



SUPREME AUDIT INSTITUTION OF INDIA  
लोकहितार्थ सत्यनिष्ठा  
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**Report of the  
Comptroller and Auditor General of India  
on  
Implementation of National Social Assistance  
Programme through Direct Benefit Transfer Scheme**

**Government of Gujarat  
Report No. 03 of 2024  
(Performance Audit – Civil)**

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Comptroller and Auditor General of India  
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## Preface

This Report of the Comptroller and Auditor General of India for the period ended March 2021 has been prepared for submission to the Governor of Gujarat under Article 151 of the Constitution of India.

The Report covering the period 2017-18 to 2020-21 contains the results of Performance Audit on “Implementation of National Social Assistance Programme through Direct Benefit Transfer Scheme”

The Performance Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



# **EXECUTIVE SUMMARY**



## Executive Summary

### Introduction

The Direct Benefit Transfer (DBT) Scheme is a Government of India (GoI) initiative aimed at providing various subsidies, benefits and financial assistance directly to eligible beneficiaries through their Bank Accounts. The primary objective of the DBT Scheme is to enhance the efficiency and effectiveness of Government welfare programmes by reducing leakages, eliminating intermediaries and ensuring that the intended beneficiaries receive the benefits directly.

The GoI launched (August 1995) the National Social Assistance Programme (NSAP) as a fully-funded Centrally Sponsored Scheme that seeks to provide financial support to the aged persons, widows, disabled persons and bereaved families on death of primary breadwinner, belonging to Below Poverty Line Households.

In the State of Gujarat, the Social Justice and Empowerment Department (SJED) oversees the implementation of three components of the NSAP namely, IGNOAPS<sup>1</sup>, IGNDPS<sup>2</sup> and NFBS<sup>3</sup>, through the DBT mode. Additionally, the Women and Child Development Department (W&CDD) is responsible for the implementation of the fourth component of the NSAP namely, IGNWPS<sup>4</sup>.

The implementation of DBT began in the State for IGNOAPS and IGNDPS in September 2017 and NFBS in May 2018, whereas the implementation of DBT in IGNWPS started in March 2020. Between 2017 and 2021, the State Government catered to an average of approximately 9,96,492 beneficiaries and incurred an expenditure of ₹ 2,398.80 crore on implementation of all the four components of the NSAP.

### Audit Framework

A Performance Audit of “Implementation of National Social Assistance Programme through Direct Benefit Transfer Scheme” for the period 2017-18 to 2020-21 was conducted to assess whether:

- (i) The NSAP had been appropriately planned to cover all the entitled beneficiaries;
- (ii) The implementation of NSAP *via* DBT was both timely and proficient; and
- (iii) Effective control mechanism and IT systems were in place to ensure accurate and prompt delivery of benefits.

<sup>1</sup> Indira Gandhi National Old Age Pension Scheme.

<sup>2</sup> Indira Gandhi National Disability Pension Scheme.

<sup>3</sup> National Family Benefit Scheme.

<sup>4</sup> Indira Gandhi National Widow Pension Scheme.

The Performance Audit involved a thorough review of the documents concerning the implementation of all the four components of NSAP (IGNOAPS, IGNWPS, IGNDPS and NFBS) through DBT mode. The audit involved scrutiny of data retrieved from NSAP Portal of GoI, data dump of NSAP restricted to these four components, and examination of records of the State DBT Cell, the Director, Social Defence (SJED) and the Commissioner, Women and Child Development Department (W&CDD).

At the field level, Audit selected nine Offices out of 33 Social Defence Offices. Besides, records of *Mamlatdar* offices in 18 selected talukas (two talukas from each selected district) and 36 Gram Panchayats (GPs)/Wards (two GPs/Wards from each selected taluka) were also selected on the basis of Simple Random Sampling without Replacement (SRSWOR) method.

The Performance Audit Report is structured into four Chapters as under:

Chapter – I: Introduction

Chapter – II: Coverage under NSAP

Chapter – III: Implementation of NSAP through DBT

Chapter – IV: Control Mechanism and Information Technology System

## **Audit Findings and Recommendations**

### ***Chapter – II: Coverage under NSAP***

This Chapter assesses the adequacy of the coverage of the eligible beneficiaries under NSAP. Audit observed that the State Government did not maintain any database for eligible beneficiaries of NSAP. As a result, NSAP implementation in the State primarily relied on a demand-driven approach, where benefits were solely accessible to those beneficiaries who were aware of the programme and actively applied for assistance.

Within two specific districts (Bharuch and Dang), 774 impoverished and widowed beneficiaries of the IGNWPS were excluded from the NFBS, resulting in a loss of ₹ 1.55 crore in benefits between 2017 and 2020.

Despite identifying 1,072 beneficiaries as discontinued due to factors such as death or moving above the poverty line, these beneficiaries continued to receive pension payments. A total of ₹ 32.60 lakh was disbursed to these discontinued beneficiaries during 2017-21.

The Chapter contains one recommendation, as under:

*Recommendation 1: The State Government may establish a centralized and comprehensive database of eligible beneficiaries for NSAP in the State to ensure that deserving beneficiaries are not excluded from the programme. Additionally, awareness campaigns should be conducted to inform potential beneficiaries*

*about the availability and eligibility criteria of NSAP Schemes, encouraging greater participation and coverage.*

### **Chapter – III: Implementation of NSAP through DBT**

This Chapter assesses the quality of implementation of NSAP through the DBT Scheme. The assessment revealed significant delay in the distribution of pension payments to 3,820 beneficiaries across the three components of the NSAP (IGNOAPS, IGNWPS and IGNDPS), ranging from one to 38 months beyond the scheduled effective date. This delay collectively resulted in a financial loss amounting to ₹ 1.81 crore for these 3,820 beneficiaries.

The failure of Implementing Agencies to take effective follow-up action on failed transactions led to the suspension of pension payments totalling ₹ 1.57 crore for 4,978 beneficiaries, ranging from one month to over 24 months between 2017 and 2021. Beneficiaries were shifted to different components, even when the original component was more beneficial, causing a collective pension loss of ₹ 25.04 lakh for 380 beneficiaries throughout 2017-2021. Conversely, in cases where migration could have been beneficial and necessary, no migration occurred, resulting in a financial loss of ₹ 150 to ₹ 500 per month per beneficiary to a total of 270 beneficiaries during 2017-21.

Against the NSAP Guidelines, the State Government failed to provide a matching grant of ₹ 20,000 for the NFBS, resulting in 27,801 registered beneficiaries in the State being deprived of a total benefit of ₹ 55.60 crore during 2017-21. The GoI did not allocate any grant to the State Government for the IGNWPS from 2017 to 2020 due to various non-compliance issues. As a consequence, the State Government not only missed out on receiving the rightful funds from the GoI but also incurred an additional financial burden of ₹ 179.30 crore during the period 2017-21.

Except National Food Security Act, the Implementing Agencies did not share NSAP beneficiary data with the Implementing Agencies of other Schemes for convergence purposes. None of the 36 selected Gram Panchayats/Wards conducted Social Audits of NSAP during the period 2017-21.

This Chapter contains four recommendations, as under:

*Recommendation 2: The State Government may implement more robust processes for verifying and maintaining beneficiary account information, enhancing communication between the Implementing Agencies and beneficiaries, to keep the accounts active.*

*Recommendation 3: The State Government may strengthen the oversight and monitoring mechanisms to ensure that migration decisions are well-informed, transparent and aligned with the best interests of the beneficiaries.*

*Recommendation 4: The State Government may reassess the applications of beneficiaries who were previously denied benefits under the Scheme due to*

*unjustified rejections. Additionally, responsibility may be fixed for the officials responsible for the erroneous rejections.*

*Recommendation 5: To facilitate enhanced coordination and synergy between various Government Schemes, the NSAP beneficiary data may be shared with other implementing agencies of different Departments. This approach would enable effective convergence, allowing identified vulnerable beneficiaries to access benefits from multiple State/Central Schemes.*

#### ***Chapter – IV: Control Mechanism and Information Technology System***

This Chapter examines the sufficiency of the control mechanism and Information Technology (IT) systems in guaranteeing the accurate, efficient and secure distribution of benefits. Despite an overall effective control mechanism and well-implemented IT systems, the audit examination identified several persisting deficiencies.

The analysis for the period 2017-21 revealed a number of duplicate Pension Accounts across three Pension components of NSAP (IGNDPS, IGNOAPS and IGNWPS) within the State as well as in nine selected districts. Notably, the online claim form for assistance under the NFBS did not include a dedicated section to input the age of the deceased individual, even though the age of the deceased was a vital criterion for determining eligibility.

None of the 27 designated Implementing Agencies maintained any documentation or reports regarding the annual verification of beneficiaries' eligibility status. Furthermore, no Life Certificates from beneficiaries were found to have been uploaded onto the NSAP portal during the same period.

This Chapter contains one recommendation, as under:

*Recommendation 6: In order to ensure enhanced accuracy, transparency, and efficiency in the disbursement of financial assistance to the intended beneficiaries, the State Government may strengthen the DBT framework (i) through comprehensive digitization of all the aspects of the NSAP, (ii) initiate a thorough data cleaning process to rectify any discrepancies or errors in beneficiary information and (iii) implement a system for periodic review and update of beneficiaries' details.*

# **CHAPTER – I**

## **INTRODUCTION**



**1.1 Direct Benefit Transfer Scheme**

The Direct Benefit Transfer or the DBT Scheme is a major reform initiative of the Government of India (GoI) to ensure better and timely delivery of benefits from the Government to the people. This marks a paradigm shift in the process of delivering benefits, like wage payments, fuel subsidies, food grain subsidies, *etc.* directly into the Bank Accounts of the beneficiaries, removing leakages and enhancing financial inclusion. The DBT envisions a governance regime which ensures a simple and user-friendly Government-to-People interface for delivering entitlements to eligible individuals and households in a fair, transparent, and effective manner.

