension by another five years but the Union Government agreed to an extension of two years only. The revised cost of the project is expected to be Rs. 40.02 crores.

### 3.8.7 Achievement of objectives

The objectives of the project were to be achieved by bringing about improvement in various activities under extension services. Audit findings

\*Under retroactive financing over and above the SAR provisions of Rs. 2397.29 lakhs.



on implementation of these activities are contained in the subsequent paragraphs.

**(a) Deployment of trained staff**

(i) The basic principle of effective and professional extension under T&V system was that the farmers should be visited regularly by able and qualified extension workers. The system entailed a continuous long-term contact with farmers to understand the conditions and guide them to adopt latest technological practices. For achieving these objectives, additional staff, exclusively for extension work, was to be deployed at all levels and a new cadre of Subject Matter Specialists was to be inducted.

(ii) The total requirement of JAAs, AEOs and SMSs was to be based on a norm of 1:700 for plain areas, 1:600 for sloppy areas and 1:400 for difficult and isolated areas. The staff actually in position at different levels was short of the norms at the close of the years 1985-86 to 1989-90 as indicated below :-

**Shortfall in staff deployed**

	1985-86	1986-87	1987-88	1988-89	1989-90 (ending September 1989)
<b>1. JAAs</b>					
Staff needed	1135	1435	1635	1735	1800
Staff posted	753	1164	1309	1367	1492
Shortfall percentage	34	19	20	21	17
<b>2. AEOs</b>					
Staff needed	321	321	321	321	321
Staff posted	289	312	304	289	291
Shortfall percentage	10	3	5	10	9
<b>3. SMSs</b>					
Staff needed	65	108	170	192	192
Staff posted	38	38	41	111	113
Shortfall percentage	42	65	76	42	41

(iii) The programme suffered for want of full complement of Subject Matter Specialists, Agriculture Extension Officers and the Junior Agriculture Assistants who were the main functionaries of the system. During a mid-term appraisal of the project, it was recommended by the Agriculture Production Department that the number of families per JAA should be reduced from 400-600 to 250-300 in respect of difficult and hilly areas, but it had not been implemented (March 1990).

Shortage in other supporting staff, which had fallen short of targets by nearly 40 *per cent*, also affected the system as it resulted in weak organisational communication facilities. The field functionaries maintained tour diaries but monitoring of the work done by them for identifying the problems faced by the farmers and initiating action for their redressal were absent. There was no co-ordination between various functionaries at different levels and with the headquarters. Almost everything was done orally and the field observations and experiences did not receive the expected attention.

During a surprise visit of four villages in Budgam District in August 1989 by the Deputy Director (M&E), the villagers expressed complete ignorance about the implementation of the T&V programme. Similar position was brought to the notice of the Director Agriculture in respect of Baramulla and Pulwama Districts. Findings of various monitoring surveys conducted by the M&E wing revealed sharp decline in the regularity of visits by the field staff. Job charts and other essential duties of the zonal officers, as envisaged in the project, had not received due attention by the SDAOs and AEOs.

#### (b) Construction of quarters for field staff

To enable regular and frequent farm visits by the extension functionaries and to ensure that the field staff lived near their areas of work, the project laid emphasis on provision of residential quarters for them. Progress in construction was tardy as shown below :—

Particulars	Buildings to be constructed	Buildings taken up for construction	Buildings completed	Buildings taken over
(Position as on 15th December 1989)				
(i) SDAOs office-cum-residential quarters	24	21	2	2
(ii) AEOs quarters	139	116	23	11
(iii) JAAs quarters	200	195	41	30
Total :	363	332	66	43



Delay in construction works resulted in under-utilisation of funds provided by the State Government for civil works. Against an allotment of Rs. 288.31 lakhs during 1985-86 to 1989-90, only Rs. 141.68 lakhs were utilised upto September 1989 resulting in shortfall of 51 per cent.

Delay in construction of buildings, which was attributed to non-availability of bricks and timber at concessional rates, resulted in escalation of costs.

Extra burden on account of escalation in prices was placed at Rs. 131.48 lakhs (July 1989).

It was seen in audit that there had been abnormal delay in the construction works so much so that not a single quarter had been taken over by the Department till October 1988 and as many as 167 sites had not been handed over to the executing agencies till March 1989. Construction work was to be allotted on the basis of competitive bidding. Instead the works were allotted to the Directorate of Rural Development, who undertook construction without obtaining administrative approval from the Agriculture Department. Besides, the works were got done through mates (petty contractors) without tenders with the result that deviations from the approved plans were made and many deficiencies had come to the notice of the Department. Construction of buildings was not inspected by any of the field officers at any level. In a field report (May 1988) of the experts of the World Bank, it was pointed out that the quality of the buildings was not up to the mark.

The Department had not maintained proper records indicating complete details regarding date of taking over, date of allotment, particulars of rent recoveries, etc. in respect of the buildings constructed at the District/Sub-Divisional levels.

**(c) Transport facilities to field staff**

(i) Adequate transport was needed to enable the field staff to maintain fixed schedules of visits and for supervisory staff to reach the field easily and frequently. The project envisaged procurement of 77 four wheel drive vehicles for headquarters and field staff, payment of loans to AEOs for purchase of 275 motor cycles and 850 bicycles. Provision was also made for purchase of two mini-buses and two audio-visual vans for extension support and training activities.

Conveyances purchased by the Department *vis-a-vis* targets during 1985-90

are indicated in the table below :-

Particulars	Ending March 1986		Ending March 1987		Ending March 1988		Ending March 1989		Ending March 1990	
	T	A	T	A	T	A	T	A	T	A
(i) Four wheel drives	43	31	79	47	79	70	79	72	79	75
(ii) Audio-visual vans	...	...	2	...	2	2	2	2	2	2
(iii) Motor cycles	90	88	180	88	275	88	275	114	275	204
(iv) Bicycles	425	...	850	...	850	...	850	...	850	...

('T' for targets and 'A' for achievements)

The progress made in purchase of vehicles for field staff was tardy mainly due to procedural delays at various levels ; bicycles meant for JAAs, the main functionaries of the system, were not at all purchased. It was held by the Department that most of the JAAs in the State being Agriculture Degree holders were not interested in having bicycles and instead they requested for mopeds and motor cycles.

(ii) Records revealed that vehicles already purchased for field staff were retained for unduly long periods. A few instances are given below :-

Description	When received	When issued	Not issued till December 1989
Motor cycles (Enfield)	45 in April 1985	36 in March 1986 5 in May 1987 1 in July 1989	3
Motor cycles (Hero Honda)	50 in January 1989	49 upto November 1989	1
Swaraj Mazda	1 in June 1987	1 in January 1988	...

(iii) The vehicles meant for Sub-Divisional Agriculture Officers and other officers directly connected with T&V programmes were being used by the Chief Agriculture Officers thereby limiting their mobility. The pick-up vans purchased had, in some cases, been handed over to District Agriculture Officers. The distribution of the motor cycles was done on the basis of overall district seniority ignoring other priorities like area of operation, density of population to be covered, availability of other means of



conveyance etc. Besides, in many cases motor cycles were issued to the AEOs of non-T&V zones which affected the mobility of the AEOs of T&V zones. In many cases, the AEOs to whom motor cycles had been issued while posted in T&V zones were subsequently transferred to non-T&V zones with the result that new incumbents had to work without motor cycles affecting their mobility.

(iv) An amount of Rs. 15.46 lakhs was advanced to a local dealer through State Motor Garages, Srinagar in March 1987 for supply of 15 Gypsy vans. Advance payment was made to the dealer without drawing up any schedule for supply of vehicles and without entering into agreement with the dealer. The firm supplied the vehicles in piecemeal between September 1987 and March 1989 (5 in September 1987, 4 in January 1988, 2 in May 1988 and 3 in March 1989). One van (cost : about Rs. 1.05 lakhs) was yet to be supplied by the dealer (November 1989).

(v) One van (shown as Audio-Visual Van) purchased in June 1987 (cost : Rs. 2.22 lakhs) and issued to Deputy Director, Trainings, Ganderbal was not covered under the scheme.

(vi) Two jeeps and two mini-buses were issued to Sher-i-Kashmir Agriculture University although no such provision existed in the project.

(vii) One Ambassador car (cost : Rs. 0.94 lakh) was purchased in March 1986 and issued to the Director of Agriculture although no such provision existed in the project. Instead of jeeps, cars were purchased for JDAs (Extension).

(viii) Since there was delay in procurement and distribution of vehicles to field staff and since most of them were without such vehicles, the required mobility of the functionaries was severely hampered defeating the very purpose of the revised system of T&V.

**(d) Procurement of equipment for demonstrations etc.**

To meet the increased needs for training and to support field operations in order to ensure a quick and broad impact of the extension programme, plans were to be prepared for organising film shows, charts, slides and distributable pamphlets on various activities and for this purpose necessary audio-visual aids were to be purchased by the Department.

The following table indicates the position of field equipment purchased

*vis-a-vis* the projections made :

Particulars	Ending March 1986	Ending March 1987	Ending March 1988	Ending March 1989	Ending November 1989						
	Tar- gets	Achie- vements	Tar- gets	Achie- vements	Tar- gets	Achie- vements	Tar- gets	Achie- vements	Tar- gets	Achie- vements	Per centage short- fall
Slide project- ors (Nos.)	28	Nil	56	19	56	19	56	33	56	33	41
Overhead pro- jectors (Nos.)	28	Nil	56	19	56	19	56	38	56	38	32
Equipment for audio-visual vans (sets)	1	Nil	1	Nil	1	Nil	1	Nil	1	Nil	100
Field equipment and training material for AEOs and JAAs (sets)	116	Nil	186	Nil	256	Nil	256	Nil	256	Nil	100

Thus field equipment had not been purchased according to schedule laid down in the Staff Appraisal Report resulting in poor support to field operations and inadequate training to extension staff.

No plans had been prepared for exhibiting film shows, charts, slides, etc. nor were any audio-visual demonstrations given in the field. The services of the SMSs, who were trained in audio-visual aids, were not being utilised with the result that the equipment purchased under the programme remained mostly unutilised.

Records maintained in Districts of Pulwama, Anantnag, Baramulla and Budgam revealed that 8 slide/overhead projectors (Rs. 0.28 lakh) had not been utilised for want of slides and technical staff and were lying in the District offices. One camera (Rs. 0.11 lakh) purchased during 1985-86 was lying in the office of Joint Director (Extension) unused. No photographic material had been purchased for putting the camera to use. One photophone purchased in January 1985 (Rs. 0.11 lakh) was issued to Agriculture Information Centre, Ganderbal which did not come within the T&V programme. Out of 14 projectors procured (Rs. 0.49 lakh) during 1986-87 in Kashmir, only six had been issued to DAOs as of November 1989. Similarly, out of five projectors (Rs. 0.20 lakh) purchased in March 1989, in Jammu, only two had been issued to field staff.

One colour TV set and one VCR received from the Directorate of Agriculture in June 1988 were lying unused in the stores of the Joint Director Extension, Srinagar.



In Jammu, out of 24 projectors purchased during 1986-87 and 1987-88, only ten had been put to use (March 1989). Similarly, six cinema projectors purchased during 1987-88 were lying unutilised.

In the absence of field equipment and audio-visual aids, the extension work did not register any change from the extension work done before introduction of improved T&V system.

