

Chapter II

Social, General and Economic (Non-PSUs) Sectors

Compliance Audit

CHAPTER II

COMPLIANCE AUDIT

This chapter contains nine Compliance Audit paragraphs pertaining to the Social, General and Economic (Non-PSUs) Sectors. The observations relate to unauthorised payment, non creation of assets despite availability of funds, under utilisation of assets, non-execution of works, blocking of funds, overstatement of expenditure and unfruitful expenditure etc. The total financial implication of these observations is ₹ 192.47 crore. The observations in detail are discussed in the succeeding paragraphs.

Education Department

2.1 Non-establishment of Model Schools

Departmental failure to take timely action for utilisation of amounts received from the Government of India (GoI) for establishment of Model Schools at block level resulted in depriving quality education to the intended beneficiaries and non-utilisation of total available funds of ₹ 44.13 crore. The State Government contribution of ₹ 5.74 crore and interest accrued included in the available fund of ₹ 44.13 crore was also blocked, for ten years.

Department of School Education and Literacy (DSEL), Ministry of Human Resource Development (MHRD), Government of India (GoI) launched a scheme (November 2008) with the objective of having at least one good quality secondary school (Model School) in every Educationally Backward Block (EBB). The scheme was to be implemented from 2009-10 onwards. As the State of Jammu and Kashmir (J&K) was a special category State, the funding pattern through Grant-in-aid for implementation of the scheme was 90:10 for GoI and Government of Jammu and Kashmir (GoJ&K) respectively.

The GoJ&K submitted proposals (November 2009) to the Grant-in-aid Committee (GIAC) of DSEL, MHRD, GoI for setting up of 24 (17 new schools and conversion of seven existing schools) for EBBs. During its third meeting (November 2009) the GIAC observed that the projected unit cost of ₹ 6.18 crore was higher than the scheme norm of ₹ 3.02 crore per Model School and therefore, the State Government was required to either revise the estimate or to meet the extra financial burden. In the same meeting, the representative from the State of J&K informed the GIAC that the estimates will be revised so as to bring it within the scheme norms. The GIAC thereby recommended 19 new model schools (November 2009) to be set up in the State. Thereafter, revision of cost was stated to be submitted to Project Approval Board (PAB) in 2010-11.

Subsequently, amendments were made to existing provisions by Department of School Education and Literacy (DSEL), Ministry of Human Resource Development (MHRD), GoI, which allowed (April 2014) the State of Jammu and Kashmir an opportunity to revise the cost based on State Schedule of Rates (SSoR) in respect of the sanctioned 19 model schools for the EBBs as a one-time exception. A proposal based on the SSoR 2012 was stated to be submitted (August 2014) by the GoJ&K to the DSEL as per the information provided by the State Project Director, Samagra Shiksha, J&K Noor

Society¹. No relevant details of the revised proposals were provided on the grounds that Directorate of Rashtriya Madhyamik Shiksha Abhiyan (RMSA) remained submerged in devastating floods in the Valley in the month of September 2014 for a period of more than 25 days and most of the records in hard copy were destroyed. Subsequently, GoI, in February 2015 delinked the scheme from GoI support.

The grant-in-aid of ₹ 25.82 crore (90 per cent) of first installment was released (February 2010) and State Government released ₹ 2.87 crore (June 2010) to State Project Director (SPD) Sarva Shiksha Abhiyan (SSA). The entire amount of ₹ 29.23 crore² was transferred in December 2010 and kept at the disposal of State Project Director, Samagra Shiksha, J&K Noor Society. Further, the State Government released an additional State share of ₹ 2.87 crore (January 2011).

Scrutiny of records (January 2019) of State Project Director, Samagra Shiksha³ revealed that the grants-in-aid of ₹ 25.82 crore and State share of ₹ 5.74 crore were parked in the saving bank account of J&K Noor Society. Even after lapse of ten years, the Government has not taken adequate initiative (July 2019) for implementation of the scheme in the State.

Thus, failure of the Department to take timely action despite relaxation of norms by DSEL, MHRD, GoI for utilisation of amounts received from the GoI for establishment of Model schools not only resulted in non-utilisation of ₹ 44.13 crore⁴ over a period of ten years but also deprived the intended beneficiaries from quality education. Even the State Share of ₹ 5.74 crore, plus interest included in the ₹ 44.13 crore was blocked.

On this being pointed out (January 2019) by audit, the Chief Accounts Officer, Samagra Shiksha, Jammu and Kashmir State stated (July 2019/ June 2020) that the amount initially approved for establishment of model school was inadequate to take the construction work, however, the case regarding revision of cost submitted (2010-11) to Project Approval Board (PAB) was undecided (June 2020).

The reply is not tenable as the Department has not availed the benefit to either revise the unit cost estimate of each school or to meet the financial burden despite relaxation of norms by DSEL, MHRD, GoI. Besides, after delinking of the scheme from the GoI support in 2015, the Department was to arrange the additional funds from its own resources for which no steps were taken and ₹ 44.13 crore continued to be held in the bank account.

The matter was referred to the Department/ Government in May 2020; their replies were awaited (September 2020).

The State Government may ensure that unspent amount alongwith interest accrued thereon may be refunded in accordance with the conditions laid down in the sanction order of the Government of India, Ministry of Human Resources Development and responsibility fixed for non establishment of model schools.

¹ J&K Noor Society RMSA, is the State Implementing Society for Rashtriya Madhyamik Shiksha Abhiyan.

² Central Share: ₹ 25.82 crore; State Share: ₹ 2.87 crore and interest: ₹ 0.54 crore.

³ Samagra Shiksha - an Integrated Scheme of School Education has subsumed the three Schemes of Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE).

⁴ Central Share: ₹ 25.82 crore; State Share: ₹ 5.74 crore and interest: ₹ 12.57 crore (ending December 2018).

Finance Department

2.2 Management of Bank Accounts in Government Departments

Government instructions issued from time to time on consolidation and streamlining of utilisation of funds retained in bank accounts of DDOs were not strictly adhered to. Only a meagre amount of ₹ 64.10 crore was transferred from the redundant bank accounts of DDOs during the period December 2016 to February 2017. The accumulated balance in 1,138 bank accounts of 131 Drawing and Disbursing Officers of three selected Government Departments increased from ₹ 116.41 crore to ₹ 399.94 crore during the period from 2014 to 2019. Increase in the accumulated balances was due to undisbursed funds of relief/compensation to the victims of militancy, natural disasters, improper planning and non-completion of schemes, overstatement of expenditure in the Utilisation Certificates, retention of funds, retention of statutory deductions and land compensation outside the Government Account.

2.2.1 Introduction

The procedure for drawal of funds from the Treasury by the Drawing and Disbursing Officers (DDOs) is regulated by the provisions of the Jammu and Kashmir Financial Code (JKFC). As per Rule 2-27 of the JKFC, the DDOs are required to present bills/claims to the Treasury Officers (TOs) for drawal of funds required. The funds are then credited by the Treasury to the Bank Account of the DDOs who in turn make payments by issuing Bank Advices for crediting the payments directly into the bank account of the beneficiaries. The Financial Rule 2-33 of the JKFC, prohibited the withdrawal of funds from the Treasury by DDOs for investment or deposit elsewhere without the consent of the Government. However, where permission to open a separate account is given, the rules provide for opening of account with the Jammu and Kashmir Bank Limited (JKBL) and where there is no such arrangement, with the Post Office Savings Bank or any other bank with the prior approval of the Finance Department.

Compliance Audit on Management of Bank Accounts in Government Departments was conducted (February 2019 to February 2020) to assess whether the prescribed Rules and procedures relating to financial matters as well as the circulars/ instructions issued by the Finance Department from time to time have been complied with by the DDOs. Emphasis was given to assess the compliance by the DDOs to the Government instructions of 09 December 2016 regarding consolidation of and reduction in number of Bank Accounts in Government Departments. Test-check of records was conducted in 131 DDOs selected on random basis, of three Departments⁵ in six⁶ out of 22 districts of the State.

⁵ Public Works, Revenue and Rural Development.

⁶ Jammu, Reasi and Rajouri in Jammu Division and Anantnag, Baramulla and Kargil in Kashmir Division.

2.2.2 Consolidation of funds held and Rationalisation of Bank Accounts

To improve financial discipline as well as ensuring liquidity of funds an efficient system to dispose or liquidate significantly high bank balances of the concerned Departments on account of undisbursed salaries, contractor payments and other liabilities, is a prerequisite. With this objective, Finance Department issued instructions on 09 December 2016, for consolidation and reduction in number of Bank Accounts of DDOs in Government Departments.

As per these instructions, all Government bank accounts of DDOs which had 'nil' balance on the date of issue of the instructions and were inoperative for more than two years were to be closed with immediate effect. Further, all the Government bank accounts of the DDOs which remained inoperative for more than two years and had positive cash balance, were to be closed, and the money was to be transferred to the official bank account⁷ of the Finance Secretary, Government of Jammu and Kashmir (GoJ&K). However, the cash balance of all Government accounts that remained inoperative for more than one year was to be transferred to the official account of the Secretary Finance, GoJ&K although these accounts were not to be closed.

As per the information made available (October 2018) by the Finance Department, the JKBL had identified that out of 19,260 bank accounts operational in JKBL, 12,241 accounts (64 *per cent*) were inoperative for more than one year, hence were frozen by the bank. The consolidated balance of ₹ 64.10 crore lying (as on 20 February 2017) in these accounts was transferred to Government Account. However, Finance Department stated (October 2018) that a few bank accounts along with credit balance were restored subsequently on case to case basis.

