CHAPTER III
COMPLIANCE AUDIT

CHAPTER III

COMPLIANCE AUDIT

Compliance Audit of Departments of the Government and their field formations as well as autonomous bodies brought out several lapses in management of resources and failures in observance of norms of regularity, propriety and economy. These are presented in the succeeding paragraphs.

CO-OPERATION, FOOD AND CONSUMER PROTECTION DEPARTMENT

3.1 Construction of Godowns and their utilisation

3.1.1 Introduction

In order to provide storage facilities for the agricultural produce of farmers, GoTN launched (2011) a scheme for construction of godowns with loan assistance from National Bank for Agriculture and Rural Development (NABARD). The objective of expanding godown facilities in rural areas was to facilitate farmers to store their produce during peak harvest season and sell them when prices are favourable. Farmers who store their produce in the godown would be eligible to avail 'Produce Pledge Loan' (PPL) to avoid distress sale of their produce. Under this scheme, GoTN sanctioned construction of 3,876 godowns[1] during 2011-15 at a total cost of ₹ 487.85 crore.

The godowns were to be constructed and owned by Primary Agricultural Cooperative Credit Societies (PACCS) and Agricultural Producers Cooperative Marketing Societies (APCMS). GoTN, using NABARD loan, provided 100 *per cent* financial assistance for construction of godowns by PACCS and 90 *per cent* assistance for construction by APCMS. Registrar of Cooperative Societies (RCS) was responsible for implementation of the scheme. GoTN was to repay the loan with interest in seven years including a grace period of two years.

Audit test-checked records pertaining to the period 2011-17 at the Secretariat, Office of the RCS and Regional Joint Registrar of Cooperative Societies in four districts[2] during April to July 2017. The sample godowns were selected using multi-stage sampling method. The four sampled districts had a total of 440 godowns, of which, 45 PACCS and 11 APCMS were selected randomly.

[1] 2011-12: 1,166; 2012-13: 1,104; 2013-14: 1,044; and 2014-15: 562.

[2] Ariyalur, Namakkal, Pudukottai and Tiruppur.

3.1.2 Defective Planning

The RCS worked out a requirement of nine lakh MT of storage space in two harvest seasons based on 50 *per cent* deferred sale of 60 *per cent* of the estimated production of food grains of 70 lakh MT. After considering the available storage space for two lakh MT, the additional requirement was worked out as seven lakh MT. Against this, during 2011-15, GoTN sanctioned 3,876 godowns with a total capacity of 5.08 lakh MT for PACCS and APCMS. Thus, based on the requirement projected by RCS, there was shortage of 1.92 lakh MT of storage space. GoTN did not contemplate the continuation of the scheme after 2014-15. As of March 2017, 267 out of the total 4,467 PACCS did not own any godown to serve their members. The reason for not proposing godowns for all PACCS was not furnished by RCS. Audit, however, observed that RCS invited proposals for construction of godowns only from those PACCS/APCMS, which had own land. No efforts were made by the RCS to facilitate acquiring of land for construction of godowns in PACCS.

By applying the assumption made by RCS, Audit observed that the requirement of storage space for food grains worked out to 10.5 lakh MT[3]. Thus, the projected requirement worked out by RCS as nine lakh was insufficient. Further, the estimated agricultural production of 70 lakh MT did not include produce such as cotton, turmeric, copra, red chillies, etc., which are also produced in different districts of the State. Consequently, the planning for creation of storage space was not comprehensive.

On being pointed out by Audit, Government replied that the scheme for construction of godowns and requirement of storage space were considered only based on the prevailing difficulties faced by farmers and assumption of marketable surplus.

3.1.3 Construction of godowns

3.1.3.1 Physical and financial achievements

The details of year-wise sanction and construction of godowns were given in **Table 3.1**.

[3] 50 *per cent* deferred sale of marketable surplus of (60 *per cent*) the estimated food grain production of 70 lakh MT (70,00,000 x 60 *per cent* x 50 *per cent* ÷ 2 crop seasons = 10.5 lakh MT).

Table 3.1: Physical and Financial performance

(Amount - ₹ in crore)

Year	Number of godowns sanctioned	Project cost		Grants sanctioned by GoTN	APCMS contribution	Number of godowns completed	Grants released by GoTN
		PACCS	APCMS				
2011-12	1,166	89.36	17.90	105.47	1.79	1,166	105.47
2012-13	1,104	120.16	9.60	128.80	0.96	1,104	128.80
2013-14	1,044	128.74	12.20	139.72	1.22	1,044	139.72
2014-15	562	88.29	21.60	107.73	2.16	362	103.00
Total	**3,876**	**426.55**	**61.30**	**481.72**	**6.13**	**3,676**	**476.99**

(Source: Data collected by Audit from RCS)

As per the guidelines, godowns were to be constructed within three to four months from the release of funds. Out of 56 test-checked godowns, as of July 2017, construction of 13 godowns were still in progress even after two years of sanction and construction of four godowns took more than one year. Audit observed that main reason for the delay in completion of construction of godowns was due to delay in release of funds by GoTN during 2013-14 and 2014-15 as given in **Table 3.2**.

Table 3.2: Delay in release of funds

Year of Project	Administrative sanction by GoTN		Release of funds by GoTN	
	Date	Amount (₹ in crore)	Date	Amount (₹ in crore)
2013-14	13-11-2013	140.94	28-02-2014	39.73
			16-09-2014	99.99
2014-15	23-01-2015	109.89	29-10-2015	40.00
			22-07-2016	30.00
			15-12-2016	10.00
			06-03-2017	15.00
			30-06-2017	8.00

(Source: Data collected by Audit from RCS)

The delay in release of funds impacted timely completion of construction. The PACCS/APCMS did not have sufficient funds to complete the work without grant from GoTN. Thus, the intended benefits of the scheme could not be delivered to the farmers in time.

On being pointed out by Audit, the Government, while accepting the fact that construction was being done according to the release of funds, stated that at present, the farmers were availing the benefit of the scheme.

3.1.3.2 Building plan not approved

According to the instructions issued by the RCS in September 2012, the Secretary/Managing Director of PACCS/APCMS should obtain approval for building plan from the local authorities concerned to construct godowns under the scheme. It was also noticed that compliance with all statutory requirements on structural aspects of the godown was a pre-condition for accreditation of godowns under Warehousing (Development and Regulation) Act, 2007.

Audit noticed that 13 out of the 56 test-checked godowns did not obtain plan approval from local authorities concerned as given in **Appendix 3.1**. When pointed out by Audit, Secretaries of PACCSs and Managing Directors of concerned APCMSs replied that plan approval would be obtained. None of the above 13 godowns were accredited under Warehousing (Development and Regulation) Act, 2007. Audit observed that it would not be possible to accredit these godowns without building plan approval and consequently farmers storing their produce in these godowns would not be entitled to avail PPL at reduced rate of interest as discussed in detail in **Paragraph 3.1.5.1**.

On being pointed out by Audit, Government replied (November 2017) that necessary instructions were issued to obtain approval for building plan.

3.1.3.3 Deficiencies in construction

The godowns were to be constructed as per BIS Standards (IS 607-1971). The standards stipulated provision of rat guard ledge, detached steps, bridging planks, openings with steel shutters, electrification, approach roads, etc. (**Exhibit 3.1**).

Exhibit 3.1: An ideal 100 MT godown with rat guard ledge, detached steps, two openings with shutters, bridging planks, etc.

(Source: Photograph by Audit Team)

Deficiencies in providing these facilities in test-checked godowns are detailed in **Appendix 3.2** and are summarised in **Table 3.3**.

Table 3.3: Deficiencies in construction

Standard/Approved design	Audit Finding	Impact
As per BIS Standards, internal dimension of 100 MT godown should be 12 m x 7.5 m	Internal dimension as per design was 11.47 m x 6.07 m	This resulted in all the godowns not having the designed storage capacity.
As per BIS Standards, damp proof flooring with five layers should be provided	Not followed in any of the 56 test-checked godowns	Possible contamination/seepage due to dampness. Flooring damages were noticed in two godowns.
Rat guard ledge of 30 cm width at ground level on all four sides	Not provided as per specification in 10 out of 56 test-checked godowns	Entry of rats and other organisms will not be prevented. It could lead to loss/contamination of stored produce.
Detached steps	Not provided as per specification in 16 out of 56 test-checked godowns	
Bridging planks (for connecting detached steps and the ledge)	Not available in 17 out of 56 test-checked godowns	
Approach road for godowns of APCMS	Not provided in 3 out of 11 test-checked APCMS	Affects transportation of produce.
Electrification	Not provided in 5 out of 56 test-checked godowns	Godown will be suitable for operation only in day light.

(Source: Data collected by Audit during inspection of PACCS/APCMS godowns)

On being pointed out by Audit, Government replied (November 2017) that godowns were constructed as per the norms prescribed by National Cooperative Development Corporation (NCDC). The fact, however, remained that despite the original proposal to construct the godowns as per BIS Standards, RCS reduced the size of godowns which was not in accordance with BIS Standards. With regard to flooring of godowns, Government stated that three layers were made which was damp proof, rigid and durable. Audit, however, observed damaged floors in two sampled godowns. In respect of rat guard ledge, detached steps and bridging planks, Government stated that suitable instructions were issued to take corrective measures.

3.1.4 Utilisation of Godowns

3.1.4.1 Non-utilisation of godowns

Test check of utilisation of sampled godowns disclosed that the 100 MT godowns of Pallinganatham PACCS of Ariyalur District and Venthanpatty PACCS, Pudukottai District, were not commissioned since completion of the building works in August 2013 and January 2015 respectively. Audit noticed that these two PACCS were functioning only partially, due to ongoing enquiry into alleged malpractices by office bearers of these societies.

RCS had not taken any effective steps to commission these godowns. As a result, these godowns remained idle for more than two years, thereby depriving the intended benefits to the farmers.

3.1.4.2 Poor utilisation of godowns

The objective of the godowns was to help farmers to store their produce during peak harvest season. It was, however, noticed that the capacity utilisation of the sampled godowns was poor as given in **Table 3.4**.

Table 3.4: Utilisation of godowns

Details	Number
Total number of godowns completed	43*
Number of completed godowns utilised	36
Number of godowns with more than 50 *per cent* of capacity utilisation	14
Number of godowns with 10 to 50 *per cent* of capacity utilisation	19
Number of godowns with less than 10 *per cent* of capacity utilisation	3

* Two of them were kept idle for more than a year and five were completed recently

(Source: Data collected by Audit from PACCS/APCMS)

The RCS did not follow any methodology to assess the need for godown in a particular village. The only consideration adopted by RCS was possession of own land by the Society for construction of godown. Neither the societies concerned nor the RCS carried out any assessment/feasibility study for construction of godowns, based on local agricultural production, quantity, marketable surplus, percentage of deferred sale of the marketable surplus and the existing storage space. Further, the RCS observed (July 2015) that the field officers of the Department did not take adequate efforts to propagate the availability of godown facilities in the villages to improve storage. Thus, non-assessing the need for godowns on a scientific manner by RCS and not propagating the availability of storage space resulted in poor utilisation of the godowns.

On being pointed out by Audit, the Government stated (November 2017) that the main reason for poor utilisation of godowns was drought for nearly two years. It also stated that Joint Registrars were instructed to utilise the godowns by private traders during off season. But the fact remained that the utilisation of godowns in 2014-15, which was not a drought year, was also only 37 *per cent* at State level.

3.1.4.3 Non-fixation of rent by PACCS for storage of agricultural produce

As per the Project Report and proposals for construction of new godowns, PACCS/APCMS were to charge a reasonable rent for storage of produce from the farmers. Scrutiny of records relating to utilisation of godowns in test-checked PACCS/APCMS revealed that 11 godowns constructed under the scheme by PACCS, did not charge any rent for the agricultural produce stored there by farmers (**Appendix 3.3).** Based on rental rates of other godowns at ₹ 2 per bag per month, Audit estimated that these PACCS had forgone rental revenue of ₹ 1.30 lakh (approximate).

On being pointed out by Audit, the Government stated (November 2017) that produce were being pledged and charging rent on pledged produce was not fair and societies fixed rent according to their local conditions. Audit, however, observed that there was no clarity on levy of rent. Out of the 27 sampled godowns, which advanced PPL, 15 godowns charged rent on produce stored on pledge, 11 godowns did not charge any rent and details were not available in respect of one godown.

3.1.4.4 Collection of utilisation charges

As per Project Report, PACCS and APCMS are allowed to collect rent for the produce stored in the godowns at prescribed rate and interest for PPL advanced to farmers.

Audit observed that six out of 56 test-checked PACCS/APCMS collected inadmissible charges of ₹ 8.19 lakh from farmers as service charges (₹ 0.72 lakh), releasing charges (₹ 0.21 lakh) and share capital (₹ 7.26 lakh) for storing produce and advancing PPL.