**(e) Training to field staff**

(i) In order to impart knowledge and skill to the farmers for efficient management of their crops and livestock, the extension staff had to be given regular trainings to upgrade their professional ability. There had been considerable shortfall in achieving the targets in respect of some important courses as indicated in the table given below :-

Type of course	Unit	Project Targets	Achievements (ending September 1989)
<b>(A) For JAAs</b>			
1. Induction courses	Individuals	300	215
2. Refresher courses	Individuals	933	151
3. Special courses	Courses	155	39
4. Promotional courses	Individuals	45	Nil
5. Study tours	Individuals	250	11
<b>(B) For AEOs</b>			
1. Induction courses	Individuals	253	Nil
2. Refresher courses	Individuals	310	176
3. Promotional study	Individuals	50	10
4. Study tours	Individuals	100	12
<b>(C) For SDAOs</b>			
1. Study tours	Individuals	25	Nil
<b>(D) For SMSs</b>			
1. Orientation courses	Courses	10	8
2. Promotional study	Individuals	30	7
3. Study tours	Individuals	75	2
<b>(E) For JDAs/ADAs</b>			
1. Orientation courses	Workshops	10	1
<b>(F) Other trainings</b>			
1. Special M&E	Courses	10	6
2. Information courses	Courses	10	1

The under-implementation of the training programme affected the upgradation of professional competence and skills of extension functionaries. Study tours meant for motivating the officers to work better by gaining experience with regard to the implementation of the programme in other parts of the country, had been ignored.

(ii) It was observed by the Department itself (May 1989) that (i) the Subject Matter Specialists at the sub-divisional level were weak and their professional competence was not of higher order than that of AEOs and JAAs ; (ii) routine messages were passed on to AEOs and JAAs in a casual manner and no scientific background leading to their recommendations was made available to the trainees ; (iii) the services of the SMSs trained in preparation of audio-visual aids were not being utilised during the fortnightly/monthly workshops for transfer of technology and training of JAAs and (iv) intense interaction was not being generated during fortnightly workshops between JAAs and AEOs on the one hand and SMSs and SDAOs on the other.

(iii) Utilisation of seats allotted to the Districts for different trainings had not been made in full and sometimes the programmes organised by the Agriculture University had to be abandoned due to poor attendance as would be clear from the following instances :-

Course	Seats allotted	Attended
<u>"A." University Campus Shalimar (1987-88)</u>		
(i) Orientation course for JAAs on Extension Methodology	30	14
(ii) Orientation course for AEOs on Extension Methodology	18	4
(iii) Orientation course for AEOs on Extension Methodology	16	1 (Not conducted)
<u>"B" Research Centre R.S. Pora Jammu (1987-88)</u>		
(i) Orientation course on Extension Methodology	30 30 30	18 14 14
(ii) Special course	15	7



Course	Seats allotted	Attended
<b>"C" Training outside the State (1987-88)</b>		
(i) Horticulture	10	1
(ii) Oil seed production technology	3	Nil
(iii) Pulses production	5	Nil
(iv) Information support	2	1
(v) Farming machinery	2	Nil
(vi) Monitoring Evaluation at Nilokheri	2	1

(iv) Monthly workshops organised by the Sher-i-Kashmir University of Agricultural Sciences and Technology (SKUAST) were reported to have not been adequately planned for improving training standards within the State. The Farmers Training and Education Centre at Ganderbal in Kashmir was proposed to be strengthened and for this purpose, an amount of Rs. 37.05 lakhs was earmarked for expenditure out of Plan funds during the years 1987-88 to 1991-92. Progress made in this regard was awaited. A regional level training institute under Sher-i-Kashmir Agricultural University had also been contemplated and the special sub-project drawn out for this purpose was still under finalization (March 1990).

**(f) Research support to the extension programme**

To develop new technology and verify its utility under different agro-ecological conditions, adaptive research trials were considered necessary for removing production constraints and other problems faced by the farmers. For this purpose, a provision of Rs. 17.03 lakhs for "on-farm trials" and extension support by Sher-i-Kashmir Agriculture University was made in the project. A memorandum of understanding was drawn between the State Government and the University in March 1989 under which the latter was to nominate its research personnel for various monthly workshops and for organising "on-farm trials" in the fields so that the farmers could be taught useful technology, their production conditions and constraints diagnosed and remedial measures suggested.

It was seen from the records that although a formal linkage between extension and research had been established, yet the quality of research support was not adequate and it did not keep pace with the requirements of the farmers. No effective links existed with other Departments like Social Forestry, Soil Conservation, Horticulture etc. The Sher-i-Kashmir

Agriculture University had undertaken only a few adaptive research trials during 1987-88 as indicated below :-

Division	Number of trials laid out	Crop
<b><u>"A" Kashmir Command Area</u></b>		
(i) Sub-Division Pulwama	8	Paddy
(ii) Sub-Division Budgam	1	Paddy
(iii) Sub-Division Uri	10	Maize
<b><u>"B" Jammu Command Area</u></b>		
(i) Block Chogwal	4	Paddy and Mash

On-farm trials under T&V were started in Kashmir Division during Kharif 1986 and during 1987-88; the practice was carried to Jammu Division as well. Table below shows the number of on-farm trials conducted (against the annual target of 325 trials) and mini-kit trials laid during 1987-88 and 1988-89 :-

Type of trial	1987	1987-88		1988	1988-89		1989
	Kharif	Kharif	Rabi	Kharif	Kharif	Rabi	Kharif
<b><u>"A" Jammu Division</u></b>							
1. (i) On-farm trials conducted	...	323	248	...	170	65	...
(ii) Results supplied	...	207	207	...	110	(Awaited)	...
2. Mini-kit trials laid	...	146	28	...	259	...	...
Results supplied	...	105	26	...	75	...	...
<b><u>"B" Kashmir Division</u></b>							
1. (i) On-farm trials conducted	339	...	107	355	...	156	235
(ii) Results supplied	(Information not available)						



No feed back was made available about the results obtained in various demonstrations conducted in Kashmir Division to the University in time by the Agriculture Department. It was pointed out (April 1989) by the World Bank that "on-farm trials" programmes were weak and un-coordinated. In some crops like mustard, adaptive research trials were conducted by research personnel with no involvement of extension and the work undertaken by the field staff on the crops were demonstrations and not trials. It was also observed that adaptive research trials were not taken in hand by the University and the Regional Research Stations were confining their activities only to research on specific crops while the approach of whole farming system was neglected. No action plan for ensuring complete co-ordination between research and extension had, however, been drawn up by the Department.

In respect of short-duration refresher courses organised by the Agriculture University, the facilities in respect of men and materials were inadequate and the scientists were not conducting adaptive research trials on farmer's fields as disclosed by the inter-disciplinary team constituted in August 1989 to review the implementation of the scheme.

### 3.8.8 Monitoring and evaluation of the programme

(i) To provide systematic evaluation of the programme, an independent M&E unit for carrying out regular sample surveys was created to monitor the impact of the programme on the development of agriculture in the State. The M&E wing was severely handicapped for want of field investigators as, out of 28 field investigators sanctioned for the wing, only 9 investigators were in position as on 30th September 1989. Shortfall in deployment of field investigators during the years 1985-86 to 1989-90 (ending September 1989) is indicated below :-

	1985-86	1986-87	1987-88	1988-89	1989-90 (upto September 1989)
Field investigators needed	16	28	28	28	28
Field investigators posted	14	13	14	11	9
Shortfall percentage	12	54	50	61	68

(ii) Sample surveys conducted by the M&E wing were restricted to only six Districts (Anantnag, Budgam and Baramulla in Kashmir Division and

Jammu, Kathua and Udhampur in Jammu Division). The wing had not devised any procedure for continuous monitoring of field data either through its own field staff or through regular extension staff. The wing had not been provided with any staff for tabulation work.

(iii) Results of monitoring surveys conducted by the M&E wing in respect of some key indicators reflecting on the working of the T&V system in the State for three years viz., 1986-87, 1987-88 and 1988-89 are given in Appendix 9. From these indicators, it would be seen that the percentage awareness of the farmers about their JAAs and regularity of their visits was low indicating casual approach on the part of the functionaries towards the programme. The surveys indicated that the percentage of farmers who had adopted the recommendations of the extension staff was low.

(iv) The State technical committees to be chaired by the Director Agriculture with senior officers of the University, concerned Government departments and other agencies as members were to meet twice a year and review research results and extension recommendations. Although such committees, one each for Kashmir and Jammu Division, were stated to have been constituted, no records of their meetings were available.

(v) In a meeting convened by the Agriculture Production Commissioner in April 1989, the following observations were made about the working of T&V project :

- The JAAs had become smug and lax in the performance of their duties.
- The monthly and fortnightly meetings had become only routine with key functionaries remaining absent in the monthly workshops.
- The CAOs did not take T&V as their legitimate job and as such had not been able to maintain and increase the tempo of enthusiasm needed for the purpose.
- There was no state of preparedness by the research personnel and the SMSs at various levels and in most cases the required homework was not done. Quite often the required literature was not consulted and the use of audio-visuals was not made.
- No feedback was available to indicate whether the field demonstrations were well laid, properly supervised and performed well. The results of the demonstrations had not been reported.
- There was no data base to indicate the graphic distribution of fertilizers within the district.



—Much thought had not been given to water-logging, saline and alkaline lands.

(vi) In a high level meeting (July 1989) in which Additional Secretary (Planning) and Additional Secretary (Finance) also participated, it was desired that a Delhi-based organisation should be engaged for evaluation of the project in the State. Further progress made in this regard was awaited (December 1990).

### **3.8.9 Other points of interest**

#### **(a) Input support**

Agriculture input supply and agricultural extension are mutually dependent. Any extension message could be meaningful only if input services were available easily. But records revealed that no arrangements had been made to provide sufficient storage facilities for seeds, fertilizers, pesticides, weedicides, etc. at the circle levels with the result that these services were not easily available within the reach of the farmers especially in far-flung areas. The World Bank Mission, which visited the State in May 1988, pointed out that input services were weak and the farmers were bitter about it. Seeds were not available in time, the quality of pesticides was not satisfactory and even ordinary chemicals were not easily available. To ensure supply of good quality seeds, the State Government prepared a special sub-project (cost : Rs. 54 lakhs) for strengthening the State seed multiplication and distribution agency. The sub-plan was, however, yet (December 1990) to be implemented.

#### **(b) Participation of women farming community**

The T&V system of extension did not bring in its fold the participation of women farmers with the result that this section of farming community was deprived of the new technologies and techniques of agricultural development. The M&E wing of the Department conducted pilot studies on the role and awareness of farm women in Kashmir (December 1987) and Jammu (1988) and it was found that whereas none of the sample farm women in Kashmir Division had attended any training programme organised by the Department, only one *per cent* of the sample farm women in Jammu had attended such trainings. The women farmers had very little knowledge about disease control measures. During mid-term appraisal of the T&V project, it was proposed that the T&V system should be extended in its scope to women-folk. No positive steps had, however, been taken in this regard so far (December 1990) although a sub-project (total cost : Rs. 100 lakhs) had been prepared for this purpose.



**(c) Delay in depositing Government funds**

(i) The District Agriculture Officer, Sopore, collected a hundi for Rs. 1.60 lakhs from Sopore treasury in March 1987 and instead of passing on the money to the Assistant Commissioner (Revenue), Baramulla, for acquisition of land at Pattan, the hundi was retained by the Officer for two years by which time it had lapsed. This resulted in delay of more than two years in acquisition of land for SDAOs quarters.

(ii) An amount of Rs. 1.48 lakhs representing cost of one Tata diesel chassis was paid to a dealer through the State Motor Garages during March 1986. The supplier supplied chassis of a different model costing only Rs. 1.28 lakhs. The balance viz. Rs. 0.20 lakh had not been refunded to the Department (March 1989).

**3.8.10** The points mentioned in this Review were reported to Government in June 1991 ; reply has not been received (November 1991).

**Industries and Commerce Department**

**3.9 Infructuous expenditure**

In order to exercise adequate quality control on handicraft products manufactured in the Jammu and Kashmir State and to stop sale of sub-standard articles as also articles produced elsewhere but spuriously sold in the name of Kashmir Handicraft affecting the marketing adversely an Act entitled Jammu and Kashmir Handicrafts (Quality Control) Act, 1978 was passed by the State Legislature in April 1978. The Act was to become effective from the date to be appointed by the Government through a notification.

However, the Government had not notified as of 30 November 1991 the date from which the Act was to become operative in the State of J&K. Consequently, the intended purpose of improving the quality of handicrafts as regards their production has been defeated.