**1.2 National Social Assistance Programme**

The GoI launched (August 1995) the National Social Assistance Programme (NSAP) as a fully-funded Centrally Sponsored Scheme that seeks to provide financial support to the aged persons, widows, disabled persons and bereaved families on the death of their primary breadwinner, belonging to Below Poverty Line (BPL) Households (HHs).

The NSAP has five sub-schemes as its components. Of the five components, three are Pension Schemes, namely (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS), (ii) Indira Gandhi National Widow Pension Scheme (IGNWPS), and (iii) Indira Gandhi National Disability Pension Scheme (IGNDPS). The remaining two components are (iv) the National Family Benefit Scheme (NFBS), for providing one-time assistance to the bereaved family in the event of the death of the primary bread winner, and (v) *Annapurna* Scheme, for food security to the eligible old age persons who have remained uncovered under IGNOAPS.

**1.3 Implementation of NSAP through the DBT Scheme**

In the State of Gujarat, the Social Justice and Empowerment Department (SJED) oversees the implementation of three components of the NSAP, namely IGNOAPS, IGNDPS and NFBS. Additionally, the Women and Child Development Department (W&CDD) is responsible for the implementation of IGNWPS. These four components are being implemented through DBT mode. The Food, Civil Supplies & Consumer Affairs Department administers the *Annapurna* Scheme for food security.

In order to ensure that the beneficiaries get a decent level of financial assistance under NSAP, the State Government provides additional financial assistance from its own budget, at least equivalent to the assistance provided by the GoI, with the exception of NFBS, where the State Government does not contribute.

**Table 1.1** below shows the eligibility criteria and the financial assistance fixed by the State Government (monthly and one-time) for different categories of beneficiaries across the four components of the NSAP:

**Table 1.1: Eligibility criteria and financial assistance given to beneficiaries under four components of NSAP**

Sr. No.	Name of component	Applicable to age group	Monthly Pension (₹)	Share of GoI (₹)	Share of State Government (₹)
1.	IGNOAPS	60 years to 79 years	750	200	550
		80 years and above	1,000	500	500
2.	IGNWPS	40 years to 79 years	1,250	300	950
		80 years and above	1,250	500	750
3.	IGNDPS	18 years to 79 years	600	300	300
		80 years and above	1,000	500	500
4.	NFBS	More than 18 years and less than 60 years (age of the deceased breadwinner at the time of death)	20,000 (one-time)	20,000	Nil

(Source: NSAP Guidelines, 2014 and information furnished by SJED and W&CDD)

DBT implementation commenced in the State for IGNOAPS and IGNDPS in September 2017, followed by NFBS in May 2018. The rollout of DBT for IGNWPS began in March 2020. Between 2017 and 2021, the State Government catered to an average of approximately 9,96,492<sup>1</sup> beneficiaries and incurred an expenditure of ₹ 2,398.80 crore<sup>2</sup> on the implementation of all four components of the NSAP.

The Scheme-wise coverage of beneficiaries during 2017-21 is shown in **Table 1.2** below:

**Table 1.2: Scheme-wise coverage of beneficiaries during 2017-21**

Sr. No.	Name of Schemes	2017-18	2018-19	2019-20	2020-21
1	IGNOAPS	5,55,586	6,59,690	8,48,994	8,83,078
2	IGNWPS	1,43,009	1,64,249	2,25,638	4,26,788
3	IGNDPS	7,964	10,419	12,200	20,554
4	NFBS	5,834	6,859	6,250	8,858

(Source: Information furnished by SJED and W&CDD)

#### 1.4 Payment process under NSAP-DBT

In the State of Gujarat, the process of application, verification, registration and sanction of financial assistance to the beneficiaries is done through the NSAP Portal of the GoI by the *Mamlatdars*<sup>3</sup> (for IGNOAPS, IGNWPS and NFBS) and the Social Defence Officers (for IGNDPS). After the sanction of financial assistance, validation of *Aadhaar* and Bank/Post Office Accounts of the beneficiaries is done through the Public Financial Management System (PFMS). The Scheme-wise lists of active beneficiaries are then generated by the

<sup>1</sup> IGNOAPS: 29,47,348÷4=7,36,837; IGNWPS: 9,59,684÷4=2,39,921; IGNDPS: 51,137÷4=12,784; and NFBS: 27,801÷4=6,950; Therefore, average number of beneficiaries served: 9,96,492.

<sup>2</sup> Office of the Additional Commissioner, W&CDD did not furnish information regarding expenditure incurred during the period 2017-21 under the IGNWPS component of NSAP.

<sup>3</sup> The Mamlatdar, appointed by the State Government under Section 12 of the Land Revenue Code, is the head of the Revenue Administration consisting of average 50 or more groups of Villages. Like the Collector, who is the head of the district, the Mamlatdar is the head of the taluka.

Checkers/Authorisers, *i.e.* Director, Social Defence (for IGNOAPS, IGNDPS and NFBS) and the Additional Commissioner, W&CDD (for IGNWPS).

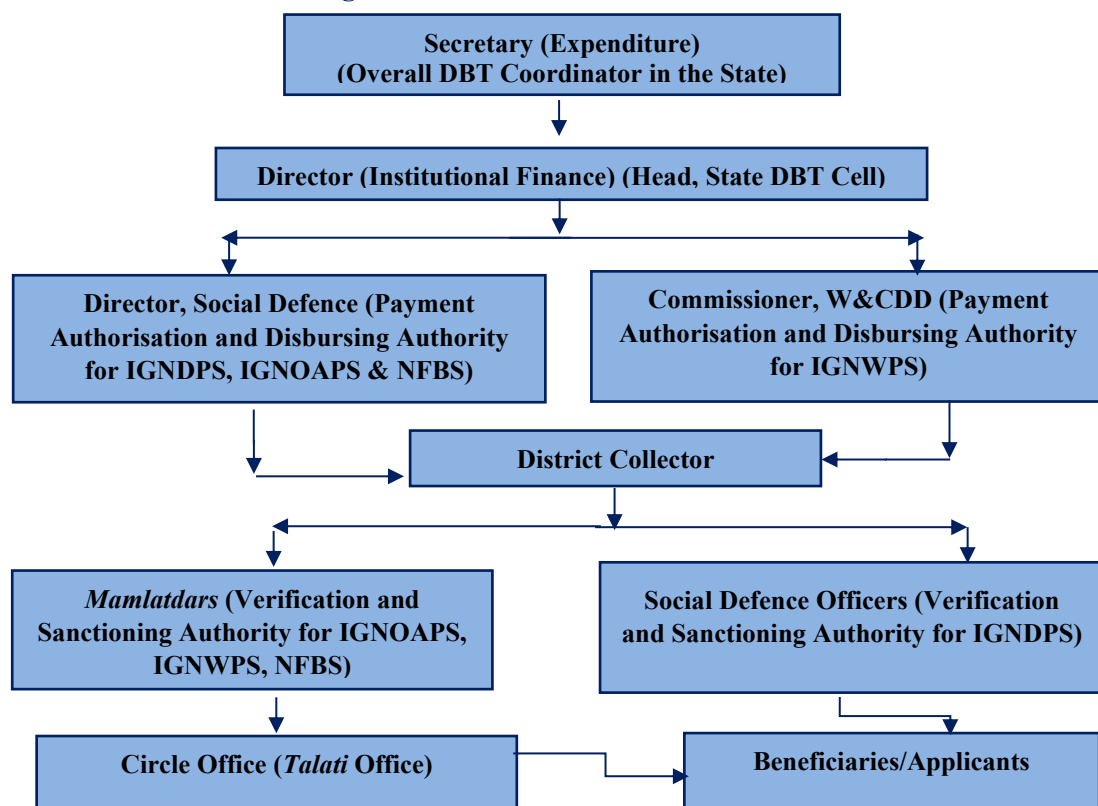
Thereafter, the Authorisers sign the Scheme-wise payment files digitally and send these to their Sponsor Banks, for payment through PFMS. The amount is then debited from the Sponsors' Bank Accounts and the beneficiaries' Bank Accounts are credited through the appropriate payment bridge provided by the National Payments Corporation of India. The Sponsor Banks then share the payment status response files through PFMS with the Authorisers. These response files contain the details of successful and failed transactions along with the reasons for the failed transactions. The Scheme-wise payment details are then intimated to the beneficiaries by their Banks through Short Message Service.

Since December 2020, the process of application, verification, registration and sanction of financial assistance to the beneficiaries is being done through the 'Digital Gujarat Portal'<sup>4</sup>, which is directly linked with the NSAP Portal. Thereafter, the rest of the process from pushing the payment files to disbursement of financial assistance to the beneficiaries through the PFMS is the same as discussed above.

## 1.5 Management Structure of NSAP-DBT in the State

The management structure of NSAP-DBT in the State is shown in **Chart 1.1** below:

**Chart 1.1: Management structure of NSAP-DBT in the State**



<sup>4</sup> The 'Digital Gujarat Portal' is an online facility of Government of Gujarat where a beneficiary can apply for various Schemes by uploading his/her application and other eligibility documents, without having to visit the Government office concerned.