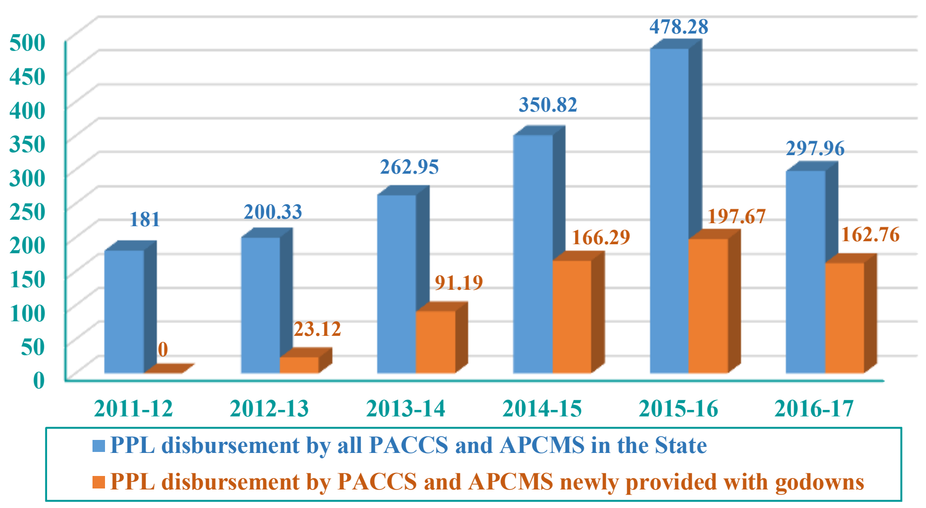
On being pointed out by Audit, the Government stated (November 2017) that any specific complaints received from farmers would be reviewed. Audit, however, observed that collection of these unauthorised charges by PACCS/APCMS would further discourage farmers from storing their produce in the godowns and availing PPL.

3.1.5 Disbursement of Produce Pledge Loan to farmers

Advancing short term loans to farmers on the security of agricultural produce stored in the godowns was one of the objectives of the scheme. During 2011-17, the total amount of PPL disbursed increased from ₹ 181 crore in 2011-12 to ₹ 478.28 crore in 2015-16, before coming down to ₹ 297.96 crore in 2016-17. The decline in advancing PPL, during 2016-17, was attributed to drought during the year.

The PPL advanced by PACCS and APCMS of the State during the period 2011-17 are given in **Exhibit 3.2**.

Exhibit 3.2: PPL disbursed during 2011-17 (₹ in crore)



(Source: Figures furnished by the Department)

After commissioning of new godowns, the disbursement of PPL increased continuously till 2015-16. The disbursement, however, saw a decline in 2016-17. Audit observed that the actual amount of PPL disbursed during 2016-17 stood only at 14 *per cent* of the possible disbursement[4] if 100 *per cent* capacity utilisation is achieved at least during harvest seasons.

Among the test-checked, only 36 of the 43 completed godowns were utilised for storing agricultural produce of farmers. It was, however, observed that only 27 PACCS/APCMS advanced PPLs to farmers and the remaining nine PACCS/APCMS did not advance any PPL despite storing produce in their godowns. Audit observed that the PPL disbursed by PACCS and APCMS carried interest rates ranging from 11.75 to 14.5 *per cent* during 2012-17. Although NABARD was implementing a GoI funded programme for subvention of PPL interest with effective interest rate reduced to seven *per cent*[5], none of the test-checked PACCS/APCMS utilised NABARD's interest subvention programme to reduce interest rate of PPL.

Scrutiny of records at RCS disclosed that 1,183 out of 3,314 PACCS in the State, having positive net worth, were eligible to participate in the interest subvention programme of NABARD. The programme involved registration of the godowns with Warehousing Development and Regulatory Authority (WDRA), before claiming of interest subvention. Against the 1,183 eligible PACCS, as of November 2017, only 211 godowns were registered with WDRA. Out of that, only 83 started implementing the interest subvention programme to advance PPL at reduced interest rate.

In the sampled godowns, with a total of 2,65,967 members, the benefit of the reduced interest rate of seven *per cent* per annum was not extended to farmers.

Credit availability for agricultural sector is an issue of far reaching importance. Low capacity utilisation with non-availability of PPL at reduced interest rate resulted in low offtake of PPL, defeating the very objective of the scheme of construction of godowns.

The reply of GoTN was silent on the issue of non-availability of reduced rate of interest.

3.1.6 Maintenance

Maintenance of godowns was the responsibility of the PACCS/APCMS concerned. A joint inspection of godowns by Audit team and the officials of the Cooperative Department disclosed several deficiencies in maintenance as summarised in **Table 3.5** (Details are given in **Appendix 3.4**).

4 Assuming reaching of full storage capacity of seven lakh MT at the time of harvest seasons (7 lakh MT x 2 seasons x ₹ 15,000 per MT = ₹ 2,100 crore).

5 Under this programme, GoI subsidised PPL.

Table 3.5: Maintenance of godowns

Nature of Deficiencies	Number of test-checked godowns
Termite attack	10
Leakages of rain water	2
Damaged flooring	2

(Source: Joint inspection)

Audit observed that the termite attack and poor condition of godowns indicated the deficiencies in carrying out anti-termite treatment and periodical maintenance.

On being pointed out, Government stated (November 2017) that committees were constituted for the maintenance of newly constructed godowns and the committees had to ensure the maintenance of godowns.

3.1.7 Monitoring mechanism

Non-functioning of Monitoring Committees

RCS issued (June 2013) instructions to constitute a 'Monitoring and Evaluation Committee' at the circle[6] and district level and the Committee should convene a meeting every month to monitor the utilisation of godowns, sanction of cash credit and to review measures for utilisation of the available godown facilities. RCS reiterated (May 2015) that Joint Registrars should monitor the utilisation of godowns and send monthly reports on utilisation.

Audit observed that the monthly reports on utilisation were compiled and furnished by Joint Registrars every month. However, formal meetings of the Monitoring Committee, to discuss and take action for improving the utilisation of godowns, advancing cash credit, etc., were not convened. As such, the proposed monitoring was not carried out.

On being pointed out by Audit, Government stated (November 2017) that performance on utilisation of godowns were reviewed by RCS during Regional Joint Registrar's review meeting.

3.1.8 Conclusion

Planning for construction of godowns was not comprehensive, leading to creation of inadequate capacity in rural areas for storing agricultural produce. Delayed release of funds led to Godowns remaining incomplete after more than two years of sanction. Deficiencies in design and execution of works were noticed in construction of godowns. Constructed godowns were not utilised optimally. The performance of PACCS in terms of issuing Produce Pledge Loan was dismal, defeating the very objective of the scheme.

---

[6] Circle comprising one or two Taluks headed by Deputy Registrar.

BACKWARD CLASSES, MOST BACKWARD CLASSES AND MINORITIES WELFARE DEPARTMENT

3.2 Imparting education through Kallar Reclamation Schools

3.2.1 Introduction

The Government has been running Kallar Reclamation Schools (KR Schools) since 1920 for the educational upliftment of Piramalai Kallar (PK) community, a De-notified Tribes[7], who are concentrated in Madurai, Dindigul and Theni districts of the State. As of March 2017, there were 292 KR Schools[8] and 50 KR School hostels with a student strength of 27,227 and 4,852 respectively. These schools are administered by the Joint Director of Kallar Reclamation, Madurai under the overall control of the Commissioner of Most Backward Classes & De-notified Communities Welfare. At Government level, these schools come under the Secretary to Government, Backward Classes, Most Backward Classes and Minorities Welfare Department. The Audit was carried out covering the period from 2014-15 to 2016-17 at the Secretariat, Commissionerate, office of the Joint Director of Kallar Reclamation, 82 schools and 13 hostels (**Appendix 3.5**) selected based on random sampling method.

The KR Schools are funded through the budget grants of Backward Classes, Most Backward Classes and Minorities Welfare Department. During the audit period, the expenditure on KR Schools averaged around ₹ 87 crore per annum.

3.2.2 Absence of data on coverage of PK community children

The Audit Report (Civil) of Comptroller and Auditor General of India on GoTN for the year 2004-05, had pointed out that no data was available with GoTN on the performance of KR Schools. Based on the audit observation, the Public Accounts Committee (PAC) also stressed the need for maintaining suitable data so as to enable the Department to devise alternative policies for the welfare of the PK community people and also would help to make a study of the reasons for the dropouts, from the KR Schools.

Despite these suggestions by PAC, it was noticed that the Department did not compile the dropout data of PK Community children, impact of KR Schools such as higher educational achievement of the students, job placements, etc. Audit observed that in the absence of holistic data, GoTN would not be able to estimate the impact of these schools in improving the conditions of PK community and further devise suitable alternative policies for upliftment of the community. GoTN stated (December 2017) that instructions were issued to maintain data on impact of KR Schools.

---

7 Communities, which were notified as criminal tribes under Criminal Tribes Act, 1871, during British Raj, were de-notified after independence.

8 Primary Schools: 214, Middle Schools: 21, High Schools: 22 and Higher Secondary Schools: 35.

3.2.3 Performance of KR Schools

3.2.3.1 Enrolment

Enrolment of students in Government run schools including KR Schools was declining during the past five years as shown in **Table 3.6**.

Table 3.6: Declining trend in enrolment

Year	Enrolment in all Government and aided schools at State level		Enrolment in KR Schools	
	Number of students	Decline over previous year (*per cent*)	Number of students	Decline over previous year (*per cent*)
2013-14	1,42,45,758	..	31,463	..
2014-15	1,41,05,134	0.99	30,538	2.94
2015-16	1,32,77,981	5.86	28,790	5.72
2016-17	1,31,71,066	0.81	27,227	5.43

(Source: Policy Note of School Education Department and Joint Director of Kallar Reclamation)

As could be seen from the **Table 3.6**, the fall in enrolment in KR Schools was steeper than that of Government Schools. During 2014-17, while the enrolment in Government Schools declined by 7.54 *per cent,* the decline was 13.46 *per cent* in KR Schools. GoTN stated (November 2017) that the enrolment was coming down due to increase in the number of private schools with English medium of instruction. Further, economic upgradation of PK families also reportedly made them to admit their wards in private schools. Audit, however, observed that though the reasons attributed by the Government were equally applicable to Government Schools and KR Schools, the decline in student strength was steeper in KR Schools.

3.2.3.2 Student withdrawals

It was further noticed from the 82 sampled schools that the percentage of students withdrawing from KR Schools was much higher than the State average dropout rate during academic years 2014-15 to 2016-17, as given in **Table 3.7**.

Table 3.7: Higher rate of student withdrawals

Year	Student withdrawal/dropout percentage			
	Primary		Middle	
	SA	KR	SA	KR
2014-15	0.94	4.49	1.58	3.44
2015-16	0.90	4.76	1.55	3.48
2016-17	0.90	4.58	1.50	3.97

SA: State Average of dropout rate; KR: KR School Student withdrawal rate

(Source: Data collected by Audit from sampled schools)

As could be seen from the above, the withdrawal rate in KR Schools was much higher than that of the State level dropout rate due to migration of KR School students to other schools. An analysis of student withdrawals indicated that majority of them headed to nearby Government aided schools, primarily indicating their preference for Government aided schools over KR Schools. The fact that students of KR Schools migrated to Government aided schools, which also impart free education in Tamil medium, established that the better quality of education offered by Government aided schools might be one of the reasons for the migration. GoTN replied (December 2017) that KR Schools were located in remote areas and hence their student withdrawal rates could not be compared with those of schools run by School Education Department. The reasoning was not acceptable as School Education Department also had schools in remote areas in all districts.

3.2.3.3 Pass percentage

Pass percentage of students in class 12 public examination is an important indicator of academic performance of the schools. While the class 12 pass percentage of KR Schools in Dindigul District during 2014-17 was in the range of 73 to 85, it was in the range of 81 to 87 in Government schools and 95 to 96 in Government aided schools. The KR Schools in Madurai and Theni districts, had performed poorer than Government aided schools, but better than Government schools (**Appendix 3.6).**

The relatively poor performance of KR Schools in terms of enrolment, withdrawals and pass percentage in comparison with other schools indicated the poor quality of education imparted by KR Schools. Audit noticed that issues like shortage/non-availability of teachers and infrastructure could be a factor contributing to the poor quality of these schools as discussed in subsequent paragraphs.

3.2.4 Deficiencies in staffing

Availability of adequate number of suitably trained teachers in schools is critical for ensuring quality education in schools. Deficiencies noticed in staffing are discussed in the succeeding sub-paragraphs.

3.2.4.1 Insufficient number of sanctioned posts

In 1997, Government prescribed the norms for sanction of teacher posts in schools. Audit observed that the number of sanctioned posts of Physical Education Teacher (PET), Physical Director and Post Graduate Teacher (PGT) in the sampled 15 High Schools and Higher Secondary Schools (HSSs) were less than the prescribed norms as given in **Table 3.8**.

Table 3.8: Requirement and sanction of PET and PGT posts

Post	Norms	Requirement as per norms	Actual sanction	Shortfall with reference to norms
PET*	Student strength upto 250: 1 Every additional 250: 1	6	4	2
Physical Director *	Student strength ≥ 400: 1	4	0	4
PGT*	Two Groups in HSS: 8 Three Groups in HSS: 10	92	63	29
Total		**102**	**67**	**35**

* As per GO Number 525 School Education dated 29-12-1997.

(Source: Data collected by Audit from sampled schools)

Audit noticed that the Joint Director of Kallar Reclamation (JD, KR) did not correctly work out the requirement of teachers for High and Higher Secondary Schools and seek sanction of additional posts with reference to norms prescribed by GoTN. This resulted in short sanction of 35 posts as given in **Table 3.8**. GoTN replied (December 2017) that necessary action was being taken for the sanction of additional posts.