Besides, without the date of operation of the Act being notified by the Government, the Department in 1980 recruited the executive, ministerial and technical staff for implementation of various provisions of the Act. Non-enforcement of the Act resulted in infructuous expenditure of Rs. 3.17 lakhs on account of wages to this staff for the period from June 1988 to March 1990 (expenditure incurred between 1980 and May 1988 was not available as the records of the Department had been reportedly destroyed in fire). Purpose for which services of the staff were being utilized was not intimated. A vehicle purchased at a cost of Rs. 0.70 lakh in March 1980 could also not be utilized for the intended purpose.

The matter was reported to Government in March 1991 ; reply has not been received (November 1991).



## CHAPTER-IV

### WORKS EXPENDITURE

#### Public Health Engineering Department

#### 4.1 Technology Mission on Drinking Water

##### 4.1.1 Introduction

National Technology Mission for drinking water was set up in 1986. It is a Centrally sponsored programme introduced with the objective of improving the performance and cost effectiveness of the on-going programmes under the Minimum Needs Programme (MNP) and Accelerated Rural Water Supply (ARWS) Programme. The Mission envisaged provision of low cost but practicable and effective solution to the identified problems associated with the supply of safe drinking water in rural areas. The other objectives of the Mission were to cover all residual problem villages by March 1990 for supply of adequate potable water. The strategy was that during the Seventh Five Year Plan period, at least one pilot project would be taken up in each State/Union Territory for demonstrating an integrated model and specifically address the problem of quantity and quality of water in these project areas.

Udhampur and Anantnag districts were selected ( July 1990) under the Water Technology Mission in J&K State, with the following Mini-Missions:-

- (i) Provision of water supply through installation of tube-wells with power pumps.
- (ii) Supply of acceptable quantity of water through construction of filters and chlorination plants, etc.
- (iii) Source finding/development.
- (iv) Water quality monitoring.

##### 4.1.2 Organisational set-up

At the national level, there is an Empowered Committee with the Secretary, Rural Development (RD) as its Chairman. This committee, *inter alia*, approves the detailed project reports pertaining to the pilot projects. At State level, Secretary Incharge Rural Water Supply is the State project Co-ordinator. At the project level, District Rural Development Agency (DRDA) is responsible for implementing the project and the

The abbreviations used in this Review are listed in the glossary in Appendix 10 (Pages : 173-174).

work is handled by an Executive Director of the DRDA designated for the Project. The Executive Director is responsible for preparing the detailed project reports and for the effective implementation of the project. For Water Technology Mini-Mission, District Udhampur, the Executive Engineer, Public Health Engineering (PHE) Division, Udhampur has been designated as the Executive Director. The Chief Engineer, Public Health Engineering, Jammu functions as Direction Officer for PHE Division, Udhampur.

#### 4.1.3 Audit Coverage

Transactions relating to Mini-Mission District Udhampur in Jammu region were reviewed in detail and MNP and ARWS programmes implemented in the district for the last 4-5 years were reviewed broadly during August-October 1990. The results of the review are given in the succeeding paragraphs.

#### 4.1.4 Highlights

—Against Rs. 341 lakhs released by Government of India upto March 1990 under Water Technology Mini-Mission Project, Udhampur, only Rs. 90 lakhs were spent upto July 1990.

(Paragraph : 4.1.5)

—Physical achievements under Water Technology Mini-Mission significantly fell short of the anticipations. Implementation of the project at the Executive Director's level had been ineffective and monitoring at higher levels was weak.

(Paragraph : 4.1.6 (a))

—Out of 625 villages (population : 4.16 lakhs) in Udhampur District, 552 villages (population : 3.69 lakhs) had been covered under ARWS/MNP schemes upto March 1990.

(Paragraph : 4.1.6 (b))

—Completion of 84 schemes taken up under ARWS programmes (30 in progress) was delayed by 1 to 5 years. The execution of 56 MNP schemes had also been considerably delayed. In respect of 100 schemes already completed or in progress at the end of March 1990 there was a cost over-run of 12 to 25 per cent in 34 cases, 26 to 45 per cent in 29 cases, 53 to 92 per cent in 7 cases, 101 to 148 per cent in 7 cases and 156 to 173 per cent in 2 cases.

(Paragraph : 4.1.6 (b))



—Defective planning resulted in infructuous expenditure of Rs. 2.32 lakhs in two ARWS/MNP schemes.

(Paragraph : 4.1.6 (b) )

—Water Testing Laboratory for which a building was completed in March 1989 at a cost of Rs. 1.23 lakhs had not become operational so far for want of equipment and chemicals.

(Paragraph : 4.1.6 (b) )

#### 4.1.5 Funding and financing

The finances earmarked for project activities are operated by the Executive Director and are given directly to the DRDA as grant.

The following table shows the funds made available by the Government of India for Water Technology Mini-Mission (WTM) Udhampur District, during the period July 1987-July 1990, and the expenditure incurred there-against :—

Period	Funds released by		Expenditure incurred
	Government of India	DRDA	
(In lakhs of rupees)			
1987-88	10.00 (July 1987)	3.00 (January 1988)	...
1988-89	...	7.00 (January 1989)	10.00
1989-90	331.00	231.00	56.00
1990-91 (July 1990)	...	...	24.00
Total	341.00	241.00	90.00

The percentage of utilization of funds released by the Government of India (upto July 1990) was only 26.

According to the Government of India sanctions, funds released for Water Technology Mission schemes were not to be diverted to any other

scheme/purpose. However, Rs. 178 lakhs were paid (July 1989) by the Executive Director for purchase of pipes required for the ARWS Programme out of the funds for "Water Technology Schemes" without any approval of the State /Central Government. The amount was, however, re-credited to the Mission funds in March 1990.

#### 4.1.6 Planning and execution

##### (a) Technology Mission schemes

##### (i) Slow progress of work due to ineffective implementation

Expenditure sanctions aggregating Rs. 472.17 lakhs as mentioned below were issued by the Government of India in August 1989. Further estimates for Rs. 609.06 lakhs sent by the State Government were awaiting (April 1991) sanction :-

Sub-Mission/Activity	No. of schemes	Estimates sanctioned upto August 1989	Estimates proposed (November 1989) but awaiting Government of India sanction (April 1991)
(Figures in lakhs of rupees)			
(i) Scientific source finding/development of water quantity	83	470.67	608.96
(ii) Water Quality Monitoring (Control of Fluorosis, eradication of Guinea worms, desalination of water and removal of excess iron from drinking water)- setting up of Water Testing Laboratory, Udhampur	1	1.50	1.00
Total :		472.17	609.96

The first instalment of funds was released by the Government of India in July 1987. The achievements under the activities sanctioned upto August



1989, which were required to be completed between June 1988 and December 1988 (except two schemes required to be completed by August 1989), have been very insignificant as mentioned below :-

Sub-Mission/ Activity	Sanctioned estimated cost	Prescribed time of completion	Achievements (July 1990)		Reasons for slow progress as intimated by the Executive Director
			Expenditure	Physical progress	
	(Figures in lakhs of rupees)		(Figures in lakhs of rupees)		
(i) Scientific water source finding/development					
(a) Supply of acceptable quality of water through construction of filters and chlorination plants etc. in respect of 46 schemes	160.00 (May 1988)	June-December 1988	Nil	Nil	(a) Non-decision of the policy to have pre-fabricated sand filters or conventional type slow sand filters.
(b) Provision of water supply through installation of tube-wells with power pumps etc. in 14 villages	211.00 (May 1988)	June-December 1988	10.19	Well sites at 14 places were identified (April 1989) in consultation with National Geophysical Research Institute (NGRI), Hyderabad; Space Applications Centre (SAC), Ahmedabad and Central Ground Water Board (CGWB) Jammu. After drilling/digging trial pits, construction of dugwells at 5 sites and tube-wells at 6 sites was suggested (July 1990) by the CGWB Jammu. Construction of wells has not been started at any of the sites so far (September 1990)	(b) Involvement of a number of agencies in the process.
(c) Supply of water to 64 villages through development	99.67 (August 1988)	21 Schemes between 20 days and 4	59.03	Work on 7 schemes completed, is in progress on 10 schemes	No reasons given.

Sub-Mission/ Activity	Sanctioned estimated cost	Prescribed time of completion	Achievements (July 1990)		Reasons for slow progress as inti- mated by the Exe- cutive Director
			Expen- diture	Physical progress	
	(Figures in lakhs of rupees)		(Figures in lakhs of rupees)		
ment of source and connecting new source to the existing pipe- lines in respect of 23 schemes		months and 2 schemes in one year		and has not been started on 6 schemes	
(ii) Water Quality Control/Moni- toring	1.50 (May 1988)	June- December 1988		Except possibility of excessive iron in some cases, there is reportedly no other water quality problem in Udhampur Dis- trict. Out of about 500 water samples required to be tested, 133 samples have been got tested during September 1987- September 1990 and only excess iron was found in 5 samples for which remedial measures are under consid- eration. For doing the job in a phase manner, a Water Testing Labora- tory at Udhampur is being set up ; its building is com- plete but equip- ments, chemicals, etc. ordered for have not been received yet (September 1990)	Delay in receipt of equipments and chemicals ordered for.

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472.17

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The cost over-run consequent upon delay in implementation of the sanctioned activities had not been ascertained.

All the schemes taken up under W. T. Mini-Mission are for augmentatio improvement or change of the existing water supply sources. No additional/



separate coverage of villages/population has been envisaged under the activities.

Installation of filtration plants etc. was required to be completed by December 1988. However, tenders for four slow sand filter units were invited by the Executive Director only in November 1989. Thereafter, the issue whether to have pre-fabricated sand filters (which are comparatively much cheaper) or conventional type slow sand filters had been under consideration of the Chief Engineer, PHE, Jammu and the Department of Rural Development, Government of India and final decision had not been taken as of September 1990.

For water supply through development of source, it was observed that work on 16 schemes was started only between December 1989 and June 1990. Reasons for delay in starting work on these schemes were not intimated (October 1990) by the Executive Director. Required approval of the source finding/development for starting work on these schemes had not been obtained as of September 1990.

**(ii) Monitoring and evaluation**

The State Project Co-ordinator and the Chief Engineer, PHE, Jammu were required to monitor the progress, *inter alia*, by paying field visits. State Co-ordinator did not pay (September 1990) any such visit from April 1988 to September 1990. The Chief Engineer, PHE, Jammu also paid only one visit during the aforesaid period.

Annual evaluations of the Pilot Project required to be conducted by a team appointed by the Central or State Government for assessing the progress and deficiencies, if any, and suggesting remedial measures had also not been conducted (September 1990).

Prescribed monthly progress reports were regularly sent by the Executive Director to the Department of Rural Development with copies to the Chief Engineer, PHE, Jammu. Though there were delays in the implementation of schemes and funds to the extent of Rs. 178 lakhs were temporarily diverted to ARWS schemes in July 1989, no comments were received in the Executive Director's office either from the Chief Engineer, PHE, Jammu or from the Department of Rural Development, Government of India. It is; thus, evident that monitoring at higher levels was inadequate.

**(b) ARWS and MNP Schemes**

**(i) Targets and achievements**

Out of 625 villages (population: 4.16 lakhs) in Udhampur District, 343 villages (population: 2.43 lakhs) were provided water under MNP and ARWS

Programmes upto March 1987. The year-wise targets and achievements during the period 1987-88 to 1989-90 were as under :-

Period	Targets			Achievements		
	Number of villages	Population (In lakh numbers)	Funds allotted (In lakhs of rupees)	Number of villages	Population (in lakh numbers)	Expenditure (In lakhs of rupees)
1987-88	65	0.30	688	70	0.42	688
1988-89	75	0.41	530	68	0.45	530
1989-90	74	0.47	880	71	0.39	880
	214	1.18	2098	209	1.26	2098

Thus, only 73 villages (population : 0.47 lakh) remained to be covered in Udhampur District as of March 1990.