The information regarding bank accounts that were frozen earlier and subsequently restored was not furnished by the Finance Department as of September 2020. Further, the process of identification of in-operative bank accounts was conducted (December, 2016 to February 2017) by the Finance Department in respect of bank accounts operational in JKBL, only. Identification of inoperative Bank accounts of DDOs in banks other than JKBL had not been undertaken by the Department (October 2018).

2.2.3 Undisbursed/ unutilised balances in the Bank Accounts

Audit scrutiny of the records (February 2019 to February 2020) of 131 DDOs of three selected Departments in six districts (out of 22 districts of the State) revealed accumulation of undisbursed/ unutilised balance in 1,138 bank accounts (*Appendix 2.2.1*) operated at the end of each financial year during the period from 2014-15 to 2018-19 and are given in the Table 2.2.1.

⁷ Account No. 0110010200000852

Table 2.2.1: Undisbursed/ unutilised amounts in the bank accounts as on 31 March of the concerned year

(₹ in crore)

Sl. No.	Department	Number of DDOs	Number of bank accounts operated	2015	2016	2017	2018	2019
1.	Revenue	58	231	57.47	110.47	98.17	222.23	280.32
2.	Public Works	10	34	17.70	15.93	35.47	56.85	49.55
3.	Rural Development	63	873	41.24	50.38	90.71	68.94	70.07
Total		131	1,138	116.41	176.78	224.35	348.02	399.94
Percentage increase over previous year				NA	52	27	55	15

(Source: Information provided by the DDOs and bank statements)

As seen from the Table 2.2.1, the cumulative balance of 131 DDOs as on 31 March 2015 was ₹ 116.41 crore in 1,138 bank accounts, which increased to ₹ 399.94 crore at the end of March 2019. The main reasons responsible for accumulation of significant balances in the bank accounts of the DDOs were analysed in audit and finding are discussed in succeeding paragraphs. Details of the 131 DDOs and the related 1,138 bank accounts are mentioned in *Appendix 2.2.1*.

2.2.4 Un-disbursed funds in operational bank accounts

Rule 2-33 of Jammu and Kashmir Financial Code stipulated that funds should be withdrawn from the Treasury only if required for immediate disbursement. The practice of withdrawal of funds with a view to avoid lapsing of budget grants is prohibited. Audit noticed (February 2019 to February 2020) that accumulation of balances in the operational Bank Accounts of the DDOs was due to undisbursed/ unutilised funds withdrawn from the Treasury. This is indicative of withdrawal of funds by the DDOs from the Treasury either in anticipation of actual requirement/ disbursement or to avoid lapsing of funds at the end of the financial year. Instances for withdrawal of funds from the Treasury in anticipation of actual expenditure which were not disbursed/ utilised subsequently are discussed below:

2.2.4.1 Compensation to Fire victims of Khundru Achabal

Consequent to the fire incident of Khundru Army Ammunition Depot on 11 August 2007, Ministry of Defence, Government of India (GoI), released (2007), ₹ 26.74 crore in favour of Deputy Commissioner, Anantnag for disbursement among the victims of fire incident. Scrutiny of the records (February 2020) revealed that compensation amounting to ₹ 23.19 crore had been disbursed to the affected population under different categories upto December 2009. Thereafter, no payment on account of compensation was made. The balance amount of ₹ 3.55 crore towards compensation remained un-disbursed as of March 2019 in the Bank Account⁸ of the DDO for almost a decade and had accumulated to ₹ 5.41 crore including interest. The specific reasons for the compensation remaining undisbursed was neither on record nor provided to audit by the

⁸ Account No. 0014040100093667 JKBL, Teshil Premises (TP), Anantnag.

DDO concerned. As the funds were provided by Ministry of Defence, GoI the undisbursed/ unutilised funds were required to be refunded to GoI.

Although this was brought to the notice (February 2020) of the Department/ State Government, their replies were awaited (September 2020).

2.2.4.2 Compensation for *Kahcharie* land

The land that is required to be acquired for developmental works is classified in three categories:

- proprietary land,
- State land and
- *kahcharie*⁹ land

The compensation only in respect of proprietary land acquired is paid to the land owners, whereas the cost for acquisition of *kahcharie* land is used for development works like construction of link roads, lanes/ drains and other works of the village from where this land is acquired.

Audit scrutiny of records (October 2019) of Deputy Commissioner, Anantnag revealed that the cost of *kahcharie* land as detailed in the Table 2.2.2 had been transferred from the Bank Account of Collector Land Acquisition, Public Works Department and deposited in different bank accounts of Additional Deputy Commissioner (ADC), Anantnag during the period from 2012 to 2017, for utilisation on Developmental works.

Table 2.2.2: Cost of *kahcharie* land held by Additional Deputy Commissioner, Anantnag

(₹ in crore)

Sl. No.	Year	Name of Project/ work	Amount transferred (₹ in crore)	Bank Account No.	Amount in bank account as of March 2019 (₹ in crore)	Amount remitted to deposit head (₹ in crore)	Balance amount in bank accounts (₹ in crore)
1.	2013	Railway Approach Roads Pradhan Mantri Gram Sadak Yojana	0.38	0014040100093001 of JKBL, Anantnag	13.72	16.40 ¹⁰	10.13
	2015		13.70				
2.	NA	State Public Works Department Road	1.32	0014040500000086 of JKBL, Anantnag	2.94		
3.	2016	Power Grid Corporation of India Limited Towers Kishtwar Simthan Anantnag Road, Border Roads Organisation	8.56	0014040500000081 of JKBL, Anantnag	8.34		
4.	2012 to 2017	National Highway	17.31	0014040500000083 of JKBL, Anantnag	1.53		
Total			41.27		26.53	16.40	10.13

(Source: Departmental records and bank statements)

As seen from the Table 2.2.2, ₹ 26.53 crore remained unutilised in the bank accounts of ADC Anantnag for periods ranging between two to seven years instead of being used for the developmental minor works.

⁹ *Kahcharie*: common grazing land.

¹⁰ TR No. 2 dated 03.12.2019: ₹ 2.99 crore and TR No. 3 dated 03.12.2019: ₹ 13.41 crore.

On this being pointed out in Audit (October 2019), the DDO transferred (December 2019) only ₹ 16.40 crore to the deposit head (MH-8443) and the balance amount of ₹ 10.13 crore is still lying in the bank (September 2020).

2.2.4.3 Cash compensation in lieu of Government job

The cash compensation rules prescribed¹¹ (10 July 1990) that ex-gratia relief of ₹ one lakh was to be disbursed to the family members of any civilian killed immediately after militancy related action. The General Administrative Department prescribed¹² (04 July 2008) amendments to Jammu and Kashmir Compassionate Appointment Rules 1994 related to cash compensation in lieu of appointment in Government Service. As per the amended rules the family members of the civilian killed in militancy related action were entitled to cash compensation of ₹ four lakh in lieu of appointment in Government service. The compensation amount of ₹ four lakh is also required to be deposited in the name of the next of kin of the deceased person by the concerned Deputy Commissioner to their saving bank account in the branch nearest to the residence of the beneficiaries provided the claimants furnish willingness for acceptance of cash compensation in lieu of Government job.

Audit scrutiny (October/ November 2019) of the related records in the offices of Deputy Commissioner (DC), Anantnag and DC, Baramulla revealed that for family members of civilians killed in militancy related incidents, cash compensation in lieu of Government Service had been claimed by 372 and 111 people respectively. However, disbursement had been made only in respect of 281 cases and 84 claimants by DC, Anantnag and DC, Baramulla respectively. An amount of ₹ 14.88 crore was drawn during the period from 2008-09 to 2017-18 by DC, Anantnag from the Treasury and credited into a Bank account of the DDO¹³. However, cash compensation of ₹ 3.64 crore drawn for 91 claimants was lying undisbursed (March 2019) in the Bank account of DC, Anantnag. Similarly, as per the information furnished (November 2019) by DC, Baramulla, out of ₹ 4.44 crore cash compensation withdrawn from Treasury, ₹ 3.36 crore was paid up to March 2019. Therefore, balances of ₹ 5.71 crore¹⁴ and ₹ 2.13 crore¹⁵ were still lying in the Bank accounts of DCs Anantnag¹⁶ and Baramulla¹⁷ respectively (March 2019). Audit noticed that the compensation amount was not disbursed due to non-completion of requisite formalities such as want of Fixed Deposit Receipts, not opening of bank account by the beneficiaries, non-submission of willingness by the claimants for acceptance of cash assistance in lieu of Government job.

Therefore, compensation amount totaling to ₹ 4.72 crore was drawn from the treasury for payment to the family members of deceased persons killed in militancy related

¹¹ Government order No: 723-G (GAD) of 1990 dated 10.07.90

¹² Vide SRO-199 issued under endorsement No: GAD/Mtg/III/3/2007 dated 04.07.2008

¹³ Account No. 0014040500000021 of JKBL Anantnag.

¹⁴ Includes undisbursed cash compensation of ₹ 3.64 crore drawn in respect of 91 claimants, previous undisbursed payment of relief of ₹ 0.94 crore and interest of ₹ 1.13 crore.

¹⁵ Includes ₹ 1.08 crore on account of 27 unsettled cases, ₹ 0.12 crore on account of three unsettled cases of surrendered militants and ₹ 0.93 crore on account of interest.

¹⁶ Bank account Number 0014040500000021 of JKBL Anantnag.

