

Chapter-II

Department of Women and Child Welfare

2.1 Thematic Audit on Adequacy (sufficiency and assessment of quality) of Working Women's Hostels

2.1.1 Introduction

Under Government of India (GoI) assistance, the Working Women's Hostels (WWH) under the Women and Child Department were functioning (both Government and aided) in the State in cities/towns where employment opportunities for women exist and were governed by the guidelines issued by GoI.

The State Government accorded permission (July 2006) to establish hostels for differently abled girl students and women subject to fulfilment of minimum norms of infrastructural facilities. The Non-Government Organisations (NGOs) would run the hostels for which they would receive grant-in-aid every year from the State Government. Further, the State Government introduced (September 2010) its own scheme wherein financial assistance of a maximum of ₹ 25 lakhs would be given to registered private and self-help organisations to establish hostel facilities for regular working women in district headquarters besides allocating 10,000 square feet land at the rate of 50 *per cent* of guidance value subject to fulfilment of the various conditions laid down under the financial assistance scheme.

The Principal Secretary to Government, Department of Women and Child Development and the Empowerment of Differently Abled and Senior Citizens is assisted by the Director, Women and Child Development (DWCD) at the State level. The Project Director, Stree Shakti is responsible for the implementation and monitoring of Working Women's Hostel (WWH) Scheme and is assisted by the Deputy Directors (DDs) at the district level.

2.1.2 Audit framework

Audit test-checked (November 2020 to April 2021) the records of the Secretariat, Commissionerate and 11 district level offices, out of 30 districts in the State, for the period 2015-16 to 2020-21 to assess the adequacy and sufficiency of Working Women Hostels (WWHs) in the State. Audit conducted a joint inspection of 20 (66 *per cent*) out of 30 WWHs and all the 12 WWHs for differently abled in the sample districts to ascertain the availability of facilities and quality of accommodation provided. Further, information was sought through proforma from six regular WWHs which could not be visited due to Covid pandemic. An entry conference was held on 11 December 2020 with the Commissioner, Women and Child Development to discuss the audit objectives, criteria, scope and methodology. The audit findings were discussed with the Principal Secretary in the exit conference held on 10 December 2021. This report takes into consideration the replies furnished by the State Government.

Audit findings

2.1.3 Budget and expenditure

A) For regular hostels

For the period 2016-17 to 2020-21, the State Government had provided for ₹ 26 lakh during 2017-18, of which only ₹ 12.5 lakh was released to two hostels (at Vijayapura and Udupi) towards first instalment of ₹ 6.25 lakh each and ₹ 0.45 lakh was utilised for transit hostels in Bengaluru. Both the hostels had utilised the funds. There was, however, no budget provision during the other years of the audit period. The State Government had also not received funds from GoI during the above period as it had not forwarded any proposals for establishment of regular WWHs.

Though the GoI guidelines provide for grants for replacement of items like washing machines and geysers/solar water heaters once in five years, none of the WWHs in the State had submitted their proposals for availing this replacement grant.

The State Government stated (January 2022) that proposals for replacement grants would be sent to GoI.

Thus, the laxity of the authorities not only resulted in loss of assured financial assistance from GOI to State Government but also non-provision of improved facilities to inmates of WWHs.

B) For differently abled hostels

The State Government releases funds annually to the WWHs for differently abled towards expenditure on rent of the buildings, administrative charges, salary of the staff, food *etc.* The status of budget allotment, expenditure and savings thereon during the period 2016-17 to 2020-21 is given in **Table 2.1**.

Table 2.1: Details of budget and expenditure for differently abled WWHs

Year	Budget	Expenditure	(₹ in lakh)
			Savings (<i>Per cent</i>)
2016-17	458.00	321.54	136.46 (30)
2017-18	350.00	309.28	40.72 (12)
2018-19	350.00	313.32	36.68 (11)
2019-20	350.00	319.85	30.15 (9)
2020-21	275.00	271.54	3.46 (1)
Total	1,783.00	1,535.53	247.17 (14)

Source: Information furnished by the Department

It could be seen from the table above that as against the total releases of ₹ 17.83 crore by the Government during the period 2016-21 towards hostels for differently abled working women, an amount of ₹ 15.35 crore was only utilised. While the overall savings during the period was 14 *per cent*, it ranged between 30 *per cent* in 2016-17 and one *per cent* in 2020-21.

2.1.3.1 Unfruitful expenditure on construction of a Hostel building

GoI approved the construction of WWH with children day care facility for 104 working women estimated to cost ₹ 39.12 lakh and released (March 1993) ₹ 6.60 lakh to Janatha Trust, Raichur. The State Government released ₹ 1.22 lakh in September 1995. Audit observed that only foundation and pillars were laid, and the construction of hostel building was not completed even after 28 years. The District Committee communicated the issue to the Directorate only during September 2021 that there were two hostels already functioning in Raichur and construction of this hostel was not necessary. Hence, sanctioning another hostel which remained incomplete rendered the expenditure of ₹ 7.82 lakh unfruitful.

The State Government in the exit conference (December 2021) stated the issue would be discussed with Deputy Commissioner, Raichur to initiate appropriate action against the Trust and further stated (January 2022) that notice was issued (December 2021) to the Janatha Trust regarding the lapses pointed out in audit.

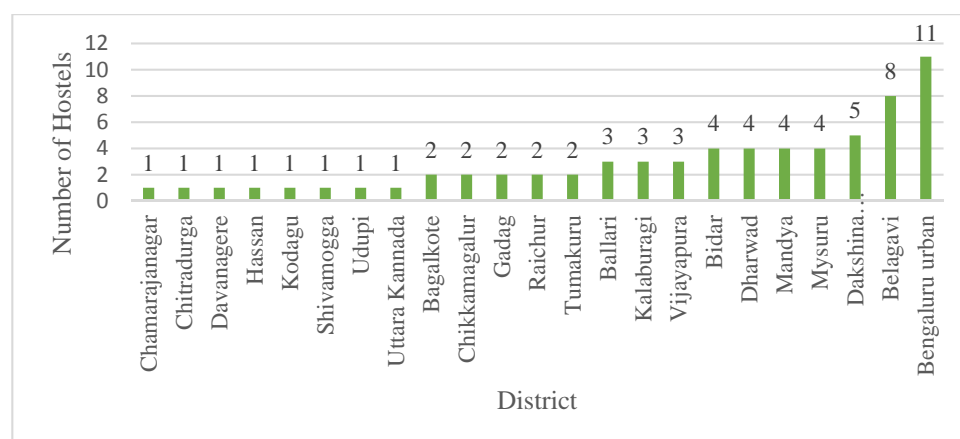
2.1.4 Working Women's Hostels (Regular)

2.1.4.1 Hostels not established in all districts

WWHs provide one of the best accommodation options for working women due to the safety and convenience involved in it. The GoI guidelines stipulate that the State Government shall undertake need based assessment for ascertaining demand of hostels. On the basis of these assessments, land for hostels under this scheme shall be earmarked in smaller towns/ non-metropolitan areas as part of town and country planning by the State/UT Government through the district administration. Recommendation for this purpose may be made by the District Women Welfare Committee to the State Government/ District administration.

In Karnataka, 67 WWHs (55 run by private agencies and 12 managed by universities) catering to the working women were spread across 23 districts. Out of these 67 WWHs, 65 were established under GoI scheme and two hostels under the State Government scheme. The district-wise number of hostels is depicted in **Chart 2.1**.

Chart 2.1: District wise number of the hostels



The details of the sanctioned strength and year wise details of inmates enrolled are as follows:

Table 2.2: Year wise details of WWH inmates enrolled

Period	Number of hostels for Working Women	Sanctioned strength	Actual stay of inmates
2015-16	65	5,735	4,395
2016-17	65	5,735	4,549
2017-18	65	5,735	4,603
2018-19	65	5,735	4,445
2019-20	65	5,735	4,184
2020-21	65	5,735	3,642
Total			25,818

Source: Information furnished by the Department

Bengaluru Urban district had maximum hostels (11) followed by Belagavi (8) and Dakshina Kannada (5). While eight districts had only one hostel, five districts had two hostels. Out of the two hostels in Gadag district, one hostel was not functioning during the audit period due to repairs to the building.

Apart from the above, three hostels⁸ sanctioned by the State Government were still under construction as the Department was yet to release the balance funds as shown in **Table 2.3**.

Table 2.3: Details of funds released for construction of hostels

(₹ in lakh)

Name of the institution	Estimated cost	Amount to be released	Amount actually released	Released during	Percentage of short release
The Johra Women and Children Welfare Charitable Trust, Kalaburagi	37.80	25.00	10.00	March 2016	60
Mahila Mandala (R), Katapadi under Udupi district	61.00	25.00	6.25	June 2017	75
Al-Falha Social Welfare Society, Muddebihal under Vijayapura district	81.65	25.00	6.25	January 2018	75

Source: Information furnished by the Department

The non-release of funds was due to non-earmarking of budget for this purpose as discussed in Paragraph 2.1.3(A).

Audit observed that the Department had neither undertaken a need-based assessment for establishing hostels in each district nor had prepared any action plan in this regard. This assumes importance as Women/working women will

⁸ Kalaburagi (March 2016), Udupi (June 2017) and Vijayapura (January 2018).

be migrating (interstate/intra state) in search of better job opportunities. Further, the Department did not have a database of migrating working women and had not assessed the extent of working women in a particular region/town/city to ensure that sufficient or adequate number of institutional accommodations were available to meet the demand of migrating women population in such areas. As per the Economic Survey reports, the number of women seeking jobs increased substantially (ranging from 43 *per cent* to 90 *per cent*) between 2017 and 2020 in the seven districts which did not have WWHs. Further as per the report of the Directorate of Economics and Statistics for the year 2016-17 the total of women in employment and girls enrolled graduation in these seven districts ranged between 21,931 and 57,076.

Non-provision of adequate funds to sanctioned hostel buildings resulted in the building remaining incomplete for long and rendered the expenditure unfruitful.

The State Government stated (January 2022) that need based assessment in the remaining districts would be taken up shortly through an appropriate agency.

2.1.4.2 Earmarking of public land for WWHs in all new institutional areas and economic zones

The GoI stipulated (Paragraph 12 of guidelines) that the State Government should ensure that public land for WWHs is earmarked in all new institutional areas and economic zones being set up in the States, keeping in view the employment potential for women in the area and for this purpose State Government may direct all Development Authorities to undertake this exercise of earmarking public land for such hostels in new/existing colonies, as the case may be. The State Government should consider enactment of legislation or amendment to existing laws, if deemed necessary, to ensure earmarking and availability of public land for the hostels.

The Board of approval for Special Economic Zones (SEZ) constituted under SEZ Act 2005 had granted formal approvals for 75 SEZs in the State of which 36 SEZs were operational with an investment of ₹ 99,055.56 crores and generating employment for 3,72,927 persons. Currently there are a total of 495 units within these SEZs. The value of exports from these SEZs during the year 2020-21 (April to September) amounted to ₹ 62,547.44 crores⁹. A Study conducted by Karnataka Fiscal Policy Institute in 2018-19 on the 'Status of Special Economic Zones in Karnataka' reported that 71,118 female employees were working (both skilled and unskilled) in 26 SEZ operational units.

Audit observed that DWCD, the authority to implement and oversee the scheme, had not brought it to the notice of the State Government to earmark public land in all new institutional areas and economic zones being set up in the States, keeping in view the huge employment potential for women in the area.

The State Government stated (January 2022) that all Deputy Commissioners were requested (December 2021) to reserve public land for construction of WWHs. It further stated that the DWCD addressed (June 2021) letters to the Labour and Urban Development Departments to identify regions / locality / towns/cities where there was huge influx of migrating population owing to the

⁹ Source-Economic Survey of Karnataka-2020-21.

existence or growth of various industries/service sector and undertake the exercise of earmarking public land for WWHs in the new/existing colonies. However, the letters were addressed only at the instance of audit.

2.1.4.3 Availability of infrastructure facilities

Each hostel was to provide basic facilities such as day care centres, geyser/solar water heating system, furniture *etc.*, in accordance with the GoI and the State Government guidelines for which a one-time financial assistance was provided by GoI. The GoI guidelines also stipulated additional facilities such as CCTV, medical first aid *etc.*

Audit observed (November 2020-April 2021) that the test-checked 26 hostels established with Government assistance of ₹ 11.22 crore (released during the period from 1975 to 2017) failed to provide all the prescribed facilities to the inmates. It was noticed during joint inspection and analysis of the information furnished that 20 hostels were functioning in buildings constructed with GoI and GoK assistance and six were functioning in buildings leased/rented for this purpose. The joint inspection noted that nine hostels lacked signing points for Beat Police, 18 hostels did not have a day care centre, 19 hostels did not have washing machine, 21 hostels did not have ramps with railing facilities, 23 hostels did not have disabled friendly toilets and 10 hostels did not have fire extinguishers. The omissions in providing different facilities to the inmates are detailed in **Appendix-2.1**.

Further, audit also noticed that private institutions such as Mysuru City Women Credit Cooperative Society, Family Help Centre (Central Social Welfare Centre-Grant-in-aid), Indian Red Cross Society and All India Women Conference (AIWC) Office were functioning in the premises of AIWC WWH, Mysuru. The infrastructure in the hostel was poor and records such as cashbook, register containing the details of inmates *etc.*, were not maintained. The hostel did not have any security arrangements to guard the hostel.

Lack of periodical inspections and proper supervision over the functioning of the WWHs by district authorities resulted in denial of prescribed facilities to the inmates of these hostels.

The State Government stated (January 2022) that a district level committee under the chairmanship of the Deputy Commissioner was reviewing the functioning of hostels regularly. However, the fact remains that the inmates of WWHs were not provided with all facilities as prescribed.

