

# **CHAPTER IV**

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**SUBJECT-SPECIFIC COMPLIANCE  
AUDIT ON IMPLEMENTATION OF  
DEEN DAYAL UPADHYAYA GRAMEEN  
KAUSHALYA YOJANA**



## CHAPTER IV SUBJECT-SPECIFIC COMPLIANCE AUDIT ON IMPLEMENTATION OF DEEN DAYAL UPADHYAYA GRAMEEN KAUSHALYA YOJANA

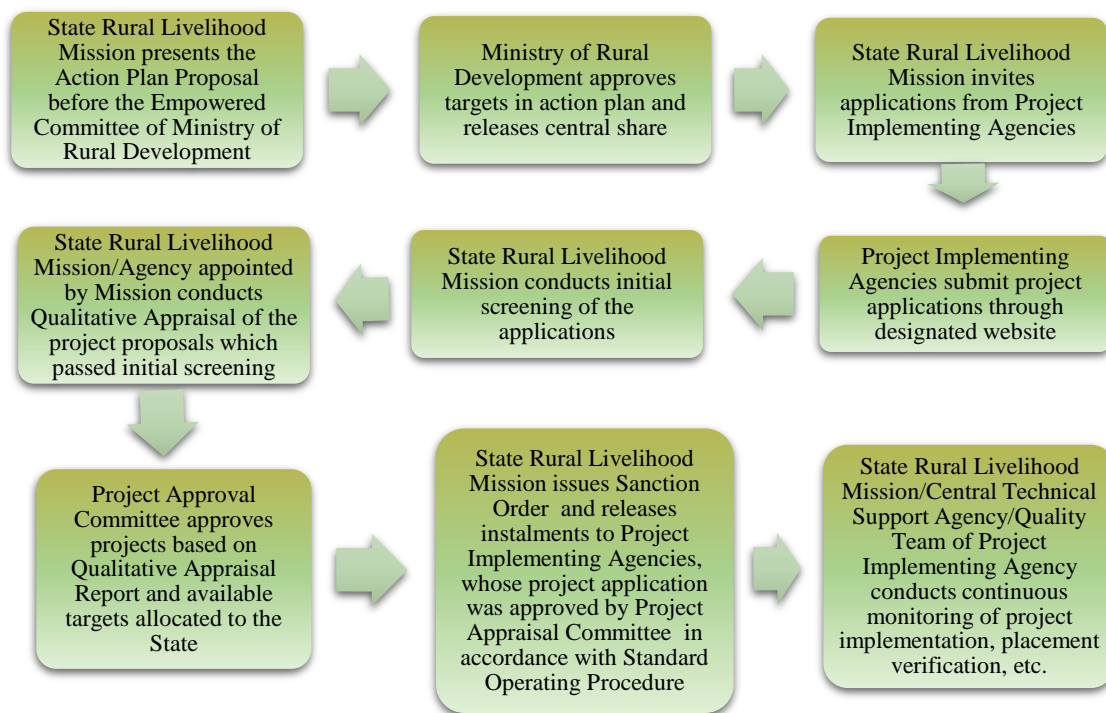
### 4.1 Introduction

The Ministry of Rural Development (MoRD) of Government of India (GoI) introduced (September 2014) a youth employment scheme, Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) with an aim to impart skills to rural youth aged 15 to 35 from poor families and provide them with jobs earning regular monthly wages. Government of India provides 60 *per cent* of the project cost and the remaining 40 *per cent* is borne by the State Government.

### 4.2 Project implementation process

The processes involved in the implementation of the scheme are as shown in figure 4.1:

**Figure 4.1: Processes in implementation of the DDU-GKY scheme**



As per the guidelines, Kudumbashree, the State Rural Livelihood Mission (SRLM) is envisioned to play a central role in providing co-funding and

implementation support to DDU-GKY in the State. The Project Implementing Agencies (PIAs)<sup>58</sup> were to be selected by Kudumbashree to impart training in placement linked skill development courses, based on the project proposals submitted by them. Skills to be imparted were to be selected from the list of skills approved by National Council for Vocational Training (NCVT) or Sector Skills Council (SSC) of National Skill Development Council (NSDC). After the initial verification and qualitative appraisal by Kudumbashree, the projects were approved by the Project Approval Committee<sup>59</sup>. Verification of placement of employed candidates on sample check basis was to be undertaken by Quality Team of the PIAs, Kudumbashree and National Institute of Rural Development and Panchayati Raj (NIRDPR), Hyderabad. Payment to the PIAs was made based on the success rate of the sample candidates verified by the above three agencies. Full payment was to be made if the success rate of placement was 70 *per cent* and proportional payment was to be made if the success rate was between 50 and 70 *per cent*. In case, the success rate was less than 50 *per cent*, pro-rata payment was to be allowed and project to be terminated immediately. Placement for this purpose is defined as continuous employment for a minimum period of three months with one or more employers, proof of which can either be in the form of a salary slip or a certificate indicating salary paid by the employer and bank statements to indicate salary received by the person.

Guidelines stipulate that project cost to PIAs was to be released in four instalments in the ratio 25:50:15:10 of the total project cost, which was subsequently modified (2019)<sup>60</sup> as four equal instalments. As per Guidelines/SOP issued in 2016, the first instalment was to be released on sanction of project and signing the MoU and second instalment, on utilisation of 60 *per cent* of the first instalment and on achieving 10 *per cent* of training target completion and assessment with seven *per cent* verified placement. The third instalment could be claimed after utilisation of 90 *per cent* of the first and second instalments and on achieving 67.50 *per cent* of training target completion and assessment with 47.25 *per cent* verified placement. For the last instalment, achieving 100 *per cent* of training target completion and assessment with 70 *per cent* verified placement and submission of closure document was necessary.

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<sup>58</sup> PIAs are agencies having infrastructure to implement the programme through skill training and placement programme.

<sup>59</sup> Committee headed by the Principal Secretary to Government, Local Self Government Department.

<sup>60</sup> Revised in 2019 as- Second instalment can be claimed on utilisation of 60 *per cent* of the first instalment and on achieving 20 *per cent* of training target completion and assessment with 7 *per cent* verified placement. The third instalment can be claimed after utilisation of 90 *per cent* of the first and second instalments and on achieving 60 *per cent* of training target completion and assessment with 25 *per cent* verified placement. For the last instalment, achieving 100 *per cent* of training target completion and assessment with 70 *per cent* verified placement and submission of closure document was necessary.

### 4.3 Objectives and Scope of Audit

Kudumbashree engaged 164 PIAs to implement 218 projects under DDU-GKY during the period from September 2014 to March 2022. An audit of the scheme was conducted during the period from February 2022 to August 2022 to assess the compliance of Guidelines issued by MoRD in implementation of the scheme by Kudumbashree and veracity of the claims submitted by PIAs and accepted by Kudumbashree.