¹⁷ Bank account Number 0070040500000197 of JKBL Baramulla.

incidents and holding the amounts by parking of funds in the bank accounts over a period of about 10 years was against the principles of financial propriety.

On this being pointed out in audit (October 2019), the DC, Anantnag transferred (November 2019) ₹ 4.77 crore from the bank account to the Deposit Head, leaving a balance amount of ₹ 0.94 crore.

2.2.4.4 Retention of land compensation outside the Government Account

The Finance Department issued (February 2010) directions to transfer all the balances held in the bank accounts on account of land compensation to the treasury concerned, in order to avoid parking of Government funds released for land acquisition outside Government accounts and crediting the amount to “Revenue Deposit”. The Collector of Land Acquisition was to draw the amount of land compensation by corresponding credit into “Revenue Deposits” in the first place and subsequently make drawals of the same, in parts or in full, as and when required for immediate disbursement to the land owners. The Treasury Officer was required to credit this amount under Revenue Deposit Head and avoid drawals in cash. Subsequently, drawals from Deposit Head from the treasury were to be made in the form of Deposit Repayment Order against Voucher (Form FC-34) in favour of awardees (land owners) with their Bank Account numbers. The transfer of money by the Treasury Officer was to be made directly to the bank accounts of the beneficiaries on the basis of advice of DDO accompanying the bill. In the event of non-compliance of these instructions, interest at the rate of 17 *per cent* per annum, was recoverable from the defaulting officers.

Scrutiny of the records (February 2019) revealed that despite clear instructions, ₹ 75.07 crore received by six DDOs¹⁸ of Revenue Department for disbursement of land compensation remained unutilised in the bank accounts in contravention of extant instructions during the period 2014-15 to 2018-19 (*Appendix 2.2.2*).

Thus, retention of land compensation amount in Bank accounts outside the Government Account in contravention of the instructions of the Finance Department defeated the very purpose of streamlining the cash flow as envisaged in the order mentioned, *ibid*. Further, no action for recovery of interest at the rate of 17 *per cent* was initiated against the DDOs for violation of the orders.

2.2.4.5 Direct Benefit Transfer to flood victims

Payment of compensation in favour of various categories of victims of the flood in September 2014 was made through Direct Benefit Transfer (DBT) by the DDOs after issuing Bank Advice along with the details¹⁹ of the beneficiaries. The banks were required to credit the amount of compensation directly into the bank account of the beneficiaries as per the details communicated in the Bank Advice.

¹⁸ 1. Assistant Commissioner Revenue, Kargil; 2. Deputy Commissioner, Kargil; 3. Assistant Commissioner, Revenue, Jammu; 4. Sub-Divisional Magistrate North, Jammu; 5. Sub-Divisional Magistrate South, Jammu; 6. Deputy Commissioner, Reasi.

¹⁹ Name of the beneficiary, bank/ branch and bank account No., etc.

Scrutiny of the records (February 2019) revealed that compensation payments had not been credited into the bank accounts of the beneficiaries due to incomplete/ incorrect details communicated to the Bank by eight DDOs²⁰ out of 58 DDOs of Revenue Department selected for test check. In some cases, part payments were made to the beneficiaries in place of one time lump sum payment. As a result, an amount of ₹ 5.48 crore²¹ were lying undisbursed (March 2019) in the bank accounts of these DDOs apart from interest earned.

2.2.4.6 Compensation to the victims of Natural Disasters

Funds had been allotted to DDOs from time to time for disbursement of compensation to the victims of various natural calamities including displaced people of border villages due to cross border firing. The unutilised funds were required to be returned to the fund sanctioning authority.

Audit scrutiny of the records (February 2019) revealed that for seven DDOs out of 58 DDOs selected in the sample units from Revenue Department, an unutilised balance of ₹ 4.28 crore was lying in the Bank Accounts of these seven DDOs as of 31 March 2019, which is detailed in Table 2.2.3.

Table 2.2.3: DDOs-wise details undisbursed/ unutilised compensation payments as on 31 March 2019
(₹ in crore)

Sl. No.	Name of Scheme	Name of the DDO	Account No and Bank Branch	Amount
1.	Border firing-Migrants	Tehsildar, Akhnoor	0024010100000540 at J&K Bank, Main Market, Akhnoor	1.25
2.	Crop relief Paddy 2010-11	Tehsildar, Bishnah	0215010200000672 at J&K Bank, Main Bazaar, Bishnah	0.19
3.	Relief 2009	Tehsildar, R.S.Pura	0025010200000616 at J&K Bank, R.S Pura	1.18
4.	Drought relief	Tehsildar, Sunderbani	0093010200000087 at J&K Bank, Main Bazaar, Sunderbani	0.19
5.	Relief of 2009	Tehsildar, Nowshera	0085010200000342 at J&K Bank, Nowshera	0.71
6.	Relief	Tehsildar, Reasi	29040500010325 at J&K Bank, Reasi	0.66
7.	Relief	Assistant Commissioner (Revenue), Rajouri	0259040500016637 at J&K Bank, Gujjar Market, Rajouri	0.10
Total				4.28

(Source: Departmental records and bank statements)

It was also noticed that the funds allotted prior to 2014-15 were also available in these accounts prior to the actual amount of funds allotted. However, a credit balance of

²⁰ 1. Assistant Commissioner Revenue, Jammu; 2. Sub-Divisional Magistrate North, Jammu; 3. Sub-Divisional Magistrate South, Jammu; 4. Sub-Divisional Magistrate, Nowshera; 5. Deputy Commissioner, Reasi; 6. Tehsildar, Katra; 7. Tehsildar, Pouni; 8. Deputy Commissioner, Baramulla.

²¹ 1. Assistant Commissioner Revenue, Jammu: 5 accounts, ₹ 270.17 lakh; 2. Sub-Divisional Magistrate North, Jammu: 1 account, ₹20.72 lakh; 3. Sub-Divisional Magistrate South, Jammu: 1 account, ₹102.68 lakh; 4. Sub Divisional Magistrate, Nowshera: 1 account, ₹ 5.92 lakh; 5. Deputy Commissioner, Reasi: 1 account, ₹ 89.87 lakh; 6. Tehsildar, Katra: 1 account, ₹ 13.17 lakh; 7. Tehsildar, Pouni: 1 account, ₹ 2.23 lakh; 8. Deputy Commissioner, Baramulla: 1 account, ₹ 42.88 lakh.

₹ 4.28 crore in the bank accounts indicated that the funds allotted had not been disbursed fully to among the intended beneficiaries (March 2019).

During the course of Audit in the office of Tehsildar, Nowshera refunded an un-disbursed amount of ₹ 0.71 crore to Deputy Commissioner, Rajouri in November 2019. Similarly, Tehsildar, Sunderbani also refunded (November 2019) the un-disbursed relief of ₹ 0.19 crore to Deputy Commissioner, Rajouri at the instance of audit.

2.2.4.7 Funds under 14th Finance Commission

(A) Retention of balance in bank accounts

Under 14th Finance Commission (FC) Award for the period 2015 to 2016, funds were credited to the Bank Accounts of the Panchayats in two installments (February 2016 and February 2017) for execution of development works. The Block Development Officers were required to prepare Works Plan as per the funds provided under the scheme.

Audit scrutiny of the records (February 2019 to February 2020) revealed that in the case of 15 Block Development Officers (BDOs²²), the estimated cost of planned works in the works plan was 20 *per cent* lesser than the funds allocated for the year 2015-16. Preparation and submission of works plan for an amount less than the funds allocated, resulted in an amount of ₹ 5.07 crore not being utilised and were lying in the Bank Accounts of the respective Panchayats as detailed in *Appendix 2.2.3*.

(B) Non-execution of the works

Audit noticed (February 2019) that only 1,902 works out of 2,459 works planned in 34 sampled Rural Development Blocks, had been completed upto March 2019, as detailed in *Appendix 2.2.4*. Delay/ non-execution of works led to ₹ 12.51 crore for execution of 557 developmental works remaining unutilised in the Bank Accounts for the more than three years.

The Department may initiate immediate action to identify whether these balances have been correctly depicted in the UCs furnished to the GoI related to the releases of 14th Finance Commission, and refund outstanding balances immediately to the GoI, if not already deducted from the releases of the following year.

2.2.4.8 Retention of amount on account of statutory deductions of tax

Rule 30 of Income Tax Rules, stipulates that Income tax deducted at source shall be deposited on the same day if not accompanied by challan or within seven days from the end of the month in which the deduction is made. Section 51(2) of Jammu and Kashmir Goods and Services Tax (GST) Act, 2017 provided that the tax deducted at source under the Act shall be paid to the Government within ten days after the end of month in which such deduction was made. Further, Rule 5 of Building and Other Constructions Worker Welfare Cess Rules, 1998 provides that the amount of cess collected shall be transferred

²² 1. BDO, Bhalwal; 2. BDO, Bhomag; 3. BDO, Kalakote; 4. BDO, Panthal; 5. BDO, Vessu; 6. BDO, Pahalgam; 7. BDO, Chittergul; 8. BDO, Verinag; 9. BDO, Quazigund; 10. BDO, Larnoo; 11. BDO, Anantnag; 12. BDO, Shangus; 13. BDO, Khoveri Proa; 14. BDO, Shahabad; and 15 BDO, Boniyar.

by such Government office, Public Sector Undertakings, local authority, or cess collector, to the Board alongwith the form of challan prescribed within thirty days of its collection.

