

## PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution of India.
2. Chapter I deals with the findings of performance audits in Higher Education; Home; Labour and Employment; Municipal Administration and Water Supply and Public (Elections) Departments. Chapter II deals with findings of transaction audit in Adi-Dravidar and Tribal Welfare; Animal Husbandry, Dairying and Fisheries; Finance; Handlooms, Handicrafts, Textiles and Khadi; Health and Family Welfare; Highways; Higher Education; Industries; Micro, Small and Medium Enterprises; Municipal Administration and Water Supply; Public Works and Revenue Departments. Chapter III deals with the integrated audit of the Public Works Department (Buildings).
3. Reports containing (a) observations arising out of audit of Statutory Corporations, Boards and Government Companies, (b) observations on revenue receipts of the State Government, (c) observations relating to local bodies and (d) observations on the finances of the State Government are being presented separately.
4. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 2009-10 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 2009-10 have also been included, wherever necessary.

## OVERVIEW

This Audit Report has three chapters. The first chapter has five reviews (including two information technology reviews) dealing with the results of performance audit of selected programmes and schemes of Government. The second chapter has 19 audit paragraphs arising from the audit of financial transactions of Government. The third chapter contains results of integrated audit of a Government Department.

Audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on judgement basis. The specific audit methodology adopted for programmes and schemes has been mentioned in the reviews. Audit conclusions have been drawn and recommendations made taking into consideration the views of Government, wherever received.

A summary of the important findings is given below:

Anna University was established as a unitary type of university in September 1978 by amalgamating four technical education institutions in the city of Chennai. As of 2010, 149 colleges were affiliated to Anna University, Chennai apart from the four university/constituent colleges in Chennai and one each at Villupuram, Tindivanam and Arani. The university offers under-graduate, post-graduate and PhD programmes in almost all the engineering and technology disciplines including applied sciences, M. Phil programmes under science and humanities and management programmes.

A performance review of the functioning of Anna University, Chennai, covering the period from 2005-06 to 2009-10 disclosed that consolidated accounts for the receipts and payments of the university as a whole were not prepared. Reducing the qualifying marks for granting affiliation to courses run by affiliated colleges from 85 to 50 paved the way for grant of provisional affiliation to 509 courses in 111 colleges. The university increased self-financing courses, as against the Government's policy of encouraging affordable higher education. The overall faculty-student ratio of the university was 1:38 as against All India Council for Technical Education's norms of 1:15 for each course. Setting up of a 'Knowledge Data Centre', for providing web-based technological resources to students in the State was delayed by more than six years.

*(Paragraph 1.1)*

A performance audit of the functioning of Industrial Training Institutes (ITIs) revealed that Government's plan (1996) to establish ITIs in all the blocks of

the State either in the Government sector or the private sector was still to materialise. As of March 2010, 68 out of 385 blocks in the State did not have ITIs. Test-checked ITIs lacked basic infrastructure facilities such as adequate classrooms, power supply and hostels. There were shortfalls in the availability of tools and equipment with reference to the standard list of trades prescribed by the National Council for Vocational Training. Though admissions in ITIs increased, the percentage of vacant seats and the number of dropouts amongst students admitted also increased. Stipends were not paid to all trainees as envisaged by Government of India, making the ITIs less attractive. Non-enhancement of the rates of training grants by the State Government resulted in inadequate supply of raw materials and consumables to the trainees. As against ₹ 16.01 crore available under the World Bank assisted Centre of Excellence scheme, the department spent only ₹ 9.23 crore during 2006-10, resulting in non-creation of the required infrastructure in 17 ITIs. Consequently, 17 trades introduced in 17 ITIs were still to be affiliated by the National Council for Vocational Training. Lack of co-ordination with the Chief Inspector of Factories resulted in poor placement in providing apprenticeship training to ITI passed candidates.

***(Paragraph 1.2)***

A performance audit of the Modernisation of Police Force scheme disclosed that Annual Action Plans were not prepared on need basis. Equipment costing ₹ 2.52 crore was procured in deviation of plans during 2006-09. Non-sanctioning and delay in execution of works resulted in under-utilisation of funds sanctioned for the scheme. Funds amounting to ₹ 191.56 crore out of ₹ 1024.49 crore released by the Central and State Governments during 2000-10, remained unutilised as of March 2010 under the scheme. As against 205 works sanctioned, only 90 were completed as of March 2010. New buildings were sanctioned only for 191 police stations, during 2006-10, as against 804 police stations planned to be constructed. Of these, only 85 were completed and put to use. As against 12,000 residential quarters to be constructed during 2006-10, only 2,686 were constructed. Vehicles were purchased to replace condemned ones rather than to increase fleet strength, thereby defeating the objective of increasing the mobility of the police force. In 38 test-checked police stations, no motor cycles were available as of March 2010 and 18 police stations did not have even a single vehicle. As against 20,742 pieces of communication equipment such as Very High Frequency mobile sets, Very High Frequency hand held sets, High Frequency sets to be procured during 2006-11, only 5,492 pieces of equipment were purchased.

***(Paragraph 1.3)***

The Chennai Metropolitan Water Supply and Sewerage Board (Board) caters to water supply and sewerage requirements of about 6.51 lakh properties in the Chennai metropolitan area. The main sources of revenue for the Board were water tax and water charges. An Information Technology audit of computerisation in the Board revealed non-inclusion of 'New water connections' in the 'Enterprise Resource Planning' due to deficient planning and non-achievement of the envisaged objectives of the 'Complaints Monitoring System' despite spending ₹ 1.12 crore. Accounts of the Board were not compiled through Enterprise Resource Planning. Incorrect classification of properties led to short assessment of water charges to the tune of ₹ 7.67 crore. Loss of about ₹ 10 crore occurred due to adoption of lower annual value for properties for computing water tax and non-raising of demands for metered connections. Omission to include properties in the database led to non-raising of tax demand to the tune of ₹ 21.35 crore.

***(Paragraph 1.4)***

Preparation and updation of the electoral database is the responsibility of the Chief Electoral Officer. The Public (Elections) Department introduced the concept of photo electoral roll in July 2006 in the entire State of Tamil Nadu. Audit examination revealed that the department was still to formulate an Information Technology policy. No documentation existed for the software. No backup facility for the database was available. The department deleted 73 lakh eligible voters for want of photographs in 2006. More than six lakh fresh eligible voters were not included in the roll during 2007 to 2009. Fifty-five lakh eligible electors were not issued Electors' Photo Identity Cards as of August 2009. The Central Server was still to be connected with the District Servers. Errors in the database due to inadequate validation controls in the system were also noticed. Excess/incorrect payments were made to vendors for printing of Electors' Photo Identity Cards during the year 2006.

***(Paragraph 1.5)***

Besides the above, audit of financial transactions, test-checked in various departments of the Government and their field offices, revealed instances of wasteful expenditure, infructuous expenditure, undue favour to contractors, violation of contractual obligations, avoidable expenditure and other irregularities involving ₹ 101.11 crore.

Some of the important transaction audit findings are given below.

Injudicious rejection of a proposal to set up a dairy-cum-powder plant in Tiruvannamalai District through the National Dairy Development Board

resulted in additional commitment of ₹ 31 crore to the Government on the project due to escalation in cost, besides blocking of funds of ₹ 6.73 crore for over two years.

***(Paragraph 2.2.1)***

Failure to omit a stretch of the National Highway 210 from the World Bank-aided State road project resulted in avoidable expenditure of ₹ 28.28 crore.

***(Paragraph 2.2.2)***

Even though the agreed rates of contractors for five bridge and road works were inclusive of all duties and taxes, the Chief Engineer (Highways Department) provided Central Excise duty exemption benefit to contractors, resulting in unauthorised financial benefit of ₹ 2.37 crore to contractors.

***(Paragraph 2.2.3)***

Failure of the Chief Engineer, Tamil Nadu Water Supply and Drainage Board, Southern Region, Madurai to avail of a rebate of ₹ 2.28 crore offered by a contracting firm resulted in avoidable expenditure of ₹ 1.50 crore under an Asian Development Bank - assisted water supply project.

***(Paragraph 2.2.4)***

Failure of the Chief Engineer, Tamil Nadu Water Supply and Drainage Board, Northern Region, Vellore to evaluate the bids received for three packages of the Underground Sewerage Scheme to Thiruvallur Municipality as per bid criteria resulted in avoidable extra cost of ₹ 92 lakh.

***(Paragraph 2.2.6)***

Enrolment of husband and wife of a family as individual members and payment of insurance premium separately for each under the Health Insurance Scheme for Handlooms Weavers, instead of treating them as a family, resulted in avoidable expenditure of ₹ 44.30 lakh as insurance premia to the State/Government of India.

***(Paragraph 2.2.10)***

Integrated Audit of the Public Works Department (Buildings) revealed that out of ₹ 282.53 crore allocated to Tamil Nadu by the Twelfth Finance Commission for maintenance of buildings and heritage conservation during 2005-10, the State could not avail of ₹ 62.11 crore. Budgeting was unrealistic as there were large-scale re-appropriations under the grant and persistent savings were noticed under the minor head 'Direction and Administration'. A Government of India grant of ₹ 8.85 crore for construction of hostels for Backward Class students could not be availed of. The pattern of response to

tender calls in the test-checked divisions was indicative of cartel formations among contractors. Provisions of the Tamil Nadu Transparency in Tenders Act and Rules were not followed in award of contracts for providing architectural services for construction of the Assembly building. Construction of a temporary dome for the purpose of inauguration, due to delay in construction of the permanent dome of the Assembly building, resulted in wasteful expenditure of ₹ 3.28 crore. Wrong measurement in pile foundation of the Assembly building resulted in overpayment of ₹ 2.46 crore to contractors. Non-adoption of revised specifications of the Bureau of Indian Standards in usage of cement in concrete works resulted in an extra expenditure of ₹ 3.54 crore. Environment-friendly materials like fly-ash bricks, crush stone sand were not used in the works.

***(Paragraph 3.1)***

# CHAPTER I

## PERFORMANCE AUDIT

This chapter contains three performance audit reports viz., Functioning of Anna University, Chennai, Functioning of Industrial Training Institutes and Modernisation of Police Force, together with two Information Technology audit reports on Computerisation in Chennai Metropolitan Water Supply and Sewerage Board and Preparation of Electors' Photo Identity Card and updation of Photo Electoral Roll.

## HIGHER EDUCATION DEPARTMENT

### 1.1 Functioning of Anna University, Chennai

#### *Highlights*

*Technical education plays a vital role in the socio-economic development of a State. Graduate and post-graduate courses in engineering and technology have made rapid strides in Tamil Nadu in terms of student intake in the colleges. Anna University, Chennai, with its genesis as a School of Survey way back in 1794, became a college of Civil Engineering in 1862. With the introduction of Mechanical Engineering in 1894, it became the first institution in the country to award degrees in Mechanical Engineering and grew into a premier university providing engineering, technical and management education in the State. A performance audit of the functioning of Anna University, Chennai disclosed inadequacies in planning, deficiencies in financial management, policy violations in admissions, lowering of standards of laboratories, libraries, faculty etc., to facilitate affiliation to number of colleges and inadequate research programmes during 2005-10.*

- Consolidated accounts for the receipts and payments of the university as a whole were not prepared. Instead, they were prepared in a compartmentalised manner which was not conducive for exercising control over its finances.

(Paragraph 1.1.7.2)

- While the Government's policy encouraged affordable higher education, the university increased the self-financing courses.

(Paragraph 1.1.8.2(ii))

- Reducing the qualifying marks for granting affiliation to courses run by self-financing colleges from 85 to 50 paved way for grant of

**provisional affiliation to 509 courses in 111 colleges which were hitherto ineligible for affiliation.**

**(Paragraph 1.1.8.3(i))**

➤ **The university had a faculty-student ratio of 1:38 as against the norm of 1:15 for each course.**

**(Paragraph 1.1.9.1)**

➤ **The objective of partnering with industries through research was not achieved as the number of research and consultancy projects taken up for private sector industries was very low.**

**(Paragraph 1.1.10.1)**

➤ **The ‘Knowledge Data Centre’, proposed in 2003 to provide web-based technological resources to students in the State was delayed by more than six years and the expenditure of ₹ 6.16 crore incurred thereon was unfruitful.**

**(Paragraph 1.1.10.2)**

### **1.1.1 Introduction**

The Government established Anna University as a unitary type<sup>1</sup> of university in September 1978 by amalgamating four<sup>2</sup> technical education institutions in the city of Chennai. The State Government upgraded (2001) the university into an affiliated type<sup>3</sup> vide the Anna University (Amendment) Act, 2001 with jurisdiction over the entire State of Tamil Nadu. The Act was amended in 2006 to restrict its jurisdiction to the districts of Chennai, Kancheepuram, Thiruvallur, Thiruvannamalai, Vellore and Villupuram. The university again became a unitary type one from the academic year 2010-11.

As of 2010, 149 colleges are affiliated to Anna University, Chennai apart from the four university/constituent colleges in Chennai and one each at Villupuram, Tindivanam and Arani. The university offers under-graduate (UG), post-graduate (PG) and PhD programmes in almost all the engineering and technology disciplines including applied sciences, M. Phil programmes under science and humanities and management programmes.

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<sup>1</sup> University without affiliated colleges.

<sup>2</sup> College of Engineering, Guindy, Madras Institute of Technology, Chrompet, Alagappa Chettiar College of Technology, Guindy and the School of Architecture and Planning of the university of Madras.

<sup>3</sup> University providing affiliation to colleges.



The objectives of the university are:

- (i) to provide facilities and offer opportunities for higher education in engineering, technology and allied sciences;
- (ii) to devise and implement a programme of education that is relevant to the current needs of the society;
- (iii) to promote research and disseminate and advance the knowledge thereon for the betterment of society and
- (iv) to serve as a centre for fostering co-operation between the academics, industrial community and research community.

### **1.1.2 Organisational structure**

The Governor of the State is the Chancellor of the university and the Minister for Higher Education is the Pro-Chancellor. The Vice-Chancellor of the university is appointed by the Chancellor for a period of three years. The Syndicate is the apex body which determines and regulates all policy matters of the university. The Registrar, appointed by the Syndicate, is in charge of administration. In addition, there are Deans/Heads for the eight faculties/30 departments, a Finance Officer and a Controller of Examinations. The university has 46 autonomous centres with financial and functional autonomy of varying nature. Each centre has an Executive Committee with the Vice-Chancellor as the Chairman.

### **1.1.3 Audit objectives**

The objectives of the performance audit were to assess whether:

- (i) a proper planning system existed to provide facilities and opportunities for higher education in engineering and technology and allied sciences and to devise and implement a programme of education that is relevant to the current needs of the society;
- (ii) the preparation of budgets and annual accounts was in accordance with laid down procedures and the funds were utilised economically, efficiently and effectively;
- (iii) policies relating to admission, affiliation, examination and distance education were framed in accordance with the relevant Acts, Rules and Regulations and the activities were carried out effectively;
- (iv) creation and development of human resources and infrastructural facilities were as per the prescribed norms;
- (v) research projects were taken up and their progress was monitored effectively and
- (vi) an effective system for monitoring and internal control existed in the university.

#### **1.1.4 Audit criteria**

The audit findings were benchmarked against the following criteria.

- (i) The Anna University Act, 1978 as amended in 2006 and 2010 and the Rules and Regulations made thereunder.
- (ii) Norms for faculty and facilities of the All India Council for Technical Education (AICTE), the University Grants Commission (UGC) and the Distance Education Council of Government of India (GOI).
- (iii) Provisions of codes, manuals and various instructions/circulars issued by GOI, Government of Tamil Nadu and the university and
- (iv) Rules/guidelines framed by the Syndicate and other bodies of the university.

#### **1.1.5 Audit coverage and methodology**

The performance audit of the university was taken up under Section 14 (2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Government order dated 30 April 1993. Apart from scrutiny of records of the university administration and 12 autonomous centres of the university, two university/constituent engineering colleges, one Government engineering college and 14 affiliated self financing colleges were selected based on the simple random sampling method for detailed study as given in **Appendix 1.1**.

The performance audit covered the period from 2005-06 to 2009-10. The audit objectives were discussed with the Principal Secretary to the Government, Higher Education Department and the Registrar of Anna University, Chennai in an entry conference held on 2 February 2010 and the audit findings were discussed with the Principal Secretary to Government, Higher Education Department in an exit conference held on 15 November 2010.

### **Audit Findings**

#### **1.1.6 Planning process**

##### **1.1.6.1 Non-formulation of comprehensive Plans**

The university prepared a vision document (Vision 2020) in 2004 to strive towards becoming a world class institution by providing up to date knowledge to the students, by having state of the art physical facilities and laboratory equipment, by updating the faculty on topics of current interest and by providing individualised attention. The vision document also envisaged the university to be a preferred partner to the industry and community for contribution towards their economic and social development by providing

The university did not prepare comprehensive long-term/short-term Plans

high quality manpower through excellence in teaching, research and consultancy.

Audit noticed that the university, however, did not prepare any Perspective or Annual plans outlining the year-wise developmental activities to be carried out and financial outlays therefor, to achieve the goals set in the vision document.

The Registrar of the university stated (January 2010) that plan proposals of various departments/autonomous centres were sent to State Government and agencies and Ministries of GOI. Audit observed that the Plan proposals of the university did not form part of any comprehensive Plan and were limited to the purpose of seeking funds to carry out development activities on a year to year basis.

Further, Audit noticed that though the university achieved some of the goals set in the Vision 2020 statement in areas such as establishment of centres for technology development, faculty development, intellectual property rights, university-industry collaboration and entrepreneurship, it was still to achieve the following goals (**Table 1**) which were targeted to be achieved by March 2010.

**Table 1: Non-achievement of goals set**

Goal set in vision document	Target date for attaining the goal
To establish a publishing centre	December 2005
To launch interactive e-learning	December 2006
To obtain international accreditation	December 2008
To establish 10 Twinning programmes	December 2008

(Source: Vision document)

During the exit conference the Principal Secretary directed the Registrar to initiate appropriate action for the launching of interactive e-learning and for obtaining international accreditation as contemplated in the vision document.

### **1.1.7 Financial management**

The finances of the university and its autonomous centres are managed separately and separate accounts are maintained. Details of receipts and expenditure of the university and the autonomous centres for the period 2005-09 are given in **Table 2**.

Table 2: Receipts and expenditure of the university and the autonomous centres

(₹ in crore)

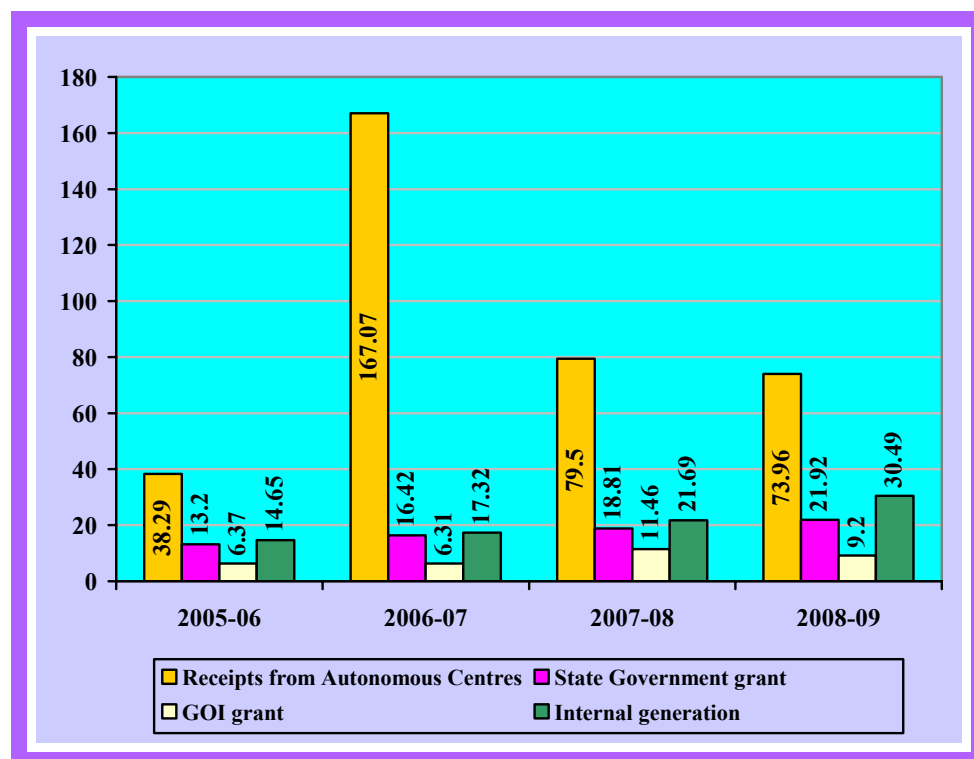
Year	Receipts		Expenditure	
	University Receipts	Autonomous Centres	University Expenditure	Autonomous Centres
2005-06	125.90	242.94	101.68	160.13
2006-07	246.61	203.25	86.39	245.94
2007-08	183.37	280.81	116.93	219.75
2008-09 (Unaudited)	197.32	262.64	117.45	218.90

(Source: Compiled by Audit from Annual Accounts)

Fees from students of constituent colleges, receipts from autonomous centres towards institutional charges, pension fund etc., grants from UGC and the Department of Science and Technology of GOI and grants from State Government are the major sources of receipts for the university. Salaries, maintenance expenditure, capital expenditure and staff pension are the major classes of expenditure.

The trends of major sources of receipts during 2005-09 are depicted in Chart 1.

Chart 1: University receipts under major sources (₹ in crore)



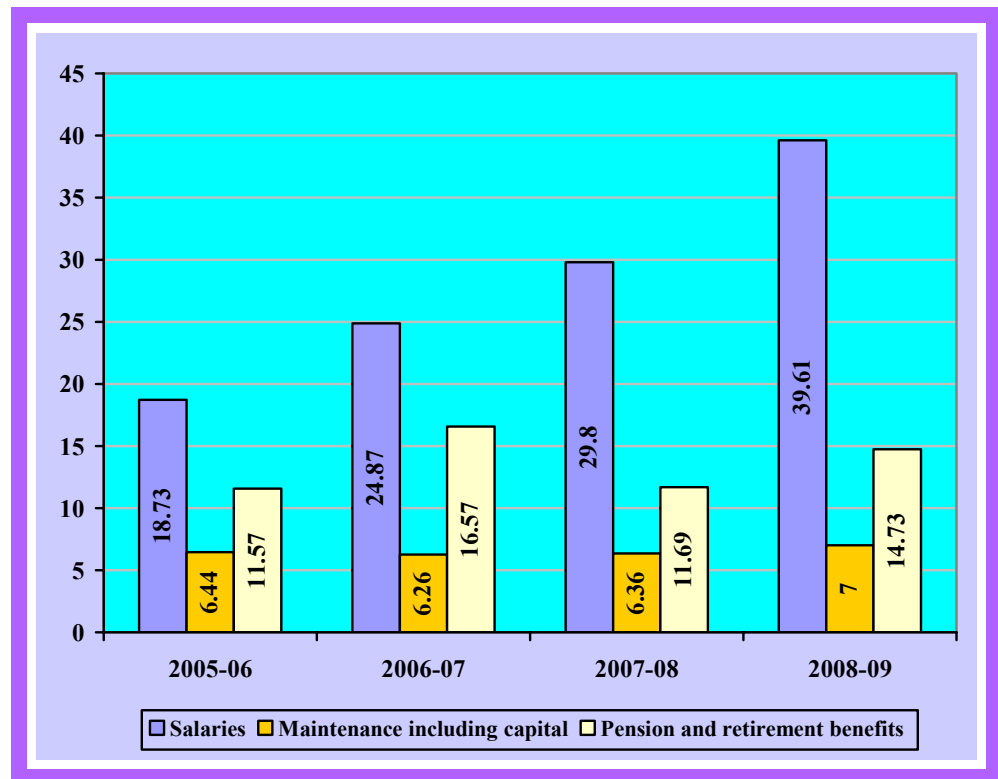
- The Anna University Act stipulated that all receipts of the university were to be credited into a General Fund. Consequent to the establishment of autonomous centres over the years and entrustment of even routine university functions such as conduct of examinations,

grant of affiliations etc. to such centres, university receipts were being realised by these centres. The autonomous centres transferred their surplus funds in an ad hoc manner to the university account and the centres dealing with administrative functions of the university held ₹ 68 crore as short/long term deposits with nationalized banks as of March 2008.

- The contribution of the autonomous centres to the General Fund of the university during 2005-09 varied from ₹ 38.29 crore in 2005-06 to ₹ 167.07 crore during 2006-07. The abnormal fluctuation was due to transfer of surplus funds from them on *ad hoc* basis to the General Fund.
- The autonomous centres dealing with affiliations and affiliate college examinations contributed 23 to 54 *per cent* of the total revenue receipts of the university during 2005-09. Drying up of these resources during 2010-13, on the university becoming a unitary type from 2010-11, may lead to financial problem for the university unless suitable measures are initiated to augment revenue generation.

The trends in major categories of expenditure of the university are depicted in **Chart 2**.

**Chart 2: Trend in major categories of expenditure (₹ in crore)**



(Source: Audited/ unaudited Annual Accounts)

- As may be seen from the above chart, salaries, maintenance expenditure and pension payments increased by 111 *per cent* during 2005-09. The internal revenue generation matched the trend in salaries with an increase of 108 *per cent* during the same period. However, the grants from GOI and State Government grew only by 45 *per cent* and 66 *per cent* respectively, indicating the need to concentrate on revenue generation.

### 1.1.7.1 Budget

The university prepares budgets separately for its various funds like the General Fund, Student Welfare Fund, Staff Welfare Fund, etc. and funds for each of the Autonomous Centre. The Budget Estimates, Revised Estimates and actuals of university funds during 2005-09 were as given in **Table 3**.

**Table 3: Budget Estimates and actual expenditure**

(₹ in crore)

Year	Receipts			Expenditure		
	Budget Estimates	Revised Estimates	Actuals	Budget Estimates	Revised Estimates	Actuals
2005-06	74.28	160.86 (116.56)	125.90 (- 21.73)	90.15	142.22 (57.76)	101.68 (- 28.51)
2006-07	114.64	273.60 (138.66)	246.61 (- 9.86)	93.49	105.17 (12.49)	86.39 (- 17.86)
2007-08	143.31	252.27 (76.03)	183.37 (- 27.31)	181.64	113.51 (- 37.51)	116.93 (3.01)
2008-09	141.79	221.81 (56.44)	197.32 (- 11.04)	202.21	215.39 (6.52)	117.45 (- 45.47)

(Source: Audited/Unaudited Annual Accounts)

(Figures in brackets under Revised Estimates represent percentage of variations from the Budget Estimates and the figures in brackets under actuals represent percentage of variations from Revised Estimates)

Abnormal variations, ranging from 56 to 139 *per cent* were noticed between the Budget Estimates and Revised Estimates for receipts. Similarly, the actual receipts varied from the Revised Estimates by (-)10 to (-) 27 *per cent* and the expenditure varied from the Revised Estimates by 3 to (-) 45 *per cent*.

In the exit conference (November 2010), the Principal Secretary instructed the Registrar of the university to ensure that the variations in the budgeting should be minimum in future.

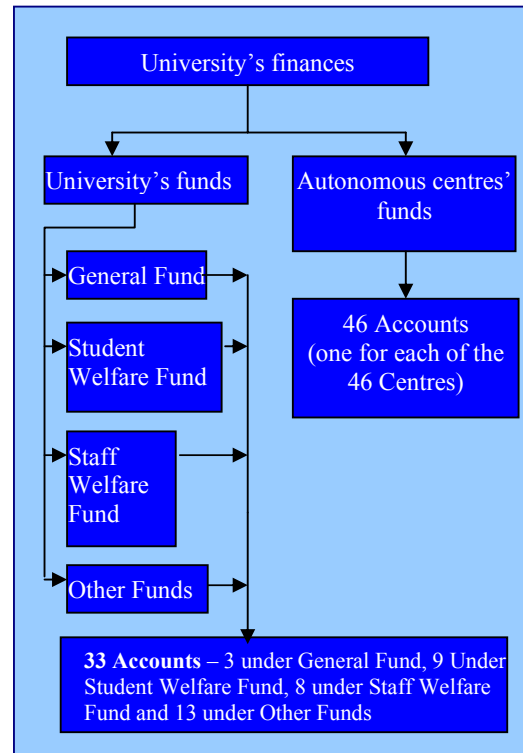
### 1.1.7.2 Compilation of annual accounts

As per the provisions of the Finance and Accounts Manual, 1999, the financial transactions of the university are categorized under two heads, *viz.* Receipts and Payments. Receipts include all contributions/ grants from State/ Central Governments/agencies, fees, donations, gifts, recoveries, and payment includes all recurring and non-recurring expenditure. The Finance Officer, appointed by the Syndicate, is to consolidate the classified abstract of receipts and payments monthly and annually for the purpose of audit, etc.

The accounts of the university, as shown in **Chart 3** were primarily divided into (a) university funds and (b) funds of autonomous centres. The university funds were further divided into (1) General Fund, (2) Staff Welfare Fund, (3) Student Welfare Fund and (4) Other Funds. These Funds were accounted for under a total of 33 accounts such as Salary Account, Contingencies Account, Pension Account etc. As regards autonomous centres, each of the 46 autonomous centres maintained separate accounts. As such, a total of 79 (33+46) separate accounts were compiled every year.

While framing (November 2000) the guidelines for the functioning of the autonomous centres, the university instructed the centres to prepare and place their annual accounts to the Finance/Executive Committees of the centres concerned for approval. No specific direction was given to the centres to submit their annual accounts to the Finance Officer for inclusion in the monthly/annual consolidated abstract of receipts and payments of the university. In the absence of such directions, the accounts of the university were compiled in a compartmentalised manner in 79 separate accounts. The Director of Local Fund Audit also commented (September 2008) upon the non-preparation of the consolidated classified abstract of receipts and payments. The Principal Secretary, while admitting the audit observations in the exit conference, directed the university to incorporate new amendment in the Finance and Account Manual 1999 to account for all the receipts including those of the autonomous centres in the consolidated abstract of receipts and payments of the university.

Chart 3: University's Finances



### 1.1.7.3 Delay in finalisation of accounts

The Finance and Accounts Manual of the university prescribed that the university should finalise its Annual Accounts within three months from the close of the financial year and the audited Annual Accounts should be placed before the Legislature within one year. The university, however, placed its Annual Accounts in the Legislature with delays ranging from 10 to 15 months during 2005-10. Annual Accounts from 2008-09 were still to be placed in the Legislature, pending certification by Local Fund Audit as of July 2010.

### 1.1.7.4 Under-utilisation of earmarked funds

#### *Capital Programme Fund*

The university created (October 2002) a Capital Programme Fund (CPF) for the purpose of construction of buildings and other infrastructure of international standards in the university campus. The Fund was to be constituted by transferring a fixed percentage of the surplus money of various autonomous centres.

The details of receipts and payments under the Fund during 2002-09 were as given in **Table 4**.

**Table 4: CPF transactions**

(₹ in crore)

Year	Opening Balance	Receipts		Total availability	Payments	Closing Balance
		Funds from Centres	Interest received			
2002-03	..	2.50	..	2.50	..	2.50
2003-04	2.50	13.42	0.38	16.30	1.03	15.27
2004-05	15.27	..	0.71	15.98	0.47	15.51
2005-06	15.51	..	0.62	16.13	0.01	16.12
2006-07	16.12	133.45	5.55	155.12	0.25	154.87
2007-08	154.87	7.51	14.55	176.93	4.32	172.61
2008-09	172.61	1.00	14.71	188.32	22.17	166.15
<b>Total</b>		<b>194.40</b>			<b>28.25</b>	

(Source : Audited/Unaudited Annual Accounts)

The total amount credited to CPF during 2002-09 was ₹ 194.40 crore. During the period, the university utilised only a sum of ₹ 5.45 crore (three per cent) towards capital works and diverted ₹ 22.80 crore (11 per cent) to the General Fund to meet revenue expenditure.

#### **1.1.7.5 University Grant Commission (UGC) grants**

The University Grant Commission allocated (May 2003) a general development grant of ₹ 7.61 crore to the university for the Tenth Plan period (2002-07). The funds allocated by the UGC for various development activities such as construction of buildings, purchase of equipment, books, appointment of additional staff etc., were to be released in instalments on submission of suitable proposals and utilisation certificates for earlier releases.

Against the allocation of ₹ 7.61 crore, UGC released only ₹ 6.10 crore during the Plan period and the entire release was utilised by the university with a two-year extension approved by the UGC. The short release of ₹ 1.51 crore related mainly to buildings (₹ 93 lakh) and salaries for additional staff recruited (₹ 58 lakh).

As against the allocation of ₹ 1.07 crore for construction of buildings, UGC released only a sum of ₹ 13.95 lakh. Audit scrutiny disclosed that proposals in full shape were not submitted by the university for availing of the earmarked allocation. The university did not furnish any reason for non-submission of proposals in full shape and non-commencement of construction works before March 2007.



As regards the allocation of ₹ 1.60 crore for staff salaries, UGC released only a sum of ₹ 1.02 crore as the appointments were not made by the university as per UGC norms<sup>4</sup>, mode and time of appointment, etc.

The Principal Secretary to Government stated (November 2010) that due care was being taken for availing of Eleventh Plan grants from UGC. The fact remained that the university had failed to avail of its allocated funds under the Tenth Plan.

#### 1.1.7.6 Block grant from the State Government

The General Fund of the university comprises all income from fees, grants, donations etc. Based on the deficit in the General Fund, worked out by Local Fund Audit (LFA), during 1996-97, State Government fixed the block grant to the university as ₹ 11.66 crore per annum on the basis of the deficit in the General Fund during the preceding year and the university received ₹ 34.98 crore as block grants during 2005-08. Audit noticed that during 2005-08, institutional charges received from autonomous centres were not taken into account for the net deficit of the General Fund account of the university.

During 2005-08, if the institutional charges from autonomous centres were taken into account, the university would not have any deficit in its General Fund as given in **Table 5**.

**Table 5: Excess drawal of block grant from State Government**

(₹ in crore)

Year	Deficit (-) / surplus (+) as worked out by LFA	Institutional charges not taken into account as receipts	Actual financial position Deficit (-) / surplus (+)
2005-06	(-) 22.26	30.79	(+) 8.53
2006-07	(-) 11.78	17.61	(+) 5.83
2007-08	(-) 4.65	29.16	(+) 24.51

(Source: Audited Annual Accounts)

As the Government had linked the block grants to the deficit in the General Funds, the releases should have been adjusted on the basis of the actual deficits. The Government, however, released the block grants without considering the actual surplus in the General Funds during 2005-08, leading to receipt of ineligible block grants to the tune of ₹ 34.98 crore.

While admitting the audit observation on excess drawal of block grant from the State Government, the Principal Secretary to Government, at the exit conference, directed (November 2010) the Local Fund Audit to offer its remarks.

#### 1.1.7.7 Non-remittance of accumulated surplus

The Government nominated (February 2004) the university as the agency of the State Government to conduct the Tamil Nadu Common Entrance Test

<sup>4</sup> Candidate should have qualified in the National Eligibility Test (NET) and appointment should have been on a regular basis.

(TANCET) and for single window consulting for the Tamil Nadu Common Admission (TANCA) to PG courses from the academic year 2004-05. It permitted the university to fix separate fees for TANCET and TANCA and allowed the university to utilise the receipts by way of these fees for meeting the expenditure on conduct of the TANCET and TANCA. The receipts in excess of expenditure were to be remitted into the Government account. The university, however, in violation of the Government order, did not remit the TANCET and TANCA receipts in excess of expenditure and the university held an accumulated balance of ₹ 2.28 crore as of March 2010.

The Principal Secretary to Government in the exit conference (November 2010) directed the university to remit the accumulated surplus of TANCA/TANCET, under the relevant head of account.

#### 1.1.7.8 Improper maintenance of Endowment Fund

Endowments are created using funds donated by philanthropists, business houses, Government bodies etc. The interests earned on the endowments are to be utilised for specific purposes such as giving awards and prizes to students in recognition of their academic performance. As of July 2010, 203 endowments<sup>5</sup> were maintained by the university. The corpus of these endowments varied from a few thousand rupees to a maximum of ₹ 60 lakh. Interests earned on investment of the endowments and expenditure incurred there from during 2005-09 are given in **Table 6**.

Table 6: Improper maintenance of endowment fund

(₹ in lakh)

Year	Interest earned	Expenditure incurred
2005-06	16.86	4.39 (26)
2006-07	21.48	1.88 (8)
2007-08	17.15	5.08 (29)
2008-09 (Unaudited)	32.76	13.00 (39)

(Figures in brackets indicate the percentage of expenditure to interest receipts)

(Source: Annual Accounts)

Percentage of utilisation of endowments during 2005-09 ranged from 8 to 39 of the interest receipts

(i) Details regarding the actual corpus fund of endowment and the purpose of creating the endowment were not available on record for several cases, indicating the poor status of documentation and institutional memory of the university.

(ii) Separate accounts showing receipts and payments for each endowment were not maintained by the university. As a result, interests accrued on investment of funds of various endowments were clubbed together and invested.

(iii) The university did not utilise the endowments effectively. The percentage of utilisation during 2005-09 ranged from 8 to 39 of the interest receipts.

<sup>5</sup> Excluding two endowments created by Government.

(iv) As the corpus of a large number of endowments was very low, they had lost their relevance. The university, however, had not reviewed and taken any decision on continuance or clubbing of such endowments despite vesting of such powers under the rules governing these endowments.

The Principal Secretary, while admitting the audit observation at the exit conference, stated that a committee had been constituted to finalise the list of endowments and recommend action in this regard.

### 1.1.8 Academic activities

Audit findings relating to admission, academic, affiliation, distance education and examination are discussed below:

#### 1.1.8.1 Admissions

Government nominated (February 2004) the university as its agency to conduct admissions in single window for engineering courses offered in the university/Government and affiliated colleges. Admission for UG and PG courses were to be made on the basis of merit except in respect of quotas for Non-Resident Indians (NRI) and sponsored candidates of industries.

The details of the number of students admitted in the university/Government/affiliated engineering colleges during 2005-10 are given in **Table 7**.

**Table 7: Admissions in engineering institutions**

Year	Number of students admitted			
	University	Government	Affiliated Colleges	Total
2005-06	4,237	174	**	4,411
2006-07	3,906	176	**	4,082
2007-08	4,296	181	35,062	39,539

Year	Number of students admitted			
	University	Government	Affiliated Colleges	Total
2008-09	5,192	178	46,862	52,232
2009-10	5,149	294	42,716	48,159

\*\* Data not available as its jurisdiction was for the entire State and subsequently restricted to only six districts with effect from 2007-08

### Consortium quota

In order to encourage industry related academic programmes, students sponsored by industries are admitted under the consortium quota. For admission under the consortium quota, industries are to contribute a prescribed amount and join hands with various departments of the university through Memoranda of Understanding (MoU) as consortium partners.

The MoU with the consortium partners envisaged:

- (i) involvement of consortium industries in setting curriculum and in organising seminars, conferences, researches, industry visits etc.,
- (ii) staff exchange programme between university and industry and
- (iii) admission to one student sponsored by the industry in the relevant branch of study.

The amount prescribed for joining as a consortium member varied from ₹ 12 lakh to ₹ 15 lakh depending on the department. The details of consortium fees collected from industries and the number of sponsored candidates admitted in the university colleges during 2005-06 to 2009-10 are given in **Table 8**.

**Table 8: Year-wise consortium fee from industries**

Year	Number of MoUs signed	Consortium fees received from industries (₹ in crore)	No. of sponsored candidates admitted
2005-06	18	1.72	21
2006-07	12	1.65	12
2007-08	53	7.36	55
2008-09	49	6.01	45
2009-10	45	6.01	45
<b>Total</b>		<b>22.75</b>	

(Source : Data furnished by the university)

### Consortium Quota admissions served the only purpose of mobilising funds

Audit scrutiny of records disclosed that in most cases, the consortium industries were not involved in any of the activities contemplated in the MoU. As such, the MoU only served the purpose of allowing admission to sponsored candidates on payment of ₹ 12 to 15 lakh per course.

The Principal Secretary assured (November 2010) that Government would review the non-compliance of MoU conditions for admissions under the consortium quota.

### 1.1.8.2 Courses

#### (i) *Planning for courses*

The activities of the Centre for Academic Courses are regulated by the Academic Council which functions with nominated members. The Centre functions with eight faculties and each faculty is supported by a Board of Studies. The main function of the Board is to frame the regulations, curricula and the syllabi for various UG and PG courses and get them approved by the Academic Council and the Syndicate.

One of the objectives of the university is to devise and conduct courses in engineering and technology that are relevant to the current needs of the society. It was noticed that some of the most sought after UG courses like B.E (Marine Engineering), B.E (Metallurgical Engineering), B.E (Polymer technology) etc., offered by several private colleges and deemed universities were not offered by the constituent colleges of the university. Considering the fast changes in the domain of science and technology, it is necessary that the university should plan the courses based on current needs and technological developments.

The Registrar of the university stated (October 2010), while admitting the audit observations, that the university would decide offering of such popular courses conducted by certain affiliated/deemed universities as and when the academic body of the university decided in favour of them.

The Principal Secretary to Government stated (November 2010) that employment opportunities for the B.E - Metallurgical Engineering course was very low and that the university did not have adequate infrastructure facilities as per the norms of Director General of Shipping, Government of India for running the course on B.E. -Marine Engineering. Thus, the fact remained that the university was still to introduce most sought for courses even after 30 years of its existence.

#### (ii) *Increasing trend of self-supporting courses*

**More and more self-financing courses went against the Government's policy of affordable higher education**

Offering affordable higher education is a declared policy of the Government. With this in mind, State Government had converted all self-supporting courses run by Government Engineering Colleges into regular courses. The university, however, conducted 32 UG and 48 PG courses on self-supporting basis during 2009-10 in its constituent colleges. It was also noticed that the number of self-supporting courses were increasing during 2005-10 as given in **Table 9**.

**Table 9: Year-wise increase of self-supporting courses**

Year	Number of self-supporting courses		
	Under Graduate	Post Graduate	Total
2005-06	26	37	63
2006-07	30	41	71
2007-08	32	42	74
2008-09	33	45	78
2009-10	32	48	80

(Source : Annual Reports)

The fee structure under the self-supporting course was nearly double that of the fee structure of regular courses. Conducting more and more courses under the self-supporting mode went against the policy of affordable higher education.

The Principal Secretary stated (November 2010) that the Government's instructions on affordable fee structure would be applicable only to the Government institutions and not to the State universities. The reply is not acceptable as the university being a State university, had to implement the State Government's policies.

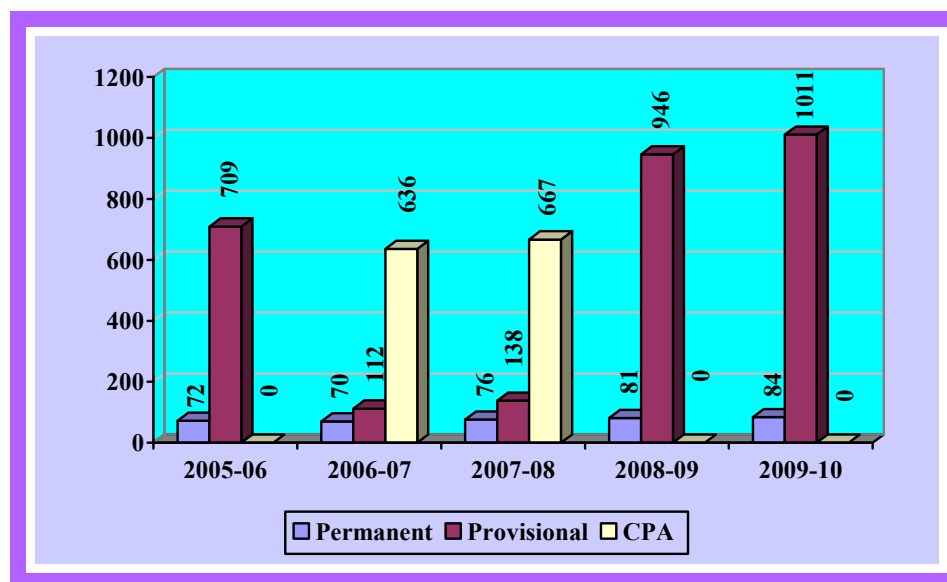
**(iii) Non-accreditation of courses**

Accreditation for technical education courses is given by the National Board of Accreditation (NBA) of AICTE to ensure that the norms/standards and other quality parameters specified by AICTE are met. However, seven out of 36 UG courses (19 *per cent*) and 47 out of 57 PG courses (81 *per cent*) were not accredited by NBA in the constituent colleges of the university as of October 2009.

**1.1.8.3 Affiliation**

The AICTE is the authority for granting approval for commencing new engineering and management courses in colleges and the university grants affiliation. As per the guidelines framed (April 2002) by the university, a team of academics inspects the institutions seeking affiliation and awards marks on the basis of four parameters *viz.*, faculty members, laboratory, library and general facilities such as classrooms, campus amenities, hostels etc. The institutions which score the prescribed minimum marks for the courses run by them are awarded provisional affiliations for those courses with one year validity and permanent affiliations for courses after three years of qualification for provisional affiliation with prescribed marks. Conditional Provisional Affiliations (CPA) are awarded in cases where the courses do not qualify for grant of provisional affiliation. The trends of the affiliation status of the courses run by affiliated colleges during 2005-10 are given in **Chart 4**.

Chart 4: Year-wise number of courses under different classes of affiliations



(Source: Records of standing committee on affiliation)

Scrutiny of records connected with affiliations revealed relaxation of criteria by university for affiliation and indefinite continuance of CPA as discussed in the succeeding paragraphs.

**(i) Dilution of criteria for provisional affiliation**

Till 2008-09, the university adopted a minimum score of 85 marks for grant of provisional affiliation and 90 marks for grant of permanent affiliation for courses run by affiliated colleges. In July 2008, the Syndicate decided to reduce the minimum score from 85 to 50 without giving any reasons therefor. The reduction of the minimum score facilitated grant of provisional affiliation to 509 courses in 111 colleges during 2009-10, which were hitherto ineligible for such affiliations. Further, minimum marks were not prescribed for each of the four parameters viz., faculty, laboratory, library and general facilities for granting affiliation.

The relaxation of norms for affiliation and non-fixing of minimum marks for each parameter is likely to affect the quality of education offered by the affiliated colleges.

**(ii) Grant of conditional provisional affiliation**

**Conditions for affiliation were not enforced scrupulously by the university**

As per the statutes for affiliation, the university can grant either permanent affiliation or provisional affiliation. However, based on the recommendation of the Standing Committee on Affiliations, the Syndicate resolved (September 2006) to grant conditional provisional affiliation (CPA) to courses which did not qualify even for grant of provisional affiliation with a condition that the deficiencies noticed during inspection by the team from the university are rectified within a period of one month. However, the university failed to ensure rectification of deficiencies as proved by the fact that 96 colleges continued to run 448 programmes with CPA for more than one year (**Appendix 1.2**) during 2006-09. Thus, the quality of technical education in the State was compromised by granting CPA for more than one year during 2006-

09. Accepting the audit observations on the serious lapses, the Principal Secretary to Government, directed (November 2010) the Registrar to strictly follow the prescribed norms for affiliation, without any relaxation.

**(iii) Grant of affiliation in violation of AICTE norm**

As per AICTE's regulations, its approval is mandatory for starting new courses in engineering and technology and also for increase or decrease in intake in the existing approved courses in colleges in the country. Universities are to grant affiliations only to courses approved by AICTE with specified intake capacity.

The university, however, approved admission of 42 students in excess of the existing sanctioned intake for two UG Programmes *viz.*, B.E - Electrical and Electronics Engineering and B.Tech - Information Technology, in one self-financing engineering college<sup>6</sup> during the year 2008-09 without the mandatory approval of AICTE. The Registrar stated (October 2010) that as the admission for the year 2008-09 was already completed through single window, the college was permitted to run the courses with the excess strength.

Similarly, the university granted affiliation to a B.E. course in Civil Engineering and two PG courses *viz.*, M.E. (Applied Electricals) and M.E. (Manufacturing Engineering) run by the Thanthai Periyar Government Institute of Technology, Vellore without the mandatory approval of AICTE from 2004-05 and 2002-03 onwards respectively. The Principal of the college stated (June 2010) that approval of AICTE had been sought and their approval was awaited.

Approval for admission of students in excess of sanctioned intake and affiliating unapproved courses amounted to violation of the AICTE norms framed for ensuring the quality of technical education.

The Principal Secretary assured (November 2010) to review the connected records for getting approval of AICTE for the courses (one UG and two PG courses) in the Thanthai Periyar Government Institute of Technology, Vellore.

**1.1.8.4 Distance Education**

The Distance Education Council (DEC) is the apex body established by GOI under the Indira Gandhi National Open University Act, 1985, for the purpose of promotion of open universities and the distance education system in the country. The university started the Centre for Distance Education (CDE) in June 2006 for offering PG courses such as MBA, MCA and MSc (IT) under the distance education mode.

Scrutiny of records relating to the distance education for 2005-10 revealed the following:

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<sup>6</sup> PMR Institute of Technology, Adayalampattu.



Conducting courses without the approval of the Distance Education Council put the career options of the students at risk

(i) As per the DEC guidelines, institutions which intend to offer education through the distance education mode need approval from DEC. However, Audit noticed that the university did not obtain the mandatory approval of the DEC for its MBA, MCA and MSc (IT) courses even as of March 2010. Though the Centre was formed in June 2006 and classes commenced in March 2007, the university approached the DEC only in July 2009 for the grant of post-facto approval. DEC's orders/approval in this regard, were awaited (March 2010). Offering courses without DEC approval could affect the career options of students as students passing courses without DEC approval were not qualified for taking up Central Government jobs.

(ii) The university had tied up with various colleges in different parts of the State and outside the State to run study centres to serve as liaison offices and to arrange contact/practical classes. The university made a payment of ₹ 2,500 per student subject to a minimum of ₹ 50,000 per semester per course to the study centres to carry out its assigned functions. The study centres were to engage suitable manpower to provide stipulated facilities for the benefit of the students. The total disbursements to study centres during 2007-10 was ₹ 10.55 crore. The guidelines for study centres stipulated submission of audited accounts every semester. However, the agreements entered between the study centres and the CDE did not specify rendering of accounts. The lapse in the agreement resulted in non-submission of accounts by the study centres. This resulted in non-ensuring of the manpower employed and facilities created by the Study Centres through the expenditure reported in the accounts. The Registrar stated (October 2010) that a clause for submission of audited statement of accounts would be included in the agreement in future.

The Principal Secretary to Government stated (November 2010) that the approval of the DEC for conducting of courses in the distance mode was awaited and that the suitable provision for rendering of accounts by the study centres had since been included in the agreements.

#### 1.1.8.5 Examinations

The Controller of Examinations (COE) appointed by the Syndicate, conducts university examinations of all the engineering colleges affiliated to the university through the network of 10 zonal centres and declares results. The Additional COE assists the COE in carrying out examination related activities for four constituent colleges/university departments.

Question papers, along with their keys prepared by subject experts, are reviewed and approved by the Question Paper Passing Board, constituted by the COE. All the answer scripts collected from the examination centres through a representative of the university, are dummy numbered and shuffled before being taken to central valuation centres arranged by the zonal officers. Around 27 lakh answer scripts are valued per examination.

The candidates who appear in the university examinations are permitted to apply for revaluation, copy of answer scripts and review of revaluation on payment of specified fees. The details of answer scripts submitted for revaluation by the affiliated college students during 2005-09 and category-wise results were as given in **Table 10**.

**Table 10: Results of revaluations**

Particulars	Month of examination						
	April 2006	November 2006	April 2007	November 2007	April 2008	November 2008	April 2009
	(Answer sheets)						
Total number	24,82,471	25,40,975	29,91,478	29,01,966	30,03,038	31,23,906	28,12,157
Number revaluated	71,173 (2.87)	81,868 (3.22)	1,19,195 (3.98)	1,39,162 (4.80)	1,48,754 (4.95)	1,51,916 (4.86)	1,57,081 (5.59)
Fail to Pass category on revaluation	18,596 (26.13)	21,062 (25.73)	26,966 (22.62)	30,417 (21.86)	34,305 (23.06)	36,349 (23.93)	36,876 (23.48)
Increase in marks on revaluation - already passed candidates	1,505	2,097	2,234	3,430	3,133	5,042	6,119
Increase in marks on revaluation – failed candidates	12,788	16,909	31,895	37,087	40,223	39,382	40,466
Change on revaluation	32,889 (46.21)	40,068 (48.94)	61,095 (51.26)	70,934 (50.97)	77,661 (52.21)	80,773 (53.17)	83,461 (53.13)

(Source : Records of the Centre for Examinations)

Figures in brackets indicate percentage

**Percentage of students applying for revaluation increased from 2.87 in April 2006 to 5.59 in April 2009**

The percentage of number of students applying for revaluation increased from 2.87 in April 2006 to 5.59 in April 2009. The percentage of answer scripts wherein the marks got changed on revaluation increased from 46.21 to 53.17 during 2006-09. Similarly, ‘Review’ of revaluation also brought about substantial changes in the marks as given in **Table 11**.

**Table 11: Results of ‘Review’ of answer scripts**

Particulars	Month of examination				
	November 2007	April 2008	November 2008	April 2009	November 2009
Total answer scripts for ‘Review’	623	865	489	507	928
Fail to Pass category – Numbers (percentage)	377 (60.51)	362 (41.85)	247 (50.51)	213 (42.01)	505 (54.42)
Increase in marks - Numbers	26	22	25	30	62
Percentage of scripts with change in marks on ‘Review’	74.96	59.42	68.51	58.78	72.52

(Source : Records of the Centre for Examinations)

The increasing trend in the percentage of revaluation applications and the percentage of scripts involving changes in marks on revaluation and ‘Review’ exposed weaknesses in the valuation system.

While admitting the audit observation, the Principal Secretary directed (November 2010) the university to review the valuation system.

## 1.1.9 Human Resources and Infrastructure

### 1.1.9.1 Vacancy in faculty positions

Details of sanctioned strength and the number of existing faculty members during the period 2006-10 in the university were as given in **Table 12**.

**Table 12: Vacancy position of faculty members**

Cadre	As on 01.04.2006		As on 01.04.2007		As on 01.04.2008		As on 01.04.2009		As on 01.04.2010	
	SS	ES	SS	ES	SS	ES	SS	ES	SS	ES
Professor	95	91 (95)	100	95 (95)	106	91 (86)	108	86 (80)	108	96 (89)
Asst. Professor/ Reader	166	144 (87)	169	121 (72)	179	121 (67.6)	185	119 (64)	183	145 (79)
Lecturer	305	278 (91)	266	240 (90)	333	253 (75.9)	348	257 (74)	348	300 (86)
<b>Total</b>	<b>566</b>	<b>513(90.6)</b>	<b>535</b>	<b>456(85.2)</b>	<b>618</b>	<b>465(75.2)</b>	<b>641</b>	<b>462(72.1)</b>	<b>639</b>	<b>541(84.6)</b>

(Source : Budget documents)

SS-Sanctioned strength; ES-Existing strength

(Figures in brackets represent percentage of sanctioned strength)

The number of vacancies of faculty members during the years 2006-07 to 2009-10 ranged from 10 to 25 per cent.