Audit could not carry out scrutiny of all the project proposals submitted by the PIAs, as many of the project proposals were submitted through designated web portal (*erp.ddugky.info*)<sup>61</sup>, which remained blocked since January 2022. In this situation, Audit could verify summary of project proposals of 145 projects (out of 218) and qualitative appraisal reports of 33 projects only. Audit also conducted detailed scrutiny of training and placement documents of 1,479 candidates of 26 projects (out of 218) implemented in five districts<sup>62</sup>, with a total project cost of ₹144.01 crore, out of which ₹89.39 crore was released to PIAs as first/second/third instalment.

### 4.4 Receipt and utilisation of funds

Funds for implementing the scheme were released based on the action plan submitted by Kudumbashree and targets set by MoRD for achievement. Kudumbashree received ₹632.26 crore (Central and State share) during the eight-year period from 2014-2022 out of which ₹380.05 crore (60.11 per cent) was utilised as of March 2022. Of the utilised amount, ₹360.26 crore was released to PIAs for training and placement of candidates.

**Table 4.1: Receipt and utilisation of funds**

Year	Opening Balance	Receipt		Interest and Other Receipts	Expenditure	Closing Balance
		GoI	State			
2014-15	0	45.34	15.11	0.51	28.69	32.27
2015-16	32.27	0	0	1.23	6.92	26.59
2016-17	26.59	1.39	0.93	1.31	27.42	2.79
2017-18	2.79	79.45	52.97	18.08	66.01	87.27
2018-19	87.27	50.15	33.43	3.34	94.65	79.54
2019-20	79.54	24.14	0	3.26	70.16	36.78
2020-21	36.78	187.95	141.4	2.01	75.89	292.26
2021-22	292.26	0	0	0.44	10.31	282.39
<b>Total</b>		<b>388.42</b>	<b>243.84</b>	<b>30.18</b>	<b>380.05</b>	

(Source: Records of Kudumbashree)

The above table shows that substantial amounts remained unutilised at the end of every year (except during 2016-17, which was due to non-receipt of funds during 2015-16). In the last two years the unutilised funds exceeded ₹280 crore.

<sup>61</sup> Designed by Government of India for implementation of the scheme

<sup>62</sup> Thiruvananthapuram, Thrissur, Palakkad, Malappuram and Kannur

Kudumbashree informed that after the release of substantial amount in 2020-21, no new projects were sanctioned by MoRD, which, coupled with non-receipt of claims from the PIAs for releasing third and fourth instalments, had resulted in huge closing balance. Despite having huge closing balance in 2020-21, the net interest receipt in 2021-22 was only ₹44.44 lakh, as ₹7.08 crore out of ₹7.53 crore received as interest, was refunded to the heads of accounts of Government.

#### 4.5 Shortfall in training and placement of candidates

Based on the Annual Action Plan proposals of Kudumbashree, MoRD allotted 1,17,247 as target for the period 2014-22 against which Kudumbashree claimed to have trained 61,459 candidates<sup>63</sup> and placed 35,741 candidates for at least three months till March 2022.

**Table 4.2: Physical targets and achievements**

Year	Target	Achievement		Percentage of Achievement	
		Training	Placement	Training	Placement
2014-19	71200	39876	21277	56	30
2019-22	46047	21583	14464	47	31
<b>Total</b>	<b>117247</b>	<b>61459</b>	<b>35741</b>	<b>52</b>	<b>30</b>

(Source: Records of Kudumbashree)

As per paragraph 3.2.2.3 of Guidelines, Kudumbashree, while implementing the projects, was to ensure placement to 70 per cent of the trained candidates. The table above showed that against the target of 1,17,247, though placement ought to have been provided to 82,073 candidates, only 30 per cent<sup>64</sup> of the target was achieved.

#### 4.6 Irregularities in selection of PIAs and awarding of projects

According to the scheme guidelines, any entity registered under Indian Trust Acts or any State Society Registration Act or any State Cooperative Societies or Multi-State Cooperative Acts or the Companies Act, 2013 or the Limited Liability Partnerships Act, 2008, or registered under a government or a semi-government organization at the State and National Level is eligible to apply for the project. Eligibility conditions also include requirement of three years experience, not having two years negative net worth during the past three years, etc. Further, in order to determine the eligibility of project size and period of engagement, PIAs have been categorised into three groups based on the past placement performance, annual turnover for past three years, reputation of educational institutions and experience gained in working under the scheme. Total project cost to a PIA was to be limited to four times its average annual turnover for the past three years.

<sup>63</sup> Enrolment details could not be ascertained as the data available in Kaushal Bharat Portal was incomplete.

<sup>64</sup>  $(35,741/1,17,247) \times 100$

Audit observed that Kudumbashree had flouted the provisions of Guidelines in selection of PIAs and awarding of projects. It was observed that projects worth ₹23.99 crore were sanctioned to eight PIAs (having negative net worth and not completed minimum period of existence) and additional projects worth ₹12.22 crore were sanctioned to three PIAs, who were otherwise ineligible. Further targets worth ₹17.94 crore were sanctioned to 22 PIAs exceeding their financial eligibility.

#### 4.6.1 Awarding of projects worth ₹23.99 crore to ineligible PIAs

Audit scrutiny revealed that Kudumbashree officials, disregarding the ineligibility of PIAs on account of non-fulfilment of minimum period of existence and negative net worth during past three years, sanctioned projects which resulted in undue pecuniary advantage to the PIAs as discussed below.

##### 4.6.1.1 Projects sanctioned disregarding minimum period of existence

As per paragraph 4.7 of the Guidelines, while submitting the application in MoRD portal, the PIA should have completed three years to become eligible under the scheme. Verification of registration details from the data uploaded in the portal of Ministry of Corporate Affairs revealed that registration details furnished by the PIA while applying for the project were not matching with the portal details. Audit verified the following cases in which the mandatory three-year period from the date of existence was not complied with, while awarding works to PIAs, as seen from **Table 4.3**

**Table 4.3: Details of Projects sanctioned disregarding minimum period of existence**

Sl. No.	Name of the PIA	Date of incorporation as a Private Ltd. Company under Companies Act 1956	Date of submission of project application	Date of sanction	Project cost (In ₹)
1	Redox Laboratories (India) Private Limited	31/12/2013	24/02/2015	26/02/2015	49989848
2	Ace Skill Development Private Limited	02/07/2013	26/02/2015	26/02/2015	16831594
3	Edujobs Academy Private Limited	09/01/2013	09/01/2015	26/02/2015	31569543

(Source: Website of DDU-GKY, records of Kudumbashree)

Of the three PIAs, Redox Laboratories (India) Private Limited was blacklisted (October 2016) by Kudumbashree on account of failure to start training and funds amounting ₹1.25 crore released to it was recovered (December 2021) subsequently. However, penal interest is still due for recovery.

Government replied (February 2023) that projects to the PIAs were issued based on the Permanent Registration Number (PRN)<sup>65</sup> obtained from MoRD,

<sup>65</sup> PRN is a unique number generated for each PIA interested in partnering with DDU-GKY. It is issued by MoRD, Government of India and is mandatory for filing project application under the scheme.

Government of India. As these PIAs got PRN from MoRD, the non-fulfilment of three year period was not noticed at the time of project sanctioning.