Audit observed that inadequate sanction of PETs and PGTs would undermine the quality of education in KR Schools.

3.2.4.2 Schools without the minimum number of teachers

The Right of Children to Free and Compulsory Education Act, 2009, prescribed that there should be minimum of two teachers in primary schools with up to 60 students.

Audit observed that as of March 2017, 36 out of the 214 KR Primary Schools functioned with just one teacher against the mandatory minimum of two teachers. The number of single teacher schools declined from 43 in 2014-15 to 33 in 2015-16 and increased to 36 in 2016-17. Among the 58 primary schools sampled for Audit, 10 schools with an average student strength of 15 during 2016-17, were having only one teacher. Although the student strength in these schools were low, it was mandatory to have two teachers as a single teacher would not be able to handle five classes together. Though the JD, KR had a system to depute teachers from neighbouring schools as and when the single teacher went on leave, training, meetings, etc., in the 10 sampled schools, Audit observed in all cases of half a day casual leave or 'On Duty' absence of the single teacher of the school, no substitute was deputed, leaving the single teacher school without any teacher on such days. Further, this system caused disruption in regular functioning of the school from which the teacher was diverted.

The failure of the Commissioner, Most Backward Classes & De-notified Communities Welfare (MBC & DNC Welfare) in recruiting Secondary Grade Teachers (SGT), as commented in **Paragraph 3.2.4.3,** resulted in functioning of 36 schools without the mandatory minimum number of teachers. GoTN replied (December 2017) that the vacancies would be filled up.

3.2.4.3 Vacancy in teacher posts

The details of sanctioned, filled up and vacant posts of teachers in KR Schools, as worked out by JD, KR, were as given in **Table 3.9**.

Table 3.9: Vacancy position of teaching staff

Post	2014-15				2015-16				2016-17			
	Sanctioned	Filled	Vacant	Percentage of vacancy	Sanctioned	Filled	Vacant	Percentage of vacancy	Sanctioned	Filled	Vacant	Percentage of vacancy
SGT	444	362	82	18	418	367	51	12	407	351	56	14
PET	22	11	11	50	22	11	11	50	22	11	11	50
TGT	503	337	166	33	519	466	53	10	504	444	60	12
PGT	207	156	51	25	207	170	37	18	214	180	34	16
Total	**1,176**	**866**	**310**	**26**	**1,166**	**1,014**	**152**	**13**	**1,147**	**986**	**161**	**14**

TGT: Trained Graduate Teacher

(Source: Information furnished by JD, KR)

As could be seen from **Table 3.9**, the vacancy across different posts during the three years period 2014-17 ranged from 10 to steeping 50 percentage.

Audit scrutiny disclosed that vacancies started piling up consequent to the decision of GoTN in March 2011 to transfer out 146[9] teachers from KR Schools to School Education Department based on the request of the teachers for transfer to their respective native districts. GoTN, while addressing the interest of these teachers, did not protect the interest of KR Schools as no substitutes were simultaneously posted in the place of the teachers transferred out. 119 out of the 146 teachers left the KR Schools. Subsequent to this mass transfer, after a lapse of 16 months, the Commissioner, MBC & DNC Welfare sought (July 2012) approval of GoTN for recruitment of 235[10] teachers against the existing vacancies. Although Government, approved (August 2012) recruitment of 235 teachers, only 36 PGTs were recruited through Teachers Recruitment Board (TRB).

As the vacancies were not filled up, in November 2013, the Commissioner, MBC & DNC Welfare, requested TRB to recruit 382[11] more teachers. TRB, however, sponsored only 344[12] candidates, out of which only 275[13] candidates joined between October 2014 and August 2015. Although 69 of the sponsored candidates did not join service, the Commissioner, MBC & DNC Welfare approached GoTN only in October 2016 for recruitment of 44 teachers. The recruitments were not completed (September 2017).

Thus, due to the decision of GoTN in March 2011 to transfer 119 teachers without providing substitutes and the delay on the part of Commissioner, MBC & DNC Welfare in liaising with TRB and GoTN for filling up the posts, the KR Schools did not have full complement of sanctioned teachers impacting teaching work in these schools.

9 PGT: 27 and TGT: 119

10 PGT: 61, TGT: 67 and SGT: 107

11 PGT: 69, TGT: 249 and SGT: 64

12 PGT: 59, TGT: 236 and SGT: 49

13 PGT: 44, TGT: 195 and SGT: 36

3.2.4.4 Non-posting of nursery teachers in kindergarten classes

In November 2011, GoTN issued orders for introduction of lower kindergarten (LKG) classes in 15 KR Primary Schools from the academic year 2011-12, and sanctioned 15 SGTs for the LKG classes and 15 Ayahs (babysitter). During 2016-17, 491 students were studying in the 15 kindergarten classes of KR Schools. Audit scrutiny of the functioning of KG wings in KR Primary Schools disclosed the following:

As per norms prescribed by the National Council for Teacher Education, GoI, only a nursery trained teacher should be posted in nursery sections and SGTs are to be posted in primary sections. It was also noticed that only nursery trained teachers were posted in nursery sections of schools run by Greater Chennai Corporation. GoTN, however, based on the proposal from the Commissioner of MBC & DNC Welfare, took an incorrect decision to sanction SGTs for LKG classes in 15 KR Primary Schools. As teaching at nursery level requires specific training, sanctioning and posting of SGTs in nursery sections was in violation of the prescribed norms.

Nursery sections in three schools[14], with a student strength of 68 as of July 2017, were functioning without any teacher since the beginning. The SGT posts sanctioned by GoTN were not filled up. As a result, only the Ayahs were in position for the nursery sections.

In November 2011, GoTN accorded sanction for construction of nursery blocks in the 15 KR Primary Schools at a cost of ₹ 10.79 lakh each. Audit, however, observed that the funds sanctioned for four of the nursery blocks were utilised for construction of class rooms in other schools **(Appendix 3.7),** as the schools for which the blocks were sanctioned either did not have land for construction or already had sufficient number of class rooms. The Commissioner, MBC & DNC Welfare did not obtain Government's approval for constructing the buildings in other schools. Therefore, the expenditure of ₹ 42.56 lakh on these four nursery blocks was irregular. GoTN stated (December 2017) that necessary action was being taken to recruit Montessori trained teachers in consultation with School Education Department.

3.2.5 School infrastructure

3.2.5.1 Inadequate infrastructural facilities

As per the Right of Children to Free and Compulsory Education Act, 2009, primary and middle schools should have a minimum of one class room for every teacher, barrier free access and separate toilets for boys and girls, safe and adequate drinking water facility, playground, play materials, library and arrangement for securing the school building by boundary wall or fencing, etc. Further, HSS should have laboratories. Physical verification (July and August 2017) of the 82 selected KR Schools disclosed inadequate basic infrastructure as detailed in **Appendix 3.8** and are summarised in **Table 3.10**.

[14] Chennamanaickenpatti, Kondamanaickenpatti and Thippathupatti.

Table 3.10: Number of KR Schools lacking vital infrastructure

Infrastructure	Number of schools test-checked	Number of schools lacking infrastructure
Playground	82	36
Compound wall	82	21
Library	82	12
Drinking water	82	7
Play material	67	14
Toilet	82	21
Physics laboratory	9	4
Chemistry laboratory	9	4
Botany and Zoology laboratory	9	8
Computer Science laboratory	4	3

(Source: Data collected by Audit from the test-checked schools)

Audit noticed that JD, KR, did not maintain any comprehensive data on available and required infrastructure in respect of playground, play materials, library and water supply in KR Schools. Further, no system was in place for projecting requirement of funds for meeting infrastructure needs of these schools in the Budget Estimates, leading to non-provision of funds for creation of requisite infrastructure. The failure to comprehensively address this issue resulted in inadequate basic infrastructure facilities in these schools. GoTN stated (December 2017) that action was being taken to provide necessary infrastructure. Regarding lack of playground, GoTN stated that these 36 schools did not have sufficient land. Regarding laboratories, GoTN stated that though separate laboratories for each subject were not available, integrated laboratories were provided.

3.2.5.2 Non-construction of school building

During 2011-12 and 2013-14, GoTN approved upgradation of two of the sampled KR Middle Schools as High Schools and accorded administrative approval for construction of additional buildings as given in **Table 3.11**.

Table 3.11: Non-construction of school building

Name of school	Year of upgradation	Date of financial sanction for new building	Amount sanctioned for construction of building (₹ in crore)
KR High School, Vadugappatty	2011-12	September 2011	1.64
KR High School, Pullakkapatty	2013-14	October 2013	1.05

(Source: Data collected from JD, KR)

A piece of land identified for KR High School, Vadugapatty was handed over to Public Works Department in November 2017. Constructions were yet to start (December 2017). It was observed that JD, KR, was in correspondence with the District Collector, Theni for alienation of Government land for construction of school buildings for KR High School, Pullakapatty. The land identified by JD, KR, was found to have been classified as water body in revenue records and hence, the District Collector declined to alienate those lands. The matter was still under correspondence with Revenue Department.

Exhibit 3.3: Two classes conducted simultaneously in a single class room

(Source: Headmaster, Government Kallar High Schools, Vadugappatty)

Audit observed that classes 9 and 10 were started in these schools without ensuring adequate buildings. Two classes were conducted simultaneously in one class room in KR High School, Vadugappatty **(Exhibit 3.3)**. Further, classes were being conducted in dilapidated buildings in KR High School, Pullakkapatty.

3.2.6 Deficiencies in running KR School hostels

GoTN runs 50 KR School hostels in Madurai, Theni and Dindigul districts for the benefit of PK and other Community school children. Sixty *per cent* of the seats in these hostels are reserved for PK Community children and children from other communities would get 40 *per cent* of the seats. These hostels provide free boarding and lodging to children with parental annual income not exceeding ₹ 1 lakh. These hostels were also administered by JD, KR. Audit scrutiny of functioning of these hostels revealed the following:

3.2.6.1 Inadequate provision of basic amenities in hostels

As per the norms of National Building Code of India, 2005, one toilet and one bathroom need to be provided for eight hostellers (boys)/six hostellers (girls). Audit observed that 10 out of the 13 sampled hostels did not have sufficient number of toilets and bathrooms as given in **Appendix 3.9.**

In the hostels at Uthamapalayam, all the 10 bathrooms available were in unusable condition, subjecting the students admitted therein to the hardships. In KR School hostel, Vickkiramangalam, all the six toilets were in unusable condition as the septic tanks for the toilets were constructed above the level of the toilets. Further, three out of the four hostel rooms in the KR Boys hostels, Thummakundu were found unfit for occupation and the fourth room had no door and the electrical fittings were in damaged condition. GoTN replied (December 2017) that the deficiencies pointed out would be rectified.

3.2.6.2 Shortage of manpower in the hostels

Proper functioning of hostels can be ensured only by providing the required number of Wardens, Cooks, Sanitary Workers and Watchman. The details of vacancies of different cadre of staff are given in **Appendix 3.10.** The percentage of vacancies in different cadres during 2014-17 ranged upto 19 *per cent* in the cadre of Warden/Matron, 23 *per cent* in Watchman, 32 *per cent* in Cooks and 50 *per cent* in Sanitary Workers.

Audit observed that the proposal for recruitment of Cooks, Sanitary Workers and Watchmen was being pursued from September 2015. Despite a preliminary list of candidates was prepared in 2015, the recruitment process did not progress as the JD, KR, and the Commissioner, MBC & DNC Welfare were engaged in correspondence on the mode of recruitment. Thus, the delay on the part of the Commissioner, MBC & DNC Welfare and JD, KR, had resulted in poor functioning of these hostels. GoTN stated (December 2017) that action was being taken to fill up the vacancies.

3.2.6.3 Community and Income certificates not obtained from the students

The PK and other community students seeking admission in KR School hostels were to establish their eligibility by way of Community and Income Certificates issued by Revenue Authorities. Audit scrutiny revealed that community certificates and income certificates were not obtained from 130 out of 191 students admitted in three of the sampled hostels[15]. The admissions were made on the basis of applicants' claim in the hostel application forms.

As the hostel admission is based on community and income background of the applicant, admitting students without community and income certificate amounted to non-fulfilling of the essential conditions and the possibility of ineligible candidates availing the benefits of the Government programme could not be ruled out. GoTN, in their reply (December 2017) stated that suitable instructions were issued to the field officers to insist for community certificate. Audit, however, observed that the instruction did not include insisting for income certificate, which was also mandatory to ensure eligibility of students seeking hostel admission.

3.2.6.4 Irregular admissions in hostels

As per the instruction of GoTN, students (Boys), whose residences are within eight km from their school should not be admitted in hostels. Audit scrutiny of records of 13 sampled hostels disclosed that during 2014-17, 34 students who were ineligible as per the distance criteria were admitted in three hostels[16].

---

15 Vickkiramangalam, Uthamapalayam and Cumbum.

16 Thummakundu: 7, Vickkiramangalam: 26 and Vellaimalaipatti: 1.

GoTN replied (December 2017) that 11 out of the 34 students pointed out by Audit were granted admission in hostels as there was no transport facility from their villages to the school despite the distance being less than eight km. Audit, however, noticed that case to case exemptions based on non-availability of transport facilities were not granted.