Audit scrutiny of the records (February 2019 to February 2020) of DDOs in Rural Development Department revealed that statutory tax deductions like Labour Cess, Income Tax, Goods and Services Tax, etc., amounting to ₹ 20.56 lakh²³ deducted from contractors/ mates²⁴/ suppliers etc., were not deposited (March 2019) to the concerned Departments/ Authorities by 15 BDOs over a period of more than three months to three years. BDO, Bhalwal attributed (February 2020) non-remittance of tax deducted at source to delay in issuance of Tax Deduction number by the State Taxes Department and non-furnishing of GST number by contractors/ mates.

Their replies are not acceptable as non-remittance of the amount into Government account deducted on account of statutory deductions was in contravention of prescribed rules and has led to accumulation of balance in the Bank Accounts of these BDOs.

2.2.4.9 Retention of funds by Deputy Commissioner, Reasi

The Divisional Commissioner, Jammu released ₹ 1.50 crore²⁵ to Deputy Commissioner (DC), Reasi, (April 2015 and October 2015) for undertaking rescue, relief and rehabilitation work necessitated due to torrential rains/ hailstorm that had occurred during the months of February/ March 2015. However, DC, Reasi released only ₹ 1.35 crore²⁶ (90 per cent) during November 2015 to three Tehsildars for disbursement to the farmers, whose crops of Rabi season of 2015 were damaged due to heavy rains. The balance amount of ₹ 15 lakh was retained by the DC, Reasi without any reasons on record. The amount was lying un-utilised (April 2019) in the Bank Account²⁷ for a period of 42 months (from November 2015 to April 2019).

2.2.4.10 Overstatement of expenditure in the Utilisation Certificates

In terms of Rule 212 of the General Financial Rules of 2005 of GoI, DDOs submit the Utilisation Certificates (UCs) in respect of funds received from GoI to the respective Administrative Department. Based on the UCs submitted by the DDOs, the Administrative Department submits the consolidated UC to the Government of India.

Audit scrutinised (August 2019) the transaction of three DDOs to whom funds were released by GoI. The expenditure figures in the Utilisation Certificates furnished by these DDOs were in excess of actual expenditure incurred as per records made available. The overstatement of expenditure of ₹ 2.48 crore was noticed in utilisation certificate furnished by the DDOs in respect of Prime Minister's Development Package (PMDP)/

²³ 1. BDO, Balwal: ₹ 3.61 lakh; 2. BDO, Kalakote: ₹ 1.59 lakh; 3. BDO, Maira Mandrian: ₹ 0.57 lakh; 4. BDO, Reasi: ₹ 0.04 lakh; 5. BDO, Thanamandi: ₹ 1.19 lakh; 6. BDO, Shangas: ₹ 0.95 lakh; 7. BDO, Chattergul: ₹ 1.26 lakh; 8. BDO, Verinag: ₹ 1.05 lakh; 9. BDO, Pahalgam: ₹ 2.78 lakh; 10. BDO, Breng: ₹ 2.56 lakh; 11. BDO, Larnoo: ₹ 2.25 lakh; 12. BDO, Sangrama: ₹ 0.50 lakh; 13. BDO, Rohama: ₹ 0.61 lakh; 14. BDO, Tangmarg: ₹ 0.06 lakh; 15. BDO, Doongi: ₹ 1.54 lakh.

²⁴ Acts as a supplier of labour and supervises the execution of works in Rural Development Department.

²⁵ April 2015: ₹ 0.50 crore; October 2015: ₹ 1.00 crore.

²⁶ Tehsildar, Katra: ₹ 0.45 crore; Tehsildar, Reasi: ₹ 0.45 crore and Tehsildar, Pouni: ₹ 0.45 crore.

²⁷ Account No. 0029040500020099 at J&K Bank, Reasi.

State Disaster Relief Fund (SDRF)/ Lok Sabha Elections, as per details mentioned in Table 2.2.4.

Table 2.2.4: Instance of excess amounts mentioned in the Utilisation certificates as on 31 March 2019

(₹ in crore)

Sl. No.	Name of the Scheme/ Programme	Name of the DDO	Funds drawn from treasury	Payment disbursed ending March 2019	Utilisation Certificate submitted	Over-statement in UC
1	2	3	4	5	6	7=6-5
1.	PMDP	Deputy Commissioner, Reasi	29.16 ²⁸	29.02	29.13	0.11
2.	Relief 2014	Assistant Commissioner Revenue (General), Jammu	2.17	1.93	2.17	0.24
	PMDP		62.03	60.21	62.03	1.82
3.	Lok Sabha/ Assembly Election of 2013-14	Chief Planning Officer (DC Jammu)	2.86	2.55	2.86	0.31
		Total	96.22	93.71	96.19	2.48

(Source: Departmental records and bank statements)

The overstatement of expenditure ₹ 2.48 crore in the UCs, was against the provisions of the Rule 212 of the General Financial Rules 2005 of GoI and runs the risk of fraudulent drawal especially when kept in a bank account.

2.2.4.11 Closed/ replaced schemes

Indira Awaas Yojana (IAY) a centrally sponsored scheme was restructured as Pradhan Mantri Awas Yojana Gramin (PMAY-G) in the year 2016-17 and the disbursement of assistance to the beneficiaries at the block level was changed to a centralised payment disbursement system by adopting of Direct Benefit Transfer (DBT). Audit noticed (February 2019) that 17 DDOs of Rural Development Department had retained the unspent IAY funds amounting to ₹ 1.32 crore²⁹ in 22 bank accounts after the closure of the scheme in 2016-17 which under the scheme was required to be utilised by allocating the unspent amount among existing beneficiaries for completion of the houses.

The Department should take immediate action to liquidate the balances in the bank accounts by funding incomplete houses under IAY for completion. In the event of the non requirement of funds for completion of incomplete houses under IAY, the same may be utilised under PMAY or surrendered to the GoI as the case may be.

²⁸ Against the amount of ₹ 2,934.15 lakh released only ₹ 2,916.05 lakh have been drawn from treasury.

²⁹ 1. Assistant Commissioner Development (ACD), Jammu: 1 Account, ₹ 7.92 lakh; 2. ACD, Rajouri: 2 Accounts, ₹ 2.87 lakh; 3. BDO, Maira Mandrian: 02 Accounts, ₹ 0.54 lakh; 4. BDO, Achabal: 1 Account, ₹ 0.01 lakh; 5. BDO, Breng: 02 Accounts, ₹ 0.391 lakh; 6. BDO, Shangus: 1 Account, ₹ 7.32 lakh; 7. BDO, Anantnag: 02 Accounts, ₹ 98.68 lakh; 8. BDO, Bijbehara: 1 Account, ₹ 0.13 lakh; 9. ACD, Kargil: 2 Accounts, ₹ 2.58 lakh; 10. BDO, Kargil: 01 Account, ₹ 0.23 lakh; 11. BDO, TSG Tespool: 1 Account, ₹ 0.007 lakh; 12. BDO, Phalagam: 01 Account, ₹0.07 lakh; 13. BDO, Dachnipora: 1 Account, ₹ 0.21 lakh; 14. ACD, Baramulla: 1 Account, ₹ 9.35 lakh; 15. BDO, Sankoo: 01 Account, ₹ 1.08 lakh; 16. BDO, Pashkum: 1 Account, ₹ 0.04 lakh; 17. BDO, Kunzer: 1 Account, ₹ 0.09 lakh.

2.2.5 Bank accounts other than in JKBL

Rule 2-33 of J&K Financial Code Vol-I envisages that unless otherwise expressly authorised by any law or rule or order having the force of law, moneys may not be removed from the Public Account for investment or deposit elsewhere without the consent of the Government. Where permission to open a separate account is given the account must be opened with an office of the Jammu and Kashmir Bank Limited and where there is no such office, with the post office saving bank or with the prior approval of the Finance Department, with any other bank.

Audit noticed (February 2019) that in the three departments 44 DDOs had opened 182 bank accounts in banks other than JKBL without obtaining prior approval of the Finance Department. The breakup is detailed in Table 2.2.5.

Table 2.2.5: Department wise bank accounts opened in banks other than J&K Bank

Sl. No.	Department	Accounts opened in private banks		Accounts in nationalised banks		Total	
		DDOs	Accounts	DDOs	Accounts	DDOs	Accounts
1.	Revenue	11	17	01	01	12	18
2.	Public Works	01	01	00	00	01	01
3.	Rural Development	29	150	02	13	31	163
	Total	41	168	03	14	44	182

(Source: Information provided by the respective DDOs)

As is evident from the above table 41 DDOs had opened 168 bank accounts in private banks.

2.2.6 Non-compliance of instructions on consolidation and streamlining of Bank Accounts

In terms of the Government instructions dated 09 December 2016 issued by the Finance Department, all the DDOs were directed that:

- All Government Bank accounts which had 'nil' balance and inoperative for more than two years shall be closed;
- All Government Bank accounts of DDOs which remained inoperative for more than two years and were having positive cash balance shall be closed and the balance at credit was to be transferred to the official account of the Secretary Finance³⁰;
- Cash balance of all Government accounts which had remained inoperative for more than a year shall be transferred to official account of the Finance Secretary without closure of the bank accounts; and
- New bank account shall not be opened by any Department of the State Government in the Jammu and Kashmir Bank Limited or any other nationalised/schedule bank without the concurrence of the Finance Department.