The reply is not sustainable since PRN user guide displayed in DDU-GKY web portal states that only three year old organisations are eligible for submission of project proposal under DDU-GKY. Though organisations can file application for PRN, they cannot submit their proposal before completion of three years from the date of registration.

#### 4.6.1.2 Projects sanctioned disregarding negative net worth - ₹14.15 crore

Eligibility criteria as per para 4.7 of Guidelines spelt that the PIAs should not have negative net worth in at least two out of the last three years, for being sanctioned with projects under the scheme. The PIAs which did not meet this eligibility condition are listed in **Table 4.4**

**Table 4.4: Projects allotted to PIAs with negative net worth**

Name of the PIA	Month of sanction and project cost	Year	Net worth as per Project application and QAR (In ₹)	Net worth as per data from Registrar of Companies <sup>66</sup> (In ₹)	Target of Training and Placement	Achievement
Telenova Networks Private Limited	March 2018 ₹5.51 crore <sup>67</sup>	2014-15	(-3691)	(-3691)	300 419	41 135
		2015-16	67571	(-20912)		
		2016-17	3513199	1041695		
Itrans Learning Solutions Private Limited	May 2018 ₹2.45 crore	2014-15	1319183	(-1319183)	175	15
		2015-16	228362	(-228362)		
		2016-17	1146778	(-1146778)		
Sarguru Shiridii Systems Private Limited	May 2018 ₹1.33 crore	2015-16	4859699	(-1894105)	180	14
		2016-17	3788529	(-2014067)		
		2017-18	2246765	(-2008555)		
Raforce Security Services Private Limited	June 2019 ₹2.14 crore	2015-16	Not made available for Audit verification	181808	265	26
		2016-17		(-376208)		
		2017-18		(-1741520)		
		2018-19		Not Available		
Tranzorze Information Processing Solutions Private Limited	June 2020 ₹2.72 crore	2016-17	Not made available for Audit verification	(-1112610)	350	0
		2017-18		(-1593340)		
		2018-19		(-112824)		
		2019-20		465443		

(Source: Website of Ministry of Corporate Affairs, records of Kudumbashree)

The above PIAs did not also achieve mandatory training and placement targets, which points towards their incapability in imparting training and providing employment.

Accepting the audit observation, Government informed (February 2023) that

<sup>66</sup> As per reports submitted by the companies (Form No. AOC 4) to Registrar of Companies in accordance with Section 137 of Companies Act, 2013

<sup>67</sup> ₹2.29 crore and ₹3.22 crore



Kudumbashree had issued show cause notice to the PIAs and further action would be initiated as per the Guidelines.

#### 4.6.2 Sanctioning additional targets worth ₹12.22 crore to ineligible PIAs

In line with MoRD Notification dated 23 March 2017, additional targets could be sanctioned to PIAs to capitalise on the PIA's proven performance, to encourage optimal utilisation of project infrastructure and to train and place more candidates. Accordingly, Kudumbashree sanctioned 20 projects with additional targets in three phases. The following irregularities were noticed in sanctioning of additional targets.

- The notification stipulated that additional targets may be sanctioned to PIAs on achievement of 80 per cent training and 45 per cent placement in the ongoing project. Audit observed that in the following cases, the minimum training/placement targets as stipulated in the guidelines were not achieved in respect of the ongoing projects, before sanctioning additional targets.

**Table 4.5: Projects in which additional targets were sanctioned without considering eligibility**

Sl. No.	Name of PIA	Additional target sanctioned	Year of sanctioning additional target	Total amount released (₹ in crore)	Training and placement under ongoing project as on March 2022		Training and placement under additional target as on March 2022	
					Training (per cent)	Placement (per cent)	Training (per cent)	Placement (per cent)
1	Teamlease Services Limited	600	2018	5.90	100	29.51	30	19
2	Amma Charitable Trust	280	2021	0.49	73	32.46	Nil	Nil
3	Syncomint Solutions Private Limited	210	2021	0.43	75	44.29	Nil	Nil

(Source: Records of Kudumbashree, Kaushal Pragati portal)

Government replied (February 2023) that as per the new grading policy formulated and got approved by the Project Appraisal Committee (PAC) for sanctioning additional targets, 80 per cent completion of training has been relaxed as 80 per cent commencement, in order to speed up commencement of new targets in the available vacant centre capacity. The above argument is not tenable as MoRD guidelines stipulated completion of 80 per cent of training (not commencement) for being sanctioned with additional targets. Further, Kudumbashree could not provide any proof for acceptance of the above grading policy by MoRD.

- MoRD notification for sanctioning additional targets stipulated that the applications were to be placed before PAC after a due diligence check on

available infrastructure and financial turnover of the PIA. Kudumbashree sanctioned additional targets to eight PIAs in February 2021. Audit noticed that the applications of these PIAs were considered for further proceedings on 23 February 2021 and sanction orders issued by the Executive Director (ED) Kudumbashree on the next day, without consideration by PAC. This irregular way of functioning resulted in eight PIAs obtaining additional targets for 20 months (since February 2021) without sanction of PAC. The Chief Operating Officer (COO), DDU-GKY replied (September 2022) that no PAC was conducted after the sanctioning of additional target in February 2021, and that the same would be ratified in the next PAC meeting.

The oversight of ED was further evident from the fact that 15 *per cent* of PIAs which were provided with additional targets failed to meet mandatory eligibility criteria stipulated by GoI. Of the 20 PIAs which obtained additional targets, 10 PIAs could achieve placement ranging from zero to 19 *per cent* only.

#### 4.6.3 Sanctioning of projects worth ₹12.26 crore in excess of eligibility to PIAs

Audit observed that the failure of Kudumbashree officials in assessing the eligibility of PIAs based on their average annual turnover resulted in awarding of excess project costs as detailed in the succeeding paragraphs.

##### 4.6.3.1 Disregarding the eligible project cost based on average annual turnover - ₹7.35 crore

Scrutiny of project proposals made available to audit revealed that in the seven cases mentioned in **Table 4.6**, Kudumbashree failed to ensure that the PIAs were not awarded projects over and above four times their average annual turnover for the last three years.

**Table 4.6: Details of projects awarded in excess of eligibility**

(Amount in ₹)

Sl. No.	Name of the PIA	Average Annual Turnover	Eligible total project cost	Cost of projects already awarded	Cost of last project sanctioned	Month of sanction	Excess	Training/ Placement ( <i>per cent</i> )
1.	Amma Charitable Trust	40628274	162513097	176510668	21248980	February 2021	35246552	0/0
2.	Sparx Rural and Urban Development Society	10224447	40897787	38104480	23385984	June 2020	20592680	14/0
3.	GS Techno Innovations Private Limited	10251836	41007345	13394230	27900973	June 2019	287859	24/6
4.	Sarguru Shiridii Systems Private Limited	3268898	13075592	0	13323585	May 2018	247993	46/8
5.	Sarguru Sainath Systems Private Limited	5261919	21047676	0	21203065	March 2019	155389	27/7

Sl. No.	Name of the PIA	Average Annual Turnover	Eligible total project cost	Cost of projects already awarded	Cost of last project sanctioned	Month of sanction	Excess	Training/ Placement (per cent)
6.	Sign Pulihal	3138263	12553052	0	12949219	October 2020	396167	52/47
7.	Telenova Network Private Limited (two projects)	9632447	38529788	0	55115855	March 2018	16586067	30/14 60/32
<b>Total</b>				<b>228009378</b>	<b>175127661</b>		<b>73512707</b>	

(Source: Records of Kudumbashree)

Even though the PIAs were awarded projects exceeding their eligible limit, their performance in training and placement was less than 60 per cent and 47 per cent respectively.