3.2.6.5 Fictitious attendance of hostelers

The expenditure on food in hostels is allowed based on the number of hostelers taking food in the hostel. In order to work out the allowable expenditure on food, the Wardens mark attendance thrice a day (Breakfast, Lunch and Dinner).

Scrutiny of attendance register of sampled hostels revealed steep fall in attendance in three hostels as given in **Table 3.12**.

Table 3.12: Attendance in hostels (2016-17)

Hostel	Monthly average attendance (2016-17)							
	August	September	October	November	December	January	February	March
Boys hostel, Vatlagundu	111	112	108	102	28	49	48	47
Girls hostel, Thirumangalam	138	139	140	98	82	59	55	54
Boys hostel, Thummakundu	111	112	108	102	28	49	48	47

(Source: Attendance registers of respective hostels)

Audit observed that the average attendance of these hostels had come down drastically after inspection by the JD, KR, during November 2016. Audit, further observed that during 2016-17, 14 Wardens/Matrons of 10 hostels were placed under suspension by the JD, KR, for marking false attendance to claim food charges based on these fictitious attendance. Among the sampled hostels, wardens/matrons of the above three hostels were placed under suspension for false attendance. The sharp decline in attendance after the inspection by JD, KR, indicated that the attendance marked in the previous months were false. The JD, KR, stated (September 2017) that other than the JD, KR, himself, the Educational Officer and officers from Revenue Department carried out inspection of KR School hostels. Audit scrutiny, however, revealed that the attendance register, which was an important document to arrive at the food bill was never attested by any supervisory authority by visiting the hostel premises. The Attendance Register of Girls' hostel, Thirumangalam, was found manipulated to show higher strength of students present.

Thus, inadequate monitoring had resulted in fraudulent claim of food charges through fictitious attendance by the Wardens/Matrons, causing loss to Government.

3.2.7 Lack of rationale for running KR Schools outside the ambit of School Education Department

The CAG's Audit Report of GoTN (Civil) 2004-05, had highlighted poor performance of the KR Schools and suggested for merger of 17 KR Schools having meager attendance with the schools run by School Education Department. In reply to PAC, GoTN stated (September 2012) that these schools aimed at community specific education development and hence, did not agree to merge the 17 KR Schools with schools run by School Education Department.

Subsequently, in April 2015, the Commissioner, MBC & DNC Welfare submitted a detailed proposal to GoTN for merger of all KR Schools with School Education Department so as to minimise the administrative cost and to improve the efficiency of these schools. It was, however, noticed that GoTN did not take a final decision on this proposal (November 2017).

The following observations are made by Audit on the rationale for running these schools within the ambit of School Education Department:

- Unlike 1920, when these free schools were started for PK community students, in the present situation, all children are eligible for free education up to Class 12 in all Government and Government aided schools, irrespective of community and income barriers. Further, all freebies like uniform, bicycle, etc., were also supplied by Government without community barrier.
- As of 2016-17, only 49 *per cent* of the children studying in KR Schools were from PK community and students from all communities were admitted without any discrimination. Similarly, PK community students were also getting admission in other schools. This statistics was against the argument in support of having a separate school under the Commissioner, MBC & DNC Welfare.
- Data collected from the sampled schools disclosed that 20 of the 58 sampled primary schools (Class 1 to 5) were having a total strength of less than 30 students. It was further noticed that 13 KR Schools had other schools run by Local Body or Government aided private management within a radius of one km. Running two schools at such close proximity without adequate strength lacked justification resulting in an estimated avoidable expenditure of ₹ 1.20 crore[17] per annum on teachers' salaries alone.
- GoTN incurred annual average expenditure of ₹ 0.91 crore on separate administrative establishment under JD, KR, for running these schools. As the School Education Department already had a full-fledged establishment at all levels, merging these schools with School Education Department would result in savings of these expenditure.

[17] 20 teachers with an average monthly salary of ₹ 49,800

GoTN stated (December 2017) that it was a policy decision of the Government to run these schools for the welfare of the PK community. Audit, however, observed that running these schools outside the ambit of School Education Department made no difference in the matter of extending educational facilities to PK community.

3.2.8 Conclusion

The quality of education in KR Schools, established to uplift PK community, suffered due to inadequate staff and infrastructure, leading to poor performance in comparison with Government and Government aided schools. In the absence of proactive action by JD, KR, hostels lacked adequate infrastructure. Despite earlier audit findings and clear proposal by the Commissioner, MBC & DNC Welfare, the GoTN did not take a final decision on the proposal of merging these schools with School Education Department.

REVENUE AND DISASTER MANAGEMENT DEPARTMENT

3.3 Social Security Pension Schemes

3.3.1 Introduction

Government of Tamil Nadu launched Old Age Pension Scheme in 1962. Over the years, various social security pension schemes were introduced and the coverage was also increased. Consequent to launching of 'National Social Assistance Programme', a Centrally Sponsored Scheme of Government of India (GoI), a portion of the expenditure on social security pensions is met through central assistance from 2007 onwards.

The various social security pension schemes implemented in Tamil Nadu were as follows:

- Indira Gandhi National Old Age Pension Scheme (IGNOAPS);
- Indira Gandhi National Disability Pension Scheme (IGNDPS);
- Indira Gandhi National Widow Pension Scheme (IGNWPS);
- Differently Abled Pension Scheme (DAPS);
- Destitute Widows Pension Scheme (DWPS);
- Destitute/Deserted Wives Pension Scheme (DDWPS);
- Unmarried, Poor, Incapacitated Women Pension Scheme (UWPS); and
- Chief Minister's Uzhavar Padhukappu Thittam (CMUPT).

While the first three schemes were partially funded by GoI, other schemes were fully funded by GoTN. The funding pattern, scheme benefits and eligibility criteria for each of the above schemes are given in **Appendix 3.11.**

The Commissioner of Revenue Administration (CRA), under Revenue and Disaster Management Department of GoTN implements the social security pension schemes at the State level. At District and Taluk levels, the District Collectors and Special Tahsildar (Social Security Scheme) implement the schemes. As of March 2017, the pension disbursements were made through banks.

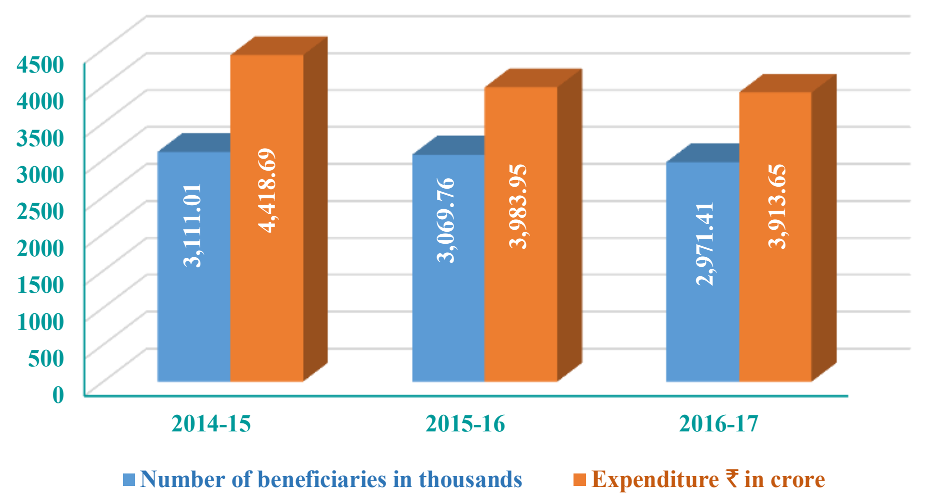
The Audit objective was to assess whether pensions were granted only to eligible beneficiaries in timely manner and all the eligible beneficiaries were granted pension. Audit was conducted during May to August 2017 in the office of the CRA and three districts selected on the basis of highest proportion of beneficiaries with reference to targetted population. Within each district, three taluks were selected on the same logic. In each taluk, the Audit team visited three sampled villages to conduct joint verification of eligible pensioners and their related documents. The list of sampled districts, taluks and villages are given in **Appendix 3.12.**

3.3.2 Scheme coverage

3.3.2.1 Physical and financial performance

The scheme-wise and year-wise details of number of beneficiaries covered and expenditure incurred during 2014-17 are given in **Appendix 3.13.** The year-wise total number of beneficiaries and total expenditure are depicted in **Exhibit 3.4**.

Exhibit 3.4: Year-wise beneficiaries and expenditure



(Source: Detailed Appropriation Accounts and data furnished by CRA)

It is evident from **Exhibit 3.4** that the number of beneficiaries decreased from 31.11 lakh in 2014-15 to 29.71 lakh in 2016-17. Scrutiny of the records of CRA revealed that Finance Secretary in a review meeting in September 2013 observed that the total number of social security pensioners increased phenomenally to 33.04 lakh in March 2013 from 23.68 lakh in March 2011. He attributed the sharp increases to "*callous and liberal sanctions*" and opined that large number of ineligible beneficiaries were being included. Based on that, GoTN ordered (September 2013) 100 *per cent* verification of eligibility of pensioners to weed out ineligible beneficiaries. On account of the 100 *per cent* verification carried out between October 2013 and October 2014 by field officers, the number of pensioners came down from 33.04 lakh in March 2013 to 31.11 lakh in March 2015[18]. It further declined to 29.71 lakh in March 2017, leading to reduction of ₹ 505.04 crore in the expenditure on social security pensions between 2014-15 and 2016-17.

3.3.2.2 Coverage of pensioners with reference to targetted population

Based on the estimated targetted population in the State, GoI periodically fixes a ceiling for number of beneficiaries under IGNOAPS, IGNWPS and IGNDPS. The ceiling prescribed and the actual number of beneficiaries during 2014-17 were as given in **Table 3.13**.

Table 3.13: Actual number of beneficiaries versus ceiling fixed by GoI - 2014-17

Scheme	GoI ceiling		Number of beneficiaries		
	2014-15	2015-16 and 2016-17	2014-15	2015-16	2016-17
IGNOAPS	6,71,268	12,37,809	13,63,625	13,59,010	13,04,357
IGNDPS	86,400	62,220[19]	62,337	58,335	56,217
IGNWPS	7,80,236	5,49,084	5,84,413	5,58,073	5,28,794

(Source: CRA)

As could be seen from **Table 3.13**, the number of beneficiaries under IGNOAPS was continuously higher than the ceiling during 2014-17, indicating possible excess coverage of ineligible beneficiaries.

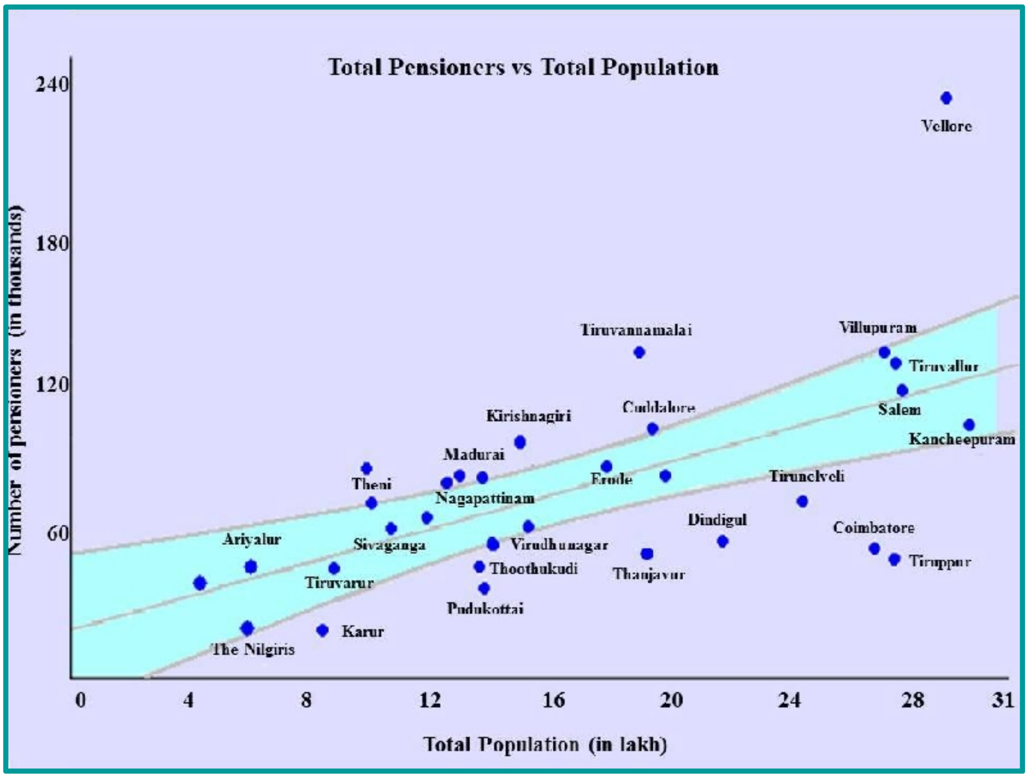
An analysis of data on coverage of social security pension schemes disclosed huge disparity between different districts of the State in terms of number of beneficiaries as a proportion to the targetted population[20]. **Exhibit 3.5** depicts the relationship between the total number of beneficiaries in the districts as of January 2017 to the total population of districts. A detailed analysis of the number of beneficiaries with reference to targetted population are given in **Appendix 3.14.**

18 Deletion due to death - 0.26 lakh; deletion due to ineligible beneficiaries - 3.89 lakh and addition due to new/re-issue of cancelled cases - 2.22 lakh.