**The faculty-student ratio of the university was 1:38 as against AICTE's prescription of 1:15**

The AICTE stipulates a faculty-student ratio of 1:15 for each course. However, Audit noticed that the faculty-student ratio was in the range of 1:16 to 1:60 in 49 out of 71 courses offered in the 14 test-checked affiliated colleges during 2009-10. It was further noticed that the total availability of faculty members in respect of all the courses offered in the university constituent colleges was 490 for the total students strength of 18,728, which works out to a faculty-student ratio of 1:38.

A poor faculty-student ratio is bound to have its impact on the quality of the education offered. The university stated (October 2010) that vacancies of professors could not be filled up due to lack of response to posts advertised. Audit, however observed that vacancies were more pronounced in the cadre of Lecturers and Assistant Professors. Non-filling up of feeder posts would ultimately cause non-availability of suitable persons for higher positions.

The Principal Secretary to Government stated (November 2010) that necessary action was being taken to fill up the vacancies of faculty members.

### 1.1.9.2 Lack of infrastructural facilities in sample colleges

As per the Statutes and Regulations for Affiliation (2004) of the university, every college seeking affiliation should have the required facilities e.g. laboratories, library and general facilities. Grant of affiliation to an academic programme in a college is considered based on the stipulated total score for all the parameters.

Scrutiny of inspection reports of affiliated colleges for the year 2005-06 to 2009-10 revealed the following:

(i) in eight<sup>7</sup> out of the 14 sample affiliated colleges, laboratory facilities for 21 UG courses were highly inadequate and

(ii) in three<sup>8</sup> out of the 14 sample affiliated colleges, journals/books in libraries for 14 UG courses were deficient by more than 50 *per cent*.

These colleges were given provisional affiliation despite the award of low marks in a specific category. This was due to non-fixing of minimum marks for each category. The Registrar replied (October 2010) that minimum marks for each parameter were prescribed from the year 2010-11 in order to improve the academic standards.

### **1.1.9.3 Non-establishment of full fledged laboratory**

The university proposed (December 2007) six laboratories for the two-year M.Tech. course in Nano Technology under the sponsorship of the Department of Science and Technology (DST) of GOI. DST, however, approved (January 2008) only four laboratories and sanctioned (March 2008) ₹ 4.50 crore for running the course for a period of five years. The first instalment of ₹ 2.50 crore released (March 2008) included ₹ 2.12 crore for procurement of critical imported equipment for the Nano Technology laboratory. The university, however, utilised only a sum of ₹ 21.13 lakh on local procurement on equipment. The import of critical equipment did not materialise even as of March 2010. Non-procurement of the required equipment resulted in non-establishment of full fledged laboratories. As a result, students were denied the opportunity for practicals in the university and were directed to do their practicals in the laboratories of the Indian Institute of Technology, Chennai and Madras University.

The university replied (October 2010) that tenders had been floated to procure the equipment.

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<sup>7</sup> (i) J.A. Institute of Engineering and Technology, Koyambedu, (ii) Adhi College of Engineering and Technology, Pazhayaseevaram, (iii) G.K.M. College of Engineering and Technology, Ayyankoilpattu, (iv) Kanchi Pallavan Engineering College, Kolivakkam, Iyengarkulam, (v) Panimalar Engineering College, (vi) Bhjarang Engineering College, Veppampattu, (vii) Sakthi Engineering College, Thiruniravur (Near Avadi) and (viii) A.R. Engineering College, Vadakachipalayam.

<sup>8</sup> (i) Adhi College of Engineering and Technology, Pazhayaseevaram, (ii) J.A. Institute of Engineering and Technology, Koyambedu and (iii) Kanchi Pallavan Engineering College, Kolivakkam, Iyengarkulam.

**During 2006-10, 563 students of BE Mechanical Engineering passed their semester examinations without exposure to practicals in the steam laboratory**

#### **1.1.9.4 Conduct of course without laboratory facilities**

The curriculum and syllabi for the B.E., Mechanical Engineering course prescribed practical papers on 'Thermal Engineering'. These practicals were to be done in a steam laboratory, equipped with a steam boiler. Audit noticed that the steam laboratory was non-functional and the Syndicate decided (February 2006) to demolish it and establish a new laboratory. The Mechanical Engineering Department, however failed to follow up the Syndicate resolution and establish a new laboratory in place of the non-functional dilapidated steam laboratory. As a result, 563 students who completed their courses during 2006-10 were not exposed to the steam laboratory and were denied practical training in the steam laboratory.

#### **1.1.9.5 Hostel facilities**

The university runs hostels for boys and girls in three of its campuses. While these hostels had the capacity to accommodate 2,435 boys and 1,139 girls, the actual numbers of boys and girls admitted in these hostels were 3,037 (125 *per cent*) and 1,277 (112 *per cent*) during 2010. The occupancy rate of these hostels varied from 99 *per cent* in the boys' hostel in the College of Engineering campus to 239 *per cent* in the boys' hostel in the MIT campus, indicating the inability of the university to provide decent hostel facilities to its students.

It was noticed that the university constructed (December 2009) one hostel building for girls and two buildings (April 2010) for boys with the capacity to accommodate 56 and 160 students respectively. Further, construction of two hostel buildings for boys with the capacity of 128 students was in progress (August 2010). Though, the Vision 2020 of the university was to strive towards a world class institution, the university failed to provide adequate hostel facilities for students.

#### **1.1.10 Research Activities**

The Centre for Technology Development and Transfer (CTDT) acts as a single window for partnership with industries and establishments for sponsored research, consultancy and training programmes of the university. Taking up research projects helps students to get exposure to the latest developments in the field of science and technology and to disseminate the knowledge for betterment of the society. It is also a source of revenue to the university by way of institutional charges on the cost of projects entrusted by various agencies.

##### **1.1.10.1 Research Projects**

The details of sponsored research and consultancy projects undertaken, completed and in progress are given in **Table 13**.

Table 13: Pendency in research projects

Year	No. of projects undertaken	Project cost (₹ in crore)	No. of projects in progress beyond the scheduled date for completion	Cost of projects pending/ in progress as of March 2010 (₹ in crore)
2006-07	36	16.32	21	10.13
2007-08	35	14.85	7	4.46
2008-09	45	10.61	8	2.99
2009-10	61	25.18	0	0
<b>Total</b>	<b>177</b>	<b>66.96</b>	<b>36</b>	<b>17.58</b>

(Source: Centre for Technology Development and Transfer records)

- Out of 177 projects undertaken on an outlay of ₹ 66.96 crore during 2006-10, 36 projects costing ₹ 17.58 crore were incomplete beyond their scheduled date for completion.
- The university could not attract projects in large numbers from the private sector. During 2005-10, 174 out of the 177 projects had come from Government and its agencies. The objective of partnering with industry was not achieved due to the very low level of projects taken up for the private sector.

Instances of partnering with industry in taking up sponsored research and consultancy projects for the private sector were very low

#### 1.1.10.2 Delay in establishment of Knowledge Data Centre

Knowledge Data Centre was still to achieve its full functioning status due to non-linking of all educational institutions

A tripartite MoU was signed in 2003 between State Government, the university and a private computer company to set up a Knowledge Data Centre (KDC) in the university campus. The KDC was to serve as a technology resource centre for the student community of the State. It was proposed to connect all educational institutions in the State under a single network. After the MoU, the project did not make much headway due to the indecisiveness on the modalities and disagreement over the price quoted by the private MoU partner for the computer hardware and software, leading to signing of a revised MoU in August 2007 with the same firm. The revised project was to be implemented at a total cost of ₹ 7.08 crore, to be completed by March 2009. The project was proposed to be funded by grants of ₹ 2.50 crore and ₹ 2.44 crore from GOI and State Government respectively and the balance was to be met by the university. After prolonged delays even after the revised MoU, the university placed its purchase order on the private company in August 2008 to establish the KDC on a turn key basis. The open tender system was not followed as it was considered unsuitable.

The private MoU partner supplied the computer hardware and software during September to December 2008 and a payment of ₹ 6.16 crore<sup>9</sup> was made to the firm. However, the KDC was still to start functioning due to delay in identification of space to house the facility with consequent delays in civil and electrical works.

The university replied (October 2010) that the computers had been installed and KDC was functioning. The fact, however, was that the original proposal

<sup>9</sup> Includes carriage of ₹ 6.92 lakh and customs duty of ₹ 54.36 lakh.

of 2003 to connect all educational institutions in the State under a single network had not taken shape even as of March 2010 despite incurring an expenditure of ₹ 6.16 crore thereon due to lack of planning and indecisiveness on the part of the university.

### 1.1.10.3 Patents

The Centre for Intellectual Property Rights (CIPR) functions in the campus to create awareness on IPRs such as patents, trademarks, industrial designs and copyrights among final year students, faculty members etc., by organizing seminars, workshops and conferences. Patenting inventions is a part of research activity so as to ensure preservation of the intellectual property rights on such inventions. During 2006-10, the faculty members of the university and students of the affiliated colleges filed for patents for 50 of their 'reported' inventions. The university stated (October 2010) that the applications filed were under different stages of processing. The Patents Office, however, had not granted patents for any of this 'reported' inventions indicating their unsuitability for award of patent. Thus, the university which admitted a major chunk of the State's best students entering engineering education did not perform well in terms of new patentable inventions.

The Principal Secretary directed (November 2010) the Registrar to take note of the audit observations on research activities seriously and furnish a detailed reply early.

### 1.1.11 Internal control and monitoring mechanism

#### 1.1.11.1 Internal control

##### (i) Shortfall in physical verification of Stores and Stock

The Finance and Accounts Manual, 1999 of the university envisages annual verification of stores and stock. The details regarding the number of functional units of the university wherein physical verification was conducted and shortfalls during the period 2005-06 to 2008-09 are given in **Table 14**.

**Table 14: Year-wise shortfall in physical verification of stores and stock**

Year	Number of functional units	No. of units where physical verification was conducted	Shortfall in units (in percentage)
2005-06	72	41	31 (43)
2006-07	80	1	79 (99)
2007-08	95	15	80 (84)
2008-09	97	63	34 (35)
<b>Total</b>	<b>344</b>	<b>120</b>	

(Source : Compiled by Audit from Physical verification Inspection Reports)

The physical verification was to be conducted by the staff of the university. Shortfall in coverage of units ranged from 35 to 99 *per cent* during 2005-09. Reasons for non-completion of physical verification in 224 units during

2005-09 and details of action taken against the officials concerned were not available on record. The Registrar replied that action was being taken to complete the physical verification.

It was further noticed that the physical verification of library books conducted during March to September 2009 was incomplete and the report thereon was not available.

**(ii) Pendency in redressal of grievances**

The Centre for Student Affairs of the university looks after the grievances/complaints pertaining to affiliated colleges on issues such as collection of fees in excess of stipulation and lack of infrastructure etc., received from students/parents/others.

Test check of 86 out of 695 random complaints/grievances pertaining to collection of excess fees and lack of infrastructure during 2009-10 revealed that only 10 out of the 86 (12 *per cent*) were settled/disposed off. The university stated (October 2010) that the grievance petitions were being sent to the Director of Technical Education (DOTE) for redressal of grievances. However, the fact that only 12 *per cent* of the grievance petitions were acted upon indicated the need for better coordination with DOTE.

**(iii) Delay in settlement of local fund audit paras**

Director of Local Fund Audit (LFA) is the statutory auditor of the university. The audit objections of LFA pending settlement at the end of each year (2004-05 to 2007-08) is summarized in **Table 15**.

**Table 15: Year-wise pending audit objections**

<b>Year</b>	<b>No. of objections</b>	<b>Amount involved (₹ in crore)</b>
2004-05	5,708	2.08
2005-06	3,380	1.53
2006-07	3,427	1.49
2007-08	3,607	1.86

(Source: Audit Reports of LFA)

The 3,607 audit objections pending settlement related to the period from 1980-81 to 2007-08. Long pendency of large number of audit objections is a matter of concern and needs to be addressed.



### 1.1.11.2 Monitoring mechanism

#### *Non-accreditation of the university*

The National Assessment and Accreditation Committee (NAAC) grants accreditation for universities and colleges. The NAAC granted accreditation to the university with a Five Star<sup>10</sup> status for a period of five years from 2002. The accreditation lapsed in 2007. The university failed to renew the institutional accreditation after 2007. Failure to apply for and also to renew accreditation denied an opportunity to evaluate the facilities and services offered to students by an external agency with reference to set benchmarks. The Registrar replied (October 2010) that a committee was constituted for initiating the process for reaccreditations.

### 1.1.12 Conclusion

The university did not prepare Perspective/Annual Plans to achieve the goals set in its Vision 2020. Retention of huge funds by autonomous centres and lack of transparency in the Annual Accounts were causes for concern. The university failed to utilise the accumulated earmarked funds for fulfilling the felt needs for laboratories and hostels due to lack of proper planning. Endowment funds were not utilised effectively to promote academic excellence through fitting awards for meritorious students. Relaxing the minimum score required for granting affiliations and the high growth in the number of courses run continuously on provisional affiliations went against the mandate given to the university to ensure the quality of technical education in the State. Conducting distance education courses without the approval of the Distance Education Council limited the career options available to the students as they were not qualified to take up Central Government jobs. The university was still to exploit the huge potential for sponsored research and consultancy projects. Commissioning of the Knowledge Data Centre to serve as a technology resource centre for the student community of the State was delayed.

### 1.1.13 Recommendations

- Long-term and short-term Plans with measurable goals and financial linkages should be evolved and developmental programmes should be aligned with the Plans.
- The need for autonomous centres to retain huge funds and to transfer funds on *ad hoc* basis to the General Fund should be reviewed.

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<sup>10</sup> 'Five star' was the highest rating in the accreditation ranking system followed by NAAC in 2002.

- The university should prepare consolidated accounts of its receipts and payments.
- The university should pay more attention to sponsored research projects and consultations.

## LABOUR AND EMPLOYMENT DEPARTMENT

### 1.2 Functioning of Industrial Training Institutes

#### *Highlights*

*The main objective of Industrial Training Institutes (ITIs) is to ensure a steady flow of skilled workers in different trades for the industry. ITIs impart industrial training in different trades mainly to the less privileged, poor and downtrodden school-leaving youth so that they acquire technical skills for gainful employment. Performance audit of the functioning of ITIs revealed non-setting up of ITIs in all blocks of the State, lack of infrastructure facilities such as adequate classrooms, power supply and hostels, and shortfall in availability of tools and equipment in test-checked ITIs, unaffiliated trades in ITIs, increase in dropouts among trainees, poor placement of ITI passed candidates under the Apprenticeship Training Scheme in industries and manpower shortage in ITIs.*

- Government's plan (1996) to establish ITIs in all the blocks of the State either in the Government sector or the private sector was still to materialise. As of March 2010, 68 out of 385 blocks in the State did not have any ITI.

(Paragraph 1.2.6.3)

- The test-checked ITIs lacked basic infrastructure facilities such as adequate class rooms, power supply and hostels.

(Paragraphs 1.2.8.1(iv), 1.2.8.1(v) and 1.2.8.1(vii))

- In the test-checked ITIs, shortfall in availability of tools and equipment was in the range of 11 to 86 *per cent* with reference to the standard list of the trades.

(Paragraph 1.2.8.1(viii))

- In three test-checked ITIs, six trades introduced during 2006-08 were still to be affiliated to the National Council of Vocational Training due to non-provision of adequate tools and equipment and staff.

(Paragraph 1.2.8.2(i))

- Though admission in ITIs increased during 2005-09, the percentage of vacant seats during the same period increased by 12 *per cent*. The number of dropouts among students admitted during 2004-07 also increased by four *per cent*.

(Paragraph 1.2.8.3(i))

- **Non-enhancement of the rate of training grant by the State Government resulted in inadequate supply of raw materials and consumables to trainees in ITIs.**

**(Paragraph 1.2.8.3(v))**

- **As against ₹ 16.01 crore funds available under the World Bank assisted Centre of Excellence scheme, the department spent only ₹ 9.23 crore during 2006-10 resulting in non-creation of the required infrastructure in 17 ITIs. Consequently, the trades introduced in those ITIs were still to be affiliated to the National Council of Vocational Training.**

**(Paragraph 1.2.8.3(vii))**

- **The department's lack of co-ordination with the Chief Inspector of Factories in identifying new industries resulted in poor placement records in providing apprenticeship training to ITI passed candidates.**

**(Paragraph 1.2.9.1)**

## **1.2.1 Introduction**

Industry is always in need of skilled manpower for its production and growth. In order to provide a steady flow of skilled workers in different trades to the industry, Government of India (GOI) introduced (1950) a scheme called the Craftsmen Training Scheme (CTS). Under CTS, Industrial Training Institutes were established in various States/Union Territories to upgrade the skills of craftsmen. The administration of ITIs was transferred to State Governments in 1956. The main objectives of ITIs were to ensure a steady flow of skilled workers to the industry to meet the manpower requirements in different trades; introduce new courses in emerging areas and create self sustaining courses; impart training to the less privileged, downtrodden and early school leavers to acquire technical skills for gainful employment; provide sophisticated training opportunities to women in the field of electronics and information technology for gainful employment and establish a close interaction with the industries on issues relating to exchange of technical knowledge and experience for the mutual benefit of the institutes and the industry.

## **1.2.2 Organisational structure**

In Tamil Nadu, there were 60 ITIs with a total intake capacity of 21,322 seats as of March 2010. Out of 60 ITIs, 12 are exclusively for women and two are exclusively for Scheduled Castes/Scheduled Tribes (SC/ST). Besides, one State level equipment maintenance workshop and six regional equipment maintenance cells look after the maintenance of the equipment in the ITIs. The ITIs function under the control of the Commissioner of Employment and Training (CET). The CET is assisted by two Joint Directors at the Directorate level and five Regional Joint Directors (RJD) at the regional level. The Principal Secretary to Government, Labour and Employment Department is

responsible for policy-making and monitoring of the activities of the Department of Employment and Training. The National Council of Vocational Training (NCVT), an advisory body set up by GOI prescribes standards and curricula for craftsmen training. The NCVT also prescribed standards in respect of syllabi and equipment, scale of accommodation, duration of courses and method of training. Trade tests are conducted on all India basis by the NCVT and successful trainees are awarded the National Trade Certificates in the trades concerned under the seal and authority of NCVT.

Besides, a State Council of Vocational Training (SCVT) affiliated to NCVT functions as a State agency to advise the State Government in carrying out the training policy laid down by NCVT and to coordinate the Vocational Training Programme throughout the State.

### **1.2.3 Audit objectives**

The objectives of the performance audit were to assess whether:

- proper plans existed and were implemented to achieve the objectives of the ITIs;
- adequate financial support was provided by the Government for effective functioning of ITIs and the funds were properly utilised;
- high quality training was imparted to the trainees;
- required infrastructure was available in ITIs;
- adequate and qualified manpower was available in ITIs;
- a proper system to ensure placement of trainees was available and
- an effective monitoring system to ensure the functioning of ITIs was in place.

### **1.2.4 Audit criteria**

The following criteria were used to benchmark the audit findings:

- Training manual for Industrial Training Institutes and Centres issued by the Government of India (GOI);
- GOI/State Government orders on imparting industrial training to trainees;
- Norms prescribed by the National Council of Vocational Training and
- The Apprentices Act, 1961.

## **1.2.5 Audit coverage, methodology and sampling**

The performance audit was conducted (January to May 2010) covering the period from 2005-06 to 2009-10 by test check of records in 16 out of 60 ITIs (25 per cent), the State Level Equipment Maintenance Workshop at Chennai, two out of six Regional Equipment Maintenance Cells, four out of five offices of Regional Joint Directorates, three out of 11 Related Instruction Centres<sup>11</sup> and one out of two Basic Training Centres, as detailed in **Appendix 1.3**. Besides, records relating to the functioning of ITIs at the Secretariat and at the Directorate of Employment and Training were also checked.

Eight districts<sup>12</sup> (25 per cent) were selected out of a total of 32 districts in the State based on the stratified random sampling method. The districts were divided into different strata based on the number of ITIs available in each of them and samples were picked up from each stratum.

The audit objectives and audit criteria were discussed with the Principal Secretary to Government, Labour and Employment Department during an entry conference held in January 2010. The findings were discussed with the Principal Secretary in an exit conference in June 2010.

## **1.2.6 Planning**

### **1.2.6.1 Tenth Five Year Plan (2002-2007)**

**Against 25 trades planned for introduction in ITIs, only 15 trades were introduced**

Industrial Training Institutes help the State in producing the required skilled manpower, which forms the backbone of industry. During the Tenth Plan period, in the context of liberalization, it was planned to extend the area of training beyond engineering into the services sectors<sup>13</sup>. During this period, it was also planned to provide infrastructure facilities such as classrooms, hostels and compound walls and introduce 25 new trades in ITIs at a total cost of ₹ 21.17 crore, as detailed in **Appendix 1.4**. Besides, it was also planned to provide vertical mobility for the students of ITIs to join polytechnics.

Audit noticed that though the department spent ₹ 26.43 crore as against the outlay of ₹ 21.17 crore during the Plan period, there were shortfalls in both the introduction of trades and provision of infrastructure in ITIs. As against introduction of 25 trades planned in 25 ITIs, only 15 trades were introduced. Besides, four major items of work planned to be executed viz., (i) own buildings (four ITIs<sup>14</sup>), (ii) additional classrooms (20 ITIs), (iii) construction of hostels (six ITIs<sup>15</sup>) and (iv) compound walls (16 ITIs) at a cost of ₹ 8.28 crore in the identified ITIs were not implemented. Further, the vertical mobility planned for students of ITIs to join polytechnics was still to be introduced by the Government.

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<sup>11</sup> A centre established to implement Apprenticeship Training Programme to ITI passed candidates.

<sup>12</sup> Chennai, Coimbatore, Cuddalore, Kancheepuram, Krishnagiri, Thiruvallur, Villupuram, and Virudhunagar.

<sup>13</sup> Communication, Construction and Transport.

<sup>14</sup> Cuddalore (Women), Nagercoil (Women), Thirukuvalai and Thiruvanniyur.

<sup>15</sup> Coimbatore (Women), Dharmapuri, Madurai (Women), Pudukottai, Ramanathapuram and Salem (Women).

### 1.2.6.2 Preparation of Action plan

Action Plan to be prepared for implementation of the Eleventh Plan still not prepared

During the Eleventh Five Year Plan (2007-2012), the department planned to encourage establishment of ITIs in all areas of the State, besides promoting training and skill development in sectors like automobile, textile, information technology, information technology enabled services (ITES), leather technology etc., and introduction of modern trades in the ITIs. One of the strategies of the department to achieve the objectives of the Eleventh Plan was preparation of an Action Plan for comprehensive training and skill development in co-ordination with industrial associations catering to the present and future needs of the industry. The department, however, was still to prepare such an Action Plan to achieve the objectives of the Eleventh Plan.

During the exit conference, the Principal Secretary stated that a State Level Mission for skill development had been formed and a comprehensive Action Plan was to be prepared.

### 1.2.6.3 Uneven distribution of ITIs

Sixty eight out of the 385 blocks in the State did not have ITIs

The department observed that ITIs were not evenly established in the State. To address the issue, the Government planned (1996) to provide at least one ITI either in Government or in the private sector in each block of the State by 2000. Though the Government planned to address the issue of uneven distribution of ITIs in different regions during the Ninth and Tenth Plan periods, no noticeable progress had been made in this regard so far. As of March 2010, 68 out of 385 blocks in the State did not have an ITI, either in the Government or in the private sector.

## 1.2.7 Financial Management

### 1.2.7.1 Allocation and expenditure

The year-wise budgetary allocation for administration of ITIs, actual expenditure and savings/excess are given in **Table 1**.

**Table 1: Year-wise actual expenditure and savings/excess**

(₹ in crore)			
Year	Budgetary allocation	Actual expenditure	Savings (+)/ Excess (-)
2005-06	52.38	47.72	4.66
2006-07	57.45	57.60	(-) 0.15
2007-08	82.76	59.16	23.60
2008-09	88.92	80.28	8.64
2009-10	113.43	140.95	(-) 27.52

(Source: Departmental records)

The budgetary allocation for the administration of ITIs increased from ₹ 52.38 crore in 2005-06 to ₹ 113.43 crore in 2009-10. The increase in allocation was mainly due to implementation of a Centrally sponsored schemes viz. Centre of Excellence (2007-08) and the Sixth Pay Commission report. The actual annual expenditure, however, was about ₹ 50 crore during 2005-08 and it was ₹ 80.28 crore in 2008-09. The savings during 2007-09 were mainly due to under-utilisation of funds allotted for the 'Centre of Excellence' scheme and the 'Modular Employable Skill' scheme. However,

the expenditure rose to ₹ 140.95 crore in 2009-10, due to increased expenditure under the ‘Centre of Excellence’ scheme.

### 1.2.7.2 Rush of expenditure

**Around 45 per cent of the funds allocated to the Directorate were spent on the last day of the financial year**

Financial rules stipulate that expenditure should be evenly distributed throughout the year and rush of expenditure in the closing month of the financial year should be avoided. It was, however, noticed in audit that the CET, at the Directorate level, annually spent around 45 per cent of the total expenditure during the year on the last day of the financial year during 2005-09 and 15 per cent in 2009-10, as given in **Table 2**.

**Table 2: Rush of expenditure in the Directorate**

(₹ in crore)		
Year	Total expenditure	Expenditure on 31 March (percentage in brackets)
2005-06	6.92	3.15 (46)
2006-07	9.95	4.11 (41)
2007-08	9.16	4.11 (45)
2008-09	10.76	5.36 (50)
2009-10	9.08	1.63 (15)

(Source: Departmental records)

The department, in reply, stated (November 2010) that getting revalidation orders for procurement of equipment/civil works in certain cases delayed the incurring of expenditure and the department did not purposely postpone the expenditure to the last day of the financial year. The department’s reply is not acceptable as about 50 per cent of the allocated funds were spent persistently on the last day of the financial year during 2005-09.

### 1.2.7.3 Watching of advance payments

**Advances made for material supplies amounting to ₹ 5.27 crore remain unadjusted**

As per Article 99 of the Tamil Nadu Financial Code, advance payments made for the supply of material should be adjusted on receipt of material. Audit, however, noticed that advance payments amounting to ₹ 5.27 crore made to the Electronics Corporation of Tamil Nadu (ELCOT), the Tamil Nadu Khadi and Village Industries Board (TNKVIB), the Directorate General of Supplies and Disposals (DGS&D) as well as private suppliers during 2004-10 were still to be adjusted as of March 2010 even though materials were received by the department. The period of non-adjustment of the advances ranged between four months to six years as detailed in **Appendix 1.5**. In reply, the department stated that necessary steps would be taken for adjusting the outstanding advance payments.

### 1.2.7.4 Non-claiming of unspent funds

The department paid an advance of ₹ 3.71 crore to ELCOT during 2003-07 for supply of computers for providing training in ITIs, against which ELCOT had so far supplied computers of the value of ₹ 3.13 crore. The balance unspent amount of ₹ 0.58 crore was lying idle with ELCOT for seven years. The department had not taken any effective action either to procure computers or to get back the unspent amount from ELCOT. The department further made an advance payment of ₹ 55.44 lakh during 2007-09 for the supply of computers without taking into account the unutilised amount available with



ELCOT. In reply, the department stated (November 2010) that action was being taken to get necessary orders from the Government for the utilisation/remitting the balance amount lying with ELCOT.

### **1.2.7.5 Non-reconciliation of receipts**

**Departmental receipts not reconciled with treasury**

The major receipts of the department (Training Wing) are examination fees collected from the trainees of ITIs/Industrial Training Centres<sup>16</sup> (ITCs) and inspection fees paid by the private ITCs. The reconciliation of the receipts of the department in districts with the treasuries is entrusted to one ITI in each district by the concerned RJD. Audit, however, noticed that nine ITIs<sup>17</sup> nominated for reconciliation of receipts in the test-checked districts had not reconciled the receipts with the treasuries due to non-receipt of inputs such as details of amounts remitted to the treasury and dates of remittances from other units. The RJDs also failed to provide the details of remittances to the nominated ITIs for reconciliation with the treasuries. Consequently, in the absence of reconciliation of departmental receipts with the treasuries, realisation of departmental receipts was not watched and ensured. Further in the absence of reconciliation, the risk of omission to detect fake challans, if any, could not be ruled out.

## **1.2.8 Implementation**

### **1.2.8.1 Infrastructure deficiencies**

The NCVT prescribed specific norms for providing basic infrastructure such as classrooms and workshops. To impart training in ITIs, the space for conducting various trades in ITIs is to be provided as per NCVT norms.

Test check of records in the sample ITIs and at the Directorate, however, revealed lack of infrastructure facilities in ITIs as described in the succeeding paragraphs.

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<sup>16</sup> Institutes run in Private sector.

<sup>17</sup> Ambattur, Chengalpattu, Chennai (North), Coimbatore, Cuddalore, Guindy, Hosur, Ulundurpettai and Virudhunagar.

**Five out of 60 ITIs did not have their own buildings**

**(i) Building adequacy**

Five<sup>18</sup> out of 60 ITIs did not have their own buildings as of March 2010. Of these five ITIs, four were functioning in rented buildings and the remaining one, i.e. the ITI for women at Cuddalore was functioning in the building of the ITI (General), Cuddalore since 1990. Even though the department sought funds every year for construction of buildings for ITIs, Government had not provided funds for them. The department stated (November 2010) that new buildings are under construction for ITI (Women), Cuddalore and ITI, Thirukkuvalai. Further, in respect of ITI, Thiruvanniyur, which was functioning in the building belonging to Industries Department, the process of transferring the building to Labour and Employment Department had been initiated.

**(ii) Renovation of ITIs**

Most of the ITIs were constructed during the early 60s and 70s and required extensive repair works including replacement of power wiring, electrical, fixtures and fittings. The department assessed (2005-06) the cost of repair works as ₹ 13.34 crore and sought funds to carry them out. Government, however, sanctioned (2005-10) only a total of ₹ 2.25 crore, which resulted in partial renovation of the ITIs.

The department stated (November 2010) that a fresh proposal would be submitted to the Government to renovate all the buildings of ITIs as a special drive.

**(iii) Opening of new ITIs**

To impart a trade in ITIs, affiliation is to be obtained for the trade from NCVT. To get affiliation from NCVT, required tools and equipment for the trade are to be provided in the ITI. During July 2007, the State Government ordered the opening of new ITIs at Andimadam and Perambalur. The department procured the required tools and equipment for commencing the trades, during February 2008 to November 2009. Audit noticed that candidates were admitted and the ITIs started functioning from August 2007 (Andimadam) and August 2008 (Perambalur) without the required tools and equipment for imparting training on trades.

The department, without ensuring the availability of the required tools and equipment, arranged for the conducting of pre-inspection by the Regional Joint Director (RJD), Tiruchirappalli in March 2008 and by the standing committee members in August and October 2008. The required certificate for affiliation of the trade was given by the standing committee in August 2008 (Andimadam) and October 2008 (Perambalur) and affiliation was granted by Director General of Employment and Training (DGET), even though procurement of tools and equipment continued till November 2009. The department stated (November 2010) that affiliation was granted based on the

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<sup>18</sup> Cuddalore (Women), Karur (Women), Namakkal (Women), Thirukkuvalai and Thiruvanniyur.

supply orders placed for procurement of tools and equipment. The reply is not acceptable as commencing the trade without the required tools and equipment and obtaining affiliation would affect imparting of high quality industrial training to the trainees.

**(iv) Classroom adequacy**

**Classrooms were not constructed due to non-sanction of funds by the Government**

According to NCVT norms, the number of classrooms required for an ITI depends upon the number of trades imparted and units operated in that ITI. Based on these norms, the department proposed (2005-06) to construct three classrooms each in 26 ITIs<sup>19</sup> and five classrooms each in 11 ITIs<sup>20</sup> at a cost of ₹ 2.99 crore, which was still to materialise as the Government had not sanctioned any funds for this purpose during 2005-10.

**Picture No.1: Conducting of training for different trades in the same class room in ITI, Cuddalore (Women)**



**Shortage of classrooms was in the range of two to 18 in the test-checked ITIs**

In eight out of the 16 test-checked ITIs, there was shortage of classrooms ranging between two and 18 as detailed in **Table 3**. In the absence of classrooms, the classes were conducted in workshops which did not have desks for the trainees.

**Table 3: Shortage of classrooms in test-checked ITIs**

Sl. No.	Name of the ITI	Required number of classrooms	Number of classrooms available	Shortage
1	Guindy	24	17	7
2	Coimbatore	40	34	6
3	Chengalpattu	26	15	11
4	Chennai (N)	27	9	18
5	Hosur	27	19	8
6	Thiruvanmiyur	3	1	2
7	Cuddalore (General & Women)	In the absence of classrooms, the classes were conducted under a tree		
8	Cuddalore (Women)			

(Source: Departmental records)

The department stated (November 2010) that as the training involved instruction courses and demonstrations, most of the theory classes were conducted in workshops where adequate space was available and classrooms were used only for mathematics and drawing classes. It was also stated that classrooms would be constructed in the ITIs as per the requirements.

<sup>19</sup> Ariyalur, Arakonam, Chennai (North), Chekanurani, Coonoor, Dharapuram, Dharmapuri, Erode, Karaikudi, Mettur dam, Mudukulathur, Nagapattinam, Nagercoil, Nagercoil (West), Paramakudi, Pudukottai, Ramanathapuram, Sankarapuram, Theni, Thanjavur, Thiruchendur, Tiruppur, Thiruvannamalai, Thoothukudi, Ulundurpettai and Virudhunagar.

<sup>20</sup> Ambattur, Chengalpattu, Coimbatore, Cuddalore, Guindy, Hosur, Madurai, Pettai, Salem, Tiruchirappalli and Vellore.

Non-provision of adequate classrooms would affect the providing of proper training in ITIs.

**(v) Availability of power supply**

**Shortage of power supply in test-checked ITIs ranged from 44 to 550 KVA**

NCVT had prescribed power supply requirements based upon the power requirements for each trade. Audit, however, noticed shortages of power supply ranging between 44 KVA (Ulundurpettai) to 550 KVA (Hosur) in 11 out of the 16 test-checked ITIs as detailed in **Table 4**.

**Table 4: Shortage of Power Supply**

**(In KVA)**

Name of the ITI	Total requirement of power supply	Power supply actually available	Shortage of power supply
Coimbatore	413	100	313
Cuddalore & Cuddalore (W)*	265	63	202
Ambattur & Ambattur (W)*	330	70	260
Chengalpattu	249	63	186
Chennai (N)	190	63	127
Guindy	180	63	117
Hosur	610	60	550
Ulundurpettai	107	63	44
Virudhunagar	109	63	46

(Source: Departmental records)

\* Both the ITIs are in the same complex

NCVT also prescribed provision of backup diesel generating sets to keep training activities continuing at the time of load-shedding/power-cuts. Audit however, noticed that no such diesel generating sets were provided in the test-checked ITIs. Further, in the test-checked ITI at Coimbatore, the Electrical Inspector of the Labour Department, during his inspection, found (November 2008) that the electrical installations for certain trades and machines were deficient and unauthorised. Audit observed that the department was still to rectify the deficiencies in electrical installations, thereby compromising the safety of trainees, particularly trainees who had to handle electrical installations under the welder and mechanical trades.

**(vi) Availability of basic amenities**

**Non-availability of water supply, play ground, adequate toilet facilities and compound wall in the test-checked ITIs**

In the test-checked ITIs, basic amenities for trainees such as potable water supply, playgrounds and adequate toilet facilities were not available as of March 2010 as given in **Table 5**.

Table 5: Non-availability of basic amenities

Sl.No.	Basic amenities	Test-checked ITIs where adequate facilities were not available		
1.	Potable water supply	Ambattur, Chengalpattu, Chidambaram, Cuddalore, Cuddalore (W), Hosur, Thiruvanniyur, Virudhunagar and Ulundurpettai		
2.	Playground	Ambattur (W), Chennai (North) and Thiruvanniyur		
3.	Toilet facilities	ITI	Number of students	Number of toilets available
		Ulundurpettai	229	5
		Chengalpattu	791	6
		Chennai North	892	8
		Cuddalore (W)	183	2
		Guindy	206	14
		Coimbatore	531	17
		Virudhunagar	352	5
		Chidambaram	126	4
		Hosur	597	7

(Source: Departmental records)

Further, DGET had prescribed the provision of compound walls in all ITIs to protect their infrastructure and equipment. Audit, however, noticed the absence of compound walls in 11<sup>21</sup> out of 13 of the test-checked ITIs.

#### (vii) Hostel facilities

**Hostel facilities available only in 29 out of 60 ITIs**

The DGET Training Manual provides that hostel facilities may be made available for 50 *per cent* of the trainees in each ITI. Hostel facilities were available only in 29 ITIs out of the 60 ITIs. In order to augment hostel facilities and facilitate the trainees who found it difficult to reach home after attending classes in ITIs, the department proposed (2006-07) construction of seven new hostels at a cost of ₹ 3.20 crore. The Government, however, was still to approve the proposal so far. In the test-checked ITIs, hostel facilities were available only in eight<sup>22</sup> out of 16 ITIs. Audit also noticed that none of the hostels in ITIs had been provided with boarding facilities and the hostels in the test-checked ITIs lacked facilities such as toilet/drinking water as detailed in **Table 6**. Absence of hostels and non-provision of basic amenities in hostels made the ITIs less attractive and could defeat the very basic objective of serving the less privileged and downtrodden people for whom they were mainly established.

<sup>21</sup> Ambattur, Ambattur (Women), Chengalpattu, Chidambaram, Coimbatore, Cuddalore (Women), Guindy, Hosur, Thiruvanniyur, Ulundurpettai and Virudhunagar.

<sup>22</sup> Ambattur, Chidambaram, Chennai (North), Coimbatore, Cuddalore, Guindy, Hosur and Virudhunagar.

**Table 6: Lack of facilities in ITI hostels**

Name of the ITI	Status of Hostel building	Drinking water facility	Bathroom/Toilet facility
Coimbatore and Guindy	Not in usable condition	Available	Available
Chennai (North)	As the hostel was in dilapidated condition, 10 rooms could not be utilised as against the 58 available rooms.	Not available	Available
Cuddalore	Hostel was in dilapidated condition.	Not available.	Not available
Virudhunagar	In good condition	Not available	Not available
Chidambaram and Hosur	Major repair works such as flooring, bath/toilets and wiring are required.	Not available.	Available

(Source: Departmental records)

The Principal Secretary replied (June 2010) that steps are being taken to improve the basic facilities in hostels.

**(viii) Shortage of tools and equipment**

**Shortage of tools and equipment in test-checked ITIs ranged between 11 and 86 per cent**

The ITIs are required to maintain tools and equipment as per the standard lists<sup>23</sup> of tools and equipment of the trades concerned, as prescribed by NCVT. As per NCVT norms, for each trade, a total of 16 plus one set of tools were to be provided to the trainees. In the 16 test-checked ITIs, audit noticed shortfalls in the availability of tools and equipment ranging between 11 and 86 per cent with reference to the standard list of tools and equipment for the trades which are detailed in **Appendix 1.6**. The conducting of industrial training without the required tools and equipment in ITIs would hamper the scope of the trainees in acquiring necessary trade skills and gainful employment. During the exit conference, the Principal Secretary cited financial constraints as the reason for shortage of tools and equipments.

**Six test-checked ITIs did not have CNC machines essential for training in turner trade**

Computed Numerically Controlled (CNC) machines are essential for imparting training in respect of the turner trade<sup>24</sup>. NCVT, while prescribing the syllabus for the turner trade, allowed the ITIs either to have their own CNC machine for training or to have a memorandum of understanding (MoU) with nearby factories to utilise their facilities. However, the test-checked ITIs at Virudhunagar, Guindy, Chengalpattu, Cuddalore and Ulundurpettai neither had their own CNC machine nor had entered into any such MoU with factories, to use their facilities as of March 2010.

In one of the test-checked ITIs, viz., ITI, Chennai (North), CNC turning machine lathe and a CNC train master worth ₹ 16 lakh remained unutilised for the past 10 years as they were under repairs. The department stated (November 2010) that the machines had not been repaired for want of funds.

<sup>23</sup> A list containing the names of the tools and equipment considered as the basic minimum requirement for the trade.

<sup>24</sup> A trade where the trainees are trained to use lathe, a special tool, to make shapes out of wood or metal.

Further, the department stated (November 2010) that as the manufacturing industry of the CNC was closed, the repairing of the machine became a major problem and action was being taken to repair the machine. However, Audit noticed that even though two firms came forward (2006 and 2008) to repair the machines, the department failed to utilise their offers. Consequently, the trainees were deprived of getting industrial training on these machines.

### 1.2.8.2 Trades and affiliation

#### (i) Unaffiliated trades

Six trades in three test-checked ITIs were still to be affiliated by NCVT

As per NCVT norms, an ITI seeking affiliation for starting a new trade had to ensure the availability of the necessary infrastructure and instructors. Audit, however, noticed that in three of the test-checked ITIs, six new trades were unaffiliated with NCVT for want of required facilities as given in **Table 7**.

**Table 7: Unaffiliated trades in the test-checked ITIs**

Sl. No.	ITI	Year of commencement	Trade	Nature of facilities not yet provided
1.	Chennai(North)	2006	Painter	Tools and equipment
2.	Chennai(North)	2007	Lift Mechanic	Tools and equipment
3.	Ambattur	2007	Data Entry Operator	Electrical fittings
4.	Chengalpattu	2008	Driver cum mechanic	Tools and equipment, staff, building
5.		2008	Auto electrical and electronics	Tools and equipment, staff, building
6.		2008	Two-wheeler mechanic	Tools and equipment, staff, building

(Source: Departmental records)

The trainees who had completed the courses successfully were not issued NCVT certificates, as the new trades were not affiliated by NCVT. Only provisional trade certificates were issued by the State Council of Vocational Training to the trainees stating therein that the National Trade Certificate will be issued by NCVT. Already, nearly 20,000 trainees who had successfully completed the courses during 1996-2003 were still to receive their trade certificates from NCVT. Non-issue of NCVT certificate to trainees who had completed their training would affect their prospects of getting better jobs.

The department stated (November 2010) that affiliation of these trades was under progress.

**(ii) Introduction of new trades**

**Only 12 new trades were introduced in ITIs during 2005-10 as against 50 new trades introduced by NCVT**

During 2003-07, NCVT approved and introduced 50 new trades to meet the needs of the industry in new areas. The department, however, introduced only 12 trades (seven engineering and five non-engineering trades) during 2005-10 in ITIs in the State. The list of trades which were not introduced in ITIs in the State is given in **Appendix 1.7**. The department did not conduct any survey to identify the areas in which new trades were to be introduced. Non-assessment of the industrial needs for introduction of new trades deprived the benefit of undergoing training under new trades to the poor and downtrodden school-leaving youth.

The department, in reply, stated (November 2010) that though NCVT had introduced 50 new trades, all of these were not suitable to any particular State and the selection of trades was decided based on surveys conducted by external agencies like the Confederation of Indian Industries. Further, the department stated that a fresh survey was going to be conducted to identify the necessary skill areas for introduction of new trades in which trained manpower was needed.

**(iii) Denial of benefit to tribal youths**

**Welder trade not introduced in Sankarapuram ITI (ST) despite availability of funds**

To introduce a trade in ITI, necessary infrastructure and tools and equipment are required to be provided as per NCVT norms. Under the Centrally sponsored scheme, 'Tribal Sub Plan', The Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO) allocated ₹ 59.87 lakh<sup>25</sup> for the introduction of the welder trade<sup>26</sup> in ITI, Sankarapuram (ST). The Commissioner of Employment and Training (CET) received the funds in February 2009 from TAHDCO. Audit, however, noticed that even after the lapse of one year, the CET was still to procure the required tools and equipment for the commencement of training. The CET had so far procured materials worth ₹ 2.50 lakh only. Further, CET's proposal (July 2009) to Government to sanction one Junior Training Officer and one Assistant Training Officer posts for the trade was also still to be approved by the Government. In the absence of the required tools and equipment and staff, the department was unable to obtain NCVT's affiliation for the trade. Consequently, the welder trade was still to be introduced in the ITI, despite availability of funds. Thus, the delay in providing the required facilities to commence the trade, despite availability of funds, resulted in denial of tribal youths in Sankarapuram Block getting training under the welder trade.

The department, in reply, stated (November 2010) that action for procurement of tools and equipment and sanction of posts was being taken to start the welder trade in ITI, Sankarapuram.

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<sup>25</sup> Civil works: ₹ 19.22 lakh, Equipment: ₹ 35 lakh, Furniture: ₹ 1 lakh, Staff Salary: ₹ 4.20 lakh, Raw Materials: ₹ 0.20 lakh and Stipend: ₹ 0.25 lakh.

<sup>26</sup> The trade offering training to join two pieces of metal by the use of heat or pressure or both and with or without added metal.



### 1.2.8.3 Administration of ITIs

#### (i) Trends in admission and dropout

Admission to ITIs is made yearly on the basis of merit. The duration of engineering trades varies from one year to three year, whereas the duration of non-engineering trades is one year. The minimum education qualification for admission to the ITIs is from 8<sup>th</sup> Standard to Higher Secondary (Plus two) according to the trades. Students between the age of 14 and 40 are admitted in ITIs and there is no upper age limit for girls admitted in ITIs.

The sanctioned strength, admission and vacant seats in ITIs during 2005-09 are given in **Table 8**.

**Table 8 : Admission of trainees in ITIs**

Admission during	Sanctioned strength including supernumerary <sup>27</sup> sanction	Filled-up seats	Vacant seats	Percentage of vacancy
August 2005	13,578	12,731	847	6.23
August 2006	13,214	12,134	1,080	8.17
August 2007	15,321	13,059	2,262	14.76
August 2008	16,922	13,878	3,044	17.99
August 2009	17,938	14,665	3,273	18.25

(Source: Departmental records)

**Number of vacant seats in ITIs stood at 3,273 in 2009 compared to 847 in 2005**

Though an increasing trend was noticed in admissions in ITIs during 2005-09, the actual increase in admission (1,934) was less compared to the increase in the total number of sanctioned seats (4,360) during the same period, leaving an increase in vacancy of 2,426. Further, during the same period, the number of vacant seats in ITIs increased from 847 in 2005 to 3,273 in 2009, registering a 12 *per cent* increase in vacant seats as seen from the table. In the 16 test-checked ITIs, the percentage of vacant seats increased from eight *per cent* in 2005 to 17 *per cent* in 2009 as given in **Table 9**.

**Table 9: Vacant seats in test-checked ITIs**

Year	No. of seats available for intake	Number of seats filled	Percentage of seats filled	Percentage of vacant seats
2005-06	4,143	3,820	92	8
2006-07	3,693	3,433	93	7
2007-08	4,001	3,428	86	14
2008-09	4,017	3,347	83	17
2009-10	4,375	3,809	87	13

(Source : Departmental records)

Further, data analysis of the number of candidates who were admitted and who appeared for examination in ITIs during 2004-07 indicated an increasing trend in dropouts as detailed in the **Table 10**.

<sup>27</sup> Seats sanctioned with the object of fully utilising the sanctioned seats at each institute, as prescribed by DGET.

Table 10: Candidates admitted and dropouts

Year	No. of candidates admitted	Number of regular candidates appeared for first time in examination*	Number of dropouts	Percentage of dropouts
2004-05	12,731	10,197	2,534	20
2005-06	12,134	9,759	2,375	20
2006-07	13,059	9,888	3,171	24
2007-08	13,878	To appear for exam		
2008-09	14,665			

(Source: Departmental records)

\* Number of dropout candidates was worked out with reference to the number of candidates admitted in ITIs in a particular year and the number of candidates who appeared for the examination two years later, as most of the courses were of a two year duration.

The department stated (November 2010) that the practical exposure of the trainees during their period of training enabled them to get jobs in the industries on daily basis and hence they did not attend the examination. Further, some trainees did not complete the course as they later got admission into Polytechnic colleges wherein they got diplomas which gave better job opportunities.

### (ii) Award of stipends

**Stipends not paid to all the trainees, as instructed by DGET**

According to the DGET Manual, a stipend of ₹ 100 per month per trainee was to be awarded to all the trainees. In addition to this, GOI had instructed ITIs to pay merit scholarships of ₹ 125 per trainee to 40 *per cent* of the total number of trainees. The State Government, however, had sanctioned stipends only to SC students at ₹ 150 per month, ST students at ₹ 175 per month and ₹ 50 per month to one third of the total trainees, whose parent's annual income was ₹ 16,100 and below. In 15 of the 16 test-checked ITIs, it was noticed that 23,396 trainees out of 33,237 trainees did not receive stipends during 2005-10. Non-payment of stipends to trainees of ITIs made the institutions less attractive among the less privileged, poor and school-leaving youth for whom they had been established.

The department stated (November 2010) that a proposal would be sent to Government to sanction stipends to all the candidates admitted in ITIs.

### (iii) Medical examination for trainees

As per Paragraph 12 of the DGET Manual, trainees were to be medically examined at the time of admission and thereafter, once in a year. Trainees found medically unfit were to be discharged from the ITIs or to be allotted trades according to their health standards. In six<sup>28</sup> out of 16 test-checked ITIs, however, Audit noticed that no such medical tests were conducted at the time of admission. In another four of the test-checked ITIs<sup>29</sup>, no medical test was conducted for second year trainees.

<sup>28</sup> Chennai (North), Guindy, Guindy (Women), Hosur, Thiruvanniyur and Sankarapuram.

<sup>29</sup> Ambattur (West), Chengalpattu, Chidambaram and Virudhunagar.

The department stated (November 2010) that RJDs had been instructed to have a constant vigil over this practice and to send a consolidated report to the CET every year.

**(iv) Functioning of libraries in ITIs**

According to the DGET Manual, ₹ 5 per trainee was to be allotted for the purchase of books and trade-oriented magazines for the libraries in ITIs. However, none of the 13<sup>30</sup> out of 16 test-checked ITIs had purchased any books during 2005-10, thereby depriving the trainees of opportunities to update their knowledge.

**(v) Supply of raw materials and consumables to trainees**

**Sanction of training grant not in conformity with rates prescribed by DGET**

According to the DGET Manual, a training grant is allowed to each institute to cover the cost of raw materials, consumables, stationery etc. GOI increased (June 2008) the amount of training grant from ₹ 200 to ₹ 400 per month per trainee for the engineering trades and from ₹ 150 to ₹ 300 for the non-engineering trades per month, per trainee. However, the State Government continued to allocate funds at only ₹ 60 per engineering trainee per month and at ₹ 50 per month per non-engineering trainee, despite the increase in the cost of raw materials etc. A proposal sent by CET in March 2009 was still to be approved by Government. It was noticed in the test-checked ITIs that raw materials and consumables were not available to the required extent for the trades. This resulted in reduced practical training to the trainees.

The department stated (November 2010) that all the ITIs were procuring raw materials as per their need and there was no short supply of raw materials. The reply is not acceptable as Principals of all the test-checked ITIs had stated that there was short supply of raw materials due to lack of funds.

**(vi) Maintenance of records**

An amount of ₹ 100 from each trainee was to be collected as caution deposit on admission. The caution deposit was to be refunded to the trainee on completion of training after adjusting any dues from the trainee on account of loss, if any, caused by the trainee to the institution. Audit, however, noticed that none of the test-checked ITIs had maintained a separate cash book for the amounts collected and refunded to the trainees. In the absence of such records, Audit could not ensure whether all the trainees received back their caution deposits on completion of training.

The department stated (November 2010) that all the Principals of ITIs would be instructed to maintain a separate cash book for the amounts collected and disbursed towards caution deposit.

**(vii) Centre of Excellence scheme**

GOI launched (2005-06) a scheme of upgrading 500 existing ITIs all over India in five years into 'Centres of Excellence'. The main thrust of the

<sup>30</sup> Ambattur, Ambattur (Women), Chengalpattu, Chennai (North), Chidambaram Coimbatore, Cuddalore (Women), Guindy, Guindy (Women), Hosur, Thiruvanniyur, Ulundurpettai and Virudhunagar.

scheme was to improve infrastructure and equipment facilities, to modernise the syllabus and open new trades in the ITIs. The expenditure on the implementation of the scheme was to be shared between GOI and the State in the ratio of 75:25. During 2005-10, 22 ITIs in the State were identified for upgradation into 'Centres of Excellence'. The scheme was implemented with GOI assistance (domestic funding) during 2005-06 at an outlay of ₹ 1.60 crore for each ITI. During 2006-10, the scheme was implemented in 17 ITIs with World Bank assistance with an outlay of ₹ 3.50 crore for each ITI. As per the Institutional Development Plan<sup>31</sup> (IDP) approved by GOI for the ITIs, the State Government could incur an expenditure of ₹ 59.50 crore for 17 ITIs and was entitled to get 75 per cent of the expenditure reimbursed from GOI. However, as against the entitled outlay of ₹ 59.50 crore for 17 ITIs, the GOI/State Government had sanctioned ₹ 16.01 crore during 2006-10, of which the department had spent only ₹ 9.23 crore (58 per cent) as of March 2010, as detailed in **Table 11**.

**Table 11: Financial achievement under Centre of Excellence under World Bank assistance**

(₹ in crore)

Year	Number of ITIs covered	GOI share released	State share released	Total funds available	Total expenditure incurred
2006-07	5	6.68	4.00	16.01	9.23
2007-08	6	1.38			
2008-09	3	1.66 0.51			
2009-10	3	1.78			
<b>Total</b>	<b>17</b>	<b>12.01</b>	<b>4.00</b>	<b>16.01</b>	<b>9.23</b>

(Source: Departmental records)

Thus, due to less spending, the department had failed to avail of the entitled funds from GOI for improving the infrastructural facilities in ITIs.

**Seventeen trades introduced under World Bank aided Centre of Excellence were not affiliated to NCVT for want of required infrastructure**

A State Project Implementation Unit (SPIU) to implement and monitor the World Bank-aided Centre of Excellence scheme was established only in September 2008 even though the scheme was being implemented from 2006-07. Consequently, under-utilisation of funds coupled with delays in setting up of the SPIU resulted in non-creation of the required infrastructure facilities including tools and equipment in the identified 17 ITIs. Further, though the department had spent the entire allocation of ₹ 8 crore for the five identified ITIs<sup>32</sup> in the year 2005-06 under domestic funds, the required tools and equipment had not been provided in four<sup>33</sup> out of five identified ITIs. As the required infrastructure was not created, none of the trades introduced in 21 ITIs except automobile trade in Ambattur ITI had been affiliated to NCVT. The list of ITIs and the trades which were still to be affiliated to NCVT is given in **Appendix 1.8**.

The Government stated (November 2010) that under the World Bank assisted programme, approval for procurement in respect of goods and civil works has to be obtained from DGET/World Bank before carrying out the activities. Government further stated that as the approval of the World Bank was

<sup>31</sup> Detailed proposal sent to GOI, for establishment of Centre of Excellence.