³⁰ Account No. 0110010200000852

Non-compliance of these instructions were noticed in audit as in two DDOs³¹ there was 'nil' credit balance in seven Bank Accounts which were inoperative for more than two years as on December 2016, and these had not been closed (March 2019). Similarly in 12 DDOs³², 21 bank accounts which remained inoperative for more than two years, as on December 2016 were not closed and the credit balance of ₹ 3.48 crore was not transferred (March 2019) to the official bank account of the Secretary Finance. In five DDOs³³, the credit balance of ₹ 4.39 crore in five bank accounts which remained inoperative for more than one year as on 09 December 2016 was not transferred to the official bank account of Secretary Finance, by the DDOs concerned up to 31 March 2019. It was also noticed that in 21 DDOs³⁴, 40 bank accounts were opened after 09 December 2016, without obtaining concurrence of the Finance Department.

After non-compliance of instructions was pointed out by audit (July 2019) the DC Baramulla transferred (October 2019) balance at credit amounting to ₹ 2.43 crore in respect of two bank accounts to the official bank account of the Secretary Finance.

2.2.7 Conclusions

Government instructions of December 2016 on consolidation and rationalisation of bank accounts were not adhered to. Non-operational Bank Accounts were not closed and their credit balances were not transferred to the Bank Account of Secretary Finance as was required. The consolidation and streamlining of bank accounts did not achieve the desired objectives, as only insignificant amount of ₹ 64.10 crore was transferred from the redundant bank accounts during the period. The accumulated balance in 1,138 bank accounts of 131 DDOs of three selected Government Departments had infact increased from ₹ 116.41 crore to ₹ 399.94 crore during the period from 2014 to 2019. Increase in accumulated balance was due to undisbursed funds of relief/ compensation to the victims of militancy, natural disasters, improper planning and non-completion of schemes, retention of funds, retention of statutory deductions and land compensation outside the Government Account, etc. Instances of overstatement of expenditure in the Utilisation certificates were also noticed and 168 bank account were opened in private banks which was in violation of J&K Financial Code Rules.

³¹ Block Development Officer, Mathwar: 3 Accounts; Assistant Commissioner Revenue, Jammu: 4 Accounts.

³² 1. Tehsildar, Kunzar: 01 Account, ₹ 0.97 lakh; 2. Tehsildar, Tangmarg: 05 Accounts, ₹ 0.60 lakh; 3. Tehsildar, Sopore: 3 Accounts, ₹ 3.26 lakh; 4. Tehsildar, Baramulla: 01 Account, ₹ 14.90 lakh; 5. Tehsildar, Anantnag: 01 Account, ₹ 0.001 lakh; 6. Tehsildar Consolidation, Anantnag: 02 Accounts, ₹ 0.78 lakh; 7. Tehsildar, Dooru: 01 Account, ₹ 3.01 lakh; 8. Tehsildar, Pahalgam: 01 Account, ₹ 0.007 lakh; 9. Tehsildar, Qazigund: 01 Account, ₹ 0.10 lakh; 10. Assistant Commissioner (Rental), Jammu: 02 Accounts, ₹ 0.68 lakh; 11. Tehsildar, Akhnoor: 1 Account, ₹ 125.11 lakh; 12. Tehsildar, Nowshera: 02 Accounts, ₹ 198.99 lakh.

³³ 1. Deputy Commissioner, Baramulla: 01 Account, ₹ 126.98 lakh; 2. Assistant Commissioner (Revenue), Baramulla: 01 Account, ₹ 114.00 lakh; 3. SDM, North Jammu: 01 Account, ₹ 0.02 lakh; 4. Tehsildar, Bishnah: 01 Account, ₹ 18.83 lakh; 5. Tehsildar, Arnia: 01 Account, ₹ 178.75 lakh.

³⁴ 1. Assistant Commissioner Development, Jammu: 01 Account; 2. Deputy Commissioner, Reasi: 01 Account; 3. Block Development Officer (BDO), Bhalwal: 01 Account; 4. BDO, Mathwar: 01 Account; 5. BDO, Manjakote: 01 Account; 6. BDO, Doongi: 01 Account; 7. Additional Deputy Commissioner, Kalakote: 02 Accounts; 8. Executive Engineer PWD (R&B) Div-III, Jammu: 02 Accounts; 9. BDO, Akhnoor: 02 Accounts; 10. BDO, Katra: 04 Accounts; 11. BDO, Khour: 01 Account; 12. BDO, Kharabali: 02 Accounts; 13. BDO, Lamberi: 01 Account; 14. BDO, Samwan: 01 Account; 15. BDO, Siot: 13 Accounts; 16. BDO, Sunderbani: 01 Account; 17. Executive Engineer, PWD (R&B) Div, Rajouri: 01 Account; 18. SDM, Nowshera: 01 Account; 19. SDM, North Jammu: 01 Account; 20. DPO, Jammu: 01 Account; 21. DPO, Rajouri: 01 Account.

2.2.8 Recommendations

The Department may ensure:

- Strict implementation of the Government instructions issued for streamlining of retention of funds in bank accounts.
- Effective monitoring mechanism is put in place so that funds are not withdrawn by DDOs from treasury in anticipation of immediate disbursement to avoid accumulation of undisbursed balance in the bank accounts.
- Bank account whenever required to be opened by DDOs, are opened in JKBL and after obtaining prior approval of the Finance Department.

The matter was referred to the Department/ Government in May 2020; their replies were awaited (September 2020).

Food, Civil Supplies and Consumer Affairs Department

2.3 Non collection/ short remittance of dues

Non-distribution of 1,30,121 ration cards printed during the period from 2015 to 2018 to the consumers in 11 test-checked units of Food, Civil Supplies and Consumer Affairs Department led to non collection of ₹ 1.07 crore as well as short remittance of ₹ 1.69 crore into Government Account.

Department of Food, Civil Supplies and Consumer Affairs (FCS&CA), Jammu in collaboration with Jammu and Kashmir Bank Limited (JKBL) ordered (2015-16 onwards) for printing of 15.35 lakh ration cards to be distributed among the beneficiaries on the basis of Census 2011. The cost of printed ration cards was to be borne by the FCS&CA Department and JKBL in the ratio of 60:40. These printed ration cards were to be distributed to consumers³⁵ at the prescribed rates³⁶. The Department released ₹ 1.82 crore as printing costs³⁷ to the JKBL.

Scrutiny of records of 11 test-checked field units³⁸ (Assistant Directors of FCS&CA Department) during the period from November 2017 to February 2020 revealed that total of 9,94,204 ration cards³⁹ were received by the units from the Directorate of FCS&CA for distribution to the consumers. However, only 8,64,083 ration cards⁴⁰ were issued and the balance 1,30,121 cards⁴¹ as detailed in *Appendix 2.3.1 (a)* were lying with the respective Assistant Directors. Non-distribution of ration cards resulted in non-collection ₹ 1.07 crore. Audit also noticed that for the 8,64,083 ration cards distributed to consumers of different categories, sale proceeds of ₹ 7.02 crore⁴² were to

³⁵ Priority Household (PHH) Antyodaya Anna Yojana (AAY), PHH Below Poverty Line (BPL-others) and Non-Priority Household (NPHH) Above Poverty Line (APL)/ Exclusion (for non-ration purpose).

³⁶ PHH (AAY), PHH (BPL-others) and Non-PHH (APL)/ Exclusion consumers at a rate of ₹ 30, ₹ 75 and ₹ 100 per ration card respectively.

³⁷ 60 per cent of total cost of ₹ 3.03 crore (except for 0.49 lakh ration cards printed during 2018).

³⁸ 1. City Circle-I (November 2017), 2. Kathua (February 2018), 3. Reasi: (September 2018), 4. Rural-II (April 2019), 5. Ramban (October 2019), 6. Poonch (May 2019), 7. Kishtwar (January 2019), 8. Samba (August 2019), 9. Rajouri (February 2020), 10. Rural-I (January 2020) and 11. Doda (February 2020). Audit noticed the observations during the audit of the units for the period ending March 2017, March 2018 and March 2019 and the position has been updated from time to time.

³⁹ Non-PHH (APL)/ Exclusion: 3,98,423; PHH (BPL-others): 5,17,791 and PHH (AAY): 77,990

⁴⁰ Non-PHH (APL)/ Exclusion: 3,41,072; PHH (BPL-others): 4,55,184 and PHH (AAY): 67,827

⁴¹ Non-PHH (APL)/ Exclusion: 57,351; PHH (BPL-others): 62,607 and PHH (AAY): 10,163

⁴² Non-PHH (APL)/ Exclusion: ₹ 3.41 crore; PHH (BPL-others): ₹ 3.41 crore and PHH (AAY): ₹ 0.20 crore.

be recovered, as per prescribed rates. However, only ₹ 5.33 crore had been remitted into the Government account, thereby resulting in short collection/ short remittance of ₹ 1.69 crore, as detailed in **Appendix 2.3.1 (b)**.

After this was pointed out in audit, the Chief Accounts Officer, FCS&CA Department, Jammu stated (January 2018) that maximum number of ration cards had been issued. It was further stated that earlier the ration cards could not be issued because Deputy Commissioners of the concerned districts were nominated by the Government for identification of eligible beneficiaries under different categories. The verification/ identification lists were not received in time which resulted in delay in distribution of ration cards. The Assistant Directors (Reasi/ Kishtwar/ Rural II/ Poonch and Doda) stated (October 2018/ January, April, May 2019/ February 2020) that all the Tehsil Supply Officers were directed to issue the remaining ration cards to the beneficiaries and remit the pending amount. Assistant Director, Samba attributed (August 2019) reasons for non-distribution to digitisation of ration cards, with the result the beneficiaries had not collected the printed cards. Assistant Director, Rural-I stated (January 2020) that the remaining ration cards would be distributed shortly.