19 62,023 for 2016-17.

20 For IGNOAPS - people living below poverty line in the district. For IGNWPS - population of widows in the district. For IGNDPS - population of physically challenged people in the district above 18 years of age. For CMUPT- population of farmers and farm workers, etc.

Exhibit 3.5: Total number of beneficiaries versus total population



(Source: Analysis of data by Audit)

The **Exhibit 3.5** and the detailed analysis in **Appendices 3.14** and **3.15** revealed that Tiruvannamalai, Vellore and Villupuram districts were among the top outliers in most number of schemes, indicating possible excess coverage of ineligible beneficiaries. Whereas, Dindigul, Thanjavur and Tiruppur districts were among the bottom outliers, indicating possible under coverage of eligible beneficiaries.

3.3.3 Deficiencies in scheme formulation

3.3.3.1 Divergent and complicated procedure in deciding eligibility

As per GoI's eligibility norms, applicants above 60 years of age and living below poverty line are eligible for pension under IGNOAPS. GoTN, however, based on past practice carried additional conditions that the applicant should be a destitute. Destitute for the purpose of IGNOAPS is defined as a person without any income or income source or fixed assets valuing ₹ 50,000 or more. Further, anyone with son or son's son above 20 years of age who is not below poverty line or living with a relative is not considered as a destitute.

Audit observed that:

- The additional conditions imposed by GoTN created complication in deciding the eligibility as the decision is bound to be discretionary in the absence of accessible data on income of son or son's son of the applicant.

- Estimation of value of property was another factor left to the discretion of the revenue officials. By introducing a criteria on the basis of property ownership, which was not contemplated by GoI, GoTN made the process more complicated and impacted transparency in selection process.
- As per GoTN norms, anyone with a son or son's son who is above poverty line is not considered as a destitute. The Rule, however, did not consider daughter and granddaughter to ascertain the 'destitute' status of beneficiaries. Audit observed that under the Maintenance and Welfare of Parents and Senior Citizens Act, 2007, son, daughter, grandson and granddaughter, above 18 years of age are duty bound to take care of parents and grandparents. The definition of destitute is, thus, ambiguous.
- As per existing orders, if husband and wife, both destitute, living together, both of them are eligible for entitled pensions. The orders are, however, silent on pension eligibility of mother-daughter, mother- daughter-in-law and similar persons living in one house.

3.3.3.2 Non-merger of identical pension schemes

Destitute men or women above 60 years, not owning any property worth more than ₹ 50,000 are eligible for pension under IGNOAPS, a scheme partially funded by GoI. They are also eligible under CMUPT, a GoTN scheme. As the origin of these two pension schemes was different, they continued to be administered separately. Audit found no rationale for continuation of two different pension schemes for the same target population.

Though, the above issue was discussed (September 2013) in the meeting of Secretaries, under the Chairmanship of the Principal Secretary to GoTN, Finance Department, no decision was taken on merging these two pension schemes (November 2017).

Audit observed that two separate pension schemes with identical target population and eligibility criteria created additional administrative work load.

3.3.4 Payment of pension to ineligible beneficiaries

Audit conducted joint verification (May to August 2017) of 1,036 beneficiaries in 27 villages covering three districts and found that 118 (11 *per cent*) of them were not eligible to draw pension as discussed below.

3.3.4.1 Irregular sanction of pension to the beneficiaries with family support

As per the norms stipulated by GoTN, a person is not a destitute, if he/she has a son, son's son or husband/wife or other relatives living together who are not below poverty line and are not continuously missing for more than five years. Being a 'destitute' is a precondition for sanction of pension under social security pension schemes.

During joint verification, it was observed that in 15 cases, sons or relatives with whom the beneficiaries lived were in Government service or receiving Government pension.

Sanction of pension to these beneficiaries under IGNOAPS, CMUPT and DWPS, who were not destitute as per the definition, resulted in avoidable expenditure of ₹ 5.40 lakh[21] by way of disbursement of pension at the rate of ₹ 1,000 per month during the period 2014-17.

3.3.4.2 Payment of pension to persons in violation of age criteria

All social security pension schemes have age criterion[22]. Audit scrutinised the Aadhaar card and ration card of beneficiaries and found instances of sanction and continued payment of pensions without considering age criterion as given in **Table 3.14**.

Table 3.14: Pension payments in violation of age criterion

District	Number of beneficiaries verified	Scheme	Number of pensions in violation of age	Remarks
Tiruvannamalai[23]	32	IGNOAPS	1	Below 60 years
Vellore	349	IGNOAPS	24	Below 60 years
		IGNWPS	1	Below 40 years
Total	**381**		**26**	

(Source: Audit Team)

Sanction and continued payment of pension in violation of age criterion in respect of 26 out of the 381 test-checked cases (6.82 *per cent)* indicated the magnitude of the issue of irregular payments of pension.

Audit worked out that the above sanction of pension to the beneficiaries, violating age criterion, resulted in avoidable expenditure of ₹ 9.36 lakh[24] by way of disbursement of pension at the rate of ₹ 1,000 per month during the period 2014-17.

3.3.4.3 Sanction of pension to the beneficiaries having fixed assets

One of the eligibility criteria prescribed by GoTN was that the beneficiary should not own fixed assets valuing ₹ 50,000 or more. Information collected, through joint verification conducted in the sampled villages revealed that instances of sanction and continued payment of pensions without considering value of the property owned by the beneficiaries as given in **Table 3.15**.

[21] 15 beneficiaries x ₹ 1,000 x 36 months = ₹ 5.40 lakh

[22] IGNOAPS & CMUPT - 60 years, UWPS - 50 years, IGNWPS - 40 years, DDWPS - 30 years and IGNDPS, DAPS & DWPS - 18 years

[23] Polur Taluk (Padavedu village)

[24] 26 beneficiaries x ₹ 1,000 x 36 months = ₹ 9.36 lakh

Table 3.15: Number of beneficiaries who owned fixed assets valuing ₹ 50,000 or more

Sl. No.	Name of District	Name of Taluk	Number of beneficiaries verified	Number of ineligible beneficiaries
1.	Tiruvannamalai	Arni	110	3
2.	Tiruvannamalai	Kalasapakkam	118	5
3.	Tiruvannamalai	Polur	92	6
4.	Vellore	Katpadi	122	6
5.	Vellore	Natrampalli	123	12
6.	Vellore	Tirupathur	104	3
7.	Theni	Theni (Allinagaram village)	37	2
Total			**706**	**37**

(Source: Audit Team)

Sanction of pension to the beneficiaries who owned fixed assets valuing ₹ 50,000 or more resulted in avoidable expenditure of ₹ 13.28 lakh[25] during the period 2014-17.

3.3.4.4 Sanction of widow and deserted women pension to beneficiaries living with their husband

The main criteria for sanction of pension under IGNWPS and DWPS was that the beneficiary should be a widow. Similarly, pension under DDWPS can be sanctioned only to those destitute female beneficiaries who were legally divorced or deserted for not less than five years or obtained legal separation certificate from a competent Court of Law.

On joint verification of 1,036 pensioners, it was observed that 21 pensioners were sanctioned pension irregularly under DWPS, IGNWPS and DDWPS even though they were living with their husband. Audit observed that it would not have been difficult for the field officials of Revenue Department to ascertain the marital status of women in villages, grant of widow or deserted women pension to women living with their husband indicated clear foul play in sanction. The district-wise and scheme-wise break up of such ineligible sanctions and continued payments of pensions are given in **Table 3.16**.

Table 3.16: Number of ineligible beneficiaries under DWPS/IGNWPS/DDWPS

<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">District</th><th rowspan="2">Number of beneficiaries verified</th><th colspan="3">Number of ineligible beneficiaries</th></tr>
<tr><th>DWPS</th><th>IGNWPS</th><th>DDWPS</th></tr>
<tr><td>1.</td><td>Tiruvannamalai</td><td>320</td><td>3</td><td>0</td><td>10</td></tr>
<tr><td>2.</td><td>Vellore</td><td>349</td><td>4</td><td>1</td><td>1</td></tr>
<tr><td>3.</td><td>Theni</td><td>367</td><td>1</td><td>1</td><td>0</td></tr>
<tr><td rowspan="2"></td><td rowspan="2">Total</td><td rowspan="2">1,036</td><td>8</td><td>2</td><td>11</td></tr>
<tr><td colspan="3">21</td></tr>
</table>

(Source: Audit Team)

---

25 37 beneficiaries x ₹ 1,000 x 36 months = ₹ 13.32 lakh
(less) Period of stoppage = ₹ 0.04 lakh
Total = ₹ 13.28 lakh

Sanction of pension to such ineligible beneficiaries resulted in avoidable expenditure of ₹ 7.33 lakh[26] during the period 2014-17.

3.3.4.5 Sanction of pension to more than one person in a family

As per Rule 5 of Madras Old Age Pension Rule, pension cannot be granted if the beneficiary has son, son's son or husband/wife who are not below poverty line or living with relatives who are not destitutes.

From this explanation, it was observed that the pension sanctioned to more than one person in a family[27], is in violation of condition, 'destitute'.

During joint verification of beneficiaries in sampled villages of Tiruvannamalai and Vellore districts, it was observed that the pension was sanctioned to more than one beneficiary in a family who were normally living together thereby violating the criteria 'destitute'. In the sampled villages of Tiruvannamalai and Vellore districts, 19 beneficiaries were sanctioned pension despite their relatives living with them were also receiving pension as given in **Table 3.17**.

Table 3.17: Number of ineligible beneficiaries under DWPS, IGNWPS, IGNOAPS and CMUPT

District	Number of beneficiaries verified	Number of ineligible beneficiaries			
		DWPS	IGNOAPS	CMUPT	IGNWPS
Tiruvannamalai	320	2	4	8	0
Vellore	349	0	4	0	1
Total	**669**	**2**	**8**	**8**	**1**
		19			

(Source: Audit Team)

Sanction of pension to these ineligible beneficiaries resulted in avoidable expenditure of ₹ 6.84 lakh[28] during the period 2014-17.

3.3.5 Exclusion of eligible beneficiaries

(i) GoTN in November 2016 while issuing orders for the basic services to be provided under Tamil Nadu Maintenance and Welfare of Parents and Senior Citizens Act, 2007 instructed that the residents of Old Age Homes (OAH) should be allowed to draw Government pension and the department should facilitate the same.

With a view to assess the reach of social security pension schemes, Audit collected (October/November 2017) information on grant of pension to eligible inmates of 50 OAH through personal visit and postal survey. It was found that only 29 *per cent* of the eligible beneficiaries living in the OAH were receiving pension as given in **Table 3.18**.

---

26 21 beneficiaries x ₹ 1,000 x 36 months = ₹ 7.56 lakh
(less) Period of stoppage = ₹ 0.23 lakh
Total = ₹ 7.33 lakh

27 Other than husband and wife who are specifically exempted under Explanation 1 under Rule 5

28 19 beneficiaries x ₹ 1,000 x 36 months = ₹ 6.84 lakh

Table 3.18: Number of eligible beneficiaries in OAH receiving pension and not receiving pension

Category	Scheme under which eligible	Number of inmates eligible	Number of inmates receiving pension	Number of inmates not receiving pension	Percentage of inmates availing pension
Males above 60 years	IGNOAPS/CMUPT	411	98	313	24
Females above 60 years	IGNOAPS/CMUPT	250	58	192	23
Widows	IGNWPS/DWPS	513	183	330	36
Unmarried females above 50 years	UWPS	88	29	59	33
Separated/deserted females	DDWPS	52	12	40	23
Total		**1,314**	**380**	**934**	**29**

(Source: Audit Team)

It was noticed that only 99 out of 934 eligible inmates (11 *per cent*) applied for pension despite the fact that majority of them were aware of the pension schemes. In respect of 59 cases, the Tahsildars (Social Security Scheme) wrongly rejected the applications citing that they were not eligible as they were residing in OAH. In addition, in respect of 24 cases, the OAH requested the District Social Welfare Officer and District Collector to provide an ID proof to apply for pension.

The exclusion of inmates of OAH from Government pension is an omission on the part of CRA/Social Welfare Department.

(ii) Further, scrutiny of records in the Office of CRA revealed that as of September 2017, a total of 46,824 eligible applications were pending sanction of pension, in respect of all the pension schemes for the State as a whole. Of which, 1,197 cases were pending for more than one year, 2,999 cases were pending for 6-12 months and 14,483 cases were pending for 3-6 months. Audit observed that the pension applications were kept pending based on the instructions of GoTN to restrict the new sanctions not exceeding the number of deletions on account of death, etc.

3.3.6 Non-refund of undisbursed pension amounts by banks

As per the system envisaged for disbursement of pension through banks, the pension amount together with bank charges are paid to the banks by the Special Tahsildars (Social Security Scheme). The banks are to disburse the pension to the beneficiaries using biometric enabled Point of Sale machines. The amount of pension remaining undisbursed due to death or migration of the pensioner should be returned by the banks to the Special Tahsildars by 25th of every month.