*Note: The Director, Social Defence; the Commissioner, W&CDD; the Mamlatdars; and the Social Defence Officers together act as the Implementing Agencies.*

## 1.6 Audit Objectives

The Performance Audit aimed to evaluate whether:

- (i) The NSAP had been appropriately planned to cover all the entitled beneficiaries;
- (ii) The implementation of NSAP *via* DBT was both timely and proficient; and
- (iii) Effective control mechanisms and IT systems were in place to ensure accurate and prompt delivery of benefits.

## 1.7 Audit Criteria

The following documents were adopted as sources of Audit Criteria:

- (i) Programme Guidelines of NSAP issued in October 2014 by the Ministry of Rural Development, GoI;
- (ii) Departmental instructions and Manuals regarding the implementation of the DBT Scheme;
- (iii) PFMS and DBT related Orders/instructions, *etc.*; and
- (iv) Data dump of the NSAP.

## 1.8 Audit Scope and Methodology

The Performance Audit was conducted in two phases between May 2020 and March 2021 and again between July 2021 and September 2021, to examine the implementation of all four components of NSAP (IGNOAPS, IGNWPS, IGDPS and NFBS) being implemented through DBT mode, for the period from 2017-18 to 2020-21. The audit involved scrutiny of data retrieved from the NSAP Portal of GoI, the data dump of NSAP restricted to four aforesaid components and examination of records of the State DBT Cell, the Director, Social Defence (SJED) and the Commissioner, W&CDD.

At the district level, Audit selected nine<sup>5</sup> Offices out of 33 Social Defence Offices falling under five geographical regions<sup>6</sup> of the State. The districts were selected on the basis of their ranking (one highest and one lowest) in the respective region, in terms of the number of beneficiaries serviced and expenditure incurred, under the four components of NSAP.

Besides, records of *Mamlatdar* offices<sup>7</sup> in 18 selected talukas (two talukas from each selected district) and those of 36 Gram Panchayats (GPs)/Wards (two GPs/Wards from each selected taluka) were selected on the basis of Simple Random Sampling without Replacement (SRSWOR) method. The sample selection is detailed in **Appendix - I**.

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<sup>5</sup> Ahmedabad, Banaskantha, Bharuch, Dang, Gandhinagar, Kachchh, Morbi, Rajkot and Valsad.

<sup>6</sup> Two districts were selected from each region (i) North Gujarat, (ii) South Gujarat, (iii) Central Gujarat, (iv) Saurashtra and (v) Kachchh region, which has only one district *i.e.* Kachchh.

<sup>7</sup> One *Mamlatdar* office is established in each taluka.

An Entry Conference was held on 07 October 2021 with the Director, Institutional Finance, Finance Department of the Government of Gujarat, wherein the Audit Scope, Audit Criteria and Audit Methodology were discussed. The representatives of the implementing agencies viz. the Director, Social Defence and the Additional Commissioner, W&CDD also participated in the Entry Conference.

An Exit Conference was held on 30 November 2022 with the Director, Social Defence and the Director, Women and Child Development, wherein the major audit findings were discussed.

The State Government's response was received in April 2023 and incorporated into the Report wherever appropriate. The revised Report was issued to the State Government in June 2024. However, no further response had been received as of July 2024.

## **1.9 Acknowledgement**

Audit acknowledges the collaborative and supportive efforts provided by officials from the Departments of Social Justice and Empowerment, Women and Child Development, the State DBT Cell, as well as the offices of Social Defence Officers, *Mamlatdars* and Gram Panchayats/Wards audited and others involved at different phases during the execution of the Performance Audit.



**CHAPTER – II**  
**COVERAGE UNDER NSAP**



**Brief Snapshot**

*The State Government did not maintain any database for eligible beneficiaries of NSAP. As a result, NSAP in the State was implemented on a demand-driven mode, where benefits were provided to only those beneficiaries who were aware of the programme and applied for assistance.*

*In two districts, 774 impoverished and widowed beneficiaries from IGWPS were excluded from NFBS, resulting in their missing out on a total of ₹ 1.55 crore in benefits between 2017 and 2020.*

*The State Government did not constitute Special Verification Teams to conduct annual verification of existing beneficiaries to confirm their eligibility for social assistance programmes under NSAP. Thus, despite identifying 1,072 beneficiaries in the State as discontinued (due to factors like death, moving above the poverty line), these beneficiaries continued receiving Pensions. A total of ₹ 32.60 lakh was disbursed to these discontinued beneficiaries during 2017-21.*

**2.1 Non-coverage of eligible beneficiaries****2.1.1 Non-maintenance of database for eligible beneficiaries of NSAP**

In accordance with Paragraph 3.1.3 of the NSAP Guidelines, the Implementing Agencies namely, the *Mamlatdars* (for IGNOAPS, IGWPS and NFBS) and the Social Defence Officers (for IGNDPS), through the field-level workers/officials, were responsible for proactively identifying new beneficiaries from the available BPL list by visiting their Households (HHs). Paragraph 5.2.2 of the Guidelines further required the States to maintain a database of eligible NSAP beneficiaries and upload it in the public domain.

Following the verification of essential documents such as age proof, BPL card, bank details, widow certificate, disability certificate, *etc.*, by the Implementing Agencies, pension is sanctioned and beneficiary details along with essential documents are uploaded to the NSAP Portal.

It was, however, observed in audit that although the State Government maintained the BPL list, there was no corresponding database for eligible beneficiaries of NSAP. As a result, NSAP implementation in the State primarily relied on a demand-driven approach, where benefits were solely accessible to those beneficiaries who were aware of the programme and actively applied for assistance.

## 2.1.2 Exclusion of NFBS Beneficiaries

According to Paragraph 2.1 of the NSAP Guidelines, the responsibility of verifying and establishing the eligibility of beneficiaries under NSAP rests with the Implementing Agencies, rather than the beneficiaries themselves. The Implementing Agencies are morally obligated to minimize the burden on beneficiaries during the identification, verification and sanctioning processes. In essence, the Implementing Agencies were expected to take proactive measures to ensure that eligible individuals received the benefits without unnecessary hurdles or administrative burdens.

Paragraph 2.3 of the NSAP Guidelines (Eligibility Criteria and Scale of Assistance) further provides for one-time financial assistance of ₹ 20,000 to a beneficiary under the NFBS, in the event of the death of the breadwinner in a family. This meant that widows who were eligible for the IGWPS were also entitled to receive the one-time financial assistance of ₹20,000 under NFBS, provided the age of the deceased spouse at the time of death was less than 60 years.

Information provided by Jhagadia *Mamlatdar* office (Bharuch district) revealed that from 2017 to 2019, a total of 201 widows had applied for and started receiving Widow Pension under IGWPS. However, none of them had applied for or received the one-time financial assistance of ₹ 20,000 available under the NFBS during the same period. Similarly, in another *Mamlatdar* office in Ahwa (Dang district), 721 widows were found to be included under IGWPS from 2017 to 2020. However, only 75 of them availed of the benefits of NFBS during that period. The 74 beneficiaries, thus, missed out on a total of ₹ 1.55 crore<sup>8</sup> worth of benefits under the NFBS during 2017-20.

Evidently, the poor and widowed beneficiaries were deprived of the benefits of NFBS because the *Mamlatdars* as the Implementing Agencies failed to educate them about the existence and availability of benefits under NFBS when they came to apply for IGWPS. This lack of awareness and indifference on the part of the Implementing Agencies violated the spirit and objectives of the NSAP Guidelines that denied the beneficiaries their legitimate entitlements.

The State Government stated (April 2023) that both the BPL and the non-BPL category widows are provided financial assistance under the IGWPS and the DWPS (Destitute Widow Pension Scheme) respectively. Since the DWPS beneficiaries do not belong to the BPL category, they are not provided any financial assistance under NFBS. The State Government further stated that the benefits of NFBS were not extended, as a number of beneficiaries did not submit the applications within the prescribed time limit of two years. The State Government added that the benefits of NSAP were widely publicized through various media, such as, *Garib Kalyan Melas*, Social Media, Departmental

<sup>8</sup>  $\{(201 + (721 - 75))\} = 847 - 8.6\% = 774 \times ₹ 20,000 = ₹ 1.55 \text{ crore}$  (As per Census 2011 data, 8.6% of the rural population falls in the 60 years and above age group)

Websites, Press Notes in the Newspapers, distribution of brochures and through Information, Education and Communication (IEC) activities.

The reply furnished by the Government is not tenable for the following reasons:

- The non-BPL category beneficiaries and therefore, the DWPS, does not have any relevance here, as the issue under discussion is IGNWPS and its concomitant linkage with NBFS, in terms of eligibility;
- The NSAP Guidelines of 2014 do not have an enabling clause, stipulating a time limit of two years within which an applicant must apply to avail benefits under NBFS; and
- Evidence available with the Audit indicates that the Director, Social Defence and the *Mamlatdars* did not incur any expenditure on IEC activities under the four components of NSAP during 2018-21.

***Recommendation 1: The State Government may establish a centralized and comprehensive database of eligible beneficiaries for NSAP in the State to ensure that deserving beneficiaries are not excluded from the programme. Additionally, awareness campaigns should be conducted to inform potential beneficiaries about the availability and eligibility criteria of NSAP Schemes, encouraging greater participation and coverage.***

## **2.2 Inclusion of ineligible beneficiaries**

### **2.2.1 Continuation of Pension despite change in eligibility status**

The NSAP Guidelines (Paragraph 3.1.2) mandate the constitution of Special Verification Teams under an authorised officer. The teams should include representatives of the Non-Governmental Organizations of repute which are active in the locality. The team's role is to conduct annual verification of existing beneficiaries to confirm their eligibility for social assistance programmes.

