

# Chapter I

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## General

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## Chapter I

### Part - A    General

#### 1.1    About this Report

This Report of the Comptroller and Auditor General of India (CAG) contains matters arising from performance audit of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and compliance audit of transactions of various Departments of the Government of Telangana, Central and State Plan schemes and audit of autonomous bodies of the State pertaining to General, Social and Economic Sectors during the period 2021-22.

The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit. The findings of audit are expected to enable the Executive to take corrective action, to frame appropriate policies as well as to issue directives that will lead to improved financial management of organisations and contribute to better governance.

Performance audit examines whether objectives of programme/activity is being achieved economically, efficiently and effectively. Compliance audit refers to the examination of transactions of the audited entities to ascertain whether provisions of the Constitution of India, applicable laws, rules and regulations and various orders and instructions issued by competent authorities are being complied with.

This chapter explains the planning and coverage of Audit, response of Departments and Government to audit findings/observations made during audit of transactions and follow-up action on previous Audit Reports.

#### 1.2    Profile of General, Social and Economic Sectors

A summary of the expenditure incurred by the Departments of Government of Telangana during five year period from 2017-18 to 2021-22 is given below.

**Table-1.1**

(₹ in crore)

Sl. No	Name of the Department	2017-18	2018-19	2019-20	2020-21	2021-22
<b>A</b>	<b>General Sector</b>					
1	Finance	57,568.37	58,732.81	79,876.98	1,14,014.79	1,21,329.42
2	Planning					
3	General Administration*	652.03	968.44	802.77	459.89	477.62
4	Home	5,619.09	6,212.21	6,275.54	6,442.08	8,129.74
5	Law	535.45	589.07	582.02	621.93	750.96
6	Revenue	1,868.95	2,258.11	4,027.32	5,522.27	3,489.84
7	State Legislature	114.72	103.72	119.74	116.46	142.89
	<b>Total (A)</b>	<b>66,358.61</b>	<b>68,864.36</b>	<b>91,684.37</b>	<b>1,27,177.42</b>	<b>1,34,320.47</b>

<b>B</b>	<b>Social Sector</b>					
<b>1</b>	Backward Classes Welfare	2,865.53	3,875.25	3,220.85	3,023.02	4,107.63
<b>2</b>	Consumer Affairs, Food and Civil Supplies	1,524.43	1,903.21	1,435.24	1,048.42	547.80
<b>3</b>	Health, Medical and Family Welfare	4,521.38	5,159.55	6,217.42	5,952.24	6,647.21
<b>4</b>	Higher Education	1,754.79	1,719.63	1,758.44	1,720.64	1,867.65
<b>5</b>	Housing	865.80	1,601.12	1,450.18	1,390.76	1,737.39
<b>6</b>	Labour, Employment, Training and Factories	586.76	608.41	383.72	407.64	509.29
<b>7</b>	Minorities Welfare	983.48	1,265.71	1,324.69	1,208.30	1,604.82
<b>8</b>	Municipal Administration and Urban Development	3,150.57	3,012.95	2,847.61	5,036.60	4,900.45
<b>9</b>	Panchayat Raj <sup>s</sup>	6,685.89	8,725.66	7,359.50	8,726.06	10,978.14
<b>10</b>	Rural Development <sup>s</sup>	5,146.47	6,650.38	7,407.14	9,393.94	9,273.11
<b>11</b>	School Education	10,748.48	10,125.68	10,879.03	10,934.03	12,537.45
<b>12</b>	Scheduled Castes Development	7,624.56	9,023.65	9,056.96	9,191.50	14,439.01
<b>13</b>	Tribal Welfare	4,895.24	5,863.16	6,081.41	6,288.45	8,602.61
<b>14</b>	Women, Children, Disabled and Senior Citizens	1,314.75	1,207.27	1,273.07	1,524.29	1,777.91
<b>15</b>	Youth Advancement, Tourism and Culture	266.26	211.59	142.48	166.59	214.91
	<b>Total (B)</b>	<b>52,934.39</b>	<b>60,953.22</b>	<b>60,837.74</b>	<b>66,012.48</b>	<b>79,745.38</b>
<b>C</b>	<b>Economic Sector</b>					
<b>1</b>	Agriculture and Cooperation	4,969.48	10,134.79	11,673.66	14,127.30	14,960.31
<b>2</b>	Rain Shadow Areas Development <sup>1</sup>					
<b>3</b>	Animal Husbandry, Dairy Development and Fisheries	522.71	1,072.08	1,528.37	1,604.60	1,577.74
<b>4</b>	Energy	6,411.14	6,386.40	6,339.44	8,166.60	8,649.89
<b>5</b>	Environment, Forests, Science and Technology	485.81	476.51	840.65	797.91	1,257.79
<b>6</b>	Industries and Commerce	733.25	567.17	544.39	699.97	1,179.85
<b>7</b>	Information Technology, Electronics and Communications	129.44	219.03	181.06	144.96	219.78
<b>8</b>	Irrigation and Command Area Development	13,005.31	9,516.60	10,530.59	11,368.65	15,785.18
<b>9</b>	Public Enterprises	1.39	1.35	1.20	1.07	0.93