<sup>32</sup> Ambattur, Coimbatore, Hosur, Salem and Tiruchirappalli.

<sup>33</sup> Coimbatore, Hosur, Salem and Tiruchirappalli.

obtained only in July 2009 for procurement of goods and civil works, tenders were floated only in 2009-10, resulting in poor utilisation of funds under 'Centres of Excellence'.

The reply is not acceptable, as, had the Government established the State Project Implementation Unit without delay of more than 18 months, the approval for procurement of goods and civil works from the World Bank could have been obtained much earlier and the delay in implementation of the scheme could have been avoided.

## 1.2.9 Post ITI - Follow up measures

### 1.2.9.1 Apprenticeship training scheme

The ITIs produce semi-skilled workers. In order to improve their skills and expose them to industrial environment, the trainees who successfully complete their training are sponsored to industrial establishments and are given apprenticeship training under the Apprentices Act, 1961. The period of apprenticeship training varies from six months to four years depending upon the trade. The Apprenticeship scheme is implemented in the State through 11 Government Related Instruction Centres (RICs)<sup>34</sup> and three out of the 60 ITIs. As of March 2010, 16,127 successful trainees were undergoing apprenticeship training in 2,345 industrial establishments.

**Only 22 per cent of the candidates registered for apprenticeship with the department were placed as apprentices in factories during 2005-09**

As per the provisions of the Apprentices Act, 1961, it is obligatory on the part of an employer to train a certain number of apprentices assigned by the State Apprenticeship Advisor in designated trades. Scrutiny of records in the four test-checked RICs<sup>35</sup> revealed that out of 37,103 candidates registered for apprenticeship training, only 8,065 (22 per cent) had been placed as apprentices during 2005-09 in the industries. The RIC-wise break-up particulars are furnished in **Table 12** and depicted in **Chart 1**.

**Table 12: Placement of trainees as apprentices**

Year	Ambattur			Guindy			Tiruchirappalli			Coimbatore		
	(A)	(B)	(C)	(A)	(B)	(C)	(A)	(B)	(C)	(A)	(B)	(C)
2005	2,173	374	17	2,287	702	31	1,949	628	33	846	662	78
2006	1,839	262	14	2,155	480	22	3,997	511	12	906	706	78
2007	1,330	129	10	786	168	21	1,046	532	50	969	563	58
2008	1,867	233	12	859	56	7	7,874	583	7	900	494	55
2009	793	25	3	1,167	14	1	2,702	611	22	716	332	46
<b>Total</b>	<b>8,002</b>	<b>1,023</b>	<b>11</b>	<b>7,196</b>	<b>1,420</b>	<b>16</b>	<b>17,568</b>	<b>2,865</b>	<b>16</b>	<b>4,337</b>	<b>2,757</b>	<b>64</b>

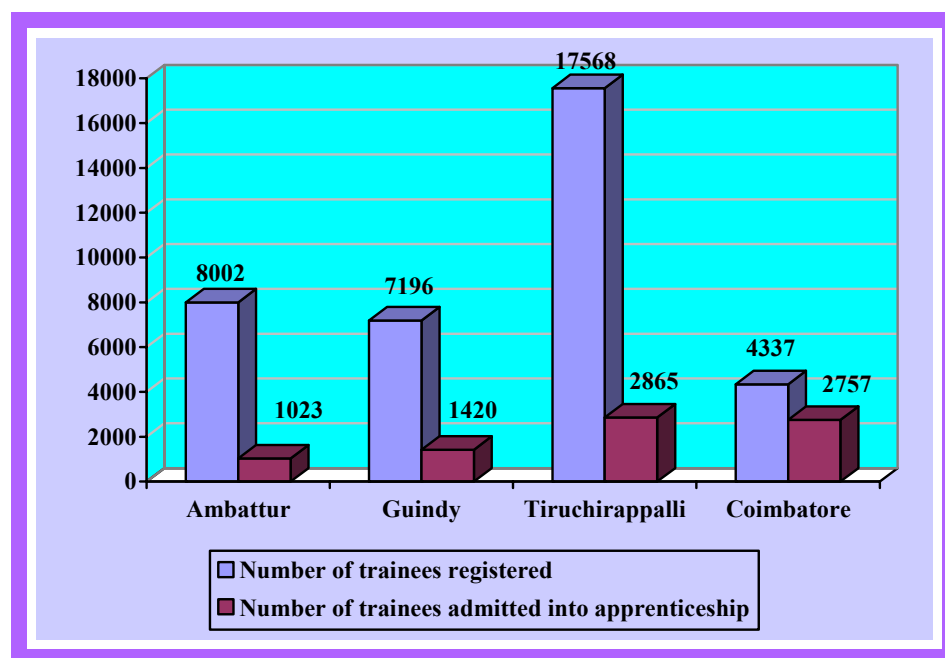
(Source: Departmental records)

(A) No. of trainees registered (B) No. of trainees admitted into apprenticeship  
(C) Percentage of placement as apprentices

<sup>34</sup> Ambattur, Chennai (North), Coimbatore, Cuddalore, Guindy, Hosur, Madurai, Pettai, Salem, Tiruchirappalli and Vellore.

<sup>35</sup> Ambattur, Coimbatore, Guindy and Tiruchirappalli.

Chart 1: Provision of Apprenticeship training during 2005-09



Further, the CET, in co-ordination with Chief Inspector of Factories (CIF) of the State, has to identify the industries and also seats in each identified industry to provide apprenticeship training to trainees, on successful completion of their training in ITIs. Audit, however, noticed that out of 12,849 factories in the State, only 903 were identified for providing apprenticeship training in the four regions<sup>36</sup> of the State by RICs.

The department had the power under the Apprentices Act to take penal action against industries which failed to provide apprenticeship training to the ITI passed candidates under the Apprentices Act. However, no effective action was taken during 2005-10 by the department against these industries.

Even in the identified factories, both in the Government and private sectors, RICs did not utilise all the identified seats for providing apprenticeship training to ITI passed out candidates, as detailed in **Table 13** and **Table 14**.

Table 13: Utilisation of identified seats for providing apprenticeship training (Government Sector)

Year	Ambattur RIC			Coimbatore RIC			Tiruchirappalli RIC		
	No. of seats identified	No. of seats utilised	Percentage of seats utilised	No. of seats identified	No. of seats utilised	Percentage of seats utilised	No. of seats identified	No. of seats utilised	Percentage of seats utilised
2005-06	247	140	57	250	211	84	777	490	63
2006-07	247	140	57	250	235	94	700	365	52
2007-08	353	27	8	400	250	63	477	240	57
2008-09	353	79	22	400	84	21	527	306	58

(Source: Half-yearly Report ending 31 December every year)

<sup>36</sup> Chennai, Coimbatore, Thiruvallur and Tiruchirappalli

Table 14: Utilisation of identified seats for providing apprenticeship training (Private Sector)

Year	Ambattur RIC			Coimbatore RIC			Tiruchirappalli RIC		
	No. of seats identified	No. of seats utilised	Percentage of seats utilised	No. of seats identified	No. of seats utilised	Percentage of seats utilised	No. of seats identified	No. of seats utilised	Percentage of seats utilised
2005-06	3,852	1,976	51	2,600	835	21	353	370	103
2006-07	4,405	3,239	74	2,850	671	24	440	335	76
2007-08	4,907	3,146	64	2,900	759	28	721	235	32
2008-09	5,174	2,837	55	2,900	630	22	858	396	46

(Source: Half Yearly Report ending 31 December every year)

Thus, lack of co-ordination with the CIF and failure to take penal action against industries which failed to provide apprenticeship training to ITI passed candidates, resulted in poor placement records in providing apprenticeship training to ITI passed candidates.

The department stated (November 2010) that a list of all industries including new industries, as of May 2010 was obtained from the Chief Inspector of Factories and necessary instructions had been given to the Assistant Directors of RICs to improve the utilisation of identified seats.

### 1.2.9.2 Ex-trainees Follow-up

As per the DGET manual, ITIs have to maintain 'Record cards' of ex-trainees as a follow-up measure to ensure that the ITI trainees on successful completion of the training have been able to secure employment. If employed, the name of the employer should be given, failing which, the whereabouts of unemployed trainees should be shown in the record cards. The trainees should also be asked to report periodically till they get employed. Audit, however, noticed that none of the test-checked ITIs maintained such record cards in respect of ex-trainees, thereby failing to follow-up the employment status of ex-trainees and ensure their employment.

### 1.2.9.3 Employability of ITI trainees

The objective of establishment of ITIs was to impart industrial training to school-leaving youth so that they could acquire technical skills for gainful employment. ITIs in the State produce nearly 7,000 skilled persons every year by imparting industrial training in various trades.

An audit survey<sup>37</sup> disclosed that only eight *per cent* of the ITI candidates registered in the Employment Exchanges in the State were employed as detailed in **Table 15**.

<sup>37</sup> A survey done through collection of responses to questionnaires on their employment sent to trainees, who had completed their courses in the test-checked ITIs during 2005-06

**Table 15: Result of survey on employment**

Details	Number of trainees
Number of persons to whom <i>proformae</i> were sent	300
Number of persons who responded	59
Number of ITI passed candidates registered with Employment Exchanges	49
Number of persons got employment through Employment exchanges	4 (8 per cent)

(Source: Particulars collected by audit through survey)

## 1.2.10 Human resources management

### 1.2.10.1 Manpower

DGET had prescribed a specific scale of technical staff admissible for ITIs. The number of posts admissible for an ITI depends upon the seating capacity of the institute and the number of units<sup>38</sup> in various trades imparted in that ITI. The State Government sanctioned technical posts for ITIs, based on the above.

Vacancies in the technical cadre were in the range of 11 to 58 per cent

Audit noticed that vacancies in the technical cadre as against sanctioned posts were in the range of 11 to 58 per cent as of March 2010 as given in **Table 16**.

**Table 16: Vacancy position in technical cadre**

Sl. No.	Name of the posts	Sanctioned	Number of posts filled-up	Vacancy in numbers (percentage)
1.	Deputy Director / Principal	11	6	5 (46)
2.	Principal/Vice Principal/ Assistant Director	78	33	45 (58)
3.	Technical Officer	184	127	57 (31)
4.	Assistant Technical Officer	826	736	90 (11)
5.	Junior Technical Officer	782	490	292 (37)
	<b>Total</b>	<b>1,881</b>	<b>1,392</b>	<b>489 (26)</b>

(Source: Departmental records)

The trade-wise vacancy position in the test-checked ITIs is given in **Appendix 1.9**. Also, in respect of 23 trades in 11 of the test-checked 16 ITIs, not even a single staff member was available for the trade concerned as of March 2010 (**Appendix 1.10**).

It was also observed in the test-checked ITIs that, due to absence of the required staff, two or more units were combined and training was imparted. Further, space for classrooms and workshops were prescribed by DGET so as to accommodate a specific number of trainees in a unit. Combining of one or more units for want of staff and conducting classes in classrooms and

<sup>38</sup> Unit: A batch of 16 trainees in each trade.



workshops which were designed to accommodate only a specific number of trainees, could lead to erosion of standards in imparting industrial training to the trainees. In reply, the Government stated that technical posts were not filled up due to a court case, which had been cleared now and steps were being taken to fill the vacancies.

### 1.2.10.2 Staff training at ITI, Ambattur

Only 228 staff of ITIs were trained as against 540 planned during 2007-10

The department has been conducting staff training programmes (STP) at ITI, Ambattur since 1980. Under this programme, specific training in teaching techniques *viz.*, use of audio-visual aids, classroom management etc., is given to Junior Training Officers/Assistant Training Officers for a period of two weeks. Audit noticed that, during 2007-10, only 228 persons were trained as against 540 persons planned to be trained as detailed in **Table 17**.

**Table 17: STP training details**

Year	Planned (Batches/trainees)	Nominated by CET (Batches/trainees)	Actual no. of trainees attended (Batches/trainees)	Remarks
2007	8 (160)	4 (65)	4 (53)	No trainees were sponsored for four batches by the CET. Further, in respect of three batches, trainees belonging to trades proposed by STP were not allotted training.
2008	8 (160)	5 (63)	5 (52)	No trainees were sponsored for three batches by the CET. Further, trainees belonging to trades proposed by STP were not allotted training.
2009	8 (160)	6 (83)	6 (66)	No trainees were sponsored for two batches by the CET. Further, trainees belonging to trades proposed by STP were not allotted training.
2010	3 (60)	3 (70)	3 (57)	Staff Training Programme was planned only for 20 trainees per batch. But CET sponsored 35 trainees for the first batch and 10 trainees for the second batch and 25 trainees for the third batch.
<b>Total</b>	<b>540</b>	<b>281</b>	<b>228</b>	

(Source: Departmental records)

The department attributed the low number of persons being sent for such training programmes to existence of huge vacancies in various technical cadres. Thus, the majority of staff in ITIs were deprived of training which could help in sharpening their teaching skills.

## 1.2.11 Monitoring

### 1.2.11.1 Inspection of ITIs

Non-conducting of inspections by CET and RJDs

According to the DGET Manual, inspecting officers of the State Directorate of Training should inspect the ITIs in their charge as frequently as possible and give advice on the training. The RJDs should also conduct inspections twice in a year in ITIs. Audit, however, noticed that no such inspection was carried

out either by the Directorate staff or by the RJDs in the test-checked ITIs during 2005-10 except by RJD, Tirunelveli in Virudhunagar ITI in January 2008. Vacancies in the technical cadre were cited as the reason for non-conducting of the required inspections in 2008-09.

### 1.2.11.2 Physical verification of stock

**Stock verification not done in test-checked ITIs**

Physical verification of tools and equipment in the ITIs was to be conducted by Principals of the ITIs (cent *per cent*) and RJDs (25 *per cent*) every year. However, such physical verification was not done in two of the test-checked ITIs<sup>39</sup> by the Principals and in eight test-checked ITIs<sup>40</sup> by the RJDs during 2008 and 2009. Vacancies in the posts of Principals of ITIs were attributed by the department, for the shortfall in stock verification. The department stated (November 2010) that necessary instructions had been given to RJDs and Principals of ITIs in this regard.

### 1.2.11.3 Internal audit

**Shortfall in conduct of internal audit during 2005-10 and huge pendency of audit paragraphs**

All the field units under the control of the department including ITIs were to be audited by the Internal Audit Party of the State Directorate once in a year. However, it was noticed that as against eight Assistants sanctioned for the Internal Audit Wing, only three Assistants were employed, as of July 2010. As a result, huge pendencies in conducting internal audit of ITIs arose as of July 2010 as given in **Table 18**.

**Table 18 : Pendencies in conducting internal audit**

Year	Number of units to be audited	Actually audited	Pendency (percentage in brackets)
2005-06	84	84	Nil
2006-07	84	10	74 (88)
2007-08	84	10	74 (88)
2008-09	84	1	83 (99)
2009-10	84	Nil	84 (100)

(Source : Departmental records)

Further, 5,036 internal audits paragraphs generally pertaining to non-verification of stores, non-recoupment of permanent advances, non-maintenance of subsidiary cash books relating to the period 1984-2009 were outstanding as of July 2010.

Huge pendencies in conducting internal audit and the large number of unsettled audit paragraphs indicated the CET's failure to employ internal audit as an effective management tool in rectifying the shortcomings in the administration of ITIs.

<sup>39</sup> Coimbatore and Cuddalore.

<sup>40</sup> Ambattur, Chengalpattu, Chennai (North), Chidambaram. Guindy, Guindy (Women), Hosur and Thiruvanniyur.

### **1.2.12 Conclusion**

Government was still to provide ITIs in all the blocks of the State. Test-checked ITIs lacked infrastructure facilities such as adequate classrooms, power supply and hostels due to non-provision of required funds by the Government. Similarly, due to inadequate financial support by the Government, adequate tools and equipment and raw materials for trainees, were not available in the test-checked ITIs. Due to lack of infrastructure facilities and manpower shortage, 27 trades in 24 ITIs were still to be affiliated to NCVT. Trainees passing out of such non-affiliated trades were still to receive trade certificates and hence, were in a disadvantageous position in getting better job opportunities. Lack of coordination with the Chief Inspector of Factories in identifying new industries resulted in inadequate placements of ITI passed candidates under the apprenticeship training scheme in industries. The increasing trend of vacant seats and dropouts in ITIs was a matter of concern.

### **1.2.13 Recommendations**

- A plan to establish ITIs in all the blocks of the State in a time-bound manner needs to be prepared.
- Effective utilisation of funds allocated for GOI Scheme “Upgradation of ITI as Centre of Excellence” should be ensured.
- Availability of adequate tools and equipment and raw materials for trainees in ITIs should be ensured so as to provide qualitative training to trainees.
- Adequate infrastructure facilities and manpower should be provided in ITIs so as to get affiliation from the National Council of Vocational Training for all the trades.
- Improved coordination is required between the Commissioner of Employment and Training and Chief Inspector of Factories for better placement of ITI passed candidates under the Apprenticeship training scheme in industries.
- Inspection of ITIs should be conducted periodically as envisaged in the DGET manual.

## HOME DEPARTMENT

### 1.3 Modernisation of Police Force

#### Highlights

*Government of India introduced (1969) the Modernisation of Police Force scheme for modernising the police force to enable them to effectively face the emerging challenges to internal security. The main focus of the scheme was to construct new buildings for police stations, improve the mobility of the police force and provide residential accommodation for police personnel. A performance audit of the scheme revealed non-preparation of Annual Action Plans on need basis and under-utilisation of funds sanctioned for construction of residential and non-residential buildings. There was no increase in fleet strength as vehicles were purchased in replacement of condemned ones rather than augmenting fleet strength.*

- Annual Action Plans were not prepared on need basis. Equipment costing ₹ 2.52 crore was procured in deviation of the Annual Action Plans during 2006-09.

(Paragraph 1.3.6)

- Non-sanctioning and delay in execution of works resulted in under-utilisation of funds sanctioned for the scheme. Funds amounting to ₹ 191.56 crore out of ₹ 1024.49 crore released by the Central and State Governments during 2000-10, remained unutilised as of March 2010 under the scheme.

(Paragraphs 1.3.7 and 1.3.8.1)

- As against the plan to construct new buildings for 804 police stations during 2006-11, only 191 new buildings were sanctioned by Government during 2006-10. Of these, only 85 were completed and put to use.

(Paragraph 1.3.8.2)

- As against 12,000 residential quarters to be constructed during 2006-10, only 2,686 were constructed.

(Paragraph 1.3.8.5)

- The objective of increasing the mobility of the police force was defeated as vehicles were purchased to replace the condemned ones rather than to increase the fleet strength.

(Paragraph 1.3.9)

- **In 38 test-checked police stations, no motor cycle was available as of March 2010 and 18 police stations did not have even a single vehicle.**

**(Paragraph 1.3.9.1)**

- **As against 20,742 pieces of communication equipment such as Very High Frequency mobile sets, Very High Frequency hand held sets, High Frequency sets to be procured during 2006-11, only 5,492 pieces of equipment were purchased.**

**(Paragraph 1.3.11.1)**

### **1.3.1 Introduction**

The scheme 'Modernisation of Police Force' was launched in 1969 by the Government of India (GOI) for modernising the police force to effectively face the emerging challenges to internal security. The basic objective of the scheme was to rectify the deficiencies in the operational requirements of the State police force and to achieve planned development and modernisation. A revised scheme involving substantial Central assistance was launched by GOI in 2001 for a 10-year period starting from 2000-01. The components covered under the scheme were (a) construction (residential as well as non-residential), (b) mobility, (c) weaponry, (d) equipment and (e) communication system including computerisation.

### **1.3.2 Organisational set up**

At the Government level, the Principal Secretary, Home Department is responsible for implementation of the scheme. At the departmental level, three Directors General of Police (DGP) viz., Law and Order, Training and Tamil Nadu Uniformed Service Recruitment Board are responsible for implementation of the scheme. At the district level, Superintendents of Police (SP) are responsible for implementation of the scheme. The Forensic Science Department (FSD) and State Crime Record Bureau (SCRB) are also involved in the implementation of the scheme. Construction of residential and non-residential buildings was executed by Tamil Nadu Police Housing Corporation (TNPHC). A State Level Empowered Committee constituted under the chairmanship of the Chief Secretary is responsible for finalising the Annual Action Plans (AAP) and monitoring the implementation of the scheme.

### **1.3.3 Audit objectives**

The objectives of the performance audit were to assess whether:

- Annual Action Plans were in accordance with the Perspective Plans;
- funds provided for the scheme were utilised for the intended purposes;

- all the components of the scheme were implemented economically and efficiently;
- equipment purchased and assets created were utilised and maintained properly and the intended benefits were achieved and
- implementation of the scheme was monitored effectively.

#### **1.3.4 Audit criteria**

Audit findings were benchmarked against the following criteria:

- Norms/Guidelines of the Bureau of Police Research and Development (BPRD) and Ministry of Home Affairs (MHA) of GOI;
- Perspective Plan and Annual Action Plans approved by MHA;
- Decisions of the State Level Empowered Committee and High Powered Committee of MHA/GOI and
- Fund release orders of GOI/State Government and instructions issued therein.

#### **1.3.5 Scope and methodology of Audit**

The performance audit of the scheme covering the period 2005-10 was conducted between February to April 2009 and April to May 2010. Scheme implementation records in the offices of the Director General of Police, SCRB, FSD, TNPHC, SP offices in nine<sup>41</sup> out of 38 police districts and 121 police stations in nine out of 38 police districts were test-checked during the course of the audit. A list of police stations test-checked is given in **Appendix 1.11**. The audit objectives and criteria were discussed with the Principal Secretary to Government, Home Department during an entry conference held in April 2009. The findings were discussed with the Principal Secretary in an exit conference held in September 2010.

#### **Audit findings**

#### **1.3.6 Deviation from approved Annual Action Plan**

**Annual Action Plans were not prepared on need basis**

As per the GOI guidelines, the State Government was to submit to the Ministry of Home Affairs (MHA), a five-year Perspective Plan for modernisation of the police force starting from 2000-01. Based on the Perspective Plan, the State Government was to prepare Annual Action Plans (AAP) to implement various components of the scheme. The AAPs were to be got approved by the High Powered Committee (HPC) of MHA. GOI

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<sup>41</sup> Chennai City, Chennai Suburban, Coimbatore City, Coimbatore Rural, Cuddalore, The Nilgiris, Thiruvallur, Vellore and Virudhunagar.

allocates funds to the State based on the AAPs. Audit noticed that the State Government had proposed specific requirements of equipment in the AAPs, and got them approved by the HPC of MHA. However, the department had purchased some other alternative equipment such as video/audio recorders, DVD handycams, LCD TVs, laser printers, photo copier etc., costing ₹ 2.52 crore during 2006-09 in deviation of the approved AAPs. Government, in reply, stated (September 2010) that eligible equipment under the scheme were only purchased as alternative items for strengthening the Intelligence and Coastal Security Group. This indicated that the AAPs were prepared not on the basis of actual requirements.

### 1.3.7 Financial management

#### Under-utilisation of funds

Under the scheme, 60 *per cent* of the outlay approved in the AAPs was to be funded by GOI upto 2004-05. The balance 40 *per cent* was to be borne by the State Government. The GOI share was increased to 75 *per cent* from 2005-06. GOI released funds for construction activity directly to the Tamil Nadu Police Housing Corporation (TNPHC) which executed civil works for police organisations in the State. However, TNPHC remitted the funds into the Government account from 2007-08 onwards and the State Government released the same through their budget. The details of funds received and expenditure incurred during 2000-10 were as given in **Table 1**.

**Table 1: Year-wise funds released and expenditure**

(₹ in crore)

Year	Central Share	State Share	Total	Expenditure	Expenditure for weaponry, POLNET etc.	Expenditure by TNPHC	Total expenditure	Balance (4-8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2000-01	76.50	76.50	153.00	4.24	1.18	5.76	11.18	141.82
2001-02	68.10	68.10	136.20	72.07	..	..	72.07	64.13
2002-03	68.10	68.10	136.20	37.15	1.88	172.32	211.35	(-) 75.15
2003-04	52.47	36.67	89.14	42.30	..	38.70	81.00	8.14
2004-05	56.76	37.84	94.60	35.72	9.18	48.21	93.11	1.49
2005-06	65.46	21.82	87.28	50.33	..	44.05	94.38	(-) 7.1
2006-07	59.40	19.80	79.20	24.24	0.38	39.04	63.66	15.54
2007-08	75.75	25.25	101.00	53.35	..	50.78	104.13	(-) 3.13
2008-09	49.98	17.00	66.98	41.39	2.15	20.23	63.77	3.21
2009-10	60.67	20.22	80.89	38.28	..	..	38.28	42.61
<b>Total</b>	<b>633.19</b>	<b>391.30</b>	<b>1,024.49</b>	<b>399.07</b>	<b>14.77</b>	<b>419.09</b>	<b>832.93</b>	<b>191.56</b>

(Source: Appropriation Accounts and Data extracted from the records of Director General of Police)

Column 5 – represents expenditure under the head 2055-00-115-AA

Column 6 – the Central share allocation for weaponry from 2000-01 to 2008-09

As seen from the above, the total expenditure on Modernisation of Police Force (MPF) scheme since its revamping of the scheme in 2001 was ₹ 832.93 crore against the total sanction of ₹ 1024.49 crore leaving an unutilised balance amount of ₹ 191.56 crore available with the State Government/TNPHC as of March 2010.

Government stated (September 2010) that the percentage of utilisation of MPF funds upto 2007-08 was cent *per cent* and the percentages of utilisation of funds in 2008-09 and 2009-10 were 94.92 and 40.44 respectively. Government also stated that the balance amount would be utilised on the implementation of the scheme. The reply is not acceptable as unutilised funds available with Government as of 2007-08 was ₹ 145.74 crore as shown in Table 1 though the entire funds upto 2007-08 had been released.

### **1.3.8 Buildings**

#### **1.3.8.1 Residential and non-residential**

The scheme laid special emphasis on construction of residential, administrative and other buildings such as police stations with a view to provide a better working environment to the police personnel.

The year-wise allocation, release of funds and expenditure under the scheme on construction of all buildings during 2005-10 were as given in **Table 2**.

**Table 2: Year-wise allocation and release of funds**

(₹ in crore)					
Year	Allocation (funds released by GOI)	Funds released by the State Government	Balance with State Government	Expenditure	Balance with TNPHC
2005-06	44.29	44.16	0.13	44.05	0.11
2006-07	41.54	41.54	Nil	39.04	2.50
2007-08	57.56	55.75	1.81	50.78	4.97
2008-09	34.08	15.26	18.82	20.23	(-) 4.97
2009-10	37.24	Nil	37.24	Nil	Nil
<b>Total</b>	<b>214.71</b>	<b>156.71</b>	<b>58.00</b>	<b>154.10</b>	<b>2.61</b>

(Source: Data extracted from TNPHC)

The Perspective Plan for 2006-11 projected an outlay of ₹ 930.87 crore for constructing various types of buildings. Against this outlay, GOI allocated only ₹ 170 crore (18 *per cent*) during 2006-10 to the State. Even against the lower allocation, the State Government spent only 71 *per cent* of the funds received under the scheme. Less allocation coupled with under-utilisation of funds resulted in non-commencement/completion of 849 (90 *per cent*) out of the 939 buildings planned to be constructed as detailed in **Table 3**.



Table 3: Non-commencement/completion of police buildings

Sl. No.	Name of the building	Required to be constructed during 2006-2011	Works sanctioned and taken up during 2006-2010	Works completed as of 31 March 2010	Works yet to be sanctioned by the Government as of 31 March 2010
1.	Police station	804	191	85	613 (76)
2.	Sub Divisional Office	98	Nil	Nil	98 (100)
3.	District police office	7	6	2	1 (14)
4.	Range Office	8	2	Nil	6 (75)
5.	Commissionerate	3	1	Nil	2 (67)
6.	Armed reserve complex	12	2	1	10 (83)
7.	Battalion	7	3	2	4 (57)
	<b>Total</b>	<b>939</b>	<b>205</b>	<b>90</b>	<b>734 (78)</b>

(Source: Data extracted from the records of Director General of Police and TNPHC).

(Figures in brackets represent percentage of works yet to be sanctioned).

Government attributed (August 2009/September 2010) the delays to the poor response of contractors for tender calls. Further, during the exit conference, the Principal Secretary to Government, Home Department, stated (September 2010) that due to reduced allocation of funds by GOI, the number of works as planned in the Perspective Plan could not be taken up for execution. The reply of the Government is not acceptable as sanctioned funds were not utilised in full and 90 out of 205 works sanctioned were still to be completed.

### 1.3.8.2 Buildings for Police Stations

**Buildings were sanctioned for police stations without ensuring availability of land**

In order to provide a good working atmosphere in the police stations, construction of 804 police stations was proposed in the Perspective Plan 2006-11. This included buildings for 318 police stations functioning in rented buildings and 486 housed in old buildings as of 2006. As against 804 police stations to be constructed, buildings for only 191 police stations (20 per cent) were sanctioned during 2006-10. Of these, only 85 police stations were constructed by TNPHC and handed over to the department as of March 2010. Out of the remaining 106 police stations, work in respect of 18 police stations was not taken up as of March 2010 for reasons such as want of planning permission by Chennai Metropolitan Development Authority (CMDA) and non-availability of land. Government stated (September 2010) that the works proposed in the Perspective Plan could not be taken up due to reduced allocation of funds by GOI.

The reply of the Government is not acceptable as only 85 police station buildings out of 191 buildings sanctioned had been completed which represented only 45 per cent of the buildings sanctioned for which funds had been received. Government also stated that land was not readily available in many places for taking up construction of new buildings for the police stations. However, Audit noticed that 46 police stations (**Appendix 1.12**) with

adequate land in 21 out of 38 police districts were not selected for construction of new buildings.

### **1.3.8.3 Delay in commencement of work**

Audit noticed that 47 out of 205 works sanctioned (**Appendix 1.13**) at a cost of ₹ 26.53 lakh under MPF during 2006-10 were still to be taken up for construction as of 31 March 2010 despite availability of funds. The works were to be executed by TNPHC. Government attributed the delay to non-completion of feasibility studies, delay in obtaining No Objection Certificates from the Coastal Regulatory Authority and Railway Department, delay in getting planning permission from CMDA/ National Highways Authority (NHA) for not taking up the works etc.

Further, Audit also noticed that two<sup>42</sup> works costing ₹ 2.88 crore sanctioned during 2003-05 were still to be commenced (March 2010) despite availability of funds. These works were to be executed by TNPHC. The designs proposed by TNPHC for these two works were approved by the Government in September 2006. Between September 2006 and June 2010, TNPHC called for repeated tenders 16 times as the response was either nil or very poor. As of July 2010, TNPHC had finalised contracts for these works at a cost of ₹ 3.21 crore, as against the original estimate of ₹ 2.88 crore but the works were still to be commenced. The delay in approval of the design and contract for these two works resulted in escalation in the cost of construction of these works amounting to ₹ 33 lakh.

### **1.3.8.4 Police quarters under MPF**

The year-wise allocation and expenditure under the housing component in the MPF scheme as of March 2010 is given in **Table 4**.

**Table 4: Year-wise details of allocation and expenditure under Housing component**  
(₹ in crore)

Sl. No.	Year	Allocation	Number of units		Expenditure	Balance
			LS	US		
1.	2005-06	30.16	1,060	77	30.16	Nil
2.	2006-07	25.63	930	50	25.63	Nil
3.	2007-08	30.39	461	290	30.39	Nil
4.	2008-09	18.22	185	85	18.02	0.20
5.	2009-10 *	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>104.40</b>	<b>2,636</b>	<b>502</b>	<b>104.20</b>	<b>0.20</b>

(Source: Data extracted from TNPHC)

\* Funds were not allotted under the housing component in 2009-10

LS: Lower Sub-ordinates US: Upper Sub-ordinates

The number of quarters proposed, completed and to be completed under the MPF scheme during the period from 2005-06 to 2009-10 are shown in **Table 5**.

**Table 5: Year-wise details of construction of residential quarters**

<sup>42</sup> Construction of two training centre-cum-barracks in Chennai.

Sl. No.	Year	Number of units planned for construction			Number of units completed			Balance units to be completed		
		LS	US	Total	LS	US	Total	LS	US	Total
1.	2005-06	1,530	100	1,630	1,586	148	1,734	Nil	Nil	Nil
2.	2006-07	930	50	980	535	39	574	395	11	406
3.	2007-08	360	240	600	211	88	299	149	152	301
4.	2008-09	286	135	421	Nil	5	5	286	130	416
5.	2009-10 *	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>		<b>3,106</b>	<b>525</b>	<b>3,631</b>	<b>2,332</b>	<b>280</b>	<b>2,612</b>	<b>830</b>	<b>293</b>	<b>1,123</b>

(Source :Data extracted from TNPHC) \* No funds allotted for housing component in 2009-10.

As against a total of 3,631 quarters to be constructed under MPF during 2005-10, only 2,612 were constructed. Government failed to give specific reasons for the shortfall in construction of quarters.

### 1.3.8.5 Construction of residential quarters

In consonance with National Police Commission's recommendation to provide cent *per cent* residential accommodation to police personnel, Government sanctions construction of police quarters under the MPF scheme as well as under a State Plan scheme. Funds allocated under MPF are meant mainly for construction of quarters for Lower Subordinates (LS) and Upper Subordinates (US). The construction is undertaken through TNPHC. The number of units planned, completed and balance to be completed as of 31 March 2010, both under the MPF and the State schemes, were as given in **Table 6**.

**Table 6: Year-wise details of construction of residential quarters**

Sl. No.	Year	Number of units sanctioned for construction			Number of units completed as of March 2010			Balance units to be completed		
		LS	US	Others*	LS	US	Others*	LS	US	Others*
1.	2005-06	3,538	448	14	3,260	424	13	278	24	1
2.	2006-07	2,834	141	25	1,897	136	23	937	5	2
3.	2007-08	1,845	148	7	547	77	1	1,298	71	6
4.	2008-09	1,897	96	7	Nil	5	Nil	1,897	91	7
5.	2009-10	1,497	476	27	Nil	Nil	Nil	1,497	476	27
<b>Total</b>		<b>11,611</b>	<b>1,309</b>	<b>80</b>	<b>5,704</b>	<b>642</b>	<b>37</b>	<b>5,907</b>	<b>667</b>	<b>43</b>

(Source :Data extracted from TNPHC)

\* Superintendent of Police and Deputy Superintendent of Police

**As against 12,000 police quarters targeted, actual completion during 2006-10 was only 2,686**

As seen from the above, the number of housing units sanctioned came down gradually over the years. One of the major objectives of providing houses to police personnel under the scheme remained unachieved. In the Perspective Plan 2006-11, Government proposed to build 3,000 quarters every year, so as to meet 59.35 *per cent* of the housing requirement of the police personnel at end of the Plan period. However, the number of units sanctioned for construction during the period 2006-07 to 2009-10 was only 9,000 quarters as against 12,000 targeted at the rate of 3,000 per annum. The number of units actually completed during 2006-10 was only 2,686. The total number of police quarters available as on 31 March 2010 was 48,183 as against the police strength of 1.04 lakh as of January 2010. Hence, housing satisfaction as on

31 March 2010 was only 46.40 *per cent* for the police personnel as against

59.35 per cent proposed in the Perspective Plan 2006-11. Government, in reply, stated (September 2010) that action was being initiated to complete the works. Thus, one of the major objective of providing housing to police personnel remained unachieved.

### 1.3.8.6 Non-utilisation of quarters constructed

Test check of records in Chennai Sub-urban and Thiruvallur Districts revealed that 46 out of 82 quarters constructed at two places remained vacant since July 2008 due to reasons such as non-availability of water, electricity and industrial pollution as given in Table 7.

**Table 7: Unoccupied police quarters**

Sl. No.	Police districts	Place	Number of police quarters			Period of vacancy	Reason
			Available	Occupied	Vacant		
1.	Chennai (Sub-urban)	Manali new town	67	26	41	Since July 2008	Industrial pollution
2.	Thiruvallur	Thirupalaivanam	15	10	5	--	Lack of water/ electricity

(Source : Data extracted from District police offices)

Non-occupation of police quarters despite large scale shortage at the State level indicated wrong location and inadequate maintenance of quarters. The records produced to Audit did not indicate any concerted effort to bring these quarters to use.

### 1.3.9 Mobility

One of the major thrust areas of the MPF scheme was to increase the mobility of the police force in order to enable them to effectively face the challenges and quick response to crime by increasing the fleet strength of the police force. As per the MPF scheme guidelines purchase of new vehicles in replacement of old/condemned vehicles was inadmissible.

The year-wise allocation and expenditure as of March 2010 under the component 'mobility' were as given in **Table 8**.

**Table 8: Year-wise allocation and expenditure under component mobility**

(₹ in crore)			
Sl.No.	Year	Allocation	Expenditure
1.	2005-06	18.38	18.38
2.	2006-07	18.31	18.31
3.	2007-08	17.24	17.24
4.	2008-09	13.50	13.50
5.	2009-10	18.40	16.31
	<b>Total</b>	<b>85.83</b>	<b>83.74</b>

(Source: Director General of Police)

Though the department spent the entire allocated amount for purchase of vehicles, the overall fleet strength did not increase during 2006-10. The details of vehicles in the department as at the beginning and the end of 2006-10 were as given in **Table 9**.

Table 9: Purchase of vehicles in Police Department

Sl. No.	Type of vehicle	Opening Balance as on 1.4.2006	Requirement as per perspective plan 2006-11	Total requirement as per Perspective Plan	Actual Purchase during 2006-07 to 2009-10	Condemned during 2006-07 to 2009-10	Availability as on 31.3.2010
1.	Buses	155	370	525	41	43	153
2.	Mini buses	419	97	516	46	106	359
3.	Lorries	498	486	984	50	60	488
4.	Jeeps	3,484	1,294	4,778	549	1,022	3,011
5.	Vans	970	Nil	970	104	181	893
6.	Motor cycles	4,107	872	4,979	1,407	1,948	3,566
7.	Cars	337	4	341	106	149	294
8.	Other vehicles *	277	37	314	31	5	303
	<b>Total</b>	<b>10,247</b>	<b>3,160</b>	<b>13,407</b>	<b>2,334</b>	<b>3,514</b>	<b>9,067</b>

(Source : Data extracted from Director General of Police)

\* Other vehicles include vehicles such as ambulance, wreckers etc.

Despite purchase of 2,334 vehicles during the period 2006-10, the net availability of vehicles with the department stood reduced from 10,247 in 2006 to 9,067 in 2010. Audit noticed that the Government had sanctioned (2006-09) purchase of 392 vehicles in replacement of existing ones at a cost of ₹ 24.23 crore and the remaining purchases were considered as fresh additions to the fleet strength. However, the table above indicated that the number of old vehicles condemned outnumbered the new procurements, thus defeating the objective of increasing the mobility of the police force.

**Government used MPF funds to replace condemned vehicles rather than to procure new vehicles.**

The Government, in reply, stated (September 2010) that the Perspective Plan was prepared in 2006 and now sanctions for procurement of vehicles were made based on actual needs and within the allocation accorded by the GOI towards procurement of vehicles.

The reply is not acceptable as the funds provided under MPF have to be utilised only for augmentation of the vehicle strength of the department so as to improve its mobility. The High Powered Committee while approving the Annual Action Plan for the year 2006-07 under MPF in June 2006, also reiterated that expenditure on account of replacement had to be a normal item of expenditure provided for by every State budget. Thus, the procurement of the vehicles in replacement of the condemned vehicles defeated the very purpose of increasing the fleet strength of the police force.

### 1.3.9.1 Deployment of vehicles in Police station

As per the guidelines of MHA, the MPF scheme would concentrate on providing field vehicles required for basic policing as per Bureau of Police Research and Development (BPRD) norms. Audit however, noticed that 18 out of 121 police stations in the nine test-checked districts did not have even a single vehicle and 38 out of 121 police stations did not have any motor cycle as of March 2010 as detailed in **Appendix 1.14**. Further, shortage of vehicles compared to BPRD norms was also noticed in the test-checked police stations as detailed in **Appendix 1.15**.

Government in reply stated (September 2010) that some of the police stations had shortfalls of vehicles and instructions were issued to unit officers to provide vehicles to field officers to discharge their duties.

Thus, non-provision of vehicles as per BPRD norms defeated the objective of modernisation of the police force. As mobility had a direct relation to the effective functioning, non-deployment of required vehicles would affect the effective functioning of police personnel.

### **1.3.10 Weaponry**

#### **Procurement of weapons**

The MPF scheme provides funds for replacement of outdated and unserviceable weapons with sophisticated weapons.

The year-wise funds allocation and expenditure during 2005-10 were as given in **Table 10**.

**Table 10: Year-wise allocation of funds and expenditure**  
(₹ in crore)

Sl.No.	Year	Allocation	Expenditure
1.	2005-06	2.55	2.55
2.	2006-07	0.45	0.45
3.	2007-08	Nil	Nil
4.	2008-09	4.17	4.17
5.	2009-10	5.95	2.52
	<b>Total</b>	<b>13.12</b>	<b>9.69</b>

(Source: Data extracted from Director General of Police)

Audit, however, noticed that there was a shortfall in procurement in respect of two kinds of weapons as of March 2010 as detailed in **Table 11**.

**Table 11: Shortfall in procurement of weapons**

(In number of units)

Sl. No.	Weapon	Requirement as per perspective plan (2006-11)	Sanctioned during 2006-10	Shortfall in procurement
1.	9mm pistol	3,110	312	2,798 (90)
2.	Teargas guns	4,373	Nil	4,373 (100)

(Source : Data extracted from the records Director General of Police)

(Figures in brackets represent the percentage of shortfall in procurement)

Government, in reply, stated (September 2010) that the funds allocated were insufficient to meet the requirement fully as planned in the Perspective Plan and hence could not procure all weapons. The reply is not acceptable as the funds sanctioned already remained unutilised and available with the State Government as shown in **Table 1**. The unutilised funds could have been

utilised for procuring arms after getting the approval of High Powered Committee of MHA of GOI.

### 1.3.11 Equipment

#### 1.3.11.1 Allocation and expenditure

The Perspective Plan 2006-11 envisaged procurement of various types of equipment including communication equipment such as VHF Static sets, VHF mobile sets etc. The funds allocated and expenditure incurred during 2005-10 towards purchase of equipment including communication equipment under MPF are given in **Table 12**.

**Table 12: Year-wise amounts allocated for purchase of equipment**  
(₹ in lakh)

Sl. No.	Year	Allocation	Expenditure
1.	2005-06	12.22	12.22
2.	2006-07	11.91	11.91
3.	2007-08	13.23	13.23
4.	2008-09	13.47	13.47
5.	2009-10	21.75	1.26
	<b>Total</b>	<b>72.58</b>	<b>52.09</b>

(Source: Data extracted from the records of Director General of Police)

Audit noticed shortfall in procurement of equipment as given in **Table 13**.

**Table 13: Shortage of equipment**

Sl. No.	Name of the communication equipment	Requirement	Available as of 2006	Due for condemnation by 2010	To be procured	Actual procurement during 2006-10	Shortfall in procurement
1.	VHF Static sets	3,648	3,523	3,523	3,648	1,361	2,287
2.	VHF Mobile sets	3,901	2,334	2,314	3,881	1,039	2,842
3.	VHF Hand held sets	13,864	8,859	7,659	12,664	2,980	9,684
4.	HF sets used for long distance communication	276	146	144	274	2	272
5.	VHF Repeater sets	291	206	190	275	110	165
	<b>Total</b>	<b>21,980</b>	<b>15,068</b>	<b>13,830</b>	<b>20,742</b>	<b>5,492</b>	<b>15,250</b>

(Source: Data extracted from the records of Director General of Police)

**Procurement of communication equipment did not progress as planned**

As seen from the above, as against the proposal to procure 20,742 units of different types of communication equipment during 2005-11, only 5,492 were procured during 2006-10. Poor performance despite availability of funds indicated the inability of the department to conclude procurement on time.

#### 1.3.11.2 Delay in procurement of equipment

As part of the MPF scheme, GOI sanctioned ₹ 2 crore in 2003-04 for procurement of monitoring equipment (integrated communication and digital data monitoring system) for the Intelligence Wing of the department. The department initiated the process of procurement of the equipment through the Electronics Corporation of Tamil Nadu (ELCOT) a State Government undertaking and the amount was released during December 2007.

As of March 2010, ELCOT was still to supply the required equipment. Audit noticed that ELCOT's order (May 2006) to procure the equipment from one private agency was challenged by an unsuccessful bidder in Madras High Court. The writ petition was dismissed in November 2008. As of March 2010, ELCOT had decided to go in for fresh tenders to procure the equipment with new technology. The DGP replied (June 2010) to an audit enquiry that ELCOT was asked to convene a technical committee meeting for finalisation of technical bid. Audit noticed that even though the High Court dismissed the writ petition in November 2008, the department was still to finalise the purchase of equipment even after a lapse of 19 months as of June 2010. The funds remained unutilised and were available with ELCOT. Thus, the programme which was planned as early as in 2003-04, was still to commence despite the availability of funds.

#### **1.3.11.3 Computerisation**

The Common Integrated Police Application (CIPA) was introduced (2003-05) by GOI with a view to record data regarding crime and criminals by computerising police stations in the State with online connectivity with each other together with access/transfer of data on crime and criminals to/from each other. Under CIPA, 575 police stations were planned to be computerised in the State in two phases and ₹ 2.54 crore were sanctioned under MPF. Audit noticed that though hardware installation was completed under Phase I (137 police stations), only 45 police stations were integrated with the State level server at a cost of ₹ 1.15 crore. Under Phase II, computers were still to be supplied and installed in 438 police stations. The Government, in reply, stated (September 2010) that GOI had decided to switch over to another system known as Crime & Criminal Tracking Network and Systems (CCTNS) and the implementation of CCTNS was in progress. Thus, even after six years, due to non-integration of all the police stations, the intended objective of providing online connectivity for data transfer was still to be achieved despite spending ₹ 1.15 crore.

#### **1.3.11.4 Equipment under repair**

Government purchased (May 2009) 42 breath analysers with printers for the Highways patrol teams at a cost of ₹ 20.20 lakh. Test check of records of highway patrol teams in Chennai Sub-urban, Cuddalore, Thiruvallur and Virudhunagar districts revealed that the breath analysers supplied to them were not used as they were not in working condition i.e., printouts were not generated. In certain cases, they showed negative results though the person had alcohol content in his blood.



Further, test check of police stations disclosed that equipment such as photocopiers and fax machines purchased out of MPF funds were not being maintained properly. The list of police stations where such machines were not in working condition as of March 2010 was as given in **Appendix 1.16**.

Government, in reply, stated (September 2010) that suitable instructions had been issued to unit officers to rectify the defective breath analysers immediately. The department stated that sufficient funds required for carrying out the repairs of these photocopiers and fax machines had been projected to the Government to allot the same to unit offices concerned during the current financial year.

### **1.3.11.5 Incurring of recurring expenditure under MPF**

As per MPF guidelines, recurring charges were not admissible under any component of the scheme. However, in violation of the guidelines, ₹ 25.20 lakh towards leased line charges<sup>43</sup> was paid in January 2009 under the MPF scheme to a firm selected for installation and maintenance of 20 closed circuit television systems in various junctions of Chennai city.

Government's reply (August 2009) that entering into an annual maintenance contract at the time of procurement was cheaper was unacceptable as MPF funds could not be utilised for maintenance purposes.

### **1.3.11.6 Electronic beat system**

The beat system in vogue in police stations for prevention and detection of crimes involve constables from jurisdictional police stations visiting conspicuous locations and maintaining a record of incidences noticed during the beat.

**The Electronic Beat system launched in Chennai City to closely monitor the beat work in police stations was non-functional**

The State Government ordered (January 2005) implementation of an electronic beat (eBeat) system in Chennai city to replace the existing manual beat system at a cost of ₹ 30 lakh. The eBeat system was based on Radio Frequency Identification Technology (RIDF), wherein eBeat tag readers were provided to the beat constables and tags were installed in the beat locations. The eBeat system ensured proper monitoring of beat work of police stations. Equipment for the e Beat system was supplied to 60 police stations in Chennai City between February and December 2007. Audit noticed that in all the 11 test-checked police stations in Chennai City where the eBeat system was supplied, the system was not in working condition for the past one year, though an annual maintenance contract was entered into with the firm which supplied the system. The department procured (August 2008) another 200 eBeat systems for Chennai city at a cost of ₹ 97.97 lakh. However, as of March 2010, the equipment was still to be installed in police stations and remained idle in the DGP's office. Consequently, the existing manual beat system continued to be in use.

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<sup>43</sup> Leased line charges means charges payable to Bharat Sanchar Nigam Limited for providing connectivity between the cameras installed in junction of city and control room.

Government replied (September 2010) that suitable instructions had been issued to the Commissioner of Police (COP), Chennai Police to address the firm concerned to attend to maintenance of the equipment as per Annual Maintenance Contract immediately. Government also stated that 200 eBeat systems procured for Chennai city had been distributed (June 2010) to the police stations.

### **1.3.11.7 Communication**

#### ***POLNET***

With a view to cope with deficiencies in the existing communication system and to meet emerging requirements, GOI decided (October 2002) to establish a dedicated satellite based integrated Police Communication Network (POLNET) for Police and Para military forces. It aimed at installation of 29 Very Small Aperture Terminal (VSAT) and 1,090 Multi Access Radio Telephony (MART) in Tamil Nadu to integrate police communication by linking all police stations and dialing system, with voice/fax/data transmission capabilities. The computer network was to be interlinked with National Crime Record Bureau computers at various district headquarters. It envisaged linking the national capital with all State capitals and further extending the connectivity down to the district headquarters/police station level.

A mention of the non-implementation of POLNET had been made in paragraph 4.3.2 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2007. The State Government sanctioned (August 2005) ₹ 2.98 crore for the project, including a provision for accessories such as batteries, battery chargers, air conditioners and power socket with cable. The required accessories were supplied between March 2006 and November 2006 at a cost of ₹ 1.08 crore.

As of September 2010, 29 VSATs, and 626 MART Remote Switching Units (RSU) had been installed and the remaining installation was in progress in three districts by M/s Bharat Electronics Limited, Ghaziabad in liaison with Directorate of Co-ordination Police Wireless, New Delhi. In all the test-checked districts, it was noticed that the equipment was either not installed or there were problems in the exchange, as a result of which they could not be put into use.

Government, in reply, stated (September 2010) that GOI had been addressed for allotment of 67 VSATs, 641 MART RSUs and 17 single channel VSAT equipment in February 2005 for achieving cent *per cent* connectivity. However, the allotments were not made by GOI.

Thus, the objective of linking all police stations, district police office and State headquarters with the central police network has not been achieved even after spending ₹ 1.56 crore as of September 2010.

### **1.3.12 Forensic department**

The Forensic Science Laboratory was providing technical and scientific assistance to the Police Department by analysing samples received/collected from crime sites. There were 10 laboratories (one main laboratory at Chennai and nine regional laboratories) in the State. Besides, 33 mobile forensic science laboratories were also functioning as of March 2010. As part of the MPF scheme, GOI allotted ₹ 16.08 crore during 2005-10. Against ₹ 16.08 crore allotted for the purchase of equipment for the Forensic Department and the Finger Print Bureau ₹ 15.82 crore only was spent till March 2010.

Scrutiny of records in the Forensic Laboratory, Chennai revealed that there were delays in installation of forensic equipment ranging from one to 17 months due to abnormal delays in execution of pre-installation requirements (**Appendix 1.17**). Further, 24 out of 29 sophisticated pieces of equipment available in the Forensic Laboratory, Chennai were not covered by any annual maintenance contract (AMC). Against the estimated requirement of ₹ 40 lakh per annum for proper maintenance of the equipment, Government allocated only ₹ 9 lakh to ₹ 14.50 lakh per year during 2005-10.

Government, in reply, stated (September 2010) that a proposal for sanction of ₹ 50 lakh per year for AMC for the equipment in Forensic Science Department is under the consideration of the Government and orders would be issued shortly. The Government further stated that efforts were being made to maintain the equipment in good condition.

### **1.3.13 Conclusion**

Annual Action Plans were prepared without assessing actual needs leading to deviations from approved plans. Sanction of buildings for police stations without ensuring availability of land resulted in lesser achievement in construction of buildings for police stations. The number of police quarters constructed was way behind the Plan target, despite availability of funds. Funds provided for purchase of vehicles to increase the fleet strength were utilised instead for replacing condemned vehicles leading to stagnation in mobility. Procedural delays caused low achievements under the scheme component for procurement of equipment. The department was slow in introducing new technologies to enhance operational efficiency.

### **1.3.14 Recommendations**

- Annual Action Plans should be drawn up based on assessment of actual requirements.
- Government should consider separate allocation of funds from the State budget for replacement of vehicles instead of using MPF funds.
- Sufficient funds should be provided for maintenance of equipment purchased under the scheme.

- The pace of construction of residential units should be accelerated to ensure completion of the buildings in a time-bound manner.

**MUNICIPAL ADMINISTRATION AND  
WATER SUPPLY DEPARTMENT**

**CHENNAI METROPOLITAN WATER SUPPLY AND  
SEWERAGE BOARD**

**1.4 Computerisation in Chennai Metropolitan Water  
Supply and Sewerage Board**

**Highlights**

*The Chennai Metropolitan Water Supply and Sewerage Board, whose activities were already computerised, launched an Enterprise Resource Planning System to integrate all its functions. The Enterprise Resource Planning system was implemented in April 2004 at a total cost of ₹9.63 crore. Due to inadequate planning, the 'New Connection System' was left out of the scope of the Enterprise Resource Planning and the on-line Complaints Monitoring System remained non-functional. Implementation of Enterprise Resource Planning was incomplete as Final Accounts of the Board, was continued to be compiled through the earlier Unix/Cobol system. Neither was the Inventory management system fully taken over by the Enterprise Resource Planning System. Thus, the investment on Enterprise Resource Planning was yet to yield the desired results even after 5 years. In Billing and Collection system, short assessments and losses to the tune of ₹42.69 crore persisted, despite an audit exercise in 2003 pointing out similar deficiencies which yielded ₹22.95 crore to the Board.*

- Registering of 'New Water Connections' was not done through the Enterprise Resource Planning and 'Complaints Monitoring System' was not made online due to deficient planning.

(Paragraphs 1.4.7.1 and 1.4.7.2)

- Even after five years since the implementation of Enterprise Resource Planning, the accounts of the Board were not compiled through the Enterprise Resource Planning and manual dependence continued in respect of inventory accounting and collection accounting.

(Paragraph 1.4.8)

- Incorrect classification of 7,222 properties resulted in short assessment of water charges to the tune of ₹7.67 crore.