2.1.4.4 Non-compliance to guidelines

Every WWH established with assistance from GoI or GoK was required to comply with the certain guidelines issued by GoI and GoK. The status of compliance in the 26 test-checked WWHs is detailed as shown in **Table 2.4**.

Table 2.4: The status of compliance in the 26 test-checked WWHs

Sl. No.	As per Scheme guidelines	Number of hostels	
		Complied	Not complied
1	Hostel authorities should prominently display on the building, the name of the hostel and the endorsement "Assisted by the Ministry of Women and Child Development, Government of India"/ Women and Child Welfare Department	17	09
2	Hostel Management Committees (HMCs) to be constituted comprising DD, WCD and hostel representatives and meet once in three months.	Though HMCs were formed in 11 hostels, regular meetings were not conducted as prescribed	15
3	The hostel authorities should maintain a database/records containing the details of all inmates such as the place of working, the total stay in the hostel <i>etc.</i>	The database was complete in only three hostels and it was partial in 12 hostels	07*

Source: Information furnished by hostels.

* Status in other four hostels could not be ensured as Joint Physical Verification was not conducted due to prevailing Covid pandemic situation.

It can be seen that hostels did not comply with the stipulations prescribed in the scheme guidelines issued by the GoI and State Governments from time to time.

2.1.4.5 Hostels not used for intended purposes

Audit observed during joint inspection that two hostels that were constructed with government assistance were not used for providing hostel facility for working women as detailed below:

(a) The Director, Regional Institute of English, South India, Bengaluru had received (2004-06) grants of ₹ 74.25 lakh out of ₹ 82.50 lakh sanctioned by GoI and ₹ 6.88 lakh out of ₹ 13.75 lakh from the State Government towards construction of WWH with day care centre for 100 working women. The hostel building consisting of 96 rooms was used for the stay of inmates attending the trainings conducted by the Institute and there were no working women in the hostel. This resulted in diverting the grants for other than the intended purpose. No records were made available to show that approval of the GOI/State Government was obtained for utilising the hostel for trainings conducted by the Institute.

(b) The GoI grant of ₹ 79.76 lakh released for the purpose of construction of WWH at Gulbarga University Post Graduate Centre, Raichur was spent for construction of seven blocks which were being utilized as accommodation for boys (three blocks), staff quarters (one block), students studying in PG centre (one block), guest house (one block) and library (one block). This resulted in diversion of grants from the purpose for which it was granted.

Utilisation of hostel buildings constructed under Government grants towards WWH for other purposes was, thus, irregular.

The State Government stated (January 2022) that notices were issued (December 2021) to the hostel authorities regarding the lapses mentioned in the report.

2.1.5 Working Women's Hostels for differently abled

2.1.5.1 Status of functioning of hostels

Apart from the regular WWHs managed by Women and Child Department, the State, has 28 hostels managed by Department of Empowerment of Differently Abled and Senior Citizens, for the differently abled women in 24 districts. Out of these, two hostels – one each at Chikkamagalur and Ramanagara were not functioning¹⁰. Six districts – Dakshina Kannada, Davanagere, Kodagu, Raichur, Udupi and Uttara Kannada did not have hostels for the differently abled. The details of the sanctioned strength and year wise details of inmates enrolled are as follows:

Table 2.5: Year wise details of differently abled hostel inmates enrolled

Period	Number of hostels for PWDs	Sanctioned strength	Actual stay of inmates
2015-16	27	1,350	1,139
2016-17	27	1,350	843
2017-18	27	1,350	738
2018-19	27	1,350	800
2019-20	25	1,250	999
2020-21	25	1,250	651
Total			5,170

Audit observed that the State Government approved (May 2007) establishment of hostel for differently abled at Raichur by Sankalpa Samsthe, Raichur. The hostel could not commence its functioning as there were no takers despite having given wide publicity through newspapers. Sankalpa Samsthe expressed (March 2013) its willingness to commence the hostel as there was a demand for commencement of the hostel and applications for admissions were received from 25 beneficiaries. Subsequently, a joint inspection of infrastructural facilities was conducted (November 2013) by DD, DWCD, Raichur and District Disabled Welfare Officer (DDWO), Raichur to ascertain the feasibility of commencing the hostel and a report was submitted. Though DDWO sought (July 2017 and February 2020) approval of the Department to commence the hostel, the Department did not take any action (December 2021).

The State Government stated (February 2022) that hostels sanctioned to Dakshina Kannada, Kodagu and Udupi districts were transferred to Bengaluru Urban district.

2.1.5.1.1 Hostels without proper accessibility

Barrier-free accessible environment is the first step towards fulfilling the right of people with disabilities to participate in all areas of community life and was

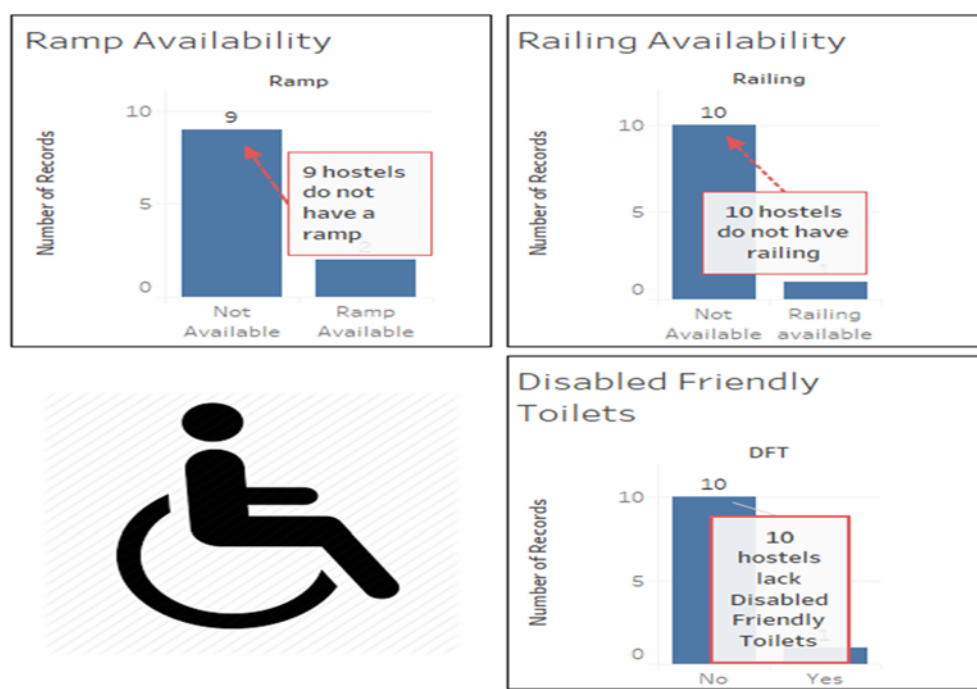
¹⁰ Chikkamagaluru - due to less number of inmates and Ramanagara – due to other issues as discussed in Paragraph 2.1.5.1.5.

recognized as a right in India with the notification of the PWD Acts of 1995 and 2016. The State Government prescribed (March 2004) the minimum infrastructural facilities that were to be available in these hostels such as barrier free environment (ramps, railings), specially designed toilets *etc.*

Out of the 12 hostels selected for joint inspection, one hostel was not functioning since 2019-20 (discussed in paragraph 2.1.5.1.5). Of the 11 hostels, 10 were owned by private agencies while one was run by Government.

All the 11 test-checked hostels, including government hostel were functioning in rented buildings. Of these six were functioning as separate hostel units and five were located in residential buildings. Audit observed that the basic facility of accessibility was not provided in test checked WWHs except one hostel¹¹. As such, they were not provided with disabled friendly infrastructure such as ramps, railings and specially disabled toilets (**Chart 2.2**), which was a prerequisite for establishing such hostels; this included the hostel managed by the Empowerment of Differently Aabled and Senior Citizens Department. Out of these 11 hostels, seven hostels were functioning on floors other than on the ground floor. An amount of ₹ 6.89 crore was released to these 10 private hostels during the audit period.

Chart 2.2: Status of accessibility in test-checked hostels



The State Government stated (February 2022) that action would be initiated to provide barrier free environment such as railing and disabled friendly toilets in accordance with the Acts and necessary directions would be issued to NGOs running such hostels.

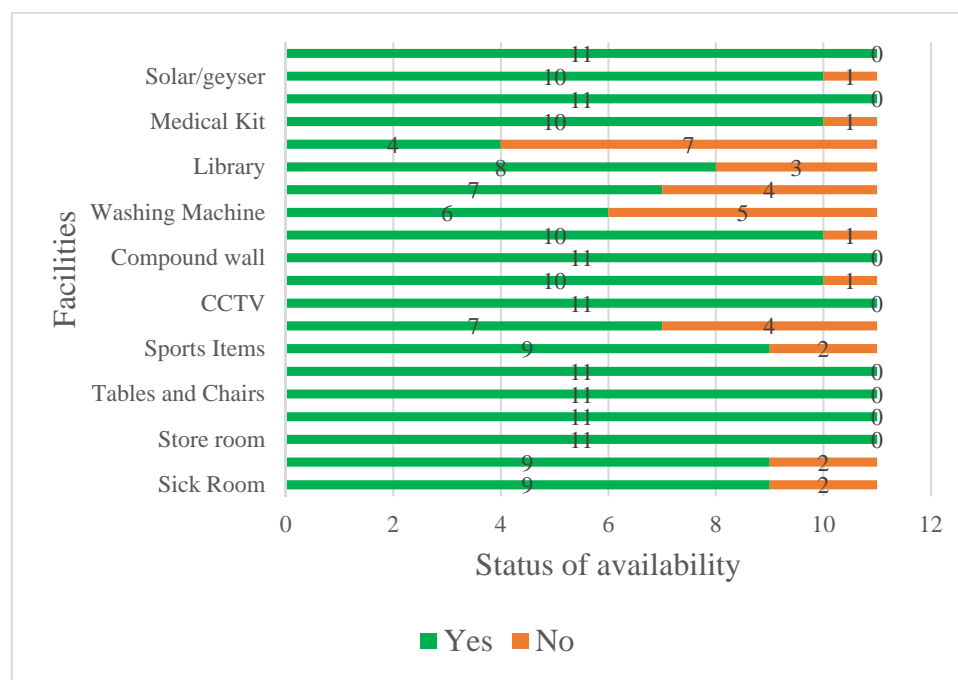
¹¹ Spandana WWH for disabled, Bengaluru.

2.1.5.1.2 Availability of infrastructure facilities

Apart from the accessibility requirements, the other infrastructural facilities that were to be available included one library (Braille and Hearing Impaired), one therapy room, lockers, visiting doctor facility, washing machine *etc.*

The status of facilities in the 11 test-checked hostels is shown in **Chart 2.3**.

Chart 2.3: Status of availability of facilities in test-checked WWHs for differently abled



Source: Findings of joint inspection

It can be seen from the chart above that majority of the hostels provided the prescribed facilities to its inmates, however, five hostels did not have washing machines, seven did not have separate library for hearing impaired (HI) and visually impaired (VI). Further, four hostels did not have the visiting doctor facility. The inmates of these hostels were, therefore, deprived of the essential facilities.

The State Government stated (February 2022) that necessary instructions would be issued to all those NGOs running the hostels to ensure that inmates faced no inconvenience whatsoever and all the facilities would be provided.

2.1.5.1.3 Availability and accessibility of beds

Persons with disabilities, especially the physically challenged and visually impaired, require accessible infrastructure such as single beds and spacious rooms. The inmates in the test checked hostels comprised mainly of physically challenged (57 per cent), visually impaired (25 per cent), hearing impaired (16 per cent) and persons with other disabilities (2 per cent). As per the State Government guidelines, an average space of 100 sq. ft. for every inmate was to

be provided. Audit noted that out of the 11 test-checked hostels, three¹² hostels did not have specified average space per inmate and two¹³ hostels did not have one bed for each inmate. However, a total of 118 bunk beds (two beds one above the other) were provided to the disabled inmates in five hostels (four of these hostels had only bunk beds and one hostel had partially single beds and partially bunk beds as indicated in **Table 2.6**.

Table 2.6: Details of type of differently abled and type of cots provided

Sl. No.	Hostel	Number of Inmates – Disability type					Cot type		
		VI	HI	OH	Others	Total	Single	Double	Total
1	Sajeevi Disabled WWH, Bagalkote	04	03	31	00	38	48	00	48
2	Sakamma Samarthanam Trust Disabled WWH, Bengaluru	29	00	24	01	54	00	27	54
3	Spandana Disabled WWH, Bengaluru	05	14	31	00	50	00	25	50
4	Sri Sai Disabled WWH, Bengaluru	10	14	25	00	49	00	25	50
5	Vinayaka Trust Disabled WWH, Bengaluru	02	23	25	00	50	00	25	50
6	Government Disabled WWH, Kengeri, Bengaluru	10	00	02	00	12	28	00	28
7	Aastha Disabled WWH, Bidar	01	01	45	00	47	12	16	44
8	Hemavathi Disabled WW and Students hostel, Chitradurga	00	00	35	00	35	35	00	35
9	Swetha Disabled WWH, Hassan	14	12	21	00	47	47	00	47
10	Kalmeshwara Disabled WWH, Haveri	00	09	33	08	50	47	00	47
11	JSS Disabled WWH, Mysuru	44	01	02	00	47	47	00	47

VI – Visually Impaired; HI – Hearing Impaired; OH – Orthopaedically Handicapped

Source: Information furnished by hostels and joint inspection

Generally, the injuries caused due to accidents while climbing bunk beds or fall while sleeping are more serious than ordinary cots even for an abled person. Thus, use of bunk beds was not advisable and carried a risk of safety while accessing the top bed through the ladder for physically challenged and visually impaired persons.