In respect of the first three cases mentioned in Table 4.6, Government stated (February 2023) that projects sanctioned to the PIA in other states were not considered while sanctioning projects in the State. This reply is not acceptable since the value of projects sanctioned across the country should have been considered while sanctioning projects in the State.

In the case of serial numbers five and seven in Table 4.6, Government replied (February 2023) that provisional statements (Sarguru Sainath Systems Private Ltd.-2018-19 and Telenova Networks Private Ltd.-2017-18) were considered while sanctioning projects to these PIAs. This argument is incorrect as the guidelines stipulate that audited financial statements need to be considered in place of provisional statements.

#### **4.6.3.2 Approval of excess project cost overlooking qualitative appraisal reports - ₹0.73 crore**

As per notification 20/2017, a project which gets through qualitative appraisal would be placed before the State PAC<sup>68</sup> for approval. Officials of Kudumbashree conduct the qualitative appraisal and PAC approves the project in the State. Audit came across the following instances in which the qualitative appraisal reports (QAR) in respect of PIAs were overlooked by PAC and ineligible project cost sanctioned.

<sup>68</sup> Consisting of Principal Secretary to Government (Local Self Government Department), Principal Secretary (Finance Department), Executive Director (Kudumbashree) and others

**Table 4.7: Details of Projects in which qualitative appraisal reports were overlooked**

*(Amount in ₹)*

Sl. No.	Name of PIA	Average Annual Turnover of the PIA (A)	Cost of ongoing project (B)	Maximum Project cost that could have been sanctioned ((A)x4-(B))	Project cost approved by PAC (date of approval)	Ineligible project cost awarded in excess
1	Jan Shikshan Sansthan Malappuram	8330992	9435905	23888063	31156785 (19 March 2018)	7268722
2	Kites Software Private Limited	3296885	10696730	2490810	2502539 (21 July 2017)	11729

*(Source: Records of Kudumbashree)*

In respect of Jan Shikshan Sansthan Malappuram, Government replied (February 2023) that the PAC chaired by the Principal Secretary, LSGD has the authority to overlook the report of qualitative appraisal considering the capability of PIA. This reply is not tenable as the guidelines do not support the overriding powers of PAC.

In respect of Kites Software Private Limited, Chief Operating Officer (COO), DDU-GKY replied (September 2022) that the annual audit report of 2016-17 was also verified at the time of qualitative appraisal, based on which the average annual turnover increased to ₹48,21,956. The reply is not true to facts, as the PIA had submitted application for the project on 15 February 2017, due to which the financial statements for only three immediately preceding years 2013-14, 2014-15 and 2015-16 could be considered. Further, contrary to the reply, qualitative appraisal did not consider the statement for 2016-17, as it was provisional.

#### **4.6.3.3 Excess award of projects by understating the value of ongoing projects - ₹4.18 crore**

As per paragraph 4.7 of the guidelines, the project cost that can be approved to a PIA is limited to four times of the average annual turnover less the total cost of ongoing approved projects. Audit noticed that in respect of four projects, the PIAs understated the total cost of ongoing projects. Audit verification of the total project cost awarded to four PIAs revealed that against their actual cost of ongoing projects amounting to ₹63.21 crore, Kudumbashree considered only ₹36.93 crore on the date of submission of project application. Failure of Kudumbashree in cross verifying the facts included in the application form with Kaushal Pragati (KP)<sup>69</sup> portal led to sanctioning of excess projects worth ₹4.18 crore to various PIAs, as shown in **Table 4.8**.

<sup>69</sup> Kaushal Pragati is the monthly progress report application which is an end-to-end workflow based system to facilitate online management of training and placement.

**Table 4.8: Understated ongoing project costs and sanctioning of fresh projects**  
(Amount in ₹)

Sl. No.	PIA	Average annual turnover	Cost of ongoing project as per PIA	Cost of ongoing project as per KP portal	Total cost that can be approved	Total cost approved by Kudumbashree	Excess	Target (Number)	Candidates placed as on 31/03/2022	
									Number	Percentage
1	Shri Angalamman Trust	17508959	21867667	61044428	8991408	17523324	8531916	245	0	0
2	Syncomint Solutions private Limited	88290180	281077851	379750451	0	18057360	18057360	400	0	0
3	Acme India Microsys Private Limited	21905616	0	49933639	37688825	45242290	7553465	209	0	0
4	Think Skills Consulting Private Limited	43962254	66379982	141351622	34497394	42189622	7692228	576	82	14.24
<b>Total</b>			<b>369325500</b>	<b>632080140</b>	<b>81177627</b>	<b>123012596</b>	<b>41834969</b>			

(Source: Kaushal Pragati portal, Records of Kudumbashree)

Government replied (February 2023) that the project cost was sanctioned based on projects exclusively implemented in Kerala. The above contention would not stand as Kudumbashree should have deducted the cost of projects undertaken by the PIA in other States also. Further, despite getting undue benefits, the above-mentioned PIAs could provide placements ranging from zero to 14 per cent only.

#### 4.6.4 Undue favour in awarding of projects by the Executive Director, Kudumbashree in contravention to the recommendation of PAC - ₹4.80 crore

As per paragraph 4.1 of MoRD notification (April 2017), after completion of qualitative appraisal the project application shall be placed before the PAC for approval or rejection. Audit came across instances wherein projects were sanctioned to two PIAs<sup>70</sup> by Kudumbashree with targets exceeding those originally approved by PAC. The PIAs were sanctioned projects with training targets of 2,400 and 2,000 in place of 2,000 and 1,000 originally approved by PAC. Consequent to this, these ineligible PIAs could have obtained projects worth at least ₹4.80 crore<sup>71</sup>, resulting in excess release of ₹1.20 crore as first instalment. In case of ITCOT Consultancy and Services Limited, the PIA was released ₹4.04 crore in two instalments<sup>72</sup> till date, which was equivalent to 97 per cent of the eligible training cost as per revised training target of 1,200.

Government replied (February 2023) that there was no qualitative appraisal or

<sup>70</sup> KiteX Garments, ITCOT Consultancy and Services Limited.

<sup>71</sup> ₹3.47 crore (50 per cent of ₹6.93 crore for target of 1,000) + ₹1.33 crore (16.66 per cent of ₹7.97 crore for target of 2,000)

<sup>72</sup> Project cost to PIAs was to be released in four instalments

CTSA<sup>73</sup> feedback at the time of sanctioning of projects and that only initial screening and PAC approval was insisted upon. Considering the capability and financial stability of the two PIAs, the Executive Director (ED) took a decision to approve more targets, subject to ratification of PAC in January 2023.