(Paragraph 1.4.9.3)

- **Non-collection of water tax in respect of 3,539 properties paying water charges resulted in loss of revenue to the tune of ₹ 1.20 crore.**

**(Paragraph 1.4.9.4)**

- **Adoption of lower annual value (AV) in respect of 7,722 properties for computing water tax resulted in a loss of ₹ 8.84 crore.**

**(Paragraph 1.4.9.5)**

- **Non-updation of 13,017 live properties in Board's database resulted in non-raising of taxes to the tune of ₹ 21.35 crore.**

**(Paragraph 1.4.9.6)**

- **Non-raising of continual demands for metered connections resulted in a loss of ₹ 1.11 crore.**

**(Paragraphs 1.4.9.7(a) and (c))**

- **Data in 'Complaint monitoring system' lacked integrity and reliability as number of complaints were indicated as cleared within seconds and within 5 minutes of their registration.**

**(Paragraph 1.4.10.3)**

### **1.4.1 Introduction**

The Chennai Metropolitan Water Supply and Sewerage Board (Board), created by an Act of the State Legislature in July 1978, caters to water supply and sewerage requirement of about 6.51 lakh properties in Chennai metropolitan area and parts of Ambattur Municipality. The main sources of revenue for the Board were water tax and water charges. Water tax, at 7 *per cent* of its Annual Value as fixed by the Chennai Municipal Corporation (CMC) was collected from all the properties under the Board's jurisdiction. Water charges were collected only from such properties that were provided with a water connection, at different rates for domestic and non-domestic consumers.

### **1.4.2 Organisational Structure**

The Board is headed by a Chairman supported by a Managing Director and a team of four Directors and other technical and administrative officials. For administrative purpose, the jurisdiction of the Board is split into 10 Areas each headed by an Area Engineer. The 'areas' are further sub-divided into divisions, each headed by a Depot Engineer.

### **1.4.3 The Computerisation**

Computerisation in the Board started in 1986 and the functional and administrative activities of the Board were carried out using stand-alone

Unix/Cobol systems. These activities were to be integrated through an ERP (Enterprise Resource Planning) system procured from M/s. Oracle Corporation and implemented through M/s. Tata Consultancy Services (TCS). The process commenced with a pilot study conducted during March 2003 and October 2004 and was rolled out in February 2007 after providing necessary infrastructure and connectivity. The ERP system works on a wide area network (WAN) connecting Headquarters Office with all its 161 depots and 10 Area offices, through Fibre Optic/Copper Cables and Wireless links<sup>44</sup>. The entire data was stored in a set of central servers placed at the Headquarters office. The computerised activities include 'Billing and Collection', 'Material Management', 'Complaints Monitoring', 'Payroll', 'Provident Fund', 'Pensions' and 'Financial Accounting'.

The objective of the Board was to integrate its stand-alone applications through an appropriate ERP system. An ERP system was contemplated as it would purportedly help in minimizing development and implementation time, cost and risk and also reduce the support load on internal staff.

#### 1.4.4 Audit Objectives

The objectives of the Information Systems (IS) Review were to examine whether

- implementation of the ERP offered an integrated online computer system as contemplated, encompassing all major functions of the Board;
- implementation of the ERP had improved communication and interaction with public and stake- holders;
- implementation of the ERP had reduced duplication of work and streamlined the functioning of the Board;
- the demands raised towards water taxes were correct and based on the prevailing Annual Value of the property;
- the demands raised towards water charges were based on the actual classification<sup>45</sup> of the property;
- all taxable properties under the jurisdiction of the Board were covered in the tax net;
- the online complaints monitoring system worked satisfactorily and
- the observations and deficiencies pointed out in the last review were duly addressed in the ERP.

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<sup>44</sup> Area Offices were linked to Head Office through parallel 2-Mbps Optic Fibre connections provided by BSNL and VSNL. Similarly Depots were linked to respective Area Offices through a 64-Kbps managed leased line of BSNL and a parallel 64-Kbps wireless link by M/s. Tulip

<sup>45</sup> Domestic/Residential, Commercial, Partly Commercial, Institutional and Municipal Bulk Supply

### **1.4.5 Audit Criteria**

The criteria of audit included

- The Chennai Metropolitan Water Supply and Sewerage (CMWSS) Act, 1978;
- Projected objectives of the ERP System;
- Data relating to Annual Values and classification of properties obtained from the Chennai Municipal Corporation(CMC);
- Certified Final Accounts of the Board and
- Earlier Information Technology Audit on Computerised Billing and Collection in the Board brought out in the Report of the Comptroller and Auditor General of India for the year ending March 2005 – Civil – Government of Tamil Nadu.

### **1.4.6 Audit Coverage and Methodology**

The review commenced with an entry conference on 11<sup>th</sup> February 2010 followed by an in-depth examination of major activities *viz.*, Billing and Collection, Inventory Management and Complaints Monitoring. Other functions like Pay roll, GPF, Pensions and Financial Accounting were also examined. In respect of these items, data available in the ERP system (January 2007 to December 2009) were also examined. As water tax was quantified using the Annual Value (AV) of properties as assessed by CMC, data obtained by Audit from CMC, was used to cross verify the correctness of the Water Tax calculated by the Board with reference to the 15-digit identification codes of properties (CMC Number) which were common for both institutions.

As the bulk of the infrastructural facility was in the head office and data was centrally stored and the entire decision making and monitoring activity rested with that office, most of the review activity was carried out from that office. As inputs for the major systems emanated from the level of the Depots and Area Offices, three out of the eleven Area Offices and the depots under their control were visited. The Main Stores was also visited for first-hand information of their activity and procedures. Audit concluded with an exit conference on 13<sup>th</sup> May 2010.

### **Audit Observations**

#### **1.4.7 Planning**

##### **1.4.7.1 ‘New Water Connection’ not included in ERP**

One major activity of the Board, namely provision of new water connections was kept out of the ERP and was functioning as a stand-alone system. The billing was done through the ERP system.



(a) Of the 20,045 new water connections given during April 2005 to September 2009, which according to the Board's 'New Water Connection' system belong to commercial category, water charges for 237 connections were assessed at domestic rates, resulting in short collection of ₹ 8.96 lakh. This was a result of feeding incorrect classification in to the ERP System for billing purposes. This could have been avoided, if the new connection system was made part of the ERP system where such repeated data entry of the classification would not have arisen.

(b) Information on 18,568 properties for which new water connections were given was fed into the ERP Billing and Collection system after a delay ranging from 1 to 239 months. Delay in updating such information led to belated raising of demands and resulted in a notional irrecoverable loss of interest<sup>46</sup> of ₹ 97.56 lakh.

The Board replied (June 2010) that efforts were underway to have the new connection system linked with the ERP and in future there would be no delay in raising demands for new connections. Board also replied (June 2010) that action had been taken to revise these incorrect assessments.

#### **1.4.7.2 Complaints monitoring System**

The Board was unable to put to use the envisaged complaints monitoring system, due to inadequate manpower. Though the investment on hardware and software for the complaints monitoring system was in the order of ₹ 1.12 crore<sup>47</sup>, commensurate human resource for manning the same was not considered at the planning stage. Poor planning resulted in non-achievement of the objectives of on-line complaints monitoring system, besides non utilisation of installed infrastructure and recurring expenditure on their maintenance.

#### **1.4.8 Implementation of the ERP system**

The Board went in for an ERP to bring about a complete integration of all its functions and to implement the same in a short time. However, even after a pilot study of 18 months and regular operation for three years it had not achieved optimum functioning (June 2010) as brought out in the following paragraphs.

##### **1.4.8.1 Compilation of accounts not done through ERP**

The Accounting function was at the core of the ERP system with outputs from other processes designed to flow into it, online. In spite of the system being in operation for more than five years, final accounts of the Board were yet to be compiled through the ERP. Inputs from all related modules of ERP system are fed manually into the legacy Unix/Cobol system and the accounts were prepared.

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<sup>46</sup> Notional interest for this review is calculated at 15 *per cent*, the rate at which the Board collects surcharge for belated payments of taxes and charges.

<sup>47</sup> Cost of computer (₹ 25,500), Citrix Server license (₹ 15,427), Oracle license (₹ 28,901) each, for 161 Depot offices

The balances in respect of a large number of account codes differed between the Unix/Cobol system and the ERP system resulting in disagreement in figures from the Trial Balance stage itself. The Board hence opted to continue with the Unix/Cobol system for compilation of its final accounts.

The Board replied (June 2010) that final accounts will be compiled through the ERP system from the year ending 31 March 2011.

#### **1.4.8.2 Parallel Accounting of Inventory**

The ERP inventory system was operational in the Main Stores of the Board, however, for purposes of maintenance of stock and accounting thereof, a parallel manual record was relied upon. The print-outs generated from the ERP system were modified with regard to rate and quantity based on the manual records. These modified figures were then fed to the legacy Unix/Cobol system and forwarded to the accounts wing for compilation. The ERP system was deficient to this extent and was not relied upon.

#### **1.4.8.3 Collections details and Final Accounts**

**Errors in data entry resulted in incorrect figures in final accounts amounting to ₹ 18.73 lakh**

All Billing and Collection transactions were carried out on-line and related data was stored in the ERP system. Thereafter, the reports generated by the ERP system were re-fed in to the Unix/Cobol system for compilation of final accounts. The figures printed in final accounts, however, differed with the figures in the ERP system by ₹ 18.73 lakh.

The Board in its reply (June 2010) attributed the differences to data entry errors in posting of data from the ERP system to the Unix system and that they proposed to switch over to the accounting function of the ERP system from the year 2010-11.

#### **1.4.9 Billing and Collection**

The Board collected water tax from all properties in Chennai at 7 per cent of their AV per year and water charges from properties which are connected with water lines based on its classification. For this purpose AV of properties is obtained from the CMC. Audit observed short assessments and other deficiencies relating to raising of water tax and charges, as brought out hereunder. The discrepancies pointed out in paragraphs 1.4.9.2, 1.4.9.3, 1.4.9.5 and 1.4.9.6 were also pointed out in earlier review and the Board continued to depend on the system with such discrepancies.

##### **1.4.9.1 Continued billing using temporary numbers – Non updation of data from CMC**

Whenever a new water connection was given to a property, yet to be assessed by CMC, a temporary number was assigned by Board for identification, based on which water charges were being collected till the property was regularly assessed and a permanent consumer number was assigned by the CMC. Due to absence of control to ensure that AVs of all assessed properties were duly obtained and incorporated in the Board's data and tax was duly collected,

charges alone were collected, in respect of 1,211 properties<sup>48</sup> through such temporary numbers, for more than one year. These included cases that were already assessed by CMC and regular consumer numbers were already assigned. The Board replied (June 2010) that 609 cases were updated after verification with CMC and the remaining cases were being verified. The Board has also stated that in future temporary numbers would be cancelled as and when CMC regularly assessed the properties.

#### **1.4.9.2 Multiple records for the same property – undue boosting of assets of the Board**

**More than 1800 instances of multiple entries were made for the same property resulting in boosting up of the assets of the Board.**

Due to lack of input controls in the application software, in more than 1,800 instances the same property was assigned more than one CMC number indicating multiple data entries in the system. The related consumers were paying their dues through one of these numbers thus ignoring the dues under the other. The dues shown as outstanding against the other left out assessments unduly boosted the assets of the Board. In response to a similar observation in the last review the Board stated (June 2004) that 1,113 such duplicate assessments were eliminated. The Board promised (May 2010) corrective action in consultation with CMC.

#### **1.4.9.3 Incorrect classification of property - short assessment of ₹ 7.67 crore**

**Short raising of demands at domestic rates amounting to ₹ 7.67 crore in respect of 7, 222 commercial properties**

Water charges are lower for domestic properties and higher for commercial and industrial properties. Though data on usage was available with the CMC, the Board adopted its own methodology for assessing the same. A comparison of usage as per ERP system with that of CMC revealed that in respect of 7,222 properties of commercial/industrial nature, water charges were demanded at domestic rates by the Board. This led to a short assessment of ₹ 7.67 crore.

In a similar exercise during the last review, audit had pointed out short assessments aggregating ₹ 1.30 crore relating to properties in Corporation Areas 5 and 7. Subsequently, the Board had raised revised demands aggregating ₹ 5.47 crore from all the ten areas under the Board's jurisdiction. However, the present state of affairs indicated that no tangible efforts had been taken to correct the discrepancies in the system. Also the possibility of deliberate wrong classification of the properties with *malafide* intention could not be ruled out. The Board replied (May 2010) that they would take appropriate action in consultation with CMC and by inspecting the related properties.

<sup>48</sup> More than 1 year – 112 properties; More than 2 years - 153 properties; More than 3 years - 946 properties

#### **1.4.9.4 Non-collection of water tax due from regular assesseees paying water charges**

**Non-raising of Water Tax in respect of 3,539 properties - short collection of ₹ 1.20 crore**

There were 3,539 properties holding regular consumer numbers in respect of which only water charges were collected but no water taxes. These properties even not exempted from payment of water tax. The total short collection from these properties spread across a period of six half-years (January 2007 to September 2009) was ₹ 1.20 crore. The Board in the exit conference (June 2010) promised to take corrective action.

#### **1.4.9.5 Short assessment of water tax due to incorrect adoption of Annual value – ₹ 8.84 crore**

**Adoption of lesser AV than that prevailing in the Civic bodies resulted in short assessment of tax amounting to ₹ 8.84 crore**

In respect of all new properties and those which underwent a revision of its AV, the Board obtained data from the CMC on a bi-monthly basis. Based on such data, the AVs of the related properties in the Board's database were updated. Despite such arrangement, analysis revealed that in respect of 6,160 properties the AVs adopted in the Board's data were found lesser than the AVs as per CMC data. This resulted in short assessment of water tax to the tune of ₹ 8.58 crore. On a similar analogy, the short assessments in respect of consumers in Ambattur Municipality, was ₹ 26.37 lakh relating to 1,562 properties.

It is stated that such short assessments were due to lack of controls to ensure complete and updated data transfer from CMC to Board and that all the updates were given due effect to in the Board's data. Similar audit observations raised during last review resulted in additional revenue to the Board to the tune of ₹ 13.90 crore, despite which, the lacuna in the system had not been addressed.

The Board accepted the facts and agreed (May 2010) to take corrective action. It has also raised the revised demands for ₹ 21.68 lakh (June 2010) in respect of properties under Ambattur Municipality.

#### **1.4.9.6 Incomplete data transfer of Live properties in the CMC data to the tax net of the Board - short assessment of ₹ 22.88 crore**

**13,017 properties were not brought under the tax net of the Board, resulting in short assessment of ₹ 21.35 crore**

It is imperative that that all properties that are live in the data of CMC have to pay water tax also. However, there were 13,017 properties which were live in the records of CMC but did not figure in the records of the Board. As per the records of the CMC these properties came into existence from dates ranging between one and 11 years earlier to the period of audit. Non-raising of tax demands for these properties resulted in a short assessment of ₹ 21.35 crore. Similar short assessment in respect of the Ambattur municipality was in the order of ₹ 1.53 crore involving 8,827 properties. This indicated deficiencies in the existing internal control for ensuring completeness in transfer of data from CMC. A similar observation raised in the earlier review report yielded ₹ 2.91 crore to the Board. However no sustainable action has been taken to

ensure that all live properties are brought under the tax net of the Board. The Board in the exit conference (June 2010) promised corrective action.

#### 1.4.9.7 Non-raising of demands in respect of Metered connections

The Board has 17,864 metered connections for which demands for water charges were to be raised monthly based on meter readings. Data analysis showed that

(a) in respect of 1,319 new metered connections, even after lapse of two months to four years from the date of connection, Board has not started raising demands for charges, resulting in loss<sup>49</sup> of ₹ 85.45 lakh;

(b) in respect of another 974 connections, demands were raised belatedly resulting in a notional loss on account of interest of ₹ 8.91 lakh for the intervening period and

(c) in respect of 1,344 connections, though the demands were raised, they were not continuous and no demands were raised for several intervening months. This resulted in a loss ₹ 25.05 lakh.

It is stated that non-integration of the 'new connection' system with the ERP system has resulted in such losses. The Board replied (May 2010) that they would take steps to ensure monthly readings were taken and billed.

#### 1.4.9.8 Mismatch of consumer numbers between the CMC and the Board

**Non-revision of water tax in 6,355 properties - loss of revenue of ₹ 82.49 lakh**

The Board adopted the CMC number as their consumer number for their assessment. However, data analysis showed that there were several live assessees in the Board's database who could not be directly linked to the CMC's database through their consumer number as their consumer numbers adopted in Board's data were different with the CMC data. As a result, updates of AVs relating to these properties could not flow to the Board's data with the existing arrangement. Of these, 6,355 properties did not suffer even the minimum 20 *per cent* upward revision of water tax that was due from second half year of 1998-99<sup>50</sup> resulting in a loss of revenue of ₹ 82.49 lakh. In its reply (May 2010) the Board accepted the possibility of variation between their codes and that of the CMC and promised corrective action.

#### 1.4.9.9 Delay in raising of demands for water tax for new properties

**Delayed raising of demands for water tax resulted in loss of interest of ₹ 89.38 lakh**

Though the CMWSS Act, 1978 provided for the obtaining of AVs from the CMC till such time the Board was able to assess the AVs by itself, this procedure was continued indefinitely. Thus, any delay in assessment of properties by the CMC or a delay on the Board's part in obtaining the information resulted in a corresponding delay in raising demands for water tax

<sup>49</sup> In the absence of actual readings, the losses have been calculated based on the minimum charges applicable for metered connections in respective categories.

<sup>50</sup> From October 1998 the AV of all properties in Chennai city were increased, the minimum of which was 20 *per cent*.

for new properties. In respect of 96 *per cent* of new properties inducted from April 2007, demands were raised belatedly resulting in a notional loss of interest of ₹ 89.38 lakh to the Board. The Board in their reply (June 2010) stated that the procedure of obtaining AV from the CMC was being streamlined to cut down delays.

#### **1.4.10 Complaints monitoring – Ineffective automation**

The ERP system envisaged the implementation of an online Complaints Monitoring System (CMS) wherein all complaints received were to be recorded in real time, capturing the time of registration from the system. Based on this time, deadlines were fixed in the system for resolving the complaints. The system would escalate the complaints to higher authorities if the complaints were not resolved by the fixed deadlines. However, data analysis of the complaints registered and details of their further processing showed that the system was not functioning on line as envisaged, as brought out in the following paragraphs.

##### **1.4.10.1 Functioning of Complaints Monitoring System**

**Complaints monitoring is not online thus not serving the purpose to the Board as well as the general public**

All complaints received were initially recorded in manual registers and then fed to the computer system with delays ranging between a day and a month. Such delayed entry generated a set of irrelevant deadlines/dates for resolving the complaints and escalating the unresolved complaints to higher authority. It was noticed that the system was working on a batch process. As a result, complaint numbers were not given to the complainants and job slips were not generated for the field staff, as envisaged. The system did not yield any additional benefit over and above the existing manual system either to the Board or to the general public. The Board in its reply (April 2010) accepted the facts and promised to make the complaints monitoring system on-line.

##### **1.4.10.2 CMC numbers not captured - no useful MIS information possible**

The system was designed to capture of the CMC number in respect of each complaint but its capture was made optional. Neither the consumers nor the Board's officials were advised to furnish/obtain the CMC numbers citing public inconvenience. As a result, the CMC numbers were not captured in respect of 95 *per cent* of the complaints. This resulted in the complainants remaining un-identifiable with their complaints purported to have been received from 'General Public'. Data analysis of complaints showed that though 1,46,566 numbers of complaints registered related to sewerage block within individual properties, the same were registered as those received from general public. Thus such complaints could not be tracked to the respective complainants/properties and remained un-identifiable for follow up activities. Even duplicate complaints involving the same properties could not be tracked. The Board in their reply (April 2010) stated that action would be taken to get the CMC number from the complainants.

##### **1.4.10.3 Data captured lacked integrity**

**The complaints data contained erroneous and redundant information and lacked integrity**

The CMS database lacked integrity as 4,07,239 records captured under it contained erroneous, misleading and redundant information as detailed below.

The time of registration and the time of clearance of the complaints did not reflect the actual time of these events as 25,808 complaints were stated to be cleared within seconds of their registration. Similarly 58,134 complaints were cleared in 1 to 5 minutes of their registration indicating absence of online system.

- 2,363 complaints remained outstanding for periods between 1 and 24 months of their registration as the fact of their clearance was not updated in the system.
- Complaints were to be classified as 'very urgent', 'urgent' and 'not very urgent' at the time of their registration and based on this categorisation the system fixed the target time for resolving the complaint. However, all the complaints were categorised as 'urgent' as a matter of routine, defeating the purpose of its capture.
- As all complaints were registered by the employees of the Board, the provision to enter the source as 'employee' in all the records which was redundant could be done away with.
- It was indicated that all the complaints received were through telephone only though the complaints were also being received through, e-mail and also in person.

The Board in general acknowledged (April 2010) all the above deficiencies and promised corrective action.

#### **1.4.11 Inventory Management system**

The inventory management system - which catered to stock valued at ₹ 12 crore and was part of the ERP system since 2004. The deficiencies in the system were as brought out.

##### **1.4.11.1 Differences in stock value**

On a test check of one month's ERP data of the inventory system with the manual ledgers maintained in the stores, differences amounting to ₹ 23,64,141 in ground stock in respect of 16 items were noticed. The Board accepted (May 2010) the difference attributing the same to wrong data entry and promised rectification action.

Further, in respect of all the 12 storage depots, the value of stock as per the basic records in the ERP system did not agree with the value of stock projected in final accounts. While the value of inventory in the ERP system was ₹ 13.09 crore, the same was projected as ₹ 12.51 crore in the Balance Sheet. Since the figures in the Balance Sheet are duly certified by the Board, it was apparent that the data in the ERP system was not dependable. The Board replied (June 2010) that steps would be taken to set right the discrepancies.

#### **1.4.11.2 Valuation of Stock**

(i) The ERP system calculated the value of stock items to 6 decimal places of a rupee from which it computed the value of issues. However, in the manual records the rates were calculated manually adopting 2 decimal places and the same has been adopted in financial accounts by the Board. The Board in their reply (May 2010) accepted the facts and stated that they would follow the values as provided for by the ERP system in future.

(ii) The software lacked a provision for accounting transfer of an item of stock between sections/wings. Scrapped items were also not accounted in the inventory management system for want of a separate coding system. The Board replied (May 2010) that they would suitably modify the system.

#### **1.4.12 GPF accounting system**

##### **1.4.12.1 Interest on GPF Subscriptions**

**Rules for calculation of interest on GPF subscriptions not mapped correctly in the system**

GPF Accounts of staff and workers of the Board are maintained as per the GPF (Tamil Nadu) Rules. Rule 13(3) thereof states that, where there has been a delay in the drawal of pay of a subscriber and consequently in the recovery of his subscription, the interest thereon shall be payable from the month in which the pay of the subscriber was due, irrespective of its day of drawal. However, the system, allowed interest on these subscriptions only from the month in which they were recovered resulting in loss of interest for the intervening period to 44 subscribers who had drawn their salaries in subsequent months. The Board replied (June 2010) that the software would be suitably modified after verifying the rule position.

##### **1.4.12.2 Deficiency in GPF Account Slips**

The GPF accounting system had a provision in the data entry screens for nullifying any excess posting of credits/debits by posting compensating figures. This resulted in modifying the annual account slips and exhibiting a set of misleading figures therein. The Board, in reply (May 2010), accepted the flaws in the data entry form/ GPF slip print out and stated (June 2010) that the program will be corrected to print GPF Account Slips without any discrepancies.



### **1.4.13 Conclusion**

The Board, whose major activities were already computerised, introduced (April 2004) an ERP System to integrate all its activities after a pilot study. Due to inadequate planning and poor implementation the ERP system was not fully functional (June 2010).

- The core of the ERP system viz., Financial Accounts, was not functional.
- Online complaints monitoring system with an elaborate infrastructure did not achieve intended objectives.
- Maintaining inventory on three parallel systems, viz., ERP, Unix/Cobol and a manual system resulted in inconsistencies across the systems.

The investment of ₹ 9.63 crore on the ERP system in addition to annual recurring expenditure of ₹ 0.98 crore on maintenance of hardware, software and network connectivity did not yield desired results and the Board continued to suffer losses aggregating to ₹ 42.69 crore on account of short/delayed raising of demands on water taxes/charges due to input/output control deficiencies.

### **1.4.14 Recommendations**

To set right the deficiencies observed and to avoid recurring losses the Board should

- ensure on-line preparation of final accounts through the ERP by integrating all other modules including inventory management;
- make complaints monitoring on-line by capture of data in real time so as to benefit the stakeholders;
- devise a mechanism possibly through a network interface ensuring quick, complete and regular transfer of data from CMC and Ambattur Municipality to avoid delay in collection and arrest leakage of revenue and
- make good the losses and short-assessments pointed out by audit and identify similar deficiencies across the Board and take necessary correction in the system so as to avoid continuance of such deficiencies in future.

## PUBLIC (ELECTIONS) DEPARTMENT

### 1.5 Preparation of Electors' Photo Identity Card and update of Photo Electoral Roll

#### *Highlights*

*The preparation and updation of electoral database is the responsibility of Chief Electoral Officer. The Public (Elections) Department introduced the concept of photo electoral roll in July 2006 in the entire State of Tamil Nadu. Audit examination revealed unwarranted deletion of voters from the roll, non-issuance of Electors' Photo Identity Card to eligible voters, shortfall in coverage of fresh electors, errors in the database due to inadequate validation controls in the system leading to chances for bogus voting.*

- The Department is yet to formulate an Information Technology policy, even though computerisation of electoral rolls is about a decade old.

(Paragraph 1.5.7.1)

- Documentation exists neither for old software nor for the present Electoral Roll Management System software.

(Paragraph 1.5.7.2)

- No proper back up storage exists; consequently the data of earlier years may not be available.

(Paragraph 1.5.7.3)

- Central Server is still to be connected with District Servers.

(Paragraph 1.5.7.4)

- The Department did not have backup of 73 lakh eligible voters who were deleted for want of photographs in 2006.

(Paragraph 1.5.9.1)

- 55 lakh eligible electors were not issued Electors' Photo Identity Card as of August 2009.

(Paragraph 1.5.9.2)

- **More than six lakh fresh eligible voters were not included in the roll during 2007 to 2009.**

(Paragraph 1.5.9.3)

- **Errors in the database due to inadequate validation controls in the system may contribute to bogus voting.**

(Paragraph 1.5.10)

- **Failure to negotiate with the vendors led to huge financial outgo in printing of Electors' Photo Identity Card during 2006 and 2007.**

(Paragraph 1.5.13.1)

### **1.5.1 Introduction**

Article 324 of the Constitution of India, empowers the Election Commission of India the superintendence, direction and control of the preparation of the Electoral rolls and the conduct of all elections to the Parliament, Legislature of every State and to the offices of the President and Vice-President. At the State level, the Chief Electoral Officer (CEO) is an officer of the Government in the cadre of Secretary designated or nominated by the Election Commission under Section 13AA of the Representation of the People Act, 1950 in consultation with the State Government.

### **1.5.2 Organisational structure**

The Election Commission of India is assisted by the Chief Electoral Officer (CEO) at the State Headquarters and by the District Election Officers (DEOs) being the Collectors at the District level except in Chennai District, where the Commissioner of Chennai Corporation is the DEO. The Electoral Registration Officers (EROs) and Assistant Electoral Registration Officers (AEROs) function under the District Collectors in the Taluks.

The Electoral rolls are prepared and maintained by the EROs under whose orders any inclusion, modification or deletion to the existing electoral rolls are carried out. The database in the District Server in the DEO's office is updated on the basis of these orders.

### **1.5.3 Overview of the system**

The Election Commission of India (ECI) has been endeavoring to improve the fidelity of Electoral Rolls. The electoral roll is a list of people registered to vote in the public elections organised and conducted by ECI. The electoral roll is normally revised every year to include the names of those who attained 18 years as on 1<sup>st</sup> January of that year, voters who have migrated from other constituencies and to delete the names of those who have either died or moved out of the Constituency. The updating of electoral roll is a continuous process.

The issue of Electoral Photo Identity Card (EPIC) was taken up in 1993 so as to check the identity of the electors and also to prevent impersonation at the time of poll. An EPIC issued to an elector is a permanent document valid for his life time and has a unique number. In 1997, the ECI decided to computerise the electoral rolls. As a further improvement, the ECI embarked upon a new initiative of inserting photographs in the Electoral Rolls for identifying the electors at the Polling Stations. In Tamil Nadu, the exercise of preparation of Photo Electoral Rolls began in July 2006 soon after the elections to the State Legislative Assembly.

During 2006 and 2007, the execution of work relating to issue of EPICs and printing of Photo Electoral Rolls was entrusted to ten vendors dividing the State into 14 regions. The Department appointed M/s CMC Ltd., as the State Level Agency (SLA) (January 2008) and entrusted with them all Information Systems (IS) related functions (both hardware and software) for a contractual period of six years. EPIC centres were established one for each Assembly Constituency (May 2008) to cater to the needs of the electors to generate new EPICs/duplicate EPICs.

The electoral roll database was earlier maintained in “MS-Access” till June 2009 and then migrated into SQL in August 2009 to facilitate a centralised State level database. The “Electoral Roll Management System” (ERMS), software developed by the SLA is being used by the Department from the summary revision, 2010. The data entries made at EPIC centres are stored at the District Servers at DEO’s office and interconnected through Tamil Nadu State Wide Area Network (TNSWAN). There were about 4.25 crore registered voters in Tamil Nadu spread over 30 districts, 234 assembly constituencies and 54,542 polling stations as on 1<sup>st</sup> January 2010.

#### **1.5.4 Audit Objectives**

The main objective of the IT audit of the Electoral Roll system was to see whether the primary objective of the Department to have an error-free electoral roll and issue of EPIC to all eligible voters has been achieved.

For this purpose, audit verified whether -

- sufficient controls existed to ensure completeness, correctness and reliability of the database;
- the system had adequate IT security controls to ensure that data was safeguarded against accidental or wilful manipulation;
- the department had adequate backup policy and business continuity plan;
- the benefits derived were proportionate to the investments made and
- the expenditure towards the generation of EPICs/photo rolls was properly monitored.

### 1.5.5 Audit criteria

Audit used the guidelines and instructions issued by ECI to CEO from time to time and the instructions issued by the CEO to DEOs for conducting the revisions, issue of EPICs and printing of rolls etc.

### 1.5.6 Audit scope and methodology

The data and related records pertaining to the period 2006 to 2009 in respect of ten districts<sup>51</sup> out of 30 districts were studied and analysed in audit. Computer assisted auditing methods were used to analyse the data and the related manual records. The data in respect of ten districts were downloaded and analysed using Computer Assisted Audit Techniques (CAATs). The audit commenced with an entry conference with CEO in January 2010 and concluded with exit conferences in two stages in July/October 2010.

The major findings of IT audit are summarised in the succeeding paragraphs.

### 1.5.7 General controls

#### 1.5.7.1 IT Policy

**Even after 12 years of computerisation of electoral roll, the department is yet to frame an IT policy**

The Department computerised its activities in 1997. It had invested a sum of ₹ 92 crore (2006 to 2009) towards creation of IT infrastructure and printing of electoral rolls/EPICs but is yet to formulate an IT policy and strategy for proper governance and control of its IT related activities. The Department replied (July 2010) that since the basic purpose of computerisation was to print the rolls rather than to have a database management system the objective was limited. Hence, the need for developing a full-fledged IT policy was not felt essential and there were no directions from ECI in this regard.

However, it is reiterated that formulating an IT policy and IT strategy would be essential in the light of the department having moved towards a database management system since 2009.

#### 1.5.7.2 Documentation

The department was using the software developed in MS-Access through outsourcing for more than a decade, for printing of EPICs and generation of Photo Electoral Roll. After migration of the database to SQL (August 2009) from summary revision, 2010, a new software called Electoral Rolls Management System (ERMS) is being used.

**Documentation for the old and the present software was not available**

It was observed that the User requirement specifications (URS), System requirement specifications (SRS) were not available with the department for the earlier software. In respect of the new software, ERMS also, they remain to be documented. Further, it was noticed that frequent changes were being

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<sup>51</sup> Chennai, Coimbatore, Cuddalore, Dharmapuri, Krishnagiri, Madurai, Namakkal, The Nilgiris, Thiruvallur and Villupuram

made to the ERMS software during implementation, indicating the absence of user acceptance test (UAT) before its implementation.

The department replied (January 2010) that it has followed the data structure as per the guidelines received from the ECI in 2008 and System requirement specification and User Requirement Specification based on the directions received from time to time from ECI.

However, it is suggested that such instructions and guidelines need to be documented for future reference.

### **1.5.7.3 Storage of backup**

**The Department is yet to have a proper backup policy for its database**

The backup of the database was periodically taken up at the District level in CDs and a copy of the same was regularly sent to CEO. However, such backup CDs were not properly stored and hence were not readily traceable at CEO office and at DEO offices. For instance, the backup CD for Chennai district for 2007 was not readily traceable by the department (July 2010) during the period of audit.

### **1.5.7.4 Centralised database**

**Central Server at CEO's office yet to be connected with District Servers**

One of the main objectives of the Department is to maintain a centralised database at CEO's office. It was planned to provide connectivity using TNSWAN<sup>52</sup> for the EPIC centres, District server at DEOs office and also with the central server located at CEOs office. Towards this objective, 266 numbers of network switches were procured and installed (May 2008) at an expenditure of ₹ 20.38 lakh.

However, the centralised database concept was yet to take off due to non-connectivity of the Servers at the Districts with the Central server at the CEO's office. It was observed by comparing the database of one district with another in the test checked districts that instances of same records available in both the districts were noticed which would ultimately give room for bogus voting, in addition to boosting up of the size of the electoral roll. Centralised database would assist in identifying and elimination of duplicate records and in updating records owing to shifting of residence.

The department replied (February 2010) that action would be taken to have a centralised database server early with the newly developed software.

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<sup>52</sup> Tamil Nadu State Wide Area Network

## 1.5.8 Logical Access Control

It was observed during current summary revision, 2010 that in one of the test checked districts<sup>53</sup>, access to the system was done using same user id and same password by both data entry operators and programmers indicating absence of segregation of duties among users. However, in respect of other test checked districts, the access was made with different passwords.

## 1.5.9 Incomplete Database

### 1.5.9.1 Large scale deletion of voters from voter list

**73 lakh eligible voters were deleted by the department in 2006 without maintaining any backup**

Immediately after the State Assembly Elections (2006), during the preparation of photo electoral rolls, the department issued notices to voters to either submit photographs or appear in person for taking photographs at the Designated Photo Locations (DPL). In this process, the department deleted the data relating to around 73 lakh voters, from whom photos could not be captured/ collected, however, without maintaining a backup for such deleted records. Since updating of photo electoral rolls is an ongoing process, deletion of 73 lakh voters from the database without any backup is irregular.

The Department replied (July 2010) that they did not have the backup of such large scale deletions because of its volume.

The reply could not be accepted because the deleted records were approximately 2.5 lakh per district and could have been stored in a CD/DVD.

### 1.5.9.2 Failure in issuance of EPIC to eligible fresh / residual voters

**Fifty five lakh eligible fresh/residual voters were not issued EPIC**

One of the main objectives of the department during each revision was to bring down the number of “Residual Electors”<sup>54</sup>, in addition to identifying the fresh electors (18 years) and issue EPICs to them. The residual electors as on 1 January 2006 were 200 lakh. During 2006 to 2009, the fresh inclusions made by the department (after considering all the deletions made during 2006-2009) worked out to 40 lakh. The department declared (June 2010) that they were nearing cent *per cent* photo coverage. Hence, EPICs should have been issued to 240 lakh eligible voters. However, the department has so far issued only 185 lakh EPICs resulting in a shortfall of 55 lakh. Further 185 lakh EPICs issued included duplicate/replacement cards, the break up details of which were not available with the Department.

Hence, the declaration of the department (June 2010) that they are nearing cent *per cent* photo coverage was incorrect.

### 1.5.9.3 Shortfall in enrolment of the fresh electors in the age group of 18 plus

<sup>53</sup> Thiruvallur District

<sup>54</sup> Residual Electors – whose details are available in the electoral database without photo / incorrect photo

The Department failed to cover six lakh eligible fresh voters during 2007 to 2009

A comparison of the year-wise/district-wise manual statements relating to new inclusions and deletions furnished by Elections Department with the estimated child population<sup>55</sup> as on 30 September 2002 revealed that the shortfall in coverage of eligible fresh electors during 2007, 2008 and 2009 were 3.6 lakh, 2.3 lakh and 0.6 lakh respectively.

However, analysis of data as furnished by the department in respect of seven sample districts showed that such shortfall ranged from 63 to 78 per cent during 2009 as detailed in **Table 1**.

**Table 1: Shortfall in enrolment of fresh voters**

District	Estimated Population (18 plus)	Actual Inclusion			Total	Shortfall	Percentage
		18 yrs	19 yrs	20yrs			
Chennai	79,824	Nil	6,709	18,728	25,437	54,387	68
Thiruvallur	54,498	Nil	5,593	12,442	18,035	36,463	67
Coimbatore	68,615	99	5,170	12,474	17,743	50,872	74
Namakkal	24,993	Nil	2,862	5,815	8,677	16,316	65
Villupuram	64,210	Nil	7,732	16,192	23,924	40,286	63
The Nilgiris	15,059	Nil	1,161	2,160	3,321	11,738	78
Cuddalore	47,243	Nil	5,842	11,107	16,949	30,294	64
<b>Total</b>	<b>3,54,442</b>	<b>99</b>	<b>35,069</b>	<b>78,918</b>	<b>1,14,086</b>	<b>2,40,356</b>	<b>68</b>

The Department replied (June 2010) that it was not possible to cover all the fresh eligible voters, as there was no system of inclusion of a person's name in the electoral roll automatically and the onus rests with the individual only.

The reply is not acceptable as one of the main objectives of conducting door to door verification is to identify fresh electors and include them in the roll as reiterated by ECI time and again. It is stated that such shortfall in the inclusion of fresh electors reflected the quality of door to door verifications done by Government officials who acted as Booth Level Officers (BLOs) with a meager honorarium of only ₹ 1,500 per year.

#### 1.5.9.4 Comparison of electoral database with Civil Supplies Department

The electoral database were not consistent with Civil Supplies database

A comparative study of Election data with Civil Supplies Department data, with particular reference to Thiruvallur District (Poonamallee Assembly Constituency) revealed that many of the names which appear in the Ration Cards issued by the Civil Supplies Department do not appear in the Electoral roll and *vice versa*.

The main reason for such inconsistency in the electoral database is due to shifting of individuals from one place to another. In the case of ration card, if there is a shifting of residence, the responsibility for obtaining fresh ration

<sup>55</sup> As per the seventh All India Educational Survey data as available in the web site <http://www.schools.tn.nic.in/SV/SV5.pdf>



card in the new place rests with the individual by getting his name deleted in the old place. No such procedure is in existence in the case of EPIC/Photo electoral roll. Unless the importance of the EPIC is made on par with that of the ration card, by enforcing proper methodology in the case of “shifting” of residence, the situation would remain the same leading to possession of more than one EPIC by individual and duplicate entries in the photo rolls.

### 1.5.10 Input/validation checks

Despite series of summary revisions taken up through 100 *per cent* field verifications (as claimed by the Department), there were numerous cases of invalid and incorrect data due to poor input and validation controls in the system. The data furnished by the department in selected ten districts were analysed using CAATs and the following types of errors were detected in the database maintained in MS-Access.

- As per Representation of the People Act, 1950, no person is entitled to be registered in more than one constituency and for any constituency more than once. The ID number allocated to an individual voter is a unique number and no two persons should have the same number. During 2006, 9.34 lakh duplicate ID cards (in 26 Districts) were generated and issued to electors. The above error was identified by the Department through de-duplication software at a later stage and such duplicate records were removed from the data. This has resulted in a wasteful expenditure of ₹ 1.28 crore incurred in printing of such cards. Further data analysis showed that such duplicate IDs still existed (10,457 records) in test checked eight<sup>56</sup> districts. This indicated absence of proper validations in this regard.
- There is no proper validation even in the present ERMS software as well. The new system also permitted generation of another ID for the same set of data.
- The ID card number should have a prefix indicating the Assembly Constituency. There were cases of ID card numbers without such indication.
- The system accepted values upto 999 and less than 18 years against age of voters.
- The voter name and the relationship name were identical in 28,865 records indicating data entry error.
- The voter name is left blank in 14,339 records and the relationship name is left blank in 14,208 records. Even in the present ERMS software, there are no mandatory fields.

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<sup>56</sup> Chennai, Coimbatore, Cuddalore, Dharmapuri, Madurai, Namakkal, Thiruvallur and Villupuram

- If the voter is a “Male”, then the relationship cannot be ‘husband’. It was observed that in respect of 2,437 records, incorrect gender was fed
- The photograph of an individual voter in an EPIC should be unique and pertain to the concerned individual. In respect of 46,451 records, there were duplicate photo images.
- The photo image field was blank in 1.34 lakh records and the combination of ID card number and photo image fields were blank in 1.10 lakh records.
- The photo mismatch errors/incorrect relationship/gender/age etc. which were existing in 2006 database were not rectified till date in respect of certain records.

The Department accepted (May 2010) the audit observations and replied that action would be taken to rectify the defects in the current system.

### **1.5.11 Micro Analysis**

Data of three districts<sup>57</sup> where bye elections were conducted in 2009/2010 were analysed in-depth. The data analysis showed the existence of the following types of errors:

**Lack of validation controls in the system led to room for bogus voting in General Election 2009**

- Records which were deleted due to death, continued to appear in the live electoral roll, which denotes that the database was not duly updated.
- Before General Elections 2009, two supplementary electoral rolls were prepared by the department to update the original electoral roll. The Supplementary roll - 2 contained only fresh electors identified before elections. However, it was observed that, none of the records in all the three districts contain ID Number / Photo Image (36,149 records). Due to the absence of photos in the roll, the main objective of preparation of photo roll to act as a deterrent against impersonation, bogus voting and even against inclusion of bogus persons in electoral roll is lost.
- If an elector shifts his residence within the Assembly Constituency, his record should be modified with change of residence. However, in many of the cases a fresh inclusion is made instead of modification, resulting in inclusion of the same voter in two different places (268 records).
- Though there were no changes in the existing details of the voter, they are included in the supplementary rolls with “modified status” resulting in his existence in two different places (1,782 records).

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<sup>57</sup> Dharmapuri, Krishnagiri and Madurai

- The name of an elector appears in two different places (with same ID card) with different images (4,127 records).

Thus, the database with the above stated errors could lead to bogus voting. These discrepancies were due to non-integration of the tables relating to existing, modified and deleted records before conduct of elections. Hence, three separate rolls (mother roll, supplementary rolls 1 and 2) were used during elections, giving room for possible bogus voting. Hence, integration of data should be mandatory before conduct of each election. During the exit conference (October 2010), the department replied that it is not possible to integrate the tables at the time of elections due to paucity of time.

### **1.5.12 Updation of Master tables before Summary Revision 2010**

The master data table of the electoral roll contains details of the Assembly Constituency numbers, booth numbers, Blocks, Sections (streets), Polling stations, Post Offices, Villages etc., with appropriate codes and hierarchical linkages which serve as critical inputs for generation of EPICs and photo rolls to identify the voter individually.

As these data captured in the master tables are crucial, these tables should be updated before start of the data entry work, when summary revision is taken up to ensure correctness of data in the electoral roll.

However, it was noticed that during the Summary Revision, 2010, instructions for updation of master data were issued (March 2010) only after near completion of the data entry process.

The department stated (June 2010) that the master data was already updated in 2009 and as there was no mandate to publish the rolls in English, the updation of fields (English) was not considered significant.

The department's reply is not acceptable in view of clear instructions to perform (September 2008) data entry in both Tamil and English as against the unilingual data entry made earlier and the rolls were to be published in English as well as in the regional language (Tamil) as mandated by ECI.

### 1.5.13 Financial issues

#### 1.5.13.1 Printing of EPICs during the year 2006

**Failure to negotiate with vendors led to huge additional expenditure to Government in printing of EPICs**

(i) During the year 2006, ten vendors were selected covering 30 districts in the State for on-line production of EPICs and generation of photo electoral rolls involving five activities<sup>58</sup> (C1 to C5). The CEO negotiated with all the 10 firms and reduced the rates for selected activities in respect of four districts. The Designated Photo Locations (DPL) established for undertaking C1 activity varied according to the size of the population in a District.

It was observed in audit that though the activities carried out by the vendors were one and the same, there was huge variation (₹ 8.89 to ₹ 21.25 per card) in the rate of C1 activity. The rates approved in 14 districts out of 30 districts, where the activity was carried out in plains, were over and above ₹14.98 per card, the rate quoted by the vendor for the Nilgiris District, a hilly terrain and ranged from ₹ 16.70 to ₹ 21.25. Negotiation at par with the rates adopted for Nilgiris district would have saved a sum of ₹ 1.84 crore in printing of EPICs during 2006 and 2007.

(ii) When a vendor was allotted more than one region, the department should ensure to keep the rate constant in both the regions. However, department approved two different rates *viz.*, ₹ 11.57 and ₹ 9.94 per card (C1 activity) for adjacent districts<sup>59</sup>. Failure to streamline the rate resulted in extra expenditure of ₹ 13.30 lakh<sup>60</sup> for printing of 8,16,058 EPICs at the rate of ₹ 11.57 per card in Kancheepuram District.

Department replied (April 2010) that as more number of vendors were required to be inducted simultaneously for extensive coverage and due to paucity of time and to avoid public criticism, different rates were settled with vendors, involving huge outgo of expenditure.

The reply is not acceptable as conduct of elections is a planned event.

(iii) Though the rates for C1 to C5 activities were negotiated and brought down in certain districts and the same were communicated to the DEOs concerned, the revised rates were not adhered to by the DEOs while making payments to the vendors. In Thiruvallur District, the revised rates were not adopted in certain cases resulting in excess payment of ₹ 4.15 lakh.

DEO, Thiruvallur accepted (May 2010) the facts and intimated that action would be taken to recover the excess payment.

#### 1.5.13.2 Payments towards Digital cameras

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<sup>58</sup> C1-Online production of EPICs at DPL (static units); C2- Online production of EPICs at DPL (mobile units); C3-scanning of miniatures and retrieval, numbering and resizing; C4-Linking of images and printing of draft roll and C5- Printing of final rolls

<sup>59</sup> Kancheepuram and Thiruvallur.

<sup>60</sup> 8,16,058 x ₹ 1.63 (11.57-9.94)

Digital video cameras/still cameras were hired and deployed at sensitive polling stations during elections. During Assembly Elections, 2006, tenders were floated centrally and the rates were finalised. However, for the General Elections, 2009, quotations were called for and the rates were finalised at the district level which varied from district to district ranging from ₹ 1,150 to ₹ 4,500 per camera. Further, the above agreed rates were also not adhered to and the settlement was made at higher revised rates based on the individual claims setting aside the already agreed rate. Settlement made at a higher revised rates led to excess payment of ₹ 28 lakh.

CEO replied (February 2010) that due to paucity of time, tenders could not be floated centrally and hence variation in the rates was inevitable.

The reply is not acceptable as the conduct of elections is a planned event.

### **1.5.13.3 Unspent balance with Electronics Corporation of Tamil Nadu**

Electronics Corporation of Tamil Nadu (ELCOT) is the nodal agency for procurement of computer infrastructure and accessories. Department released ₹ 5.63 lakh to ELCOT during March/November 2009 for the purpose of upgradation of hardware without taking into account the unspent balance of ₹ 52 lakh lying with ELCOT from the earlier amounts released for the related purchases during 2007. This indicated absence of monitoring of the advances made to ELCOT.

## **1.5.14 Other Points of interest**

### **1.5.14.1 Deletion of death cases registered with local bodies**

According to the instructions received from ECI in 1994, it is mandatory that every local body should furnish to the respective ERO of the Constituency, the details of death cases and such cases may be deleted from the data by the concerned EROs. In Ambattur Municipality, 1,676 death cases were registered in 2009, whereas in the Electoral database only one death case was accounted for. Hence, it is evident that the instructions of ECI were not followed scrupulously.

The Department replied (June 2010) that DEOs have been instructed to get updates from local bodies in this regard.

#### **1.5.14.2 Deletion of non-bailable warrants cases**

As per ECI instructions (August 2005) the names of persons against whom non-bailable warrant (NBW) cases are pending for more than 6 months were to be removed from the electoral roll after following due procedure. However, it was noticed that as against 8,894 NBW cases included in the list, only 907 cases were deleted from the roll. Though, two major elections were conducted in Tamil Nadu i.e. 2006 (Assembly Elections) and 2009 (General Elections), no action was taken by the Department to delete the remaining in this regard.

#### **1.5.14.3 Electors' Photo Identity Card centres**

The EPIC centres were established (May 2008) in all the 234 Assembly Constituencies in Tamil Nadu with the objective of issuing new/duplicate/replacement EPIC cards. However, in the test checked districts, it was observed that fresh EPICs were not issued on a day to day basis. New cards were issued from the EPIC centres only at the time of inclusions identified during summary revision period. At present replacement/duplicate cards were only issued from the EPIC centres.

#### **1.5.14.4 Delay in establishment of infrastructure for Tiruppur District**

Government sanctioned ₹ 9.33 lakh in May 2009 to ELCOT for the procurement and supply of computers and peripherals, for Tiruppur District which was newly formed (October 2008). It was noticed that though the servers and other peripherals were installed (May 2010), the scanners and switches were yet to be procured and installed (August 2010), due to which the network connectivity between EPIC centres and the District server, Tiruppur was yet to be established. The database of this district is continued to be maintained at the district server at Coimbatore.

#### **1.5.15 Conclusion**

The fidelity of the electoral roll is a pre-requisite for conduct of free and fair elections. This implied that the data should be complete, correct and reliable. Though a sum of ₹ 92 crore was spent (2006 to 2009) for preparation/printing of EPICs and updation of Photo Electoral Roll, by conducting various summary/special summary/continuous revisions, the department is yet to achieve the said objective due to lack of input/validation checks in the system. The department is yet to achieve completeness of electoral photo roll since shortfall in issuance of EPICs was to the extent of 55 lakh (23 *per cent*) as on date despite the department's claim of near complete achievement in this regard. Department has failed to enroll all the new eligible voters and short fall was about 6 lakh indicating poor door to door campaign to add new voters. The department is not following any fool-proof method to ensure due accounting of shifted voters from one place to another and this resulted in duplicate voter ID cards for the same persons. A centralised database which would eliminate such discrepancies is still to be established.

#### **1.5.16 Recommendations**

- Establish a Centralised database with inbuilt controls to ensure fidelity of the electoral roll.
- Review and streamline the door to door campaign employed to cross verify the rolls and include fresh voters, effectively to achieve complete, correct and reliable database which would assist free and fair election process.

## CHAPTER II

### AUDIT OF TRANSACTIONS

Audit of transactions of the departments of the Government and their field formations as well as autonomous bodies brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs.

#### 2.1 Wasteful/infructuous expenditure

##### *HIGHWAYS DEPARTMENT*

##### *2.1.1 Extra expenditure on unnecessary provision of bituminous macadam*

**Provision of dense bituminous macadam and bituminous macadam in five road improvement works in contravention of Indian Roads Congress guidelines resulted in extra expenditure of ₹ 3.70 crore**

The Indian Roads Congress (IRC) guidelines stipulate that the pavement thickness of a new road should be computed based on the design traffic in terms of cumulative number of standard axles<sup>1</sup> to be carried by the pavement during the design life<sup>2</sup> and on the CBR<sup>3</sup> value of the sub-grade (IRC 37-2001). The guidelines also stipulate that the overlay thickness<sup>4</sup> of an existing road should be computed based on the design traffic and the extent of structural deficiency<sup>5</sup> noticed in the reaches of the road (IRC 81-1997).

The overlay thickness was to be adopted from the thickness design curve given in IRC 81. As per the curve, any increase in design traffic in terms of million standard axles (msa) and/or deflection values results in increase in pavement thickness. In reaches where there is no structural deficiency, only a thin surfacing (surface course) is to be provided to improve the riding quality of the road. The minimum deflection value for providing bituminous overlay should be between one mm and 1.40 mm for traffic range of 10 msa to two msa and it should be between 0.80 mm and one mm for traffic range of 20 msa to 10 msa.

Scrutiny (December 2008 and September 2009) of the records of two<sup>6</sup> Divisional Engineers revealed that five road improvement works were carried

<sup>1</sup> Axle load of commercial vehicles of gross weight of three tonnes or more.

<sup>2</sup> Life for which the road is designed.

<sup>3</sup> The strength of road sub-grade and base course is determined by conducting tests and expressed in terms of California Bearing Ratio.

<sup>4</sup> Thickness of bituminous layer laid over the existing road surface.

<sup>5</sup> Deformation of a road beyond a certain limit and calculated from the pavement deflection obtained by conducting a test using the Benkelman Beam Deflection Technique.

<sup>6</sup> Highways Project Division II, Madurai; Highways Division, Sivagangai



out with 50 mm overlay thickness of dense bituminous macadam (DBM)/ bituminous macadam (BM) (base course) with surface course of Bituminous Concrete (BC)/Semi-Dense Bituminous Concrete (SDBC). These works which were commenced in July/August 2007 were completed between May 2008 and March 2010. It was noticed in audit that no overlay thickness was required in 45 reaches of the five roads as the design traffic in the various reaches ranged between three to 17 msa and the deflection value was in the range of 0.16 mm and one mm. The Divisional Engineer had not justified the provision of overlay thickness in the sanctioned estimates even though no structural deficiency warranting provision of bituminous layer was noticed. Execution of overlay with DBM/BM in the reaches was not correct as the riding quality of these reaches could have been improved by providing surface course only with 40 mm BC/25 mm SDBC. By providing unnecessary overlay with 50 mm thick DBM/BM, the department incurred extra expenditure of ₹ 3.70 crore (**Appendix 2.1**).

The matter was referred to Government in June 2010. Government stated (August 2010) that considering the characteristic deflection of 0.889 mm, one mm and 1.466 mm in respect of three roads, minimum provision of 50 mm DBM overlay was given. The reply is irrelevant since the reaches where the abovementioned characteristic deflections were noticed had not been objected to by Audit.

## ***MICRO, SMALL AND MEDIUM ENTERPRISES DEPARTMENT***

### ***2.1.2 Unfruitful expenditure***

**Failure of the department to popularize the Price Stabilization Fund scheme intended to benefit small tea growers in Tamil Nadu resulted in non-implementation of the scheme for the past five years. Consequently, expenditure of ₹ 60.72 lakh incurred by the Government towards entry fees for enrolling members under this scheme remained unfruitful.**

In order to benefit small growers/producers of tea, coffee, rubber and tobacco, the Government of India (GOI) has been implementing the Price Stabilization Fund (PSF) scheme since 2003. The scheme is based on the principle of contribution from growers and the Government depending on the normal/boom/distress periods of plantation crops with a provision for withdrawal by the growers during distress period. To operationalise the scheme, GOI established (2003) a PSF with a corpus of ₹ 500 crore and contributed ₹ 482.88 crore as a one time contribution to PSF. The remaining ₹ 17.12 crore was to be contributed by participating growers in various States at the rate of ₹ 500 per grower towards their non-refundable contribution as entry fee. The PSF was managed by the PSF Trust. Under the scheme, each member grower was required to open a special PSF savings bank account in a bank. In a boom year, when the commodity price was high, the member growers would have to deposit ₹ 1,000 each and in a normal price year, both the PSF Trust and the member growers would have to deposit ₹ 500 each in the PSF savings account of the member growers. In distress years, the PSF Trust was to deposit ₹ 1,000 in the savings bank account of each member

grower. A member grower was permitted to withdraw amounts from the PSF savings account in distress years as per conditions in PSF guidelines for opening and maintenance of accounts by banks.