It is clear from the above that the Department permitted these hostels to function despite the accessibility issues and absence of basic requirements. This indicates the lack of regular inspections by the Department.

¹² Aastha Disabled WWH, Bidar; Sri Sai Disabled WWH, Bengaluru; and JSS Disabled WWH, Mysuru.

¹³ Aastha Disabled WWH, Bidar; and Kalmeshwara Disabled WWH, Haveri.

The only functional government hostel was in the interior area and the inmates use auto for transport. Due to this inconvenience, the number of the inmates reduced drastically from 30 in 2012-13 to 11 in 2019-20.

The State Government stated (January 2022) that immediate action would be taken to address the issue, DDWOs to be suitably instructed to supervise the maintenance of these hostels from time to time and ensure that all basic and fundamental infrastructure facilities were provided to the beneficiaries.

2.1.5.1.4 Non-recovery of charges from inmates

The State Government stipulated that ₹ 800 per inmate was to be collected from working women staying in the hostels and accounts are to be maintained regarding grants received from State Government. Audit noticed that only three¹⁴ out of the 11 test-checked hostels were collecting the charges from the inmates. However, there was no mention of such fees collected in the receipt and payment accounts of these hostels. Audit also noticed that the receipt books were not maintained in other eight hostels. The reasons for not collecting the charges were not furnished.

The State Government stated (February 2022) that report would be obtained from the NGOs concerned and suitable instructions would be given to DDWOs and concerned NGOs. However, girl students and trainees are provided free boarding and lodging in these hostels.

2.1.5.1.5 Non-functioning hostel

The State Government accorded (June 2012) approval to M/s Vinayaka Education Society to operate and run a hostel for disabled working women and students. The hostel commenced its operations from 2012-13. The Department released a total grant of ₹ 82.99 lakh during the period 2012-13 to 2019-20. As per the records made available to audit, the hostel authorities claimed to accommodate 32 inmates during 2012-13 which was increased to 43 in 2014-15 and decreased to 27 during 2018-19.

Review of the records (November 2020) disclosed that the hostel remained non-functional from December 2019. It was seen that the inmates had complained on non-appointment of security guards besides harassment by hostel authorities which included non-supply of quality food, lack of infrastructural facilities besides facing threats of expulsion from hostels. Consequently, the hostel authorities proposed (November 2019) to the Department for closure of the hostel as the inmates were non cooperative with the staff. The Department initially proposed to shift the inmates to other hostels which did not materialise.

A joint inspection of the three floored building which housed the hostel was conducted on 25 November 2020. As observed during joint inspection, the hostel was located on the ground floor consisting of three rooms, two bathrooms and three toilets. The first and second floor were used for private residential accommodation. Considering the norm of four persons per room¹⁵, the

¹⁴ Aastha Disabled Working Women Hostel, Bidar, Government Disabled Working Women Hostel, Kengeri, Bengaluru and JSS Disabled Working Women Hostel, Mysuru.

¹⁵ As per guidelines issued by State Government in March 2004, maximum of four persons only are to be accommodated in one room.

maximum inmates that can be accommodated was 12 only in the hostel. The DDWO also stated (January 2019) in his letter addressed to Director, that there were only six to seven inmates as observed during his several visits. Interaction with neighbours also revealed that around 10-12 inmates stayed in the hostel at any point of time when it was functioning. This indicates that the hostel authorities claimed grants in excess of actual eligibility and the Department irregularly reimbursed ₹ 82.99 lakh for the period 2012-2020 as claimed by the hostel authorities. The DDWO also failed to restrict the claim as per the actual number of inmates despite his own inspection and statement that there were only six to seven inmates in the hostel.

Audit further observed (September 2021) that the Government cancelled (January 2021) the approval to the hostel and as per orders of Deputy Commissioner, Ramanagara, fresh notification from interested NGOs for running the hostel in Ramanagara was issued (March 2021). Seven bids were received from interested NGOs for running the hostel and successful bidder was finalized by Deputy Commissioner only during February 2022 and was yet to be approved by the State Government (March 2022).

The State Government stated (February 2022) that the hostel was provided with grants based on the report of the Deputy Director and DDWOs of the DWCD. Government also stated that additional grants released, if any, would be verified and necessary action taken.

The reply is indicative of the serious lacunae in internal control mechanism in the Department for ensuring functioning of hostels and release of funds and this facilitated embezzlement of Government money. Responsibility may be fixed on DDWO for recommending release of grants as claimed by the hostel, though aware of lesser number of inmates in the hostel. Government also needs to investigate similar instances, if any, in respect of other hostels.

2.1.6 Monitoring and Evaluation

2.1.6.1 State Level Empowered Committee

The GoI guidelines stipulated that the State Level Empowered Committee (SLEC) shall be constituted under the Chairmanship of Secretary, DWCD or the Department dealing with the subject matter of welfare of women and children for undertaking need assessment for WWHs in their State, recommending proposals *suo-moto*, and dissemination of information on availability of hostels under the scheme.

The SLEC though constituted (June 2009) had not conducted meetings regularly. As a result, there was no plan of action for assessing the requirement of the hostels and monitoring of the functioning of the existing hostels was absent. The Department stated (July 2021) that in future, discussions would be held on need assessment by getting the information from district authorities, Urban development and labour Departments.

The State Government stated (January 2022) that SLEC would be revised to include Departments like Labour, Public Works and Urban development and NGO representatives.

The reply is not acceptable as only the revamping of SLEC including representatives from other Departments would not yield any result unless the Committee hold meetings regularly and discharges its responsibilities with regard to assessment of hostels and dissemination of available information.

Further, the action taken for revising SLEC was not communicated to audit (April 2022).

2.1.6.2 Evaluation of Working Women Hostels

The State Government with the objective of evaluating the process of sanctioning and functioning of the hostels and its economic/social/psychological impact on the working women to understand what has worked well and what has not while implementing the scheme in the State had got the implementation of the scheme evaluated (2015) through the Karnataka Evaluation Authority. The important findings of the evaluation apart from those noticed by audit were:

- Majority (74 per cent) of the inmates heard about the hostels through word of mouth.
- The enrolment process varied significantly from hostel to hostel as no standard process was prescribed.
- Grievance redressal committees were not formed in 88 per cent of the hostels.
- 12 per cent of the inmates reported facing some safety issues such as unsafe location, dangerous to commute, no security guard, thefts *etc.*
- There was no formal mechanism to initiate action against non-compliant hostels by the Department.

The above findings were very significant in nature and required immediate action on part of the Department to address these issues. Audit observed that the Department had not acted on the findings and recommendations of the evaluation report so far.

The State Government stated (January 2022) that the recommendations mentioned in the evaluation report were communicated to all WWHs and Deputy Directors and a circular was issued (August 2017) to act on the evaluation report and conduct regular review of the scheme at district level. The fact remains that the issues pointed out in the evaluation report continued to exist as observed by audit.

2.1.7 Conclusion and recommendations

2.1.7.1 Conclusion

The State Government did not conduct any need assessment exercise/survey nor evaluated the adequacy and sufficiency of the existing hostels for working women in the State. The State failed to provide budget provision during the period 2018-19 to 2020-21 because of which assured financial assistance could not be given to three hostels which were under construction.

The Department permitted establishment and functioning of WWHs for differently abled and released grants every year despite the hostels failing to meet the minimum accessibility requirements.

All the test-checked hostels both regular and for differently abled did provide the inmates with the basic infrastructure facilities to a large extent. However, there were deficiencies such as absence of biometric and day care centres in the regular WWHs and absence of visiting doctor facility, separate library for visually and hearing impaired and washing machine facilities in the hostels for the differently abled. This was due to absence of adequate monitoring by the Department.

2.1.7.2 Recommendations

- 1. *The State Government should take up the project only after undertaking the need-based assessment of the project and also ascertain the adequacy of the existing Working Women's Hostels.***
- 2. *The State Government should earmark public land for construction of Working Women's Hostels and should provide adequate budget for timely completion and establishment of hostels.***
- 3. *The State Government should periodically assess the infrastructure requirement of each of the hostels functioning and provide adequate funds for the maintenance of the same.***
- 4. *The State Government should set definite targets for inspection of all the hostels, especially hostels for the differently abled, to ensure that accessibility related deficiencies are addressed and other infrastructure is provided within a prescribed time limit.***
- 5. *The State Government should put in place a monitoring mechanism to ensure that the hostels function as prescribed and accountability should be fixed for any lapses.***
- 6. *The State Government may issue instructions for uploading the availability of vacancy and facilities in the WWHs on dashboard of the Department.***

Department of Agriculture

2.2 Thematic Audit on the Implementation of Per Drop More Crop (Micro Irrigation) component under Pradhan Mantri Krishi Sinchayee Yojana.

2.2.1 Introduction

2.2.1.1 The Government of Karnataka (GoK) has been implementing¹⁶ Centrally Sponsored Schemes (CSS) for the promotion of micro irrigation (Drip¹⁷ and Sprinkler¹⁸ systems) under National Mission on Sustainable Agriculture (NMSA) with the objective to enhance water use efficiency in agriculture.

In July 2015, the Government of India (GoI) launched the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) to maximize water use efficiency at farm level. The PMKSY has four components¹⁹ aimed at providing end-to-end solutions in irrigation supply chain, viz., water sources, distribution network and farm level applications. The micro irrigation component under PMKSY was termed as 'Per Drop More Crop' (PDMC) and consisted of providing (a) Drip irrigation system, or (b) Sprinkler irrigation systems to the beneficiary farmers. The component of micro irrigation implemented under NMSA by the State till then, was subsumed under PMKSY.

The GoI issued Operational Guidelines of the PDMC component in October 2015, which were re-issued in April 2017. The objectives envisaged under the Operational Guidelines were to promote micro irrigation (MI) based on ground water status; increase area coverage, productivity of crops and income of farmers; promote micro irrigation in water intensive crops, make potential use of micro irrigation systems for promoting fertigation²⁰; and create employment opportunities.

¹⁶ The CSS launched in 2006 was upscaled to National Mission on Micro Irrigation in the year 2010 and National Mission on Sustainable Agriculture (NMSA) in 2014.

¹⁷ In Drip irrigation, water is provided to the root zone of plants through a network of pipes, drippers and emitters that are designed to discharge water at prescribed rates. The irrigation efficiency of drip irrigation ranged from 90-95 *per cent*.

¹⁸ In sprinkler irrigation, water is sprinkled under pressure in the form of rainfall over the foliage through nozzles fitted with the network of pipes. The irrigation efficiency of sprinkler irrigation ranged from 70-80 *per cent*.

¹⁹ (a) Accelerated Irrigation Benefit Programme (AIBP) focusses on faster completion of ongoing Major and Medium Irrigation Projects, (b) *Har Khet Ko Pani* focusses on source augmentation, ground water development, lift irrigation, diversion of water from water plenty to water scarce areas, (c) Watershed Development focusses on ridge area treatment, drainage line treatment, soil and moisture conservation, water harvesting structures and other watershed works, and (d) Per Drop More Crop focusses on micro irrigation using drip and sprinklers.

²⁰ Fertigation refers to supplying soluble fertilizers with irrigation water with the main objective of improving water and nutrient use efficiency.

2.2.1.2 Funding

As per Operational Guidelines, the financial assistance available to the beneficiary from both GoI and State Government was 55 *per cent* for Small and Marginal Farmers (SMF)²¹ and 45 *per cent* for other farmers to be met by GoI and State Government (GoK) in the ratio of 60:40.

The State Level Sanctioning Committee (refer paragraph 2.2.2), however, decided (March 2016/ May 2017) to provide overall subsidy of 90 *per cent* for all farmers up to two hectares and 45 *per cent* subsidy from two hectares to five hectares. The additional subsidy was to be borne by the GoK.

2.2.1.3 Irrigation Plan

The Operational Guidelines of the scheme mandated the preparation of State Irrigation Plan (SIP) and District Irrigation Plans (DIPs) for planning and implementation of PMKSY. The SIP and DIPs were approved by the SLSC in November 2016. The State Irrigation Plan targeted coverage of 15.70 lakh hectares under micro irrigation during five years (2017-21).

2.2.1.4 Implementing Departments

In the State, three Departments *viz.*, Agriculture, Horticulture and Sericulture implemented the PDMC programme²², of which Horticulture Department was the Nodal Department for facilitating all communications between Ministry of Agriculture (MoA) and GoK for the PDMC programme.

2.2.1.5 Process of application of beneficiaries

The beneficiaries targeted under the scheme were farmers who had landholdings and water source for irrigation. The beneficiaries intending to avail the benefits under the programme were to submit the application form to the implementing Departments enclosing the required documents duly indicating their choice of drip or sprinklers and the registered manufacturers whose system components they intended to avail (refer paragraph 2.2.9.1). The farmers were provided with the system components required for installing Drip irrigation system such as screen filter, ventury (a fertigation device), Polyvinyl chloride (PVC) pipes, laterals, emitting pipes, emitters, and valves. Similarly, in respect of sprinkler irrigation system, the farmers were High-density polyethylene (HDPE) pipes, sprinkler assembly, couplers, and plugs. The farmers were provided these system components based on their choice of drip irrigation or sprinkler irrigation systems and area coverage for a maximum of five hectares.

The process of registration of manufacturers for supply for drip/sprinkler components is given in paragraph 2.2.10.

²¹ As per GoI norms, a Marginal Farmer was one who held land up to 1 hectare; Small Farmer was one who held 1 hectare to 2 hectares; Other Farmers (Medium/Big) were ones who held more than 2 hectares (1 hectare: 2.47 acres).