However, the fact, remains that the ration cards printed and not distributed are still lying with the Assistant Directors. The validity of ration cards was up to June 2018 with the exception of 7,348 ration cards where the validity is from 2015 to 2025. In view of digitisation of targeted public distribution system the possibility of usage of these ration cards in future is remote and they have become redundant now.

Thus, non-distribution of 1,30,121 ration cards printed during the period 2015 to 2018 to the consumers in 11 test checked units of Food, Civil Supplies and Consumer Affairs Department led to non-realisation of ₹ 1.07 crore towards Government Revenue. In addition, there was short-collection/ short-remittance of ₹ 1.69 crore collected from issue of ration cards.

The matter was referred to the Department/ Government in May 2020; the reply was awaited (September 2020).

The Department should ensure in future that printed ration cards are issued expeditiously so that the cost can be recovered as per norms. The amount required to be collected and remitted in Government Account immediately for all units.

Home Department

2.4 Unfruitful expenditure due to non-functional Solar Power Plants

Non-settlement of payment of Works Contract Tax (WCT) with the State Taxes Department rendered 128 Solar Power Plants installed at police establishments non-functional since September 2014; despite incurring expenditure of ₹ 9.70 crore between May 2014 to January 2015 and availability of maintenance free warranty.

To ensure uninterrupted power supply to police establishments in the State, a proposal⁴³ for ₹ 37.94 crore to provide Solar Photo Voltaic System for 523 locations by J&K Police

⁴³ Vide communication No. Prov-II/Elect-26/10-11/39524-26 dated 25.08.2011

was submitted (25 August 2011) to the State Government for approval and onward submission to the Ministry of New and Renewable Energy (MNRE), Government of India (GoI). As stated by the Department, after only two days, a reworked proposal⁴⁴ with a total financial implication of ₹ 43.31 crore was submitted (27 August 2011) including additional 25 locations (District Police Offices).

GoI, under Central Financial Assistance (CFA) sanctioned (February 2012), ₹ 33.54 crore towards installation of 523 Solar Photovoltaic Power Plants (SPPs) with aggregate capacity of 1,408.6 KWP at the establishments of Jammu and Kashmir (J&K) Police at a tentative cost of ₹ 37.94 crore.

Meanwhile, in line with the recommendation (March 2012) of State Level Purchase Committee (SLPC), it was decided to float a Notice Inviting Tender (NIT) in April 2012 for the project. The requirement of 523 location was reworked to include left out 25 District Police Offices, 04 Police Stations and 10 Police Posts bringing the total number of locations to 562 and was duly projected in the NIT floated on 25 April 2012. The L1 bidder quoted a price of ₹ 36.14 crore (inclusive of taxes) for the project. The contract for supply, installation, testing, commissioning and maintenance of Solar photovoltaic Power Plants of different capacities (aggregating 1553.76 KWP) for 562 locations was placed (March 2013) with the L1 firm for ₹ 36.14 crore on the grounds that the price quoted by L1 firm was well within the approved budget of ₹ 37.94 crore.

As stated in clause 16 of the NIT, Jammu and Kashmir (J&K) Service Tax and Value Added Tax (VAT) was not to be applicable to this contract and would be paid extra by Police Department, if charged by State Taxes Department.

The delivery, installation and commissioning of SPPs was to be completed within six months from the date of placement of the supply order. As per the terms and conditions of the supply order, the supplier was responsible for free warranty of five years for SPPs, 10 years for power output warranty for Solar Photovoltaic (SPV) modules and replacement guarantee of 20 years for SPV modules.

Under the Scheme, the Ministry of New & Renewable Energy (MNRE) was to provide CFA of ₹ 243 per watt or 90 *per cent* of the sanctioned project cost whichever is less. The MNRE, GoI, therefore reduced (June 2013) the CFA to ₹ 29.43 crore based on the tendered cost of the project. The first installment of 50 *per cent* of CFA amounting to ₹ 14.71 crore was released in June 2013 by GoI to the State Government out of which an amount of ₹ 14.39 crore towards payment of 187 out of 252 SPPs installed was made during the period May 2014 to January 2015. Post installment of these 252 SPPs, 163 SPPs were found to be non-functional which included 128 SPPs for which payment of ₹ 9.70 crore had been made.

⁴⁴ Vide communication No. Prov-II/Elect-26/10-11/40013-16 dated 27.08.2011

Status of SPPs installed by the supplier, payment released (December 2016) by the Department and non-functional SPPs are indicated in Table 2.4.1.

Table 2.4.1: Status of SPPs installed and payment made during May 2014 to January 2015

SPPs installed	SPPs for which payment made		Non-functional SPPs	Non-functional SPPs where payment was released	
	Number	Amount (₹ in crore)		Number	Amount (₹ in crore)
252	187	14.39	163	128	9.70

(Source: Departmental records)

The Department directed (August 2015) the supplier to rectify the defects developed in the installed in 163 SPPs. The supplier informed (August 2015) the Department that instead of repairing old power conditioning unit of these SPPs, new power conditioning units were dispatched to Jammu and Kashmir. The material was, however, detained by the Sales Tax Department on the grounds of non-deposit of Work Contract Tax (WCT). The Department took up (February 2015 to May 2018) the matter with the Government to either release an amount of ₹ 3.80 crore on account of WCT at a rate of 10.50 per cent or for waiver off such tax.

Audit scrutiny (July 2017) of records of Director General of Police, Police Headquarters, Jammu revealed that the matter relating to WCT, however, has not been resolved even after a lapse of more than five years, and 128 SPPs have remained non-functional for which payment of ₹ 9.70 crore was made up to January 2015.

The Director General of Police, Police Headquarters, Jammu in reply (June 2020) stated that the non-functional SPPs could not be repaired as spare parts were impounded by the Commercial Taxes Department for non-payment of WCT. The Department stated that all the issues shall be resolved as soon as the Government releases the WCT amount or waives it off.

Thus, failure of the Department to effectively co-ordinate and settle the issue regarding payment of WCT with the Sales Tax Department led to impounding of spare parts dispatched by the firm which resulted in non-functional SPPs. As a result, the benefits of installation and commissioning of 128 SPPs could not be availed, despite an expenditure of ₹ 9.70 crore having being incurred for installation of these 128 SPPs.

The matter was reported to the Government (May 2020), their reply is awaited (September 2020).

Payment of works contract tax needs to be settled on priority and rectification of defects in the non-functional SPPs ensured immediately, so that the investment made in SPPs is gainfully utilised.

Irrigation and Flood Control Department

2.5 Wasteful expenditure on water storage tanks

Irrigation and Flood Control Department took up the execution of work on water storage tanks without acquiring the private land and seeking prior clearance from Forest Department/ Defence Authority resulting in wasteful expenditure of ₹ 3.67 crore.

In order to provide irrigational facilities to farmers for agricultural activities in Tehsil, Handwara and Kupwara, the Executive Engineer (EE), Irrigation and Flood Control (I&FC) Division, Handwara, proposed three projects involving construction of 27 storage tanks in Brinyal Rajwad, Natnussa Kandi and Rajwad at an estimated cost ₹ 26.42 crore⁴⁵, under Border Area Development Programme (BADP) in the year 2013. The stipulated period for completion of works was two years from the date of sanction of the project.

The status of work of storage tanks as of March 2019 is given in Table 2.5.1

Table 2.5.1: Status of the work of storage tanks as of March 2019

(₹ in crore)

Particulars of storage tanks	Number of storage tanks Proposed	Storage tanks not taken up for execution		Storage tanks taken up for execution			Storage tanks which are functional		Storage tanks which are not functional	
		No.	Estimated cost	No.	Estimated cost	Expenditure incurred	Fully	Partly	No.	Expenditure incurred
(1)	(2)	(3)	(4)	(5)= (2-3)	(6)	(7)	(8)	(9)	(10)	(11)
Storage tanks requiring forest/ private land	16	7	6.21	9	11.49	3.37	0	2	7	3.04
Storage tanks not requiring forest/ private land	11	1	0.92	10	7.80	3.06	1	6	3	0.63
Total	27	8	7.13	19	19.29	6.43	1	8	10	3.67

(Source: Information provided by the Department)

As seen from the Table 2.5.1, 11 out of a total of 27 storage tanks, had no requirement for acquisition of private/ Forest land and only one out of 27 storage tanks to be constructed was fully functional (March 2019).

⁴⁵ 13 tanks in Natnussa Kandi at an estimated cost of ₹ 11.08 crore; 13 Tanks in Rajwad at an estimated cost of ₹ 10.80 crore and one Brinyal tank at Rajwad at an estimated cost of ₹ 4.54 crore.

An amount of ₹ 9.90 crore⁴⁶ was released during the period from 2013 to 2019 and the Division had incurred an expenditure of ₹ 6.43 crore⁴⁷ as of March 2019.

Scrutiny of records (October 2017) revealed that despite availability of ₹ 9.90 crore, an amount of ₹ 3.47 crore (35 per cent of the total allotment) could not be utilised. Further, out of the 27 storage tanks, only one storage tank was completed as detailed in the **Appendix 2.5.1.**

Further as indicated in Table 2.5.1, of the 16 storage tanks that were proposed to be constructed requiring a total of 41.05 hectare⁴⁸ of private/ forest land, nine storage tanks, were taken up for construction without clearance being obtained from the Forest Department or private land being acquired (July 2019) for executing these works. An expenditure of ₹ 3.37 crore was incurred during the period 2013 to 2019 on these nine storage tanks.