After the verification process, the team publishes separate lists of beneficiaries proposed to be confirmed or deleted based on their eligibility status. The NSAP Guidelines have a provision for entering the results of periodic verification. The outcome of the verification process, such as beneficiaries being confirmed or deleted, is recorded for further action. In cases where a Pensioner's Pension needs to be discontinued due to reasons like their death or crossing the BPL threshold, the verification results can be used to stop the Pension payments.

Audit observed that the State Government did not form any Special Verification Teams during 2017-21, as required by the NSAP Guidelines. Analysis of the data dump of NSAP revealed that despite the identification of 1,072 beneficiaries of IGNOAPS, IGNWPS and IGNDPS as discontinued in the State (due to death or crossing BPL status) during 2017-21 by the Implementing Agencies (*Mamlatdars* and Social Defence Officers), Pension was continued to

be paid to them. A total of ₹ 32.60 lakh was disbursed to the 1,072 discontinued beneficiaries during the mentioned period (**Appendix – II**). Further in five out of nine selected districts, Pension amounting to ₹ 7.02 lakh was paid to 170 beneficiaries during 2017-21, despite them being identified as discontinued (**Appendix – III**).

The State Government stated (April 2023) that the Implementing Agencies do conduct physical verification of beneficiaries. The process of physical verification involves visiting the beneficiaries in person at their registered addresses to confirm their existence and eligibility. If during this physical verification, a beneficiary is not found at the given location, the State Government discontinues their assistance. However, if the beneficiaries, who have been discontinued, claim that they are not receiving the assistance despite being eligible, the Implementing Agency concerned re-verifies the beneficiaries’ status. Based on the re-verification results, if it is confirmed that the beneficiaries are indeed eligible and should continue to receive assistance, their Pension is reinstated.

While the instances of Pensions being disbursed to discontinued beneficiaries were relatively few within the State, it is imperative for the State Government to establish a dedicated Special Verification Teams and promptly act upon the verification outcomes. This measure is essential to guarantee the precise and effective allocation of social assistance benefits.

**CHAPTER – III**  
**IMPLEMENTATION OF NSAP**  
**THROUGH DBT**



**Brief Snapshot**

*Implementation of NSAP through DBT revealed several deficiencies. Pension payments to 3,820 beneficiaries registered significant delays of one to 38 months beyond the stipulated effective date, leading to a total financial loss of ₹ 1.81 crore during the years 2017-21. Failed transactions follow-up by Implementing Agencies led to ₹ 1.57 crore Pension stoppage for 4,978 beneficiaries from one to more than 24 months during 2017-21. Flawed beneficiary migrations led to the loss of Pension amounting to ₹ 25.04 lakh for 380 beneficiaries, while missed migration opportunities led to monthly losses of ₹ 150 to ₹ 500 per beneficiary to a total of 270 beneficiaries during 2017-21.*

*The State Government did not contribute a matching Grant of ₹ 20,000 per beneficiary, leading to denial of benefits worth ₹ 55.60 crore for 27,801 NFBS beneficiaries. The GoI did not release its share of the IGNWPS Grants to the State Government during 2017-20, due to various non-compliance issues. The NSAP beneficiary data was not shared with other Departments (except Department of Food, Civil Supplies and Consumer Affairs) for convergence purposes. No Social Audits were conducted by 36 selected Gram Panchayats/Wards during 2017-21.*

**3.1 Non-payment of Pension from the effective date resulting in loss to beneficiaries**

As per paragraph 3.2.2 of the NSAP Guidelines, the time for processing of the application from the time of receipt till sanction or rejection shall not exceed 60 days. Further, as per Notification issued by the SJED in June 2018, once the pension is sanctioned by the designated Sanctioning Authority, the Pension to a beneficiary shall start from the month in which the application was made by the beneficiary (the Pension effective date).

***At State level***

Analysis of data dump of the NSAP from 2017 to 2021 revealed that in 3,820 out of 8,37,137 cases across three Pension components of NSAP (IGNOAPS, IGNDPS and IGNDPS), the Pension effective date was incorrectly set, ranging from one to 38 months beyond the month of application receipt. This resulted in a combined financial loss of ₹ 1.81 crore<sup>9</sup> to these 3,820 beneficiaries, as shown in **Table 3.1** below:

<sup>9</sup> Entitled Pension amount × No. of delayed months.

**Table 3.1: Financial loss due to delay in release of first Pension (State’s position)**

Components of NSAP	No. of affected beneficiaries	Non-payment of pension due to incorrect adoption of pension effective date (Amount in ₹)
IGNOAPS	198	4,18,250
IGNWPS	3,620	1,76,58,750
IGNDPS	02	6,600
<b>Total</b>	<b>3,820</b>	<b>1,80,83,600</b>

(Source: Data dump of NSAP)

### *In Selected Districts*

Similarly, in the nine selected districts, 1,980 out of 2,42,128 beneficiaries remained deprived of their Pension for a period from one to 38 months, leading to financial loss of ₹ 1.05 crore during the same period, as shown in **Table 3.2** below:

**Table 3.2: Financial loss due to delay in release of first Pension in selected districts**

Selected districts	No. of affected beneficiaries	Component-wise No. of affected beneficiaries			Financial loss due to incorrect adoption of Pension effective date (Amount in ₹)		
		IGNOAPS	IGNWPS	IGNDPS	IGNOAPS	IGNWPS	IGNDPS
Ahmedabad	348	06	341	01	18,000	9,29,000	3,600
Banaskantha	46	21	25	00	41,500	3,73,250	00
Bharuch	21	01	20	00	2,500	78,250	00
Dang	194	00	194	00	00	5,02,000	00
Gandhinagar	32	00	32	00	00	3,19,750	00
Kachchh	99	01	98	00	2,500	2,18,500	00
Morbi	162	01	161	00	500	7,40,750	00
Rajkot	1,062	00	1,062	00	00	71,12,000	00
Valsad	16	11	05	00	39,250	84,750	00
<b>Total</b>	<b>1,980</b>	<b>41</b>	<b>1,938</b>	<b>01</b>	<b>1,04,250</b>	<b>1,03,58,250</b>	<b>3,600</b>

(Source: Data dump of NSAP)

**Table 3.2** further shows that the majority of the incorrect adoption of the pension effective date was in the case of IGNWPS (99 per cent).

Delay in the disbursement of Pensions can have severe consequences for the beneficiaries who rely on these payments for their basic needs and well-being.

The State Government accepted the Audit Observations and stated (April 2023) that since applications are now being accepted exclusively through the ‘Digital Gujarat Portal’ and the effective date of the pension is automatically set by the system, such delays will no longer occur.

### **3.2 Stoppage of Pension due to failed transactions**

A transaction is considered as failed once the transaction is returned or rejected by the Bank or National Payment Corporation of India (NPCI). In such cases, the Bank credits the unpaid amount back to the Accounts of the Director, Social Defence/Commissioner, W&CDD.

#### *At State level*

The analysis of the data provided by the Director, Social Defence/Commissioner, W&CDD for the period 2017-21 revealed failed

transactions, totaling 5,080 cases. The reasons for the failed transactions in 4,991 out of the 5,080 cases<sup>10</sup> involving ₹ 1.60 crore were attributed to a range of factors including:

- Inoperative Accounts: Such accounts that are currently inactive or non-functional through which transactions cannot be processed;
- Closed Accounts: Accounts that have been permanently closed and therefore cannot facilitate transactions;
- Blocked or Frozen Accounts: Accounts that have been blocked or frozen by the Bank or relevant authorities and therefore, are unable to process transactions;
- Dormant Accounts: Accounts that have not had any activity for an extended period of time are considered dormant and may not be operational;
- Invalid Account Information: Incorrect or outdated Account details can lead to failed transactions;
- Know Your Customer (KYC) Pending: Transactions may fail if the KYC verification process for the Account is pending or incomplete;
- *Aadhaar* De-seeded: If *Aadhaar* information has been removed or is not linked properly, transactions may not go through.

However, in all the 4,991 cases, the Implementing Agencies did not inform the beneficiaries concerned about the type of deficiency in their Bank Accounts for taking corrective action, leading to stoppage of pension payments. The details are shown in **Table 3.3** below.

**Table 3.3: Details of failed transactions during 2017-21**

Reasons for failed transactions	No. of affected beneficiaries				Amount involved (₹)			
	IGNOAPS	IGNWPS	NFBS	IGNDPS	IGNOAPS	IGNWPS	NFBS	IGNDPS
Account inoperative/closed/blocked/frozen.	2,228	110	08	21	95,30,000	3,81,250	1,60,000	39,600
Account dormant/no such Account.	24	01	01	00	1,65,000	1,250	20,000	00
Invalid Account type (NRE/PPF/Loan/FD), Account under litigation, KYC pending, unclaimed/Deaf Account	21	03	03	01	88,500	56,250	60,000	4,200
<i>Aadhaar</i> number de-seeded from NPCI mapper, customer to contact his/her Bank, <i>Aadhaar</i> not mapped with Account.	2,522	00	01	47	53,67,500	00	20,000	90,000
<b>Total</b>	<b>4,795</b>	<b>114</b>	<b>13</b>	<b>69</b>	<b>1,51,51,000</b>	<b>4,38,750</b>	<b>2,60,000</b>	<b>1,33,800</b>
		<b>4,991</b>				<b>1,59,83,550</b>		

(Source: Data furnished by Implementing Agencies)

This lack of effective follow-up action on the failed transactions by the Implementing Agencies led to the stoppage<sup>11</sup> of Pension amounting to ₹ 1.57 crore to 4,978 beneficiaries (excluding 13 NFBS beneficiaries) ranging for a period from one month to more than 24 months during 2017-21, as detailed in **Table 3.4** below:

<sup>10</sup> Excluding Accounts of 89 deceased beneficiaries.