²² The Government of Karnataka (GoK) termed the micro irrigation programme as Chief Minister's Sookshma Neeravari Yojane also.

2.2.1.6 Micro Irrigation Policy

The State Government, in order to expedite the process of implementation of micro irrigation, approved (July 2018) the Micro Irrigation Policy-2017. The objectives of the MI Policy were to identify geographic distribution and type of crops to be supported by micro irrigation, prioritise coverage among different groups, provide Information Technology support, and enhance incentivization processes with institutional framework. The MI Policy also envisaged formation of Karnataka Antaraganga Micro Irrigation Corporation (KAMIC), a Nodal agency for accelerated implementation of all the micro irrigation schemes in various Departments.

2.2.2 Organisational set-up

The Agriculture Department is headed by Principal Secretary and assisted by the Commissioner of Agriculture. The Horticulture & Sericulture Department is headed by Principal Secretary and assisted by the Director of Horticulture and the Director of Sericulture, respectively.

As per the Operational Guidelines of PDMC, the GoK formed (October 2015) three committees *i.e.*, State Level Sanctioning Committee (SLSC), Inter Departmental Working Committee (IDWG) and District Level Implementation Committee (DLIC) for overseeing the implementation of the programme (Refer Paragraph 2.2.11.1).

2.2.3 Audit framework

The Audit Objectives were to ascertain whether:

1. the planning and funding of the programme were effective.
2. the manufacturers of micro irrigation and the Departments fulfilled their roles in implementing the programme.
3. the objectives of the programme such as increase in area coverage, productivity, income of farmers, and employment generation were achieved.

The Audit Criteria to evaluate the objectives were adopted from sources such as the Operational Guidelines/Circulars/Orders issued by GoI and GoK and Committees of the Governments, Micro Irrigation Policy-2017, State and District Irrigation Plans, Manuals, Karnataka Financial Code, Tender documents and Agreements, and Board Minutes of the Karnataka Antharganga Micro Irrigation Corporation (KAMIC).

The Scope of Audit involved covering the implementation of the PDMC programme from the funds received from GoI and GoK during 2016-17 to 2020-21 in all three Departments *viz.*, Horticulture, Agriculture, and Sericulture Departments.

The Audit Methodology involved test-check of records at the State, district, and taluk level offices. Of the total 30 districts in the State, six districts²³ were

²³ Belagavi, Chikkaballapura, Kalaburagi, Mysuru, Shivamogga and Vijayapura.

selected. Further, from these six districts, 12 taluks were selected based on Stratified Random Sample (based on the area coverage). A total of 600 beneficiary records were reviewed, and 125 Joint Physical Inspections were conducted.

Audit held Entry Meetings with the Departments in July and August 2021 where the Audit Scope, Objectives, and Criteria of audit were informed. The observations and Draft Audit Report were issued to the Departments concerned and the Government. The Exit Meeting to discuss the Draft Audit Report was held with the Government on 8 June 2022 and replies wherever received, were suitably included in the Report.

2.2.4 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the Officials and Officers of Agriculture, Horticulture and Sericulture Departments, Karnataka Antharganga Micro Irrigation Company (KAMIC) and Regional Remote Sensing Authority²⁴, Bengaluru in conducting the Audit.

2.2.5 Physical and Financial progress of the programme

The details of physical and financial progress²⁵ are given in the paragraphs below:

2.2.5.1 Financial performance

The financial performance of the PDMC programme of all the three implementing Departments is given in **Table 2.7** below:

Table 2.7: Financial performance of the programme

(₹ in crore)			
Year	Budget Released (GoI and GoK)	Expenditure	Unspent Amount (per cent unspent)
2016-17	524.91	513.78	11.13
2017-18	714.50	710.90	3.60
2018-19	869.03	838.92	30.11
2019-20	792.11	774.39	17.72
2020-21	1,078.84	1,057.46	21.38
Total	3,979.39	3,895.45	83.94 (2.11)

Source: Compiled by Audit based on progress reports provided by Department (excludes administrative expenditure).

2.2.5.2 Physical performance

The physical performance of the PDMC programme of all the three implementing Departments as compared to the targets envisaged in SIP and fixed by SLSC is given in **Table 2.8** below:

²⁴ Audit sought the assistance of RRSC, Bengaluru for studying the outcomes of the programme.

²⁵ The Department-wise/district-wise details are given in **Appendix – 2.2**.

Table 2.8: Physical performance of the programme

Year	Area				Number of beneficiaries			
	Target as per SIP ²⁶ (lakh ha.)	Achievement (lakh ha.)	Shortfall (-) / Excess (+) (lakh ha.)	Achievement (per cent)	Target as per SLSC	Achievement	Shortfall (-) / Excess (+)	Achievement (per cent)
2016-17	3.14	1.64	(-) 1.50	52	1,42,679	1,65,795	-23,116	116
2017-18	3.14	2.10	(-) 1.04	67	2,63,537	2,12,183	51,354	81
2018-19	3.14	2.34	(-) 0.80	75	2,94,194	2,27,381	66,813	77
2019-20	3.14	2.51	(-) 0.63	80	2,78,026	2,48,937	29,089	90
2020-21	3.14	3.22	(+) 0.08	103	3,21,062	3,26,815	-5,753	102
Total	15.70	11.81	(-) 3.89	75	12,99,498	11,81,111	1,18,387	91

Source: Compiled by Audit based on progress reports provided by Department.

Audit Findings

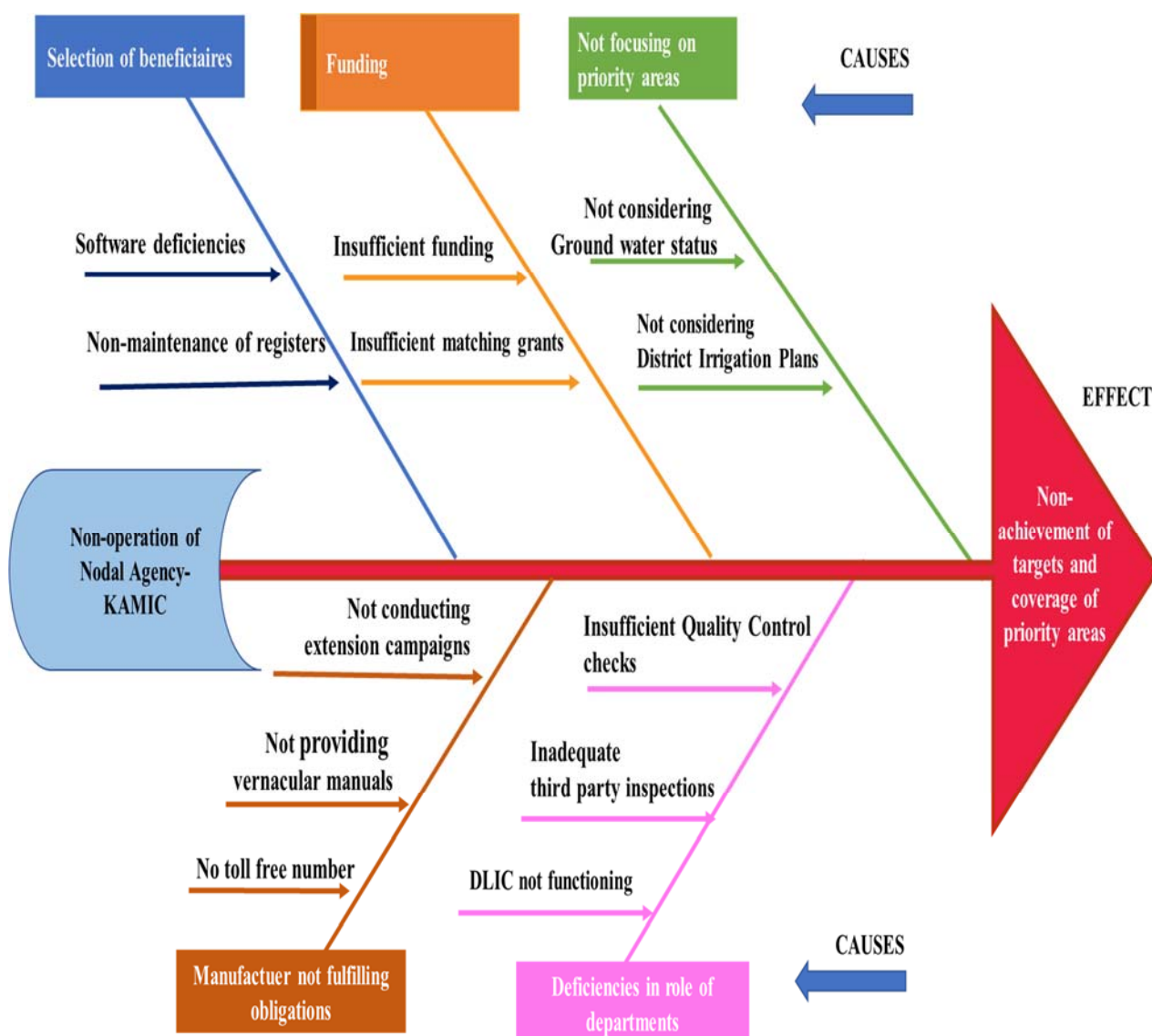
2.2.6 Implementation

It could be seen that the overall area coverage during 2017-21 was 11.81 lakh hectares representing 75 per cent achievement, with a shortfall of 3.89 lakh hectares (25 per cent).

Audit however observed deficiencies in the implementation of the programme. These are summarised in the chart below and discussed in subsequent paragraphs:

²⁶ As year-wise physical targets were not provided in the State Irrigation Plan the total target is distributed equally for five years (considering year-wise fund requirement, which was equal for each of the five years).

Chart 2.4: Cause and effect diagram of the programme



2.2.7 Planning

It was important that the planning of the programme was in line with the MI Policy, Operational Guidelines, and instructions issued by the Governments and SLSC from time to time.

Audit observed that though the achievement in terms of area coverage was 75 per cent of the targeted area during the last five years, the planning had the following deficiencies.

2.2.7.1 The Operational Guidelines specified many areas that were to be focused/prioritised/ promoted but did not specify any specific order of priority in which the beneficiaries were to be selected from among these areas.

The State, however, had a MI Policy, which mentioned the priority areas. Audit however, observed that multiple priority areas were classified as 'First priority' (Sl.No.1 to 3 of **Appendix-2.3**).

The Nodal Department had not issued any instructions on the *inter-se* priority among these focused/prioritised/ promoted areas.

The status of coverage of focused/ prioritised/ promoted areas as per Operational Guidelines and MI Policy are given in **Table 2.9** alongside and detailed in **Appendix-2.3**.

2.2.7.2 As per

Operational Guidelines, the State Irrigation Plan, and District Irrigation Plans (DIP) were prepared, and DIP was to be the cornerstone for planning and implementation. Audit observed that the fund allocation to taluks were not as envisaged in the SIP/DIPs (refer Sl.No.9 of **Appendix 2.3**). Audit observed that only one district (Belagavi) of the Agriculture Department of the six selected districts had adopted a risk matrix²⁷ while allocating funds to taluks. Audit also observed that SIP and DIPs were applicable for the period 2016-2021, but the same is yet to be updated (June 2022).

2.2.7.3 The selection of beneficiaries was based on the chronological order of the receipt of their applications, irrespective of the fact that they fell under any of the focused, prioritised or promoted areas. The Agriculture Department and Horticulture Department maintained their own separate software's for implementation of the programme, while Sericulture Department implemented the programme through manual registration of beneficiaries (refer paragraph 2.2.9.1). The Nodal Department did not have an integrated database of implementation of all three Departments on the areas where micro irrigation

Table 2.9: Status of implementation of focus areas

Areas, which required to be focused/prioritised/ promoted.	Status
To be based on Ground water status.	Documentation on extent covered and balance pending coverage was not maintained.
High value horticulture crops and other field crops.	
Beneficiaries of Ganga Kalyana Scheme.	Beneficiary data collected, but no action taken thereafter by the districts.
Convergence with other schemes.	Minimal convergence with Krishi Bhagya Yojane.
Make MI mandatory for giving new electricity connections to borewells.	Views obtained from Electricity Regulator, but Policy decision yet to be taken.
Industry participation.	Not initiated.
Slab wise subsidy structure as per MI Policy.	Orders were issued but withdrawn by Government.
Allocate funds as per DIP.	Allocations were not as per DIP.
Formation of KAMIC, a PSU as Nodal agency for implementing MI.	KAMIC was formed but was non-operational. It is now proposed to be closed.

²⁷ Assigning weights based on Net cultivated area, Irrigated area, Area under sugarcane, Area under oilseeds, Area under pulses, Area under summer crops, Number of Small and Marginal Farmer (SMF), Annual rainfall, and last four years' expenditure.

was required *vis-à-vis* areas covered with micro irrigation along with details of MI coverage in focused/prioritised/ promoted areas so that there was a harmonious approach in implementation.

The Government replied (June 2022) that most of the area in Karnataka was rainfed and drought prone and as such wherever micro irrigation is adopted, it comes under focus area. Further, as almost all the agricultural crops in the State fell into the mentioned categories, and allocation was made but takeoff depended on demand of farmers.

The reply is general in nature without any quantitative data for verification on the extent of coverage of focused/prioritised/ promoted areas. Also, as per MI Policy and Operational Guidelines, the classification was based on ground water status (over-exploited, critical, and semi critical taluks) and not rainfed and drought prone areas as stated in the reply. It is also evident from the reply that the Department implemented the programme based on demand, rather than beneficiary coverage in the focused/prioritised/ promoted areas as envisaged in the MI Policy and Operational Guidelines.