Scrutiny (June 2009) of the records in the office of the Tea Board, Coonoor (Board) and in the Micro, Small and Medium Enterprises Department (Department) revealed that at the time of inception (2004) of the scheme, 23,000 small tea growers (STG) were estimated to be covered under the scheme in the State. To facilitate enrolment of 23,000 STGs under the PSF scheme, the State Government sanctioned (August 2004) an amount of ₹ 1.15 crore to the Board towards non-refundable entry fees payable by the estimated 23,000 STGs. The Board, as well as the District Collector, were instructed to enroll all the 23,000 estimated tea growers under the scheme in the State. The Board, however, was able to enroll only 12,143 tea growers<sup>7</sup> under the scheme and paid ₹ 60.72 lakh to the PSF Trust in 2004. In addition, the Board also spent ₹ 0.85 lakh for covering the 12,143 growers under the personal accident insurance scheme and remitted (January 2009) the unutilised balance amount of ₹ 53.43 lakh to the Government. Even though all the years from 2004 to 2008 were declared as normal years, the STGs had not deposited their contribution to the PSF. As the STGs had not paid their contribution, GOI also did not pay its contribution during 2004-08 in respect of the STGs enrolled under the scheme in the State.

Government in reply (April 2010) stated that despite sincere efforts taken by the District Collectors and Tea Board, Coonoor, more non-cooperative grower members could not be enrolled under the scheme.

Thus, failure of the department to popularise the scheme effectively amongst the growers of tea and to persuade the enrolled STGs to contribute their dues to PSF resulted in non-implementation of the scheme in the State even after a lapse of five years. Consequently, the expenditure incurred by the Government towards the non-refundable entry fee of ₹ 60.72 lakh paid to the PSF Trust for enrolling members under the scheme remained unfruitful.

## **HIGHER EDUCATION DEPARTMENT**

### **2.1.3 Unfruitful expenditure on development of study materials in electronic format**

**Unplanned procurements without following the tender procedures and failure to take follow-up action to utilise study materials developed in electronic format resulted in unfruitful expenditure of ₹ 56.44 lakh on procurement of e-contents.**

The Tamil Nadu Open University (TNOU) is a State University established in 2002, which offers courses in the distance education mode. It supplies study materials to students in Self-Instructional Mode (SIM) formats for all the courses offered by the University.

<sup>7</sup> 11,929 loyal members/small tea growers of Indco Tea factories (Co-operative sector) and 214 non-Indco members (Non Co-operative sector).

With a view to providing study materials in the electronic format for computer-based learning, in addition to the printed materials in SIM format, TNOU decided (2006-07) to develop e-contents of study materials using a development grant extended to it by the Indira Gandhi National Open University, New Delhi. The e-contents were to be developed and supplied in CDs with rich visuals, voice-over effect, self assessment modules etc. The e-content materials were also proposed to be launched through its website so that the students could access the materials from the website. The Registrar, TNOU placed (December 2006 to December 2007) six purchase orders with five different firms to produce and supply electronic format study materials in respect of 130 different subjects at a total cost of ₹ 1.06 crore.

Scrutiny of records revealed that the purchase orders for development and supply of e-contents had been placed without calling of tenders. No reasons were recorded for not calling for tenders to procure the e-contents. Further according to the Memorandum of Understanding (MoU) entered (2007-08) into with the suppliers, the supplies were to be completed within one year from the date of the MoU. It was, however, noticed that only 89 out of the 130 e-content CDs ordered between December 2007 and December 2008 were received as of April 2010 as given in the **Appendix 2.2**.

The contents of the CDs were required to be tested by the departments and schools of study concerned to make corrections, additions and deletions, if any. However, these were not tested before making payments. The 89 e-content CDs received between August 2007 and June 2009 were neither hosted in the website of the University nor supplied to the students along with the printed teaching materials. Audit noticed that the university had not fixed any time schedule for hosting the e-contents in the website or to include them in the study kit and the CDs already received could not be utilised as additions and modifications were still to be carried out. Further, the decisions on topics of the e-contents were taken without proper planning in informal meetings with the head of different Schools of study.

The Registrar, TNOU replied (April 2010) that tenders were not called for as the firms were selected based on their expert nature in preparing e-content materials and their efficiency and previous performances. The reply is not acceptable in view of the fact that as five firms were entrusted with the work, the University could have called for tenders. The Registrar, TNOU also stated that the vendors would be given six months time to supply the remaining e-content CDs.

Thus, due to lack of planning and follow up on hosting the e-contents in the website or to include them in the study kit, the project initiated at a cost of ₹ 1.06 crore to provide study materials to students in the electronic format did not take off even after 40 months of its launching, depriving the students of the benefit of computer-based learning. The expenditure of ₹ 56.44 lakh on developing 89 e-content CDs remained unfruitful till date (October 2010).

The matter was referred to Government in June 2010. Reply had not been received (November 2010).

**PUBLIC WORKS DEPARTMENT****2.1.4 Wasteful expenditure due to defective design resulting in partial collapse of grade walls**

**Construction of three out of four grade walls across the Vaigai river without ascertaining the exact theoretical bed levels at sites resulted in partial collapse during floods and wasteful expenditure of ₹ 45 lakh.**

Kanur, Milaganur, Koothangal and Lower Nattarkal supply channels in the Vaigai river basin receive water from the Right and Left Main Canals taking off from both sides of Virahanur and Parthibanur Regulators as well as through flood carrier head sluices<sup>8</sup> (open off-take points) (FCHS) located in the river banks during floods. In order to maintain the theoretical bed level of the river, the Superintending Engineer, Water Resources Organisation (WRO), Public Works Department (PWD), Plan Formulation Circle, Tiruchirappalli proposed (December 2004) construction of four grade walls<sup>9</sup> across the river near four open off-take points. It was reported in the estimates for construction of grade walls that due to flash floods and sand mining activities, the bed level of the river had gone too deep below the sill level<sup>10</sup> of the FCHS, which affected the flow of flood water through the sluices.

Government sanctioned (July 2005) the construction of four grade walls at an estimated cost of ₹ 312.56 lakh. The Superintending Engineer, WRO, PWD, Lower Vaigai Basin Circle, Sivagangai (SE) sanctioned (August 2005) the estimates for construction of grade walls for ₹ 312.56 lakh. The works, entrusted to contractors in March 2006, were completed during March to November 2007 at a cost of ₹ 310.62 lakh.

During floods in 2007 and 2008, the river bed eroded deeply both in the upstream and downstream sides of three of the four grade walls constructed leading to partial collapse of three of the four grade walls. The Chief Engineer (CE), WRO, PWD, Madurai Region, Madurai, after inspecting the damaged grade walls, proposed (July 2008) strengthening of the grade walls by providing protection arrangements like abutments<sup>11</sup>, apron<sup>12</sup>, etc. Estimates for strengthening of two out of the three grade walls near Kanur and Milaganur FCHS at a cost of ₹ 8.20 crore were submitted (July 2009) to the Engineer-in-Chief, WRO for obtaining Government sanction which was awaited.

Scrutiny (March 2008) of records of the CE, Madurai revealed that the grade walls had collapsed due to the departmental lapses as discussed below:

(i) The design of the grade walls furnished by the CE, Design, Research and Construction Support, WRO. PWD, Chennai prescribed (September 2002)

<sup>8</sup> Structure constructed to draw out water from a tank or river

<sup>9</sup> Bed dam like structures with crests of cross-walls raised only up to theoretical bed level of the river

<sup>10</sup> The lowest point of sluice opening

<sup>11</sup> Structure that connects and support primary structure

<sup>12</sup> Platform like structure in a sluice-way to protect erosion

that the crest (top) level of grade walls should be fixed at the theoretical bed level at the proposed locations. The SE, however, adopted the sill level of the FCHS as the crest level of the grade walls, instead of the bed level, stating that the exact theoretical bed levels at the grade wall locations were not traceable from the records. The grade walls were constructed for heights ranging from 0.52 m to 1.30 m above the bed level leading to water pressure and deep scouring which led to the collapse of the grade walls.

(ii) It was also noticed that a portion of the grade wall at Kanur FCHS collapsed even during the construction period itself, when 3,000 cusecs of water was released in Vaigai river (August 2007) for drinking purposes. The CE, Plan Formulation, Chennai, who inspected the site, observed (September 2007) that insufficient binding between two layers of concrete led to shear formation<sup>13</sup> and collapse of the structure. The damaged portion of the grade wall was got redone by the contractor at his own cost. This grade wall again collapsed after completion during floods.

(iii) It was further noticed that the levelling and regrading work which was required to be done in the river bed up to the crest level of the gradewalls in the up stream and down stream sides, was not done in any of the grade walls.

Thus, fixing incorrect crest levels of grade walls had resulted in deep erosion of the river bed and collapse of grade walls even during low flood conditions. The department proposed (May 2008) to reconstruct the collapsed portions of the grade walls at an estimated cost of ₹ 72.84 lakh.

The CE replied (May 2010) that provision was made in the sanctioned estimates for levelling and regrading<sup>14</sup> the river bed up to the crest level of the grade wall in the upstream and downstream sides and that since the floods occurred prior to execution of regrading work, small stretches of grade walls failed. The reply is not acceptable as no provision was made in the sanctioned estimate of one grade wall (Koothangal) for levelling and regrading the river bed or other protective arrangements. Though the provision for levelling was made in the estimate of another grade wall (Milaganur), this was not done prior to occurrence of the floods in December 2007 even though the grade wall work was completed in July 2007 itself. In respect of the Kanur grade wall, the department should have been doubly cautious in providing protective measures since the grade wall had collapsed even during execution stage itself. The grade walls, which were designed to withstand flood discharges of more than 83,900 cusecs, failed even during low discharges of 9,300 to 22,350 cusecs due to defective design.

Thus, the defective designing of grade walls, non-execution of levelling and regrading work in the river bed and poor monitoring resulted in wasteful expenditure of ₹ 45 lakh, besides avoidable liability of ₹ 72.84 lakh on reconstruction of collapsed grade walls for a length of 180 metres.

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<sup>13</sup> Deformation between two layers of concrete due to compressive stress

<sup>14</sup> Regrading is a process of raising and/or lowering the levels of river to enable free flow

The matter was referred to Government in June 2010. Reply had not been received (November 2010).

## **2.2 Undue favour to contractors/violation of contractual obligations/avoidable expenditure**

### ***ANIMAL HUSBANDRY, DAIRYING AND FISHERIES DEPARTMENT***

#### ***2.2.1 Additional commitment of ₹ 31 crore to Government due to delay in identification of suitable agency to execute the work***

**Injudicious rejection of the department's initial proposal to set up a dairy-cum-powder plant in Thiruvannamalai District through the National Dairy Development Board resulted in additional commitment of ₹ 31 crore to the Government on the project due to escalation in cost, besides blocking of funds of ₹ 6.73 crore for over two years.**

The Commissioner, Milk Production and Dairy Development (Commissioner) proposed (August 2004) to establish a dairy-cum-powder plant in Thiruvannamalai District through the National Dairy Development Board (NDDB). The implementing agency was to be the Tamil Nadu Co-operative Milk Producers' Federation Ltd., (TNCMPF). The Government sanctioned (May 2007) the setting up of the plant at a cost of ₹ 29.31 crore<sup>15</sup> with financial assistance from the National Bank for Agriculture and Rural Development (NABARD).

Scrutiny of the records revealed that both the Commissioner and TNCMPF had sought the permission of Government to execute the work on a turn-key basis through NDDB at the proposal stage (August 2004) itself, citing the NDDB's nationwide experience in execution of projects and execution of such projects for TNCMPF in earlier years. The Commissioner had also sought (August 2004) special exemption from the provision of the Tamil Nadu Transparency in Tenders Act<sup>16</sup> (TNTT Act) for entrusting the work to NDDB. The Government did not accede to the request of the Commissioner. In May 2007, the Government, however, directed the TNCMPF to execute the work through a competent technical agency selected in accordance with the provisions of the TNTT Act. Even though TNCMPF called for tenders, no agency could be finalised as the tenderers had no experience in both civil construction and supply and execution of plant and machinery. Since no agency could be identified which had the expertise to execute the work, the Government revised its earlier stand and permitted (November 2008) the Commissioner to execute the work through NDDB on turn-key basis by exempting TNCMPF from the provisions of TNTT Act. Government released ₹ 25.04 crore (₹ 3.73 crore in 2007-08; ₹ 3.31 crore in 2008-09 and ₹ 18 crore in 2009-10) towards its share and NABARD's loan portion to TNCMPF. Out of ₹ 25.04 crore the TNCMPF had spent ₹ 18.31 crore till December 2009 towards preliminary expenses and advance payment to NDDB. The balance

<sup>15</sup> State Government's Share : ₹ 1.47 crore and NABARD loan : ₹ 27.84 crore

<sup>16</sup> An Act passed by the State Government to provide for transparency in the public procurement and to regulate the procedure in inviting and accepting tenders and matters connected therewith or incidental thereto

amount of ₹ 6.73 crore remained unutilised with TNCMPF for over two years. Meanwhile, the project cost had increased to ₹ 60.18 crore due to escalation in cost of material.

Thus, the act of Government in not acceding to the request of the Commissioner and TNCMPF for execution of the work through NDDDB while issuing orders in May 2007 not only delayed execution of the project but also led to increase in project cost by ₹ 31 crore due to escalation and blocking of funds of ₹ 6.73 crore for over two years. The objective of setting up of the dairy-cum-powder plant was still to be achieved.

The matter was referred to Government in March 2010. Reply had not been received (November 2010).

## ***HIGHWAYS DEPARTMENT***

### ***2.2.2 Avoidable expenditure on upgradation of a National Highway stretch under a State road project***

**Failure to omit a stretch of the National Highway 210 from the World Bank-aided State road project resulted in avoidable expenditure of ₹ 28.28 crore.**

With a view to improving the quality and sustainability of State Highways and Major District Roads, Government sanctioned (April 2003) the World Bank aided Tamil Nadu Road Sector Project (TNRSP) at a cost of ₹ 2118.77 crore. The roads to be upgraded under the project were taken up for execution under four contract packages. Under Package-3, upgradation of roads to a length of 100 km between Kattumavadi and Ramanathapuram was included and the package work, awarded (February 2005) to a contractor for a contract price of ₹ 143.41 crore, was completed (August 2009) at a cost of ₹ 255.67 crore

Scrutiny (December 2009) of records of the Project Director (PD), TNRSP revealed that the Government of India, Ministry of Surface Transport – Roads Wing (GOI) notified (January 1999) the road connecting Tiruchirappalli-Pudukottai-Devakottai-Ramanathapuram as National Highway (NH) 210. Under Package-3, the stretch from Devipattinam to Ramanathapuram of the NH 210 overlapped the proposed upgradation under TNRSP between Kattumavadi and Ramanathapuram.

In the TNRSP appraisal document (May 2003) as well as in the bid document (July 2003) Package 3 included the NH stretch from Devipattinam to Ramanathapuram. The PD requested (August 2004) the Empowered Committee (EC) of the project to retain the NH stretch in the TNRSP, stating that evaluation of bids was over and hence delinking the NH stretch from Package-3 of the project would be difficult as this would decrease the contract price for Package 3 by ₹ 17.50 crore, besides possible contractual claims from the contractor. The EC approved (August 2004) Package 3 including the NH stretch and the Divisional Engineer, Highways, TNRSP Division, Ramanathapuram upgraded (January 2009) the stretch for a length of 11.05 km at a cost of ₹ 28.28 crore from project funds.<sup>17</sup>

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<sup>17</sup> ₹ 255.67 crore x 11.05 km/99.90 km

Thus, the failure to omit the stretch of the NH 210 which was declared as the NH in January 1999, from the World Bank-aided State road project resulted in avoidable expenditure of ₹ 28.28 crore from the State funds under the project. It was also noticed that the NH 45A connecting Cuddalore-Chidambaram-Nagapattinam, which was included in the project roads was subsequently deleted from the project at the project appraisal stage itself (May 2003).

The matter was reported to Government in June 2010. Government stated (September 2010) that the travel time reduction in the corridor could not be achieved if there was discontinuity in the corridor. The reply is not acceptable since there would not be any discontinuity in the corridor as the stretch was declared (January 1999) as a National Highway and taken over by GOI for maintenance and that the standard of maintenance of NH roads was higher than that of the State Highway roads.

### 2.2.3 *Unauthorised financial benefit to contractors*

**Even though the agreed rates of contractors for five bridge and road works were inclusive of all duties and taxes, the Chief Engineer (Highways Department) provided Central excise duty exemption benefit to contractors resulting in unauthorised financial benefit of ₹ 2.37 crore to contractors.**

Government accorded (October 2005 and April 2007) administrative approvals for construction of four<sup>18</sup> bridges at a cost of ₹ 39.85 crore and improvement to a road<sup>19</sup> at a cost of ₹ 12 crore respectively under the Asian Development Bank (ADB) funded Tsunami Emergency Assistance Project. The Chief Engineer (Highways), National Bank for Agriculture and Rural Development (NABARD) and Rural Roads (CE) technically sanctioned (September 2006 – June 2007) estimates of the works for a total value of ₹ 45.97 crore. On approval of the tenders by the Commissionerate of Tenders and clearance from ADB, the Superintending Engineer (Highways), NABARD and Rural Roads Circle, Chengalpattu (SE), awarded (July 2007-January 2008) the works to three contractors for a total contract value of ₹ 61.05 crore as against the technically sanctioned amount of ₹ 45.97 crore. The road work was completed (March 2009) at a cost of ₹ 9.04 crore and the bridge works were completed between September 2009 and June 2010 at a cost of ₹ 62.66 crore.

As per Central Excise Notification No. 108/1995 (August 1995), all goods supplied to projects funded by ADB are exempted from levy of Central excise duty and certificates for availing of the exemption in respect of all procurements were to be issued to contractors by the executive head of the project implementing agency and countersigned by the Principal Secretary/ Secretary (Finance) of the State Government.

<sup>18</sup> (i) Construction of high level bridge across Pulicat lake in Pulicat Light House Kuppam road; (ii) Construction of high level bridge across Paravanar at km ¼ of Pachaiyankuppam- Sothikuppam road; (iii) Construction of high level bridge across Vellar at km 11/4 of Killai road and (iv) Construction of high level bridge across Uppanar River at km 4/6 of Pichavaram-Kodianpalayam road.

<sup>19</sup> Improvements to road from Alapakkam to Annankoil (via) Thiruchopuram, Periyakuppam, Chinnoor and Parangipettai road km 0/0-20/580



Scrutiny (July 2009) of records of CE revealed that though the materials procured for project works were eligible for excise duty exemption, the rates for various items of work adopted in the sanctioned estimates were inclusive of all duties and taxes. Even in the bid conditions, there was no mention regarding the availability of Central excise duty exemption for these works and issue of certificates to the contractors by the department for claiming exemption. After signing the agreements, the contractors requested the DE to arrange for issue of certificates for claiming exemption from levy of excise duty for materials required for the works. Based on the recommendations of the DE and the CE justifying the contractors' requests on the grounds of non-availability of price escalation clause in the agreements, certificates were issued by the Principal Secretary to the Government, Highways Department for the estimated quantities of various materials required for the works eligible for Excise Duty exemption. Till July 2009, the contractors availed of duty exemption of ₹ 2.37 crore in respect of materials procured for the works.

The CE /SE failed to exclude this Central excise duty component while arriving at the estimated rates for various items of work and also to include a special condition regarding the availability of duty exemption in the bid documents. Inasmuch as the quoted rates of contractors were inclusive of Central excise duty, the irregular issue of certificates to contractors to facilitate them to avail of the excise duty exemption on materials procured resulted in unauthorised financial benefit of ₹ 2.37 crore to the contractors as given in the **Appendix 2.3.**

The matter was reported to Government in May 2010. Government stated (October 2010) that the contractors would have quoted rates after taking into account the excise duty exemption available for ADB assisted works. The reply is hypothetical and not acceptable as the agreed rates were inclusive of all duties and taxes and as per clause 14.1 of the General Conditions of Contract, the contractors were to pay all taxes, duties and fees required to be paid by them under the contracts.

***MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT***

***TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD***

***2.2.4 Avoidable expenditure due to non-availment of rebate offered by a contracting firm***

**Failure of the Chief Engineer, Tamil Nadu Water Supply and Drainage Board, Southern Region, Madurai to avail of a rebate of ₹ 2.28 crore offered by the contracting firm resulted in avoidable expenditure of ₹ 1.50 crore under the Asian Development Bank - assisted water supply project.**

Central Excise Notification No 108/1995 (August 1995) exempts all materials supplied to projects financed by the United Nations/international organisations and approved by the Government of India (GOI) from payment of Central

excise duty (CED). Central Excise Notification No 47/2002 (September 2002), also exempts from payment of CED, all items of machinery and equipment required for setting up of water treatment plants in drinking water supply projects and pipes required for water supply projects having water treatment plants for delivery of water from its source to water treatment plant and from the plant to the first storage point irrespective of the source of financing.

Government sanctioned (October 2005) a Combined Water Supply Scheme for 113 tsunami-affected coastal habitations in Tirunelveli District at a cost of ₹ 23.68 crore under the Asian Development Bank (ADB) assisted Tsunami Emergency Assistance Project for execution by the Tamil Nadu Water Supply and Drainage (TWAD) Board. Though the water supply project had no water treatment plant and no CED exemption was available under Notification No 47/2002, exemption was available under Notification No. 108/1995 as it was financed by the ADB.

The Chief Engineer, TWAD Board, Southern Region, Madurai (CE), technically sanctioned (January 2006) the estimate of the scheme for ₹ 26.68 crore, adopting rates inclusive of CED for pipes instead of adopting the rates exclusive of CED for all materials. The work awarded (October 2007) to a firm for a contract price of ₹ 24.51 crore, was completed (September 2009) at a cost of ₹ 27.28 crore.

Audit scrutiny of the records of CE revealed that bid documents of the work included a condition that CED exemption, if any, availed of by the contractor should be passed on to the Board. The firm which quoted the lowest price (₹ 25.29 crore) informed (June 2007) the CE that their rate was inclusive of CED and that the exemptions would be passed on to the Board. CE, however, during evaluation of the bids for the project (June 2007), revised the departmental value by adopting rates exclusive of CED for the pipes, wrongly presuming that exemption under Notification No 47/2002 was available for pipes required for this scheme, but without realizing that this scheme was covered under Notification No. 108/1995. The CE informed (June 2007) that necessary certificates would be issued to the firm for availing CED exemption for the pipes and that the benefit need not be passed on to the Board. Considering the CE's assurance, the firm offered a rebate of nine *per cent* (₹ 2.28 crore) on their quoted price.

On an enquiry by the Board, the Central Excise Department clarified (June 2007) that CED exemption under Notification No 47/2002, was available only for pipes used in water supply projects having water treatment plants. At no point of time during the tender process, did the CE inform the bidders that CED exemption was available for the project under Notification No 108/1995 as it was financed by ADB. In view of the clarification, the firm withdrew (July 2007) the nine *per cent* rebate offered earlier and offered a lump sum reduction of ₹ 78 lakh in their quoted price, thereby reducing the price to ₹ 24.51 crore. After conclusion (November 2007) of the agreement, an amendment slip was issued (December 2007) by the CE to the effect that

the agreed rates were inclusive of CED. The withdrawal of the rebate by the firm resulted in avoidable extra expenditure of ₹ 1.50 crore<sup>20</sup>.

When this was pointed out, the CE stated (August 2009) that the TWAD Board was not aware of the exemption available for ADB assisted projects (Notification No 108/1995). The Chairman and Managing Director of the Board replied (February 2010) that the firm had not availed of any exemption as no certificate for claiming the CED exemption was issued by the Board and that the amount paid towards CED was only revenue to GOI. The reply of the TWAD Board that it was not aware of Notification 108/1995 is not acceptable as it had resulted in non-availment of rebate of ₹ 1.50 crore offered by the contractor. The Project Management Unit, established (July 2005) by the Government to monitor the activities of the project implementing agencies also failed to inform the Board regarding the CED exemption available for ADB assisted projects which was availed of by another implementing agency (State Highways Department) in respect of the transportation component of the same project.

The matter was referred to Government in June 2010. Reply had not been received (November 2010).

### ***HIGHWAYS DEPARTMENT***

#### ***2.2.5 Avoidable expenditure on carrying out urgent repairs to a road underbridge***

**Failure of the Highways Department to get defective work rectified through a contractor during the defect liability period resulted in avoidable expenditure of ₹ 1.03 crore on carrying out urgent repairs to a road underbridge.**

A road underbridge (RUB) at km 0/8 of the southern sector inner ring road at Thillai Ganga Nagar in Chennai was constructed (May 2002) by the department at a cost of ₹ 4.29 crore, adopting the contractor's design. The Superintending Engineer (SE) (Highways), Projects I Circle, Chennai furnished (August 2002) a completion certificate to the effect that the work conformed to the approved design and drawings and was free from any noticeable defect. The agreement provided for retention of 2.5 *per cent* of the total value of the work executed as a deposit for the defect liability period of five years.

Scrutiny of records revealed that seepage of water from the walls and raft of the RUB was noticed in the year of completion (2002) itself and the DE instructed (November 2002 and January 2003) the contractor to rectify the defective work. As the contractor failed to rectify the defective work effectively, the DE warned (April 2005) the contractor that, in case of failure, the defects would be rectified departmentally and the cost recovered from him. Thereafter, only routine reminders and notices were sent to the contractor up to June 2006. In the meanwhile, based on the SE's certificate that the quality

<sup>20</sup> ₹ 2.28 crore – ₹ 0.78 crore (lump sum reduction)

of work done was good, the withheld amount of ₹ 10.74 lakh was refunded (August 2004) to the contractor after obtaining an indemnity bond valid up to May 2007. The department failed to carry out the rectification works departmentally within the defect liability period and recover the cost from the contractor. The RUB was handed over to the Maintenance Division for maintenance. As the leakages continued in the walls and raft<sup>21</sup> of the RUB, the Maintenance Division carried out (August 2007 to January 2008) urgent repairs to the RUB at a cost of ₹ 1.03 crore.

The SE, while furnishing the completion certificate for the work stated that the work was free from any noticeable defect and recommended refund of the retention money, stating that the quality of construction was good, which was not factual. Thus, the departmental failures resulted in avoidable extra expenditure of ₹ 1.03 crore.

When pointed out, the Chief Engineer (Highways), Projects replied (November 2009) that during the defect liability period, all the defects noticed and pointed out by DE/SE were rectified by the contractor and that the repair work done by the maintenance division, after expiry of the defect liability period, was for routine maintenance of the subway. The reply is contrary to the facts brought out above since substantial repairs involving drilling holes and grouting in the bottom and walls of the RUB, which could not be termed as routine maintenance work were carried out at a cost of ₹ 1.03 crore.

The matter was referred to Government in August 2010. Reply had not been received (November 2010).

## ***MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT***

### ***TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD***

#### ***2.2.6 Avoidable extra cost due to non-evaluation of bids as per guidelines***

**Failure of the Chief Engineer, Tamil Nadu Water Supply and Drainage Board, Northern Region, Vellore to evaluate the bids received for three packages of the Underground Sewerage Scheme to Thiruvallur Municipality as per bid criteria resulted in avoidable extra cost of ₹ 92 lakh.**

Government sanctioned (April 2007) the Underground Sewerage Scheme to Thiruvallur Municipality (UGSS) for ₹ 35.39 crore, under the World Bank assisted Third Tamil Nadu Urban Development Project (TNUDP) for execution by the Tamil Nadu Water Supply and Drainage (TWAD) Board. The Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) was the Fund Manager of the Tamil Nadu Urban Development Fund and the Project Manager for TNUDP. The World Bank guidelines for procurement stipulate that the bidders should meet the eligibility criteria both technically

<sup>21</sup> Raft is a concrete slab on the ground used as the riding surface.

and financially. The Chief Engineer, TWAD Board, Northern Region, Vellore (CE), sanctioned (May 2007) the estimate of the work for ₹ 34.76 crore. The CE split up the work (excluding Sewage Treatment Plant) into three packages for invitation of bids. The draft bid documents for the three packages sent by the Board were cleared by TNUIFSL in January 2008.

Bid documents prescribed the minimum qualification criteria for each package and bidders participating for more than one package were to satisfy the aggregate criteria to qualify for award of more than one contract. The bid conditions prescribed an annual turnover of ₹ 9.80 crore, ₹ 6 crore and ₹ 9 crore for packages I, II and III respectively. The CE received (6 March 2008) eight bids valid up to 3 June 2008 for the packages. Firm 'A' was the lowest bidder for all the three packages and the Engineering Director of TWAD Board recommended (11 April 2008) firm 'A' for all the packages to TNUIFSL for a total value of ₹ 28.08 crore (₹ 11.97 crore, ₹ 5.95 crore and ₹ 10.16 crore for packages I, II and III respectively) even though the bidder did not satisfy the aggregate criteria prescribed in respect of the annual turnover. TNUIFSL returned (May 2008) the bid evaluation report (BER) stating that the annual turnover of firm 'A' (₹ 12.61 crore) fell short of the required aggregate annual turnover for all three packages and instructed the Board, to re-evaluate the bids for deriving maximum financial benefits in award of package works.

The Managing Director (MD), TWAD Board, agreed that firm 'A' did not satisfy the combined annual turnover criteria prescribed in the bid conditions. The MD, however, resubmitted the BER to TNUIFSL without any revision, recommending (19 May 2008) firm 'A' again for all the three packages, stating that its assessed bid capacity<sup>22</sup> (₹ 28.58 crore) was more than the combined contract value of ₹ 28.08 crore. TNUIFSL did not accept the MD's recommendation as the bids were not evaluated as per the World Bank guidelines and bid conditions, and advised (6 June 2008) the MD to revise the BER with the best possible combination.

In the meantime, the validity period of the bids expired and when the CE requested the bidders to extend their validity, firm 'A' extended its validity only for package III (up to 3 September 2008) and the second lowest bidders for packages I and II, firms 'B' and 'C' also extended their validity periods up to 3 September 2008. The bids were evaluated (June-September 2008) by the CE and the works awarded (August-September 2008) to the three firms at a total contract price of ₹ 32.23 crore (₹ 14.55 crore, ₹ 7.52 crore, ₹ 10.16 crore for packages I, II and III to firms 'B', 'C' and 'A' respectively). The works were in progress (June 2010).

Had the Board evaluated the bids as per the bid criteria and the advice of the TNUIFSL, the three packages could have been awarded to the lowest and second lowest bidder at a total contract price of ₹ 31.31 crore (package I to firm 'A' for ₹ 11.97 crore and packages II and III to firm 'C' for ₹ 7.52 crore

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<sup>22</sup> Bid capacity is computed based on maximum value of civil works executed by the firm in any one of the last five years and the value of existing commitments and ongoing works.

and ₹ 11.82 crore). Thus, the imprudent action of TWAD Board to recommend firm 'A' twice for all the three packages, ignoring the minimum qualification criteria stipulated in the bid conditions, resulted in award of the contracts at an avoidable extra cost of ₹ 92 lakh<sup>23</sup>.

When pointed out (June 2010) by Audit, the Board stated (July 2010) that, if TNUIFSL felt that the lowest bidder could not be awarded more than one package, it could have issued a 'no objection certificate' for Package I before the expiry of tender validity. Government also concurred (August 2010) with the views of the Board. The reply is not acceptable since TNUIFSL while returning the proposal in May 2008 categorically stated that the firm 'A' did not satisfy the qualification criteria collectively for all the three packages. As the subsequent recommendation of the Board was also against the World Bank guidelines, TNUIFSL was left with no other option but to return the proposal. Thus, the incorrect evaluation of the bids by the Board violating the World Bank guidelines resulted in avoidable extra cost of ₹ 92 lakh.

### **HIGHWAYS DEPARTMENT**

#### **2.2.7 Non-realisation of amount due to Government**

**Failure of the Divisional Engineer, Highways, Madurai Division, to get bank guarantees for ₹ 34.68 lakh obtained from contractors revalidated, resulted in non-realisation of amounts guaranteed on termination of their contracts, besides non-recovery of extra cost of ₹ 41.54 lakh**

The Divisional Engineer (DE) (Highways), Madurai Division obtained (June to October 2005) bank guarantees (BGs) for ₹ 34.68 lakh as security from contractors for due performance of contracts in respect of three<sup>24</sup> road works. In cases of termination of contracts due to the contractors' failure to complete the work within the contract or the extended contract period, the security deposits were to be forfeited to Government by invoking the BGs and the extra cost involved in completing the balance work was to be recovered from the contractors.

The contracts for the first two works were entrusted in June 2005 and December 2005 for completion in three and seven months respectively. As the works were not completed, extension of time was given till October 2006 and July 2007. The contracts were terminated (October 2006 and July 2007) at the contractors' risk and cost by the DE as they failed to complete the works even within the extended periods of contract. The balance works were executed (April 2007 and January 2009) by other contractors at an extra cost of ₹ 41.54 lakh (₹ 31.21 lakh + ₹ 10.33 lakh).

Scrutiny of records of DE revealed that the BGs of ₹ 34.68 lakh obtained from the earlier three contractors expired between March and December 2006. Even though the DE granted extension of time up to October 2006 and July

<sup>23</sup> ₹ 32.23 crore – ₹ 31.31 crore.

<sup>24</sup> (i) Strengthening Melakkal-Peranai road in kilometre (km) 17/4 – 34/6.  
(ii) Widening Battalagundu-Peraiyur road in km 25/6 – 45/2.  
(iii) Improvement of three roads in Package No TN-08-17 under Pradhan Mantri Gram Sadak Yojana scheme.

2007 to the contractors of the first two works, he failed to get the BGs revalidated up to the extended periods. In respect of the third work, the DE accepted a BG for ₹ 17.82 lakh from a non-scheduled bank (co-operative bank) violating the tender condition that it should only be from a scheduled bank. The contract for the third work was terminated (April 2006) by the DE at the request of the contractor. The DE, however, failed to invoke the BG within its validity period (November 2006). As a result, the security deposits obtained from the contractors in the form of BGs could not be forfeited to Government on termination of the contracts.

For recovering the extra cost of ₹ 41.54 lakh involved in two works and for realizing the amounts guaranteed in the expired BGs (₹ 16.86 lakh) the DE proposed (December 2009) recovery under the Revenue Recovery Act as stipulated in the agreement and sent the proposals to the Revenue Department. However, recovery proposals for ₹ 17.82 lakh under the Revenue Recovery Act were not sent in respect of the third work. The dues remained unrecovered till September 2010.

Thus, the failure of DE to get the BGs revalidated up to the extended periods at the time of granting extension of time for two works and to invoke the BG within the validity period for the third work resulted in non-realisation of an amount of ₹ 34.68 lakh due to Government by way of forfeiture of security deposits. Reasons for not revalidating the BGs and acceptance of a BG from a non-scheduled bank by the DE violating the bid conditions were not furnished to audit. Further, the extra cost of ₹ 41.54 lakh involved in two works had also not been recovered (May 2010).

The matter was reported to Government in July 2010. Government stated (September 2010) that action was being taken to recover the dues by addressing various wings of the department and also through Revenue Recovery Act. The fact, however, remained that the amounts due were not realized as on date.

## ***HEALTH AND FAMILY WELFARE DEPARTMENT***

### ***2.2.8 Avoidable expenditure on purchase of Siddha medicines***

**Delay in assessing district-wise requirement of Siddha medicines for treatment of Chikungunya resulted in procurement of medicines from private manufacturers at a higher cost leading to excess expenditure of ₹ 51.21 lakh.**

Chikungunya, an infectious viral disease, broke out in March 2006 and spread to all districts of the State, reaching epidemic proportions during 2006-07. With a view to treating chikungunya patients visiting the Indian System of Medicine (ISM) wings in Government hospitals, the Special Commissioner, Indian Medicine and Homoeopathy Department (SC, IMH) sought (July 2007) Central assistance from the Government of India (GOI) to procure Siddha medicine at a total cost of ₹ 2.51 crore to treat an estimated 300 patients in each of the 722 ISM wings in Government hospitals. The course of treatment decided by the SC, IMH included eight Siddha preparations for five days. The Siddha wings of Government hospitals, dispensaries and Primary Health

Centres (PHCs) treated 1.01 lakh chikungunya patients during 2006-07 and 0.40 lakh patients during 2007-08. Based on the proposal of SC, IMH, GOI sanctioned and released<sup>25</sup> (November 2007) ₹ 1.65 crore for procurement of the Siddha medicines proposed by SC, IMH.

Scrutiny (September 2009) of the records of offices of SC, IMH and Director of Public Health and Preventive Medicine (DPH&PM) disclosed that as the epidemic had come under control by the time of receipt of central assistance and medicines already supplied using State Government funds were available with ISM wings of Government medical institutions, the SC, IMH kept the funds unutilized and sought the district-wise requirement of medicines from District Siddha Medical Officers (DSMO) only in April 2008. The DSMOs did not furnish their requirements well in time, leading to delay in commencement of the procurement process. In the meantime, as DPH&PM opined (7 November 2008) that the medicines should be supplied to the ISM wings before the end of November 2008 so as to combat the disease which was seasonal in nature, the SC, IMH sought (7 November 2008) urgent supplies before the end of November 2008, from Tamil Nadu Medicinal Plant Farms & Herbal Medicine Corporation Ltd (TAMPCOL)<sup>26</sup>. TAMPCOL expressed (7 November 2008) its inability to supply the required quantity before the end of November 2008 as they were not able to supply the medicines in such short notice. As a result, the SC, IMH procured (November 2008) the medicines through open tenders from two different private manufacturers.

It was noticed that the prices paid for three medicines procured from private manufacturers were higher than that prevailing with TAMPCOL for the same medicines as given below:

Name of medicine	Packing	Quantity procured (packs)	Procurement price (₹ per pack) from private suppliers	TAMPCOL price (₹ per pack)	Price difference (₹ per pack)	Excess expenditure (In ₹)
T. Amukkara Suranam	500 tablets	5,730	100.00	66.14	33.86	1,94,018.00
Pinda Thailam <sup>27</sup> / Sikappukukil Thailam	500 ml	42,975	137.51	73.63	63.78	27,40,945.50
Nilavembu Kudineer	500 grams	14,325	225.00	72.38	152.62	21,86,281.50
<b>Total</b>						<b>51,21,245.00</b>

<sup>25</sup> GOI sanctioned ₹ 2.51 crore, but adjusted an unspent amount of ₹ 85.50 lakh relating to an earlier release for a different scheme and released ₹ 1.65 crore

<sup>26</sup> TAMPCOL is a Government agency which manufactures and supplies Siddha medicines to ISM wings of Government Hospitals.

<sup>27</sup> The medicine manufactured by TAMPCOL in the name of Pinda Thailam is manufactured in the name of Sikappukukil Thailam by the private supplier.



Thus, the inordinate delay in assessment of the requirement and consequent delay in placing orders on TAMPCOL for more than a year resulted in placing of purchase orders at a higher rate on private manufacturers, leading to avoidable excess expenditure of ₹ 51.21 lakh. Moreover, the delayed procurement (November 2008) of Siddha medicines defeated the very purpose of sanctioning (November 2007) of funds for timely intervention to control the disease.

The matter was referred to Government in June 2010. Reply had not been received (November 2010).

## **HIGHWAYS AND REVENUE DEPARTMENTS**

### **2.2.9 Avoidable expenditure due to delay in acquisition of land**

**Delay in approval of a proposal for land acquisition resulted in avoidable expenditure of ₹ 46.30 lakh towards escalation payment to a contractor.**

Government sanctioned (October 2000) the construction of a road over bridge (ROB) in lieu of the existing level crossing (LC 91) between Thirupathur and Moolakaranpatti railway stations for ₹ 13.37 crore. The work involved construction of the ROB by the Railways and an approach road on both sides by Highways Department. In addition to the available Government land, acquisition of private land to an extent of 2,870 sq.m. was essential to complete the work.

The Chief Engineer (General) (CE) approved (January 2004) the tender for construction of the approach roads for ₹ 3.91 crore for completion in 18 months (by July 2005) and the contractor commenced (February 2004) the work in the Government land made available to him. As the private land was not acquired even by the extended time upto February 2006, the contract was foreclosed (June 2006) at the request of the contractor. The contractor was paid (August 2006) ₹ 71.30 lakh for the value of work done<sup>28</sup>. The estimate for the balance work was revised to ₹ 3.93 crore (2006-07 schedule of rates) and the work was entrusted (January 2007) to the same contractor for a contract price of ₹ 4.45 crore, even though the private land was still to be acquired. Even though the work was scheduled to be completed by May 2008, the land was acquired and handed over to the Highways Department in June 2008 and the work was completed only in March 2009. The request of the contractor for payment of price escalation charges over and above the agreed amount was considered and an amount of ₹ 46.30 lakh was sanctioned by Government in December 2009. The contractor was paid ₹ 4.45 crore as contract payment in September 2009 and ₹ 46.30 lakh towards price escalation in January 2010.

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<sup>28</sup> Piers and retaining walls

Scrutiny of records revealed that the delay in acquisition of land was avoidable as discussed below:

The Tamil Nadu Highways Act, 2001, under which the land was proposed to be acquired, provides for issue of show-cause notices to the parties and public notices under Section 15 (2), publishing in Government Gazette under Section 15 (1), taking over the land, passing of award and settlement of compensation to the landowners. A total period of 325 days was prescribed for completion of land acquisition.

The Divisional Engineer, Chengalpattu sent (September 2004) land plan schedules for 2,870 sq.m. of land to the District Collector, Vellore. Government, while approving (July 2005) the proposals under Section 15 (2), instructed the Collector to ensure that the land to be acquired did not attract the provisions of the Tamil Nadu Land Reforms Act, 1961. The Land Reforms Department was to certify that the land proposed to be acquired was not surplus land taken over by Government under the Act for distribution to landless poor. Government had not approved the proposals (February 2006) of the Collector for gazette notification under Section 15 (1), as they did not contain the clearance certificate from the Land Reforms Department and also wrongly included acquisition of land from the Tamil Nadu Housing Board for another work. The Collector issued a Press notification in June 2006 for deletion of the land proposed to be acquired from the Tamil Nadu Housing Board, obtained the certificate from the Land Reforms Department in December 2006 and sent revised proposals only in October 2007. A gazette notification under Section 15 (1) was finally issued in November 2007. The land cost was fixed in June 2008 and the award was passed by the Collector in August 2008. In the meantime, based on a request from the Divisional Engineer, Highways, Projects, Vellore, the District Collector issued (June 2008) 'enter upon' permission<sup>29</sup> to the site.

Thus, as against 325 days prescribed for completion of all stages of land acquisition, the land acquisition process was delayed by 577 days (February 2006 to October 2007) due to the deficiencies in the Collector's proposals under Section 15 (1). Even though the private land had not been acquired at the time of awarding the balance work, the DE retendered the balance work which was awarded to the same contractor. The avoidable delay in finalising the land acquisition proceedings resulted in extension of the contract period up to March 2009 and an additional expenditure of ₹ 46.30 lakh towards escalation payment to the contractor.

The matter was referred to Government in June 2010. The Highways Department admitted (October 2010) the additional expenditure. However, reply had not been received from the Revenue Department (November 2010).

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<sup>29</sup> The permission given by the Collector, after getting consent letters from landowners to the Highways Department to take possession of the land for commencement of work.

**HANDLOOMS, HANDICRAFTS, TEXTILES AND KHADI DEPARTMENT**

**2.2.10 Avoidable payment of premium under Health Insurance Scheme for handloom weavers**

**Enrolment of husband and wife of a family as individual members and payment of insurance premium separately for each under the Health Insurance Scheme for Handlooms Weavers, instead of treating them as a family resulted in avoidable expenditure of ₹ 44.30 lakh as insurance premia to the State/Government of India.**

Government of India (GOI) has been implementing a health insurance scheme (HIS) for handloom weavers and their family since 2005-06, to enable the weavers' community to access the best health care facilities in the country. The scheme covers weavers as well as ancillary handloom workers<sup>30</sup> and is implemented through ICICI Lombard General Insurance Company Limited. Under the scheme, a premium of ₹ 781.60 per annum per weaver including his wife and two children is to be paid to the insurance company. The annual premium payable to the insurance company is to be shared between GOI and the State Government/weavers at the rate of ₹ 642.47 and ₹ 139.13<sup>31</sup> respectively. However, the weaver's minimum share of ₹ 50 per family is also contributed by the State Government. Both GOI and State Government are required to pay their due share directly to the insurance company.

During 2007-09, the State Government sanctioned its share of ₹ 8.35 crore towards payment of premium to the insurance company for covering three lakh handloom weavers/ancillary handloom workers annually under the scheme. Against the sanction, the Commissioner of Handlooms and Textiles (Commissioner) paid ₹ 7.98 crore to the insurance company during 2007-09, covering 5.74 lakh weavers under the scheme at the rate of ₹ 139.13 per weaver per annum. The insurance company also issued 5,73,669 health cards to insured persons.

Scrutiny of the records at 194 test-checked co-operative societies in five co-operative circles<sup>32</sup> and in the Offices of the Assistant Director Handlooms and Textiles revealed that in 5,668 cases, the Commissioner had paid ₹ 781.60 per person as premia, even though the payment of single premium of ₹ 781.60 was required to be paid as insurance cover for the whole family including the weaver, his wife and two children. Thus, the enrolment and payment of insurance premia separately for husband and wife of a family, resulted in avoidable expenditure of ₹ 44.30 lakh on insurance premia to the State/GOI in respect of 5,668 insured persons.

The Government accepted (April 2010) the audit findings and subsequently had on its own verification noticed issue of 10,031 duplicate cards in 18

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<sup>30</sup> Workers engaged in warping, winding, dyeing, printing, finishing, etc.

<sup>31</sup> Includes a minimum contribution of ₹ 50 per family payable by the weavers

<sup>32</sup> Coimbatore, Erode, Kancheepuram, Salem and Vellore

circles in the State involving avoidable payment of ₹ 78.40 lakh and had eliminated the same from claiming benefits under the Health Insurance Scheme.

## **HIGHWAYS DEPARTMENT**

### **2.2.11 Avoidable expenditure due to non-finalisation of tenders within the validity period**

**Delay in evaluation of tenders resulted in non-finalisation of tenders by the Commissionerate of Tenders within their validity periods and avoidable expenditure of ₹ 40.17 lakh on retendering.**

With a view to finalising tenders expeditiously, Government had fixed (May 1982) a 15 day time limit for evaluation of tenders by the Superintending Engineers, including the time taken for negotiation if necessary, a seven day limit for scrutiny by the Chief Engineers and a 30 day time limit for finalisation of the tenders by the tender committees. The same time limit was reiterated by the Government in September 1998.

Government sanctioned (January 2007) widening and improving two reaches<sup>33</sup> of the road from Hasthampatti to foot of Shervaroys (via) Kannankurichi at a cost of ₹ 180 lakh. The Superintending Engineer(SE), Highways, Project Circle, Coimbatore awarded (October 2008) the works to contractors in the sixth call of tender for contract value of ₹ 124.73 lakh and ₹ 120.99 lakh respectively. The works were completed (June 2009) at a cost of ₹ 240.17 lakh against the contract value of ₹ 245.72 lakh.

Scrutiny of records of the SE, Highways, Project Circle, Coimbatore, revealed delays in evaluation of tenders for the works as discussed below:

There was no response to the first and second tender calls made (August and September 2007). In response to the third call, the SE received (19 October 2007), a single tender from a contractor for both the works with a validity period of 90 days i.e. up to 15 January 2008. The single tender for each of the works, after negotiation, (for ₹ 102.39 lakh and ₹ 103.16 lakh), with 10 per cent excess over departmental value for both the works were recommended by the SE to the Chief Engineer, Highways, Projects Circle (CE) on 22 November 2007. As the SE had not compared the quoted rates with the prevailing market rates justifying the tender excess, the CE returned (28 November 2007) the tender proposals, directing the SE to conduct further negotiations with the tenderer and to resubmit them with proper justification. The tenderer declined (3 December 2007) to reduce his rates further, citing increase in cost of construction materials. The SE resubmitted the tender for each of the works to CE on 19 December 2007 with justification for the quoted prices.

The CE submitted the tenders to the Commissionerate of Tenders (COT) on 7 January 2008. Since the tenders were not approved by the COT within the validity period (15 January 2008) and the contractor refused to extend the

<sup>33</sup> Kilometre 2/6 – 5/2 and kilometre 5/2 – 8/0

validity of his tenders, the tender proposals were withdrawn by CE on 29 January 2008. Reasons for non-approval of the tenders by the COT were not on record. Tenders were again called for the fourth time and there was no response for the call. In the fifth call (March 2008), though the tenders were accepted (June 2008) by the COT within the validity period, the SE, instead of issuing work orders, without assigning any reasons requested the contractors to extend the validity which was not agreed to. The tenders were subsequently cancelled by the SE and the works retendered. In the sixth call, the tenders which were valid up to 15 November 2008, were recommended (19 August 2008) by the SE and the CE on 11 September 2008 and were approved by COT on 23 September 2008. The SE issued (October 2008) work orders to contractors for a value of ₹ 124.73 lakh and ₹ 120.99 lakh.

Thus, the delay in evaluation of tenders received in the third call at various levels and consequent non-finalisation of tenders by the COT within the validity period resulted in avoidable expenditure of ₹ 40.17 lakh<sup>34</sup> on retendering.

The matter was referred to Government in June 2010; reply had not been received (November 2010).

## **2.3 Regularity issues and others**

### ***ADI DRAVIDAR AND TRIBAL WELFARE DEPARTMENT***

#### ***2.3.1 Excess administrative expenditure on scheme implementation***

**Administrative expenditure in excess of the ceiling fixed by Government of India resulted in short availability of funds to the tune of ₹ 23.87 crore for implementing a scheme for economic development of Scheduled Castes.**

Government of India (GOI) releases Special Central Assistance (SCA) each year to the State Governments for the economic development of Scheduled Castes. The State Governments are to utilise the SCA funds for development of the people belonging to Scheduled Castes by devising suitable schemes and for infrastructure development<sup>35</sup> in Scheduled Caste habitations. The State Governments have been given full flexibility in utilising SCA funds subject to the condition that the expenditure on staff meant for implementation, supervision, monitoring and evaluation is limited to three *per cent* of the funds released every year. For this purpose, the State Government has set up a Monitoring and Evaluation Cell (MEC) at the Secretariat for monitoring the progress in implementation of schemes.

The State Government releases the funds under SCA to Tamil Nadu Adi Dravidar Housing and Development Corporation Limited (TAHDSCO) after

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<sup>34</sup> (₹ 124.73 lakh + ₹ 120.99 lakh) - (₹ 102.39 lakh + ₹ 103.16 lakh)

<sup>35</sup> Expenditure on infrastructure development should not exceed 10 *per cent* of the total release.

retaining the establishment cost (three *per cent*) of the MEC at the Secretariat. The Government of Tamil Nadu nominated (1990) TAHDCO as the agency for implementing schemes using SCA funds. TAHDCO uses the SCA funds for implementing schemes to provide self-employment to youth, vocational training and income-generating schemes to benefit individual beneficiaries.

Scrutiny of records in the office of TAHDCO and at the Secretariat revealed that against the permissible limit of three *per cent* of establishment expenditure under the schemes, the entire establishment expenditure of the MEC and TAHDCO was met from the SCA funds received from GOI during 2006-09 which resulted in incurring of excess administrative expenditure of ₹ 23.87 crore during 2006-09 as given below:

(₹ in lakh)

Year	Funds released by GOI	Administrative expenditure admissible	Administrative expenditure incurred by TAHDCO and MEC	Administrative expenditure incurred in excess of admissibility (percentage)
2006-07	4,482.57	134.48	659.42	524.94 (11.71)
2007-08	4,897.99	146.94	1,026.71	879.77 (17.96)
2008-09	6,002.81	180.08	1,162.80	982.72 (16.37)
<b>Total</b>	<b>15,383.37</b>	<b>461.50</b>	<b>2,848.93</b>	<b>2,387.43 (15.52)</b>

Further, while submitting the progress report on utilisation of SCA funds to GOI, the State Government had not separately indicated the administrative expenditure charged to SCA funds by TAHDCO, but had shown it as a part of the scheme expenditure. This amounted to misreporting of the expenditure incurred on administration as expenditure on schemes. The inadmissible expenditure had also been pointed out in the Comptroller and Auditor General's Audit Report for the year 1995-96. The Public Account Committee (PAC) had also observed (December 2006) that the Government could not incur expenditure on establishment beyond the permissible limit prescribed by GOI.

Incurring administrative expenditure in excess of the ceiling fixed, to the tune of ₹ 23.87 crore, despite PAC's observations, resulted in reduced availability of funds to that extent for implementing schemes for economic development of Scheduled Castes under SCA.

The matter was referred to Government in April 2010. Reply had not been received (November 2010).

## **REVENUE DEPARTMENT**

### **2.3.2 Irregular distribution of colour television sets**

**A total of 11,354 colour television sets purchased at a cost of ₹ 2.71 crore were distributed in Erode and Madurai districts to beneficiaries without ensuring availability of electricity connections in their houses.**

In order to provide entertainment to women and to enable them to acquire general knowledge, the Government introduced (June 2006) a scheme of

supply of free colour television sets (CTVs) for those families which did not have them. The scheme also envisaged that habitations of beneficiaries were required to have both electricity and cable connections. Families which possessed family card and did not own/possess CTV were eligible to get benefits under the scheme. During 2006-10, 1.04 crore CTVs were procured in the State through the Electronics Corporation of Tamil Nadu (ELCOT).

Scrutiny (March and April 2010) of records in the offices of the District Collectors of Erode and Madurai revealed that out of 5,45,847 CTVs distributed to beneficiaries during 2006-09, 11,354 CTVs procured at a cost of ₹ 2.71 crore were supplied to beneficiaries who did not have electricity connections in their houses, as detailed in **Appendix 2.4**.

Thus, in the absence of electricity connections, 11,354 CTVs procured at a cost of ₹ 2.71 crore could not be put to use by the beneficiaries. This irregular distribution of CTVs defeated the objective of providing entertainment to women and to enable them to acquire general knowledge.

The matter was referred to Government in June 2010. Reply had not been received (November 2010).

### ***HIGHER EDUCATION DEPARTMENT***

#### ***2.3.3 Irregular retention of Government receipts outside Government account***

**Out of ₹ 2.49 crore collected from educational institutions by the Director of Technical Education towards certificate verification fees during 2003-10, only ₹ 0.95 crore was credited into Government account. ₹ 1.15 crore was spent from the balance amount without approval of the Legislature and ₹ 0.39 crore was kept outside the Government account as of February 2010.**

The Tamil Nadu Treasury Rules (Rule 7) provide that all moneys received by Government servants in their official capacity should be paid in full to the treasury or into the bank and not be appropriated to meet departmental expenditure. The rule position has also been reiterated (May 2005) by the Government to all Heads of Department.