<sup>11</sup> If no corrective action is taken to rectify the deficiencies in beneficiaries' Accounts, the payment files prepared and pushed to PFMS by the Implementing Agencies in the successive months are returned as failed transactions.

**Table 3.4: Stoppage of Pension due to lack of effective follow-up action**

Stoppage of Pension for the period	No. of affected beneficiaries	Amount of stopped Pension (₹)
1-6 months	4,306	87,23,600
7-12 months	335	22,12,450
13-18 months	176	20,27,500
19-24 months	131	21,54,750
Beyond 24 months	30	6,05,250
<b>Total</b>	<b>4,978</b>	<b>1,57,23,550</b>

(Source: Data furnished by Implementing Agencies)

### ***In Selected Districts***

In nine selected districts, 1,672 beneficiaries were affected by the failed transactions involving ₹ 57.02 lakh was stopped during 2017-21. The details are shown in the **Table 3.5** below:

**Table 3.5: Details of failed transactions and stoppage of Pension due to lack of effective follow-up action**

Reasons for failed transactions	No. of affected beneficiaries				Amount involved (₹)			
	IGNOAPS	IGNWPS	NFBS	IGNDPS	IGNOAPS	IGNWPS	NFBS	IGNDPS
Account inoperative/closed/blocked/frozen.	761	33	03	02	33,80,500	1,32,500	60,000	6,000
Account dormant/no such Account.	10	00	01	00	1,02,750	00	20,000	00
Invalid Account type (NRE/PPF/Loan/FD), Account under litigation, KYC pending.	08	01	03	00	29,750	30,000	60,000	00
<i>Aadhaar</i> number de-seeded from NPCI mapper, customer to contact his/her Bank, <i>Aadhaar</i> not mapped with Account.	835	00	00	15	18,46,750	00	00	33,600
<b>Total</b>	<b>1,614</b>	<b>34</b>	<b>07</b>	<b>17</b>	<b>53,59,750</b>	<b>1,62,500</b>	<b>1,40,000</b>	<b>39,600</b>
		<b>1,672</b>						<b>57,01,850</b>

(Source: Data furnished by Implementing Agencies)

The State Government stated (April 2023) that in case of failed transactions, the Accounts of implementing agencies are credited back. Payment is then made to the affected beneficiaries, after verification and updation of their Bank Accounts in the System by the Implementing Agencies concerned.

The reply of the Government is not borne out by the facts, as there was a lack of effective follow-up action on the failed transactions by the Implementing Agencies, leading to the stoppage of Pension for prolonged periods. On the contrary, it raises questions about the efficiency of the Implementing Agencies in handling the failed transactions and ensuring that affected beneficiaries receive their payments in a timely and appropriate manner.

***Recommendation 2: The State Government may implement more robust processes for verifying and maintaining beneficiary account information, enhancing communication between the Implementing Agencies and beneficiaries, to keep the accounts active.***

### 3.3 Payment of Maximum Eligible Pension

The eligibility criteria and the scale of financial assistance outlined for beneficiaries across three Pension components of NSAP (IGNOAPS, IGNWPS, and IGNDPS) are depicted in **Table 3.6** below:

**Table 3.6: Eligibility criteria and financial assistance across three components of NSAP**

Components	Eligibility criteria	Assistance (₹)
<b>IGNOAPS (Pension)</b>	A person belonging to BPL category who has attained the age of 60 years.	₹ 750 per month (60-79 years) ₹ 1,000 per month (80 years and above)
<b>IGNWPS (Pension)</b>	A widow belonging to BPL category who has attained the age of 40 years.	₹ 1,250 per month
<b>IGNDPS (Pension)</b>	A disabled with a disability level of 80 <i>per cent</i> and above, belonging to the BPL category and above the age of 18 years.	₹ 600 per month (18-79 years) ₹ 1,000 per month (80 years and above)

(Source: NSAP Guidelines, 2014 and information furnished by SJED and W&CDD)

It may be seen from the table above that beneficiaries currently receiving a monthly Pension of ₹ 600 through the IGNDPS become eligible to receive an increased Pension amount of ₹ 750 per month upon reaching the age of 60 if they transit to the IGNOAPS. Similarly, women beneficiaries receiving a monthly Pension of ₹ 750 (for ages 60-79) or ₹ 1000 (for ages 80 and above) under the IGNOAPS become eligible for a higher monthly Pension of ₹ 1250 in the event of becoming a Widow, if they switch to the IGNWPS. Additionally, current IGNOAPS beneficiaries (ages 60-79) receiving ₹750 per month become eligible for an increased Pension of ₹ 1000 per month upon reaching 80 years of age.

The audit findings revealed that despite these provisions within the NSAP which enable beneficiaries to receive higher Pension amounts, there was currently no established mechanism in place for the automatic migration/transition of existing beneficiaries from one NSAP component to another, upon meeting specific eligibility criteria. The findings also indicated that instances of beneficiary migration across various components of the NSAP, as approved by the Implementing Agencies (*Mamlatdars* and Social Defence Officers), were flawed. Conversely, in cases where migration would have been advantageous and necessary, the Implementing Agencies did not take any action. These are discussed in the following paragraphs.

#### 3.3.1 Financial loss to beneficiaries due to flawed migration

##### *At State Level*

An analysis of the data dump of the NSAP revealed that the Implementing Agencies (*Mamlatdars* and Social Defence Officers) approved the migration of 380 beneficiaries from one component of NSAP to another between 2017 and 2021. This migration was done despite the original component being more beneficial for these beneficiaries than the one they were moved to. As a result,

a total Pension loss amounting to ₹25.04 lakh<sup>12</sup> was incurred, as detailed in **Table 3.7** below:

**Table 3.7: Financial loss due to flawed migration from one component of NSAP to another (State’s Status)**

Components of NSAP	Loss due to flawed migration		Total
	Migrated from IGNWPS to IGNOAPS	Migrated from IGNDPS to IGNOAPS	
No. of beneficiaries	376	04	380
Amount (₹)	24,60,000	44,200	25,04,200

(Source: Data dump of NSAP)

### ***In Selected Districts***

A total of 107 beneficiaries in eight out of nine selected districts suffered a financial loss of ₹ 7.16 lakh due to ill-conceived migration decisions made between 2017 and 2021. The details are shown in **Table 3.8** below:

**Table 3.8: Financial loss due to flawed migration from one component of NSAP to another (Selected districts)**

Selected districts	Loss due to flawed migration in ₹ (No. of beneficiaries)		Total financial loss in ₹ (No. of beneficiaries)
	Migrated from IGNOAPS	Migrated from IGNDPS	
Ahmedabad	2,00,500 (33)	00	2,00,500 (33)
Banaskantha	89,500 (16)	00	89,500 (16)
Bharuch	70,500 (09)	00	70,500 (09)
Gandhinagar	76,500 (06)	00	76,500 (06)
Katchchh	65,000(12)	13,000 (02)	78,000 (14)
Morbi	5,500 (01)	00	5,500 (01)
Rajkot	1,67,000 (21)	00	167,000 (21)
Valsad	28,000 (07)	00	28,000 (07)
<b>Total</b>	<b>7,02,500 (105)</b>	<b>13,000 (02)</b>	<b>7,15,500 (107)</b>

(Source: Data dump of NSAP)

### **3.3.2 Financial loss due to failure to migrate to IGNOAPS**

The analysis of payment details within the NSAP Portal and the examination of application and sanction records spanning the years 2017-21 in the offices of Social Defence Officers across nine selected districts revealed that 5,158 disabled beneficiaries were receiving a monthly Pension of ₹ 600 under the IGNDPS. Among these beneficiaries, 246 individuals<sup>13</sup> who reached the age of 60 or more became eligible for an increased Pension amount of ₹ 750 per month under the IGNOAPS. However, due to the absence of an automated transition process between various components within NSAP, these 246 beneficiaries continued to receive ₹ 600 per month throughout the years 2017-21. This oversight led to a financial loss of ₹ 150 per month per beneficiary.

In April 2023, the State Government stated that varying rates of financial aid are accessible across different components of NSAP. Nonetheless,

<sup>12</sup> Worked out from the date of migration up to 31/12/2020.

<sup>13</sup> Ahmedabad: 58 cases; Bharuch: 30 cases; Banaskantha: 38 cases; Gandhinagar: 10 cases; Valsad: 19 cases; Dang: 09 cases; Morbi: 10 cases; Kutch: 24 cases; and Rajkot: 48 cases.

beneficiaries' applications are being processed and transferred to the component offering the most advantageous assistance for them.

The State Government added that the minimum monthly Pension of ₹ 600 has been enhanced to ₹ 1,000 for disabled beneficiaries under IGNDPS, effective from 01 April 2022. Consequently, the need for disabled beneficiaries to migrate from IGNDPS to other NSAP components, till they attain the age of 79 years, has been eliminated.