Audit noted that no such discretionary powers were vested with ED as per the scheme guidelines. Also, no confirmation regarding ratification by PAC has been furnished to Audit till date (December 2023).

#### **4.6.5 Sanction of ineligible additional project cost for special areas to PIAs - ₹0.88 crore**

As per Para 3.2.2.17 of DDU-GKY Guidelines, a PIA shall be eligible for a payment at the rate of additional 10 *per cent* of base training cost per candidate in cases where training centre is located in special areas<sup>74</sup>. Three districts in the state, *viz.*, Malappuram, Palakkad and Wayanad were included (April 2018) for the first time as Left Wing Extremism affected districts.

In accordance with the revised sanction orders for DDU-GKY projects in Kerala following CNN alignment<sup>75</sup> issued (November 2016) by MoRD, Kudumbashree issued (February 2017) revised sanction orders with revised project cost. Audit verified 21 revised sanction orders and observed that in respect of seven projects (33 *per cent*) ineligible additional training cost for special areas amounting ₹87.77 lakh was sanctioned for training candidates at locations which were not notified as special areas. Further, ₹16.95 lakh was released to two PIAs<sup>76</sup> as ineligible additional training cost. Since the locations of the training centers were not included in the list of special areas notified, excess project cost needs to be recovered from the PIAs who have already been benefitted and project cost needs to be reduced in respect of the PIAs who have been sanctioned excess project cost.

Government accepted (February 2023) the audit observations and stated that additional funds released would be recovered.

#### **4.7 Irregularities in conduct of training and placement**

As per paragraph 5.9 of scheme guidelines, project cost to PIAs was to be released in four instalments in the ratio 25:50:15:10 of the total project cost, which was subsequently modified (2019) as four equal instalments. Though the scheme was being implemented from 2014, none of the PIAs could receive the fourth and final instalment.

<sup>73</sup> Central Technical Support Agency

<sup>74</sup> Special areas identified under the scheme by Ministry of Home Affairs for Integrated Action Plan and notified from time-to-time, include all north-eastern states, Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Andaman and Nicobar Islands, Lakshadweep Islands, and districts affected by Left Wing Extremism (LWE).

<sup>75</sup> Common Norms for skill development programmes (CNN) notified by Ministry of Skill Development and Entrepreneurship

<sup>76</sup> Teamlease Services Private Limited - ₹3,47,640 and Qess Corporation Limited - ₹13,47,192

**Table 4.9: Details of funds released**

Particulars	Number of projects	Number of PIAs	Amount released (₹ in crore)
Total Projects	218	164	360.26
Only first instalment released	110	108	81.09
Up to second instalment released	96	71	244.45
Up to third instalment released	12	09	34.72

(Source: Records of Kudumbashree)

The above table shows that the second instalment was released only to 44 per cent of the projects and third instalment was released to less than six per cent of projects. This points towards non-achievement of targets by large number of PIAs.

The MoRD issued (September 2015) Standard Operating Procedures (SOPs) I and II as supplement to the DDU-GKY Guidelines. The primary purpose of the SOPs was to lay down the minimum common protocols to be followed by the stakeholders in implementation of projects. Audit scrutiny revealed deviations from these protocols, which resulted in irregularities as detailed below:

#### **4.7.1 Irregularities in showing achievements and claiming project costs**

Audit scrutinised records of 26 PIAs in five districts<sup>77</sup> and verified placement documents of 1,479 candidates and MIS reports of 521 candidates trained and placed under the scheme. Of these 1,479 documents, Audit randomly selected 248 bank statements for cross verification with banks concerned, to ascertain the genuineness of bank statements enclosed. Audit observed malpractices and forgeries by PIAs in displaying their placement and payment of salary to candidates, as discussed in the following paragraphs:

##### **4.7.1.1 Malpractices by PIAs to claim second and third instalments**

As per the SOP, Kudumbashree was to verify salary slip/salary certificate and place of employment, to ensure that trained candidates were placed, and salary was paid for stipulated minimum period mentioned. The SOP also provides that cross verification of salary statement with bank statement shall be done in all cases to ensure that salary was credited to bank account of the candidate by the employer.

##### **4.7.1.2 Forged bank statements used to claim project costs**

Audit collected and cross-verified 248 bank statements of candidates claimed to be trained and placed by 10 PIAs (under 11 projects) and observed that 172 bank transaction statements (69 per cent) of eight projects (seven PIAs) submitted by PIAs were not matching with bank statements collected by Audit from respective banks as shown in **Table 4.10**. The PIAs edited the bank statements to show salary credits to the accounts of candidates to claim the project cost. Though six PIAs have already been benefited (₹4.64 crore) from

<sup>77</sup> Thiruvananthapuram, Thrissur, Palakkad, Malappuram and Kannur

these forgeries, two PIAs<sup>78</sup> were not given subsequent instalment after audit disclosures.

**Table 4.10: Details of forged documents**

Name of the PIA	Total project cost (₹ in crore)	Training target	Month/ Year of sanction	Bank statement verification		Name of bank
				Audit verified	Found fake	
Premier Centre for Competency Training, Palakkad	3.25	600	03/2018	33	28	Canara Bank
People Service Society, Palakkad	1.63	270	03/2018	19	13	Union Bank
Focus Skillpro Private Limited, Palakkad	4.69	510	05/2018	26	26	ESAF Bank
Jan Shikshan Sansthan, Malappuram	3.12	500	03/2018	37	27	IDBI, Canara Bank
Synchroserve Global Solutions Private Limited, Malappuram	4.71	1029	06/2017	35	32	Bank of Baroda
Labour Bank Welfare Co-operative Society Limited, Kannur	1.18	210	10/2020	16	12	Federal Bank, Canara Bank
Synchroserve Global Solutions Private Limited, Kannur	5.94	800	03/2018	21	21	Punjab National Bank
Hira Charitable Trust, Kannur	3.71	350	06/2019	13	13	South Indian Bank, Kerala Gramin Bank
<b>Total</b>	<b>28.23</b>			<b>200</b>	<b>172</b>	

(Source: Records of Kudumbashree, details collected from banks)

As per the SOP, physical verification of trained and placed candidates was to be done in the ratio 80:15:5 by the PIA, Kudumbashree and NIRD respectively. Further, 10 per cent of the primary sample size was to be rechecked by Kudumbashree from the samples checked by PIA and re-checked by NIRD from the samples checked by PIA and Kudumbashree, so as to ensure the genuineness. Out of 172 fake/fabricated bank transaction statements found by audit, 91 statements had been verified by Quality team of PIA, 24 statements by Kudumbashree and 21 statements by NIRD. This points towards inefficiency of these agencies in physical verification of the candidates or probable collusion among these agencies to siphon Government funds.