The Director of Technical Education (DOTE) proposed (June 2003) collection of certificate verification fees<sup>36</sup> of ₹ 15 per student, on admission, from Polytechnics and Engineering colleges from the academic year 2003-04 and an amount of ₹ 2.49 crore was collected as certificate verification fees from the Polytechnics and Engineering colleges during 2003-10. The said amount was deposited in a current account of a bank, instead of remitting the amount into Government account as 'Government receipts'. Of this, DOTE spent ₹ 1.15 crore as detailed in the **Appendix 2.5** and remitted (2007-08) ₹ 0.95 crore only into the Government Account. As of February 2010, ₹ 0.39 crore

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<sup>36</sup> Fee proposed to be collected by the DOTE to meet the expenditure on remuneration, honorarium to staff and stationery relating to verification of certificates of students

out of ₹ 2.49 crore collected towards certificate verification fees was available in the bank account.

The Government directed (March 2005) DOTE to remit the certificate verification fees collected under the Government account. DOTE, however, sought (June 2005) Government orders for keeping the certificate verification fees in a Personal Deposit Account, citing difficulties in completion of the admission process in time. The Government instructed (July 2006/March 2008) DOTE to indicate the amount required every year for meeting the expenditure on verification of certificates for making suitable budget provision. However, DOTE had furnished (April 2009) only the details of fees collected and expenditure met therefrom and did not send its fund requirements for making budget provisions so far (March 2010).

Thus, contrary to codal provisions which required that all Government moneys should be remitted into the treasury or bank, DOTE continued to keep its receipts outside the Government account and also appropriated the same for the department's expenditure for the past six years.

The matter was referred to Government in June 2010. Reply had not been received (November 2010).

***FINANCE, INDUSTRIES, REVENUE AND HIGHWAYS DEPARTMENTS***

***2.3.4 Lack of responsiveness of Government to audit***

**Response to audit was inadequate as 3,511 Inspection Reports involving 11,278 paragraphs, issued upto September 2009 remained outstanding as of March 2010**

Important irregularities detected by Audit during periodical inspection of Government offices through test check of records are followed up through Inspection Reports (IRs) issued to the Head of Office with a copy to the next higher authority. Government issued orders in April 1967 fixing a time limit of four weeks for prompt response by the authorities to ensure corrective action in compliance with the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. A half-yearly report of pending IRs is sent to the Secretary of the Department by the Accountant General to facilitate monitoring of action on the audit observations.

As of March 2010, 11,278 paragraphs relating to 3,511 IRs (issued upto September 2009) remained to be settled for want of satisfactory replies. Of these, 700 IRs containing 1,268 paragraphs (issued upto 2006-07) had not been settled for more than three years. Year-wise position of the outstanding IRs and paragraphs is detailed in the **Appendix 2.6**. Compilation of details by Audit revealed that of the above unsettled paragraphs even the initial reply was not received for 530 IRs involving 2,168 paras, relating to 25 departments as detailed in the **Appendix 2.7**. This showed the absence of response from



the authorities and as a result the deficiencies and lapses pointed out continued to be unaddressed.

A scrutiny of the IRs issued up to September 2009 pertaining to three departments viz., Highways Department, Industries Department and Revenue Department revealed the following:

- A total of 507 IRs involving 1,655 paragraphs, issued up to September 2009 remained outstanding as of March 2010 as detailed in the **Table** below:

**Table: Inspection Reports outstanding as of March 2010**

Year in which IRs were issued	Industries Department		Revenue Department		Highways Department		Total	
	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
Upto 2004-05	1	1	3	5	2	2	6	8
2005-06	5	12	18	21	5	10	28	43
2006-07	7	14	34	64	26	63	67	141
2007-08	21	37	87	246	42	99	150	382
2008-09	10	31	70	356	57	178	137	565
2009-10	19	64	56	306	44	146	119	516
<b>Total</b>	<b>63</b>	<b>159</b>	<b>268</b>	<b>998</b>	<b>176</b>	<b>498</b>	<b>507</b>	<b>1,655</b>

- Even initial replies had not been received as of March 2010 in respect of 55 IRs involving 262 paragraphs issued upto September 2009.
- As a result of the long pendency, serious irregularities as detailed in **Appendix 2.8** had not been settled as of March 2010.

Government constituted Audit and Accounts Committees at both the State and department level for consideration and settlement of outstanding audit observations. During the meetings of the above committees and joint sittings with departmental officers between April 2009 and March 2010, 427 paragraphs were settled.

## CHAPTER III

### INTEGRATED AUDIT OF A GOVERNMENT DEPARTMENT

#### PUBLIC WORKS DEPARTMENT (BUILDINGS)

#### 3.1 Integrated Audit of the Public Works Department (Buildings)

##### *Highlights*

*The mandate of the Public Works Department (Buildings) is to plan, design and construct residential and non-residential buildings for Government departments and maintain them in good condition. An integrated audit of the department revealed various deficiencies such as inadequate provision of funds in budgets for Plan works, unrealistic budgeting, partial availing of Twelfth Finance Commission grants, overpayments and avoidable expenditure in the construction of the Tamil Nadu Assembly building. The important audit findings are given below:*

- Out of ₹ 282.53 crore allocated to Tamil Nadu by the Twelfth Finance Commission for maintenance of buildings and heritage conservation during 2005-10, the State could not avail of ₹ 62.11 crore during the period 2005-10.

(Paragraph 3.1.7.2)

- Budgeting was unrealistic as there were large-scale re-appropriations under the grant and persistent savings were noticed under the minor head 'Direction and Administration'.

(Paragraphs 3.1.7.3 and 3.1.7.4)

- Government of India grant of ₹ 8.85 crore could not be availed of for construction of hostels for Backward Class students.

(Paragraph 3.1.7.7)

- The pattern of response to tender calls in the test-checked divisions was indicative of cartel formation among contractors.

(Paragraph 3.1.8.1(i))

- Provisions of the Tamil Nadu Transparency in Tenders Act and Rules were not followed in award of contract for providing architectural services for construction of the Assembly building.

(Paragraph 3.1.8.2(i))

- **Construction of a temporary dome for the purpose of inauguration due to delay in construction of the permanent dome of the Assembly building resulted in wasteful expenditure of ₹ 3.28 crore.**

**(Paragraph 3.1.8.2(ii))**

- **Wrong measurement in pile foundation of the Assembly building resulted in overpayment of ₹ 2.46 crore to contractors.**

**(Paragraph 3.1.8.2(iii))**

- **Non-adoption of revised specifications of the Bureau of Indian Standards in usage of cement in concrete works resulted in avoidable expenditure of ₹ 3.54 crore.**

**(Paragraph 3.1.8.3)**

- **Environment-friendly materials like fly-ash bricks, crush stone sand were not used in works.**

**(Paragraph 3.1.8.5)**

### **3.1.1 Introduction**

The Public Works Department (PWD) is responsible for planning, designing and carrying out construction of public buildings and allied works in accordance with the needs and requirements of various Government Departments. PWD is also responsible for maintaining both Government residential and non-residential buildings including provision of electrical amenities and their maintenance.

### **3.1.2 Organisational set-up**

The Secretary, Public Works Department is the administrative head at the Government level. The Chief Engineer (CE) (Buildings), PWD is the head of the department. The CE is assisted by one Joint Chief Engineer (Buildings), two Deputy Chief Engineers (one each for the Buildings and Electrical wings), the Superintending Engineer (SE), Planning and Designs and the Chief Architect. At the field level, there are 15 SEs assisted by 40 Executive Engineers (EEs) and eight Electrical Engineers (El.Es). An organogram of the department is given in **Appendix 3.1**.

### **3.1.3 Audit objectives**

The objectives of integrated audit were to assess whether

- the department had a proper system of planning;
- the budget estimates were reliable and the financial management was adequate and effective;

- various programmes/ schemes of the department were being implemented economically and effectively and
- internal controls and monitoring were adequate.

### **3.1.4 Audit Criteria**

The audit criteria against which the audit objectives were assessed are given below:

- Plan documents;
- The Tamil Nadu Budget Manual and other Codes and Manuals of the department;
- The Tamil Nadu Transparency in Tenders Act, 2000 and
- Orders issued from time to time by the Government /Department and accepted best practices in the field.

### **3.1.5 Audit coverage and methodology**

The integrated audit was conducted during February to July 2010 covering the period 2005-10. Records of the department in the Government Secretariat, office of the CE and 13 out of 17 Circles were test-checked. Out of 39 Construction and Maintenance Divisions, 10 were selected adopting the stratified random sampling method. In addition, five more divisions were also taken up for review based on the magnitude of expenditure. The list of test-checked units is given in **Appendix 3.2**. Audit objectives and criteria were discussed with the CE in an entry conference held in February 2010. The audit findings were discussed with the Principal Secretary to Government, Public Works Department in an exit conference held in September 2010 and his views have been incorporated in the report at appropriate places.

## **Audit Findings**

### **3.1.6 Planning**

The audit period covered the last two years of the Tenth Five Year Plan and the first three years of the Eleventh Five Year Plan period. A review of the Plan documents, budget provisions and expenditure revealed the following:

#### **3.1.6.1 Under-achievement during the tenth plan**

As against the approved Annual Plan outlay of ₹ 149.05 crore pertaining to last two years of the Tenth Five Year Plan, budget provision was made for ₹ 96.06 crore only and expenditure of ₹ 40.44 crore was incurred. The shortfall in budget provision/expenditure was due to provision of funds under

the revenue demand and non-approval of the construction of building for the Judiciary Department by Government.

### **3.1.6.2 Progress of Eleventh Five Year Plan**

As against the approved annual Plan outlay of ₹ 482.23 crore for the period 2007-10, budget provision of ₹ 648.30 crore was made. The excess budget provision was mainly due to provision of ₹ 75 crore and ₹ 200 crore made for construction of the Assembly complex. Three schemes<sup>1</sup> costing ₹ 5 crore each relating to PWD were not taken up for execution as Government had not approved the schemes. Plan outlay of ₹ 10.80 crore relating to the Health Department and ₹ 10 crore for Renovation of Heritage Buildings was still to be utilised.

The CE stated (September 2010) that the schemes were likely to be taken up in the forthcoming year after sanction of the Government.

### **3.1.7 Financial management**

Details of budget provisions and expenditure under revenue and capital accounts under Non-Plan and Plan heads in the PWD grant during 2005-10 are given in **Table 1**.

**Table 1: Details of revenue and capital expenditure**

(₹ in crore)

Year	Revenue Expenditure		Capital Expenditure		Total	
	Budget provision	Expenditure	Budget provision	Expenditure	Budget provision	Expenditure
2005-06	102.67	98.87	257.62	292.60	360.29	391.47
2006-07	111.94	105.53	248.21	216.43	360.15	321.96
2007-08	131.93	106.44	304.13	206.43	436.06	312.87
2008-09	151.17	132.20	502.58	234.17	653.75	366.37
2009-10	151.16	138.70	790.47	777.97	941.63	916.67
<b>Total</b>	<b>648.87</b>	<b>581.74</b>	<b>2,103.01</b>	<b>1,727.60</b>	<b>2,751.88</b>	<b>2,309.34</b>

(Source: Detailed Appropriation Accounts)

Capital expenditure showed a declining trend from ₹ 292.60 crore in 2005-06 to ₹ 206.43 crore in 2007-08 and thereafter, increased due to construction of the Legislative Assembly building. Reasons for the decline in expenditure under Capital account during 2005-06 to 2007-08 were not furnished by the department.

<sup>1</sup> (i) Revamping the monitoring system for quality control and testing  
(ii) Providing additional computers for the Building organisation  
(iii) Establishment of Tamil Nadu Construction Academy

### 3.1.7.1 Inadequate budget provision for Plan works

Budget provisions are to be made based on the financial requirements of the schemes included in the Annual Plans and spill-over works. The details of the total approved Annual Plan provisions for buildings under the sectors Commercial Tax, Health, Heritage Conservation, Home, Judiciary, Police, Public Works, Revenue and Tsunami Relief; budget provisions made and the actual expenditure during 2005-10 are given in **Table 2**.

**Table 2: Details of Plan outlay, budget provisions and expenditure**

(₹ in crore)

Year	Provision in Annual Plan	Budget provision	Actual expenditure	Savings/Excess
2005-06	68.16	66.43	7.49	(-) 58.94
2006-07	80.89	29.63	32.95	(+) 3.32
2007-08	174.53	104.18	52.91	(-) 51.27
2008-09	137.69	203.07	72.28	(-) 30.79
2009-10	170.01	341.11	286.18	(-) 54.93
<b>Total</b>	<b>631.28</b>	<b>744.42</b>	<b>451.81</b>	<b>(-) 292.61</b>

(Source: Annual Plans and Detailed Appropriation Accounts)

**Budget provisions were not commensurate with Plan outlays**

It was noticed that there were huge differences between the approved Annual Plans and the budget provisions made in all the five years. The excess budget provisions over the Plan outlay during 2008-09 and 2009-10 were mainly due to provisions of ₹ 75 crore and ₹ 200 crore made for construction of the Assembly complex. Even the reduced budget provisions were not spent by the department in full and there were huge savings, except during 2006-07.

The CE admitted (September 2010) the shortfall/excess and stated that the State Planning Commission/Finance Department would be addressed in this regard. The department attributed the shortfall in expenditure to their inability to finalise the agencies for the works due to the abnormal fluctuation in the cost of construction materials during 2005-06 to 2007-08. The reply is not acceptable as the Schedule of Rates is revised annually and the contractors submit bids with tender premia, taking into account the market rates and profit margins.

### 3.1.7.2 Twelfth Finance Commission grants

**Twelfth Finance Commission grants were not availed of to the extent of ₹ 62.11 crore**

The Twelfth Finance Commission (TFC) recommended grants-in-aid of ₹ 242.53 crore for maintenance of public buildings and ₹ 40 crore for heritage conservation during the period 2005-2010 to the State. Based on utilisation certificates furnished by the State, GOI reimbursed ₹ 121.27 crore for maintenance of public buildings and ₹ 17.80 crore for heritage conservation up to June 2010. TFC grants of ₹ 62.11 crore could not be availed of by the State for the reasons stated below:

(i) According to the guidelines issued by TFC, only non-salary maintenance expenditure on non-residential public buildings was eligible for reimbursement from GOI in two instalments in a year. While there were no preconditions for release of the first instalments of the grant, release of the second instalments was on fulfilment of conditions laid down in the guidelines. Test check revealed that the second instalments of the grant for the years 2007-08 and 2008-09 amounting to ₹ 60.63 crore was not reimbursed (June 2010) by GOI as the State had not incurred the projected Non-Plan revenue expenditure during 2006-07 and 2007-08.

(ii) The Government sanctioned (December 2007) rehabilitation of heritage buildings under TFC grant at an estimated cost of ₹ 3.50 crore<sup>2</sup>. The estimate for the Old Revenue Building was sanctioned only in September 2008 after a delay of nine months. Though the tender was opened in November 2008, the pre-qualification (PQ) bids were approved and the price bids opened by the CE only in January 2009. Since the L1 tenderer was debarred by the Airports Authority of India (January 2009), the tender submitted by the L1 tenderer for the above work was cancelled by CE in July 2009. In order to avail of the grant, the Government sanctioned (January 2010), ₹ 1.33 crore for rehabilitation and restoration of the Anatomy Block in the Madras Medical College, Chennai in lieu of the Old Revenue Building. As the CE expressed his inability to complete the above work before March 2010, i.e., the date of closure of the TFC, grant to the extent of ₹ 1.48 crore (excluding ₹ 16 lakh spent on civil/electrical works) lapsed during that year, which was a loss to the State Government.

The department stated (September 2010) that the contractors were not willing to participate in the tenders as specific care, attention and professional expertise were required for carrying out works in heritage buildings and the departmental rates were not commensurate with the market rates. It was also stated that the Government would be addressed for getting reasonable rates for carrying out these special items of work in future. The reply was not acceptable since the department was able to execute the other two works<sup>3</sup> on heritage buildings.

### **3.1.7.3 Defective budgeting**

Test check of records of the CE showed persistent savings under the minor head 'Direction and Administration' under the major head 'Buildings' as indicated in **Table 3**.

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<sup>2</sup> Old Revenue Building: ₹ 164 lakh; Old Engineering college Buildings: ₹ 90 lakh; Public Works Department Building: ₹ 96 lakh

<sup>3</sup> Old Engineering college Buildings and Public Works Department Building

Table 3: Details of persistent savings

(₹ in crore)			
Year	Budget Provision	Expenditure	Savings
2005-06	65.85	59.65	(-) 6.20
2006-07	74.85	66.34	(-) 8.51
2007-08	94.01	68.47	(-) 25.54
2008-09	110.95	95.97	(-) 14.98
2009-10	111.66	101.96	(-) 9.70

(Source: Detailed Appropriation Accounts)

One of the reasons for the persistent savings under the minor head was provision of funds even for the vacant posts under 'Salaries'.

The department stated (September 2010) that budget provision for vacant posts were made as per Government guidelines. However, no Government orders/guidelines permitting such practice were made available to Audit.

#### 3.1.7.4 Re-appropriations

A review of the budget provisions made at the sub-head level showed that re-appropriations at the year end, were carried out during 2005-10 as shown in Table 4.

Table 4: Details of re-appropriations made

Year	Total units of appropriation (sub-heads)	Number of units in which re-appropriations were made
2005-06	162	104
2006-07	141	73
2007-08	106	81
2008-09	103	78
2009-10	105	76

(Source: Detailed Appropriation Accounts)

It could be seen from the above that there were large scale re-appropriations in units ranging from 52 per cent to 76 per cent which indicated that the preparation of budgets was unrealistic.

#### 3.1.7.5 Diversion of letter of credit

The Finance Department instructed that letters of credit (LoC) authorised to the divisions, be utilized only for the purposes for which they were sought. They were not to be drawn for works for which sufficient budget provisions were not available or for which administrative sanctions were not issued. Further, the unspent LoC available at the end of the year under a particular



head of account was not to be utilized for payments under other heads of account.

Test check of records of two<sup>4</sup> out of 15 test-checked divisions revealed that as against LoC of ₹ 7.34 crore authorised during 2005-06 to 2008-09, the divisions spent ₹ 7.78 crore. This was done by utilising the savings available in LoCs under other heads of account which was against the instruction of the Finance Department.

### 3.1.7.6 Rush of expenditure

According to the Tamil Nadu Budget Manual, expenditure should be incurred in a phased manner throughout the financial year and rush of expenditure at the end of the year should be avoided. Test check of records revealed that expenditure in March ranged between 26.78 *per cent* to 42.45 *per cent* as indicated in **Table 5**.

**Table 5: Expenditure during March**

(₹ in crore)

Year	Total expenditure for the year	Expenditure incurred in March	Percentage
2005-06	213.52	83.00	38.87
2006-07	262.82	111.58	42.45
2007-08	203.64	65.62	32.22
2008-09	238.75	97.50	40.84
2009-10	472.67	126.57	26.78

(Source: Divisional Accounts)

It was also noticed that allotment of LoC was made by the Finance Department even on 30<sup>th</sup> and 31<sup>st</sup> of March of the financial year.

The department stated (September 2010) that action would be taken to avoid this in future.

### 3.1.7.7 Non-availing of Government of India grant

Government of India (GOI) proposed to release grants at 50 *per cent* of the cost of construction of hostel buildings for Other Backward Classes under the schemes shared between the State and the Centre. To avail of the Central grant, the State Government sent (November 2006, June 2007 and July 2008) proposals to GOI for construction of 126 hostels. GOI had approved 76 hostels only and sanctioned ₹ 11.97 crore towards its 50 *per cent* share for the years 2006-07 to 2008-09 with a condition that the works should be completed within two years from the date of sanction.

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<sup>4</sup> Construction & Maintenance Divisions at Thirunelveli and Villupuram

Test check of records of the CE revealed that out of 76 hostels, 29 hostels (**Appendix 3.3**) were completed and handed over to the user department even before the date of sending proposals to GOI, 31 hostels (**Appendix 3.4**) were completed before the issue of orders (April 2007, March 2008, December 2008 and August 2009) by Government of Tamil Nadu for taking up the construction under the Centrally shared scheme and 16 works (**Appendix 3.5**) were in progress at the time of issue of the Government orders. While issuing the orders, Government of Tamil Nadu instructed the CE to transfer the expenditure already incurred under State Plan heads to the Centrally shared scheme head. As the works were already completed, expenditure of ₹ 6.24 crore only was transferred by the divisions concerned. Thus, Government could avail of only ₹ 3.12 crore (50 per cent of ₹ 6.24 crore) as against the sanction of ₹ 11.97 crore due to inclusion of completed/ongoing Plan works, instead of taking up new works resulting in non-availing of GOI grant of ₹ 8.85 crore.

The department attributed the booking of expenditure and the consequent non-availing of grant to the policy decision of Government to transfer the expenditure relating to the State Plan scheme to the Centrally shared scheme. However, the wrong decision led to non-availing of GOI grant fully.

### 3.1.8 Programme Management

The department constructs buildings under State Plan/Centrally sponsored or shared schemes as also deposit works. Important audit points noticed under programme management are discussed below.

Details of the number of works sanctioned and completed by the department during 2005-10 are given in **Table 6**.

**Table 6: Number of works sanctioned and completed**

(₹ in crore)

Year	No. of works sanctioned	No. of works completed
2005-06	1,876	1,365
2006-07	2,874	1,965
2007-08	2,005	2,123
2008-09	2,497	2,156
2009-10	2,679	2,201
<b>Total</b>	<b>11,931</b>	<b>9,810</b>

(Source: Statistics furnished by the department)

### 3.1.8.1 Tenders and contracts

#### (i) Poor participation in tenders

The pattern of response to tender calls was indicative of cartel formation

The department follows the provisions of the Tamil Nadu Transparency in Tenders Act in calling for tenders for the works and selection of agencies. Review of tender registers of the 12<sup>5</sup> out of 15 the test-checked divisions revealed that response to tender calls were only from a very few contractors. A number of contractors participated as pairs in tender. Audit noticed that out of 17,513 tenders invited during 2005-10, single tenders and two tenders were received in 25 cases and 17,110 cases respectively as detailed in **Table 7**.

Table 7: Response to tenders

Year	No response/ cancelled	Single tenders	2 tenders	3 to 5 tenders	More than 5 tenders	Total	Percentage of two tenders
2005-06	55	3	3,436	156	35	3,630	94.66
2006-07	76	2	3,422	21	0	3,445	99.33
2007-08	89	1	3,152	13	0	3,166	99.56
2008-09	52	1	3,245	10	5	3,261	99.51
2009-10	78	18	3,855	80	58	4,011	96.11
<b>Total</b>	<b>350</b>	<b>25</b>	<b>17,110</b>	<b>280</b>	<b>98</b>	<b>17,513</b>	<b>97.70</b>

(Source: Tender Registers)

Even though the number of registered contractors at the divisional level was more, the fact that only two contractors had participated in 17,110 out of 17,513 tenders and also in pairs on a number of occasions was indicative of cartel formation among the contractors.

The Principal Secretary expressed (September 2010) the inability of the department to improve the contractors' participation in tenders and accepted the chances of cartel formation.

#### (ii) Delay in finalisation of tender

According to Government orders<sup>6</sup>, the time limits fixed for evaluation of tender by SE and CE and acceptance of tender by the Tender Award Committee (TAC) were 15 days, 7 days and 30 days respectively. In respect of World Bank-aided schemes, GOI prescribed (February 1997) a time limit of 60 days from the date of opening of bids for tenders whose bid validity was up to 90 days. Test check revealed that SE and CE had not observed the

<sup>5</sup> Construction & Maintenance Divisions at Ariyalur, Dharmapuri, Marina, Pudukkottai, Salem, South Presidency, Thirunelveli, Thiruvallur, Thiruvarur, Trichy, Villupuram and Virudhunagar.

<sup>6</sup> G.O.Ms.No.873, Public Works Department, dated 4.5.1982 and G.O.Ms.No.490, Finance (Salaries) department, dated 11.9.1998

stipulated time for evaluation of bids in two works<sup>7</sup> resulting in backing out by contractors after the expiry of validity period and consequent extra expenditure of ₹ 1.77 crore on retendering.

The department stated (September 2010) that the delay was unavoidable due to the process involved and that the contractors were not willing to extend the validity due to increase in cost of material at that time. The reply was not acceptable as the tenders could have been accepted before the expiry of validity period.

**(iii) Non-revision of monetary limit for tender acceptance**

The monetary limits for tender acceptance by various authorities in PWD were fixed in March 2000. In view of an appreciable increase in the cost of building materials and labour over the years, the Board of Engineers forwarded a proposal (August 2009) to the Government for enhancing the monetary limits of the authorities for accepting tenders. No decision had been taken so far in this regard. Details of the number of tenders accepted by the SE/CE/TAC are given in **Table 8**.

**Table 8: Details of number of tenders accepted**

Year	By SE	By CE	By Tender Award Committee (TAC)
2005-06	NA	302	37*
2006-07	391	324	81
2007-08	204	84	95
2008-09	264	149	270
2009-10	309	78	509

\* From June 2005 NA: Not Available

(Source: Statistics furnished by the department)

It may be seen from the table that the number of tenders decided by the TAC had increased by 628 *per cent* during 2006-07 to 2009-10.

The department stated (September 2010) that the proposal for upward revision of the monetary limit for acceptance of tender was under consideration of the Government.

**(iv) Non-operation of price adjustment clause**

The Government issued (March 2008) orders for adoption of the price adjustment clause in contracts with agreement periods of 12 months and below. Accordingly, price adjustment clauses were included in such bid documents and agreements.

<sup>7</sup> (i) Construction of DMS Annexe Building at DMS Campus, Chennai  
(ii) Construction of Taluk Office Building at Kariyapatti in Virudhunagar District

As seen from the monthly wholesale price index released by RBI for steel, the cost of iron and steel decreased steeply during the year 2009 compared to their cost in 2008. Test check of records of Virudhunagar Division revealed that, though a price adjustment clause was included in the agreements, the same was not operated before making final payment in respect of seven works. The non-operation of price adjustment clause before making final payment had resulted in excess payment to contractors to the tune of ₹ 22.97 lakh.

**(v) *Non-availing of central excise duty exemption***

**Failure to avail of excise duty exemption led to extra cost of ₹ 4.44 crore**

As per a Central excise notification (August 1995), goods intended to be supplied to projects financed by the international organizations including the World Bank are exempt from levy of the Central excise duty.

The Department undertook construction of buildings and other infrastructural facilities for the hospital buildings sanctioned under the World Bank assisted Tamil Nadu Health System Project (TNHSP). The materials procured or used in the works of TNHSP are eligible for availing of Central excise duty exemption. Test check revealed that the estimates of works taken up under TNHSP were prepared without considering the availability of Central excise duty exemption. Omission to consider the duty exemption while arriving at the estimate rate inflated the project/work cost by ₹ 4.44 crore being the excise duty levied on cement and steel used in these works.

The department stated (September 2010) that non-availing of exemption had not caused any revenue loss and the excise duty paid to Government of India would be shared by Central and State Governments. The reply was not tenable since the non-availing of exemption had increased the project cost and more works could have been taken up for execution with the savings had the exemption been availed of. It was also noticed that the Principal Secretary, PWD issued certificates to contractors for availing of Central excise duty exemption in respect of World Bank-aided irrigation project works.

**3.1.8.2 *Construction of Tamil Nadu Legislative Assembly Complex***

Government accorded (July 2007) administrative sanction for ₹ 200 crore for construction of a new complex for the Tamil Nadu Legislative Assembly in Chennai. The administrative sanction was revised (October 2008) to ₹ 425.57 crore on account of technical sanction (₹ 347 crore) and tender premium (₹ 78.57 crore). To accommodate all other departments of the State Secretariat in the same location, Government sanctioned (May 2009) ₹ 279.56 crore for Block- B. The construction of Block-A commenced in November 2008 and was in progress (June 2010). The department incurred expenditure of ₹ 292.82 crore on the works up to June 2010. The major audit observations are as under:

(i) *Award of contract for providing architectural consultancy services*

**Architectural services were awarded to a consultant violating the provisions of the Tamil Nadu Transparency in Tenders Act.**

The Assembly complex was proposed to be constructed by procuring comprehensive architectural services which included, among other things, survey, design and preparation of detailed project report, assisting the department in tender processing and awarding of main and component works, periodic inspection and evaluation of project works, monitoring and reporting to the department and providing project completion report.

The pre-qualification notice for selection of firms was issued in July 2007 and seven firms were short-listed (September 2007) by an Evaluation Committee for the presentation of their design concepts and a German firm was selected by the Committee. The agreement for providing the consultancy services was concluded in February 2008 and the scale of charges payable to the consultant was five *per cent* of the actual project cost for all works except interior works for which it was 7.5 *per cent*. The services of the consultant were later extended (October 2008) to Block 'B', the auditorium complex, the guest house and multilevel car parking also on the same terms and conditions. The total payment made to the consultant for Block 'A' up to June 2010 was ₹ 10.32 crore and for Block 'B' it was ₹ 3.10 crore up to May 2010.

Scrutiny of the records revealed the following:

As per the Tamil Nadu Transparency in Tenders Act (TTTA), 2000 and Rules framed thereunder, both technical and financial bids were to be invited from the bidders for all works. It was noticed in audit that in the notice inviting tenders for prequalification of architects, instead of calling for financial bids, it was stated that the selected architects would be paid as per the scale of charges prescribed by the Council of Architecture (COA). Thus, the provisions of the Act and Rules were not complied with in procuring architectural consultancy services and the work was entrusted to the firm at five *per cent* of the project cost prescribed by the COA. It was also noticed that in respect of tendering for major projects including state-of-the art buildings, the departments of GOI/Public Sector Undertakings procured architectural consultancy services through open tenders with two cover system without mentioning the scale of charges of the COA. Extension of services of the consultant for Block 'B' and other buildings without inviting open tenders or architectural competition was in violation of the provisions of TTTA.

The department stated (September 2010) that calling for financial bids would be countered by the architects registered with the COA in a Court of Law citing the Architects Act, 1972 and Rules thereon. The reply is not acceptable as the Architects Act and Rules do not prohibit calling for financial bids and Government departments/Public Sector Undertakings/Statutory Boards call for both technical and financial bids for architectural services.

**Construction of temporary dome resulted in wasteful expenditure of ₹ 3.28 crore**

**(ii) *Wasteful expenditure on provision of temporary dome***

The targeted date for completion of Block - 'A' was May 2010. The agreement provided for completion of structural civil works in all respects in 12 months i.e. by November 2009. The design for the dome, which was a main component, was completed by the consultant in August 2009 and the work of construction of dome was entrusted to another contractor in November 2009 for ₹ 17.80 crore. The agreement was signed in December 2009 only, due to delay in supply of detailed drawings of the dome by the consultant. In the meantime, Government fixed 13 March 2010 as the date of inauguration of the building. While accepting the fact that the structural dome could not be constructed before the inauguration date, the consultant advised (1 February 2010) the department to provide a prototype of the dome to study the dome profile and the finished effect and to have a better understanding of a large dome proposed to be constructed at a height of 100 feet. The work of construction of the temporary dome was entrusted (March 2010) to a firm without calling for tenders at a cost of ₹ 3.28 crore and got done. The prototype dome had to be provided due to the failure of the department in providing the permanent dome within the scheduled time. The design and sanctioned estimate for the permanent dome did not provide for provision of a temporary dome. Hence, the expenditure of ₹ 3.28 crore incurred on construction of the temporary dome proved wasteful.

The department stated (September 2010) that the permanent dome could not be constructed without studying and testing the wind effect, shape, etc. on such a huge structure. The reply is not acceptable as the consultant while furnishing the design of the dome initially had not suggested any such prototype. Moreover, the decision to construct the temporary dome was taken in February 2010 whereas the permanent dome work was entrusted in November 2009 itself.

**(iii) *Overpayment to contractor***

As per the technical specifications and the nomenclature of the work provided in the original agreement, the length of piles was to be measured, for payment purposes, from the top of the pile shoe to the bottom of the pile cap. However, while changing the design of the pile foundation, the nomenclature of the work was changed in the supplementary agreement to effect payment for the length of the pile up to the natural ground level instead of up to the bottom of the pile cap. This resulted in overpayment to the contractor for the portion of the pile length over the bottom of pile cap level. The overpayment made to the contractor due to the excess length of the pile measured was ₹ 2.46 crore. When the overpayment was brought (June 2010) to notice the SE replied (June 2010) that restricting the pile length up to the level of the bottom of the pile cap would involve excavation of a large volume of earth and consequent extra expenditure, inadequate space for storing excavated earth and seepage of water, etc. and hence the payment specification was adopted from shoe level

to natural ground level. The reply is not acceptable as there was a separate provision for earthwork excavation for casting the pile caps which indicated that earthwork excavation was inevitable.

**(iv) Unauthorised financial benefit to contractor**

The bid documents and agreement concluded with the contractor had not provided for payment of secured advances for the materials brought to site. This was also confirmed to the bidders during the pre bid meeting. However, during execution, the contractor requested (August 2009) for payment of advance on the value of materials brought to site. Their request was accepted (August 2009) by the Principal Secretary to Government, PWD, during a review meeting and the contractor was paid advance amounting to ₹ 3.37 crore by way of part payment against the material supplied in December 2009. An amount of ₹ 76.06 lakh remained unadjusted as of June 2010. The payment of advance in violation of agreement provision resulted in unauthorised financial benefit of ₹ 10.85 lakh to the contractor by way of interest at the rate of 14.5 per cent prescribed for mobilisation advance in the agreement.

**3.1.8.3 Non-adoption of IS specification in usage of cement**

The Bureau of Indian Standards revised the specifications for using cement in plain and reinforced cement concrete (RCC) in IS 456-2000. The revised standards stipulated that higher compressive strength of cement concrete could be achieved with lesser quantity of cement content than that provided in the earlier standards.

Scrutiny of estimates of works revealed that the department had prepared the estimates adopting 430.80 kg/cum for RCC at 1:1½:3 and 323.1 kg/cum for RCC at 1:2:4 nominal mix and adopted the same proportion in execution of building works. Though non-adherence to the revised IS 456-2000 was commented upon in previous Audit Reports, the department had not adopted the revised specification. Consequently, excess usage of cement i.e., 130.80 kg/cum for nominal mix RCC 1:1½:3 and 23.10 kg/cum for RCC 1:2:4 was allowed.

It was specified that reduction of 30 kg/cum of cement concrete could be achieved in case 40 mm aggregate (metal) was used instead of 20 mm aggregate. However, the department had not reduced the cement quantity even though 40 mm metal was used in CC 1:5:10. The excess usage of cement in works due to non-adoption of revised specification had resulted in avoidable expenditure of ₹ 3.54 crore.

When this was pointed out by Audit, the CE stated (September 2010) that the revision of data based on IS 456-2000 was under the consideration of Government and hence the present data was being followed. The reply is not acceptable as the IS had been revised as early as in 2000 and the delay of



nearly 10 years in revising the data was not justifiable as the non-revision led to avoidable expenditure.

#### **3.1.8.4 Quality Control**

The responsibility of procurement of construction materials rested with the contractors and there was no system of departmental issue of the same. Testing of quality of materials procured by contractors and the quality of work was done in private laboratories and technical institutions. The CE instructed (September 2002) all SEs to form Quality Control cells at the circle level for conducting quality control tests, periodical appraisal of the quality of various works done and having a system of feedback for possible improvements. A quarterly return on quality control inspections was required to be sent to the CE by the Quality Control cells. The Quality Control cells had not been established in four out of the five test-checked circles and in the remaining circle, though formed, it was not functioning since October 2004. The department continued to rely on results of sample tests and other quality control tests done by other agencies.

During the exit conference, the CE stated that the works executed were being checked by the Assistant Executive Engineers and Executive Engineers and hence separate quality control wings were superfluous. The reply is not acceptable as check measurements were done for the quantity of work executed. Moreover, quality control also included testing of materials brought to site by contractors, samples from concrete laid and other items of work to ensure quality of work. The CE agreed to look into the matter.

#### **3.1.8.5 Environmental issues**

##### ***(i) Non-utilisation of fly-ash bricks in buildings works***

Based on a notification issued by the Ministry of Environment and Forests, GOI, New Delhi, and considering the environmental advantages of fly ash, the CE instructed (December 2008) all the circles to use fly-ash bricks in construction works carried out in areas within the radius of 100 km from thermal power stations. However, in 1,144 works costing ₹ 68.67 crore, executed by the two divisions<sup>8</sup> during 2008-09 and 2009-10, fly-ash bricks were not utilised.

The department stated (September 2010) that the SEs and EEs would be instructed to use fly-ash bricks in works.

##### ***(ii) Non-utilisation of crushed stone sand in building works***

A High-level committee constituted (September 2002) by the State Government to survey rivers and river beds in the State recommended to find an alternative material for sand and to help prevent the depletion of river sand

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<sup>8</sup> C&M Division, Thiruvallur and Tuticorin

and to save the rivers from exploitation. The Honourable High Court, Madras also gave a similar direction. The Buildings Research Station functioning under the control of SE, P&D Circle, Chennai, after sustained research, had made recommendations for the use of crushed stone sand as an alternative material for river sand on techno-economic considerations.

Accordingly, the CE issued (May 2008) instructions to all the circles/divisions of the department to use stone dust and quarry rubbish as an alternative to sand to an extent of 30 *per cent*. However, quarry dust and crushed stone sand were not used in any of the works involving 86,009 cu m of sand carried out during 2008-09 and 2009-10 in three test-checked divisions<sup>9</sup> where crushed stone sand was available. Non-utilisation of stone crushed sand in 53 works had resulted in depletion of river sand to that extent.

The department stated (September 2010) that the rate of crushed stone sand was higher when compared to the rate of river sand and hence the rate was not approved by the Schedule of Rates Committee and that it would be included on approval. The reply is not acceptable as the decision to use alternative material was made to save the rivers from exploitation. The rate for the item could have been included in the Schedule of Rates for the year 2009-10 for adoption in estimates for the work taken up during 2009-10.

### **3.1.9 Other points of interest**

#### **3.1.9.1 Non-functioning of the Hazard Safety Cell**

GOI recommended (April 2004) constitution of a Hazard Safety Cell (HSC) under the direct supervision and control of the Engineer-in-Chief of the State PWD as an advisory body for proper enforcement of the buildings code in all future constructions, thereby ensuring the safety of buildings and structures from all hazards such as earthquakes/cyclones, etc. Accordingly, HSC headed by the SE, P&D Circle, Chennai with the existing staff of EE, AE, AEE and a Draughting Officer of Building Centre Division was established (May 2005) by Government. However, no additional staff was posted for effective functioning as stipulated in the Government order. As a result, vital functions like scrutiny of plans for 'Government buildings and Private building' were not carried out. The very purpose of establishing the HSC by GOI/State Government was defeated, despite the fact that Tamil Nadu comes under low to moderate seismic prone zone.

The department stated (September 2010) that the formation of HSC with the existing staff was a temporary initiative only. The reply is not acceptable as the Government formed the HSC more than five years ago but no effective functioning of the HSC had taken place to ensure and certify the safety of buildings, particularly multistoried buildings.

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<sup>9</sup> C&M Divisions Dharmapuri, Salem and Villupuram.

### **3.1.9.2 Under-performance of a laboratory**

A laboratory was functioning under the control of the Building Centre and Conservation Division for conducting quality control tests and research works relating to problems connected with soil, cement, concrete, other building materials, etc.

A review of the records maintained by the laboratory revealed that only 61 tests were carried out during 2005-10. Concrete cube tests were conducted for the work of construction of a new complex for the Tamil Nadu Legislative Assembly at the foundation stage only. Thereafter, no test was carried out, as no request was forthcoming from the authorities concerned. As no physical as well as financial target had been fixed, the purpose for which the laboratory was established stood defeated.

The department stated (September 2010) that the proposals for improving the laboratory and increasing the number of tests would be submitted soon.

### **3.1.9.3 Non renewal of lease agreements**

Note 4 under Para 275 of the Tamil Nadu Public Works Department (TNPWD) Code specifies that the period of lease in respect of Government buildings given for commercial and other purposes at market rates of rent would be restricted to a period of three years. As per the CE's instructions (November 1989), the rent for the Government buildings should be got fixed once in three years. Scrutiny of records of the CE indicated that 48 lease agreements were not renewed on expiry of lease periods and the proposals for revision of rent were pending at various levels (SEs/EEs - 30 cases; CE - seven cases and the Government - 11 cases).

### **3.1.10 Maintenance of buildings**

There were 35,548 non-residential and 6,760 residential buildings under the maintenance control of PWD. The department was to provide funds in its budget for maintenance of non-residential and residential buildings of Judicial, Land Revenue, Police, Public Works, Registration, Transport and other administrative departments and monuments and memorials. For other departments, provision of funds was made in their respective budgets. The details of budget provisions made and expenditure incurred on maintenance of residential and non-residential buildings by the department and the expenditure on Government guest houses and VVIP residences during 2005-10 are given in **Table 9**.

**More funds were spent on maintenance of guest houses/VIP residences**

Table 9: Budget provision and expenditure on maintenance of buildings

(₹ in crore)

Year	Non-residential buildings				Residential buildings			
	For all buildings		For guest houses		For all buildings		For VVIP residences	
	P	E	P	E	P	E	P	E
2005-06	10.98	9.68	6.15	5.76	16.71	16.20	9.11	8.69
2006-07	12.58	11.09	6.85	6.41	19.18	18.50	11.20	10.56
2007-08	13.04	11.81	7.21	6.80	15.87	15.36	7.85	7.50
2008-09	12.26	11.89	7.77	7.40	14.86	14.53	6.06	5.90
2009-10	12.11	11.15	7.06	6.48	15.54	14.88	6.19	5.84
<b>Total</b>	<b>60.97</b>	<b>55.62</b>	<b>35.04</b>	<b>32.85</b>	<b>82.16</b>	<b>79.47</b>	<b>40.41</b>	<b>38.49</b>

P: Provision; E: Expenditure

(Source: Appropriation Accounts)

Fifty-eight *per cent* of the total allocation for the State for maintenance of non-residential buildings and 49 *per cent* of the total allocation for maintenance of residential buildings were earmarked for maintenance of Government guest houses and VVIP residences respectively indicated that all other Government residential and non-residential buildings were given less importance for maintenance.

### 3.1.10.1 Shortfall in provision of funds

(i) Test check of records of six out of 12 C&M Divisions revealed that there were shortfalls in provision of funds for maintenance of non-residential and residential buildings as indicated in **Table 10**.

Table 10: Details of funds provided and expenditure incurred on maintenance during 2005-10

(₹ in lakh)

Name of the Division	Funds sought for		Funds provided		Expenditure	
	Office/ Residential Building	Inspection Bungalow/ Guest House/ VIP Residence	Office Building/ Residential Building	Inspection Bungalow/ Guest House/VIP Residence	Office Building/ Residential Building	Inspection Bungalow/ Guest House/ VIP Residence
<b>2059-Public Works</b>						
Virudhunagar	36.50	64.40	18.84	24.97	18.27	23.60
Pudukottai	132.50	227.24	55.46	68.53	42.77	66.47
Trichy	112.52	213.52	52.00	105.43	51.87	98.87
South Presidency Division	127.30	281.67	68.00	190.46	57.94	179.19
Thiruvallur	118.03	122.80	50.06	60.67	44.39	48.48

(₹ in lakh)

Name of the Division	Funds sought for		Funds provided		Expenditure	
	Office/ Residential Building	Inspection Bungalow/ Guest House/ VIP Residence	Office Building/ Residential Building	Inspection Bungalow/ Guest House/ VIP Residence	Office Building/ Residential Building	Inspection Bungalow/ Guest House/ VIP Residence
<b>2216-Housing</b>						
Virudhunagar	149.77	-	54.53	-	52.47	-
Pudukottai	376.51	-	53.46	-	56.75	-
Trichy	425.16	-	152.03	-	151.20	-
South Presidency Division	730.70	4,157.57	499.00	3,216.50	493.66	3,153.82
Thiruvallur	335.90	-	122.75	-	119.48	-

(Source: Divisional Records)

In view of inadequate provision of funds for maintenance, the divisions were forced to maintain less number of buildings.

(ii) Audit also observed that importance was given for maintenance of inspection bungalows/guest houses compared to other buildings. **Table 11** indicates the expenditure incurred on maintenance of inspection bungalows/guest houses and other buildings.

**Table 11: Details of expenditure incurred on maintenance of buildings during 2005-10**

(₹ in lakh)

Name of the Division	Office Building/Residential Building			Inspection Bungalow/Guest House/VIP Residence			Percentage of expenditure on Inspection Bungalow/ Guest House/VIP Residence
	No. of Buildings	Plinth Area (in sq. m.)	Expenditure	No. of Buildings	Plinth Area (in sq. m.)	Expenditure	
Virudhunagar	15	3,037	18.27	6	1,877	23.60	56
Pudukottai	20	2,625	42.77	24	2,146	66.47	61
Trichy	44	7,776	51.87	13	3,651	98.87	66
South Presidency Division	4	9,419	57.94	84	63,724	3,333.01	98
Thiruvallur	33	2,631	44.39	6	2,268	48.48	52

(Source: Divisional Records)

In view of lesser provision of funds for maintenance of other buildings, the possibility of those buildings losing their life span could not be ruled out.

### 3.1.11 Manpower

Adequate and well-equipped manpower is one of the pre-requisites for proper planning, implementation and monitoring of various schemes and efficient functioning of an organisation.

#### 3.1.11.1 Norms for workload not revised

The Government had fixed (December 1991) norms for workload as ₹ 2.20 crore per division in respect of city areas and ₹ 1.80 crore per division in respect of mofussil areas. Since then, the expenditure for works increased manifold due to increase in cost of construction materials and labour. The norms were, however, had not been revised ever after 18 years.

The department stated that proposals would be sent for revision of workload norms.

#### 3.1.11.2 Vacant posts

The department had a number of vacancies, both in the technical and non-technical cadres and the posts remained vacant for long periods. The details of technical cadres where there were vacancies are given in **Appendix 3.6**.

More number of vacancies in technical cadre

### 3.1.12 Internal control and monitoring

#### 3.1.12.1 Internal control

The internal control mechanism in a Government department is meant to ensure that its activities are carried out according to the prescribed rules and regulations and in an economical, efficient and effective manner. An internal control system and strict adherence to Statutes, Codes and Manuals minimize the risk of errors and irregularities and help to protect resources against loss due to waste, abuse and mismanagement. The deficiencies noticed in the internal control system are as follows:

- (i) Para 550 of the PWD Accounts code stipulated that remittances into and drawals from treasuries should be reconciled with divisional figures immediately after the month of transactions. Scrutiny of statements of Schedule of Settlement with Treasuries in the test-checked divisions revealed that departmental remittances for ₹ 52.28 lakh (339 items) were not acknowledged by the treasuries. Similarly, 202 items amounting to ₹ 6.19 lakh accounted for by treasuries were not accounted for in departmental books (**Appendix 3.7**). The remittances which were not acknowledged by treasuries were pending clearance for periods ranging from one to 19 years.
- (ii) Para 419 of the Tamil Nadu Public Works Account (TNPWA) Code stipulates maintenance of Miscellaneous Public Works Advance registers to watch advance payments made to suppliers, recoveries/adjustment of sales on

credit, excess expenditure incurred on deposit works, losses, retrenchments etc.

Scrutiny of the registers in the test-checked divisions, revealed that advances to suppliers, material cost to be recovered, losses or retrenchment, etc. amounting to ₹ 85.09 lakh in respect of 90 items had remained unadjusted for periods ranging between two to 29 years.

(iii) Para 463 (iii) of the TNPWA Code stipulated that the deposits unclaimed for more than three complete account years should be credited to Government as lapsed deposits.

(a) A total of 599 items of deposits amounting to ₹ 2.04 crore due for lapsing had not been lapsed to Government account for periods ranging from one to 21 years by the test-checked divisions.

(b) A total of 3,405 interest-bearing securities pledged in favour of divisional officers amounting to ₹ 44.44 lakh had not been lapsed to Government account for periods ranging from 1 to 41 years.

(c) A total of 167 demand drafts (DD) for ₹ 3.94 lakh relating to the period after 2005-06 were kept in the test-checked divisions. Even though the DDs were to be encashed as and when received and credited to Government Account, due to failure of the divisions to encash the same in time, the DDs became time-barred and unrealisable.

(d) A total of 1,584 items amounting to ₹ 15.82 lakh received in the forms of Kisan Vikas Patras, National Savings Certificates, etc. which remained unclaimed for more than three accounting years, were found not pledged in favour of the EE concerned as prescribed under Para 456 of TNPWA Code. This would result in loss of revenue to Government as the department would not be able to realize them due to non-pledging in its favour.

(iv) Para 216 of the TNPWA Code stipulates that completion reports (CR) should be prepared for all the works completed and finally paid for. It was seen that CRs in respect of 84 works in test-checked divisions, were not recorded even though the works were completed one to six years back.

(v) Para 143 of the TNPWD Code stipulated that Standard Measurement Books should be maintained to facilitate preparation of estimates for maintaining and carrying out periodical repairs to buildings, showing the detailed measurements of each item of work in the buildings which are usually subjected to renewal periodically. However, Standard Measurement Books were not maintained in any of the test-checked divisions.

The department stated that the Executive Engineers would be addressed to take action to clear the pendency in the above items.

(vi) Para 261 and 262 of the TNPWD Code read with the CE's instructions (April 2001) stipulated that each Executive Engineer should maintain a Register of Public Buildings (RPB) with complete data on the buildings. As the buildings constructed by the PWD formed part of the fixed assets of the

State, details of improvements, alteration and additions carried out in each year should also have been entered in the Register. However, in test-checked divisions 3,038 buildings completed at a cost of ₹ 574.87 crore under various schemes during the period 2005-09 were not entered in such Registers.

### 3.1.12.2 Internal audit

Internal audit had been completed by the CE in 13 out of 17 circles during the year 2007-08. No internal audit was conducted during 2008-09 and 2009-10. The period up to which audit was completed by the CE in respect of five units is furnished in **Table 12**.

**Table 12: Arrears in internal audit**

Name of the Circle	Date of audit by CE	Period of accounts covered
Thirunelveli Circle	22.11.2008	12/2004 to 11/2006
Thoothukudi Circle	22.11.2008	11/2004 to 10/2006
Salem Circle (Civil)	13.12.2006	4/2004 to 31.3.2006
Salem Circle (Electrical)	17.12.2009	8/2005 to 7/2007
Public Works Department Staff Training Institute	27.04.2009	3/2004 to 2/2006

(Source: Details furnished by the department)

The department attributed the arrears to manpower shortage.

### 3.1.12.3 Response to Audit

The Principal Accountant General (Civil Audit) conducts audit of the Public Works Department (Buildings) and its subordinate offices and the irregularities are reported through Inspection Reports (IRs). There were 279 paragraphs included in 90 IRs pending as of July 2010 as shown in **Table 13**.

**Table 13: Pending IRs and paragraphs**

Year	Number of IRs	Number of paragraphs
2004-05	1	3
2005-06	3	4
2006-07	3	4
2007-08	16	26
2008-09	32	80
2009-10	31	133
2010-11	4	29
<b>Total</b>	<b>90</b>	<b>279</b>

### 3.1.13 Conclusion

Budgeting was unrealistic in view of large-scale re-appropriations and persistent savings under 'Direction and Administration'. The Twelfth Finance



Commission grants for maintenance of buildings and heritage conservation were not fully availed of. Cases of violation of the provisions of the Tamil Nadu Transparency in Tenders Act, overpayment to contractor, wasteful expenditure, avoidable expenditure and extension of undue benefit to contractor were noticed during audit.

### **3.1.14 Recommendations**

- Large-scale reappropriations and surrender of funds at the end of financial years should be avoided.
- Adequate funds should be provided for maintenance of office and residential buildings.
- Technical specifications prescribed by the Bureau of Indian Standards need to be followed scrupulously in order to effect economy and to ensure quality in execution of works.
- Quality Control cells should be established in all circles.

The above points were referred to Government in September 2010. Reply had not been received (November 2010).