A scrutiny of disbursements in the selected Taluk Offices of Vellore District revealed that pension amount of ₹ 7.36 lakh released to banks in respect of 446 deceased pensioners were not returned by the banks for periods ranging from 1 to 13 months as detailed in **Table 3.19**.

Table 3.19: Amount to be recovered from the Banks

(In ₹)

Name of Taluk	Number of death cases	Amount to be recovered from Banks
Katpadi	154	1,82,000
Natrampalli	162	2,92,000
Tirupathur	130	2,62,000
Total	**446**	**7,36,000**

(Source: Data collected by Audit Team from respective Taluk Offices)

Taluk Offices routinely addressed the banks every month for return of undisbursed amount of pensions in respect of deceased pensioners, without giving the details of pensioners and amount to be refunded. The Department did not put in place a functional system to get the information on demise of pensioners from its own field officers in time to avoid release of pension for deceased pensioners.

3.3.7 Conclusion

Huge disparity amongst districts in the number of beneficiaries as a proportion to the targetted population indicated excess coverage due to inclusion of ineligible pensioners and also possible under-coverage of eligible pensioners. The scheme guidelines were substantially stringent and impractical in comparison with the norms stipulated by GoI. Despite a 100 *per cent* verification of pension eligibility in 2014, Audit came across 118 ineligible beneficiaries receiving pension and 934 eligible beneficiaries not receiving pension, indicating the need for continuing periodical verifications.

The matter was referred to Government in October 2017; reply had not been received (December 2017).

3.4 Loss/Wasteful expenditure

HEALTH AND FAMILY WELFARE DEPARTMENT

3.4.1 Loss due to expiry of drugs purchased in excess of requirement

Inflated requirement of medicines by Rajiv Gandhi Government General Hospital, Chennai and failure to exercise control by Director of Medical Education and Tamil Nadu Medical Services Corporation Limited resulted in excess procurement of medicines and consequent loss of ₹ 16.17 crore due to expiry of these medicines.

Medical institutions of GoTN source their requirement of medicines through Tamil Nadu Medical Services Corporation Limited (TNMSC), a public sector undertaking of GoTN. TNMSC procures the medicines and stores in its drug warehouses located at 29 places across the State for distribution to Government medical institutions. TNMSC maintains two lists of medicines, *viz.,* Essential Drug List (EDL) and Speciality Drug List (SDL). Medicines included in EDL are procured by TNMSC based on past consumption pattern and medicines included in SDL are procured based on specific requirements received from medical institutions.

In November 2013, TNMSC called for requirements from the Director of Medical Education (DME) for 45 medicines, which were newly added to EDL. The DME obtained (November 2013) the requirements from all 37 hospitals under its control, consolidated them and sent it to TNMSC on 13 December 2013.

The list of medicines requisitioned by DME included Capsule Tacrolimus 1 mg and Tablet Bromocriptine 2.5 mg. While all 37 hospitals had furnished their requirements for these two medicines, the requirement projected by Rajiv Gandhi Government General Hospital (RGGGH), Chennai accounted for 82 and 99 *per cent* respectively of DME's total requirement of Capsule Tacrolimus 1 mg and Tablet Bromocriptine 2.5 mg. TNMSC procured these medicines between June and September 2014.

The details of requirement furnished by medical institutions, procurements by TNMSC and loss due to expiry of these medicines are given in **Table 3.20**.

Table 3.20: Expiry of drugs purchased in excess of actual requirement

Medicines		Requirement furnished by medical institutions for 2014-15*			Procurement by TNMSC	Actual consumption by medical institutions			Quantity expired due to non-utilisation		
		RGGGH	Others	Total		RGGGH	Others	Total	RGGGH	Others including TNMSC warehouses	Total
Tacrolimus 1 mg	Quantity (in crore)	1.80	0.39	2.19	2.01	0.04	0.09	0.13	1.58	0.30	1.88
	Value (₹ in crore)	10.15	2.19	12.34	10.41	0.21	0.46	0.67	8.19	1.55	9.74
Bromocriptine 2.5 mg	Quantity (in crore)	0.96	0.01	0.97	0.53	0.01	0.02	0.03	0	0.50	0.50
	Value (₹ in crore)	8.70	0.10	8.80	4.78	0.09	0.18	0.27	0	4.51	4.51
Total value (₹ in crore)					**15.19**			**0.94**			**14.25**

* Requirement furnished in November 2013 for procurement during 2014-15

(Source: Records of DME, TNMSC and RGGGH, Chennai)

Audit scrutiny of the procurement files revealed that medicines worth ₹ 14.25 crore expired between June and September 2016 due to the following lapses in procurement:

(i) As against the overall previous year consumption of 5.46 lakh capsules of Tacrolimus 1 mg and 7,000 tablets of Bromocriptine 2.5 mg by all the Government medical institutions in the State, the Medical Stores Officer

(MSO), RGGGH alone furnished (December 2013) a requirement of 1.80 crore capsules of Tacrolimus 1 mg and 96 lakh tablets of Bromocriptine 2.5 mg. The Dean, RGGGH admitted in his letter (September 2015) to DME that the quantity indented was far in excess of the requirement and stated that the MSO furnished excess requirement by oversight considering the unit of ordering as the number of tablets/capsules instead of number of boxes of 100 tablets/capsules, resulting in ordering 100 times the requirement. An enquiry by two Professors of RGGGH, instituted by Dean, RGGGH, however, found (January 2017) that the concept of human error was not acceptable and concluded with a recommendation for the matter to be examined in detail. But, no further action was taken on the enquiry findings to fix responsibility on delinquent officials.

(ii) The mandatory approval of the Dean was not taken on file for the requirements projected by the MSO. The requirements furnished by MSO, RGGGH to DME neither had the signature of the Dean nor the MSO. Further, DME also did not insist on the signature of the Dean. This failure of DME in accepting the requirements without the approval of Dean, RGGGH, resulted in accepting the inflated requirements without any check and validation by Dean, RGGGH.

(iii) The value of the requirement of Capsule Tacrolimus and Tablet Bromocriptine, projected by RGGGH amounted to ₹ 10.15 crore and ₹ 8.70 crore respectively. Despite its high value and previous year's low consumption, DME did not analyse the abnormal requirement furnished by RGGGH. This indicated lack of due diligence on the part of DME in consolidating and screening the requirement of these medicines.

(iv) Capsule Tacrolimus was included in the SDL from 2007-08 and in the EDL from 2012-13. Tablet Bromocriptine was included in SDL from 2013-14. Therefore, TNMSC had an opportunity to verify the requirement with reference to past consumption, but failed to exercise its envisaged role in respect of assessing requirement of these medicines in EDL. However, deviating from the established procedure of deciding the quantity of procurement based on past consumptions, TNMSC called for requirements from DME and the process was approved by MD, TNMSC, as a one time measure, which contributed to the excess procurement.

(v) TNMSC placed first purchase order (PO) in June 2014. As per the established practice, second PO, if need be, should be placed only after the stock goes below six months' requirement. However, through a manual process, by overriding the computer based system, TNMSC placed second PO even before the stock went below six months' requirement.

(vi) TNMSC's procurement policy was to restrict the procurement to four months' requirement. The policy, however, was not followed by TNMSC as the entire quantity was procured between June and September 2014, without monitoring the offtake of medicines by Government medical institutions.

It was further observed that other than two medicines discussed, 5 out of 45 medicines newly added to EDL were also procured in substantially higher quantities due to excess requirement furnished by Government medical institutions ranging from 24 to 189 times over previous year's consumption. DME also without verifying the requirement with the consumption pattern forwarded the same to TNMSC, which resulted in expiry of medicines and consequent loss of ₹ 1.92 crore (**Appendix 3.16**).

Thus, inflated requirement of medicines furnished by MSO, RGGGH, Chennai, coupled with the failure of DME in following stipulated procedures and exercising due diligence in screening medicine requirements and failure of TNMSC to verify the consumption pattern and in not restricting the procurement to four months' requirement, had resulted in a loss of ₹ 16.17 crore[29].

The Government replied (November 2017) that the drugs were procured by TNMSC as per the requirement furnished by the institutions and comparison with past consumption was not done as no data on past consumption was available with them. The reply was not tenable as state-wide consumption pattern was available with them and TNMSC should have ordered only four months' requirement as per their policy. Further orders should have been placed by TNMSC based on its consumption.

The Government further stated that in order to prevent similar lapses in future DME took measures to create a new Section in his office headed by a technical person and to make it mandatory for heads of medical institutions to furnish authenticated copy of requirement based on previous consumption.

3.4.2 Wasteful expenditure in establishment of Stem Cell Research Centre

Deficiencies in planning and contract management in executing the interior works of the Stem Cell Research Centre and failure to provide required basic infrastructure in time resulted in wasteful expenditure of ₹ 2.70 crore, besides non-availing of research grant of ₹ 5.77 crore and an additional committed liability of ₹ 5.49 crore.

In October 2007, the Head of the Surgical Gastroenterology Department (HoD) of Government Stanley Medical College Hospital (Hospital) proposed to establish a Stem Cell Research Centre (Project) in the Hospital with research grant from the Indian Council of Medical Research (ICMR). Based on the proposal, ICMR accorded (March and August 2008) approval for the project at a cost of ₹ 14.50 crore. The objective of the project was to undertake research work, carry out clinical trials for stem cell therapy and clinical transplantation of liver stem cells to patients. The project was to be implemented over a five year period (01-09-2008 to 31-08-2013) by the HoD in his capacity as the Principal Investigator. As per the approval, while the

29 Two medicines - ₹14.25 crore and five medicines - ₹1.92 crore.

ICMR grant was to fund special research equipment, consumables and salaries of research staff, the basic facilities like building, ordinary laboratory equipment, glassware, etc., for the project was to be provided by the host institution. As per 'National Guidelines for Stem Cell Research' issued by ICMR, the project required construction of additional laboratory space in the hospital along with 'Clean Room Facilities' as per cGMP[30] Standards.

GoTN appointed (August 2008) the Tamil Nadu Medical Services Corporation Limited (TNMSC)**,** a State public sector undertaking**,** as the nodal agency for executing the project. It also instructed that the funds received from ICMR for the project was to be deposited in the Personal Deposit Account of TNMSC and no financial support would be provided by the State Government. As GoTN did not commit funds for creation of required building infrastructure, the HoD mobilised ₹ 3.80 crore through Member of Parliament Local Area Development Fund and Member of Legislative Constituency Development Fund.

The project entailed civil (building), electro mechanical and interior works for creation of clean room environment as per cGMP Standards. TNMSC entrusted (January 2010) the execution of the civil works to Public Works Department (PWD). The PWD finalised the tender and awarded (May 2010) the work to a contractor for completion in three months (i.e. by August 2010). The work was completed at a cost of ₹ 0.93 crore in March 2011, after a delay of seven months. In respect of the interior work, TNMSC finalised tenders and awarded (February 2010) the contract to the successful tenderer[31] for an agreement value of ₹ 2.71 crore. The contract was for a period of nine months[32] and was scheduled to be completed by November 2010. Although the contractor claimed to have completed the interior works way back in September 2012, TNMSC did not accept completion of work by the contractor, as testing and certification of the facility was not carried out. While dispute between the contractor and TNMSC on the status of completion of the works continued, the warranty period ended for several critical components of the 'Clean Room System' such as Air Handling Units, Chiller Plants, etc. Further, even before the interior works were fully complete, several equipment started malfunctioning and the contractor attributed the breakdown of equipment to the erratic power supply.

In the meantime, the research work progressed to the stage of culturing of liver stem cells. The Scientific Advisory Committee of ICMR during its site visits (May 2013, January 2015 and May 2016) pointing out the non-compliance of the interior works to cGMP Standards, which was required for the project to

---

30 Current Good Manufacturing Practices - A guideline for testing, manufacturing and quality control.

31 M/s SRP Enviro Systems Private Limited.

32 In addition, defect liability/Warranty period of 12 months and Comprehensive Annual Maintenance Contract for three years after warranty period.

move to the next level, extended project period by two years (from October 2014 to September 2016).

With a view to establish and validate the facilities conforming to cGMP Standards under the project, GoTN constituted a Steering Committee in August 2015 under the Chairmanship of the Secretary to Government, Health and Family Welfare Department. The Committee decided (January 2016) to go for fresh tenders to upgrade the facilities to cGMP Standards. Accordingly, TNMSC invited (February 2016) fresh tenders and Director of Medical Education (DME) placed (October 2016) work order with the successful bidder for a value of ₹ 5.49 crore[33]. In the meantime, TNMSC terminated (September 2016) the earlier contract for interior works, after incurring an expenditure of ₹ 2.49 crore[34]. The clean room equipment installed by the contractor were dismantled and DME proposed (July 2016) to upgrade the laboratory to cGMP Standards. This work with a project period of four months[35] was scheduled for completion in February 2017. The work, however, was under progress even as of September 2017.

Meanwhile, ICMR terminated the project in May 2017 as the project was not completed within the extended project period. Against the originally approved grant of ₹ 14.50 crore, only ₹ 8.73 crore was received[36] from ICMR and the hospital utilised ₹ 8.63 crore[37] till March 2017 towards laboratory equipment, consumables and salaries.