(ii) Cost and time over-runs

Expenditure exceeded the originally estimated cost by 12 to 173 *per cent*, as shown below, in 100 schemes which were either completed during 1984-90 or were in progress at the end of March 1990 :-

No. of schemes	Percentage by which expenditure exceeded the original estimates
34	12 to 25
29	26 to 45
28	53 to 92
7	101 to 148
2	156 to 173

In 45 completed schemes (ARWS : 34 and MNP : 11), the actual cost of Rs. 494.81 lakhs (ARWS : Rs. 380.78 lakhs; MNP : Rs. 114.03 lakhs) exceeded the originally estimated cost (ARWS : Rs. 252.59 lakhs and MNP : Rs. 69.62 lakhs) by 28 to 156 *per cent*.

Out of 208 ARWS Schemes under execution during 1984-90, only 63 schemes were completed within the stipulated time. 54 schemes were



completed after delay ranging from one to five years. Out of 91 schemes taken up prior to March 1990 and in progress on 31 March 1990, execution of 30 schemes was delayed (March 1990) by one to four years after taking into account the prescribed period of one to one and a half years for completion of each such scheme.

The MNP schemes executed from April 1984 onwards also took comparatively long time as shown below :—

	Number of schemes	Estimated cost	Time taken for execution
(i) Schemes completed upto 31st March 1990	27	Between Rs. 3.69 lakhs and Rs. 30.54 lakhs each	3 to 15 years
(ii) Schemes started prior to March 1988 and in progress in March 1990	29	Between Rs. 3.79 lakhs and Rs. 60.29 lakhs each	3 to 11 years

### (iii) Infructuous expenditure due to defective planning

(a) Work on Water Supply Scheme, Barta originally approved (January 1984) under ARWS Programme for Rs. 20.68 lakhs was started by the PHE Division, Udhampur in 1982-83 in anticipation of technical sanction. The scheme with Barmin nallah as its source was envisaged to supply water to eleven villages. As the villagers of Barmin reportedly objected to tapping of water from the aforesaid nallah, the source was, after joint inspection (date of inspection not intimated by the Department) of the site by the District Development Commissioner, Superintending Engineer and Executive Engineer, Public Health Engineering, Udhampur, changed to Gangaban spring. Work on connecting Gangban spring was also started without ascertaining whether the aforesaid source was adequate and perennial.

When the scheme was partly commissioned in 1986-87, water available from the source spring was found insufficient and it covered only six villages. In March 1988, the Executive Engineer, reported that supply of water from the spring had got depleted and disturbed due to geological deformations and severe drought conditions. Accordingly, Gangaban spring was abandoned and Satyalta nallah tapped (April-September 1990) to cover the aforesaid six and two more villages at an additional cost of Rs. 9.95 lakhs (August 1988) under Water Technology Mission Programme. Consequently, 3000 metres 4 inch G. I. pipe and 200 metres 140 mm H. D. P. E. pipe laid for



drawing water from Gangaban spring was dismantled (July-October 1989). Expenditure on laying and dismantling of the aforesaid pipe (including estimated wastage in dismantling) amounting to Rs. 1.48 lakhs proved infructuous.

Rupees 25.40 lakhs (ARWS : Rs. 22.85 lakhs and MNP : Rs. 2.55 lakhs) had so far been spent (September 1990) on the scheme but water to only six villages had been provided and the distribution system in five villages was yet (September 1990) to be laid. Meanwhile, original estimate was proposed (September 1990) to be revised to Rs. 42.52 lakhs for covering the eleven villages.

Initial inadequate planning and laying of distribution system without ensuring the availability of perennial water source resulted in infructuous expenditure of Rs. 1.48 lakhs.

(b) Work on a scheme for supplying water to three villages including Naki with a designed population of 3136, approved (September 1984) under ARWS Programme for Rs. 15.02 lakhs, was physically completed (expenditure booked ending September 1990 was Rs. 19.94 lakhs-ARWS : Rs. 18.21 lakhs and MNP : Rs. 1.73 lakhs) by PHE Division, Udhampur during 1984-87 in anticipation of technical sanction. Revised administrative approval and technical sanction had not been accorded yet (September 1990). As the distribution system laid did not cover a portion of village Naki, it was re-designed necessitating re-alignment of some pipes. 2962 metres of pipes were dismantled and returned to stores and 1840 metres of pipes were dismantled and relaid according to the changed alignment. Expenditure on carriage of dismantled pipes from stores to site and back to stores, and on dismantling and relaying 1840 metres of pipes, which proved infructuous, amounted to Rs. 0.84 lakh. Responsibility for the defective design and execution of the work without obtaining technical sanction had not been fixed as of September 1990.

#### (iv) Non-utilisation of assets

Water testing Laboratory for which a building at Udhampur was completed in March 1989 at a cost of Rs. 1.23 lakhs (MNP : Rs. 0.97 lakh and ARWS : Rs. 0.26 lakh) had not become operational as the equipment and chemicals, for which tenders were invited in October 1989 and orders (value : Rs. 0.46 lakh) placed in August 1990, had not been received as of July 1991.

4.1.7 The points mentioned in this Review were referred to Government in November 1990 ; reply has not been received (November 1991).

#### 4.2 Infructuous expenditure on a water supply scheme due to defective planning

The work on the water supply scheme Swarnkha (Samba) phase II for providing drinking water to 10 villages with a designed population of 7755



was undertaken by the Public Health Engineering, Rural Division, Jammu during 1980-81 without obtaining administrative approval and technical sanction and also without ascertaining the quality of water available from the source tubewell. The estimates for the work were, however, subsequently prepared for Rs. 22.50 lakhs during January 1984. The scheme was partially commissioned in May 1985 (expenditure at the end of March 1985 : Rs. 12.33 lakhs) but within a few months of its commissioning the beneficiaries complained about the quality of water supplied. A laboratory test carried out in November 1986 confirmed that the water was unfit for human consumption.

In order to meet the drinking water requirement of the intended beneficiaries, another tubewell (about 1200 metres from the abandoned tubewell) with other ancillary structures viz., rising main, pump room, sump tank etc. was constructed during March-December 1988 at an estimated cost of Rs. 8.40 lakhs. Accordingly expenditure of Rs. 3.56 lakhs (provisional) incurred on the original tubewell and its ancillary structures viz., chowkidar's quarter, pump room and fencing, which had to be abandoned, was rendered infructuous. The total expenditure on the project up to end of March 1990 was Rs. 21.98 lakhs.

Thus the injudicious action of the Department in executing the work without obtaining administrative and technical approval and without ascertaining the availability of consumable drinking water has not only resulted in infructuous expenditure but it is also clearly indicative of lack of co-ordination and supervision in the execution of a major programme in an area of public concern which involved supply of consumable water.

The matter was reported to Government in June 1991 ; reply has not been received (November 1991).

#### 4.3 Idle investment due to defective planning

In the case of Water Supply Schemes, the source of supply is required to be established first and construction of intake structure started before taking up work on other components of a scheme. However, work on Jasmota scheme for improving and augmenting the supply of water to 14 villages with a designed population of 12705 (estimated cost : Rs. 63.43 lakhs) was started by the Public Health Engineering, Rural Division, Jammu during 1981-82 without obtaining administrative approval, technical sanction and determining the water intake point on the Chenab river bank. By August 1987, when execution of the scheme was transferred to P.H.E. Division, Akhnoor, Rs. 41.37 lakhs had been spent and most of the work on components other than intake structure had been completed. On a complaint from the public, the work was inspected (August 1987) by the Chief Engineer who stopped its execution pending finalization of the proposals for intake structure.



After considering some alternatives, the Chief Engineer approved installation of a submersible pump set on slide rail arrangement for lifting water from river Chenab and approached (July 1990) Government for sanctioning allotment of the work of supply and installation of the required pump etc. to a firm of Delhi on turnkey basis at a cost of Rs. 7.54 lakhs. Government sanction was still (July 1991) awaited. Meanwhile, due to non-acceptance of its offer within the validity period viz., 31st August 1990, the firm increased its quoted rate from Rs. 7.54 lakhs to Rs. 8.67 lakhs, which had not been accepted upto its validity period viz., 8th July 1991. The suspended work had not been resumed with the result that investment of Rs. 54.25 lakhs (1981-91) on the scheme started in 1981-82 had not been utilized so far (July 1991) depriving the public of the intended benefits.

In April 1988, Government appointed Chief Engineer, P.H.E as Inquiry Officer to investigate the allegations of wasteful expenditure, thoughtless planning and unauthorised execution of the work and fix responsibility. The Inquiry Officer who was required to submit report in a month, submitted his report to Government in March 1989 highlighting that the Executive and Superintending Engineers concerned allowed the work on other components to go ahead without establishing the source and disregarded other important requirements of obtaining administrative approval and technical sanction before starting the work. Action taken by the Government on Inquiry Report is awaited (July 1991).

The matter was reported to Government in June 1991 ; reply has not been received (November 1991).

### **Irrigation and Flood Control Department**

#### **4.4 Extra expenditure due to default of a contractor**

Construction of river training bars upstream Gundi Bridge (estimated cost : Rs. 0.62 lakh) on the right and left sides of river Suran (Rajouri) was allotted (April 1982) by the Executive Engineer, Flood Control Division (FCD), Rajouri to contractor "A" in anticipation of administrative approval, technical sanction and preparation of detailed estimate of the work for completion in six months. No formal agreement was drawn. As detailed estimate of the work was finalised by the Department in December 1982, the contractor was given nishan-dehi (demarcation of site) only in January 1983 and the stipulated time of completion was proposed by the Executive Engineer to be extended by six months. After doing part work and getting payment of Rs. 0.05 lakh (March 1983), the contractor abandoned the work without intimating any reason to the Department. The balance work (estimated cost : Rs. 0.56 lakh) allotted (May 1985), at the risk and cost of the original contractor, by the Executive Engineer, FCD, Rajouri to contractor



"B" at higher rates, was completed during May 1985-February 1986 at an extra cost of Rs. 0.57 lakh.

The Executive Engineer, FCD, wrote (July 1987) to other Public Works Divisions and the Deputy Commissioner, Poonch for effecting recovery from the defaulting contractor but no money had been recovered as of November 1990.

While allotting the work to the original contractor, the Executive Engineer instructed the concerned Assistant Engineer not to issue any departmental material before the agreement was drawn. Though no formal agreement was executed, departmental material was issued to the contractor and an amount of Rs. 0.07 lakh was outstanding (November 1990) on this account.

Thus due to lack of proper supervisory control and non-finalisation of detailed estimates before allotment of the work, not only was the execution of the work inordinately delayed, but extra expenditure of Rs. 0.57 lakh was also involved.

The matter was reported to Government in June 1991 ; reply has not been received (November 1991).

#### **Roads and Buildings Department**

##### **4.5 Infructuous expenditure on construction of a foot bridge**

Right side abutment, tower and anchor block of the proposed 100 metres span foot bridge on river Ujh at Guddu Falail (Basohli) was commenced by R&B Division, Basohli through a contractor in January 1986 in anticipation of administrative approval and technical sanction. On site inspection, in February 1987, the Executive Engineer observed that the river had slightly changed its course in Monsoon of 1986 and was endangering land on the right side and that necessary protection works were required to be provided urgently to avoid danger to the structures raised on that side but no such work was done. The right side abutment, tower and anchor block were completed in March 1988 at a cost of Rs. 2.59 lakhs.

Construction of abutment on the left side was allotted (August 1987) by the Superintending Engineer, P.W.D. Kathua to another contractor at a cost of Rs. 2.50 lakhs for completion in nine months. Soon after the contractor started excavation of the trench, the Executive Engineer decided to construct a pier, instead of abutment, on the left side due to the site conditions. Accordingly, the design of the work was changed from abutment to pier, the foundation depth enhanced from 4.50 metres to about 7.30 metres. The overall estimate of the work also significantly increased from Rs. 2.50 lakhs.

to Rs. 4.06 lakhs. In March 1988 a part of the trench excavated by the contractor got filled up and some machinery brought by him to the site of the work were washed away due to heavy rains. (Damages/losses claim amounting to Rs. 4.13 lakhs lodged by the contractor was sub-judice in the High Court of Jammu and Kashmir in March 1990). The Department undertook protection works (estimated cost : Rs. 1.77 lakhs) on both right and left sides of the proposed bridge during March-July 1988. After the pier on the left side had been constructed upto river bed level and the contractor had executed work valuing about Rs. 4.06 lakhs in all, the Department did not allow (July 1988) continuance of the work due to paucity of funds. In January 1989, the contractor requested that as he had already done work much in excess of the agreed amount, his contract may be finalized. Though the Division had initiated action, the contractor's claim had not been finalised yet (April 1990). Meanwhile, no work has been done on the bridge after July 1988.