Chennai  
The

**(REVATHI BEDI)**  
Principal Accountant General (Civil Audit)  
Tamil Nadu and Puducherry

Countersigned

New Delhi  
The

**(VINOD RAI)**  
Comptroller and Auditor General of India

## Appendix 1.1

(Reference: Paragraph 1.1.5; Page 4)

### Sample affiliated colleges

Sl.No.	Name of the College
1	J.A. Institute of Engineering & Technology, Koyambedu
2	Adhi College of Engineering and Technology, Pazhaiyaseevaram
3	G.K.M. College of Engineering and Technology, Ayyankoilpattu
4	Kanchi Pallavan Engineering College, Kolivakkam, Iyyengarkulam
5	Lord Venkateshwara Engineering College, Pulliyampakkam Village
6	Panimalar Engineering College
7	Panimalar Institute of Technology, Poonamallee
8	Thirumalai Engineering College, Kilambi Village
9	Bhजारang Engineering College, Veppampattu
10	Sakthi Engineering College, Thiruninravur (Near Avadi)
11	Velammal Engineering College, Ambattur, Red Hills Road
12	Kamban Engineering College, Mathur Village
13	Sri Nandhanam College of Engineering and Technology, Tirupattur
14	A.R. Engineering College, Vadakachipalayam

### Sample autonomous centres

Sl.No.	Name of the autonomous centre
1	Centre for Academic courses
2	Centre for Admissions
3	Centre for Affiliation of Institutions
4	Centre for Student Affairs
5	Centre for Distance Education
6	Centre for Entrance Examination
7	Additional Controller of Exams (Constituent colleges) Controller of Exams (Affiliated colleges)
8	University Library
9	Centre for Technology Development and Transfer
10	Centre for Entrepreneurship Development
11	Centre for University Industry Collaboration
12	Centre for Nano Science and Technology

**Sample university/constituent engineering colleges**

<b>Sl.No.</b>	<b>Name of the college</b>
1	College of Engineering, Guindy, Chennai
2	University College of Engineering, Villupuram

**Sample Government engineering college**

<b>Sl.No.</b>	<b>Name of the college</b>
1	Thanthai Periyar Government Institute of Technology, Vellore

## Appendix 1.2

(Reference: Paragraph 1.1.8.3(ii); Page 18)

## Courses run continuously with Conditional Provisional Affiliation (CPA)

Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
1.	<b>A.M.S. College of Engineering,</b> Nizara Educational Campus, Muthapudupet, Avadi - I.A.F 600055.	B.E.	Computer Science and Engineering	Provisional	CPA	CPA
2.		B.Tech.	Information Technology	CPA	CPA	CPA
3.	<b>Adhiparasakthi College of Engineering,</b> G.B. Nagar, Kalavai, Arcot Taluk, Vellore District - 632506	B.E.	Computer Science and Engineering	CPA	CPA	CPA
4.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
5.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
6.		B.Tech.	Information Technology	CPA	CPA	CPA
7.		M.B.A.	Business Administration	CPA	CPA	CPA
8.	<b>Adhiparasakthi College of Engineering,</b> Melmaruvathur, Melmaruvathur Post, Cheyyar Taluk, Kancheepuram District 603 319	B.E.	Computer Science and Engineering	CPA	CPA	CPA
9.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
10.		B.Tech.	Information Technology	CPA	CPA	CPA
11.		M.E.	Thermal Engineering	CPA	CPA	CPA
12.		M.C.A.	Computer Application	CPA	CPA	CPA
13.	<b>Alpha College of Engineering</b> No.34 Udayavar Koil Village, Thirumezhisai, Poonamallee, Thiruvallur Dist, Chennai - 602107	B.E.	Bio Medical Engineering	CPA	CPA	CPA
14.		B.E.	Computer Science and Engineering	CPA	CPA	CPA
15.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
16.		B.Tech.	Information Technology	CPA	CPA	CPA
17.	<b>Anand Institute of Higher Technology,</b> Kalasalingam Nagar, Old Mahabalipuram Road,Kazhipattur Village, Chengalpattu Taluk,Kancheepuram District - 603103	B.E.	Computer Science and Engineering	CPA	CPA	Provisional
18.		B.E.	Electrical and Electronics Engineering	CPA	CPA	Provisional
19.		B.E.	Electronics and Communication Engineering	CPA	CPA	Provisional
20.		B.E.	Electronics and Instrumentation Engineering	CPA	CPA	Provisional
21.	<b>Annai Teresa College of Engineering,</b> Cuddalore – Ulundurpet Road,Thirunavalur Village, Thirunavalur Post,Ulundurpet Taluk,Vilupuram District - 607 204.	B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
22.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
23.		B.E.	Mechanical Engineering	Provisional	CPA	CPA
24.		B.Tech.	Information Technology	Provisional	CPA	CPA
25.	<b>Arignar Anna Institute of Science and Technology,</b> Pennalur Village, Pennalur Post office, Sriperumpudur Taluk, Kancheepuram District - 602 105	B.E.	Computer Science and Engineering	CPA	CPA	CPA
26.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
27.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
28.		B.Tech.	Information Technology	CPA	CPA	CPA

Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
29.	<b>Arulmigu Meenakshi Amman College of Engineering,</b> Moranam – Kalavai Road, Vadamavandal Village, Namandi Post Office, Cheyyar Taluk, Thiruvannamalai District – 604 410	B.E.	Civil Engineering	CPA	CPA	CPA
30.		B.E.	Computer Science and Engineering	Provisional	CPA	CPA
31.		B.E.	Electronics and Communication Engineering	Provisional	CPA	CPA
32.		B.E.	Instrumentation and Control Engineering	Provisional	CPA	CPA
33.		B.E.	Mechanical Engineering	Provisional	CPA	CPA
34.		B.Tech.	Bio Technology	CPA	CPA	CPA
35.		B.Tech.	Chemical Engineering	Provisional	CPA	CPA
36.		B.Tech.	Information Technology	Provisional	CPA	CPA
37.		M.E.	Applied Electronics	Provisional	CPA	CPA
38.		M.E.	Computer Science and Engineering	Provisional	CPA	CPA
39.		M.B.A.	Business Administration	CPA	CPA	CPA
40.		M.B.A.	Business Administration (Part Time)	CPA	CPA	CPA
41.		M.C.A.	Computer Application	CPA	CPA	CPA
42.		<b>Arunai Engineering College,</b> Mathur, Tiruvannamalai – 606 603	B.E.	Electronics and Communication Engineering	Provisional	CPA
43.	M.E.		Power Electronics and Drives	Provisional	CPA	CPA
44.	<b>Asan Memorial College of Engineering &amp; Technology,</b> Oragadam Road, Thandarai Village, Peria Irumbedu P.O., (Via) Manambathi, Chengalpattu – 603105.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
45.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
46.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
47.	<b>Bhजारang Engineering College,</b> Ayathur Village, Veppampattu R.S, Thiruvallur District - 602024.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
48.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
49.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
50.		B.Tech.	Information Technology	CPA	CPA	CPA
51.	<b>Bharathidasan Engineering College,</b> MGR Nagar, K.Bhadrapalli Village, K.Bandarapalli post, Tirupattur Taluk, Vellore District – 635852	B.E.	Computer Science and Engineering	CPA	CPA	CPA
52.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
53.		B.Tech.	Information Technology	CPA	CPA	CPA
54.	<b>C.Abdul Hakeem College of Engineering and Technology,</b> Hakeem Nagar, Melvisharam – 632 509, Vellore District	B.E.	Computer Science and Engineering	CPA	CPA	Permanent
55.		B.E.	Electronics and Communication Engineering	CPA	CPA	Provisional
56.		B.E.	Electrical and Electronics Engineering	CPA	CPA	Permanent
57.		B.Tech.	Information Technology	CPA	CPA	Provisional
58.		M.B.A.	Business Administration	CPA	CPA	CPA
59.	<b>D.M.I. College of Engineering,</b> Palanchoor, Mevalurkuppam 'B' Village, Nazarethpet Post, Kancheepuram District - 602 103.	B.Tech.	Information Technology	Provisional	CPA	CPA
60.		M.B.A.	Business Administration	CPA	CPA	CPA
61.		M.C.A.	Computer Application	CPA	CPA	CPA

Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
62.	<b>Dhaanish Ahmed College of Engineering,</b> NH48 (Kancheepuram High Road), Vanchuvanchery, Padappai Post, Sriperumpudur Taluk, Kancheepuram District – 601 301.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
63.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
64.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
65.		M.B.A.	Business Administration	CPA	CPA	CPA
66.	<b>Dhanalakshmi College of Engineering,</b> Manimangalam Village, Sriperumpudur Taluk, Kancheepuram District - 601301.	M.C.A.	Computer Application	CPA	CPA	CPA
67.	<b>Dr.Paul's Engineering College,</b> Pauls Nagar, Pulichapallam Village, Vanur Taluk, Villupuram District – 605109.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
68.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
69.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
70.		B.Tech.	Information Technology	CPA	CPA	CPA
71.		B.E.	Electronics and Instrumentation Engineering	CPA	CPA	CPA
72.		M.B.A.	Business Administration	CPA	CPA	CPA
73.		M.C.A.	Computer Application	CPA	CPA	CPA
74.	<b>E.V.P. Engineering College,</b> EVP Santhosa Nagar, Chennai Bangalore Highway Chembarambakkam, Thiruvallur, Chennai – 602 103	B.E.	Computer Science and Engineering	CPA	CPA	-
75.		B.E.	Electrical and Electronics Engineering	CPA	CPA	-
76.		B.E.	Electronics and Communication Engineering	CPA	CPA	-
77.		B.E.	Mechanical Engineering	CPA	CPA	-
78.	<b>G.G.R. College of Engineering,</b> Pillayarkuppam, Chennai Bangalore Highway, Perumugai Post, Vellore – 632 009	B.E.	Computer Science and Engineering	CPA	CPA	CPA
79.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
80.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
81.		B.E.	Mechanical Engineering	CPA	CPA	CPA
82.		B.Tech.	Bio Technology	CPA	CPA	CPA
83.		B.Tech.	Information Technology	CPA	CPA	CPA
84.	<b>G.K.M. College of Engineering and Technology,</b> Alappakkam-Mappedu Road, G.K.M Nagar, Chennai – 600063	B.E.	Computer Science and Engineering	CPA	CPA	CPA
85.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
86.		B.E.	Electronics and Communication Engineering	Provisional	CPA	CPA
87.		M.E.	Computer Aided Design	Provisional	CPA	CPA
88.		M.E.	Computer Science and Engineering	Provisional	CPA	CPA
89.		M.Sc	Information Technology - 5 Years	Provisional	CPA	CPA

Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
90.	<b>Ganadipathy Tulsi's Engineering College,</b> Chittoor–Cuddalore Road, Kaniyambadi, Vellore-102	B.E.	Computer Science and Engineering	CPA	CPA	CPA
91.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
92.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
93.		B.Tech.	Information Technology	CPA	CPA	CPA
94.		M.E.	Computer Science and Engineering	CPA	CPA	CPA
95.	<b>Gojan School of Business &amp; Technology,</b> Alamathy 80, Feet Road, Alamathi, Chennai – 600 052.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
96.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
97.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
98.		B.E.	Mechanical Engineering	CPA	CPA	CPA
99.	<b>Hindustan College of Engineering,</b> Old Mahabalipuram Road, Padur Village, Padur Post Office, Chengalpattud, Kancheepuram District – 603 103	B.E.	Aeronautical Engineering	CPA	CPA	-
100.		B.E.	Automobile Engineering	CPA	CPA	-
101.		B.E.	Computer Science and Engineering	CPA	CPA	-
102.		B.E.	Electronics and Communication Engineering	CPA	CPA	-
103.		B.E.	Electronics and Instrumentation Engineering	CPA	CPA	-
104.	B.Tech.	Information Technology	CPA	CPA	-	
105.	<b>I.F.E.T. College of Engineering,</b> East Pandy Road, Gangarampalayam, Valavanur (Post) Villupuram – 605 108	B.E.	Computer Science and Engineering	CPA	CPA	CPA
106.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
107.		B.E.	Electronics and Communication Engineering	CPA	CPA	Permanent
108.		B.E.	Mechanical Engineering	CPA	CPA	Permanent
109.		B.Tech.	Information Technology	CPA	CPA	CPA
110.	<b>Idhaya Engineering College for Women,</b> Idhaya Nagar, Nainarpalayam Road, Chinna Salem – 606201, Villupuram District	B.E.	Computer Science and Engineering	CPA	CPA	CPA
111.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
112.		B.Tech.	Information Technology	CPA	CPA	CPA
113.	<b>J.A. Institute of Engineering &amp; Technology</b> No.42,2, Srinivasa Nagar II Street, Koyambedu, Chennai – 600 017.	B.E.	Computer Science and Engineering	CPA	CPA	-
114.		B.E.	Electrical and Electronics Engineering	CPA	CPA	-
115.		B.E.	Electronics and Communication Engineering	CPA	CPA	-
116.		B.E.	Mechanical Engineering	CPA	CPA	-
117.	<b>Jeppiar Engineering College,</b> Jeppiaar Nagar, Old Mahapaliburam Road, Chennai – 600 119.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
118.		B.Tech.	Information Technology	CPA	CPA	CPA
119.		M.C.A.	Computer Application	CPA	CPA	CPA
120.	<b>Jerusalem College of Engineering,</b> Velachery Main Road, Narayanapuram, Pallikaranai, Gowrivakkam Post, Kancheepuram District - 601 302.	B.E.	Bio Medical Engineering	CPA	CPA	CPA
121.		B.E.	Computer Science and Engineering	CPA	CPA	Provisional
122.		B.Tech.	Information Technology	CPA	CPA	CPA

Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
123.	<b>K.C.G. College of Technology,</b> Old Mahabalipuram Road, Karapakkam Village, Sholinganallur Post Office, Chengalpattu Taluk, Kancheepuram District - 600 096.	B.E.	Mechanical Engineering	Provisional	CPA	CPA
124.		B.Tech.	Information Technology	CPA	CPA	CPA
125.		M.E.	VLSI Design	CPA	CPA	CPA
126.		M.C.A.	Computer Application	CPA	CPA	CPA
127.	<b>Kalsar College of Engineering,</b> 109, Mannur Village, Sriperambudur Taluk, Kancheepuram District - 602 105 .	B.E.	Computer Science and Engineering	CPA	CPA	CPA
128.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
129.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
130.	<b>Kamban Engineering College,</b> Chittoor-Cuddalore National, Highway, Mathur Village, Tiruvannamalai Town, Mathur Post, Tiruvannamalai Taluk, Tiruvannamalai District – 606603	B.E.	Computer Science and Engineering	CPA	CPA	CPA
131.	<b>Kanchi Pallavan Engineering College,</b> Kolivakkam, Iyengarkulam Post - 631502 Kancheepuram Taluk & District	B.E.	Computer Science and Engineering	CPA	CPA	CPA
132.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
133.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
134.		B.E.	Mechanical Engineering	CPA	CPA	CPA
135.		B.Tech.	Information Technology	CPA	CPA	CPA
136.	<b>Karpagavinayaga College of Engineering and Technology,</b> G.S.T. Road, Chinna Kollambakkam Village, Palayanoor Post, Maduranthagam Taluk, Kancheepuram District – 603 308.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
137.		B.E.	Electrical and Electronics Engineering	Provisional	CPA	CPA
138.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
139.		B.E.	Mechanical Engineering	Provisional	CPA	CPA
140.		B.Tech.	Information Technology	CPA	CPA	CPA
141.		M.C.A.	Computer Application	CPA	CPA	CPA
142.	<b>Kings Engineering College,</b> Irungattu Kottai, Sriperumbudur, Chennai – 602 105.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
143.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
144.		B.E.	Mechanical Engineering	CPA	CPA	CPA
145.		B.Tech.	Information Technology	CPA	CPA	CPA
146.	<b>Lakshmi Chand Rajani College of Engineering and Technology,</b> Kanchipadi Village, Thiruthani Taluk - 631204	B.E.	Computer Science and Engineering	CPA	CPA	CPA
147.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
148.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
149.		B.Tech.	Information Technology	CPA	CPA	CPA
150.	<b>Lord Venkateshwara Engineering College,</b> Pulliyampakkam Village, Walajabad Post office, Kancheepuram Taluk, Kancheepuram District – 631 605	B.E.	Civil Engineering	Provisional	CPA	CPA
151.		B.E.	Computer Science and Engineering	CPA	CPA	CPA
152.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
153.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
154.		B.E.	Mechanical Engineering	Provisional	CPA	CPA
155.		B.Tech.	Information Technology	CPA	CPA	CPA
156.		M.C.A.	Computer Application	CPA	CPA	CPA



Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
157.	<b>Maamallan Institute of Technology</b> Maamallan Nagar, Vadamangalam, Sriperumpudur – 602105.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
158.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
159.		B.Tech.	Information Technology	CPA	CPA	CPA
160.	<b>Madha Engineering College,</b> Madha Nagar, Somangalam Road, Kundrathur Village, Kundrathur Post Office, Sriperumpudur Taluk, Kancheepuram District - 600069	B.E.	Civil Engineering	CPA	CPA	Provisional
161.		B.E.	Computer Science and Engineering	CPA	CPA	CPA
162.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
163.		B.Tech.	Bio Technology	CPA	CPA	Provisional
164.		B.Tech.	Information Technology	CPA	CPA	CPA
165.		B.E.	Aeronautical Engineering	CPA	CPA	CPA
166.		M.E.	Power Electronics and Drives	CPA	CPA	Provisional
167.		M.B.A.	Business Administration	CPA	CPA	Provisional
168.		M.C.A.	Computer Application	CPA	CPA	CPA
169.	<b>Magna College of Engineering,</b> Magaral Village, Koduvalli Post office, Thiruvallur Taluk, Thiruvallur District, Chennai 600055.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
170.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
171.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
172.		B.E.	Mechanical Engineering	CPA	CPA	CPA
173.		B.E.	Information Technology	CPA	CPA	CPA
174.	<b>Mailam Engineering College,</b> Mailam – 604304, Tindivanam Taluk, Villupuram District.	B.E.	Computer Science and Engineering	CPA	CPA	Provisional
175.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
176.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
177.		B.E.	Mechanical Engineering	CPA	CPA	Provisional
178.		B.Tech.	Information Technology	CPA	CPA	CPA
179.		M.E.	Computer Science and Engineering	CPA	CPA	CPA
180.		M.E.	Engineering Design	CPA	CPA	Provisional
181.		M.E.	Power Electronics and Drives	CPA	CPA	Provisional
182.		M.B.A.	Business Administration	CPA	CPA	CPA
183.	M.C.A.	Computer Application	CPA	CPA	Provisional	
184.	<b>Meenakshi College of Engineering,</b> No 12, Vembuliamman Koil St, Virugambakkam, Chennai - 92	B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
185.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
186.		M.B.A.	Business Administration	CPA	CPA	CPA
187.	<b>Meenakshi Sundararajan Engineering College,</b> 363, Arcot Road, Kodambakkam, Chennai – 600 024.	B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
188.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
189.		B.Tech.	Information Technology	CPA	CPA	CPA
190.	<b>Misrimal Navajee Munoth Jain Engineering College,</b> Guru Marudhar Kesari Building, Jyothi nagar, Thorapakkam, Chennai - 600096	M.E.	Power Electronics and Drives	Provisional	CPA	CPA

Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
191.	<b>Mohamed Sathak A.J. College of Engineering,</b> Old Mahabalipuram Road, Egattur Village, Kelambakkam Post Office, Chengelpet Taluk, Kancheepuram District - 603 103.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
192.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
193.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
194.		B.E.	Mechanical Engineering	CPA	CPA	CPA
195.		B.Tech.	Information Technology	CPA	CPA	CPA
196.	<b>P.B. College of Engineering,</b> Irungattukottai, Sriperumbudur – 602105	B.E.	Computer Science and Engineering	CPA	CPA	Provisional
197.		B.E.	Electrical and Electronics Engineering	CPA	CPA	Provisional
198.		B.E.	Electronics and Communication Engineering	CPA	CPA	Provisional
199.	<b>P.M.R. Institute of Technology,</b> Adayalampattu, Chennai – 602 102.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
200.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
201.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
202.		B.Tech	Information Technology	CPA	CPA	CPA
203.	<b>P. T. Lee Chengalvaraya Naicker College of Engineering and Technology,</b> Ooverly Village, Kancheepuram Dt. – 631 502.	B.E.	Electronics and Instrumentation Engineering	CPA	CPA	CPA
204.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
205.	<b>Pallavan College of Engineering,</b> Thimmasamudram, Iyyengarkulam, Kancheepuram Taluk, Kancheepuram District - 631502	B.E.	Computer Science and Engineering	CPA	CPA	Provisional
206.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
207.		B.E.	Electronics and Communication Engineering	CPA	CPA	Provisional
208.		B.Tech.	Information Technology	CPA	CPA	CPA
209.	<b>Panimalar Engineering College,</b> Bangalore Trunk Road, Varadharajapuram, Nasareth Pettai (Post), Poonamalle (Taluk), Chennai - 602 103.	B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
210.		B.Tech.	Information Technology	Provisional	CPA	CPA
211.	<b>Prathyusha Engineering College,</b> Poonamallee-Thiruvallur Road, Aranvayal Kuppam Village, Aranvayal Post, Thiruvallur Taluk - 602025.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
212.		B.E.	Bio Medical Engineering	CPA	CPA	CPA
213.		B.E.	Electronics and Communication Engineering	CPA	CPA	Provisional
214.		B.Tech.	Information Technology	CPA	CPA	CPA
215.		M.C.A.	Computer Application	CPA	CPA	CPA
216.	<b>Prince Shri Venkateshwara Padmavathy Engineering College,</b> Medavakkam – Mambakkam Road, Ponmar Village, Ponmar Post office, Chengalpattu Taluk, Kancheepuram District - 600048	B.E.	Computer Science and Engineering	CPA	CPA	CPA
217.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
218.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
219.		B.E.	Mechanical Engineering	CPA	CPA	CPA
220.		B.Tech.	Information Technology	CPA	CPA	CPA
221.		M.C.A.	Computer Application	CPA	CPA	CPA

Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
222.	<b>Priyadarshini Engineering College,</b> Chettiyappanur Village & Post, Vaniyambadi - 635 751, Vellore District	B.E.	Computer Science and Engineering	CPA	CPA	CPA
223.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
224.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
225.		B.E.	Mechanical Engineering	CPA	CPA	Provisional
226.		B.Tech.	Information Technology	CPA	CPA	CPA
227.		M.B.A.	Business Administration	CPA	CPA	CPA
228.		M.C.A.	Computer Application	CPA	CPA	CPA
229.		<b>R.M.D. Engineering College,</b> G.N.T Road, Kavaraipettai Village, Kavaraipettai Post office, Gummidipoondi Taluk, Thiruvallur District - 601 206.	B.Tech.	Information Technology	CPA	CPA
230.	M.B.A.		Business Administration	CPA	CPA	CPA
231.	<b>R.M.K. Engineering College,</b> G.N.T Road, N.H.No 5, Kavaraipettai Village, Kavaraipettai Post office, Gummidipoondi Taluk, Thiruvallur District - 601 206.	M.E.	VLSI Design	CPA	CPA	Provisional
232.	<b>Rajalakshmi Engineering College,</b> Rajalakshmi Nagar, Thandalam, Sriperumbudur Taluk, Kancheepuram District, Chennai – 602105	B.E.	Aeronautical Engineering	CPA	CPA	CPA
233.		B.E.	Automobile Engineering	CPA	CPA	Provisional
234.		B.E.	Bio Medical Engineering	CPA	CPA	CPA
235.		B.E.	Computer Science and Engineering	CPA	CPA	CPA
236.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
237.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
238.		B.E.	Mechanical Engineering	CPA	CPA	Permanent
239.		B.Tech.	Bio Technology	Provisional	CPA	CPA
240.		B.Tech.	Information Technology	CPA	CPA	CPA
241.		M.E.	Communication Systems	CPA	CPA	Provisional
242.		M.E.	Computer Science and Engineering	CPA	CPA	Provisional
243.		M.E.	Power Electronics and Drives	CPA	CPA	Provisional
244.		M.E.	Software Engineering	CPA	CPA	CPA
245.		M.Tech	Bio Technology	CPA	CPA	Provisional
246.		M.C.A.	Computer Application	Provisional	CPA	CPA
247.	<b>Rajiv Gandhi College of Engineering,</b> Nemili Village, Sriperumbudur, Kancheepuram District - 602 105.	B.E.	Bio Medical Engineering	CPA	CPA	CPA
248.		B.E.	Computer Science and Engineering	CPA	CPA	CPA
249.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
250.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
251.		B.E.	Mechanical Engineering	CPA	CPA	CPA
252.		B.E.	Petroleum Engineering	CPA	CPA	CPA
253.		B.Tech.	Information Technology	CPA	CPA	CPA

Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
254.	<b>Ranipettai Engineering College,</b> Thenkadappanthalangal, Wallajah Taluk, Vellore District - 632513	B.E.	Computer Science and Engineering	CPA	CPA	CPA
255.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
256.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
257.		B.Tech.	Information Technology	CPA	CPA	CPA
258.	<b>Royal College of Engineering and Technology,</b> East Coast Road, Poonjeri Village, Thirukkalukundram Taluk, Kancheepuram District-603104	B.E.	Computer Science and Engineering	CPA	CPA	-
259.		B.E.	Electrical and Electronic Engineering	CPA	CPA	-
260.		B.E.	Electronics and Communication Engineering	CPA	CPA	-
261.		B.E.	Mechanical Engineering	CPA	CPA	-
262.		B.Tech	Information Technology	CPA	CPA	-
263.	<b>S.A. Engineering College</b> Veeraraghavapuram, Thiruverkadu post, Tiruvallore District - 600 077	B.E.	Computer Science and Engineering	CPA	CPA	CPA
264.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
265.		B.Tech.	Information Technology	CPA	CPA	CPA
266.		M.E.	Communication Systems	CPA	CPA	CPA
267.		M.E.	Embedded System Technologies	CPA	CPA	CPA
268.		M.E.	Product Design and Development	CPA	CPA	CPA
269.		M.B.A.	Business Administration	CPA	CPA	CPA
270.		M.C.A.	Computer Application	CPA	CPA	CPA
271.	<b>S.K.P Engineering College</b> Chinnakangiyannur, Tiruvannamalai - 606611	B.E.	Computer Science and Engineering	Provisional	CPA	CPA
272.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
273.		B.E.	Electronics and Communication Engineering	Provisional	CPA	CPA
274.		B.E.	Mechanical Engineering	CPA	CPA	CPA
275.		B.Tech.	Information Technology	Provisional	CPA	CPA
276.		M.E.	Applied Electronics	Provisional	CPA	CPA
277.		M.E.	Computer Science and Engineering	CPA	CPA	CPA
278.	<b>S.K.R. Engineering College,</b> Agarmmel village, Poonamallae Post & Taluk, Thiruvallur – 602 103	B.E.	Computer Science and Engineering	CPA	CPA	CPA
279.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
280.		B.E.	Mechanical Engineering	Provisional	CPA	CPA
281.		B.Tech.	Information Technology	CPA	CPA	CPA
282.		M.B.A.	Business Administration	CPA	CPA	CPA
283.		M.C.A.	Computer Application	CPA	CPA	CPA
284.	<b>Loyola Institute of Technology,</b> (Formerly S.M.Kader Engineering College), Maduramangalam, Pannur Post Office, Sriperumbudur Taluk, Kancheepuram District – 602 108	B.E.	Electrical and Electronic Engineering	CPA	CPA	-
285.		B.E.	Electronics and Communication Engineering	CPA	CPA	-
286.		B.Tech	Information Technology	CPA	CPA	-

Sl. No.	Name of the College	Degree	Course	Academic year		
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287.	<b>SAMS College of Engineering and Technology,</b> 82,Panapakam, Chennai-Thirupathi Road, Periyapalayam, Uthukkotai Taluk, Thiruvallur District - 600102	B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
288.		B.E.	Computer Science and Engineering	CPA	CPA	CPA
289.		B.Tech.	Information Technology	CPA	CPA	CPA
290.	<b>Saraswathi Velu College of Engineering</b> Jambukulam Road, Melvenkatapuram (Vill), Katrambakkam Post, Walajah Taluk, Vellore District – 631102.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
291.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
292.		B.E.	Electronics and Communication Engineering	CPA	CPA	Provisional
293.		B.Tech.	Information Technology	CPA	CPA	CPA
294.	<b>Saveetha Engineering College</b> Saveetha Nagar, Thandalam Village, Thandalam Post, Sriperumbudur Taluk, Kancheepuram District - 602 105.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
295.		B.E.	Electrical and Electronics Engineering	Provisional	CPA	CPA
296.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
297.		B.E.	Mechanical Engineering	CPA	CPA	CPA
298.		B.Tech.	Information Technology	Provisional	CPA	CPA
299.		M.E.	Computer Science and Engineering	CPA	CPA	CPA
300.		M.E.	Applied Electronics	CPA	CPA	CPA
301.		M.B.A.	Business Administration	CPA	CPA	CPA
302.		M.C.A.	Computer Application	CPA	CPA	CPA
303.		<b>Shree Motilal Kanhaiyalal Fomra Institute of Technology</b> Old Mahabalipuram Road, Thaiyur Village, Kelambakkam, Chengelpet Taluk, Kancheepuram District - 603 103.	B.E.	Computer Science and Engineering	CPA	CPA
304.	B.E.		Electrical and Electronics Engineering	CPA	CPA	CPA
305.	B.Tech.		Information Technology	CPA	CPA	CPA
306.	M.C.A.		Computer Application	CPA	CPA	CPA
307.	<b>Shri Andal Alagar College of Engineering</b> #6,G.S.T. Road, Mamandur – 603111 Madurantakam Taluk, Kancheepuram District.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
308.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
309.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
310.		B.E.	Mechanical Engineering	CPA	CPA	CPA
311.		B.Tech.	Bio Technology	Provisional	CPA	CPA
312.		B.Tech.	Information Technology	Provisional	CPA	CPA
313.	<b>Sree Sastha Institute of Engineering and Technology</b> Madras-Bangalore Highway,Chembarambakkam Village,Poonamalle Taluk,Thiruvallur District - 602 103.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
314.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
315.		B.E.	Mechanical Engineering	Provisional	CPA	CPA
316.		B.Tech.	Bio Technology	CPA	CPA	CPA
317.		B.Tech.	Information Technology	CPA	CPA	CPA
318.		M.E.	Computer Science and Engineering	CPA	CPA	CPA
319.		M.E.	VLSI Design	CPA	CPA	CPA
320.		M.B.A.	Business Administration	Provisional	CPA	CPA
321.		M.C.A.	Computer Application	CPA	CPA	CPA

Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
322.	<b>Sri Balaji Chockalingam Engineering College</b> Irumbedu Village, Arni Taluk, Thiruvannamalai District – 632 317	B.E.	Computer Science and Engineering	CPA	CPA	CPA
323.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
324.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
325.		B.E.	Mechanical Engineering	CPA	CPA	CPA
326.		B.Tech.	Information Technology	CPA	CPA	CPA
327.		<b>Sri Krishna Engineering College,</b> Panapakkam Village, Serpanancherry Post (Near Padappai), Sri Perumpudur Taluk, (Tambaram Via) Kancheepuram District-601 301.	B.E.	Computer Science and Engineering	CPA	CPA
328.	B.E.		Electrical and Electronics Engineering	CPA	CPA	CPA
329.	B.E.		Electronics and Communication Engineering	CPA	CPA	CPA
330.	B.Tech.		Information Technology	CPA	CPA	CPA
331.	<b>Sri Lakshmi Ammal Engineering College,</b> Thiruvengeri, Selaiyur, Kancheepuram Dist. 600 073.	B.E.	Electrical and Electronics Engineering	Provisional	CPA	CPA
332.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
333.	<b>Sri Muthukumar Institute of Technology</b> Chakkarayapuram (Near Poonamallee), Kundrathur Road, Near Mangadu, Chennai - 600 069.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
334.		B.Tech.	Information Technology	CPA	CPA	CPA
335.		M.E.	Applied Electronics	Provisional	CPA	CPA
336.		M.E.	Computer Aided Design	Provisional	CPA	CPA
337.	<b>Sri Nandhanam College of Engineering and Technology</b> Molagarampatti, Tirupattur - 635601.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
338.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
339.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
340.		B.E.	Mechanical Engineering	CPA	CPA	Provisional
341.		B.Tech.	Bio Technology	CPA	CPA	CPA
342.	<b>Sri Padmavathy College of Engineering,</b> Mevalur Kuppam, Valarpuram post, Kancheepuram District – 602105.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
343.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
344.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
345.		B.E.	Mechanical Engineering	CPA	CPA	CPA
346.		B.Tech.	Information Technology	CPA	CPA	CPA
347.	<b>Sri Ram Engineering College</b> Perumalpattu Village, Veppampattu(R.S.), Thiruvallur District - 602024.	B.E.	Automobile Engineering	CPA	CPA	CPA
348.		B.E.	Computer Science and Engineering	CPA	CPA	CPA
349.		B.E.	Electrical and Electronics Engineering	Provisional	CPA	CPA
350.		B.E.	Electronics and Communication Engineering	Provisional	CPA	CPA
351.		B.Tech.	Information Technology	CPA	CPA	CPA
352.		B.Tech.	Chemical Engineering	Provisional	CPA	CPA
353.		M.E.	Embedded System Technologies	CPA	CPA	CPA
354.		M.B.A.	Business Administration	CPA	CPA	CPA
355.		M.C.A.	Computer Application	CPA	CPA	CPA

Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
356.	<b>Sri Ramanujar Engineering College</b> Nedunkundram, Kolapakkam, Vandalur, Chennai – 600 048	B.E.	Computer Science and Engineering	CPA	CPA	CPA
357.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
358.		B.E.	Electronics and Communication Engineering	Provisional	CPA	CPA
359.	<b>Sri Sairam Engineering College</b> Tambaram to Somangalam Road Sai Leo Nagar, Poonthandalam Village, Dharkast Post, West Tambaram, Chennai - 600 044.	B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
360.		B.E.	Instrumentation and Control Engineering	CPA	CPA	CPA
361.		B.Tech.	Information Technology	CPA	CPA	Provisional
362.		M.C.A.	Computer Application	Provisional	CPA	CPA
363.	<b>Sri Sivasubramaniya Nadar College of Engineering</b> Kalavakkam Village, Thiruporur Post Office, Chanlpattu Taluk, Kancheepuram District - 603 110.	B.E.	Bio Medical Engineering	Provisional	CPA	CPA
364.		M.C.A.	Computer Application	CPA	CPA	Permanent
365.	<b>Sri Venkateswara College of Engineering</b> Chennai-Bangalore Highways Road,Pennalur Village,Sriperumbudur Post office,Kancheepuram District - 602105.	B.Tech.	Bio Technology	CPA	CPA	CPA
366.	<b>Sri Venkateswara College of Engineering and Technology</b> Thirupachur, Thiruvallur Taluk & District - 631203	B.E.	Civil Engineering	CPA	CPA	CPA
367.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
368.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
369.		B.E.	Mechanical Engineering	Provisional	CPA	CPA
370.		B.Tech.	Information Technology	CPA	CPA	CPA
371.		M.C.A.	Computer Application	CPA	CPA	CPA
372.	<b>Sri Venkateswara Institute of Science and Technology</b> , Kolundhalur Village, Thirupachur Post,Thiruvallur Taluk, Thiruvallur District – 631 203	B.E.	Computer Science and Engineering	CPA	CPA	CPA
373.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
374.	<b>Srinivasa Institute of Engineering and Technology</b> Poonamalle Bye Pass Road, Ponnamalle, Chennai – 600 056.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
375.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
376.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
377.		B.Tech.	Information Technology	CPA	CPA	CPA
378.	<b>SRR Engineering College</b> Old Mamallapuram Road,Padur Village, Chengalpattu Taluk,Kancheepuram District - 603 103.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
379.		B.E.	Electrical and Electronics Engineering	CPA	CPA	CPA
380.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
381.		B.Tech.	Information Technology	CPA	CPA	CPA
382.	<b>St. Peter's Engineering College</b> , College Road, Avadi, Chennai – 600 054	B.E.	Bio Medical Engineering	CPA	CPA	-
383.		B.E.	Computer Science and Engineering	CPA	CPA	-
384.		M.C.A	Computer Application	CPA	CPA	-

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				2006-07	2007-08	2008-09
385.	<b>T.J. Institute of Technology</b> IT Highway, Old Mahabalipuram Road, Karapakkam Village, Okklampet Post Office, Tambaram Taluk, Kancheepuram District, Chennai - 600 096.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
386.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
387.		B.Tech.	Information Technology	CPA	CPA	CPA
388.		M.B.A.	Business Administration	CPA	CPA	CPA
389.	<b>Tagore Engineering College</b> Kelambakkam Road,Rathinamangalam Village,Vandalur Post Office,Chengalpat Taluk, Kancheepuram District - 600 048.	B.E.	Civil Engineering	CPA	CPA	CPA
390.		M.E.	Computer Science and Engineering	Provisional	CPA	CPA
391.		M.B.A.	Business Administration	CPA	CPA	CPA
392.	<b>Thangavelu Engineering College,</b> Old Mahabalipuram Road, Karapakkam Village, Okklampet Post Office, Tambaram Taluk, Kancheepuram District, Chennai - 600 096.	B.E.	Computer Science and Engineering	CPA	CPA	-
393.		B.E.	Electrical and Electronics Engineering	CPA	CPA	-
394.		B.E.	Electronics and Communication Engineering	CPA	CPA	-
395.		B.E.	Electronics and Instrumentation Engineering	CPA	CPA	-
396.		B.Tech.	Information Technology	CPA	CPA	-
397.		<b>Thirumalai Engineering College</b> Kilambi Village, Krishnapuram Post, Kancheepuram Taluk & District - 631551	B.E.	Civil Engineering	CPA	CPA
398.	B.E.		Computer Science and Engineering	CPA	CPA	-
399.	B.E.		Electrical and Electronics Engineering	CPA	CPA	-
400.	B.Tech.		Information Technology	CPA	CPA	-
401.	B.Tech		Chemical Engineering	CPA	CPA	-
402.	M.B.A.		Business Administration	CPA	CPA	-
403.	<b>Thiruvalluvar College of Engineering and Technology</b> Ponnur Hills, Vandavasi - 604 505.	B.E.	Civil Engineering	CPA	CPA	-
404.		B.E.	Computer Science and Engineering	CPA	CPA	-
405.		B.E.	Electrical and Electronics Engineering	CPA	CPA	-
406.		B.E.	Electronics and Communication Engineering	CPA	CPA	-
407.		B.E.	Electronics and Instrumentation Engineering	CPA	CPA	-
408.		B.E.	Mechanical Engineering	CPA	CPA	-
409.		B.Tech.	Information Technology	CPA	CPA	-
410.		M.E.	Computer Science and Engineering	CPA	CPA	-
411.		M.E.	CAD/CAM	CPA	CPA	-
412.		M.C.A.	Computer Application	CPA	CPA	-
413.		M.B.A	Business Administration	CPA	CPA	-
414.	<b>V.R.S. College of Engineering and Technology</b> Chennai – Trichy Road (NH-45), Arasur Post Office, Ulundurpet Taluk, Villupuram District - 607107.	B.E.	Civil Engineering	CPA	CPA	-
415.		B.E.	Computer Science and Engineering	CPA	CPA	-
416.		B.E.	Electrical and Electronics Engineering	CPA	CPA	-
417.		B.E.	Electronics and Communication Engineering	CPA	CPA	-
418.		B.E.	Mechanical Engineering	CPA	CPA	-
419.		B.Tech.	Information Technology	CPA	CPA	-



Sl. No.	Name of the College	Degree	Course	Academic year		
				2006-07	2007-08	2008-09
420.	<b>Valliammai Engineering College</b> S.R.M. Nagar, kattankulathur kancheepuram district Pincode- 603 203	B.E.	Computer Science and Engineering	CPA	CPA	-
421.		B.E.	Electronics and Instrumentation Engineering	CPA	CPA	-
422.		B.Tech.	Information Technology	CPA	CPA	-
423.		M.B.A.	Business Administration	CPA	CPA	-
424.	<b>Vel Multi Tech Sri Rangarajan Sakunthala Engineering College</b> #42, Avadi-Alamathi Road, Morai Village, Vellanur Post, Ambattur Taluk, Tiruvellore District - 600 062.	M.E.	Applied Electronics	CPA	CPA	-
425.	<b>Vel Sri Rangarajan Sakunthala High Tech Engineering College</b> #60, Avadi-Alamathi Road, Morai Village, Vellanur Post, Ambattur Taluk, Tiruvellore District - 600 062.	B.Tech	Bio-Technology	CPA	CPA	-
426.		B.E.	Civil Engineering	CPA	CPA	-
427.		B.E.	Computer Science and Engineering	Provisional	CPA	-
428.		B.E.	Electronics and Communication Engineering	CPA	CPA	-
429.		B.Tech.	Information Technology	CPA	CPA	-
430.		B.Tech.	Chemical Engineering	CPA	CPA	-
431.		M.B.A.	Business Administration	CPA	CPA	-
432.		<b>Vel Tech</b> #42, Avadi-Alamathi Road, Morai Village, Vellanur Post, Ambattur Taluk, Tiruvellore District - 600 062.	B.E.	Computer Science and Engineering	CPA	CPA
433.	M.C.A.		Computer Application	CPA	CPA	-
434.	<b>Vel's Srinivasa College of Engineering and Technology</b> Old Mahabalipuram Road, Thalambur Village, Chengalpattu Taluk, Kancheepuram District - 603 103.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
435.		B.E.	Electrical and Electronics Engineering	CPA	CPA	Provisional
436.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
437.		B.Tech.	Information Technology	CPA	CPA	CPA
438.		M.C.A.	Computer Application	CPA	CPA	CPA
439.	<b>Velammal Engineering College</b> Ambattur Red Hills Road, Veelamal Nagar, Surapet, Chennai - 600 066.	B.E.	Computer Science and Engineering	CPA	CPA	CPA
440.		B.E.	Electrical and Electronics Engineering	Provisional	CPA	CPA
441.		B.E.	Electronics and Communication Engineering	CPA	CPA	CPA
442.		B.E.	Electronics and Instrumentation Engineering	CPA	CPA	CPA
443.		B.E.	Mechanical Engineering	CPA	CPA	CPA
444.		B.Tech.	Information Technology	CPA	CPA	CPA
445.		M.E.	Applied Electronics	Provisional	CPA	CPA
446.		M.E.	Computer Science and Engineering	Provisional	CPA	CPA
447.		M.Sc	Computer Technology - 5 Years	Provisional	CPA	CPA
448.		M.Sc	Information Technology - 2 Years	Provisional	CPA	CPA

## Appendix 1.3

(Reference: Paragraph 1.2.5; Page 32)

## List of test-checked offices/ITIs

Sl. No.	Name of the District	Name of the office/ITI
1.	Chennai	ITI, Chennai (North)
2.		ITI, Guindy
3.		ITI, Guindy (Women)
4.		ITI, Tiruvanmiyur
5.	Coimbatore	ITI, Coimbatore
6.		ITI, Coimbatore (Women)
7.	Cuddalore	ITI, Cuddalore
8.		ITI, Cuddalore (Women)
9.		ITI, Chidambaram (SC)
10.	Kancheepuram	ITI, Chengalpattu
11.	Krishnagiri	ITI, Hosur
12.	Thiruvallur	ITI, Ambattur
13.		ITI, Ambattur (Women)
14.	Villupuram	ITI, Ulundurpet
15.		ITI, Sankarapuram (ST)
16.	Virudhunagar	ITI, Virudhunagar
17.	State Level Equipment Maintenance Workshop, Ambattur	
18.	Regional Equipment Maintenance Cell, Tiruchirappalli	
19.	Regional Equipment Maintenance Cell, Coimbatore	
20.	Office of the Regional Joint Director, Chennai	
21.	Office of the Regional Joint Director, Coimbatore	
22.	Office of the Regional Joint Director, Tiruchirappalli	
23.	Office of the Regional Joint Director, Tirunelveli	
24.	Related Instruction Centre, Coimbatore	
25.	Related Instruction Centre, Guindy	
26.	Related Instruction Centre, Tiruchirappalli	
27.	Basic Training Centre, Ambattur	

### Appendix 1.4

(Reference: Paragraph 1.2.6.1; Page 32)

#### List of works proposed to be carried out during the Tenth Plan period

(₹ in crore)

Sl.No.	Name of the scheme	Outlay
1.	Introduction of new trades in 25 ITIs	2.00
2.	Construction of own building to ITIs at Needamangalam, Cuddalore (Women), Dindigul (Women), Thiruvanniyur, Thirukuvilai, Nagercoil (Women)	4.81
3.	Construction of dust proof room in 10 ITIs	0.45
4.	Construction of own building for office of the Regional Joint Director (Training), Coimbatore, Madurai, Tiruchirappalli and Tirunelveli	0.80
5.	Construction of own building to nine Related Instruction Centres	3.15
6.	Construction of pucca building with RCC roof for stores in 20 ITIs	1.40
7.	Construction of compound wall for six women ITIs at Ambattur, Coimbatore, Madurai, Pullambadi, Salem and Tiruppur	0.60
8.	Construction of additional class rooms in 20 ITIs with furniture	1.35
9.	Provision of computers with accessories to all offices with internet	2.04
10.	Construction of hostel for seven ITIs in Coimbatore (Women), Dharmapuri, Madurai (Women), Pudukottai, Ramanathapuram, Salem (Women) and Tiruvannamalai	2.45
11.	Construction of sump with overhead tank for drinking water at ITI, Pettai	0.01
12.	Construction of cycle/two wheeler stand for 53 ITIs	0.53
13.	Compound wall for 10 ITIs	1.50
14.	Provision of barbed wire fencing for ITI, Chengalpattu	0.07
15.	Provision of chain link fencing for computer block at ITI, Salem	0.01
<b>Total</b>		<b>21.17</b>

**Appendix 1.5**  
**(Reference: Paragraph 1.2.7.3; Page 34)**

**List of advance payments made to the suppliers by the Training Wing of the  
Commissionerate and pending adjustment**

<b>Contingent bill no.</b>	<b>Details of the suppliers to whom advances paid</b>	<b>Amount of advance in ₹</b>
01/05-06/AATIS	Director General of Supplies and Disposals (DGSD)	2,95,698
12/05-06/JG	DGSD	49,61,533
03/03-04	Electronics Corporation of Tamil Nadu (ELCOT)	25,412
01/03-04	ELCOT	4,35,331
01/03-04/JS	ELCOT	22,33,356
01/03-04/JR	ELCOT	74,29,183
01/03-04/JE	ELCOT	36,25,070
03/03-04/JE	ELCOT	84,938
04/04-05/AATIS	ELCOT	6,82,327
01/04-05/AATIS	ELCOT	17,82,878
03/04-05/AATIS	ELCOT	86,218
01/04-05/	ELCOT	47,04,492
01/05-06/JE	ELCOT	13,99,953
01/05-06/	ELCOT	5,74,532
01/05-06/JA	ELCOT	4,66,651
02/05-06/JE	ELCOT	52,71,564
08/05-06/JG	ELCOT	11,55,443
01/06-07/102	ELCOT	1,71,302
50/06-07/JE	ELCOT	2,08,015
1/06-07/7614	ELCOT	7,96,996
1/06-07/JA	ELCOT	69,241
2/06-07/JE	ELCOT	3,20,576
2/06-07/JA	ELCOT	67,407
10/06-07/UJ	ELCOT	1,58,201
05/07-08/JG	ELCOT	44,496
07/07-08/JG	ELCOT	14,503
01/07-08/AA	ELCOT	6,49,475
02/07-08/AA	ELCOT	6,49,475
07/07-08/AA	ELCOT	59,548
05/07-08	ELCOT	1,33,215

Contingent bill no.	Details of the suppliers to whom advances paid	Amount of advance in ₹
06/07-08	ELCOT	1,33,216
07/07-08/AA	ELCOT	1,33,216
93/08-09/JE	ELCOT	4,477
55/08-09/AA	ELCOT	1,31,530
10/08-09/	ELCOT	9,08,460
01/08-09/FUR	ELCOT	77,122
01/08-09/	ELCOT	1,04,544
01/08-09/MES	ELCOT	33,95,427
03/08-09/JG	ELCOT	17,544
10/08-09/JG	ELCOT	34,782
55/08-09	ELCOT	1,31,530
27/08-09/JG	ELCOT	11,080
177/08-09/AA	ELCOT	2,29,586
36/08-09/JG	ELCOT	4,53,222
14/09-10/UJ	ELCOT	3,89,354
02/08-09/JG	Mahindra Ltd.	9,58,422
04/08-09/JG	Mahindra Ltd.	4,80,691
05/08-09/JG	Mahindra Ltd.	4,79,751
01/05-06/JR	Tamil Nadu Khadi and Village Industries Board (TNKVIB)	80,100
06/06-07	TNKVIB	9,23,040
11/06-07/JG	TNKVIB	87,595
49/06-07/JE	TNKVIB	1,46,675
23/06-07/JG	TNKVIB	48,225
13/06-07/JG	TNKVIB	65,230
49/06-07/JE	TNKVIB	1,46,675
148/06-07/JE	TNKVIB	8,93,643
04/07-08/JG	TNKVIB	2,45,625
03/07-08/	TNKVIB	4,69,255
04/07-08	TNKVIB	3,30,300
01/07-08/	TNKVIB	3,18,250
02/07-08/	TNKVIB	3,89,130
01/07-08/AA	TNKVIB	4,00,590
02/07-08/AA	TNKVIB	4,07,855
01/08-09/JE	TNKVIB	11,875
02/08-09/JE	TNKVIB	2,43,275
03/08-09/JG	TNKVIB	44,895

Contingent bill no.	Details of the suppliers to whom advances paid	Amount of advance in ₹
40/08-09/JG	TNKVIB	73,118
41/08-09/JG	TNKVIB	56,582
57/08-09/JG	TNKVIB	1,67,490
01/08-09/JR	TNKVIB	2,28,405
27/08-09	TNKVIB	1,91,950
72/08-09/AA	TVS, Chennai	76,405
73/08-09/AA	TVS, Chennai	57,738
	<b>Total – Advances</b>	<b>5,27,34,904</b>

**Appendix 1.6**  
**(Reference: Paragraph 1.2.8.1(viii) Page 40)**

**Shortage in tools and equipment**

<b>Name of the ITI</b>	<b>Name of the trade</b>	<b>No. tools and equipment required as per DGET norms</b>	<b>No. of tools and equipment not available in the ITI</b>	<b>Percentage of shortfall</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
Ambattur	Plastic Processing Operator	14	3	21
Ambattur	Surveyor	79	22	28
Ambattur	Mechanic Machine Tool Maintenance	263	75	29
Ambattur	Network Technician	23	7	30
Ambattur	Electrician	160	52	33
Ambattur	Machinist	153	51	33
Ambattur	Carpenter	110	43	39
Ambattur	Mechanic Computer Hardware	123	53	43
Ambattur	Fitter	148	65	44
Ambattur	Wireman	151	69	46
Ambattur	Welder	85	42	49
Ambattur	Instrument Mechanic	296	155	52
Ambattur	Information Technology and Electronics System Maintenance (IT&ESM)	57	31	54
Ambattur	Draughtsman civil	87	49	56
Ambattur	Plumber	124	71	57
Ambattur	Mason (Building construction)	57	34	60
Ambattur	Sheet Metal worker	94	60	64
Ambattur	Painter (General)	107	79	74
Ambattur	Mechanic cum Operator Electronics Communication System	119	91	76
Ambattur (Women)	Mechanic Industrial Electronics	88	25	28
Ambattur (Women)	Instrument mechanic	289	167	58
Chengalpattu	Mechanic (Agricultural Machinery)	153	32	21
Chengalpattu	Fitter	148	31	21
Chengalpattu	Machinist	143	40	28
Chengalpattu	Stenography (English)	16	6	38
Chengalpattu	Welder	84	40	48
Chengalpattu	Turner	130	70	54
Chengalpattu	Wireman	111	60	54

(1)	(2)	(3)	(4)	(5)
Chengalpattu	Mechanic Motor Vehicle	151	90	60
Chengalpattu	Sheet Metal Worker	119	76	64
Chengalpattu	Mechanic (Diesel)	123	85 (including theft items (58) during 1997)	69
Chennai (North)	Lift Mechanic	122	14	11
Chennai (North)	Electroplater	85	25	29
Chennai (North)	Machinist	145	43	30
Chennai (North)	Welder	85	27	32
Chennai (North)	Plumber	134	53	40
Chennai (North)	Painter (General)	107	45	42
Chennai (North)	Draughtsman civil	56	31	55
Chennai (North)	Draftsman Mechanical	31	19	61
Chennai (North)	Carpenter	110	71	65
Chennai (North)	Foundry man	101	70	69
Chennai (North)	Wireman	141	112	79
Chennai (North)	Pattern maker	119	102	86
Chennai (North)	Fitter	182	54	30
Chennai (North)	Turner	122	31	25
Chidambaram	Mechanic (Refrigeration and AC)	184	37	20
Chidambaram	Electrician	140	30	21
Chidambaram	Mechanic Motor Vehicle	167	38	23
Coimbatore	Plastic Processing Operator	60	12	20
Coimbatore	Machinist	151	37	25
Coimbatore	Craftsman Food Production (General)	54	15	28
Coimbatore	Fitter	149	60	40
Coimbatore	Turner	128	39	30
Coimbatore	Electrician	177	62	35
Coimbatore	Mechanic (Refrigeration and AC)	184	69	38
Coimbatore	Mechanic Motor Vehicle	162	62	38
Coimbatore	Mechanic Machine tool maintenance	303	129	43
Coimbatore	Wireman	151	65	43
Coimbatore	Instrument mechanic	311	150	48
Coimbatore	Welder	85	41	48
Coimbatore	Mechanic mechatronics	313	156	50
Coimbatore	IT & ESM	57	29	51
Coimbatore	Electronic Mechanic	177	92	52
Coimbatore	Pattern maker	117	64	55
Coimbatore	Machinist (Grinder)	126	80	63



(1)	(2)	(3)	(4)	(5)
Coimbatore (Women)	Electronic Mechanic	176	63	36
Coimbatore (Women)	Instrument mechanic	308	191	62
Cuddalore	Welder	84	17	20
Cuddalore	Computer Operator and Programming Assistance (COPA)	25	7	28
Cuddalore	Wireman	109	31	28
Cuddalore	Turner	128	44	34
Cuddalore	Fitter	153	54	35
Cuddalore	Machinist	267	105	39
Cuddalore	Mechanic Motor Vehicle	166	67	40
Cuddalore (Women)	Electronic Mechanic	160	49	31
Cuddalore (Women)	COPA	16	5	31
Cuddalore (Women)	Draughtsman Civil	91	33	36
Cuddalore (Women)	Draughtsman mechanical	34	16	47
Cuddalore (Women)	Cutting and Tailoring	54	26	48
Cuddalore (Women)	IT&ESM	89	75	84
Guindy	Desk Top Publishing Operator (DTPO)	25	4	16
Guindy	Tool and Die maker	167	54	32
Guindy	Mechanic Industrial Electronics	77	27	35
Guindy	Welder	85	30	35
Guindy	Mechanic (Refrigeration and AC)	28	11	39
Guindy	Fitter	173	69	40
Guindy	Mechanic Motor Vehicle	165	73	44
Guindy	Wireman	132	62	47
Guindy	Draughtsman Mechanical	32	19	59
Guindy	Turner	131	94	72
Guindy	Plastic Processing Operator	58	42	72
Guindy	Litho offset machine minder	34	28	82
Guindy (Women)	Stenography	16	5	31
Guindy (Women)	IT&ESM	57	18	32
Guindy (Women)	Embroidery & Needle work	19	11	58
Guindy (Women)	Instrument Mechanic	311	205	66
Guindy (Women)	Cutting and Tailoring	54	38	70

(1)	(2)	(3)	(4)	(5)
Hosur	Mechanic Industrial Electronics	112	24	21
Hosur	Mechanic Mecatronics	310	90	29
Hosur	Electronic mechanic	162	60	37
Hosur	Electrician	160	67	42
Hosur	Wireman	142	62	44
Hosur	Mechanic Motor Vehicle	175	78	45
Hosur	Machinist	151	79	52
Hosur	Turner	120	64	53
Hosur	Fitter	149	80	54
Hosur	Mechanic Computer Hardware	101	60	59
Hosur	Welder	84	50	60
Hosur	Instrument Mechanic	254	179	70
Hosur	Foundry man	97	73	75
Sankarapuram	Wireman	142	33	23
Sankarapuram	Mechanic Motor Vehicle	166	58	35
Ulundurpet	Fitter	153	26	17
Ulundurpet	Turner	141	57	40
Ulundurpet	Wireman	80	33	41
Ulundurpet	Welder	84	47	56
Ulundurpet	Mechanic Motor Vehicle	166	105	63
Ulundurpet	Sheet Metal worker	125	85	68
Virudhunagar	Fitter	184	46	25
Virudhunagar	Machinist	152	39	26
Virudhunagar	Mechanic Motor Vehicle	151	40	26
Virudhunagar	Wireman	112	31	28
Virudhunagar	Mechanic Tractor	174	49	28
Virudhunagar	Turner	131	65	50

## Appendix 1.7

(Reference: Paragraph 1.2.8.2(ii); Page 42)

### List of courses approved by National Council of Vocational Training but not introduced in Tamil Nadu

#### I Engineering Trades

1. Architectural assistant
2. Attendant operator (Chemical plant)
3. Building maintenance
4. Interior decoration and designing
5. Laboratory assistant (Chemical plant)
6. Marine fitter
7. Mechanic communication equipment maintenance
8. Mechanic repair and maintenance of light vehicles
9. Mechanic consumer electronics
10. Mechanic medical electronics
11. Radiology technician (Radio Diagnosis and radiotherapy)
12. Sanitary hardware fitter
13. Spinning technician
14. Textile mechatronics
15. Tool and die maker (Dies and Moulds)
16. Vessel navigator
17. Weaving technician