Recommendation 1: The Departments need to prepare a risk matrix of priority/focus areas by obtaining data at taluk level/lower levels and allot funds based on such analysis. The Departments should request e-Governance Department to capture the type of irrigation (drip/sprinkler/flood) and source of cultivation (Borewell/Open-well/Lift Irrigation Scheme/Krishi Honda etc.) during crop survey and use the information as an input in the planning process and fund allocation to districts/taluks. The Department also needs to issue instructions for selection of beneficiaries as envisaged in the MI Policy and Operational Guidelines.

Recommendation 2: Government may take action to update or prepare new State and District Irrigation Plans and prepare a revised Action Plan for its implementation.

2.2.8 Financial Management

Providing adequate and timely funds was essential for proper implementation of any programme/scheme. As per Operational Guidelines, the total financial assistance available to the beneficiary from both GoI and State Government was 55 per cent for Small and Marginal Farmers (SMF)²⁸ and 45 per cent for other farmers to be met by GoI and State Government (GoK) in the ratio of 60:40. The GoK however provided (March 2016/ May 2017) overall subsidy of 90 per cent for all categories of farmers up to two hectares and 45 per cent subsidy from two hectares to five hectares. The additional subsidy was borne by the GoK.

The State, provided for its share of subsidy (including additional subsidy) along with the GoI subsidy in its budget. The amounts were then released to Horticulture, Agriculture, and Sericulture Departments. The Departments, in turn, released the amounts to the districts for further implementation, based on

²⁸ As per GoI norms, a Marginal Farmer was one who held land up to 1 hectare; Small Farmer was one who held 1 hectare to 2 hectares; Other Farmers (Medium/Big) were ones who held more than 2 hectares (1 hectare: 2.47 acres).

approved Action Plans. Audit observations on financial management are given below:

1. The SIP envisaged to bring 15.70 lakh hectares under micro irrigation during 2016-17 to 2020-21 for which the fund requirement was ₹ 10,909 crore. The GoI and GoK had together provided only ₹ 3,979 crore during 2016-17 to 2020-21. Thus, adequate funds were not provided for implementation of the programme as envisaged in SIP/DIP or the MI Policy, resulting in not achieving the targets. The Government replied (June 2022) that SIP/DIP was uploaded to GoI-PMKSY portal and hence, GoI was aware of the SIP. The reply is not tenable as it was the responsibility of the GoK to make adequate funds available as required under the SIP.

2. In the total subsidy of 90 per cent, the share of GoI was 33 per cent, while the remaining 57 per cent was to be contributed by the State (22 per cent mandatory and 35 per cent additional subsidy). The details of GoI and GoK share of subsidy to be provided, and actually provided for last three years is given **Table 2.10** below:

Table 2.10: Shortfall in release of subsidy

(₹ in crore)

Year	GoI share released including revalidation amounts (33 per cent)	Share to be provided by GoK (at 57 per cent)	Total to be released	Total released	Shortfall in release by GoK
2018-19	331.81	573.13	904.94	872.99	31.95
2019-20	380.22	656.74	1,036.96	780.51	256.45
2020-21	451.94	780.62	1,232.56	1,080.54	152.02
Total	1,163.97	2,010.49	3,174.46	2,734.04	440.42

Source: Progress reports, CA reports and SLSC minutes provided by Departments.

Audit observed that GoK had not released its share of 57 per cent in full to match the GoI releases (at 33 per cent) resulting in shortfall in achievement of targets. In the Exit meeting (June 2022), the Government stated that State was providing 22 per cent as per GoI norms, but as State had to provide additional subsidy over that as per its policy (total 57 per cent), and there was shortfall on this account.

The Government, having committed to provide 90 per cent subsidy, should have made adequate provision for its share in the budget and released the funds.

3. The demand for micro irrigation was from April to June as the main cropping season in the State *i.e.*, Kharif season was from July to October. However, audit observed that the SLSC approved the Annual Action Plans only by June/August²⁹ of the year. Further, analysis of data for 2020-21 of Agriculture Department showed that implementation of the programme (Work order issue date) took off from August/September onwards indicating slow take-off of the programme. Also, there was rush of expenditure in March and funds

²⁹ 2020-21: August 2020; 2019-20: June 2019; 2018-19: June 2018, and 2017-18: May 2017.

were seen released even on last day of the year (31 March). It was observed that funds of ₹ 31.59 crore in 2018-19, ₹ 5.95 crore in 2019-20 and ₹ 21.26 crore in 2020-21 remained unutilized. The Government replied that (June 2022) it has never been the case that funds was delayed despite having ways and means of the Government. The fact remained that funds were not provided during the main crop season and there was rush of expenditure towards end of the year.

4. In Horticulture Department, in 2020-21, audit observed that ₹ 7.35 crore was incurred as expenditure under Scheduled Caste Programme (SCP) component without Sanction Orders. Audit also observed that the Department surrendered ₹ 9.00 crore despite having 7,882 applications pending. The Government replied (June 2022) that without Sanction Orders, Treasury would not release payments, and the pending applications would be considered in next financial year. The reply is not acceptable as the Department had provided statement in which Sanctioned Orders were not forthcoming in respect of payments made to the tune of ₹ 7.35 crore. Also, surrender of funds when applications were pending was not justified.

Recommendation 3: *The Governments may ensure that funds envisaged as per SIP are released to achieve the targets set. Also, as the State Government had extended higher subsidy (90 per cent), there was need to provide additional contribution.*

2.2.9 Selection of beneficiaries

2.2.9.1 As per paragraph 13.5 of Operational Guidelines, the implementing Departments were to follow a uniform procedure and transparency in selection of beneficiaries. The release of assistance to the beneficiaries was to be done in an efficient manner by adopting a web-based IT model for implementation of the programme.

The farmers in the State, who had registered under FRUITS³⁰ and who owned land and water source (borewell/tube-well/canal *etc.*) were to submit applications along with requisite documents (land details, water source, No Objection Certificate) to the nearest centre of the implementing Departments. The choice of the type of micro irrigation (drip/sprinkler) and manufacturer (registered) were to be mentioned by the farmer in the Application.

All the three Departments had a manual system of registration and selection up to 2017-18. The Horticulture Department developed HASIRU software application and used it from 2018-19 onwards, while the Agriculture Department developed another application *viz.*, K-KISAN from 2019-20 onwards. The sericulture Department continued to register/implement the programme through manual registers/process.

Based on the receipt of funds, the selection of farmers was done in the chronological order of registration for sprinkler and drip, under General,

³⁰ Farmer Registration and Unified beneficiary Information System (FRUITS) is a system developed by the e-governance Department of the State, in which farmers can register for availing benefits under various schemes of the Government.

Scheduled Caste and Schedule Tribe categories respectively, as funds are received separately for these categories.

Upon selection, the farmers were to pay their share of 10 *per cent* to the manufacturer. The Department then issued Work Orders for supply for sprinkler sets or for installation of drip in the fields of the farmers. Upon successful supply of sprinklers or completion of installation of drip irrigation in the fields of farmers, the manufacturers submit the records (e-Way bills, Invoices, Farmers Satisfaction Certificate, Farmers Training Certificates) to the Department concerned, who scrutinise the records and make the payment for the remaining amount (90 *per cent*)³¹ to the manufacturer.

The audit observations on selection of beneficiaries and maintenance of records are given below:

2.2.9.1.1 Agriculture Department – software deficiencies

As per directions issued in Agriculture Department, the applications under the programme were to be received at the Raita Samparka Kendras (RSKs) at each Hobli (subunit of taluk) and entered seniority-wise (chronological order of date or registration) in a Register. The applications need to be entered on the K-KISAN portal. Audit observed that:

1. K-KISAN brought in the much-needed transparency in the registration and implementation of the programme by linking it to Farmers Identification Numbers (FIDs)³², which are linked to Aadhar. Audit, however, observed that the selection of beneficiaries was not based on chronological date of registration, due to deficiency in the K-KISAN portal. The deficiency was that in the Assistant Director's (AD) login, applications were not available (to him) for selection in the chronological order of registration of the beneficiaries. As the AD had to select in the same order as it appeared in the K-KISAN portal, audit could not draw assurance that seniority based on date of registration of beneficiary were maintained.

Audit also observed that in eight³³ out of 12 taluks test-checked, Application Receipt Registers were not maintained, and dates were also not recorded in them. Applications also did not have dates of receipt

³¹ The GoK had adopted (November 2014) rates fixed by the Gujarat Green Revolution Company (GGRC) for different components of micro-irrigation systems, and the periodical revisions made for implementation of PDMC programme in the State. The total indicative cost for different areas (0.4 ha. to 5 ha.) and spacing of crops was given in the Operational Guidelines and the subsidy under the programme was limited to the total indicative cost.

³² The farmers in the State were required to register under the Farmer Registration and Unified beneficiary Information System (FRUITS) a system developed by the e-governance Department of the State, for availing benefits under various schemes of the Government.

³³ (1) Yeragatti RSK, Savadatti taluk, Belagavi district (2) Kathi RSK, Belagavi Taluk, Belagavi district (3) Bagepalli RSK, Bagepalli Taluk, Chikkaballapura district; (4) Gowribidnur RSK, Gowribidnur taluk, Chikkaballapura district (5) Aland RSK, Aland Taluk, Kalaburagi district (6) Jewargi taluk, Kalaburagi district (7) Bableshtar RSK, Vijayapura taluk, Vijayapura district (8) Sindhgi RSK, Sindhgi taluk, Vijayapura district.

recorded on it. Audit also observed that the Registers were not updated as the details of Unique Transaction Reference numbers are not entered.

The Government replied (June 2022) that action will be taken to meet out the deficiencies in the selection process.

2. Audit also noticed other deficiencies in the test-checked districts in K-KISAN. These included applications³⁴ under 'keep pending'³⁵ stage in K-KISAN without assigning reasons, and also cases of reversing applications from 'post inspection completed' stage to 'application acceptance' stage (initial stage). The Government stated (June 2022) that instructions will be issued to district heads to maintain the reasons in the K-KISAN portal.
3. Analysis of K-KISAN database for 2020-21³⁶ showed that out of 2,21,513 records where final bills were generated, 11,678 entries had NULL/blank/incorrect dates in 'challan date' in the database. In 21 cases, the Application date were before Work Order date, while in 3,361 cases the Inspection date was before Work Order date. These were logically inconsistent, showing that application controls were absent. The Government attributed (June 2022) the same to human errors while entering data into the system. The fact remained that there were gaps in the application controls on K-KISAN portal, which resulted in such entries.
4. On review of 305 applications in test-checked districts of Agriculture Department, it was observed that there were no Caste certificates in 14 cases (10 SC, 4 ST), No Objection Certificates³⁷ in 26 drip cases, Water Source Certificate in 37 cases and Farmer's Satisfaction Certificate in 22 cases. Extending programme benefits with incomplete documents was irregular. The remaining applications had the required documents. The Government stated (June 2022) that the same would be verified and compliance provided.

2.2.9.1.2 Horticulture Department

From 2018-19 onwards, HASIRU system was adopted in the Department. Out of 1,99,812 applications registered during 2018-21, 16,681 applications (eight *per cent*) were pending (March 2022) which included 14,062 applications (84 *per cent*) due to non-conducting of pre-inspection and post-inspection by Department and 944 applications of 2018-19. It is to mention here that pendency position derived (by audit) considering number of applications registered, work order issued, rejected cases, showed pendency of 30,900 applications. Thus,

³⁴ 5,280 in Belagavi and 13,818 in Kalaburagi for 2019-21.

³⁵ It is an stage in the K-KISAN portal where applications of beneficiaries, who do not come forward for paying their share of contribution or such cases where Caste certificate details had not been linked during application process are moved.

³⁶ Data in respect of 2019-20 from K-KISAN was not available/provided.

³⁷ From other Departments that they have not availed similar benefits under the scheme.

there was a variation of 14,219 pending applications in HASIRU system, which was yet to be reconciled. These beneficiaries would be deprived of the benefits under the scheme.

The Government replied (June 2022) that software updation will be done and pending applications at all levels will be monitored and cleared.

Recommendation 4: Agriculture Department may make suitable changes to K-KISAN software to ensure that selection of beneficiaries was as per seniority. All applications received and status of applications need to be updated in a timely manner in both the Departments in the Registers and Software system.

2.2.10 Role of manufacturers in implementation

The role of the manufacturers of Micro Irrigation was critical to the implementation of the programme. The beneficiaries under the programme were to be supplied with sprinklers/drip irrigation systems. The Nodal Department (Horticulture) invited applications for registration of MI system manufacturers to install drip/sprinkler system and render after sales service in the farmers' field, as per GoI guidelines. The manufacturers could submit applications for registrations throughout the year, by paying the requisite fees. Applications submitted every two months were scrutinized by the State Level Technical Committee and recommended to the Government for approval. After approval, the agreements are entered with the registered manufacturers.

Audit observed that the manufacturer had not met his obligations in:

- (a) preparing Technical Plan with details of system efficiency for each farmer before implementation,
- (b) providing manuals in vernacular language,
- (c) setting up of a toll-free number,
- (d) supply of materials with BIS/approved markings and
- (e) conducting extension campaigns for awareness of the programme.

The details of observations in test-checked districts are given in **Appendix-2.4**.

As a result of not preparing Technical Plan, system efficiency of the micro irrigation installed cannot be verified. Also, not providing manuals in vernacular language and toll-free number affects ease of use of micro irrigation and service support to beneficiaries. Further, not ensuring supply of BIS components would reduce the life of the micro irrigation components.