<sup>78</sup> Synchroserve Global solutions Private Limited, Malappuram submitted documents for release of third instalment, which included 32 forged documents and Labour Bank Welfare Co-operative Society Limited, Kannur submitted documents of second instalment, which included 12 forged documents



Focus Skillpro Private Limited was awarded (May 2018) a project worth ₹4.69 crore to impart skill training to 510 candidates in trades of Food and Beverages service training, Accounts Assistant using Tally and Basic Electrician and ₹1.12 crore each was released as first and second instalments. The PIA claimed to have provided placement to 96 out of 139 trained candidates as of 31 March 2022. District Mission, Palakkad had verified placement documents of 37 candidates (against the mandatory requirement of 36 ie. seven *per cent* of 510) and audit selected bank statements of 26 candidates for detailed scrutiny. Audit observed that nine bank statements were not matching with the statements furnished by the PIA and in respect of the remaining 17 candidates, the bank replied that there were no transactions in the bank accounts since the date of opening of accounts, which indicates fraudulent activity of the PIA in submitting the placement documents.

From: 01/04/2019 To: 31/03/2019		Statement of Account		Withdrawal Amt.	Deposit Amt.	Balance
04/04/2019	04/04/2019		NETT IN REFUNDAL 1904045475011 GORAKHAPUR (INDIA) PVT LTD GORAKH APARKHURLINE (01/06/10/2009)17075049	8,000.00		8,529.60
05/04/2019			ATM WDL 088782 -SH SRM ROAD ERNAKULAM, INDIA	2,050.00		4,529.60
05/04/2019			POS WDL 869114 -ONEST GAMMA INC ATION LTD MYSUR, INDIA	399.00		4,130.60
05/04/2019			ATM WDL 078282 -VALANCHERY BRANCH MALAPPURAM, INDIA	1,000.00		3,130.60
14/04/2019			ATM WDL 090702 -VALANCHERY BRANCH MALAPPURAM, INDIA	2,050.00		1,130.60
14/04/2019			ATM WDL 090702 -VALANCHERY BRANCH MALAPPURAM, INDIA	23.60		1,107.00
14/04/2019			VALANCHERY BRANCH MALAPPURAM HOTEL, INDIA PVT LTD ERNAKULAM PARKHURLINE (00/06/10/2009)17075049	6,000.00		7,107.00
06/05/2019			ATM WDL 092282 -SH SRM ROAD ERNAKULAM, INDIA	5,000.00		2,107.00
12/05/2019			POS WDL 810079 -PAYMENTS Mysuru, INDIA	248.00		1,859.00
15/05/2019			POS WDL 899138 -PAYMENTS Mysuru, INDIA	298.00		1,561.00
15/05/2019			POS WDL 843508 -PAYMENTS Mysuru, INDIA	240.00		1,321.00
17/06/2019			ATM WDL 090182 -SH SRM ROAD ERNAKULAM, INDIA	1,000.00		321.00
17/06/2019			DBI KALOOR ERNAKULAM, INDIA	23.60		297.40
04/06/2019	04/06/2019		NETT IN REFUNDAL 090437876563876 GOKULAM HOTEL, INDIA PVT LTD GOKULAM PARKHURLINE (01/06/10/2009)17075049	100.00	6,000.00	6,197.40
05/06/2019			POS WDL 843508 -PAYMENTS Mysuru, INDIA	3,000.00		3,197.40
07/06/2019			ATM WDL 090282 -VALANCHERY BRANCH MALAPPURAM, INDIA	1,000.00		2,197.40

Opening Balance	Dr Count	Cr Count	Debits	Credits	Closing Balance
529.66	14	1	16,322.20	18,000.00	2,197.46

For ESAP (S) Ltd  
 For ESAP (S) Ltd  
 For ESAP (S) Ltd

Fake Statement submitted by PIA

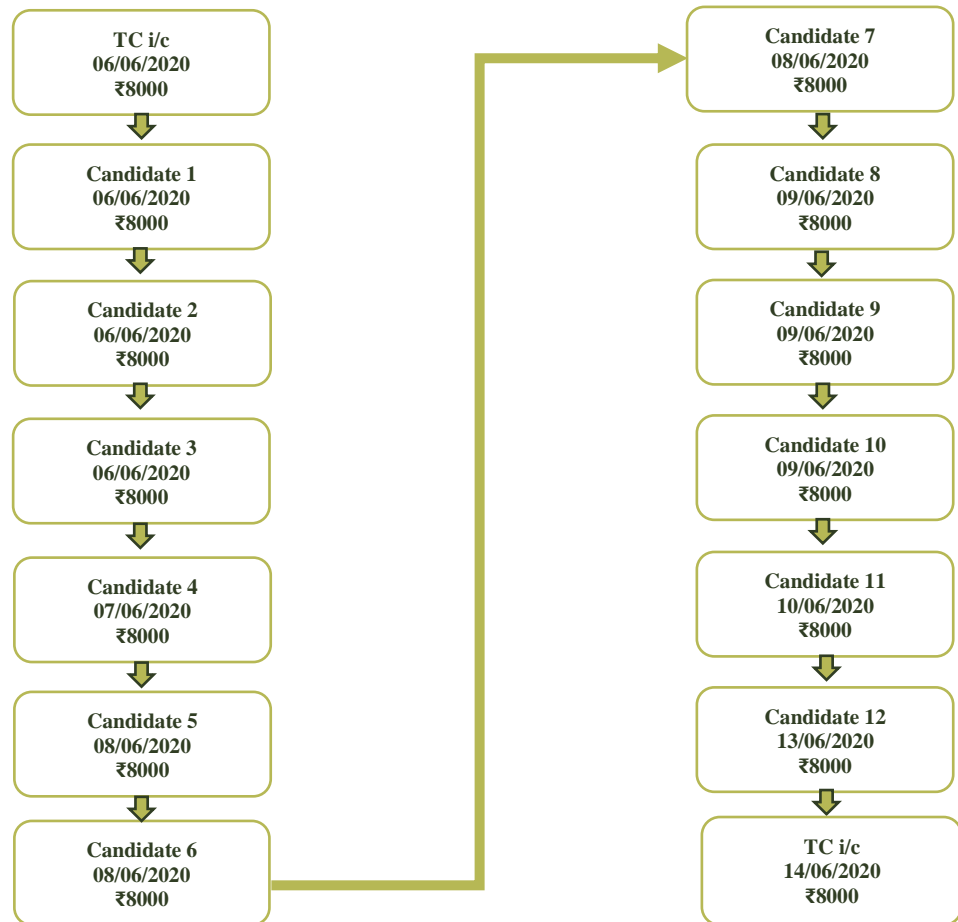
Original Statement collected directly from the bank

**4.7.1.3 Round tripping of amount to show that salary was credited to the bank accounts of all candidates**

A PIA, Hira Charitable Trust was awarded (June 2019) a project worth ₹3.71 crore to impart skill training to 350 candidates in Kannur district in trades of Assistant Electrician, Field Engineer RACW (Refrigeration, Air Conditioner Works) and Emergency Medical Technician-Basic. An amount of ₹91.13 lakh was released as first instalment and ₹89.95 lakh as second instalment and PIA claimed to have trained 215 out of 350 candidates. As per MIS data furnished to audit, 106 candidates were placed by the PIA as of 31 March 2022. The District Mission, Kannur completed desk verification of 25 candidates for verifying the second instalment. Audit verified placement documents of 13 candidates claimed as trained and placed by the PIA.