In July 1989, after inspecting the work, the Executive Engineer, R&B Division, Basohli reported that the right side abutment and tower of the bridge (completed in March 1988) had totally collapsed leaving no scope for their re-construction at the existing site and that right side anchor block had also been partially damaged and its protection from further damage was very costly. He further mentioned that construction of the bridge at the existing site seemed to be a remote possibility and that technically it was advisable to shift the location of the bridge and, therefore, requested the Superintending Engineer to inspect the site for further instructions. The Chief Engineer decided (August 1989) that alternative site for construction of the bridge be explored for which surveys were conducted (March 1990). Expenditure incurred on the abandoned structures amounted to Rs. 5.66 lakhs (March 1990) excluding pending liabilities which were not intimated (November 1991) to Audit.

Thus, defective planning and starting the work without adequate site investigation, administrative approval and technical sanction resulted in infructuous expenditure of Rs. 5.66 lakhs.

The matter was reported to Government in June 1991 ; reply has not been received (November 1991).

#### **Power Development Department**

#### **4.6 Infructuous expenditure on erection of a transmission tower**

Tower DM-5 (near Digdol, Ramban) of the 132 K.V. Chenani-Srinagar Transmission Line got burnt (December 1985) reportedly when some resin tins, unauthorisedly stored under it by a contractor of the P&D Department, caught fire. The extent of loss could not be ascertained



audit as the expenditure on construction of the tower (salvaged material value : Rs. 2.52 lakhs) was not available. A committee of two Superintending Engineers constituted (December 1985) by the Chief Engineer, Generation and Transmission Wing, Srinagar to conduct an enquiry into the mishap came to the conclusion (June 1986) that it was purely an accident which could have been averted, had the superior staff been alerted by the line patrol ; the latter was recommended to be warned for this lapse.

The Department subsequently had to erect another tower DM-5 (new) during January 1986-March 1988 near the burnt DM-5 tower at a cost of Rs. 10.31 lakhs. To reduce the long distance between towers DM-5/new and DM-6 another tower DM-5/A was also erected (January 1986-March 1988) at a cost of Rs. 6.60 lakhs and tower DM-5 (new) was connected to tower DM-6 through tower DM-5/A.

No specific geological clearance was obtained for the site selected departmentally for tower DM-5/A. As this tower was located on a hill having valleys on two sides, it started sinking resulting in fast deterioration of its foundation. After site inspection (April 1989), the officer in-charge Engineering Geology suggested that as the slip circle was quite deep the site of the tower (DM-5/A) might be shifted. The damage was aggravated during the rains of February 1990 when one of the stubs of the foundation got totally exposed. In June 1990 the Department realigned the line direct from Tower DM-5 (new) to DM-6, by-passing Tower DM 5-A.

Thus the Department constructed a new intermediary tower at a site without properly checking its geological suitability at a cost of Rs. 6.60 lakhs.

The matter was reported to Government in June 1991 ; reply has not been received (November 1991).

#### 4.7 Non-utilization of investment and delay in execution of work

A contract for fabrication, galvanizing and supply of 645 tonnes of steel structures for 220 KV Gladni-Udhampur transmission line was, after approval of the Contract Committee No. II of the Power Development Department (P.D.D), allotted (March 1984) by the Chief Engineer, Electric Construction to a firm of New Delhi at Rs. 1565 per tonne (total contract value : Rs. 10.09 lakhs). The work was to be undertaken by the firm at their works. Steel for fabricating the towers was to be supplied by the Department on the firm's executing indemnity bond equivalent to the invoice value of the steel. The cost of zinc (for galvanizing the structures), bolts and nuts, initially purchased by the firm, was also to be reimbursed by the Department on getting an indemnity bond and proof of receipt of such material at their works. The delivery of the structures (to be

fabricated by the firm after getting the proto-types of each type of towers approved by the Department) was to be made at 200 tonnes per month within four months of the receipt of structural drawings from the Department and the contract completed by November 1984. Before releasing payment against delivered structures, a bank guarantee for an amount equivalent to 5 per cent of the contract value was to be obtained from the firm. A similar bank guarantee was also to be obtained to serve as a performance bond for successful completion of the contract.

Structural drawings for all types of towers (A, B, C, D and D-special) were sent by the Department on 30th March 1984 and 46 tonnes M. S. angles and plates (value : Rs. 3.60 lakhs) were issued to the firm in July and October 1984 for manufacturing the proto-type towers. Rs. 16.62 lakhs representing the cost of zinc, nuts and bolts purchased by the firm were also reimbursed by the Department in June-August 1984.

Despite reminders, the firm started supply of proto-types only in April 1985 and even by December 1986, the firm had supplied only proto-types of the five types of towers.

To ensure early execution of the contract, the Department accepted (January 1987) the offer of the firm to partly fabricate the structures at Jammu. The firm set up (April-June 1987) a mini-workshop in the Power Development Department workshop premises at Jammu but after doing some work, they abandoned further fabrication in the aforesaid workshop without intimating any reasons. The position of work done by the firm upto February 1990 is given below :-

(Quantity in tonnes)

(i) Steel supplied by the Department upto November 1987 whereafter no supply was made	520.36
(ii) Galvanized towers delivered by the firm upto August 1989 whereafter no supply was made	158.95
(iii) Partly fabricated tower material lying in the departmental workshop at Jammu	256.19
(iv) Fully fabricated tower material lying with firm for galvanizing at Delhi	105.22
Total (ii to iv)	<hr/> 520.36 <hr/>



Apart from reimbursement of the cost of zinc, bolts and nuts, as mentioned above, payments aggregating Rs. 2.80 lakhs were made (April 1985 to August 1985) to the firm against 159 tonnes of galvanized tower structures delivered by it.

Though the supply was to be completed by November 1984, the firm had supplied only about 25 per cent of the contracted structures till February 1990. No effective action was taken to ensure timely completion of the contract by the firm or to initiate action for default in terms of the provisions of the agreement.

105.22 tonnes of fully fabricated tower material involving utilization of departmental steel worth Rs. 9.98 lakhs (at issue rate) and 32 tonnes of zinc valuing about Rs. 9.19 lakhs (paid for by the Department in June-August 1984) were still lying with the firm. Apparently the supply of departmental material and reimbursement of cost of zinc did not match the physical fabrication of towers by the firm.

The performance bond bank guarantee for Rs. 0.58 lakh, which was to remain in force till the successful completion of the contract, expired on 31st December 1987 but the Department failed to get the same revalidated (February 1990).

Though stipulated in the terms of agreement, bank guarantee for Rs. 0.50 lakh valid till 6 months after the completion of the contract was not obtained before releasing payment (Rs. 2.80 lakhs) against the delivered structures.

Rupees 1.50 lakhs was due to the firm against this contract and their fabricating equipment worth about Rs. 2.50 lakhs was lying in the departmental workshop at Jammu. Three indemnity bonds for Rs. 57.53 lakhs available with the Department did not constitute adequate security as these merely gave a right to effect recovery, in case of default, from the firm, if necessary, by recourse to court of law.

The delay in the completion of supply of towers in turn delayed completion of the Gladni-Udhampur transmission line which was started in 1984-85 for completion by 1986-87 resulting in non-utilization of the investment of Rs. 2.14 crores thereon during 1984-89 and hence non-accrual of the intended benefit from a dependable additional power link in Jammu city, its adjoining areas and between Udhampur and Jammu.

The matter was reported to Government in June 1991; reply has not been received (November 1991).

## **CHAPTER-V**

### **STORES AND STOCK**

#### **Public Works Department**

#### **5.1 Stores Management in Public Works Department (Jammu Province)**

##### **5.1.1 Introduction**

Public Works Division (Roads and Buildings) obtain their requirements of main civil stores like cement, steel and asphalt generally through the Stores and Procurement Department. To facilitate efficient materials management, the Divisions are required to ensure proper inventory control over materials in stock till these are finally consumed on works or disposed of otherwise. In order to secure this, the Divisions are required to account for the cost of acquisition etc., of materials for which they maintain store accounts of both quantity and value. This involves proper management of stores through

- (i) physical verification of stores at least once a year ;
- (ii) retention of store balances within the sanctioned stock reserve limits ; and
- (iii) maintenance of initial accounts and observance of prescribed rules and regulations.

The general administration of all the stores of a Division is vested in the Divisional Officer/Executive Engineer, who is primarily responsible for arranging (1) the acquisition of stores, (2) their safe custody and distribution according to the requirements of works, and (3) their disposal otherwise. The initial records indicating the quantity or numerical accounts of stores are maintained by the storekeeper who is the custodian of stores. The valuation of these accounts is done by the Divisional Officer. The administrative control over the Divisions is exercised by the Chief Engineer, Roads and Buildings, Jammu through respective Superintending Engineer in each District.

##### **5.1.2 Audit Coverage**

The scope of this Audit Review was restricted to the Jammu region. As on 1st January 1990 there were 19 Divisions in Jammu Province apart from 3 Divisions of National Highway IB. Out of these, store accounts of 16 Divisions, covering the period from 1984-85 to 1988-89, were reviewed

The abbreviations used in this Review are listed in the glossary in Appendix 10 (Pages : 173-174).



in audit. The important findings are mentioned in the succeeding paragraphs.

### **5.1.3 Highlights**

**—In one Division, physical verification of stores for 1984-85 and 1986-87 was not done and in 11 Divisions, stores shortages valuing Rs. 8.27 lakhs were detected during periodical physical verification and/or on transfer of incumbents.**

**(Paragraph : 5.1.4 (a))**

**—In contravention of the prescribed provisions, 10 to 13 Divisions held stock in excess of their reserve limits. The value of excess stock ranged between Rs. 171.34 lakhs and Rs. 228.24 lakhs at the end of each financial year from 1984-85 to 1988-89.**

**(Paragraph : 5.1.4 (b))**

**—Out of a total value of Rs. 136.00 lakhs on account of stores issued by 11 Divisions to different works during 1984-85 to 1988-89, cost of materials valuing Rs. 91.60 lakhs was not debited to the relevant works resulting in creation of stock liabilities.**

**(Paragraph : 5.1.4 (c) (i))**

**—In 4 Divisions, outstandings of Rs. 18.24 lakhs on account of stores issued to subordinate executives over 2 to 5 years ago for use on works had not been cleared even up to May 1990 due to incomplete material-at-site accounts.**

**(Paragraph : 5.1.4 (c) (ii))**

**—A cheque for Rs. 24.03 lakhs drawn on 31st March 1987 on account of cost of construction material was deposited in the cash chest to avoid lapse of funds.**

**(Paragraph : 5.1.4 (c) (iii))**

**—Cash security and personal surety were either not obtained, or only partly obtained from the storekeepers of various Divisions.**

**(Paragraph : 5.1.4 (c) (iv))**

**5.1.4 Audit analysis****(a) Physical verification—shortages in stores**

Physical verification of all stores is required to be done at least once every year and discrepancies, if any noticed, properly investigated and brought to account immediately. Audit in test-check observed that shortages of stores worth Rs. 8.27 lakhs were revealed during physical verification/handing over of stores in the various Divisions as mentioned below :-

S.No.	Division	Year to which verification pertains	When stock verification conducted/ charge handed over by the store-keeper	When shortage worked out	Value of shortage (Rupees in lakhs)	Cash and personal securities realised	Remarks
1.	Reasi	1985-86	September 1986	November 1987	2.15	Nil	Recovery of the cost of shortages ordered by the Chief Engineer in March 1988, at 50 per cent of the emoluments of the storekeeper (since transferred to Poonch Division) has not been effected so far (September 1990).
2.	Ramban	1984-85	May-July 1985	July 1986	1.47	Nil	In March 1988, the Chief Engineer ordered recovery of shortages from the storekeeper (since transferred to Marwah Division) at 50 percent of his emoluments. Progress of recovery made was not intimated to Audit (November 1990).
3.	Udhampur	1987-88	April 1988	March 1989	0.43	Personal surety of Rs 20,000 not obtained	Action taken to recover the cost of shortages not intimated to Audit so far (November 1990)
4.	R&B II Jammu	1988-89	April-May 1989	Not intimated	0.27	Rs. 2000 (cash) Rs. 10000 (personal)	Recoveries effected till December 1990, amounted to Rs. 0.06 lakh. Progress of recovery made subsequently not intimated so far (June 1991).