While the step taken by the Government to enhance the minimum monthly Pension under IGNDPS is commendable, an opportunity still exists for disabled and widowed beneficiaries currently receiving ₹ 1,000 per month under IGNDPS to migrate to the IGNWPS, where they would be entitled to a higher monthly Pension of ₹ 1,250.

### 3.3.3 Financial loss due to failure to migrate to IGNWPS

Examination of records in *Mamlatdar* offices in seven<sup>14</sup> out of the 18 chosen talukas revealed that among the 800 beneficiaries of the IGNOAPS, 24 elderly women in seven talukas were receiving a monthly Pension of either ₹ 750 (for ages 60-79) or ₹ 1,000 (for ages 80 and above) in accordance with the Scheme Guidelines. These 24 elderly women, being widows, were entitled to a higher Pension amount of ₹ 1,250 per month under the IGNWPS. However, due to their non-transition from the Old Age Pension (IGNOAPS) to the more advantageous Widow Pension (IGNWPS), each of these 24 elderly widow beneficiaries incurred a financial loss of ₹ 250 or ₹ 500 per month during the period from 2017 to 2021.

The State Government stated (April 2023) that an online migration system for beneficiaries was accessible through the 'Digital Gujarat Portal'. Upon completing such migration, the *Mamlatdars* and the Social Defence Officers facilitate the transition within the NSAP Portal after obtaining the necessary application from the respective beneficiaries.

***Recommendation 3: The State Government may strengthen the oversight and monitoring mechanisms to ensure that migration decisions are well-informed, transparent and aligned with the best interests of the beneficiaries.***

### 3.4 Denial of financial assistance despite meeting eligibility criteria

Examination of records in 18 selected *Mamlatdar* offices revealed that during the period 2017-21, the Sanctioning Authorities declined financial assistance to 173 out of 982 beneficiaries (test-checked cases) in nine *Mamlatdar* offices, based on various grounds. These included reasons such as the applicant having a Joint Bank Account, not being listed under the BPL category, the applicant's age exceeding 60 years, absence of the deceased applicant's age, the applicant having a surviving son aged 21 years or older, failure to attach BPL card, non-validation of the application form by the Taluka Development Officer, the

<sup>14</sup> Ahwa (04 cases), Ankleshwar (05 cases), Bhabhar (01 case), Gandhinagar (04 cases), Jhagadia (04 cases), Kalol (03 cases) and Pardi (03 cases).

applicant’s income surpassing the prescribed limit, non-attachment of the death certificate, etc. The details are shown in **Table 3.9** below:

**Table 3.9: Denial of financial assistance on inappropriate grounds**

Sr. No.	Selected Mamlatdar office	No. of applications inappropriately rejected		
		IGNOAPS	NFBS	IGNWPS
1	Gandhinagar	00	07	43
2.	Kalol	00	34	00
3.	Mandvi	09	02	00
4.	Mundra	01	00	00
5.	Padhhari	04	00	00
6.	Rajkot (Rural)	04	03	04
7.	Tankara	08	03	00
8.	Vejalpur	02	04	00
9.	Wankaner	22	23	00
<b>Total</b>		<b>50</b>	<b>76</b>	<b>47</b>

(Source: Information furnished by the respective Mamlatdar offices)

However, upon scrutinizing the applications submitted by the beneficiaries and the accompanying supporting documents, it was revealed that all 173 beneficiaries had indeed met the eligibility criteria of the relevant Scheme. The justifications cited by the Sanctioning Authorities for the rejection of these applications were found to be incorrect. Additionally, it was noted that according to the NSAP Guidelines, the possession of a Joint Bank Account was not a valid disqualification criterion. Further, in several instances, the grounds for rejection were either not mentioned or not recorded in the case files, which violated the provision outlined in Paragraph 3.3 of the NSAP Guidelines<sup>15</sup>.

The State Government stated (April 2023) that the process of accepting and validating applications had been streamlined through the ‘Digital Gujarat Portal’. It further stated that explanations would be sought from the relevant Mamlatdar offices for the inappropriate rejection of applications.

**Recommendation 4: The State Government may reassess the applications of beneficiaries who were previously denied benefits under the Scheme due to unjustified rejections. Additionally, responsibility may be fixed for the officials responsible for the erroneous rejections.**

### 3.5 Non-contribution of State’s share under NFBS

As per Paragraph 2.3 of the NSAP Guidelines, eligible beneficiaries under the NFBS are entitled to receive ₹ 20,000 as financial assistance from the GoI. Furthermore, Paragraph 2.4.1 of the Guidelines strongly recommends that the State Government provide an additional amount equivalent to the Central Assistance to ensure beneficiaries receive a substantial level of financial support.

<sup>15</sup> As per Paragraph 3.3 of the NSAP Guidelines, in case of rejection of an application, the ground(s) for rejection needs to be recorded and intimated to the beneficiary, with a copy to the Gram Panchayat/Municipality concerned.

Audit observed that the Government of Gujarat did not adhere to these Guidelines by failing to offer any financial assistance under NFBS. Consequently, a total of 27,801 NFBS beneficiaries were only granted ₹ 20,000 each between 2017 and 2021. The absence of equivalent assistance of ₹ 20,000 from the Government of Gujarat resulted in 27,801 registered beneficiaries in the State being denied a total benefit amounting to ₹ 55.60 crore<sup>16</sup>.

Considering that beneficiaries of NFBS fall within the most vulnerable segment of society, the provision of significant lump-sum financial assistance would have immensely helped the bereaved households in the unfortunate event of the breadwinner's demise.

The State Government stated (April 2023) that a proposal to contribute the State's share was under consideration. Upon approval of this proposal, the State's share would be incorporated accordingly under the NFBS.

### 3.6 Short-receipt of Grants from GoI under IGNWPS

As per Paragraph 2.3 of the NSAP Guidelines, the widowed beneficiaries become eligible for benefits under the IGNWPS at the age of 40 and receive a monthly Pension of ₹ 1,250, with a GoI contribution of ₹ 300 per month. Upon reaching 80 years of age, while beneficiaries still receive the same monthly Pension amount of ₹ 1,250, the GoI's contribution increases to ₹ 500 per month.

Scrutiny of Utilization Certificates (UCs) and other relevant documents in the office of the Additional Commissioner, W&CDD revealed that the GoI did not release any Grants to the State Government under IGNWPS during 2017-20. In 2020-21, the GoI released ₹ 88.55 crore to the State Government, which was only 33 per cent of its total minimum liability under IGNWPS for the four years (2017-21). The details are shown in **Table 3.10**.

**Table 3.10: Details of Grants released by GoI under IGNWPS during 2017-21**  
(₹ in crore)

Year	Grants released by GoI	Minimum liability of GoI as per NSAP Guidelines
2017-18	0.00	51.48 <sup>17</sup> (1,43,009 beneficiaries)
2018-19	0.00	59.13 (1,64,249 beneficiaries)
2019-20	0.00	78.62 (2,18,395 <sup>18</sup> beneficiaries)
2020-21	88.55	78.62 (2,18,395 beneficiaries)
<b>Total</b>	<b>88.55</b>	<b>267.85</b>

(Source: Information furnished by the Additional Commissioner, W&CDD)

As a consequence, the State Government not only missed out on receiving the rightful funds from the GoI but also incurred an additional financial burden of ₹ 179.30 crore<sup>19</sup> during the period 2017-21.

<sup>16</sup> ₹ 20,000 × 27,801 beneficiaries.

<sup>17</sup> ₹ 300 per month × 12 months = ₹ 3,600 per year × 1,43,009 beneficiaries = ₹ 51.48 crore.

<sup>18</sup> For widow beneficiaries under IGNWPS, the GoI has fixed a numerical ceiling of 2,18,395. As such, the GoI was bound to release its share equivalent to this numerical ceiling, or the number of widow beneficiaries actually covered, whichever was less.

<sup>19</sup> ₹ 267.85 crore – ₹ 88.55 crore.

The State Government accepted the audit observation and stated (April 2023) that GoI did not release any Grants under IGNWPS during 2017-20, due to non-digitization of the beneficiaries’ details by the W&CDD and non-conduct of Social Audit of the Scheme.

### **3.7 Non-convergence of NSAP with other Schemes**

According to Paragraph 8.1 of the NSAP Guidelines, due to the vulnerable socio-economic and health conditions faced by NSAP beneficiaries, it was deemed essential to converge various anti-poverty programmes with NSAP. This convergence was intended to streamline and enhance the comprehensive and effective distribution of social support. Thus, all the eligible NSAP beneficiaries were meant to automatically receive the advantages of other Social Welfare Schemes administered by the Central and State Governments, such as, Rashtriya Swasthya Bima Yojana, State-level Health Insurance Schemes, Mahatma Gandhi National Rural Employment Guarantee Act, Indira Awaas Yojana, National Food Security Act, National Rural Livelihood Mission, Aajeevika Skills Programme and more.

Information furnished (January 2022) by the Director, Social Defence and the Commissioner, W&CDD revealed that except 96 *per cent*<sup>20</sup> of NSAP beneficiaries, who were drawing ration under National Food Security Act, no data of NSAP beneficiaries had been shared by the Implementing Agencies with the Implementing Agencies of other Schemes for convergence purpose.

The fact that data of NSAP beneficiaries has not been shared with implementing agencies of other Schemes for convergence meant that potential opportunities for integrating services and resources to provide comprehensive support to vulnerable individuals and families have been missed.

The State Government stated (April 2023) that Pilot Projects have been started in nine districts of the State for convergence of NSAP with other Schemes, with the support of Self Help Groups.