Scrutiny of records relating to the period 2007-17 in the Hospital, TNMSC, DME and Health & Family Welfare Department in the Secretariat during February-July 2017 revealed the following:

(i) The interior works involving provision of 'Clean Room Environment' conforming to cGMP Standards was first of its kind in the Hospital. Neither the Hospital nor TNMSC had prior experience in carrying out work of this nature. Therefore, through a tender, TNMSC entrusted the design and execution of interior works to a contractor. Audit observed that in the absence of in-house expertise, TNMSC should have appointed a consultant with technical expertise to design and oversee the execution of interior works. But this was not done.

(ii) ICMR nominated the HoD as Principal Investigator at the helm to spearhead this research project, building and other procurement works

---

33 Replacement of equipment at a cost of ₹ 4.58 crore and new equipment at a cost of ₹ 0.91 crore.

34 The value of work executed by the contractor was ₹ 2.70 crore.

35 In addition, a defect liability/Warranty period for three years and Comprehensive Annual Maintenance Contract for seven years after warranty period.

36 ICMR did not release the grant earmarked for the second and third year of the project amounting to ₹ 5.77 crore for purchase of equipment and furniture for the next stage i.e., clinical transplantation, as the Hospital did not reach the stage.

37 Research equipment: ₹ 5.94 crore (+) Salaries and other contingencies: ₹ 2.69 crore.

involving multiple agencies such as TNMSC, DME, PWD, etc. This warranted efficient co-ordination. GoTN, however, constituted a Committee under the Chairmanship of the Secretary to Government only in August 2015, after a delay of seven years, to steer the project. This decision was taken only after the project was held up in multiple issues without solutions in sight. The lack of a defined command and control architecture to steer the project right from the beginning resulted in poor project management.

(iii) The HoD and DME failed to assess the availability of adequate power supply while formulating the project. As a result, the dedicated High Tension power connection which was sought for by the contractor in July/November 2010 was provided only in September 2012. Besides, the delayed provision of backup power supply (Diesel Generator sets) resulted in spoilage of costly consumables stored in deep freezers due to frequent power cuts. Further, non-execution of Comprehensive Annual Maintenance Contract due to delayed proposal by DME (January 2014) and sanction (September 2014) by GoTN to allot funds for the purpose resulted in the malfunctioning of costly and sensitive equipment installed in the laboratory.

(iv) There was also ineffective monitoring by TNMSC, the nodal agency, as noticed from several deficiencies in the work executed by the contractor. This also prevented the project from progressing to the next stage i.e., clinical transplantation. Consequently, ICMR did not release the grant earmarked for the second and third year of the project for purchase of equipment and furniture and the Hospital lost out on the opportunity to receive ICMR funding amounting to ₹ 5.77 crore under the project.

To an Audit query, the Principal Investigator replied (July 2017) that though specifications in the tender documents were as per cGMP Standards, the work was not completed by the contractor and the outcome was not cGMP compliant. It was further stated that subsequent upgradation of the laboratory to cGMP Standards arose due to (i) non-completion of work by the first contractor, (ii) non-availability of required power supply and provision of diesel generator sets in time and (iii) aging of equipment installed under the first contract.

Thus, due to the tardy planning, lack of a defined command and control architecture of the project and delayed action of the Hospital and the DME in providing basic facilities for the project coupled with the ineffective monitoring by TNMSC, the objective of the project to carryout liver transplantation using stem cell technology did not fructify. Further, the expenditure of ₹ 2.70 crore incurred on the interior works proved wasteful besides non-availing of ICMR grant of ₹ 5.77 crore and an additional committed liability of ₹ 5.49 crore to upgrade the laboratory to the originally envisaged cGMP Standards.

The matter was referred to Government in September 2017; reply had not been received (December 2017).

3.5 Avoidable/Unfruitful expenditure

HIGHER EDUCATION DEPARTMENT

UNIVERSITY OF MADRAS

3.5.1 Unfruitful expenditure on construction of multi-storeyed building

Failure to ensure financial resources before commencement of construction of a multi-storeyed building resulted in stoppage of work by the contractor due to non-payment of contractor's bills rendering ₹ 22.79 crore spent on the construction of the building unfruitful.

With a view to facilitate research in the sciences and to overcome the problem of water logging in the existing main building located in a low lying area, the University of Madras (University) decided (March 2010) to construct a modern multi-storeyed building[38] (Project) with indoor auditorium, conference halls, laboratories, workshops, etc., at its Taramani campus in Chennai. The project was proposed to be self-funded. Accordingly, tenders were invited (September 2012) and the contract was awarded (December 2012) to the lowest tenderer for an agreement value of ₹ 35.90 crore (Civil works: ₹ 24.20 crore; Electrical, Sanitation and Water Supply works: ₹ 11.70 crore[39]). The work site was handed over to the contractor in December 2012, with scheduled completion of the project by March 2015.

The contractor commenced the work in December 2012 and presented bills for work done from January 2013 onwards. The Syndicate had approved a procedure for expeditious payment of contractor's bills, wherein payments had to be made within five days from the date of approval by the Syndicate. However, analysis of the bills paid to the contractor for this work revealed that the bills were paid with delays ranging from 15 to 907 days, apart from part payment/non-payment **(Appendix 3.17)**. The University replied (August 2017) to Audit that contractor's bills could not be paid due to paucity of funds. As a result, after completing 68 *per cent* of the work, the contractor stopped the work in December 2014 due to non-payment of outstanding bills to the tune of ₹ 6.44 crore. As of July 2017, after incurring ₹ 22.79 crore on the project, the building stood incomplete without any further progress for the last 31 months. The University approached (April 2014) GoTN for a one time grant to complete the building, but the Government did not approve (March 2016) the proposal of the University. The status of the building as of July 2017 is given in **Exhibit 3.6**.

---

38 Ground *plus* four floors with total area of 10,123 square metres.

39 Agreement value - Sanitation and Water Supply: ₹ 4.96 crore, Electrical: ₹ 5.74 crore and Elevation: ₹ 1 crore.

Exhibit 3.6: Physical and financial status of the building

Incomplete multi-storeyed building of the University of Madras

Component	Agreement value	Value of completed work	Payments made to contractor
(₹ in crore)			
Civil	24.20	21.01	19.90
Electrical & others	11.70	3.51	2.89
Total	**35.90**	**24.52**	**22.79**

Scrutiny of records relating to the period 2009-17 in the University during July-August 2017 revealed that the following lapses contributed to the stoppage of work and consequent unfruitful expenditure of ₹ 22.79 crore on the stalled project:

(i) The University's proposal to construct the building did not even include a preliminary assessment of the financial requirement. The Syndicate, however, approved the proposal (November 2009) without assessing the mode of funding for the proposed constructions.

(ii) Under Madras University Act, 1923, the Finance Committee of the University was vested with the powers to scrutinise the financial estimates. Although the decision to construct this multi-storeyed building at an estimated cost of ₹ 35.90 crore had huge financial implication to the University, the proposal was not sent to the Finance Committee for its approval.

(iii) The expenditure on construction of buildings is charged to the Capital Account of the University. Apart from specific grants by GoTN, UGC, etc., for specific building works, the Capital Accounts receive funds transferred from Part I Account (Non-plan) of the University and from the Institute of Distance Education (IDE) Account. Audit observed that during the five years period (2009-14) following the approval of this building (2008-09), while the Part I Account had an annual average negative balance of ₹ 7.84 crore, the IDE Account had an annual average surplus of ₹ 2.70 crore only. This indicated that the University did not have sufficient financial resources to fund this project itself.

(iv) Audit observed that in order to support the building projects, during 2009-15, the University utilised ₹ 33.91 crore from maturity value and interest earned from fixed deposits, which were created mainly to meet its future obligations towards pension and other retirement benefits. Audit also noticed that as of September 2015, the University had shortage of funds to the tune of ₹ 190 crore in pension fund.

To an Audit query, the University replied (August 2017) that due to non-filling up of the post of Vice-Chancellor (VC) for the past 15 months, decision on this issue was not taken. It was also stated that consequent on the filling up of the post of VC in May 2017, a solution for the issue was under active consideration. The reply of the University was not acceptable as the Syndicate of the University had full powers under Section 19 (b) of the Madras University Act, 1923, to hold, control and administer the properties and funds of the University. Therefore, non-filling up of the post of VC for 15 months was not an acceptable reason for not finding a solution to this issue.

Thus, in the absence of a defined system for according administrative sanction for development projects, the University launched building projects without carrying out even a rudimentary assessment of the financial resources required. This resulted in unfruitful expenditure of ₹ 22.79 crore by way of investment in the project which remained stalled for the past 31 months due to paucity of funds. Further, tapping the fixed deposits to fund Capital Projects would undermine the ability of the University to meet its future obligations on staff pension and retirement benefits.

The matter was referred to Government in August 2017; reply had not been received (December 2017).

FINANCE AND HIGHER EDUCATION DEPARTMENTS

3.5.2 Avoidable extra expenditure on purchase of furniture for colleges

Undue priority given to Tamil Nadu Small Industries Corporation Limited for procurement of furniture resulted in avoidable extra expenditure of ₹ 13.92 crore.

The GoTN enacted the Tamil Nadu Transparency in Tenders Act, 1998 (the Act) to provide for transparency in public procurement and to maximise economy and efficiency. Section 16 (f) of the Act provides for dispensing with tender procedures in respect of spot procurements of agricultural commodities, agricultural produce and livestock from primary producers, cotton by Spinning Mills, animals from shanties, sugarcane from farmers, paddy by Direct Purchase Centres of Tamil Nadu Civil Supplies Corporation, clothing from Tamil Nadu Handloom Weavers' Cooperative Society and similar goods and services, as may be notified by the Government.

In April 2013 and October 2013, GoTN accorded financial sanction for ₹ 44.50 crore towards procurement of furniture for 93 higher educational institutions in the State by invoking Section 16 (f) of the Act and ordered to procure the furniture from Tamil Nadu Small Industries Corporation Limited (TANSI), a public sector undertaking of the State, without following the tender process.

Accordingly, the Director of Collegiate Education (DCE) procured tables, chairs, desks and blackboards, etc., from TANSI between July 2013 and May 2014, at a cost of ₹ 44.49 crore.

Audit analysis relating to procurement of furniture revealed the following:

(i) In August 2007, with a view to enable TANSI to compete with other Small Scale Industrial units, Government in Finance Department, notified TANSI as a preferred unit for purchase of wooden and steel furnitures by Government departments, etc., under Section 16 (f) of the Act through 'spot procurement'. Audit observed that 'spot procurement' involved procurement of any item on the spot from showrooms or market place and did not involve prior ordering, payment of advance, etc. The bulk procurement of furniture did not qualify for spot procurement as DCE placed orders with TANSI, paid advance and the goods were manufactured and supplied to colleges at different locations after two or three months. As Section 16 (f) of the Act envisaged only spot procurements, the concurrence issued by Finance Department, without ensuring the applicability of the condition was irregular.

(ii) Notification of all procurements from TANSI under Section 16 (f), which was meant only for 'spot procurement', violated the spirit of the Act which envisaged economy in procurement and transparency in tender processing. This facilitated the Higher Education Department to place purchase orders (April and October 2013) directly with TANSI for procurement of furniture without resorting to open tenders.

(iii) In order to ascertain the economy in procurement, Audit sought (May 2017) and obtained (June 2017) corresponding rates of the furniture for items of same dimensions and quality for the relevant years from Tamil Nadu Khadi and Village Industries Board (TNKVIB), another public sector body, which manufactures furniture and supplies them to Government departments. It was observed that the rates of furniture purchased from TANSI were much higher than the rates of TNKVIB. Though TNKVIB was on same footing with TANSI in respect of public procurement and was given priority under Section 16 (c) of the Act, Government in Higher Education Department, obtained the rates only from TANSI and placed orders with them. This resulted in avoidable extra expenditure of ₹ 13.92 crore (**Appendix 3.18)** due to higher cost of furniture manufactured by TANSI.

Government stated (December 2017) that orders were already issued in August 2007 for procurement of furniture from TANSI under Section 16(f) of the Act and contended that procurement of furniture from TANSI was therefore not irregular. The reply is not tenable as the exemption from tender process under Section 16(f) was applicable only in respect of spot procurement and the current procurement did not qualify as spot procurement.

Thus, the objective of the Act to maximise economy and transparency were defeated as the above procurements from TANSI entailed higher expenditure by the Higher Education Department and bypassing tender process.

HOME, PROHIBITION AND EXCISE DEPARTMENT

3.5.3 Avoidable additional expenditure in procurement of jammers

Inordinate delay in procurement of jammers for central prisons led to avoidable additional expenditure of ₹ 81.36 lakh. Besides, the number of jammers was restricted to 12 instead of the required 15, making it potentially ineffective to disable usage of cell phones in prisons.

Government of India's policy (July 2011) stipulated that on security considerations, cell phone jammers were to be procured only from the two designated Public Sector Undertakings, *viz*., Bharat Electronics Limited (BEL) or Electronics Corporation of India Limited (ECIL). The Inspector General of Prisons (IGP) proposed (May 2013) to GoTN to procure 15 cell phone jammers for high security blocks in nine central prisons[40] in the State. Based on the rates quoted by ECIL, the IGP estimated a requirement of ₹ 5.40 crore for the 15 static cell phone jammers[41] at the quoted rate of ₹ 36 lakh per unit, inclusive of delivery and installation charges.