S.No.	Division	Year to which verification pertains	When stock verification conducted/ charge handed over by the store-keeper	When shortage worked out	Value of shortage (Rupees in lakhs)	Cash and personal securities realised	Remarks
5.	R&B II Jammu		August 1989	August 1990	0.24	Rs. 2000 (cash) Rs. 10000 (personal)	The storekeeper was transferred in August 1988 to the Medical College Division, Jammu, as Senior Assistant. He had been directed by the Executive Engineer, Roads and Buildings II, Jammu to deposit full amount on account of shortages in the divisional chest. However, on a 'personal request' made by the ex-storekeeper, the Executive Engineer, Medical College Division, Jammu, effected recovery from him at Rs. 200 per month (totalling Rs. 400 till October 1990) at which rate cost of shortages could not be recovered in full since the official was due to superannuate at the end of May 1991.
6.	Kishtwar	1984-85	April-October 1985	N.A.	0.36	Nil	Rs. 0.15 lakh remained outstanding (June 1990).
		1987-88	April-May 1988	N.A.	0.03	Rs. 2000 (cash) Rs. 10000 (personal)	Rs. 0.01 lakh was outstanding (December 1989).
7.	Special Sub-Division Doda	1986-87	N. A.	N.A.	0.71	Not intimated	Rs. 0.64 lakh remained outstanding (February 1990).
8.	Poonch	1988-89	July-August 1989	March 1990	0.53	Rs. 2000 (cash) Rs. 5000 (personal)	Rs. 0.04 lakh remained outstanding (November 1990).

S.No.	Division	Year to which verification pertains	When stock verification conducted/ charge handed over by the store-keeper	When shortage worked out	Value of shortage (Rupees in lakhs)	Cash and personal securities realised	Remarks
9.	Rajouri	1985-86	N. A.	February 1988	1.60	Not intimated	Rs. 1.56 lakhs were outstanding (May 1990).
10.	Bhaderwah	1988-89	July 1989	November 1989	0.06	Rs. 2000 (cash)	Rs. 0.02 lakh were outstanding (July 1990).
11.	R&B III Jammu	1986-87	April-June 1987	May 1988	0.42	Rs. 2000 (cash) Rs. 25000 (personal)	Rs. 0.29 lakh recovered upto November 1990.

Physical verification of stores is required to be conducted at least once a year and reasons for shortages/excess, if any, investigated. However, in the Roads and Buildings Division, Udhampur, no physical verification of stores was conducted for the years 1984-85 and 1986-87. No reasons for failure to conduct the said verification were intimated to Audit.

#### (b) Stock reserve limit

To avoid blocking up of capital and also to ensure maintenance of adequate stock in stores, a monetary limit for the stock reserve of a Division is prescribed by the Government. At the end of each financial year from 1984-85 to 1988-89, 10 to 13 Divisions held stocks in excess of the prescribed limits by 576 per cent to 802 per cent (Rs. 171 lakhs to Rs. 228 lakhs) as tabulated below :-

Year	Number of Divisions	Sanctioned reserve stock limit	Value of stock held at the end of the year	Excess over reserve stock limit	Percentage of excess over stock reserve limit
(Rupees in lakhs)					
1984-85	12	32.00	217.30	185.30	579
1985-86	13	36.00	264.24	228.24	634
1986-87	13	36.00	246.59	210.59	585
1987-88	10	26.25	236.79	210.54	802
1988-89	10	29.75	201.09	171.34	576

Further, in one Division, created in February 1986, no limit of stock reserve was prescribed though the value of stock held annually by it varied between Rs. 1.99 lakhs and Rs. 21.72 lakhs.



Thus the over-investment made in the acquisition of stores resulted in the blockage of scarce funds.

**(c) Deviation from prescribed procedure in the maintenance of initial accounts**

(i) Codal provisions lay down that value of material received from stock for issue to a work is to be immediately brought into accounts and no liabilities incorporated therein. However, cost of materials valuing Rs. 91.60 lakhs, out of stores worth Rs. 1.36 crores issued by 11 Divisions to different works during 1984-85 to 1988-89, was not debited to relevant works so far (March 1990), while material valuing Rs. 44.10 lakhs was debited to relevant works only in the subsequent years and not in the year of their issue.

(ii) When materials are issued to a work, their quantitative account showing receipt, issues and balances should be kept in the Register of material-at-site account (Form-35) so that total issues of principal items of material are watched with reference to the estimated requirements. Unused balances of material have to be verified at least once a year and report of verification submitted by the subordinate executive to the Divisional office. It was, however, observed that in four Divisions indicated below, the utilisation of materials valuing Rs. 18.24 lakhs issued to subordinate executives (since transferred to other Divisions) for use on works, over 2 to 5 years ago, could not be indicated as the material-at-site accounts were incomplete.

S. No.	Division	Year of issue	Amount (in lakhs of rupees)
1.	R&B Division Reasi	1985-86 and 1986-87	3.57
2.	R&B Division Kathua	1985-86 and 1986-87	4.78
3.	R&B Division-II Jammu	1987-88 and 1988-89	1.21
4.	R&B Special Sub- Division Doda	1986-87 and 1987-88	8.68
Total			<u>18.24</u>

While Executive Engineer, R&B Special Sub-Division, Doda, whose records had been seized by the Vigilance Department, was unable to explain the irregularity, the remaining three Divisions stated (May 1990) that the matter was being looked into by them. Further developments were not intimated (November 1991).

**(iii) Drawal of money to avoid lapse of funds**

For procurement of asphalt and tor steel, from the Stores and Procurement Department, the construction Division-II (Roads and Buildings), Jammu had to remit Rs. 24.03 lakhs into treasury and accept the materials on production of treasury receipt (s). The Division, however, did not deposit any amount in the treasury but drew on 31st March 1987, a cheque for Rs. 24.03 lakhs in favour of the Stores Procurement Department on account of the cost of the said materials and deposited it in the cash chest to avoid lapse of funds. The Division lifted asphalt after making payment (April 1987) of Rs. 19.29 lakhs. The remaining amount of Rs. 4.74 lakhs was spent by the Division subsequently on items other than procurement of stores.

(iv) Under codal provisions, cash and personal securities of Rs. 2000 and Rs. 20,000 respectively have to be obtained from every person entrusted with the custody and handling of Government stores. Notwithstanding this, the prescribed securities were either not realised or only partly realised from the storekeepers of 2 to 10 Divisions during the years 1984 to 1989, as indicated below :

	Number of Divisions	Storekeepers
<b>(i) Security not realised</b>		
(a) Cash	4	7
(b) Personal	10	2
<b>(ii) Security realised partly</b>		
(a) Cash (Rs. 767 to 1,000)	2	3
(b) Personal (Rs. 5,000 to 10,000)	5	9

Further, in nine Divisions, 17 persons held the charge of stores for periods ranging from 2 to nearly 5 years against a maximum of 2 years prescribed by the Government.



**(v) Non-reconciliation of value accounts of stock**

The value of closing stock as per Divisional monthly stock account current for the last month of a financial year is required to be reconciled with the corresponding value of stock articles as worked out with reference to the relevant priced store ledgers. While 3 to 8 Divisions had attempted the aforesaid reconciliation, the other eight divisions had not done the needful during 1984-85 to 1988-89 as maintenance of the relevant priced store ledgers was incomplete/in arrears. Reconciliation where attempted, however, disclosed excess of stock account current balance over priced store ledger balance in 3 to 5 Divisions year-wise as under :-

Year	Number of Divisions	Variation
		(Rupees in lakhs)
1984-85	4	19.17
1985-86	3	34.03
1986-87	5	45.46
1987-88	4	41.10
1988-89	5	38.20

The variations were attributed by the Divisions mainly to delay in adjustment of shortages of stores noticed during physical verification, non-adjustment of the cost of material issued from stock, and delay in lifting of material against advance payments.

Although such variations distort the actual state of accounts, no corrective measures have been devised.

**(vi) Write-back adjustment**

Stock adjustment involving the writing back of the value of materials used on a work to avoid excess outlay over appropriation is not permitted under codal provisions. Notwithstanding this, value of materials amounting to Rs. 0.70 lakh, out of materials worth Rs. 0.97 lakh, used on work "Renewal Programme of District Roads", between April and October 1988, by the Roads and Buildings, Special Sub-Division, Doda was subsequently (December 1988) written back and instead payment was made to meet the labour component of the work. The stock liability of Rs. 0.70 lakh thus created, for which funds had been demanded by the Division, remained outstanding (October 1990).

Such fictitious adjustments distorted the position of stock balance in stores and the figures of outlay on a particular work.

### **5.1.5 Other observations**

#### **5.1.5.1 Awaited supplies/failure to claim reimbursement of freight**

(a) The Executive Engineer, Roads and Buildings Division, Nowshehra made 100 *per cent* advance payments of Rs. 0.88 lakh and Rs. 0.95 lakh for supply of cement of 100 tonnes each to two firms in July 1986 and February 1987. One of these firms supplied only 70 tonnes till February 1987. The remaining quantity of 30 tonnes had not been received by the Division so far (May 1990). No cement was received by the Division from the other firm (May 1990). Neither the refund of Rs. 0.26 lakh and Rs. 0.95 lakh was obtained from the respective firms, nor was any claim for interest on the unrefunded balances made in terms of the instructions issued in October 1983 by the Cement Controller of India. The Executive Engineer concerned intimated (May 1990) that legal proceedings were being initiated against the two firms. Further developments were not intimated (November 1990).

(b) Sale rates of cement fixed by the Cement Controller of India, from time to time, include the element of carriage charges from the suppliers' works upto the district headquarters of the purchasers. The freight initially paid by the purchasers, on this account, is to be reimbursed by the suppliers but claims therefor have to be preferred within six months of the receipt of cement.

Freight charges totalling Rs. 0.43 lakh were paid by two Divisions on carriage of cement from Khrew (Kashmir) during December 1984 to March 1986 and October 1986 but their reimbursement was not claimed from the suppliers till September 1989 in the case of one Division and till June 1990 in the case of the other Division by which time these had become time-bared. Reasons due to which the Divisions failed to claim reimbursement in time could not be indicated to Audit.

**5.1.6** The points mentioned in this Review were referred to Government in May 1991 ; reply has not been received (November 1991).

### **Irrigation and Flood Control Department**

#### **5.2 Shortage of stores**

Consequent upon reorganisation (September 1986) of the Irrigation and Flood Control Department, Flood Control Division, Awantipora was wound up. The stores and all records of the erstwhile Division were accordingly



transferred to the Flood Control Division, Anantnag. Against the Priced Stores Ledger balance of 731.49 quintals Black Annealed (BA) wire, the storekeeper concerned handed over (November 1986) only 591.26 quintals wire to his successor. 30 items of other stores (value not available) and 140.23 quintals of BA wire (value Rs. 1.40 lakhs) were yet to be accounted for. No action had been taken.

In response to an Audit enquiry, the Executive Engineer, Flood Control Division, Anantnag intimated (August 1989) that the records of the erstwhile Division did not indicate whether the required cash security of Rs. 0.02 lakh and personal surety of Rs. 0.20 lakh had been obtained from the storekeeper. Besides, Store Bin Cards for the relevant period were also reported to have not been handed over by the storekeeper to his successor (August 1989).

The matter was reported to Government in May 1991 ; reply has not been received (November 1991).