It was further observed that the Department had also not brought these before the monitoring committees and taken action to levy penalty for non-compliance to obligations. The Government replied (June 2022) that the action on obligations by the manufacturer are addressed in the current year.

Recommendation 5: Manufacturers should be directed to comply with their obligations under the programme with respect to preparing Technical Plans, emboss required BIS markings on components, provide manuals in vernacular language, conduct extension campaigns, and provide toll-free number for service calls.

2.2.11 Role of Departments in implementation

The role of the implementing Departments was critical to the implementation of the programme. Audit observed that monitoring by the District Level Implementation Committee (DLIC) set up was not adequate. Also, there were shortcomings in Quality Control mechanism, Third-Party Inspections, and Departmental Inspections. The Departments were also short of manpower. These are brought out in the following paragraphs:

2.2.11.1 Functioning of Committees

As per the Operational Guidelines, the Government had formed (October 2015) the State Level Sanctioning Committee (SLSC), Inter Departmental Working Committee (IDWG) Chaired by Development Commissioner, and District Level Implementation Committee (DLIC) Chaired by the Deputy Commissioner of the district and consisting of district heads of Departments.

The SLSC met only once during the year, instead of three times as mandated as per Operational Guidelines. The annual Action Plan was approved in May-August³⁸ against March of the year (as per Guidelines). The Government informed (June 2022) that Action Plans are approved after March so that accurate data of earlier year is available for decision making.

Audit also observed that the DLIC meetings (at district level) were not held in five of the six test-checked districts in all the years (2016-17 to 2020-21). It was seen that in Kalaburagi district, the minutes of meetings were not recorded. In Mysuru district, only the status of implementation of Horticulture Department was discussed and representative from the Agriculture Department was not part of the meetings. In the other four test-checked districts, DLIC discussed the physical and financial progress made by Agriculture and Horticulture Departments but had not discussed focus areas and other aspects of implementation of the programme. It was also seen that the DLIC did not have representative from Sericulture Department, though it was one of the implementing Departments. The Nodal Department (Horticulture) failed to ensure regular conduct of meetings of DLIC and appraise the same to SLSC. The Government replied (June 2022) that instructions will be issued to hold DLIC meetings on regular basis. It was also replied that Deputy Director, Sericulture will be included as a member of DLIC.

2.2.11.2 Quality Control tests were insufficient

As per paragraph 17.2 of the Operational Guidelines 2017, the SLSC was to form Joint Inspection Teams for field inspection and frequent surveillance by inspection teams was to be a regular feature under the programme. It was only after two years *i.e.*, in June 2019 that the SLSC approved the formation of State Level Quality Control Committee (SQCC) and a District Level Joint Inspection³⁹ (DLJIT). The Government issued orders for formation of SQCC

³⁸ May (2017-18), June (2016-17, 2018-19, 2019-20) and August (2020-21).

³⁹ Under the Chairmanship of the Joint Director of Agriculture of the district.

and DLJIT in August 2019. The SQCC was to randomly select and send few of the samples of Micro Irrigation units submitted by DLJIT for quality analysis to accredited laboratories of Central Institute of Petrochemicals (CIPET) / Indian Council for Agricultural Research (ICAR). The DLJIT was to inspect the micro irrigation units installed from the year 2016-17 onwards, by drawing at least 10 samples per month per district, which was reduced (December 2020) to five samples per month per district.

Audit observed that as against 4,950 samples to be drawn (March 2019 to December 2021), only 897 samples were drawn. Of the samples drawn, only 535 samples were sent to laboratories for testing, and results in respect of 261 samples were received (December 2021). The results of the remaining samples were awaited (March 2022).

The Government (June 2022) stated samples are being drawn and tested and in the context of high cost for testing it is decided to have a testing laboratory at Bengaluru. The fact remains that required samples were not drawn as per norms.

2.2.11.3 Third Party Inspections were not adequate

As per paragraph 20.4 of the Operational Guidelines, 25 per cent of the projects sanctioned by the State were to be compulsorily taken up for third-party monitoring and evaluation by the implementing States.

Audit observed that Agriculture Department entered into agreement (February 2018) with three Third Party Inspection (TPI)⁴⁰ agencies for different districts for evaluation of implementation of the programme for 2016-17. While the TPI reported that it had inspected 47,755 installations for 2016-17, three test-checked districts (Belagavi, Chikkaballapura and Shivamogga) did not provide any details to audit, while three districts (Mysuru, Kalaburagi and Vijayapura) provided summary details of verification without detailed reports and action taken on the reports. Audit also observed that for 2017-18 to 2020-21, the Agriculture Department neither invited tenders nor appointed third-party agencies (March 2022).

In Horticulture Department, audit observed that it had not appointed third-party agencies for the period up to 2018-19. For 2019-20, it appointed (June 2021) M/s. Shobha Technology Solutions, Mysuru as TPI for inspection of 5 per cent of installations. However, their final report is awaited (March 2022). In the case of Sericulture Department, third-party inspections had not been conducted for the period 2017-2021.

The Government replied (June 2022) that an evaluation of the impact of the scheme is proposed to be done by third-party, as per GoK policy. The reply is not acceptable as the Operational Guidelines envisage both concurrent evaluation (Third-Party Inspection) and also mid-term/end-term evaluation by engaging suitable agencies (Third-Party Evaluation).

⁴⁰ M/s.Shree Mahalakshmi Children & Women Welfare Society, M/s.Siri Grameen Abhivridhi Samsthey, M/s.Hyderabad Karnataka Centre for Advance Learning and Welfare Society.

2.2.11.4 Insufficient Departmental inspections

The instructions issued at the beginning of each year by the Agriculture Department for implementation of programme stipulated that the Assistant Director, Deputy Director and Joint Director were to inspect 25 *per cent*, five *per cent* and two *per cent* of the installations, respectively, done during the year. While 16 taluks in the selected six districts did not furnish information on inspections conducted, 17 taluks furnished information for few years (**Appendix-2.5**). It was observed that the number of inspections conducted were less than one *per cent* as compared to the norms as per the instructions issued.

Further, it was observed that the Agriculture Department had a Monitoring and Evaluation (M&E) Wing whose duties included random inspections and evaluation of programmes in the Department. Audit observed that M&E wing had conducted inspections only in one of the six test-checked district Shivamogga (14 inspections during 2020-21), while it was not done in the other five test-checked districts *viz.*, Belagavi, Chikkaballapura, Kalaburagi, Mysuru, and Vijayapura during 2016-21. The Government stated (June 2022) that field level officers and M&E wings were to inspect certain percentage of installations, but it has been breached more often and suitable instructions were issued to the officers.

2.2.11.5 Delays in processing of applications

For successful implementation of programme, it was necessary to process the application in a timely manner. On test-check of 300 applications of Horticulture Department, audit observed that as against overall permissible limit of 75 days for issue of Sanction Order from the date of registration, the time taken by Department and manufactures ranged up to 617 days resulting in delay in providing benefits to beneficiaries. Audit, however observed instance of registration, issue of work order and completion on the same day, indicating that process can be expedited. During the review of applications, audit also noticed that the details of name, address *etc.*, mentioned in the Work Orders were incomplete. The Government attributed (June 2022) the incompleteness of details to inadequacy on the part of few implementing officers. Also, audit observed that the Department had not fixed time limit for making payments from the date of Sanction Order. It was seen that the time taken by the Department for making payment ranged from 1 day to 285 days from date of Sanction Order. The Government agreed (June 2022) to fix timeline for making payment from Sanction Order date.

2.2.11.6 Human Resource Development

As per paragraph 18 of Operational Guidelines, Human Resource Development was an important component of the programme. Audit observed that Agriculture Technology Management Agency (ATMA) and District Agriculture Training Centers (DATC), which were to provide trainings to officials and farmers on various aspects of cultivation and extension activities, provided 33 trainings in the test-checked districts on micro irrigation/fertigation. Audit, however observed that no specific funds were provided for training in micro irrigation under PMKSY during last five years (2016-21) except in one of the six test

checked districts (Shivamogga) in 2016-17 where ₹ 8.20 lakh was spent for providing training to 3,973 farmers.

Audit also observed that Operational Guidelines providing for training of stake holders⁴¹, exposure visits⁴² and study tour of technical staff⁴³, workshop/conference⁴⁴ were not conducted in any of the six test checked districts, nor funds provided for the same. The Government agreed (June 2022) to provide separate allocations in future to conduct trainings and awareness among farmers.

Audit also observed huge vacancies in Agriculture and Horticulture Departments as at end of March 2022. The vacancies were 39 per cent in the post of Agriculture Officer, 63 per cent in the post of Assistant Agriculture Officer, and 38 per cent in the post of Assistant Horticulture Officer. The Government replied (June 2022) that observations of audit were extremely timely and valid and stated that process of recruitment would commence shortly.

Recommendation 6: *The Departments need to take action to conduct random inspections, Quality Control (QC) and Third-party inspections as mandated, through a process of randomisation. Instructions may be issued so that during such inspections/QC, the polygon data of the fields are also captured, so that the same can be used for analysis in future.*

Recommendation 7: *Pending recruitment to the cadre of Agricultural Officers and Assistant Agriculture Officers, services of contractual staff with adequate knowledge of agricultural activities and computers may be considered.*

2.2.12 Results of Joint Physical Inspection on outcomes of the programme

Audit conducted Joint Physical Inspection (JPI) with Department officers of 125 beneficiaries, who had implemented the programme as detailed in **Table 2.11** shown below.

Table 2.11: Results of Joint Physical Inspection

Description	Yield	Area	Fertigation
Increase	106	78	Almost all the drip irrigation beneficiaries used fertigation
No change	8	33*	
Beneficiary not present	11	14	

Source: Results of JPI.

*Already entire area was under cultivation.

⁴¹ ₹ 1,000 per day per farmer within the State and actuals for outside the State for training.

⁴² Actuals for outside the State, and ₹ 4 lakh/participant for outside India.

⁴³ ₹ 300 per day per participant within the State and ₹ 4 lakh per participant outside India.

⁴⁴ With cost limited to ₹ 7.50 lakh per event at international level, ₹ 5 lakh per event at National level, ₹ 3 lakh per event for State level, and ₹ 2 lakh per event for District level.

It was seen that the programme was beneficial to the beneficiaries who reported increase in productivity (yield) ranging from 10-70⁴⁵ per cent. Further, attempts by audit to analyze the outcomes in terms of increase in yield and area using satellite imagery data were not fruitful due to non-availability of quality data and polygon data of the fields. Also, the increase in income of farmers could not be adequately assessed as price of sale of produce was dependent on market rates/factors. The Nodal Department did not have details of the employment generation for skilled and unskilled persons by the manufactures, which was one of the objectives of the programme, but informed (June 2022) that one skilled person day and two unskilled person days are generated in employment.

Conclusion and Recommendations

The implementing Departments were able to achieve 75 per cent of the targets of area coverage envisaged in the State Irrigation Plan. The Joint Physical Inspections also showed that benefits were accruing to the farmers in terms of increase in yield and area. While the achievement looked good, it is to be read with the fact that the implementation was not based on covering priority/focus areas specified in the Operational Guidelines and MI Policy due to deficiencies in Planning the implementation. Not providing adequate and timely funds had also resulted in shortfall in achievement.

On the monitoring front, the District Level Implementation Committee did not cover its mandated role in implementing the programme. KAMIC, the Company formed in 2018 for accelerating and improving the implementation of the programme is proposed to be closed.

The coverage under Quality Control inspections, Third Party Inspections, and Departmental inspections were all weak as the mandated quantum of checks were not being exercised. Manufacturers of micro irrigation systems did not comply with some of obligations such as providing manuals in vernacular language, providing a toll-free number for assistance, and conducting of mandatory campaigns. Though regular trainings on extension activities were being conducted, trainings specifically on micro irrigation and fertigation was far in between, as funds were not provided. Huge vacancies exist in the technical cadres implementing the programme in the Departments.

Recommendations:

Seven recommendations have been made to the Government on the above deficiencies, which are included in the report. The Government accepted (June 2022) six recommendations. On the recommendation (No.3) of providing additional subsidy, the Government stated that while it was providing mandatory subsidy as per GoI norms, but as it had to provide higher subsidy over the GoI norms, due to its policy, there was shortfall on this account.

⁴⁵ Yield increase up to 10 per cent (12 beneficiaries), 11-30 per cent (40 beneficiaries), 31-50 per cent (48 beneficiaries), 51-70 per cent (6 beneficiaries) and No change/ No information (19 beneficiaries).

DEPARTMENT OF HIGHER EDUCATION

2.3 Unproductive expenditure under Scheduled Castes Sub-Plan and Tribal Sub-Plan allocation

Failure of Director of Technical Education to assess the demand for construction of hostels coupled with non-provision of boarding facility rendered the hostels remained vacant which were constructed at a cost of ₹ 43.82 crore under SCSP/TSP funds. Injudicious decision to construct additional rooms for these vacant hostels rendered the additional release of ₹ 27.90 crore unproductive

The Government of Karnataka enacted the Karnataka Scheduled Castes Sub-Allocation and Tribal-Sub Allocation (Planning, Allocation and Utilisation of Financial Resources) Act, 2013 and Rules 2017 to ensure allocation of a budget annually (to be called as the Scheduled Castes Sub-Plan and Tribal Sub Plan fund) in proportion to the population of Scheduled Castes (SC) and Scheduled Tribes (ST) in the State. The State Development Council⁴⁶(SDC) was the apex body to formulate the plans and allocate funds for the development of SC/ST population of the State.