GoTN accorded administrative approval in November 2013 to procure 15 cell phone jammers at a cost of ₹ 5.40 crore. The purchase order, however, was placed with ECIL only in January 2016 at a cost of ₹ 42.78 lakh per unit. The inordinate delay of 32 months in placing purchase order led to cost escalation and consequent procurement of 12 cell phone jammers instead of the proposed 15 jammers as discussed below:

---

40 Central Prisons - Coimbatore (3), Cuddalore (1), Madurai (1), Palayamkottai (1), Puzhal - two prisons (3), Salem (1), Tiruchirappalli (2) and Vellore (3).

41 Model EC HP3962h with CDMA, GSM, EGSM and 3G jamming facility.

- Though there was clear instructions from GoI to procure cell phone jammers from BEL/ECIL only, IGP did not explain this in his original proposal (May 2013). While replying (August 2013) to the query raised by GoTN on the mode of procurement, not withstanding the existing GoI instructions, the IGP proposed to go for open tender. After a delay of 18 months, IGP withdrew the proposal to go for open tender and in consultation with the Additional Director General of Police, Technical Cell (ADGP-TC), decided (November 2014) to procure the cell phone jammers from ECIL as was originally proposed in May 2013.
- In the meantime, due to the delay, the funds provided in the budget for procurement of cell phone jammers were surrendered (March 2014).
- Based on the technical specification, IGP approached (November 2014) GoTN with a proposal to procure 12 numbers of ECIL cell phone jammers against 15 jammers as originally proposed in May 2013 at an higher cost of ₹ 45.22 lakh per unit. The unit price of the jammers did not include the cost of 4G module, which would be supplied on demand at extra cost by ECIL. The reduction in the number of cell phone jammers was to restrict the total expenditure within the sanctioned amount.
- Government accorded sanction (August 2015) for the revised proposal after a delay of nine months, consequent to which, GoI's approval was obtained in November 2015 and orders were placed with ECIL in January 2016.
- As of September 2017, installation of cell phone jammers was still in progress in all prisons except Central Prison, Puzhal.

Thus, failure of the IGP to take immediate action to procure the cell phone jammers after administrative approval in November 2013, resulted in procurement of 12 cell phone jammers only instead of proposed 15 jammers. Further, escalation of cost resulted in avoidable additional expenditure of ₹ 81.36 lakh[42] for 12 cell phone jammers.

The cell phone jammers had an effective coverage area of only 30 metres, which meant that high security blocks in prisons with a length/width of more than 60 metres would require more than one jammer. The escalation in the cost of cell phone jammers and the consequent wrong decision to reduce the number of cell phone jammers, rather than to seek additional funds, had resulted in three prisons[43] with high security blocks of over 60 metre length, getting less than the required number of cell phone jammers. This would ultimately render the cell phone jammers ineffective in restricting the usage of cell phones in prison premises. Further, by the time, the installation of cell phone jammers started in prisons, 4G mobile services were launched across

42 ₹ 42.78 lakh (-) ₹ 36.00 lakh = ₹ 6.78 lakh x 12 cell phone jammers.

43 Coimbatore, Tiruchirappalli and Vellore.

the country. In the absence of 4G module, which was offered by the vendor at an extra cost, these cell phone jammers would not block 4G signals.

The delay in procurement contributed to continued usage of cell phones by prisoners as evidenced by the confiscation of 688 Cell phones and 431 SIM cards from these nine central prisons during 2014-16 (upto November 2016).

On this being pointed out, Government replied (November 2017) that the cell phone jammers were a new item of procurement and the department procured cell phone jammers after evaluating the technical aspect. It also stated that additional jammers for the remaining areas would be considered and upgradation of existing cell phone jammers to 4G would be taken up after obtaining due permission from GoI. But, the fact remained that the abnormal delay caused an avoidable additional expenditure of ₹ 81.36 lakh on the procurement of 12 cell phone jammers instead of the proposed 15 due to cost escalation. Besides, the possibility of unabated usage of cell phones by prisoners could not be ruled out as the number of cell phone jammers got reduced and the units ordered did not have the capability to block 4G signals.

3.6 Regularity issues

HOME, PROHIBITION AND EXCISE DEPARTMENT

3.6.1 Short-collection of revenue due to non-revision of charges for police guard/escort/bandobust

Failure of the Government and the Director General of Police to revise the police guard/escort/bandobust charges as and when they became due resulted in short collection of revenue of ₹ 97.92 crore.

The Police Department deploys police personnel for regular guard duty, occasional escort duty in banks and other establishments and for security arrangements (Bandobust duty) for private events. The Madras Police Standing Order provided for collection of charges for Guard duty[44], Escort duty[45] and Bandobust duty[46]. The Director General of Police (DGP) proposed (November and December 2007) to simplify the claim process by standardising rates for the above mentioned duties. Accordingly, GoTN issued (August 2008) orders and standardised the charges at fixed rates **(Appendix 3.19)** and also directed that the rates were to be reviewed

44 Where the services of police personnel were requisitioned by banks and other establishments for the entire month on regular basis.

45 Where the services of police personnel were requisitioned for a short period to provide escort for transport of cash and other valuables by banks and other establishments.

46 Where the services of police personnel were requisitioned for a short period for security arrangements for private mega events.

once in three years or as and when pay scales of the police personnel were revised. The rates were fixed taking into account the pay scale of different cadre of police personnel, allowances, pension and leave salary, etc. Further, GoTN directed (November 2009) to collect additional charges of 10 *per cent* of the standardised charges towards supervision and another 10 *per cent* towards amenities, to be credited into Government Account and Amenity Fund of Police Department respectively.

Based on Pay Commission[47] recommendations, GoTN revised the pay scales of police personnel with effect from 01-06-2009. Consequently, the charges for Guard duty, Escort duty and Bandobust duty became due for revision from that date. DGP, however, did not initiate any proposal to revise the charges and the same was pointed out by Audit in February 2013. Subsequently, in May 2013, DGP proposed to revise the charges and after a further delay of 45 months, GoTN notified the new rates with effect from March 2017.

Scrutiny of records relating to the period 2008-17 in the Office of the DGP and the Home, Police and Excise Department in the Secretariat during May 2017 revealed the following lapses:

(i) Despite specific directions to revise the standardised charges once in three years or as and when new scales of pay were announced, the DGP had taken action only after a delay of nearly four years, after being pointed out by Audit.

(ii) The DGP's proposal was further delayed as the Home Department raised several queries over the calculation. Audit found that the delays were avoidable as the calculation of charges was well defined through provisions of Police Standing Order and the Government Order of August 2008.

(iii) The abnormal time taken to effect the revision on account of implementation of new pay scales had a cascading effect and resulted in non-implementing the subsequent periodical revisions (i.e., once in three years) due in June 2012 and June 2015.

(iv) Test check of records revealed that in 10 districts[48], there was short collection/non-collection of guard/escort/bandobust/supervision and amenities fund charges to the tune of ₹ 97.92 crore **(Appendix 3.20).** In five districts, supervision charges and amenities fund charges were not at all collected.

Thus, the belated action of the DGP in proposing for revision of the charges and further delay in processing the revision by the Government resulted in short collection of revenue of ₹ 97.92 crore to the Government.

The matter was referred to Government in September 2017; reply had not been received (December 2017).

---

[47] Consequent on the implementation of the Sixth Central Pay Commission, GoTN notified the Tamil Nadu Revised Scales of Pay Rules, 2009.

[48] Commissioner of Police, Chennai, Tiruppur; Superintendent of Police, Thoothukudi, Dindigul, Krishnagiri, The Nilgiris, Tiruvarur and Ariyalur; Commandant, Tamil Nadu Special Police, Ulundurpet in Villupuram, Avadi and Poonamallee in Tiruvallur.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.6.2 Additional burden due to rejection of insurance claim

Even after three years of implementation of "Chief Minister's Comprehensive Health Insurance Scheme", Government hospitals across the State could not perfect a system to file the insurance claims free of deficiencies, resulting in rejection of insurance claim of ₹ 17.94 crore during January 2015 to July 2017 and a consequent avoidable additional burden of ₹ 10.82 crore on Government towards expenditure on drugs, consumables and hospital infrastructure.

Government of Tamil Nadu launched (July 2011) "Chief Minister's Comprehensive Health Insurance Scheme" (CM Insurance Scheme) to provide affordable and quality medical care to those with an annual family income not exceeding ₹ 72,000. The scheme provided for medical insurance coverage of ₹ 1 lakh[49] per family per annum in respect of 1,016 specified ailments[50]. GoTN nominated (July 2011) Tamil Nadu Health System Society (TNHSS), a Government agency, registered under the Tamil Nadu Societies Registration Act, 1975, to implement the scheme through United India Insurance Company (UIIC), a GoI Undertaking, selected through tender process. The insurance premium was worked out based on the number of beneficiaries enrolled under the scheme and GoTN was to bear the entire premium payable to UIIC.

The scheme provided cashless medical and/or surgical treatments, involving over 900 procedures in more than 784 panel hospitals, including 159 hospitals run by GoTN in different parts of the State. The hospitals were to submit their claims online to UIIC, based on the approved cost of the procedure. The payments received by the hospital from UIIC were to be apportioned for meeting the cost of consumables, institutional development and incentives to the staff.

All patients who are enrolled under the scheme shall approach the Ward Managers of the Government hospitals for treatment under the CM Insurance Scheme. The Ward Managers shall seek 'pre-authorisation' from UIIC for the treatment by providing patient's insurance number, diagnosis of the ailment and medical/surgical procedure envisaged, etc., before proceeding with the treatment procedure. In respect of emergency cases, the hospitals were to intimate UIIC over phone and obtain an 'Emergency Intimation' number.

Scrutiny of the data obtained from TNHSS on insurance claims by Government hospitals for the period from January 2015 to July 2017 revealed that 6,700 claims for a total amount of ₹ 17.94 crore were rejected by UIIC due to deficiencies in the claims made by the hospitals, in obtaining the 'pre-authorisation' approval, responding to queries raised by UIIC and submitting 'Emergency Intimation' number as given in **Table 3.21**.

---

49 With provision to pay up to ₹ 1.50 lakh per annum in respect of 113 ailments.

50 Such as coronary baloon angioplasty, bypass surgery, etc.

Table 3.21: Deficiencies in preferring insurance claim resulting in non-availing of insurance claim

(Amount - ₹ in crore)

Deficiency	11 January 2015 to 10 January 2016		11 January 2016 to 10 January 2017		11 January 2017 to July 2017		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Not responding to UIIC's queries	1,836	6.00	2,305	6.45	860	2.03	5,001	14.48
Non/Delayed application for 'pre-authorisation'	605	1.22	482	0.96	247	0.45	1,334	2.63
Non/Delayed application for 'Emergency Intimation' number	75	0.21	133	0.27	157	0.35	365	0.83
Total	**2,516**	**7.43**	**2,920**	**7.68**	**1,264**	**2.83**	**6,700**	**17.94**

(Source: Data obtained from TNHSS)

An analysis of the claims rejected by UIIC revealed the following:

(a) In respect of the requests for pre-authorisation submitted by hospitals, UIIC sought several clarifications on diagnosis and/or treatment procedure and in some cases sought additional documents on the proposed treatment, etc. Audit observed that the hospitals failed to send timely response in respect of 5,001 such cases where UIIC sought additional information/documents, resulting in denial of claim to the tune of ₹ 14.48 crore**.**

(b) According to the scheme guidelines, the hospitals should submit the pre-authorisation request to the UIIC within 24 hours of admission of the patient. Audit, however, observed that in 1,334 non-emergency cases, the pre-authorisation request was submitted after completion of treatment, resulting in denial of claims amounting to ₹ 2.63 crore.

(c) In respect of surgical treatments of emergency nature, the hospitals failed to obtain 'Emergency Intimation' numbers for 365 cases, resulting in rejection of these claims amounting to ₹ 0.83 crore.

The main reason for rejection of the cases, as attributed by the Stanley Medical Hospital, where a detailed study was conducted by Audit, were (i) non-availability of Ward Managers during night hours for filing requests for 'Emergency Intimation' number, (ii) slow internet speed hampering uploading of documents and (iii) non-submission of required documents by the patients. The reply established the fact that the Department/hospitals had not put in place a functional mechanism to lodge proper insurance claims without deficiencies and to respond to UIIC's queries effectively. Further, TNHSS, the nodal agency, failed to evolve a workable system to resolve huge cases rejected by the UIIC.

Thus, Audit observed that even after three years of implementation of the scheme, the hospitals failed to improve on the system for filing the claim without any deficiencies which resulted in rejection of insurance claims of ₹ 17.94 crore during January 2015 to July 2017 and consequent avoidable additional burden on government to the tune of ₹ 10.82 crore towards expenditure (**Appendix 3.21)** on drugs, consumables and institutional development.

The matter was referred to Government in November 2017; reply had not been received (December 2017).

(R. THIRUPPATHI VENKATASAMY)
Accountant General
(General and Social Sector Audit),
Tamil Nadu and Puducherry

Chennai
The 13 February 2018

Countersigned

(RAJIV MEHRISHI)
Comptroller and Auditor General of India

New Delhi
The 15 February 2018