As regards the nine storage tanks (estimated cost: ₹ 11.49 crore) involving use of 35.15 hectare of private/ forest land an expenditure of ₹ 3.37 crores was incurred on storage tanks which were not complete and only two storage tanks were semi-functional. Therefore, the expenditure of ₹ 3.04 crore⁴⁹ incurred on seven incomplete and non-functional storage tanks was wasted.

Similarly, in case of the 11 storage tanks (estimated cost: ₹ 7.80 crore⁵⁰) which did not require any private/ forest land, an expenditure of ₹ 3.06 crore was incurred (2013 to 2019) on execution of work of ten storage tanks (one storage tank was not taken up for construction due to land dispute). Further, only one storage tank out of these ten storage tanks was fully functional and six were semi-functional. Besides, the three remaining storage tanks were not even partially functional despite expenditure of ₹ 63.19 lakh being incurred on these tanks. Out of these three storage tanks, two⁵¹ were abandoned after incurring an expenditure of ₹ 43.59 lakh. As the land identified for the Gunsnar storage tank was close to an army ammunition depot for which clearance from Army was not granted (July 2020) and the alternate site selected for this storage tank Kinjaldoori Nichama failed in soil testing, rendering an expenditure of ₹ 43.59 lakh wasted.

On this being pointed out in audit, EE, I&FC Division, Handwara stated (July 2019) that due to paucity and delay in release of funds, indents with Forest Department could not be processed and private land also could not be acquired.

The reply is not tenable as the Department had not initiated any action for land acquisition as seen from the DPRs except for one work, the land required for the other

⁴⁶ 2013-14: ₹ 1.80 crore; 2014-15: ₹ 2.20 crore; 2015-16: ₹ 3.40 crore; 2016-17: ₹ 1.00 crore; 2017-18: ₹ 1.24 crore; 2018-19: ₹ 0.26 crore.

⁴⁷ 2013-14: ₹ 1.80 crore; 2014-15: ₹ 1.11 crore; 2015-16: ₹ 1.02 crore; 2016-17: ₹ 1.00 crore; 2017-18: ₹ 1.24 crore; 2018-19: ₹ 0.26 crore.

⁴⁸ Forest land: 10.251 hectare; Private land: 30.80 hectare.

⁴⁹ Expenditure of ₹ 3.37 crore incurred on 9 tanks minus expenditure of ₹ 0.33 crore incurred on two semi-functional tanks.

⁵⁰ Excluding Storage tank Zinnar having estimated cost: ₹ 92.00 lakh, not taken up for execution.

⁵¹ Kinjaldoori Nichama: ₹ 38.29 lakh; Gunsnar: ₹ 5.30 lakh.

works had not been acquired (July 2020). Besides, the Division was not able to utilise the funds allotted during the period 2013 to 2019 and there were savings of ₹ 3.47 crore (35 per cent) which lapsed.

Thus, improper planning for taking up the construction of storage tanks without acquiring the private land, seeking prior clearance from Forest Department/ Defence Authority despite availability of funds resulted in wasteful expenditure of ₹ 3.67 crore⁵².

The matter was referred to the Department/ Government in May 2020; their replies were awaited (September 2020).

The Department should take up execution of hindrance free projects on priority so that the projects undertaken are completed expeditiously.

2.6 Unfruitful expenditure on Lift Irrigation Scheme

Non-selection of suitable site for construction of pumping station before taking up execution of the works for lift irrigation scheme, by Executive Engineer, Irrigation and Flood Control Division, Sumbal led to revision of cost of the scheme and inability to arrange additional funds over a period of eight years for completion of scheme, rendered expenditure of ₹ 2.23 crore on the scheme unfruitful.

In order to provide assured irrigation to 1,436 acres of land from Shilvat to Sumbal and Wangipora to Ankhola area in Sumbal-Sonawari constituency of district Bandipora, the Executive Engineer (EE), Irrigation and Flood Control (I&FC) Division, Sumbal took up the work of construction of Babajangi-Wangipora-Khurwan Lift Irrigation Scheme (LIS), during 2007-08 at an estimated cost of ₹ 1.77 crore⁵³, under Accelerated Irrigation Benefit Programme. The scheme was proposed to be completed in one working season⁵⁴.

Audit scrutiny (March 2018) of the records of EE, I&FC Division, Sumbal and EE, Mechanical Irrigation (MI) Division, Shadipora revealed that the original site for construction of vertical pumping station of the scheme was selected without adequate initial survey and was subsequently found not feasible. This was changed (January 2009) after the award of contract. Further, it was proposed to execute additional works of the scheme which led a revision of cost on the scheme. Accordingly, a revised detailed project report (DPR) with an estimated cost of ₹ 3.11 crore⁵⁵ was submitted (January 2012) by the Superintending Engineer, Hydraulic circle Baramulla/ Bandipora to the Chief Engineer, Srinagar which was not approved (June 2020). An expenditure of ₹ 2.23 crore⁵⁶ was incurred on execution of the scheme against its original cost of ₹ 1.77 crore thereby resulting in unauthorised expenditure of ₹ 0.46 crore. Further, the

⁵² Expenditure on seven non-functional storage tanks which required private/ forest land: ₹ 3.04 crore and Expenditure on three non-functional storage tank which did not require private/ forest land: ₹ 0.63 crore.

⁵³ Civil works: ₹ 96.90 lakh; Mechanical works: ₹ 79.90 lakh.

⁵⁴ Starting from September to March of the next year.

⁵⁵ Civil works: ₹ 202.58 lakh; Mechanical works: ₹ 108 lakh.

⁵⁶ Civil works: ₹ 1.40 crore; Mechanical works: ₹ 0.83 crore.

scheme was not functional (June 2020). The electro-mechanical equipment⁵⁷ purchased at a cost of ₹ 0.83 crore by the MI Division, Shadipora also was not installed/commissioned, and these equipments were lying idle in the stores or at the work site as of June 2020. Thus, the failure of EE, I&FC Division, Sumbal to select the proper site for construction of pumping station before taking up of the execution of the lift irrigation scheme led to cost revision of the scheme. Besides, additional funds of ₹ 0.88 crore proposed for completion of scheme could also not be arranged over a period of eight years which rendered the expenditure of ₹ 2.23 crore unfruitful.

On this being pointed out (March 2018) the EE, I&FC Division, Sumbal stated (March 2018/ July 2019) that the civil works of the scheme were almost complete, completion of mechanical works was awaited and an amount of ₹ 25.22 lakh was required for completion of some vital works⁵⁸. EE, MI Division, Shadipora stated (May 2016/ March 2018) that due to non-completion of civil component and paucity of funds, certain items could not be executed and the scheme could not be made functional. It was also stated (June 2020) that extra funding over the estimated cost of ₹ 1.77 crore was allowed to complete the scheme and the Chief Engineer verbally reiterated that formal sanction to the revised cost will be issued after the completion of scheme.

The reply of Executive Engineer is not tenable as the change of original site for construction of pumping station confirmed that proper survey was not conducted before taking up the execution of the work. Besides, execution of scheme work without approval of the revised DPR coupled with non-availability of adequate funds for its completion has rendered the expenditure of ₹ 2.23 crore incurred on the scheme unfruitful.

The matter was referred to the Department / Government in May 2020; their replies were awaited (September 2020).

The Department should arrange for additional funds to complete the work expeditiously and ensure that technical requirements are fulfilled before execution of a project in future.

Legal Metrology Department

2.7 Under-utilisation of mobile cranes fitted with weigh bridge testing kits

The Legal Metrology Department failed to engage driver/ trained staff for operating mobile cranes fitted with weigh bridge testing kits provided by GoI for an amount of ₹ 1.18 crore, resulting in their under-utilisation and defeating the intended purpose to modernise and transform the manual practice of calibration/ verification of weigh bridges.

The Government of India (GoI) under the scheme 'Strengthening of Weights and Measures Infrastructure provided two mobile cranes fitted with weigh bridge testing kits

⁵⁷ Pump motor shifted to site in February 2020, electric sub-station created, main mechanical components such as pump mounting structure, overhead crane working platform, rising main installed at site, other mechanical and electrical components and transformer lying in Divisional stores.

⁵⁸ Construction of lining wall on both sides of the Wangipora-Khurwan canal: ₹ 18.07 lakh; construction of chain link fencing and iron gate: ₹ 2.70 lakh and face lift and construction of allied works: ₹ 4.45 lakh.

for an amount of ₹ 1.18 crore⁵⁹ (December 2008 and March 2012) to the Legal Metrology Department, Government of Jammu and Kashmir (GoJ&K). The Deputy Controller, Legal Metrology, Jammu⁶⁰ projected (March 2009) a minimum revenue of ₹ 10 lakh per annum by use of these mobile testing kits. The Government of J&K fixed (November 2011) ₹ 2,000 as user fee for utilisation of mobile kit loaded with testing weights for verification of weigh bridges installed across the State.

Audit scrutiny (June 2018) of records revealed that one mobile crane received in December 2008 could not be put to use till May 2010, on the grounds of non-availability of driver/ operator and required funds for maintenance. Subsequently from May 2010 to November 2010, it was put to use for only seven months by obtaining a driver on deputation from the Jammu and Kashmir State Road Transport Corporation (JKSRTC). During this period, only 11 weigh bridges were verified. This mobile crane was off road since November 2010 due to non-availability of funds, and was parked in the premises of a private industry at the Industrial Estate, Kathua. The rear tyres of the mobile crane have been stolen (January 2011) for which First Information Report has been lodged with the police.