Scheduled Castes Sub-Plan (SCSP) and Tribal Sub-Plan (TSP) stipulated provisions to augment the SC's and ST's living conditions by guaranteeing funds from all related development sectors of the State. It was further stipulated that, in case of unspent amount out of allocation in a particular financial year, the same may be added to the next year allocation but shall not be carried further beyond that year. The Sub-Plans of the Departments were to include only such schemes that secure direct and quantifiable benefit to the SC and ST.

During the compliance audit of the Department of Higher Education (both Collegiate and Technical Education) for the period ending March 2021, audit observed the following.

The Director of Technical Education (DTE) proposed for construction of new hostel buildings in 44 existing Government polytechnics at an estimated cost of ₹ 43.82 crore, as part of the action plan for the year 2013-14 out of SCSP/TSP funds. The SDC approved (January 2014) the action plan of the DTE and the State Government accorded (February 2014) administrative approval for construction the hostels. While the proposal forwarded (February 2014) by the DTE to Government mentioned only about the inclusion of construction works of hostel buildings in the revised action plan and the availability of funds under SCP/TSP, the documentary evidence for demand by beneficiaries/assessment of requirement for construction of these hostel building were not forthcoming from the records.

The DTE entrusted (March 2014) the work to Karnataka Rural Infrastructure Development Limited (KRIDL), without calling for tenders and the works were to be completed between April 2015 to September 2015. There was inordinate

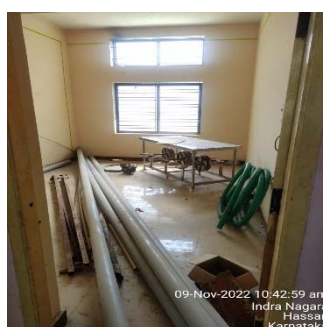
⁴⁶ Council constituted as per provisions of Karnataka Scheduled Castes Sub-Allocation and Tribal-Sub Allocation (Planning, Allocation and Utilisation of Financial Resources) Act, 2013 and chaired by the Chief Minister.

delay in completion of these buildings and even as of March 2021, only 31 out of the 44 hostels were completed, and the works of balance 13 buildings were still in progress. The Department failed to insist KRIDL for timely completion of works despite release of funds in advance.

As an obligatory responsibility, all the hostels maintained by Government provide both boarding and lodging facilities to the rural poor inmates. However, the hostels constructed by the DTE for SC/ST students did not intent to provide the basic requirement of free food. Consequently, the students of the polytechnics did not respond for admission in these hostels and thus, the DTE could utilise only two of the 31 hostel buildings completed. While 15 of buildings were handed over to other Departments/ purposes, 14 buildings remain vacant till date (March 2022). **The Photographs of some of the vacant hostels are reproduced below:**



Government Polytechnic Hostel
KGF



Government Polytechnic Hostel
Hassan



Government Polytechnic Hostel,
Belur

Thus, the expenditure of ₹ 43.82 crore incurred out of SCSP/TSP funds intended to provide exclusive benefits to students belonging to SC/ST communities was rendered largely unfruitful.

Furthermore, despite the fact that the already constructed hostel buildings could not be put to use for the intended purpose, the DTE in its action plan for 2019- 20 under SCSP/TSP proposed for construction of additional rooms in 43 of these 44 hostels at an estimated cost of ₹ 27.90 crore. The justification for construction of these additional rooms was neither on record nor stated to audit. Without ensuring the proper utilisation of already constructed infrastructure, the SDC approved (June 2019) the action plan. The State Government accorded (November 2019) approval to construct six additional rooms at ₹ 90 lakh per hostel in 31 completed hostels for an amount of ₹ 27.90 crore and instructed to entrust the work to Karnataka Housing Board (KHB). The DTE released (November 2019) an amount of ₹ 20.77 crore to KHB and the construction of additional rooms was in progress only in respect of 14 hostel buildings.

In the absence of demand/requirement, the construction of the hostels initially and additional rooms later on was neither justified nor utilisation of SCSP/TSP funds financially prudent. Thus, the decision of DTE to release funds of ₹ 64.59 crore for construction and extension of hostel buildings which did not intent to serve basic free food was injudicious and failed to benefit the targeted community due to non-responsiveness of students. Obviously, the works were taken up to expend allocated funds under SCSP/TSP to avoid lapsing of grants,

and without proper assessment of demand. Further diversion of SP/TSP funds is in violation of Section 24 of Karnataka Schedule Castes Sub-Plan and Tribal Sub-plan (Planning, Allocation and Utilisation of Financial Resources), Act 2013. Action may be initiated against the concerned as per Section 24 of the Act which stipulates any functionary or official being a public servant will fully neglects his duties required to be performed by him under this Act shall be subjected to disciplinary action under the relevant service/disciplinary rules applicable to the Government officials and functionaries or as decided by the Nodal agency for the Scheduled Castes sub-Plan/Tribal Sub-Plan depending upon the intensity of such negligence shall be punishable with an imprisonment for a term which may extend up to six months.

The State Government stated (April 2022) that hostels remained vacant as students preferred hostels run by Social Welfare Department and Backward Classes Welfare Departments which provided boarding/lodging facilities to the inmates and Polytechnics conducted online classes during Covid-19 period. It further stated that the new syllabus was introduced in the polytechnics, which may attract more students in future. The reply confirms that the students did not enrol in these hostels for want of boarding facility and hence the construction of these hostels were not need based.

The State Government and State Development Council should ensure utilisation of funds under SCSP/TSP component productively towards works that directly benefit the targeted population, besides fixing the responsibility on officials for diversion of SCP/TSP funds and also rendering the expenditure unfruitful.

2.4 Short remittance of receipts by Grant-in-Aid polytechnics

Non enforcing of Grant-in-Aid Codal provisions by the Commissioner of Technical Education resulted in non-remittance of 50 per cent of the receipts by Grantee institutions amounting to ₹ 2.79 crore to the Government

Government of Karnataka (GoK) introduced (October 1966) Grant-in-Aid Code (GIA Code) for Technical Education Department to encourage private enterprise in Technical Education. Chapter III of GIA Code laid down the general conditions of grant-in-aid, which is supplemented with orders/instructions issued from time to time governing the release of grants.

State Government stipulated (December 2008) that the aided educational institutions should remit 50 per cent of their receipts to the Government and the other half be retained by them to meet recurring expenditure. The amount so retained shall not be treated as receipts to the institutions for the purpose of calculation of admissible grants. This order was effective from the academic year 2008-09. The GIA Code also specified that grantee institutions were required to submit yearly statement of accounts duly audited to the Government.

Further the Karnataka Education Act, 1983 prescribed that the accounts of every education institution receiving grants out of State fund shall be audited at the end of every academic year. The Commissioner of Technical Education (CTE)

was responsible for conducting the annual audit of all the aided technical institutions in the State.

The CTE was releasing the salary grants to the staff of aided polytechnics through the Principals' account up to February 2010. Any short remittances noticed during the audit of these institutions by the Department would be adjusted against subsequent releases. However, from March 2010 the salary of the staff was directly remitted to their individual account through Electronic Clearance System and from October 2019 onwards the salary bills are generated through HRMS and payments made through Khajane-2. Consequently, CTE could not adjust short remittance from the polytechnic institutions.

The Compliance Audit of Technical Education Department for the year 2019-20 was carried out during August 2020 to March 2021, which included two⁴⁷ out of 44 aided polytechnics in the State. Audit observed non-remittance of tuition fees of ₹ 35.67 lakh to the State Government in both these test-checked institutions. Subsequently, details of fees collected and remitted thereon from 2010-11 onwards in respect of all aided polytechnics in the State was sought (June 2021) from the CTE. Audit verification of the information obtained from CTE showed that while 19 institutions were regularly remitting the amounts to Government, the other 25 institutions did not remit amount aggregating to ₹ 3.38 crore as of December 2021. The interest on the year-wise pending balance amount from these 25 institutions, as worked out by audit at a nominal rate of three *per cent* per annum, amounted to ₹ 61.46 lakh. Details of total balance amount and the interest thereon are detailed in **Appendix- 2.6**.

The reasons for non- remittance of tuition fee were not forthcoming from the records. Audit observed that Department had not put in a place a mechanism to monitor the timely remittance of fees consequent to salary bills generated through to HRMS.

Further, the mandatory annual audit of all the institutions was also not conducted. Audit analysis disclosed that there was shortfall in conduct of audit by CTE. It was observed that number of colleges audited during 2017-18⁴⁸ to 2020-21 ranged between one and 14 and year-wise details of number of aided polytechnics audited by the CTE are given in **Appendix- 2.7**.

The State Government replied (March 2022) that:

- ❖ A circular was issued to all the aided polytechnics to remit the pending tuition fees immediately to avoid any disciplinary action and recovered an amount of ₹ 59.31 lakh from 10⁴⁹ institutions.
- ❖ Instructions have been issued to the aided polytechnics to submit the certified annual accounts to the Department.
- ❖ It plans to enforce a system for maintenance of accounts and monitoring of remittance of tuition and development fee; and

⁴⁷ Impact polytechnic, Bengaluru and MEI polytechnic, Bengaluru.

⁴⁸ Data pertaining to polytechnics audited prior to 2017-18 was not furnished.

⁴⁹ Seven institutions have remitted full amount and three remitted partial amount.

❖ Internal Audit could not be conducted due to shortage of staff and that the staff were entrusted with various other responsibilities.

The reply of Government cannot be accepted as the Department should have regulated the Grant-in-Aid to the extent of short remittance of ₹ 2.79 crore. Department is also responsible and accountable for ensuring adherence to the Government directions and to monitor annual audited accounts.

Thus, the absence of internal control mechanism in the Department resulted in 18 GIA institutions retaining amount aggregating to ₹ 2.79 crore (₹ 3.38 crore-0.59 crore) with them without remitting it to Government during the period 2010-11 to 2020-21.

Government should ensure regular audit of aided institutions and timely remittance of dues and fix responsibility for any default.

2.5 Non-regulation of house rent allowance as per entitlement

Commissioner for Collegiate and Technical Education failed to regulate payment of house rent allowance as prescribed by Government which resulted in excess payment of ₹ 2.18 crore in respect of 68 officials, besides denial of the benefit to other 337 officials

The employees of Government of Karnataka including those drawing pay scales of University Grants Commission are governed by the orders/rules and regulations as prescribed by the State Government for the purpose of allowances. House Rent Allowance (HRA) is one such allowance paid to the employees based on the classification of cities, towns and other places and as stipulated (October 2012 and September 2013) by the State Government, the place of duty is the criteria for payment of HRA irrespective of the place of residence of the employees.

Scrutiny of records of the Commissioner, Department of Collegiate and Technical Education (DCTE) revealed that though officials were deployed on deputation to places other than their place of posting/duty, the HRA was, however, paid at the rates applicable to original place of posting instead of place of actual working

On deployment of officials to other places, the DDOs (Principal of colleges) concerned failed to modify the corresponding fields in the Human Resource Management System (HRMS)⁵⁰ for calculating HRA, and thus, salary of the officials placed on deputation was drawn from the parent office at the rate applicable to original place of posting.

Details of officials deployed on deputation as of March 2021 was as shown in **Table 2.12** below

Table 2.12: Details of officials deployed on deputation

No of officials on deputation	Collegiate Education	Technical Education	Total
From cities with higher rate of HRA to lower	61	25	86
From cities with lower rate of HRA to higher	254	83	337

⁵⁰ All the particulars of Government employees like service records, pay and allowances, promotions, transfers, tax and other deductions, etc., are maintained in HRMS.

Not updating the place of actual working in HRMS resulted in excess payment of ₹ 2.18 crore (from May 2010 to March 2021) towards HRA in respect of 86 employees who were deployed from a place of higher rate of HRA to a place entitled for lower rate of HRA. This was not only in contravention of the stipulations of the GO issued during October 2012 but also led to extra burden on the State exchequer.

The Commissioner, DCTE stated (January 2022) that these officials were not to be considered as deployed on deputation but as 'On Other Duty (OOD)' and the pay and allowances were drawn from the parent office considering that as the place of duty. Reply was not acceptable as Rule 8(15)(g) of Karnataka Civil Services Rules, 1958 (KCSR) permits Head of the Department to deploy an official temporarily on special duty only for a period not exceeding one month. Audit also observed instances of officials continuously placed on deputation for more than 10 years.

Further, the Commissioner, DCTE issued (January 2022) a circular instructing to recover the amount of HRA paid in excess of actual entitlement from such officials who were deputed to a place of lower rate of HRA. However, the circular was silent on 337 officials who were deployed from a place with lower HRA to a place entitled for higher HRA and was, thus, inappropriate. As worked out by Audit, the liability on the Government towards payment of entitled HRA amounts to ₹ 7.02 crore (from September 2008 to March 2021) in respect of 254 such officials⁵¹.

Government replied (July 2022) that ₹ 7.64 lakh out of ₹ 2.18 crore recovered from the officials deputed from cities with higher rate of HRA to lower rate of HRA. Further, Department stated that action will be taken considering the cases of deployment on individual requests and stalled the deployment of officials henceforth.

Disregard to the provisions of KCSR and stipulation of the Government for regulation of HRA by the Commissioner, DCTE resulted in extending benefits in excess of entitlement on one part and denying the eligible benefits to another set of officials, which was unjust.

It is recommended that the Government needs to ensure scrupulous compliance by all the Departments to the provisions of KCSR and stipulations for regulation of allowances besides recovering the excess payments made from the concerned officers/officials.

⁵¹ Details of pay and allowances in respect of 83 officials working on deputation under Technical Education was not furnished to audit.