Bank transaction statements in support of payment of salary submitted by PIA were verified with bank statements collected by audit directly from banks<sup>79</sup>. It was observed that the statements collected from banks were not matching with the 13 statements furnished by the PIA along with placement documents. Audit noticed that the Training Centre in-charge (TC i/c) of Hira Charitable Trust transfer credited an amount of ₹8,000 to the account of the first candidate and the first candidate transferred it to the account of the second candidate and so on, until it was credited back to the account of TC i/c by the last candidate, as illustrated in the **Figure 4.2**

**Figure 4.2: Round tripping of amount**



The PIA forged the transaction details appearing in the original bank statements as details of salary paid to candidates by a few medical institutions and submitted the forged statement for claiming the second instalment.

**4.7.1.4 Irregular UPI transactions**

Frostees Exports India Private Limited was awarded a project worth ₹6.99 crore to impart skill training to 800 candidates vide sanction order dated 24 March

<sup>79</sup> South Indian Bank and Kerala Gramin Bank

2018. Funds to the tune of ₹1.65 crore was released as first instalment, ₹3.30 crore as second instalment and ₹99.11 lakh as third instalment for imparting training to candidates. They claimed to have trained 600 candidates and placed 375 candidates as of 31 March 2022. For releasing the subsequent instalment, desk verification of placement documents of candidates was to be completed. Accordingly, the District Mission Office, Kudumbashree, Thiruvananthapuram completed desk verification of 373 candidates.

Audit verified placement documents of 100 candidates trained and placed by Frostees Exports India Private Limited and observed that in respect of 43 candidates, the monthly salaries were credited to candidates' bank accounts through UPI transactions and the same amount or part thereof was returned to the same or another UPI ID on the same date or on the following date. In 14 cases the salary amount was returned on the same date, to the same UPI ID from where it was credited. Further, Audit noticed that 11 UPI IDs were involved in both credit and debit transactions of salary amounts in respect of the 43 candidates placed with various employers.

Audit met eight out of these 43 candidates in the presence of officials from Kudumbashree and all of them stated that the amounts shown as salary credits in their bank statements were not actually their salary, but these amounts were credited to their bank accounts by the staff of Frostees Exports India Private Limited or from accounts of other students or other self-accounts to show them as salary credits as mandated in the DDU-GKY guidelines. Further, six out of the eight candidates met by Audit stated that the signatures shown in their salary certificates were forged and that two of them had not worked with the employer as mentioned in the placement documents.

In response to audit observations in the above three paragraphs, Government replied (February 2023) that cross checking of the veracity of the bank statements was not in practice as per SOP and Kudumbashree could not reveal any malpractices during desk/physical verification. However, comprehensive training has been given to Block Coordinators of Kudumbashree involved in the desk verification of bank statements. Based on the audit observations, Kudumbashree has already initiated action by blacklisting/registering FIR against the PIAs involved in malpractices.

#### *4.7.1.5 Showing existing employees as trainee candidates to siphon off the project cost by captive PIAs*

##### **Dentcare Dental Lab Private Limited**

Dentcare Dental Lab Private Limited was awarded (February 2015) a project worth ₹6.21 crore to impart skill training to 1,000 candidates in trades of Dental Ceramic Assistant and Dental Technician. The training target was revised (February 2017) to 876 and ₹1.55 crore released as first instalment and ₹2.81 crore as second instalment. The PIA claimed to have trained and placed 812 and 750 candidates respectively. Audit cross-checked the details of 51 (14 per cent)

of 355 candidates whose training commenced in 2017 with the details of employees who worked at Dentcare Dental Lab Private Limited, collected from Employees' State Insurance Corporation (ESIC). It was observed that 31 candidates were employed in the same organisation well before the date of commencement of training under DDU-GKY.

#### **Kitex Garments Limited and Kitex Children's wear Limited**

Kitex Garments Limited was awarded (February 2015) a project worth ₹7.98 crore to impart skill training to 2,400 candidates in three different trades<sup>80</sup>. The training target was revised (February 2017) to 1,550 and ₹1.99 crore was released as first instalment. The PIA claimed to have trained 1,563 candidates and placed 1,081 candidates. Subsequently, the PIA was awarded (May 2018) another project worth ₹3.96 crore to impart skill training to 731 candidates in the trade of Industrial Sewing Machine Operator and ₹89.47 lakh was released as first instalment. The PIA claimed to have trained 664 candidates and placed 396 candidates. The PIA did not seek subsequent instalments though they were eligible as per training and placement achievement claimed.

Status of 470 candidates randomly verified by Audit showed that 457 were employed in companies under Kitex Group during the period of training as per the information available with Employees' Provident Fund Organisation.

As per paragraph 1.3.2 of the guidelines, DDU-GKY is designed to equip unemployed youth from rural poor households with employable skills that enable them to secure employment with regular monthly wages. Audit observes that selecting candidates directly as employees of the organization without imparting formal training and not conducting mandatory assessment and certification<sup>81</sup> as envisaged in guidelines, is a fraud on the unemployed youth of the State and Kudumbashree failed to identify these irregularities. Besides, the veracity of the training and placement figures maintained by Kudumbashree stands doubtful.

Government replied (February 2023) that as per the inspection documents and other data available with Kudumbashree, the candidates have completed training under above PIAs and that no fraudulent action was noticed in the process. The reply is not acceptable as the audit observation was not connected with conduct of training but the inclusion of staff as candidates in the training programme.

#### ***4.7.1.6 Release of second instalment in violation of instructions of Project Approval Committee***

As per the revised fund release conditions issued (October 2019) by MoRD, the second instalment of a DDU-GKY project (25 *per cent* of the project cost) shall be released to the PIA on achieving the milestone of completion/

<sup>80</sup> Industrial Sewing Machine Operator, Assistant Sewing Machine Operator and Quality Checker

<sup>81</sup> Of the 2,227 candidates trained, assessment was conducted only in respect of 812 candidates

assessment of 20 *per cent* training target and seven *per cent* verified placements. Further, if the PIA has received the first instalment and has submitted documents required for the release of second instalment to Kudumbashree before the date of notification, which were found to be in order, then the PIA would be eligible for all the remaining instalments.

The PIA- Itrans Learning Solutions Private Limited completed training of only 31 candidates (17.71 *per cent*) out of the approved target of 175 and placed only 15 candidates (8.6 *per cent*). However, the PIA placed a special request for a second instalment to continue the training, highlighting its poor financial situation in the PAC meeting held on 18 December 2019 and PAC directed the ED to review the performance and financial viability of the PIA. But, ED released ₹57.46 lakh (25 *per cent* of the project cost) as second instalment<sup>82</sup> to PIA in February 2020. It is pertinent to note that the financial net worth of PIA was negative from 2014-15 and remained so till 2021-22. This indicated that ED did not verify the financial viability of the PIA as instructed by PAC. As per report submitted by the District Mission Coordinator, Thiruvananthapuram, the PIA suspended its operations since March 2020. The PIA had trained only 31 candidates and placed 15 candidates even after receiving ₹1.15 crore, which clearly points to the ineligibility in obtaining funds released to them.