Subsequently, the Joint Controller, Legal Metrology, Jammu requested (August 2012) Director, Legal Metrology, GoI, New Delhi for withdrawal of this vehicle, on the grounds that due to its large size, it could not be used optimally in the lanes and by lanes of industrial units of Jammu and further added that the said vehicle be taken back and allotted to some other requisitioning and needy State. A second mobile crane was received from GoI in March 2012, and put to use only from February 2015 to June 2018 after making internal arrangements for a driver. This second mobile crane also remained non-functional since July 2018 due to non-availability of a driver.

On this being pointed out, the Deputy Controller, Legal Metrology Jammu stated (July 2020) that 887 weigh bridges were verified/ re-verified by the Department during 2009-18 for which an amount of ₹ 17.74 lakh was recovered. It was also stated that as per log book only 171 weigh bridges were verified/ re-verified by the testing kit provided and remaining 716 weigh bridges were passed without utilisation of testing kits. Therefore, user fee of ₹ 3.42 lakh⁶¹ was only recovered by the use of mobile testing kits.

Since the Department failed to engage driver/ trained staff to ensure effective usage and maintenance for functioning of these cranes, these mobile cranes provided for ₹ 1.18 crore have remained idle. As stated in their own reply, the Department was able to recover user fee of ₹ 17.74 lakh only during 2009-18, which was far less than the estimated collection of user fee of ₹ 90 lakh⁶² projected (March 2009) by Deputy Controller, Legal Metrology, Jammu by use of mobile testing kits. Therefore, the

⁵⁹ Cost of crane received in December 2008: ₹ 50.94 lakh; cost of crane received in March 2012: ₹ 66.88 lakh.

⁶⁰ To be collected at the rate of ₹ 10 lakh per annum.

⁶¹ User charges in respect of 171 weigh bridges at the rate of ₹ 2,000 is ₹ 3,42,000

⁶² To be collected at the rate of ₹ 10 lakh per annum.

Department could not modernise and transform the manual practice of calibration/ verification of weigh bridges due to which the human interface could not be minimised.

When the matter was referred (May 2020) to the Department, Deputy Controller, Legal Metrology, Jammu on the directions of Administrative Department framed a comprehensive factual report (July 2020) wherein it was confirmed that the available drivers/ staff were not used to make the mobile testing kits operational. These kits have now become scrap as they now do not adhere to the new norms for registration of Commercial vehicles and the Department could not recover the projected revenue (user fee) of ₹ 10 lakh annually since its receipt in 2008. Controller Legal Metrology Jammu and Kashmir in its reply (August 2020) stated that the vehicle has neither been registered with Transport Department, nor any efforts have been made in this regard so far.

Thus, the Department failed to engage driver/ trained staff to ensure effective usage and maintenance for functioning of these cranes, where by these mobile cranes provided for ₹ 1.18 crore have remained idle. Moreover, the objective to modernise and transform the manual practice of calibration/ verification of weigh bridges was not achieved.

The matter was referred to the Government in May 2020; their reply was awaited (September 2020).

The Department may ensure that required manpower is available before requisition for machinery is processed for their optimum utilisation as well as modernisation and transformation of the work processes are achieved.

Power Development Department

2.8 Unauthorised Payment of idle salary

Failure of the Power Development Department to either transfer Drivers/ Chauffeurs deployed in excess of sanctioned strength or utilise their services effectively resulted in unauthorised drawal and payment of idle salary of ₹ 79.46 lakh to Drivers/ Chauffeurs during the period from March 2015 to January 2019.

Rules 4 and 6 of the Jammu and Kashmir Financial code (Volume-1) prescribe the procedure under which pay and allowances of officers/ officials are to be regulated. The Head of the Department has to ensure that the staff is posted across the State to ensure effective working of the office.

The Sub Transmission Division-III, Kathua had a sanctioned strength of two drivers/ chauffeurs. Further, out of four Departmental vehicles available in the Division during 2015-16 to 2018-19, three were condemned/ auctioned (27 April 2007/ 08 February 2017) and one vehicle was not fit for operation since August 2013. The Division hired one vehicle from September 2013 onwards as the only remaining vehicle was also recommended for condemnation (December 2019).

Scrutiny of records (December 2017) and subsequent collection of information (between February 2018 to July 2019) revealed that five drivers/ chauffeurs were in position in the Division (March 2015 onwards) against the sanctioned strength of two

drivers/ chauffeurs. Meanwhile, the salary of additional three drivers was drawn in excess of the sanctioned strength during the period from March 2015 to January 2019. Despite four drivers being available without any official duty/ vehicle to drive, the drawal of pay and allowances was unauthorised and amounted to payment of idle salary without performing any official duty. Thus, non-utilisation of services of the drivers/ chauffeurs for which they were recruited is against the rules, which resulted in payment of idle salary to them during the period (March 2015 to January 2019). The surplus drivers/ chauffeurs had idle pay and allowances amounting ₹ 79.46 lakh⁶³ during the period from March 2015 to January 2019. Drawal of pay allowances beyond the sanctioned strength is unauthorised and needs to be investigated.

The Executive Engineer (EE) of the Division stated (February/ October 2019/ July 2020) that the Division had two chauffeurs and one driver posted from various dates against sanctioned posts of two drivers. One of these drivers/ chauffeurs is driving the hired vehicle and two drivers/ chauffeurs have superannuated⁶⁴ as of July 2019. It was further stated that the matter regarding utilising the services of the drivers was taken up with higher authorities from time to time. The reply is not acceptable as additional drivers without any vehicle to drive, continued to remain idle in the Division without assigning any official duties. Also no order regarding regularisation of the three posts was also provided to audit as of December 2017.

The matter was referred to Department/ Government in May 2020; their replies were awaited (September 2020).

The Department should ensure that excess manpower is not retained and adequate controls are exercised for drawal of salaries.

Public Health Engineering Department

2.9 Unfruitful expenditure and blocking of funds

Failure of Public Health Engineering Department to make the augmentation of water supply scheme functional over a period of seven years, resulted in unfruitful expenditure of ₹ 78.28 lakh and blocking of ₹ 39 lakh.

In order to augment the supply of potable water to the local inhabitants of villages Alyia, Bissi Kalakot and Dehari, the Executive Engineer (EE) Public Health Engineering (PHE) Division, Reasi proposed (2006) an 'Improvement/ augmentation of water supply scheme Alyia' at an estimated cost of ₹ 1.19 crore. The Scheme was designed to provide potable water to estimated population of 5,386 in the next 15 years against the existing population of 1,586 inhabiting these villages. The Detailed Project Report for the scheme was approved (2011-12) at cost of ₹ 1.17 crore with funding from NABARD⁶⁵ and the State Government in the ratio of 90:10 with the stipulated completion period of one year.

⁶³ 2015-16: ₹ 19.86 lakh; 2016-17: ₹ 20.22 lakh; 2017-18: ₹ 21.30 lakh; 2018-19: ₹ 18.08 lakh.

⁶⁴ One driver on 31 March 2018 and the other driver on 31 July 2019.

⁶⁵ National Bank for Agriculture and Rural Development.

Audit scrutiny of the records (September 2018/ July 2019) revealed that against the amount of ₹ 1.17 crore⁶⁶ released during the period 2011-12 to 2016-17, an expenditure of ₹ 1.17 crore⁶⁷ was incurred on procurement of material, construction of certain components⁶⁸ of the scheme etc. However, the augmentation scheme could not be completed as the proposed source, a dug well drilled for scheme was not made functional as of August 2019 and material valuing ₹ 39 lakh remained unutilised (August 2019).

On being pointed out in audit (September 2018/ July 2019) the EE, PHE Division, Reasi stated (May 2019/ August 2019) that the bore well was capped after drilling and pump room was also constructed to save it. However, at the time of lowering the pump, it was noticed that the bore well was filled with stones which could not be cleared as it was required to dismantle the slab and walls of the room. It was also stated that the matter has been taken up with the higher authorities and the bore well required repairs, which were estimated to cost ₹ three lakh.

However, the fact remains that despite incurring the expenditure of ₹ 1.17 crore, the water supply to the identified villages as per the project could not be augmented (August 2019) thereby defeating the very purpose of providing potable water to the existing population of three villages. Therefore, the failure of the Department to repair the dug well and to make the augmentation scheme functional over a period of seven years resulted in unfruitful expenditure of ₹ 78.28 lakh and blocking of ₹ 39 lakh.

The matter was referred to the Government in May 2020; their reply was awaited (September 2020).

The Department should take immediate steps to repair the dug well to make the augmentation scheme functional and ensure the assets are adequately protected.

⁶⁶ 2011-12: ₹ 51.67 lakh; 2012-13: ₹ 13.50 lakh; 2013-14: ₹ 12.99 lakh; 2014-15: ₹ 1.43 lakh; 2015-16: ₹ 14.66 lakh; 2016-17: ₹ 23.06 lakh.

⁶⁷ 2011-12: ₹ 51.64 lakh; 2012-13: ₹ 13.50 lakh; 2013-14: ₹ 12.99 lakh; 2014-15: ₹ 1.43 lakh; 2015-16: ₹ 14.66 lakh; 2016-17: ₹ 23.06 lakh.

⁶⁸ Construction of dug well, pump room, rising main, distribution system, chowkidar quarter, ground service reservoir, pumping machinery, sump tank etc.