Department of Animal Husbandry and Veterinary Services

2.6 Excess expenditure due to incorrect consideration of rate for Vaccine Vial Monitors in Foot and Mouth Disease Control Programme

The Department of Animal Husbandry Veterinary Services considered the rates of Vaccine Vial Monitors on the number of doses instead of considering of number of vials which resulted in excess expenditure of ₹ 7.66 crore

The Animal Husbandry and Veterinary Services Department (AH&VS) implemented the centrally sponsored 15th and 16th round vaccination of the 'Foot and Mouth Disease Control Programme (FMD-CP)' during 2018-19 and 2019-20 respectively. Two tenders were invited separately for 15th round vaccine during November 2018 and for 16th round during May 2019 respectively for supply of FMD oil adjuvant vaccine with prescribed vaccine strains. M/s. Biovet Private Limited, Malur, Karnataka being the L1 vendor in both tenders, was awarded the contracts for the supply of vaccines.

The Department while placing the supply order for 15th round (January 2019) vaccination indicated that the 83 lakh doses (2ml per dose) be supplied with Temperature Monitoring Card and 110 lakh doses (2ml per dose) for 16th round (September 2019) vaccine vials be supplied with Vaccine Vial Monitor (VVM) for cold chain maintenance respectively.

Audit scrutiny of records of the Office of the Commissioner, AH&VS, Bengaluru for the period from 2017-18 to 2019-20 revealed that the Government of India (GoI) while including the FMD vaccine procurement in GeM portal, notified (May 2019) the composition of vaccine with prescribed strains. The notification further stated that the 16th round of FMD vaccination should give 75 per cent protection against each sero type of the FMD virus with period of immunity of not less than nine months and shall be supplied with Temperature Monitoring Card to assess the cold chain maintenance.

In the pre-bid meeting (04 June 2019) for supply of vaccines (16th round) the bidders expressed that the cost of the vaccine vial with VVM will be higher when compared to Temperature Monitoring Card in each box. However, the Tender Inviting Committee decided to retain the tender conditions for labelling each vial with VVM for effective monitoring of cold chain in line with World Health Organisation – Performance, Quality and Safety (WHO-PQS) certified standards though not specified by GoI.

The contract agreement entered with the vendor stipulated that (clause (I) of 2.20) the unit pack was to be supplied at agreed rate of ₹ 15.72 per unit pack of 2 ml dose labelling each vaccine vial with VVM-14 with packing specification as suitable packing without indicating number of doses. However, while issuing supply order the Commissioner (09 September 2019) indicated that the packing specification as suitable packing of 50 ml (25 doses) and 100 ml (50 doses). A total of 109.70 lakh doses were supplied by incurring an expenditure of ₹ 17.24 crore.

The FMD vaccine for the 15th round (January 2019) vaccination was supplied by the same vendor at an agreed rate of ₹ 8.55 per unit pack of 2 ml dose (03 January 2019) with Temperature Monitoring Card in each box of vaccine. Audit scrutiny of the Certificate of Analysis reports of 15th and 16th round vaccination revealed that the values of the test results are similar.

In view of the above, the vaccine supplied during 15th round and 16th round administration are similar in nature except for affixing VVM on each vial in 16th round. The price difference in FMD vaccine per dose between 15th (₹ 8.55) and 16th (₹ 15.72) round vaccine is ₹ 7.17. The additional cost towards affixing VVM for 2.86 lakh vials is ₹ 20,51,566/- (₹ 7.17 * 2,86,132).

The decision of the Department to affix VVM for each vial instead of Temperature Monitoring Card was unwarranted as per the GoI specifications under GeM portal and bidders expression that cost of vial with VVM will be higher. The Department failed to recast the cost of each vial with VVM (multiple doses) against the cost of per dose with VVM as per agreement resulting in extra expenditure of ₹ 7.66⁵² crore.

The State Government replied (August 2022), that in the pre-bid meeting held on 04 June 2019 under the chairmanship of the Director, Department of AH&VS it was decided to retain the tender conditions for labelling each vial with VVM for effective monitoring of cold chain. It was further stated that the bidder was asked to quote for each dose of FMD vaccine including the cost of VVM and hence the cost of VVM is not shown separately in the financial bid.

The reply is not tenable because though the company had agreed to the price of ₹ 15.72 per dose of vaccine including VVM, the supply was made in vials consisting of multiple doses. The Department paid VVM price for each dose rather than paying for number of vials resulting in excess expenditure.

Recommendation: The Department should exercise prudence before accepting the financial bid, so that the price agreed upon is to the best advantage of Government.

DEPARTMENT OF HEALTH & FAMILY WELFARE SERVICES

2.7 Avoidable extra expenditure

Inclusion of 'Plastering to Ceiling' as a separate item by the Health and Family Welfare Department Engineering Divisions, in contravention of codal provisions, resulted in avoidable extra expenditure of ₹ 3.73 crore.

The Health and Family Welfare Department Engineering Divisions (HFWDED)⁵³ undertake works for construction of super-specialty hospitals, primary health centres, Taluk level hospitals, etc. The estimates prepared by the Executive Engineers of the Divisions, by adopting Schedule of Rates (SR) of

⁵² (109.70 lakh doses* ₹ 15.72= ₹ 17.24 crore) -(109.70 lakh* ₹ 8.55=₹ 9.37 crore) + (2,86,132 vials* ₹ 7.17= ₹ 0.21 crore) = ₹ 7.66 crore.

⁵³ Previously known as Karnataka Health System and Reforms Project.

Karnataka Public Work Department (KPWD), were technically scrutinised by the Superintending Engineer (SE) and sanctioned by the Chief Engineer (CE), Health and Family Welfare Department Engineering Wing (HFWDE Wing).

The State Government issued (September 2002) instructions that the Karnataka Building Specifications (KBS) and the Karnataka Standard Rate Analysis for Buildings (KSRB) should be followed in respect of construction of buildings. Paragraph 8 of the KPWD Code also mandates that all building works shall be in accordance with the KBS, and SR for all building items shall be in accordance with KSRB. The specifications for construction of buildings *inter-alia*, included;

- The SR for the item providing and laying reinforced cement concrete clearly specifies execution of all works in foundation plinth, roof slabs, staircase, lintels, retaining walls, return walls, walls (any thickness) including attached pilasters, columns, parapets, *etc.*, including cost of all materials, labour, curing, complete as per specification 4.6 of KBS;
- Section 4.6 of KBS deals with specifications for reinforced cement concrete (RCC) work and sub-section 4.6.4.7 of KBS defines finishing to RCC works;
- As per sub-section 4.6.4.7(c) of KBS, the exposed surface of RCC work shall be plastered with cement mortar in the ratio of 1:3 (one part of cement and three parts of fine sand) to a thickness not exceeding 6 mm to give a smooth and even surface.

Thus, providing and laying of RCC for exposed surface of roof slab is inclusive of the item of plastering.

Audit observed (August 2019) that tenders were invited during the period July 2014 to April 2017 by the CE, HFWDE Wing for the works of various hospitals at the District and Taluk level. The works were entrusted to contractors through tendering during April 2015 to January 2018. Test-check (August 2019) of the estimates and the paid bills of 13 works in two⁵⁴ HFWDEDs executed between (April 2015 and January 2018) showed that ‘plastering to ceiling’ with thickness of 12 mm was included as a separate item. Audit also noted that an aggregated payment of ₹ 3.73 crore had been made to the contractors by these two Divisions on these 13 works towards plastering to ceiling, which is in contravention of provisions of KSRB and KBS.

Failure of EEs/SE/CE to adhere to Section 4.6 of KBS during preparation/approval of estimates and releasing payments thereon resulted in avoidable extra expenditure of ₹ 3.73 crore on these 13 works under these two Divisions as detailed in **Appendix-2.8**.

Government replied (March 2022) that the exposed surface of RCC roof works had certain defects, which were to be plastered with cement mortar for smooth finishing. As such, the plastering of concrete roof slab in cement mortar for 12 mm thickness has been executed.

⁵⁴ Bengaluru Division - five works and Mysuru Division - eight works.

The reply is not acceptable as KBS and KSRB were to be followed in respect of construction of buildings wherein plastering to ceiling was an inclusive item in laying of RCC roof and inclusion of the item separately resulted in additional burden on the exchequer.

It is pertinent to mention here that the issue on plastering to ceiling was also mentioned in Paragraph 3.2.4 of the Report of the Comptroller and Auditor General of India (Civil) – Report No.2 for the year ended 31 March 2010. The Public Accounts Committee (PAC) which discussed this paragraph had recommended⁵⁵ to recover the amount and to avoid such omissions in future and also directed the Public Works Department that immediate action be taken to issue necessary orders to avoid such excess payments arising out of plastering to ceiling as a separate item.

In the light of the recommendation of PAC, the State Government should fix responsibility on the officials responsible for preparation/sanction of the incorrect estimates and payments made thereon.

Department of Rural Development and Panchayat Raj

2.8 Wasteful expenditure on execution of road works on Forest Land

Execution of road works on Forest Land by violating the Codal provisions and in contravention to IRC provisions resulted in wasteful expenditure of ₹ 62.09 lakh due to non-achievement of all-weather road connectivity to two Rural Habitations.

The Pradhan Mantri Gram Sadak Yojana (PMGSY)–II envisages consolidation of the existing rural road network to improve its overall efficiency as a provider of transportation services for people, goods and services.

Para 135(3) of Karnataka Public Works Departmental Code stipulated that no work should be commenced on land which has not been duly handed over by the Department concerned. Further, Clarification 4.4 of the Handbook on Forest (Conservation) Act, 1980 and Forest (Conservation) Rules, 2003, compiled by the Ministry of Environment and Forest, Government of India states that work should not be started on non-forest land till the approval of the Central Government for release of the forest land under the Act has been given in respect of projects that involve both forest and non-forest lands.

As per the provisions of Para 7.3.1 of Indian Road Congress (IRC) SP-72, bituminous surfacing of the road ensures improved riding quality, seals surface to prevent entry of water which would otherwise weaken the pavement structure and protects the granular base from the damaging effects of traffic.

The Ministry of Rural Development, Government of India (GoI), under PMGSY-II (December 2013), cleared the Project proposal comprising 315 road works and 12 long-span bridges for upgradation for a length of 2,246.23 kms in

⁵⁵ Public Accounts Committee First Report Sl.no. 3, 14th Assembly (2013-14) for Public Works Ports and Inland Water Transport Department.

30 districts of Karnataka to be completed within nine months from the date of work order.

Audit scrutiny (January 2021) of records in the Office of the Executive Engineer, Karnataka Rural Road Development Agency (KRRDA), Raichur, for the period 2009-10 to 2019-20 showed that out of 12 test-checked road works of different packages shown vide **Appendix 2.9**, the work of 'Improvement and asphaltting from Mundargi to Kurlerdoddi Road' under package KN-23-93 in Deodurga Taluk, Raichur District for a road length of 11.09 kms could not be completed. Details are as given below.

The Government of Karnataka (GoK) accorded administrative approval (January 2014) for the different road works including the above package. Accordingly, the estimate was technically sanctioned (January 2014) by the Chief Operating Officer, KRRDA, work order was issued (March 2014) to the eligible contractor for the tendered cost of ₹ 768.21 lakh and an agreement was entered into with the Contractor to complete the work in nine months, *i.e.*, by December 2014, including monsoon period.

The Project Division, Raichur completed the road work with all layers from subgrade to Grade III from chainage 0.00 km to 5.30 km and from chainage 7.28 km to 11.09 km. However, for forest chainage length of 1.98 kms (5.30 kms to 7.28 kms), the bituminous surfacing over Grade II metal layer was not provided. The work was executed only partially in that chainage as that particular stretch was a part of forest land and the Forest Department did not accord permission for the road work as per Forest Act and Rules.

The work was stopped and treated as completed (June 2018) as per GoK Order dated 30 June 2018 in an as is where is basis. As the permission from the Forest Department was not given, the road work was not completed as per the IRC norms and State PWD guidelines.

The road work was thus started without the clearances and permission from the Forest Department as envisaged in Para 135 of the KPWD Code and IRC specifications were not followed while laying the road. Thus, the expenditure of ₹ 62.09 lakh⁵⁶ incurred on the forest chainage (5.30 km to 7.28 km) remained wasteful due to non-achievement of all-weather road connectivity to two rural habitations⁵⁷ besides loss of both social and economic opportunity as envisaged under PMGSY scheme.

The State Government in their reply (February 2022) accepted that the work in the forest reach was executed and completed up to WBM (Gr-III) layer and foreclosed due to objection raised by the Forest Department. However, it also stated that as per SP-72, Granular Sub-base (GSB) layer was provided below the Water Bound Macadam layer (G-II) which will act as a drainage layer. Hence, the GSB is protecting the granular base from damaging the road and the entire road length of 11.09 kms is being used.

The reply with respect to the protection of the road and the use of entire stretch of the road cannot be accepted as the work in the forest reach was left

⁵⁶ RA Bill wise expenditure details furnished by the KRRDA on 30.12.2021.

⁵⁷ Sakrinayakana Halli Thanda and Bandi Laxmana Thanda.

incomplete⁵⁸ (August 2016) without providing bituminous layer on WBM layers till date (February 2022). As per SP 72 of IRC, non-providing of bituminous layer to the road for more than five and half years would weaken the pavement and damage the road. As the road without bituminous surface on the forest chainage is prone to heavy rain fall, the unprotected granular base gets exposed and results in faster deterioration and damage, besides the unevenness of the road length being hazardous for road safety.

Thus, the amount of ₹ 62.09 lakh spent on the forest chainage could not achieve the outcome of an all-weather road connectivity between the two rural habitations as envisaged.

Recommendation: Department should strictly adhere to the provisions of the Act /Rules in obtaining clearances from the Forest Department before execution of works on Forest land.

⁵⁸ As recorded in the seventh and part RA Bill.