Government replied (February 2023) that 25 *per cent* of the amount (against 50 *per cent* requested by the PIA) was released conditionally to avoid impacting negatively on the training of the candidates. When found not performing, the PIA was blacklisted and the fact was intimated to MoRD. However, the fact remains that the PIA closed all its operations immediately after receipt of funds, evidently due to the failure of ED in assessing the financial viability of the PIA.

#### 4.7.1.7 Delay in invoking Bank Guarantee

(i) M/s Tops Security Limited, a PIA was awarded (July 2017) a three-year project worth ₹9.29 crore to train 980 candidates under three courses<sup>83</sup>. The first instalment of ₹2.15 crore was released (July 2018) and PIA commenced (April 2019) training for two batches of 30 students each. However, the training activity was ceased on 22 June 2019 despite training not being completed for any candidate. Due to non-compliance with the Guidelines and SOP, Kudumbashree initiated penal action against the PIA and issued show cause/default notices. Since no corrective action was taken and no explanation was offered by the PIA, the agency was blacklisted in August 2019.

Audit noticed the following lapses on the part of Kudumbashree officials in recovering the amount released to the PIA.

- As per the default management procedures of the scheme issued in March 2020 by MoRD, the amount to be recovered from the PIA could be made by

<sup>82</sup> First instalment of ₹57.46 lakh paid on June 2018

<sup>83</sup> Fire and Rescue Operator, Security Guard (general), Housekeeper

invoking bank guarantee submitted along with the MoU signed. It was observed that a letter from Kudumbashree was issued to the Manager, Indian Bank, Worli Branch Mumbai to invoke the bank Guarantee on 12 October 2021, four months after the expiry of validity of Bank Guarantee of ₹58.07 lakh (June 2021). Though the PIA was blacklisted in August 2019, audit observed that an undue delay of almost 26 months post blacklisting of the PIA in invoking bank guarantee resulted in non-recovery of a portion of the loss sustained to Government. This defeated the very purpose of insisting upon bank guarantees in cases of upfront release of funds.

- Though ED directed (April 2022) the Programme Officer to start revenue recovery process to recover the amount from the PIA, no action to this effect was seen initiated. As the PIA was under Corporate Insolvency Resolution Process<sup>84</sup> (February 2021), the possibility of recovering ₹2.15 crore with penal interest of 10 per cent would be difficult.

Government replied (February 2023) that delay in recovering bank guarantee in time was due to Covid related lockdown and the Bank Guarantee could not be invoked as the company was under insolvency proceedings. This argument would not sustain as the insolvency proceedings commenced 17 months after blacklisting the firm. Further, the Insolvency and Bankruptcy Code, 2016 stipulates that a valid bank guarantee could be invoked after commencement of insolvency proceedings if the currency of the guarantee exists.

(ii) A three-year project worth ₹10.43 crore was awarded (May 2018) to the Maharashtra Academy of Engineering and Educational Research, Pune to train 1,000 candidates and ₹2.49 crore was released (June 2018) as first instalment. Owing to major violation of conditions included in the SOP and defaults noticed in the approved project work schedule, Kudumbashree issued stop memorandum to the PIA on 04 April 2019. The Kudumbashree also recovered (06 March 2020) ₹one crore available in the bank account of the PIA at the time of issuing stop memo. The PIA closed its training centres in the State on 01 April 2020. Audit noted that Kudumbashree had a bank guarantee worth ₹65 lakh which expired on 30 November 2021. Had Kudumbashree taken timely action, the bank guarantee could also have been invoked and the extent of loss could have been reduced.

Government replied (February 2023) that an amount of ₹one crore was recovered from the agency on 06 March 2020 and the bank guarantee was renewed up to 04 November 2023. Further, it was stated that by considering the target trained, amount refunded and renewed bank guarantee, there was no need to start immediate recovery procedure and it could be done after assessing the final achievement through desk/physical/financial verification.

The reply is not acceptable as it was evident that, even after expiry of almost five years of sanctioning the project, none of the candidates had successfully completed training and assessment. Even though the bank guarantee was

<sup>84</sup> As per the information displayed on the website of Ministry of Corporate Affairs.

renewed at audit instance, further delay in recovery of whole amount with interest is not justifiable.

#### 4.7.1.8 Failure in monitoring the validity of Bank Guarantee

Notification No. 50/2017 of MoRD (September 2017) provides for furnishing bank guarantee for a fresh project under DDU-GKY. The Performance Guarantee from bank shall be valid for a period starting on/before the date of signing MoU till 180 days after the end of approved duration of the project. Audit observed that in respect of 35 ongoing projects (**Appendix 4.1**), the validity of bank guarantees had already expired (31 March 2022). Further, only 11 out of 35 projects remained active and non-availability of performance guarantee defeated the chance of immediate recovery from these non-performing PIAs.

Audit also observed that Kudumbashree was not insisting on performance guarantee for additional targets sanctioned in respect of 20 projects for the last three phases. In the absence of specific direction in this regard from MoRD, non-insisting of performance guarantee for additional targets was irregular.

Government replied (February 2023) that additional targets were given to the agencies which were running current projects successfully and whose qualifications have been notified by MoRD and hence the bank guarantee of the current project could also be used for additional target.

As per MoRD notification 50/2017 (September 2017), the bank guarantee needs to be calculated on the total approved project cost. When the project cost is increased while sanctioning additional targets, the bank guarantee was to be collected for the increased value of the project cost. Therefore, the argument of Government was incorrect.

## 4.8 Conclusion

Kudumbashree implemented the GoI scheme DDU-GKY, introduced in September 2014 with the objective of providing skills to rural youth and placing them in jobs with regular monthly wages. During 2014-2022, Kudumbashree claimed to have trained and placed 61,459 and 35,741 candidates respectively.

After checking of records related to placement and other aspects, it was observed that 32 *per cent*<sup>85</sup> of the data verified by audit was found false and fabricated. Audit could not draw any assurance regarding the satisfactory achievement of training and placement, as multiple suspected frauds were detected. The PIAs have manipulated the weakness in the system resulting in extension of undue financial benefits to private players.

Various instances of fraud like forged bank statements, using UPI transactions to show credits in bank statements (as if salary was paid), showing own staff as

<sup>85</sup> 172 out of 1,479 documents verified and 458 out of 521 MIS verified (630/2000)

training candidates, etc. showed ineffectiveness and inefficiency of internal controls in Kudumbashree in implementing the scheme. The PIAs involved in fraudulent practices were found to be awarded projects worth ₹28.23 crore.

Audit noticed award of projects worth ₹23.99 crore to ineligible PIAs and sanctioning of projects worth ₹12.26 crore in excess of their eligibility to certain PIAs, resulting in undue pecuniary benefits to PIAs.

#### **4.9 Recommendations**

- *A comprehensive review of all existing projects sanctioned under DDU-GKY should be conducted to ascertain the eligibility of PIAs to the sanctioned projects and excess project cost sanctioned may be recovered immediately.*
- *Considering the widespread forgery and malpractices in showcasing training and placement, a detailed investigation should be conducted to check the veracity of training and placement claimed by PIAs under the scheme and penal actions may be initiated as deemed fit.*