***Recommendation 5: To facilitate enhanced coordination and synergy between various Government Schemes, the NSAP beneficiary data may be shared with other implementing agencies of different Departments. This approach would enable effective convergence, allowing identified vulnerable beneficiaries to access benefits from multiple State/Central Schemes.***

### **3.8 Non-conduct of Social Audit**

Public participation in decision-making and policy execution is a key aspect of good governance. Involving members of society, especially stakeholders of a Scheme, in assessing and reviewing its implementation at the grassroots level can lead to valuable insights for more effective implementation. This process, known as ‘Social Audit’, serves to improve the Schemes by identifying and

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<sup>20</sup> 7,23,820 out of 7,55,957 NSAP beneficiaries were converged under the National Food Security Act.

addressing shortcomings, thereby enhancing transparency, accountability and addressing beneficiaries' concerns.

As per paragraph 6.10.2 of the NSAP Guidelines, Social Audit under NSAP is to be conducted by the Gram Sabha/Ward Committee, at least once in every six months. Therefore, it is necessary for the Gram Panchayat/Municipality to include "Conducting Social Audit for NSAP Schemes" as one of the agenda items in at least two Gram Sabhas/Ward meetings convened annually.

Scrutiny of records, however, revealed that none of the 36 selected Gram Panchayats/Wards conducted Social Audit of NSAP during the period 2017-21. Notably, the non-conduct of Social Audit by the State Government was cited as one of the reasons by the GoI for withholding of Grants under IGNWPS from 2017 to 2020, as detailed in **Paragraph 3.6** above.

The State Government stated (April 2023) that the Central Government had assigned the Social Audit Unit of the Mahatma Gandhi National Rural Employment Guarantee Act to conduct the Social Audit of NSAP. A trial Audit in this regard was completed in December 2021. The State Government further stated (June 2024) that the Social Audit Unit had prepared a schedule/calendar for conducting the Social Audit of the NSAP. However, Social Audit had not been completed.

### 3.9 Funds received under 'Administrative Expenses' not spent

As per Paragraph 7.1 of Scheme Guidelines, the State Governments are permitted to utilize up to three *per cent* of the NSAP funds released during the year towards 'Administrative Expenses', to enable effective implementation of the NSAP. The States can decide the norms and formula for allocating this three *per cent* as per local requirements. The activities permissible under the 'Administrative Expenses' are, printing and distribution of Pension Passbook, printing of application forms, organizing camps for distribution of Disability Certificates, IEC<sup>21</sup>, training of Nodal Officers of PRIs/ULBs/NGOs, MIS, impact assessment, quality supervision, operational expenses, *etc.*

Audit observed that the GoI released ₹ 135.46<sup>22</sup> lakh to the State Government towards 'Administrative Expenses' under NFBS during 2018-21 (no funds were released by the GoI during 2017-18). However, the State Government neither decided any norm(s) nor worked out a formula for allocating these funds for meeting expenses under the heads mentioned above. Thus, 'Administrative Expenses' of ₹ 135.46 lakh released by the GoI during 2018-21 remained unutilized.

The State Government accepted (April 2023) the audit observation and stated that GoI funds could not be utilized, as no provision was made for 'Administrative Expenses' under NFBS in the State budget during 2018-21.

<sup>21</sup> Information, Education and Communication.

<sup>22</sup> 2018-19: 41.16 lakh; 2019-20: 41.16 lakh; and 2020-21: 53.14 lakh.



**CHAPTER – IV**  
**CONTROL MECHANISM AND**  
**INFORMATION TECHNOLOGY**  
**SYSTEM**



## Brief Snapshot

*Audit identified several deficiencies in the IT system. Audit analysis for the period 2017-21 revealed a number of duplicate Pension Accounts across three Pension components of NSAP within the State and in nine selected districts. The NFBS claim form lacked a section for the deceased individual's age, a crucial determinant of eligibility. None of the 27 designated Implementing Agencies maintained any documentation or reports regarding the annual verification of beneficiaries' eligibility status. Furthermore, no Life Certificates from beneficiaries were found to have been uploaded onto the NSAP portal.*

One of the primary objectives of DBT is to eliminate leakages and fraud in the distribution of subsidies, Pension payments, financial assistance, *etc.* to the targeted beneficiaries. Effective control mechanisms, such as, robust authentication processes, data validation and regular audits, can help prevent unauthorised access and misuse of funds. Complementing these control mechanisms, Information Technology (IT) systems provide real-time monitoring and reporting capabilities, allowing Government agencies to track the status of transactions, identify irregularities and respond promptly to any issues that may arise. Together, these control mechanisms and IT systems collaboratively ensure the precise, streamlined and secure distribution of benefits, all while mitigating the risks of leakages and fraudulent activities.

The NSAP Management Information System (MIS) Reports spanning from 2017 to 2021 revealed that out of a total of 24.32 lakh beneficiaries registered across nine<sup>23</sup> Schemes operated by both the GoI and the Government of Gujarat, approximately 24.02 lakh beneficiaries received payments through the DBT mode. The NSAP Portal played a pivotal role in beneficiary verification and validation online. Payment files were generated through this portal using a unified approach, with the Director, Social Defence overseeing seven<sup>24</sup> Schemes and the Commissioner, Women and Child Development overseeing two<sup>25</sup> Schemes. Automated payment processing was facilitated through the DBT module of the PFMS, with a reverse feedback loop that ensured payment

<sup>23</sup> Four components of NSAP plus five State Government Schemes, *viz.* Financial Assistance to Destitute Older Persons; Destitute Widow Pension Scheme; Gujarat Mentally Disabled Pension Scheme; Gujarat State *Sant Surdas* Pension Scheme; and Gujarat *Palak Mata-Pita Yojana*.

<sup>24</sup> Three components of NSAP plus four State Government Schemes, *viz.* Financial Assistance to Destitute Older Persons; Gujarat Mentally Disabled Pension Scheme; Gujarat State *Sant Surdas* Pension Scheme; and Gujarat *Palak Mata-Pita Yojana*.

<sup>25</sup> Indira Gandhi National Widow Pension Scheme; and Destitute Widow Pension Scheme.

status updates. Beneficiaries were also notified of payments through SMS via the PFMS.

The extent of coverage achieved, encompassing nearly all beneficiaries at 98.76 per cent through the DBT payment mode, is commendable.

However, despite a generally effective IT system, Audit identified several shortcomings in the IT system of the NSAP Portal. These deficiencies are elaborated upon in the subsequent paragraphs, necessitating improvements in the system.

#### 4.1 Duplicate Pension Accounts

Audit conducted an analysis of the data dump of NSAP to identify duplicate Pension Accounts across three Pension components of NSAP (IGNDPS, IGNOAPS and IGNWPS). The duplicates were identified using three different combinations of parameters viz. (i) First Name, Date of Birth and Bank Account with IFSC, (ii) First Name, Father/Husband Name and Bank Account with IFSC and (iii) First Name, Date of Birth, Father/Husband Name and Bank Account with IFSC. The analysis for the period 2017-21 revealed a number of duplicate Pension Accounts across these three parameters within the State and in nine selected districts. These are summarised in the **Table 4.1** below:

**Table 4.1: Duplicate Pension Accounts in the State and nine selected districts**

Parameter-combination	Component of NSAP	No. of duplicate Pension Accounts in the State	No. of duplicate Pension Accounts in nine selected districts
(i) First Name, Date of Birth and Bank Account with IFSC.	IGNDPS	18	04
	IGNOAPS	418	52
	IGNWPS	170	76
	<b>Total</b>	<b>606</b>	<b>132</b>
(ii) First Name, Father/Husband Name and Bank Account with IFSC.	IGNDPS	14	04
	IGNOAPS	435	52
	IGNWPS	251	110
	<b>Total</b>	<b>700</b>	<b>166</b>
(iii) First Name, Date of Birth, Father/Husband Name and Bank Account with IFSC.	IGNDPS	14	04
	IGNOAPS	380	44
	IGNWPS	127	62
	<b>Total</b>	<b>521</b>	<b>110</b>

(Source: Data dump of NSAP)

The State Government stated (April 2023) that since December 2020, only those applications had been accepted that were applied through Aadhaar-based ‘Digital Gujarat Portal’, in order to avoid the instances of duplications.

#### 4.2 Crucial field of ‘Age of Deceased’ under NFBS not available in NSAP Portal

The eligibility criteria for the NFBS stipulate a lump-sum assistance of ₹ 20,000 to be provided to a household in the unfortunate event of the breadwinner’s demise. The breadwinner’s passing must have occurred whilst the age of the deceased breadwinner was more than 18 years and less than 60 years.

Audit observed that despite the age of the deceased being a crucial determinant of eligibility, the online claim form for NFBS did not include a dedicated section to input the age of the deceased individual. Conversely, substantive checks at the unit level revealed a number of cases, such as one from *Mamlatdar*, Gandhinagar (Gandhinagar district), two from *Mamlatdar*, Mundra (Katchchh district) and three from *Mamlatdar*, Bavla (Ahmedabad district), where the age of the deceased was documented (in the records made available to Audit by the *Mamlatdars* concerned) as exceeding 60 years. This oversight could have been averted, had the age field for the deceased been incorporated within the NSAP Portal.

In response to this concern, the State Government explained (April 2023) that the NSAP Portal indeed features a field for the date of birth of the deceased, with an age limit restriction set between 18 and 60 years. This limitation prevents the input of data for ineligible beneficiaries who fall below 18 years or exceed 60 years of age. However, the explanation is not acceptable, as the age criterion, as claimed by the Government, was erroneously applied to the applicants (dependents of the deceased) rather than to the deceased individuals themselves.