### **5.3 Blockage of money due to non-utilisation of stores**

An amount of Rs. 14 lakhs was drawn by the Executive Engineer, Tubewell Irrigation Division, Jammu and advanced (March 1986) to the Mechanical Irrigation Division, Jammu for purchase of submersible pumps and voltage stabilizers for anti-drought measures for Kharief (1985) season.

Purchase orders for 36 pumps (cost : Rs. 8.68 lakhs) were placed by the Chief Engineer in May 1986. 24 of the pumps received (July-November 1986) were issued for use on different tubewells during September 1986 to December 1988 but the remaining 12 (cost : Rs. 2.89 lakhs) were still (March 1990) unutilized resulting in blockage of Government money.

Purchase order for 13 stabilizers (cost : Rs. 3.50 lakhs) was placed in March 1988 by the Superintending Engineer, Mechanical Irrigation Circle, Jammu and the stabilizers were received during July 1988 to February 1989.

Out of Rs. 10 lakhs advanced for pumps, Rs. 9.89 lakhs were spent during April 1986 to February 1990 and Rs. 0.11 lakh remained unspent (February 1990). Advance of Rs. 4 lakhs for stabilizers was spent during May 1986 to November 1989. Thus drawal of Rs. 14 lakhs was made without immediate requirement at the close of 1985-86 just to avoid lapse of funds.

The matter was reported to Government in May 1991 ; reply has not been received (November 1991).

**Power Development Department**

**5.4 Extra expenditure due to delay in acceptance of tenders**

In response to the Chief Engineer, Generation and Transmission (G&T), Power Development Department (P.D.D.) communication (May 1986) calling tenders for 3 runners required for Chenani (Udhampur) Power House, Bharat Heavy Electricals Limited (BHEL) quoted (June 1986) Rs. 20.09 lakhs per runner excluding taxes, duties, etc. subject to price variation provided the order was placed with them before 15th July 1986. The Executive Engineer, Generation Division, Chenani-Udhampur also requested (27th June 1986) the Superintending Engineer and the Chief Engineer G&T for taking immediate action to place the order before 15th July 1986. BHEL also reminded (5th July 1986) the Chief Engineer, G&T telegraphically for placing the order immediately.

The Chief Engineer submitted (1st July 1986) to the Development Commissioner (Power) agenda note regarding the proposed purchase and requested that meeting of the relevant Purchase Committee be convened early so that the firm could be informed accordingly. Meeting of the Purchase Committee was held on 31st July 1986 and letter of intent to place order for 3 runners was also sent by the Chief Engineer, G&T to BHEL on the same date and they were requested to depute their representative for finalizing delivery period, rate etc. As the purchase order was not placed within the validity period of their offer, the firm demanded Rs. 25 lakhs per runner. After negotiations the latter agreed (November 1986) to charge Rs. 22.50 lakhs per runner excluding taxes, duties, etc. Purchase order for two runners was, after approval of the relevant Purchase Committee, placed by the Chief Engineer, G&T with BHEL in April 1987 for supply within 15 months. One runner was received by the Generation Division, Udhampur in January 1989 and the second in March 1990. Thus delay in processing the case for placing purchase order within the validity period of the firm's offer and consequent purchase at a higher rate from the same supplier, resulted in an extra expenditure of Rs. 5.80 lakhs. No penalty was imposed upon the firm for delayed supply.

The matter was reported to Government in May 1991 ; reply has not been received (November 1991).

**5.5 Non-disposal of machinery and spares**

Twenty-seven items of machinery and equipments like air compressors, stone-crushers, concrete mixers, vibrators, dewatering pumps and a pick



up van procured by the Chenani Hydel Project during 1964-65 at a cost of Rs. 4.59 lakhs went out of order during 1968-75 and were subsequently declared beyond economic repairs and transferred to the erstwhile Civil Maintenance Division (CMD), Udhampur. Spare parts worth Rs. 0.88 lakh were also purchased for these machines during 1966-67. In response to an audit observation (January 1981), the Executive Engineer, CMD, intimated (June 1981) that action for disposal of the aforesaid equipments and spares had been initiated. In October 1985, the Executive Engineer, Generation Division, Udhampur (to whom the charge of the aforesaid stores was transferred) intimated that Survey Committee for disposal of un-servicable/surplus stores of the Power Development Department was constituted (June 1984) by Government and that the matter for disposal of the aforesaid items or their transfer to other units/Departments was under active consideration. The matter remained under correspondence only and despite reminders by Audit, the relevant machines, equipments and spares were still (November 1990) lying undisposed resulting in blockage of space, further deterioration of these stores and avoidable work on their store and account keeping.

The matter was reported to Government in May 1991 ; reply has not been received (June.1991).

#### **5.6 Extra expenditure due to delay in examining tenders for supply of transformers**

In response to tenders invited (April 1987) by the Superintending Engineer, Electric Purchase Circle (EPC), Jammu for supply of ten 10-MVA 3/11 KV power transformers, the lowest offer of Rs. 10.72 lakhs (excluding all taxes, duties) per transformer received from firm 'A' was valid for a period of 120 days. The process of opening of tenders, preparation of comparative statement and completion of other formalities was completed in January 1988 when the case was discussed by the Purchase Committee but as the validity period of the tenders was not extended beyond 31st December 1987, no decision could be taken. At the instance of the Department, firm 'A', however, agreed (February 1988) to extend the validity period of their tender up to 29th February 1988 subject, *inter alia*, to the enhancement of their offered rate from Rs. 10.72 lakhs to Rs. 11.23 lakhs (excluding taxes and duties) per transformer. The Purchase Committee decided (12th February and 5th April 1988) to purchase 2 transformers from firm 'A' (lowest), 4 from firm 'B' (second lowest) and 4 from firm 'C' (third lowest) at the revised rate of Rs. 11.23 lakhs offered by firm 'A' and orders were placed (June-July 1988) accordingly.

Thus, delay in processing the case at different levels resulted in extra expenditure of Rs. 1.28 lakhs on two transformers received (December 1988 and February 1989) from firm 'A'.

The matter was reported to Government in June 1991 ; reply has not been received (November 1991).

#### **5.7 Extra expenditure due to purchase at higher rates**

Due to "urgency" for 6.3 M.V.A. transformers, to meet the physical targets early, the relevant Purchase Committee agreed (September 1987) to place orders for 30 such transformers (against 26 mentioned in the relevant tender notice) with the following three firms instead of procuring them from the lowest tenderer (firm "A") alone at its offered rate.

<b>Firm "A"</b>	10 transformers each at Rs. 6.72 lakhs excluding taxes plus Rs. 8000 as freight up to Jammu for delivery during January-February 1988.
<b>Firm "B"</b>	10 transformers at Rs. 6.85 lakhs each (excluding taxes, duties etc.) plus freight charges at Rs. 35000 each upto Jammu for delivery during January-May 1988.
<b>Firm "C"</b>	10 transformers at Rs. 6.86 lakhs each (excluding taxes, duties, etc.) plus freight charges at Rs. 10,000 each upto Jammu for delivery during March-August 1988.

Purchase orders were placed (October-November 1988) with these firms accordingly by the Chief Engineer, Procurement and Materials Management, Power Development Department, Jammu. Firm "A" and "B" supplied 10 transformers each during February-June 1988 and June-September 1988 respectively. Firm "C" supplied 2 transformers during December 1988 and had not completed the contract as of January 1990.

It was observed by Audit that firm "A" had clarified (August 1987) with reference to their tender for 26 transformers that they would commence supply from January 1988 and continue it at a rate of 8 transformers per month. Thus, the Department incurred extra expenditure of Rs. 4.72 lakhs in procuring 12 transformers from firm "B" and "C" but consideration of "urgency" could still not materialize as the supply was actually received later than that expected according to the delivery period quoted by firm "A".



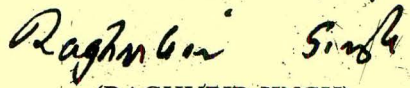
The Chief Engineer stated (March 1989) that action for delayed supplies by these firms was under process but further development of the case was not intimated (November 1991).

Case for arranging procurement of 8 transformers from other agencies and penal action against the defaulting firm "C" was under consideration (January 1990) of the Department.

The matter was reported to Government in June 1991 ; reply has not been received (November 1991).

Srinagar/  
Jammu  
The


14 FEB 1994

  
(RAGHUBIR SINGH)  
Accountant General (Audit),  
Jammu and Kashmir

Countersigned

New Delhi  
The

24 FEB 1994

  
(C. G. SOMIAH)  
Comptroller and Auditor General  
of India

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## APPENDICES

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## APPENDIX 1

(Reference : Paragraph : 2.2.6 (a) ; Page : 44 )

**Statement showing cases where supplementary provision was unnecessary.**

(Rupees in crores)

Sl. No.	Grant number	Department	Original Grant	Supplementary Grant	Expenditure	Saving
<b>Revenue(Voted)</b>						
1	5	Ladakh Affairs	30.17	5.99	26.99	9.17
2	8	Finance	61.06	0.92	39.10	22.88
3	15	Food supplies and Transport	11.43	2.57	3.71	10.29
4	16	Public Works	99.26	3.75	88.12	14.89
5	18	Social Welfare	14.74	0.95	14.19	1.50
6	20	Tourism	4.72	5.59	3.77	6.54
<b>Revenue (Charged)</b>						
7	8	Finance	206.42	6.04	183.17	29.29
<b>Capital (Voted)</b>						
8	8	Finance	10.65	1.54	7.54	4.65
			438.45	27.35	366.59	99.21

## APPENDIX 2

(Reference : Paragraph : 2.2.6(b) ; Page : 44)

**Statement showing cases where supplementary provision was made  
in excess of actual requirement**

(Rupees in crores).

Sl. No.	Grant Number	Department	Original provision	Expenditure	Additional requirement	Supplementary provision
<b>Revenue</b>						
1.	1	General	7.87	9.30	1.43	2.44
2.	2	Home	73.68	78.63	4.95	13.25
3.	6	Power Development	127.93	139.05	11.12	39.87
4.	13	Animal Husbandry	26.14	26.25	0.11	1.73
5.	14	Revenue	15.38	17.39	2.01	5.78
6.	17	Health and Medical Education	67.31	69.82	2.51	5.85
7.	19	Housing and Urban Development	11.27	12.21	0.94	4.20
8.	22	Irrigation and Flood Control	31.20	33.27	2.07	2.62
9.	23	Public Health Engineering	49.38	51.56	2.18	11.87
10.	24	Estates, Hospitality and Protocol Parks and Gardens	8.21	10.29	2.08	2.85
11.	25	Labour and Employment, Stationery and Printing	4.80	5.24	0.44	0.78
12.	27	Higher Education	22.73	24.09	1.36	4.10
			445.90	477.10	31.20	95.34
<b>Capital</b>						
13.	11	Industry and Commerce	16.42	18.73	2.31	9.75
14.	13	Animal Husbandry	0.97	2.44	1.47	1.98
15.	19	Housing and Urban Development	12.49	34.81	22.32	32.20
			29.88	55.98	26.10	43.93



## APPENDIX 3

(Reference : Paragraph : 2.2.6 (c) ; Page : 44)

Statement showing cases where supplementary provision  
was inadequate

(Rupees in crores)

Sl. No.	Grant Number	Department	Original grant	Supplementary grant	Expenditure	Excess expenditure over total grant
<b>Revenue</b>						
1.	7	Education	120.99	30.18	171.59	20.42
2.	11	Industry and Commerce	31.77	4.45	37.77	1.55
			152.76	34.63	209.36	21.97
<b>Capital</b>						
3.	8	Finance (Charged)	239.77	2.21	407.20	165.22
4.	20	Tourism	11.22	1.36	12.79	0.21
5.	24	Estates, Hospitality and Protocol and Parks and Gardens	0.49	0.02	0.79	0.28
			251.48	3.59	420.78	165.71
Total			404.24	38.22	630.14	187.68

## APPENDIX 4

(Reference : Paragraph : 3.1.6 (b) ; Page 49)

**Statement showing the details of rent recoverable from the Central  
Government Departments/Public Undertakings/Autonomous  
Bodies on account of vehicles allotted during 1987-88  
to 1989-90 (December 1989)**

S. No.	Name of the Department	No. of days for which the vehicles were allotted	Amount due (Rs.)
1.	Deputy Director, Census Operations, Jammu	513	46170.00
2.	Project Officer, DRDA Jammu	21	1890.00
3.	Assistant Project Officer, DRDA Pulwama	34	3060.00
4.	Deputy Chief Engineer, N. Railways Jammu	12	1080.00
5.	Assistant Engineer, State Sports Council, Jammu	10	900.00
6.	President All India Indira Tournament Jammu	33	2970.00
7.	State Financial Corporation Udhampur	3	270.00
8.	Project Officer, DRDA Udhampur	6	540.00
9.	Project Officer, DPAP Udhampur	4	360.00
10.	Youth Co-ordinator G.O.I.M.O Education Kathua	51	4590.00
11.	Deputy Custodian, E.P. Kathua	7	140.00
12.	Jammu and Kashmir Bank, Kathua	3	270.00
13.	Project Officer, DRDA Kathua	4	360.00
14.	Air Force, Srinagar	49	4410.00
15.	Indian Air Lines, Srinagar	45	4050.00
16.	Branch Manager, Steel Authority of India, Srinagar	1	180.00 (*)
17.	Traffic Manager, SRTC, Srinagar	8	720.00
18.	Srinagar Municipality	3	270.00
19.	J.K. Industries Ltd. Srinagar	4	360.00
Total			72590.00

(\*) Against Rs. 900 payable only Rs. 720 were recovered.