#### II Non-Engineering trades

1. Cabin/Room attendant
2. Corporate House keeping
3. Creche Management
4. Dairying
5. Dental Laboratory Technician
6. Domestic House keeping
7. Event Management Assistant
8. Fashion Technology
9. Floriculture & Landscaping
10. Front Office Assistant
11. Health Sanitary Inspector
12. Horticulture
13. Hospital House Keeping
14. Hospital Waste Management
15. Institution House Keeping
16. Insurance Agent
17. Library & Information Science
18. Medical Transcription
19. Old Age Care
20. Pre/Preparatory School Management (Assistant)
21. Tourist Guide

## Appendix 1.8

(Reference: Paragraph 1.2.8.3(vii); Page 46)

### Unaffiliated trades in ITIs

Sl. No	Name of the ITI	Name of the trade
<b>2005-06</b>		
1.	Coimbatore	Production and Manufacturing
2.	Hosur	Production and Manufacturing
3.	Salem	Fabrication (Fitting and Welding)
4.	Tiruchirappalli	Production and Manufacturing
<b>2006-07</b>		
5.	Guindy(Women)	Apparel
6.	Guindy	Hospitality Management
7.	Madurai	Automobile
8.	Pettai	Electrical
9.	Vellore	Leather goods and footwear
<b>2007-08</b>		
10.	Chengalpattu	Production and Manufacturing
11.	Cuddalore	Plastic processing operator
<b>2008-09</b>		
12.	Chennai (North)	Construction and wood working
13.	Dharapuram	Production and Manufacturing
14.	Karaikudi	Fabrication (Fitting and Welding)
15.	Nagapattinam	Fabrication (Fitting and Welding)
16.	Tuticorin	Chemical
<b>2009-2010</b>		
17.	Ariyalur	Fabrication (Fitting and Welding)
18.	Coimbatore (Women)	Information Technology
19.	Dharmapuri	Automobile
20.	Dindigul	Fabrication (Fitting and Welding)
21.	Thanjavur	Fabrication (Fitting and Welding)

**Appendix 1.9**

**(Reference: Paragraph 1.2.10.1; Page 50)**

**Trade-wise vacancy position in the ITIs**

Sl. No	Name of the ITI	Name of the trade	No. of posts sanctioned	Number of post actually available.
1	Ambattur (Women)	Data entry operator	2	Nil
2	Thirukuvalai	Welder	2	Nil
		Electronic Mechanic	2	Nil
3	Pullambadi	Desk Top Publishing Operator	2	Nil
4	Karur (Women)	Only eight junior training officers were sanctioned for this ITI. But no post was filled up as on January 2010.		
5	Perambalur	Welder	2	Nil
		Electronic	2	Nil
6	Andimadam	Computer Operator and Programming Assistance	2	Nil
7	Cuddalore	Fitter (5+5)	10	6
		Turner (5+5)	10	8
		Welder (4+4)	8	3
		Wireman (2+2)	4	2
		Allied trade	4	2
		Plastic processing Operator	4	2
8	Sankarapuram (ST)	Mechanic Motor Vehicle (1+1)	2	1
		Wireman (1+1)	2	1
		Mechanic (Diesel)	1	NIL
		Maths/drawing	1	NIL
9	Coimbatore	Mechanic (Refrigeration and AC)	1	Nil
		Instrument Mechanic	1	Nil
		Food Production (General)	2	Nil
		Electrician	5	3
10	Hosur	Mechanic Motor Vehicle	2	Nil
		Tool and Die Maker	3	Nil
		Turner	2	1
		Machinist	1	Nil
		Foundry man	1	Nil
		Allied trade	2	1
		Maths	2	1
		Mechanic computer hardware	2	1
		Mechanic Mechatronics	2	1

Sl. No	Name of the ITI	Name of the trade	No of posts sanctioned	Number of post actually available.
11	Guindy	Tool and Die maker	3	2
		Draftsman Mechanic (1+1+1)	3	1
		Mechanic (Agricultural Machinery) (1+1)	2	1
		Wiremen (1+1)	2	1
		Digital Photography	1	1
		Mechanic Industrial Electronics	2	1
		Plastic Processing Operator	2	1
12	Ambattur	Plumber	2	1
		Plastic Processing Operator	2	1
		Mechanic Machine tool maintenance (1+1+1)	3	1
		Painter	2	1
		Instrument Mechanic	4	3
		Information Technology and Electronic System Maintenance	2	1
		Network technician (two units)	1	1
		Mechanic (Refrigeration & TV)	1	Nil
13	Chennai (North)	Machinist (2+2)	4	3
		Electroplater (1+1)	2	1
		Painter (1+1)	Nil	Nil
		Lift Mechanic (1+1)	2	Nil
		Electrical maintenance	1	Nil
14	Chengalpattu	Turner (2+1)	3	2
		Machinist (3+2)	5	3
		Mechanic (Agricultural Machinery) (1+1)	2	1
		Wiremen (2+2)	4	3
		Diesel Mechanic (1+1)	2	1
15	Guindy (Women)	Embroidery & needle work	1	Nil
		Cutting and Sewing	1	Nil
16	Virudhunagar	Fitter	4	3
		Machinist	3	2
		Wireman	4	3
		Mechanic tractor	2	1
17	Chidambaram	Mechanic Motor Vehicle	2	1
18	Ambattur (Women)	Computer Operation and Programming Assistance	2	1
		Instrument Mechanic	2	1

**Appendix 1.10**

**(Reference: Paragraph 1.2.10.1; Page 50)**

**Trades for which not even a single instructor was available**

Sl. No	Name of the ITI	Name of the trade	No. of posts sanctioned	Number of post actually available
1.	Ambattur (Women)	Data entry operator	2	Nil
2.	Ambattur	Mechanic (Refrigeration & TV)	1	Nil
3.	Andimadam	Computer Operation and Programming Assistance	2	Nil
		Mechanic (Diesel)	1	NIL
		Maths/drawing	1	NIL
4.	Chennai (North)	Painter (1+1)	Nil	Nil
		Lift Mechanic (1+1)	2	Nil
		Electrical maintenance	1	Nil
5.	Coimbatore	Mechanic (Refrigeration and AC)	1	Nil
		Instrument Mechanic	1	Nil
		Food Production (General)	2	Nil
6.	Guindy (Women)	Embroidery & needle work	1	Nil
		Cutting and Sewing	1	Nil
7.	Hosur	Mechanic Motor Vehicle	2	Nil
		Tool and Die Maker	3	Nil
		Machinist	1	Nil
		Foundry man	1	Nil
8.	Karur (Women)	Only eight junior training officers were sanctioned for this ITI. But no post was filled up as on January 2010.		
9.	Perambalur	Welder	2	Nil
		Electronic	2	Nil
10.	Pullambadi	Desk Top Publishing Operator	2	Nil
11.	Thirukuvalai	Welder	2	Nil
		Electronic Mechanic	2	Nil

## Appendix 1.11

(Reference: Paragraph 1.3.5; Page 56)

## List of police stations test-checked

Name of the District	Sl. No.	Name of the Police station
Chennai City	1.	Anna Nagar
	2.	Ashok Nagar
	3.	All Women Police Station (AWPS), Harbour
	4.	AWPS, High Court
	5.	AWPS, Peravallur
	6.	AWPS, Pulianthope
	7.	AWPS, Tiruvottriyur
	8.	AWPS, Vadapalani
	9.	AWPS, Villivakkam
	10.	Egmore
	11.	Esplanade
	12.	Esplanade (Crime)
	13.	Kotturpuram
	14.	Mambalam
	15.	Pulianthope
	16.	Royapuram
	17.	Saidapet
	18.	Sembium
	19.	Seven Wells
	20.	Teynampet
	21.	Tondairpet
	22.	TP Chatram
	23.	Triplicane
	24.	Triplicane (Crime)
	25.	Valasaravakkam
	26.	Veperiy
	27.	Veperiy (Crime)
	28.	Washermenpet
Chennai Suburban	29.	Adambakkam
	30.	Ambattur
	31.	Avadi
	32.	AWPS, Ambattur
	33.	AWPS, Madhavaram



Name of the District	Sl. No.	Name of the Police station
Chennai Suburban	34.	AWPS, Poonamallee
	35.	AWPS, Tambaram
	36.	Madhavaram
	37.	Manali
	38.	Meenambakkam
	39.	Nandambakkam
	40.	Nazarathpet
	41.	Pattabiram
	42.	Redhills
	43.	Selaiyur
	44.	Thiruverkadu
Coimbatore City	45.	AWPS, Central
	46.	AWPS, West
	47.	Kuniamuthur
	48.	Kuniamuthur (Crime)
	49.	Pothanur
	50.	R.S.Puram
	51.	R.S.Puram (Crime)
	52.	Saravanampatti
	53.	Ukkadam
	54.	Ukkadam (Crime)
Coimbatore Rural	55.	Alandurai
	56.	Dhali
	57.	Kottur
	58.	Madathukulam
	59.	Mahalingapuram
	60.	Negamam
	61.	Palladam
	62.	Pollachi West
	63.	Sulur
	64.	Thudiyalur
	65.	Udumalpet
	66.	Valparai
Cuddalore	67.	AWPS, Chidambaram
	68.	AWPS, Neyveli
	69.	AWPS, Madhavaram

Name of the District	Sl. No.	Name of the Police station
Cuddalore	70.	AWPS, Panruti
	71.	AWPS, Virudachalam
	72.	Bhuvanagiri
	73.	Chidambaram
	74.	Cuddalore Traffic
	75.	Devanampattinam
	76.	Nellikuppam
	77.	Neyveli Township
	78.	Panruti
	79.	Reddichavadi
	80.	Sri Mushnam
	81.	Thirupathiripuliyur
	82.	Virudachalam
The Nilgiris	83.	Aravankadu
	84.	AWPS, Coonoor
	85.	Emerald
	86.	Ooty Rural
	87.	Pudumandu
	88.	Wellington
Thiruvallur	89.	AWPS, Thiruvallur
	90.	AWPS, Tiruthani
	91.	K.K. Chatram
	92.	Manavalan Nagar
	93.	Sevapettai
	94.	Thiruvallangadu
	95.	Thiruvallur Town
	96.	Tirutathani
	97.	Vellavedu
Vellore	98.	Ambur Town
	99.	Gudiyatham Town
	100.	Kaveripakkam
	101.	Sathuvachari
	102.	Sholingar
	103.	Tirupattur Town
	104.	Viruthampattu
	105.	Walajapet Town
	106.	Vaniyampadi Taluk

<b>Name of the District</b>	<b>Sl. No.</b>	<b>Name of the Police station</b>
Virudhunagar	107.	Vellore North (Crime)
	108.	Appayanaickanpatty
	109.	AWPS, Sivakasi
	110.	AWPS, Srivilliputhur
	111.	AWPS, Virudhunagar
	112.	M. Pudupatti
	113.	M. Reddiyapatti
	114.	Mamsapuram
	115.	Narikudi
	116.	Pandalgudi
	117.	Sethiyur
	118.	Sivakasi East
	119.	Srivilliputhur Town
	120.	Srivilliputhur Taluk
121.	Vachakaranpatti	

## Appendix 1.12

(Reference: Paragraph 1.3.8.2; Page 59)

## List of police stations functioning in the private / old Government buildings despite having land for construction of building

Sl. No.	Name of the district	Name of the police station	Functioning in
1.	Coimbatore city	VH Road	Private building
2.	Thanjavur	Keevalur	Old Government building
3.		Ayyampettai	Private building
4.	Cuddalore	Veepur	Old Government building
5.	Madurai	Koodakoil	Private building
6.	Kancheepuram	Kuduvanchery	Old Government building
7.	Vellore	Vellore AWPS	Private building
8.	Erode	Chennimalai	Old Government building
9.	Virudhunagar	Rajapalayam South	Old Government building
10.		A. Mukalum	Old Government building
11.		Nathampatti	Old Government building
12.	Perambalur	Kuvagam	Private building
13.	Sivagangai	Devakottai	Private building
14.	Salem	Erkadu	Old Government building
15.	Theni	Devathanapatti	Old Government building
16.		Bodi nagar	
17.		Chinnamanur	
18.		Uthamapalaym	
19.		Kambam North	
20.		Thenkarai	
21.	Nagapatinam	Thittachery	
22.		Anaikaichathiram	
23.	Coimbatore	Anamalai	
24.		Avinashpalaym	
25.		Annur	
26.		Kamanailenpalayam	
27.		Kovilampalayam	
28.		Gudimangalam	
29.		Sulur	
30.		Cheyur	
31.		Thondamuthur	

Sl. No.	Name of the District	Name of the Police station	Functioning in
32	Coimbatore	Kinathukadavu	Old Government building
33		Karumathampatti	
34	Ramanathapuram	Sikkal	Private building
35.		Rameswaram Traffic	Old Government building
36	Thoothukudy	Tharuvaikulam	Private building
37.	Kanyakumari	Boothapandi	Old Government building
38.		Kottar	
39.	Pududkottai	Jagathapatinam	Private building
40.		Ambal	Government building
41		Illupur	Private building
42.	Thirunelveli	Radhapuram	PWD building
43.		Sathankulam	Private
44.	Perambalur	Arumbavur	Government Building
45.	Sivagangai	AWPS, Manamadurai	Private
46.		AWPS, Devakottai	Private

## Appendix 1.13

(Reference: Paragraph 1.3.8.3; Page 60)

## List of sanctioned works yet to be commenced

Year	No. of works yet to be commenced	Amount received from GOI (₹ in lakh)	Reasons attributed by TNPHC
2003-04	1	1.44	Work to be re-tendered
2004-05	1	1.44	Work to be re-tendered
2006-07	2	1.70	(i) Amount of ₹ 81 lakh received for Vysarpadi Police Station (PS) was diverted to High court PS. COP has requested to construct High Court PS over the existing Esplanade PS. Feasibility study is under progress (ii) Amount of ₹ 89 lakh received for Harbour PS was diverted to Sembium PS in September 2009 as NOC was to be obtained from Coastal Regulatory zone and Railway Department for construction of Harbour PS. Tender is under scrutiny.
2007-08	5	2.72	(i) For 2 PS in Peerkankaranai and Washermanpet planning permission is awaited from CMDA. (ii) PS for SB CID Erode work is to be commenced as the case has been withdrawn in March 2010. (iii) Auditorium cum class room and gym block for Coimbatore PRS to be commenced after identification of new location (iv) Formation of modern check post at Sankari and Kariamangalam permission from NHAI is awaited.
2008-09	1	1.60	Tender under process.
2009-10	39	20.51	(i) For 4 PS in Chennai city places are to be identified (ii) for one PS at Chennai city approval from CMDA awaited (iii) for one work at Vellore selection of alternate site is under progress (iv) for one work at Tiruchirappalli the land is yet to be transferred to Police Department (v) for other works the process of tendering is under various stages.
<b>Total</b>	<b>49</b>	<b>29.41</b>	

**Appendix 1.14**

**(Reference: Paragraph 1.3.9.1; Page 64)**

**List of police stations without any vehicle/motorcycle**

<b>Name of the District</b>	<b>Name of the police station without any vehicle</b>	<b>Name of the police station without any motorcycle</b>
Chennai City	1. AWPS, High court	1. Triplicane (Crime)
	2. AWPS, Thiruvatriyur	2. AWPS, Harbour
	3. AWPS, Villivakkam	3. AWPS, Peravallur
		4. AWPS, Vadapalani
		5. Esplanade (Crime)
Chennai Suburban	4. AWPS, Ambattur (off road)	6. AWPS, Poonamallee
	5. AWPS, Madhavaram	7. AWPS, Tambaram
Coimbatore City		8. AWPS, Coimbatore West
		9. R.S. Puram (Crime)
		10. AWPS, Coimbatore Central
		11. Kuniyathur (Crime)
		12. Ukkadam (Crime)
Coimbatore Rural	6. Kottur	13. Palladam
		14. Sular
		15. Alathurai
		16. Dhalli
		17. Valparai
		18. Thudiyalur
		19. Negamam
Cuddalore	7. AWPS, Neyveli	20. AWPS, Virudhachalam
	8. AWPS, Panruti	21. Srimushnam
	9. Devanampattinam	22. AWPS, Chidambaram
	10. Neyveli	23. Chidambaram
The Nilgiris	11. Aravankadu	24. AWPS, Coonor
Thiruvallur	12. AWPS, Thiruvallur	25. AWPS, Thiruthani

Name of the District	Name of the police station without any vehicle	Name of the police station without any motorcycle
Vellore	13. Vellore north (Crime)	26. Vaniyambadi Taluk
		27. Ambur Town
		28. Walajapet Town
		29. Tirupattur
		30. Sholingur
		31. Vellore North
		32. Vellore North (Crime)
		33. Gudiyatham Town
Virudhunagar	14. Appayanaickanpatty	34. AWPS, Virudhunagar
	15. AWPS, Sivakasi	35. AWPS, Srivalliputhur
	16. M. Reddiyapatti	36. Srivalliputhur Taluk
	17. M.Pudupatti	37. Mamsapuram
	18. Pandalgudi	38. Narikudi



**Appendix 1.15**

**(Reference: Paragraph 1.3.9.1; Page 64)**

**Shortage in vehicles as of March 2010**

<b>Name of the District</b>	<b>No. of police stations test-checked</b>	<b>No. of police stations without two light vehicle</b>	<b>No. of police stations without three motorcycle</b>
Chennai City	28	6	14
Chennai Suburban	16	2	7
Coimbatore City	10	3	5
Coimbatore Rural	12	9	11
Cuddalore	15	9	7
The Nilgiris	6	5	5
Thiruvallur	9	8	8
Vellore	11	7	11
Virudhunagar	14	9	9
<b>Total</b>	<b>121</b>	<b>58</b>	<b>77</b>

## Appendix 1.16

(Reference: Paragraph 1.3.11.4; Page 67)

## (i) List of police stations where photocopier machines were not in working condition

Name of the District	Sl. No.	Name of the Police Station
Chennai City	1.	Ashok Nagar
	2.	Egmore
	3.	Esplanade
	4.	Mambalam
	5.	Pulianthope
	6.	Saidapet
	7.	Valasaravakkam
	8.	Vepery
	9.	Washermanpet
Chennai Sub-urban	10.	Adambakkam
	11.	Avadi
	12.	Manali
	13.	Pattabiram
	14.	Redhills
	15.	Selayur
Coimbatore City	16.	Kuniamuthur
	17.	Madathukulam
	18.	Mahalingapuram
	19.	Tudiyalur
	20.	Ukkadam
Cuddalore	21.	AWPS, Chidambaram
	22.	Bhuvangiri
	23.	Chidambaram
	24.	Devanampattinam
	25.	Nellikuppam
	26.	Neyveli
	27.	Panruti
	28.	Sri Mushnam
Thiruvallur	29.	Thiruttani
	30.	Thiruvalangadu
Vellore	31.	Vaniyambadi
Virudhunagar	32.	Mamsapuram
	33.	Narikudi
	34.	Pandalgudi
	35.	Sethiur
	36.	Srivilliputhur Taluk
	37.	Srivilliputhur Town
	38.	Vachakaranpatti

(ii) List of police stations where FAX machines were not in working condition

Name of the District	S.No.	Name of the Police Station
Chennai City	1.	Ashok Nagar
	2.	Egmore
	3.	Kotturpuram
	4.	Esplanade
	5.	Pulianthope
	6.	Saidapet
	7.	Sembium
	8.	Royapuram
	9.	Tondiarpet
	10.	TP Chatram
	11.	Valasaravakkam
Chennai Sub Urban	12.	Adambakkam
	13.	Ambattur
	14.	Avadi
	15.	AWPS, Madhavaram
	16.	Manali
	17.	Meenambakkam
	18.	Nandambakkam
	19.	Selaiyur
	20.	Tiruverkadu
	Coimbatore City	21.
22.		Ukkadam
Cuddalore	23.	AWPS, Chidambaram
	24.	Bhuvangiri
	25.	Chidambaram
	26.	Devanampattinam
	27.	Nellikuppam
	28.	Reddichavadi
	29.	Sri Musnam
	30.	Tirupapuliyur
	31.	Virudhachalam
	The Nilgris	32.
Thiruvallur	33.	Manavalanagar
	34.	Sevvapet
	35.	Vellavedu
Vellore	36.	Vaniyambadi
Virudhunagar	37.	M Pudupatti
	38.	Pandalgudi
	39.	Sethiur
	40.	Sivakasi East

## Appendix 1.17

(Reference: Paragraph 1.3.12; Page 69)

## Delay in installation of equipment

Sl.No.	Name of the equipment	Date of receipt	Date of installation	Delay in months	Reasons for delay
1.	Energy Dispersive X-Ray Fluorescence Spectro Meter	April 2006	20.07.2006	4	Reason not furnished by the Department
2.	Fourier Transform IR Spectrometer	April 2006	09.06.2006	3	Reason not furnished by the Department
3.	Gas Chromatograph Hydrocarbon analyzer with accessories	April 2007	01.02.2008	10	Reason not furnished by the Department
4.	Liquid Chromatography with accessories	08.06.2007	08.12.2008	17	Non availability of Nitrogen Generator
5.	Ion Chromatography with accessories	26.04.2007	12.09.2007	5	Reason not furnished by the Department
6.	Gas Chromatography with FID and other accessories	06.08.2007	18.02.2009	17	Due to non fulfilling pre-installation requirements
7.	Head Space Chromatograph with FID, BCD and NPD with accessories	16.04.2007	05.12.2007	7	Reason not furnished by the Department
8.	Acoustic Forensic Unit with Computerised Speech Lab	19.03.2008	25.08.2008	5	Reason not furnished by the Department
9.	Viscometer	30.01.2008	22.05.2008	4	Technician had to come from Mumbai
10.	Computerised Lie Detector	27.11.2007	04.02.2008	3	Reason not furnished by the Department
11.	Gas Chromatograph Mass Spectrometer	07.02.2008	March 2009	13	Reason not furnished by the Department

<b>Sl.No.</b>	<b>Name of the equipment</b>	<b>Date of receipt</b>	<b>Date of installation</b>	<b>Delay in months</b>	<b>Reasons for delay</b>
12.	Potentiometric Titrators	January 2008	24.04.2008	3	Reason not furnished by the Department
13.	Bio Robit EZI workstation and disruption Bone Module	07.01.2008	21.07.2008	6	Reason not furnished by the Department
14.	Universal Trade Residue Extractor	12.11.2008	23.09.2009	9	Reason not furnished by the Department
15.	VSC 5000 for document unit of RFSL, Madurai	01.06.2009	07.09.2009	3	Reason not furnished by the Department
16.	Genetic analyzer (ABI) Prism	03.06.2009	24.12.2009	6	Reason not furnished by the Department

**Appendix 2.1**  
(Reference: Paragraph 2.1.1; Page 100)

**Wasteful expenditure on unnecessary provision of overlay thickness**

Sl.No.	Name of work	Government sanction and amount	Design traffic in msa	Characteristic deflection		Pavement composition provided (in mm)	Requirement as per IRC-37 (in mm)	Total quantity executed @ 50 mm DBM/BM (in M <sup>3</sup> )	Rate per M <sup>3</sup> including tender percentage (₹)	Expenditure (₹)				
				Reach	Deflection (in mm)									
1	2	3	4	5	6	7	8	9	10	11				
1.	Improvement to Thirumangalam-Airport Road (ODR) a) km 0/0-12/1	161, Highways dated 11.9.2006 ₹ 650 lakh	14.64	1/0-2/0	0.256	50 DBM+40BC	40 BC	300	4,494.70	13,48,410				
				2/0-3/0	0.638	50 DBM+40 BC	40 BC							
				5/6-6/0	0.362	50 DBM+40 BC	40 BC							
								6/0-7/0	0.513	50 DBM+40 BC	40 BC	1,018	4,494.70	45,75,604
								7/0-8/0	0.474	50 DBM+40BC	40 BC			
								8/0-9/0	0.517	50 DBM+40BC	40 BC			
10/0-11/0	0.524	50 DBM+40BC	40 BC											
2	Improvement to Melur-Poovanthi-Thirubhuvanam road Km 0/0-21/0	161, Highways dated 11.9.2006 ₹ 900 lakh	11.94	1/0-2/0	0.74	50 DBM+40 BC	40 BC	865	4,511.47	39,02,422				
				2/0-3/0	0.37	50 DBM+40 BC	40 BC							
				3/0-4/0	0.90	50 DBM+40 BC	40 BC							
				4/0-5/0	0.50	50 DBM+40 BC	40 BC							
				5/0-6/0	0.73	50 DBM+40 BC	40 BC							
				6/0-7/0	0.64	50 DBM+40 BC	40 BC							
								7/0-8/0	0.16	50 DBM+40 BC	40 BC	689	4,569.89	31,48,654
								9/0-10/0	0.54	50 DBM+40 BC	40 BC			
								10/0-11/0	0.78	50 DBM+40 BC	40 BC			
								11/0-12/0	0.90	50 DBM+40 BC	40 BC			
								12/0-13/0	0.71	50 DBM+40 BC	40 BC	862	4,533.49	39,07,868
								13/0-14/0	0.68	50 DBM+40 BC	40 BC			
								14/0-15/0	0.92	50 DBM+40 BC	40 BC			
								15/0-16/0	0.61	50 DBM+40 BC	40 BC			
								16/0-17/0	0.88	50 DBM+40 BC	40 BC			
								17/0-18/0	0.91	50 DBM+40 BC	40 BC	671	4,489.00	30,12,119
19/0-20/0	0.50	50 DBM+40 BC	40 BC											
20/0-21/0	0.81	50 DBM+40 BC	40 BC											

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1	2	3	4	5	6	7	8	9	10	11
3.	Improvements to Vandiyur-Kalikappan road km 0/0-2/8	161, Highways dated 11.9.2006 ₹ 150 lakh	2.62	0/0-1/0	0.368	50 BM+25 SDBC	25 SDBC	484	4,118.95	19,93,572
				1/0-2/0	0.839	50 BM+25 SDBC	25 SDBC			
				2/0-2/8	0.920	50 BM+25 SDBC	25 SDBC			
4.	Improvements to Melur-Alagarkoil Road km 0/0-15/0	161, Highways dated 11.9.2006 ₹ 707 lakh	3.00	0/0-1/0	0.656	50 BM+25 SDBC	25 SDBC	1,088	4,108.85	44,70,429
				1/0-2/0	0.269	50 BM+25 SDBC	25 SDBC			
				3/0-4/0	0.535	50 BM+25 SDBC	25 SDBC			
				4/0-5/0	0.496	50 BM+25 SDBC	25 SDBC			
				5/0-6/0	0.693	50 BM+25 SDBC	25 SDBC			
				6/0-7/0	1.032	50 BM+25 SDBC	25 SDBC			
				8/0-9/0	0.855	50 BM+25 SDBC	25 SDBC			
				10/0-11/0	0.895	50 BM+25 SDBC	25 SDBC	1,112	4,141.30	46,05,126
				11/0-12/0	0.707	50 BM+25 SDBC	25 SDBC			
				12/0-13/0	0.773	50 BM+25 SDBC	25 SDBC			
				13/0-14/0	0.543	50 BM+25 SDBC	25 SDBC			
5.	Kumanangudi Bridge-Kunnakudi road km4/0-11/2 (in package MC 24 of TNRSR)	203, Highways dated 20.9.2005 (₹ 14.50 crore)	17	4/0-5/0	0.72	50 DBM+40BC	40 BC	1,749	3,453.00	60,39,297
				5/0-6/0	0.78	50 DBM+40BC	40 BC			
				7/0-8/0	0.57	50 DBM+40 BC	40 BC			
				8/0-9/0	0.52	50 DBM+40BC	40 BC			
				9/0-10/0	0.69	50 DBM+40BC	40 BC			
<b>Total</b>									<b>3,70,03,501</b>	

## Appendix 2.2

(Reference: Paragraph 2.1.3; Page 102)

## Details of e-content CDs ordered and supplied

Date of order	Supplier	No. of e-content CDs ordered	Value of order (₹ in lakh)	Supply of e-content CDs by the suppliers		Amount paid (₹ in lakh)
				Date	Number	
29.12.2006	Firm I	30	25.00	20.08.2007	11	9.36
				18.08.2008	15	
26.03.2007	Firm II	33	27.41	06.05.2008	23	18.29
26.03.2007	Firm III	27	22.43	06.04.2009	4	5.60
				15.06.2009	6	
20.12.2007		10	8.31	..	..	..
28.10.2007	Firm IV	6	3.50	10.12.2007	6	3.50
20.12.2007	Firm V	24	19.69	17.12.2008	24	19.69
<b>Total</b>		<b>130</b>	<b>106.34</b>		<b>89</b>	<b>56.44</b>



**Appendix 2.3**

**(Reference: Paragraph 2.2.3; Page 108)**

**Details of excise duty exemption availed of by contractors**

Name of material	Work	Rate per MT ranging (in ₹)		Rate of excise duty (in per cent)	Amount of excise duty on lowest rate (in ₹)	Quantity in MT		Duty exemption availed of (in ₹)
		From	To			Certified	Purchased	
Cement	A	3,627	4,800	12	435	4,658	1,238	5,38,530
	B	3,786	4,302	12	454	5,374	3,884	17,63,336
	C	3,911	4,302	12	469	4,674	635	2,97,815
	D	4,017	4,302	12	482	5,356	2,527	12,18,014
Steel Bars	A	33,748	46,500	14	4,725	928	333	15,73,425
	B	27,900	46,400	14	3,906	1,372	1,169	45,66,114
	C	27,000	45,800	14	3,780	953	951	35,94,780
	D	30,000	30,600	14	4,200	325	325	13,65,000
Steel Sheet	A	28,150	28,150	14	3,941	159	103	4,05,923
	B	29,050	29,050	14	4,067	663	660	26,84,220
	C	27,300	31,050	14	3,822	225	225	8,59,950
	D	27,950	27,950	14	3,913	373	373	14,59,549
Bitumen	E	27,300	33,750	14	3,822	938	858	32,79,276
Emulsion	E	21,933	31,458	14	3,071	46	39	1,19,769
<b>Total</b>								<b>2,37,25,701</b>

## Appendix 2.4

(Reference: Paragraph 2.3.2; Page 122)

## Details of distribution of colour television sets to beneficiaries in Erode and Madurai districts and their value

Name of the District	Phase	No. of beneficiaries to whom free colour television sets distributed	No. of applications for electricity connection cancelled / found not eligible	Value of the colour television sets supplied to beneficiaries not having electricity connections in their homes (In ₹)	
				Cost per set	Total value
Erode	II	1,05,245	2,793	2,740	76,52,820
	III	1,77,048	4,524	2,197	99,39,228
Madurai	II	1,04,338	1,214	2,740	33,26,360
	III	1,59,216	2,823	2,197	62,02,131
<b>Total</b>		<b>5,45,847</b>	<b>11,354</b>		<b>2,71,20,539</b>

**Appendix 2.5**

**(Reference: Paragraph 2.3.3; Page 122)**

**Certificate verification fee collected and spent**

**(₹ in lakh)**

Year	Receipts			Expenditure		
	Engineering colleges	Polytechnic colleges	Total	Engineering colleges	Polytechnic colleges	Total
Up to 2006-07	74.14	47.31	121.45	15.97		15.97
2007-08	21.30	16.30	37.60	11.06	5.79	16.85
2008-09	21.34	18.80	40.14	30.66	24.39	55.05
2009-10 (as of February 2010)	29.37	20.66	50.03	16.17	10.51	26.68
<b>Total</b>	<b>146.15</b>	<b>103.07</b>	<b>249.22</b>	<b>57.89</b>	<b>40.69</b>	<b>114.55 (or) 1.15 crore</b>

**Appendix 2.6****(Reference: Paragraph 2.3.4; Page 123)****Year-wise position of the outstanding Inspection Reports and Audit Paragraphs**

<b>Year</b>	<b>Inspection Reports</b>	<b>Audit Paragraphs</b>
2004-05	44	68
2005-06	190	311
2006-07	466	889
2007-08	842	2,145
2008-09	1,150	4,044
2009-10	819	3,821
<b>Total</b>	<b>3,511</b>	<b>11,278</b>

**Appendix 2.7**

**(Reference: Paragraph 2.3.4; Page 123)**

**Statement showing number of Inspection Reports for which first reply not received**

<b>Sl.No.</b>	<b>Department</b>	<b>Inspection Reports</b>	<b>Audit Paragraphs</b>
1	Public	2	12
2	Adi Dravidar and Tribal Welfare	3	27
3	Agriculture	11	71
4	Animal Husbandry, Dairying and Fisheries	27	78
5	Backward Classes, Most Backward Classes and Minorities Welfare	5	38
6	Commercial Taxes and Registration	1	6
7	Cooperation, Food and Consumer Protection	9	20
8	Environment and Forests	2	9
9	Finance	7	21
10	Handlooms, Handicrafts, Textiles and Khadi	2	9
11	Health and Family Welfare	114	557
12	Higher Education	38	179
13	Home, Prohibition and Excise	10	24
14	Housing and Urban Development	3	9
15	Industries	16	56
16	Information Technology	1	4
17	Labour and Employment	7	23
18	Law	101	232
19	Planning, Development and Special Initiatives	4	10
20	Revenue	39	206
21	School Education	73	362
22	Social Welfare and Nutritious Meal Programme	33	147
23	Tamil Development, Religious Endowments and Information	8	27
24	Tourism and Culture	4	21
25	Transport	10	20
	<b>Total</b>	<b>530</b>	<b>2,168</b>

**Appendix 2.8**  
**(Reference: Paragraph 2.3.4; Page 124)**

**Serious irregularities pending settlement as of March 2010**

**I Industries Department**

**(₹ in lakh)**

<b>Sl.No.</b>	<b>Name of irregularity</b>	<b>No. of Paragraphs</b>	<b>Amount</b>
1	Locking up of undisbursed state capital subsidy	1	395.00
2	Pending collection of loan assistance	18	13,616.12
3	Non-realisation of balance deposit due from the Industrial Co-operative Societies	1	31.48
4	Service charges/repair charges pending collection	4	168.19
5	Non-receipt of Utilisation Certificates	2	106.04
6	Non-collection of guarantee fee	1	130.21
7	Loss to Government caused by Co-operative Sugar Mills	1	4,259.00
8	Avoidable expenditure	1	58.85
9	Surrender of funds	1	2,633.00
10	Non-recovery of Government dues	1	233.74
11	Locking up of Government funds	2	58.40
12	Arrears in collection of rent	2	212.93
13	Loss of interest due to transfer of excess subsidy funds	1	34.62
14	Non-recovery of ineligible capital subsidy	1	2.62
	<b>Total</b>	<b>37</b>	<b>21,940.20</b>

**II Revenue Department**

**(₹ in lakh)**

<b>Sl.No.</b>	<b>Nature of objection</b>	<b>No. of Paragraphs</b>	<b>Money value</b>
1	Surrender of funds	7	1,393.68
2	Non-utilisation of funds/funds kept idle	18	12,475.12
3	Non-remittance of interest into Government account	9	91.65
4	Cost of seized commodities pending collection from Tamil Nadu Civil Supplies Corporation	9	1,306.97
5	Non-receipt of Utilisation Certificates	13	27,671.64
6	Amount pending collection under RR Act	13	65,396.18
7	Takawi loans pending recovery	2	4,118.64
8	Pending collection under Pauper Suit	1	18,100.00
9	Betterment levy pending recovery	3	349.35

			(₹ in lakh)
Sl.No.	Nature of objection	No. of Paragraphs	Money value
10	Pending settlement of incentive funds sanctioned for special work	1	80.42
11	Locking up of funds	8	631.80
12	Lease amount pending collection	1	379.00
13	Non-collection of dues from Prohibition Offenders in Excise Department	13	566.09
14	Non-realisation of dues	1	944.00
15	Undistributed sarees and dhotis	7	965.59
16	Undisbursed drawals	1	44.09
17	Non-utilisation of Tsunami Relief Fund	4	599.23
18	Non-completion of buildings/development works/projects	6	568.80
19	CM's Farmers Social Security Scheme - Non-achievement of objective	2	267.37
20	Discrepancies in Calamity Relief Fund	3	310.13
21	Huge pendency of housing and business loans granted to Burma and Sri Lanka repatriates	5	667.44
22	Cost of materials and penalty charges pending collection	3	72.12
23	Short collection/pending recovery of establishment and pensionary charges	8	348.16
24	Non-collection of lease rent / land value	2	43.62
25	Excess payment of relief assistance	2	16,715.00
26	In-admissible expenditure	2	2,120.00
27	Avoidable expenditure on purchase of life jackets for tsunami victims	3	368.46
28	Penalty to be collected from ex-licencees	1	52.89
29	Loss of revenue to Government	3	138.30
30	Non-adjustment of advances	2	1,603.10
31	Non-utilisation of membership fee amount and interest accrued resulting in increased drawal from Government account	1	959.00
32	Pending collection of seigniorage charges	1	162.00
	<b>Total</b>	<b>155</b>	<b>1,59,509.84</b>

### III Highways Department

			(₹ in lakh)
Sl.No.	Nature of irregularity	No. of Paragraphs	Money value
1	Excess payments	94	5,847.97
2	Excess over estimates	29	1,257.41

(₹ in lakh)			
Sl.No.	Nature of irregularity	No. of Paragraphs	Money value
3	Want of sanctions	11	1,100.09
4	Irregular expenditure to be recovered	4	2,409.90
5	Expenditure to be ratified by Government/CE	8	17,780.62
6	Over payment of salary	6	1.69
7	Losses, Shortages, Theft, stock not handed over etc.,	3	19.90
8	Recovery from contractors	26	2,514.34
9	Advance payments pending adjustment	12	939.05
10	Miscellaneous irregularities/objections with money value	305	20,628.52
<b>Total</b>		<b>498</b>	<b>52,499.49</b>

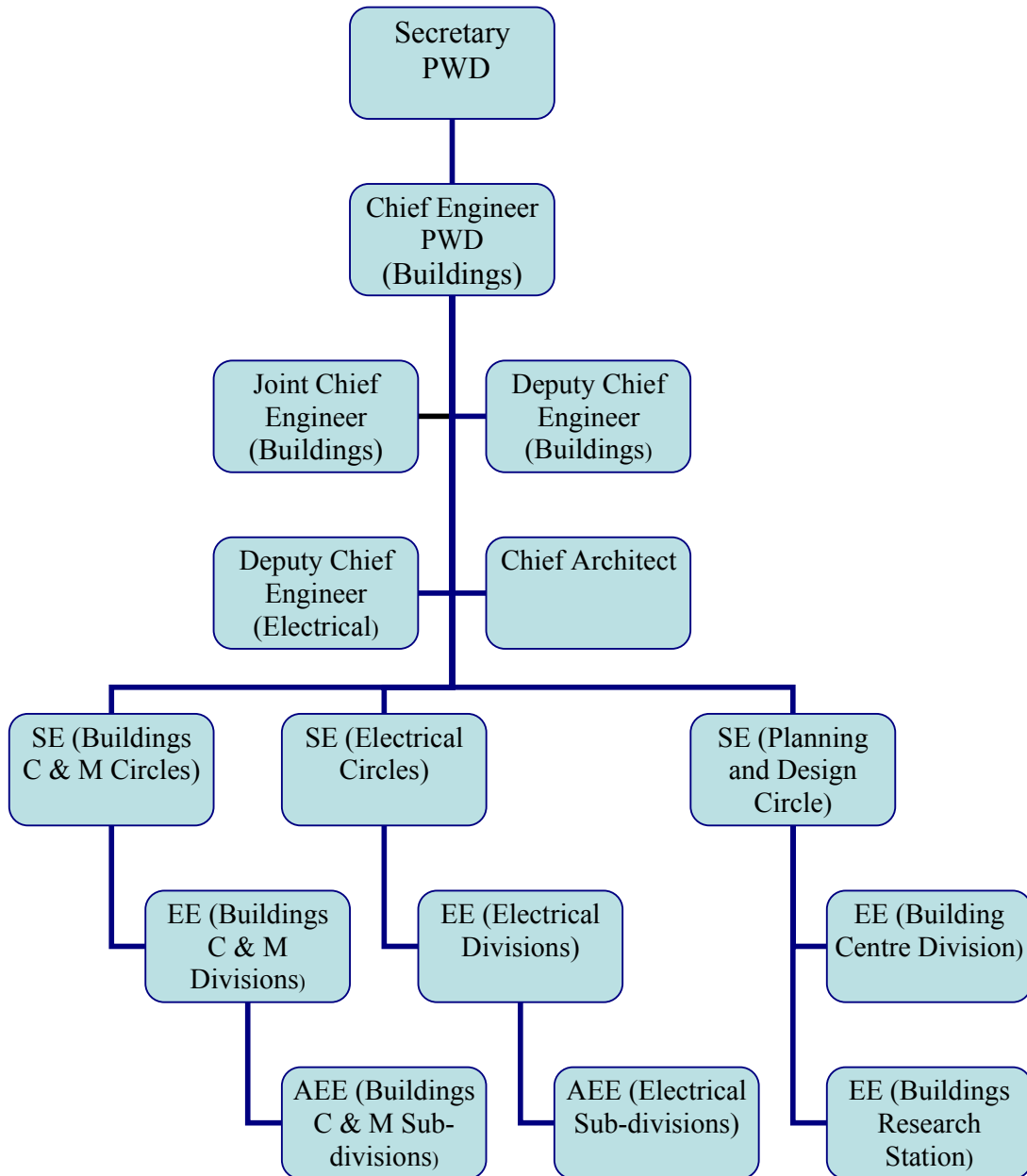
### Abstract

(₹ in lakh)			
Sl.No.	Name of the Department	No. of Paragraphs	Amount involved
1	Industries Department	37	21,940.20
2	Revenue Department	155	1,59,509.84
3	Highways Department	498	52,499.49
<b>Total</b>		<b>690</b>	<b>2,33,949.53</b>



**Appendix 3.1**  
**(Reference: Paragraph 3.1.2; Page 126)**

**Organogram of the Public Works Department**



## **Appendix 3.2**

**(Reference: Paragraph 3.1.5; Page 127)**

### **List of test-checked units**

1. Superintending Engineer, Planning Design Circle, Chennai
2. Superintending Engineer, New Tamilnadu Legislative Assembly Circle, Chennai
3. Superintending Engineer, Maintenance Circle, Chennai
4. Superintending Engineer, Electrical Circle, Salem
5. Superintending Engineer, Electrical Circle, Madurai
6. Superintending Engineer, Electrical Circle, Chennai
7. Superintending Engineer, Construction and Maintenance Circle, Tirunelveli
8. Superintending Engineer, Construction and Maintenance Circle, Thanjavur
9. Superintending Engineer, Construction and Maintenance Circle, Tiruchirappalli
10. Superintending Engineer, Construction and Maintenance Circle, Thoothukudi
11. Superintending Engineer, Construction and Maintenance Circle, Salem
12. Superintending Engineer, Construction and Maintenance Circle, Chennai
13. Superintending Engineer, Buildings Construction Circle (TNLA), Chennai
14. Executive Engineer, South Presidency Division, Chennai
15. Executive Engineer, Marina Division, Chennai
16. Executive Engineer, Construction and Maintenance Division, Virudhunagar
17. Executive Engineer, Construction and Maintenance Division, Vilupuram
18. Executive Engineer, Construction and Maintenance Division, Tiruchirappalli
19. Executive Engineer, Construction and Maintenance Division, Thiruvallur
20. Executive Engineer, Construction and Maintenance Division, Thiruvarur
21. Executive Engineer, Construction and Maintenance Division, Tirunelveli
22. Executive Engineer, Construction and Maintenance Division, Salem
23. Executive Engineer, Construction and Maintenance Division, Pudukottai
24. Executive Engineer, Construction and Maintenance Division, Dharmapuri
25. Executive Engineer, Construction and Maintenance Division, Ariyalur
26. Executive Engineer, Buildings Construction and Maintenance Division, TNLA Block A, Chennai
27. Executive Engineer, Buildings Construction and Maintenance Division, TNLA Block B, Chennai
28. Electrical Engineer, Electrical Division, TNLA, Chennai

**Appendix 3.3**  
**(Reference: Paragraph 3.1.7.7; Page 133)**

**Details of hostels completed and handed over to the user department before  
sending proposals to Government of India**

<b>Sl. No.</b>	<b>Name of the Hostel</b>	<b>Date of completion / handing over</b>	<b>Date of sending proposals to GOI</b>	<b>Date of GOI Sanction</b>
1	Government School Boys Hostel (BC), Andhimancheri pettai, Thiruvallur	22.09.2006	15.11.2006	26.12.2006
2	Government College Boys Hostel (BC), Pettai, Tirunelveli	09.08.2006	15.11.2006	26.12.2006
3	Government School Boys Hostel (BC), Thiruvallur	26.08.2006	15.11.2006	26.12.2006
4	Government School Boys Hostel (BC), Gudiyattham	14.04.2006	15.11.2006	26.12.2006
5	Government School Girls Hostel (MBC), Pappalapatti, Dharmapuri	9.11.2006	15.11.2006	26.12.2006
6	Government School Boys Hostel (BC), Melanguzhi, Ariyalur	09.06.2007	29.06.2007	14/27.02.2008
7	Government School Boys Hostel (BC), Kurinjipadi, Cuddalore	09.06.2007	29.06.2007	14/27.02.2008
8	Government School Boys Hostel (BC), Ramiyanahalli, Dharmapuri	25.06.2007	29.06.2007	14/27.02.2008
9	Government School Boys Hostel (BC), Anchetty, Dharmapuri	31.10.2007	29.06.2007	14/27.02.2008
10	Government School Boys Hostel (BC), Balathottanapalli, Dharmapuri	21.05.2007	29.06.2007	20.03.2008
11	Government School Girls Hostel (BC), Pudukadai, Nagercoil	28.05.2007	29.06.2007	14/27.02.2008
12	Government School Girls Hostel (BC), Sarkar Gollapatti, Salem	21.05.2007	29.06.2007	14/27.02.2008
13	Government School Boys Hostel (BC), Konanginaickenahalli	28.06.2007	29.06.2007	20.03.2008
14	Government School Girls Hostel (BC), Kuzhithurai	28.05.2007	29.06.2007	20.03.2008
15	Government School Girls Hostel (MBC), Agaramanjeri	30.05.2007	29.06.2007	20.03.2008
16	Government School Girls Hostel (MBC), Tharamangalam	21.05.2007	29.06.2007	20.03.2008

Sl. No.	Name of the Hostel	Date of completion / handing over	Date of sending proposals to GOI	Date of GOI Sanction
17	Government School Girls Hostel (MBC), Vadamadurai	10.01.2007	29.06.2007	20.03.2008
18	Government School Boys Hostel (BC), Patteswaram	16.05.2008	11.07.2008	20.03.2008
19	Government School Girls Hostel (BC), Vridhachalam	30.04.2008	11.07.2008	20.03.2008
20	Government School Boys Hostel (BC), Melapalayam	26.06.2008	11.07.2008	20.03.2008
21	Government School Boys Hostel (BC), Kannivadi	01.04.2008	11.07.2008	20.03.2008
22	Government School Girls Hostel (MBC), Kuttalam	07.05.2008	11.07.2008	20.03.2008
23	Government School Girls Hostel (BC), Thiruverumbur	13.06.2008	11.07.2008	20.03.2008
24	Government School Boys Hostel (MBC), Aavinangudi	30.04.2008	11.07.2008	11/23.02.2009
25	Government School Boys Hostel (BC), Paramakudi	05.06.2008	11.07.2008	11/23.02.2009
26	Government School Girls Hostel (DNC), Aruppukottai	20.05.2008	11.07.2008	11/23.02.2009
27	Government School Boys Hostel (DNC), Maramadakki	11.05.2008	11.07.2008	11/23.02.2009
28	Government School Boys Hostel (DNC), Vannikonandal	10.07.2008	11.07.2008	11/23.02.2009
29	Government School Boys Hostel (MBC), Sirugramam	30.04.2008	11.07.2008	11/23.02.2009

**Appendix 3.4**  
**(Reference: Paragraph 3.1.7.7; Page 133)**

**Details of hostels completed and handed over to the user department before  
sanction by Government of Tamil Nadu**

Sl. No.	Name of the Hostel	Date of completion of construction	Date of sending proposals to GOI	Date of GOI Approval	Date of sanction by Government of Tamil Nadu
1	Government School Girls Hostel (BC), Uthangarai	18.12.2006	15.11.2006	26.12.2006	27.4.2007
2	Government School Girls Hostel (MBC), Poonamallee	29.03.2007			
3	Government School Boys Hostel (BC), Avadi	29.03.2007			
4	Government School Boys Hostel (BC), Thanipadi	26.02.2007			
5	Government School Boys Hostel (BC), Tirunelveli	03.01.2007			
6	Government School Boys Hostel (BC), Vanjur	28.03.2007			
7	Government School Boys Hostel (BC), Pernambut	29.03.2007			
8	Government School Boys Hostel (MBC), Kanagammachatram	16.02.2007			
9	Government School Girls Hostel (BC), Meensurutti	11.07.2007	29.06.2007	14/27.02.2008	20.3.2008
10	Government School Girls Hostel (BC), Perayur	22.08.2007			
11	Government School Girls Hostel (BC), Vengidangulam	01.11.2007			
12	Government School Girls Hostel (MBC), Subbammalpuram	16.07.2007			
13	Government School Girls Hostel (MBC), Chengam	31.08.2007	29.06.2007	20.03.2008	31.3.2008
14	Government School Boys Hostel (BC), Kilapuliyur	05.07.2007			
15	Government School Boys Hostel (BC), Krishnapuram	20.09.2007			
16	Government School Girls Hostel (MBC), Vengalam	16.07.2007			
17	Government School Girls Hostel (DNC), Chennamanaickenpatti	02.07.2007			

Sl. No.	Name of the Hostel	Date of completion of construction	Date of sending proposals to GOI	Date of GOI Approval	Date of sanction by Government of Tamil Nadu
18	Government School Girls Hostel (BC), Tiruppur	14.08.2008	11.07.2008	31.10.2008	12.12.2008
19	Government School Girls Hostel (BC), Parthibanur	15.09.2008			
20	Government School Boys Hostel (BC), Coonur	04.11.2008			
21	Government School Girls Hostel (BC), Thirupathur	08.09.2008			
22	Government School Boys Hostel (BC), Ariyalur	10.09.2008			
23	Government School Boys Hostel (BC), Thiruverumbur	10.09.2008			
24	Government School Boys Hostel (BC), T.M.Kottai	06.10.2008	11.07.2008	1/23.02.2009	5.8.2009
25	Government School Boys Hostel (BC), Sengottai	02.12.2008			
26	Government School Boys Hostel (BC), Puthampur	10.03.2009			
27	Government School Girls Hostel (BC), Cheetikulam	22.09.2008			
28	Government School Girls Hostel (DNC), Kamudhi	03.10.2008			
29	Government School Boys Hostel (DNC), Peravurani	15.09.2008			
30	Government School Boys Hostel (DNC), Irudhayapuram	26.02.2008			
31	Government School Girls Hostel (MBC), Venbavur	25.09.2008			

**Appendix 3.5**  
**(Reference: Paragraph 3.1.7.7; Page 133)**

**Details of works already in progress at the time of sending proposals**

Sl. No.	Name of the Hostel	Date of completion of construction	Date of sending proposals to GOI	Date of GOI Approval	Date of sanction by Government of Tamil Nadu
1	Government School Girls Hostel (BC), Lady Wellington, Chennai	24.10.2007	15.11.2006	26.12.2006	27.4.2007
2	Government School Girls Hostel (BC), Thandalaipudur	N.A			
3	Government School Girls Hostel (BC), Vettavalam	15.6.2007			
4	Government School Girls Hostel (BC), Poothetti	N.A			
5	Government School Boys Hostel (BC), Alangudi	25.09.2007			
6	Government School Boys Hostel (BC), Pudupettai	07.08.2007			
7	Government School Boys Hostel (BC), Mallankinar	29.05.2007			
8	Government School Boys Hostel (MBC), Kodalikaruppur	11.07.2007			
9	Government School Boys Hostel (MBC), Maduramangalam	N.A			
10	Government School Boys Hostel (BC), Karupperi	30.04.2008	29.06.2007	20.03.2008	31.3.2008
11	Government School Girls Hostel (DNC), Gandharvakkottai	N.A			
12	Government School Girls Hostel (DNC), Keeramangalam	16.06.2008			
13	Government School Boys Hostel (BC), Thagattur	N.A	11.07.2008	31.10.2008	12.12.2008
14	Government School Boys Hostel (BC), Neeravi	N.A	11.07.2008	11/23.02.2009	5.8.2009
15	Government School Boys Hostel (BC), Sadayampatti	N.A			
16	Government School Boys Hostel (BC), Nangur	N.A			

N.A: Not Available

### Appendix 3.6

(Reference: Paragraph 3.1.11.2; Page 145)

#### Details of vacancies in technical cadres

Name of post	No. of posts sanctioned	Men in position	Vacancies	Percentage of vacancies
Assistant Executive Engineer (AEE) - Civil	224	209	15	6.7
Assistant Executive Engineer (Radio)	3	1	2	66.7
Assistant Engineer (AE)/Junior Engineer (JE) – Civil	571	496	75	13.1
Assistant Engineer/Junior Engineer – Electrical	129	103	26	20.2
Overseer	2	-	2	100.0
Head Draughting Officer	11	5	6	54.5
Special Grade Draughting Officer	3	2	1	33.3
Senior Draughting Officer	49	41	8	16.3
Draughting Officer	52	51	1	1.9
Junior Draughting Officer	173	85	88	50.9
Assistant Draughtsman	72	22	50	69.4



**Appendix 3.7**  
**(Reference: Paragraph 3.1.12.1(i); Page 145)**

**Schedule of settlement with treasury**

(₹ in lakh)

Division	Department receipts not acknowledged by treasury			Receipts accounted in Treasury but not accounted in departmental records		
	No. of items	Period ranged from	Amount	No. of items	Period ranged from	Amount
C&M Division, Salem	109	9 to 19 years	2.16	63	1 to 15 years	1.15
C&M Division, Dharmapuri	39	1 to 14 years	0.74	5	2 to 6 years	0.11
C&M Division, Cuddalore	16	1 to 18 years	13.91	13	3 to 15 years	0.09
North Presidency Division, Chennai	19	1 to 17 years	1.63	7	1 to 18 years	0.42
C&M Division, Thanjavur	54	2 to 3 years	5.23	61	2 years	2.63
Marina Division, Chennai	12	2 years	0.71	0	--	0
C&M Division, Thiruvallur	4	1 to 4 years	0.04	3	2 to 7 years	0.02
C&M Division, Virudhunagar	17	12 years	8.31	17	2 years	0.39
C&M Division, Tirunelveli	14	18 years	18.32	8	8 years	0.07
C&M Division, Nagercoil	14	12 years	0.83	25	12 years	1.31
C&M division, Tiruchirappalli	7	8 years	0.04	-	-	-
C&M Division, Ariyalur	3	1 to 2 years	0.02	-	-	-
South Presidency Division, Chennai	31	4 to 11 years	0.34	-	-	-
<b>Total</b>	<b>339</b>		<b>52.28</b>	<b>202</b>		<b>6.19</b>