### 4.3 Non-seeding of *Aadhaar*

*Aadhaar* is a unique 12-digit identification number issued by the Unique Identification Authority of India (UIDAI) to residents of India based on their biometric and demographic data.

*Aadhaar* seeding, also known as *Aadhaar* linking or *Aadhaar* integration, refers to the process of linking an individual's *Aadhaar* number with various Government databases or services. *Aadhaar* seeding aims to connect an individual's *Aadhaar* number with his records in various Government and Financial Institutions to streamline and authenticate transactions, services and benefits.

*Aadhaar* seeding has several benefits, including minimizing the chances of duplication, fraud or errors in beneficiary lists, by ensuring that the correct individual is availing of the intended benefits or services. From the DBT perspective, *Aadhaar* seeding is used in conjunction with DBT Schemes to ensure that financial assistance, subsidies or Pensions are directly credited to the Bank Accounts of the eligible beneficiaries, reducing intermediaries and potential leakages.

The status<sup>26</sup> of *Aadhaar* seeding of the NSAP beneficiaries, except NFBS where one-time financial assistance is given, with their Bank Accounts in nine selected districts, is shown in **Table 4.2** below:

<sup>26</sup> Data extracted from the NSAP Portal on real-time basis by the Implementing Agencies during audit of nine selected districts (IGNWPS: 15/04/2021; IGNOAPS: 28/06/2021; and IGDPS: 27/07/2021).

**Table 4.2: Details of Aadhaar seeding in nine selected districts**

Sr. No.	Selected districts	Total No. of beneficiaries	Aadhaar seeding completed	Percentage of Aadhaar seeding completed
1.	Rajkot	36,736	25,063	68
2.	Morbi	13,000	8,491	65
3.	Katchchh	28,954	14,403	50
4.	Dang	9,442	6,765	72
5.	Valsad	53,448	38,119	71
6.	Ahmedabad	1,14,964	47,258	41
7.	Bharuch	35,431	22,219	63
8.	Banaskantha	74,214	43,853	59
9.	Gandhinagar	28,146	12,635	45

(Source: Live data extracted by Implementing Agencies from NSAP Portal between April 2021 and July 2021)

As could be seen from the table above, Ahmedabad and Gandhinagar were trailing behind the other seven districts, with *Aadhaar* seeding rates of 41 per cent and 45 per cent respectively.

The State Government responded (April 2023) that substantial advancement has been achieved, reaching a level of 90.38 per cent in *Aadhaar* seeding. They further mentioned that efforts were ongoing to achieve full completion, although the achieved percentage may fluctuate periodically due to changes in beneficiary numbers.

#### 4.4 Non-verification of beneficiaries’ status and submission of Life Certificates

According to a Resolution by the State Government on 01 June 2018, the responsibility for verifying beneficiaries’ status and submitting their Life Certificates annually on the NSAP Portal rests with the Sanctioning Authorities, namely the *Mamlatdars* or the District Social Defence Officers concerned.

An examination of records spanning the years 2017-21 revealed that none of the 27 selected Implementing Agencies (comprising 18 *Mamlatdar* offices and nine Social Defence Offices) maintained any documentation or reports regarding the yearly verification of beneficiaries’ status. Additionally, no Life Certificates from beneficiaries were discovered to have been uploaded onto the NSAP portal during the same period. This oversight potentially resulted in the continued disbursement of financial assistance to beneficiaries, even in cases where their eligibility status had changed, as elaborated in **Paragraph 2.2.1; Chapter – II**.

The State Government stated (April 2023) that beneficiaries’ verification was being done every year, during the months of April to June, with the available resources. However, considering its importance, an expedited initiative to verify the status of beneficiaries would be undertaken across all 272 taluka-level offices in the State. The State Government added that efforts were also being

made to digitise and upload the crucial documents and certificates onto the NSAP digital platform.

The efforts undertaken by the Government are commendable. However, the intended outcomes could be further enhanced by transitioning to biometric authentication for the beneficiaries, similar to the established practice for Defence Pensioners. Incorporating this feature into the IT systems would effectively eradicate the need for Life Certificate submissions, thus dispelling all ambiguities and uncertainties.

***Recommendation 6: In order to ensure enhanced accuracy, transparency, and efficiency in the disbursement of financial assistance to the intended beneficiaries, the State Government may strengthen the DBT framework (i) through comprehensive digitisation of all the aspects of the NSAP, (ii) initiate a thorough data cleaning process to rectify any discrepancies or errors in beneficiary information and (iii) implement a system for periodic review and update of beneficiaries' details.***

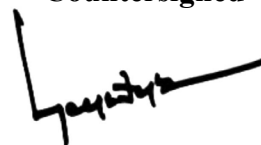
**Rajkot  
The 01 November 2024**



**(ANUBHAV KUMAR SINGH)  
Accountant General (Audit-I), Gujarat**

**New Delhi  
The 05 November 2024**

**Countersigned**



**(GIRISH CHANDRA MURMU)  
Comptroller and Auditor General of India**



# APPENDICES



**APPENDIX - I**  
**Sample Selection**  
**(Reference: Paragraph 1.8; Page 4)**

List of Selected Districts			
State	Total No. of Districts in the State	No. of Districts Selected	Name of Selected Districts
Gujarat	33	09	1. Ahmedabad
			2. Banaskantha
			3. Bharuch
			4. Dang
			5. Gandhinagar
			6. Kachchh
			7. Morbi
			8. Rajkot
			9. Valsad

List of Selected Talukas			
State	Name of Selected Districts	No. of Talukas Selected	Name of Selected Talukas
Gujarat	1. Ahmedabad	02	1.1 Bavla 1.2 Vejalpur
	2. Bharuch	02	2.1 Jhagadia 2.2 Ankleshwar
	3. Banaskantha	02	3.1 Bhabhar 3.2 Suigam
	4. Gandhinagar	02	4.1 Gandhinagar 4.2 Kalol
	5. Valsad	02	5.1 Pardi 5.2 Valsad
	6. Dang	02	6.1 Ahwa 6.2 Waghai
	7. Rajkot	02	7.1 Rajkot (Rural) 7.2 Paddhari
	8. Morbi	02	8.1 Tankara 8.2 Wankaner
	9. Kachchh	02	9.1 Mandvi 9.2 Mundra

List of Selected Gram Panchayats (GPs)/Wards			
State	Name of Selected Talukas	No. of GPs/Wards Selected	Name of Selected GPs/Wards
Gujarat	1.1 Bavla	02	1.1.1 Mithapur 1.1.2 Vasna-dedhal
	1.2 Vejalpur	02	1.2.1 Juhapura 1.2.2 Vejalpur
	2.1 Jhagadia	02	2.1.1 Choki 2.1.2 Sultanpura
	2.2 Ankleshwar	02	2.2.1 Mandvabuzarg 2.2.2 Dhanturiya

List of Selected Gram Panchayats (GPs)/Wards			
State	Name of Selected Talukas	No. of GPs/Wards Selected	Name of Selected GPs/Wards
	3.1 Bhabhar	02	3.1.1 Gagun 3.1.2 Jorvada
	3.2 Suigam	02	3.2.1 Dudosan 3.2.2 Uchosan
	4.1 Gandhinagar	02	4.1.1 Ambapur 4.1.2 Lekawada
	4.2 Kalol	02	4.2.1 Ward No. 01 4.2.2 Ward No. 07
	5.1 Pardi	02	5.1.1 Chival 5.1.2 Pati
	5.2 Valsad	02	5.2.1 Palan 5.2.2 Vaghaldhara
	6.1 Ahva	02	6.1.1 Ghadhavia 6.1.2 Gondalvahir
	6.2 Waghai	02	6.2.1 Jhavada 6.2.2 Rambhas
	7.1 Rajkot (Rural)	02	7.1.1 Maliyasan 7.1.2 Gandheshwar
	7.2 Padhhari	02	7.2.1 Mekha Timbi 7.2.2 Nilakha
	8.1 Tankara	02	8.1.1 Harbatiyali 8.1.2 Mitana
	8.2 Wankaner	02	8.2.1 Arnitimba 8.2.2 Lunasar
	9.1 Mandvi	02	9.1.1 Jamthala 9.1.2 Kokaliya
	9.2 Mundra	02	9.2.1 Bhorara 9.2.2 Motabhujpur

**APPENDIX - II**  
**Pension paid to discontinued beneficiaries in the State**  
**(Reference: Paragraph 2.2.1; Page 10)**

<b>Components</b>	<b>No. of beneficiaries to whom Pension was paid after discontinuation</b>	<b>Financial Assistance (₹)</b>
IGNOAPS	1,040	30,67,750
IGNWPS	29	1,80,250
IGNDPS	03	12,000
<b>Total</b>	<b>1,072</b>	<b>32,60,000</b>

**APPENDIX - III**

**Pension paid to discontinued beneficiaries in five out of nine selected Districts**

**(Reference: Paragraph 2.2.1; Page 10)**

<b>Selected Districts</b>	<b>No. of beneficiaries to whom Pension was paid after discontinuation</b>	<b>Financial Assistance (₹)</b>
Ahmedabad	12	36,000
Banaskantha	18	49,000
Bharuch	04	5,250
Dang	00	00
Gandhinagar	00	00
Kachchh	02	7,750
Morbi	00	00
Rajkot	00	00
Valsad	134	6,04,250
<b>Total</b>	<b>170</b>	<b>7,02,250</b>

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