## APPENDIX 5

(Reference : Paragraph : 3.1.7(c) ; Page : 51)

## Statement showing excess consumption of fuel

S. No.	Vehicle No.	Period		Kms. covered	Fuel issued	Fuel due as per norms	Excess fuel issued
		From	to				
(Petrol)				(In litres)			
1.	8276-P	31-3-87 and 26-4-89	25-2-88 3-9-89	28482	3596	3358	238
2.	8119-C	1-7-89	18-1-90	16628	2227	1956	271
3.	8110-C	23-6-87	29-8-88	19124	2407	2258	149
4.	4423-S	16-5-87	15-12-89	71499	8839	8421	418
5.	3567-D	10-9-87	30-6-88	26333	3311	3103	208
6.	4824-B	29-1-87	3-2-88	19404	3248	2587	661
7.	9725-Q	1-4-88	8-2-90	42839	7621 <sup>1</sup> / <sub>2</sub>	5877	1744 <sup>1</sup> / <sub>2</sub>
8.	2078-E	10-11-87	4-11-89	19474	3341 <sup>1</sup> / <sub>2</sub>	2597	744 <sup>1</sup> / <sub>2</sub>
9.	5686-S	30-9-89	3-2-90	6370	907	850	57
10.	1574-P	11-4-89	3-2-90	12185	1974	1641	333
Total excess petrol issued :							4824
(Diesel)							
11.	936-C	1-1-88 and 1-12-88	30-7-88 31-1-89	30122	4733	3598	1135
12.	8830-P	1-8-88	31-3-89	16770	2377	1973	404
Excess diesel issued :							1539
(Abstract)							
Excess Fuel issued		Cost per Litre			Total cost		
Petrol=4824 litres		Rs. 8.57			Rs. 41341.68		
Diesel=1539 litres		Rs. 3.85			Rs. 5925-15		
Total :						Rs. 47266.83	

## APPENDIX 6

(Reference : Paragraph : 3.3.4 (c) ; Page : 70)

**Receipt and utilisation of funds-J&K State Board for Prevention and Control of Pollution**

Source/Scheme	1986-87		1987-88		1988-89		1989-90	
	Funds received	Expen- diture	Funds received	Expen- diture	Funds received	Expen- diture	Funds received	Expen- diture
(Rupees in lakhs)								
(i) From State Government								
(a) Prevention and control of pollution			6.00	4.80	6.50	6.75	12.10	9.50
(b) Setting up of Board Lab.			10.00	...	10.00	...	9.90	39.36
(ii) From Central Government			...	...	4.18	...	...	...
(iii) From Central Pollution Control Board			...	...	...	...	1.25	...
(iv) Consent Fee and other receipt			0.62	...	0.99	...	N.A.	...
Total	12.05	2.47	16.62	4.80	21.67	6.75	23.25	48.86
Cumulative unspent balance at the end of the year		9.58		21.40		36.32		10.71

N. A. = Not available.



## APPENDIX 7

(Reference : Paragraph : 3.3.5(c) ; Page : 75)

**Receipt and utilisation of funds-Directorate of Ecology and Environment**

Source/Scheme	1987-88		1988-89		1989-90	
	Provi- sion	Expen- diture	Provi- sion	Expen- diture	Provi- sion	Expen- diture
(Rupees in lakhs)						
<b>(a) From State Government</b>						
(i) Direction and Administration	2.00	2.00	5.00	5.00	9.50	6.30
(ii) Environment Publicity	2.00	2.00	4.00	4.00	4.00	2.80
(iii) Ecology and Environment Board	1.00	1.00	1.50	1.50	0.50	0.50
(iv) Development of water bodies	...	...	2.00	2.00	1.00	0.80
(v) Setting up of remote sensing centre --	7.00	7.00	9.00	9.00	13.00	12.80
Total	12.00	12.00	21.50	21.50	28.00	23.20
<b>(b) From Government of India</b>						
(i) Purchase of equipment	...	...	...	...	20.00	...
(ii) Restoration of catchment area at Erin	...	...	7.70	4.41	7.38	N.A.
<b>(c) From National Remote Sensing Agency</b>						
(i) Land use mapping	..	...	...	...	0.50	...
Grand Total	12.00	12.00	29.20	25.91	55.88	23.20

N.A. = Not available

## APPENDIX 8

(Reference : Paragraph : 3.3.5(g)(ii) ; Page : 77)

## Details of amounts advanced for sponsored Research Programmes

S.No.	Month in which advance given	Particulars	Amount advanced (Rs.)
1.	February 1988 and October 1988	Faculty Member, Kashmir University	54,000.00
2.	February 1988	Faculty Member, R.E.C. Sgr.	52,000.00
3.	February 1988	Faculty Member, Kashmir University	48,000.00
4.	February 1988	Scientist, R.R.L. Srinagar	60,000.00
5.	February 1988	Faculty Member, Jammu University	60,000.00
6.	May 1988	Hydrologist	17,200.00
7.	June 1988	Hydrologist	7,694.00
8.	September 1988	R.E.C. Srinagar	52,000.00
Total :			3,50,894.00

## APPENDIX 8-A

(Reference : Paragraph : 3.8.6(ii) ; Page : 115)

## Statement showing categorywise provisions in SAR, Budget allocations and expenditure incurred under T&amp;V Project in J&amp;K State during 1984-85 to 1989-90 (upto September 1989)

Category	Cumulative figures 1984-85 to 1989-90 (upto September 1989)		
	Provisions in SAR	Budget allotment	Expenditure
(Rupees in lakhs)			
1. Vehicles, equipment and furniture	201.19	217.85	159.89
2. Training and Research	32.72	42.78	16.91
3. Incremental Salaries	1293.31	1449.84	1302.92
4. Incremental operating expenses	321.09	256.79	160.01
5. Civil works	548.98	288.31	146.65
6. SKUAST	*	17.50	*
Total :	2397.29	2273.07**	1786.38

\* Included in total.

\*\* Includes budget allotment of Rs. 100.00 lakhs and expenditure of Rs. 71.89 lakhs during 1984-85 on account of retroactive financing over and above the project cost of Rs. 2397.29 lakhs.



## APPENDIX 9

(Reference : Paragraph : 3.8.8(iii) ; Page : 127)

**Figures showing results of monitoring surveys conducted by the M&E wing in respect of some key indicators during 1986-87, 1987-88 and 1988-89**

	Rabi Season			Kharif Season		
	1986-87	1987-88	1988-89	1986	1987	1988
(Figures in percentage)						
<b>A. Kashmir Division</b>						
<b>Indicators</b>						
1. Farmers knowing their JAAs	74	69	54	44	83	40
2. Farmers getting						
(a) Zero visit	25	24	48	35	18	62
(b) One visit	18	16	19	14	22	17
(c) Two or more visits	56	32	32	49	59	20
3. JAAs meeting the farmers on fixed days	48	42	23	29	65	20
4. JAAs meeting the farmers in the fields	30	49	9	21	41	12
5. Farmers who discussed advice with others	86	31	36	51	64	27
6. Farmers who adopted the recommendations fully						
(a) Seed Rate	82	59	34	45	84	76
(b) Seed Treatment	40	25	41	2	19	2
(c) Use of fertilizers	17	59	16	50	37	72
(d) Weed/disease control	2	41	20	53	96	98

## APPENDIX 9 (Concl.d.)

(Reference : Paragraph : 3.8.8(iii) ; Page : 127)

**Figures showing results of monitoring surveys conducted by the M&E wing in respect of some key indicators during 1986-87, 1987-88 and 1988-89**

	Rabi Season			Kharif Season		
	1986-87	1987-88	1988-89	1986	1987	1988
(Figures in percentage)						
<b>B. Jammu Division</b>						
1. Farmers knowing their JAAs	74	88		72	84	84
2. Farmers getting						
(a) Zero visit	49	25		27	22	29
(b) One visit	18	29		17	19	29
(c) Two or more visits	53	46		55	60	42
3. JAAs reporting visits on the fixed days	35	33		50	47	36
4. JAAs meeting the farmers in the fields	36	14		14	8	38
5. Farmers who discussed advice with others	57	69		58	64	56
6. Farmers who adopted the recommendations fully (Wheat/Paddy)						
(a) Seed Rate	77	87		60	73	87
(b) Seed Treatment	43	74		36	29	75
(c) Use of fertilizers	27	37		15	12	20
(d) Plant protection measures	20	7		12	NA	5



APPENDIX 10

GLOSSARY OF ABBREVIATIONS

AEC	Adult Education Centre
ADA	Assistant Director Agriculture
AEO	Agriculture Extension Officer
ARWS	Accelerated Rural Water Supply
ATM	Awami Tailimi Marakiz
BA	Black Annealed
BHEL	Bharat Heavy Electricals Limited
CAO	Chief Agriculture Officer
CCW	Civil Construction Wing
CGWB	Central Ground Water Board
CMD	Civil Maintenance Division
DRDA	District Rural Development Agency
EPC	Electric Purchase Circle
EP	Evacuee Property
FCD	Flood Control Division
G&T	Generation and Transmission
IDA	International Development Agency
IMPA	Institute of Management and Public Administration
JAA	Junior Agriculture Assistant
JDA	Joint Director Agriculture
JSN	Jana Shikhshan Nillayams
Km.	Kilometre
KV	Kilovolt
M&E	Monitoring and Evaluation
MLA	Member Legislative Assembly
MNP	Minimum Need Programme

APPENDIX 10 (*Concl.d.*)

GLOSSARY OF ABBREVIATIONS

MPFL	Mass Programme for Functional Literacy
NAEP	National Adult Education Programme
NAEP	National Agriculture Extension Project
NCC	National Cadet Corps
NGRI	National Geophysical Research Institute
NLM	National Literacy Mission
NLMA	National Literacy Mission Authority
NSS	National Service Scheme
PDD	Power Development Department
PHE	Public Health Engineering
PWD	Public Works Department
RD	Rural Development
RFLP	Rural Functional Literacy Programme
R&B	Roads and Buildings
SAC	Space Application Centre
SAEP	State Adult Education Programme
SAR	Staff Appraisal Report
SDAO	Sub-Divisional Agriculture Officer
SHP	Sewa Hydrel Project
SKUAST	Sher-i-Kashmir University of Agricultural Sciences and Technology
SMS	Subject Matter Specialist
T&V	Training and Visit
VIP	Very Important Person
VEW	Village Extension Works
WTM	Water Technology Mini Mission