<sup>1</sup> Expenditure of this Department is covered under Grant No. XXVII - Agriculture

10	Transport, Roads and Buildings	3,499.98	3,019.27	2,963.88	3,900.24	5,280.62
11	Infrastructure & Investment <sup>2</sup>					
<b>Total (C)</b>		<b>29,758.51</b>	<b>31,393.20</b>	<b>34,603.24</b>	<b>40,811.30</b>	<b>48,912.09</b>
<b>A+B+C</b>		<b>1,49,051.51</b>	<b>1,61,210.78</b>	<b>1,87,125.35</b>	<b>2,34,001.20</b>	<b>2,62,977.94</b>

\*includes Governor's Secretariat

<sup>s</sup>under one Secretariat Department 'Panchayat Raj and Rural Development'

Source: Appropriation Accounts of Government of Telangana for relevant years

### 1.3 Office of Principal Accountant General (Audit)

Under the directions of the Comptroller and Auditor General of India, Office of the Principal Accountant General (Audit), Telangana conducts audit of 32 departments and local bodies/ public sector undertakings/ autonomous bodies thereunder in the State of Telangana.



Offices of the Accountants' General

### 1.4 Authority for Audit

The CAG's authority for audit is derived from Articles 149 and 151 of the Constitution of India and CAG's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act). The CAG audits the Departments of the Government as follows:

- Audit of expenditure is carried out under Section 13<sup>3</sup> of the DPC Act;
- Audit of autonomous bodies is conducted under Sections 19(2)<sup>4</sup>, 19(3)<sup>5</sup> and 20(1)<sup>6</sup> of the DPC Act;
- **Local bodies** are audited under Section 20(1) of the DPC Act;
- In addition, CAG also conducts audit of **other autonomous bodies**, which are substantially funded by the Government under Section 14<sup>7</sup> of the DPC Act.

<sup>2</sup> Expenditure of Infrastructure & Investment is covered under Grant No. XI - Roads, Buildings and Ports

<sup>3</sup> Audit of (i) all transactions from Consolidated Fund of State (ii) all transactions relating to Contingency Fund and Public Account and (iii) all trading, manufacturing, profit & loss accounts, balance sheets and other subsidiary accounts kept in any Department of a State

<sup>4</sup> Audit of the accounts of Corporations (not being Companies) established by or under law made by the Parliament in accordance with the provisions of the respective legislations

<sup>5</sup> Audit of accounts of Corporations (not being Companies) established by or under law made by the State Legislature in accordance with the provisions of respective legislations

<sup>6</sup> Audit of accounts of any body or authority on the request of the Governor, on such terms and conditions as may be agreed upon between the CAG and the Government

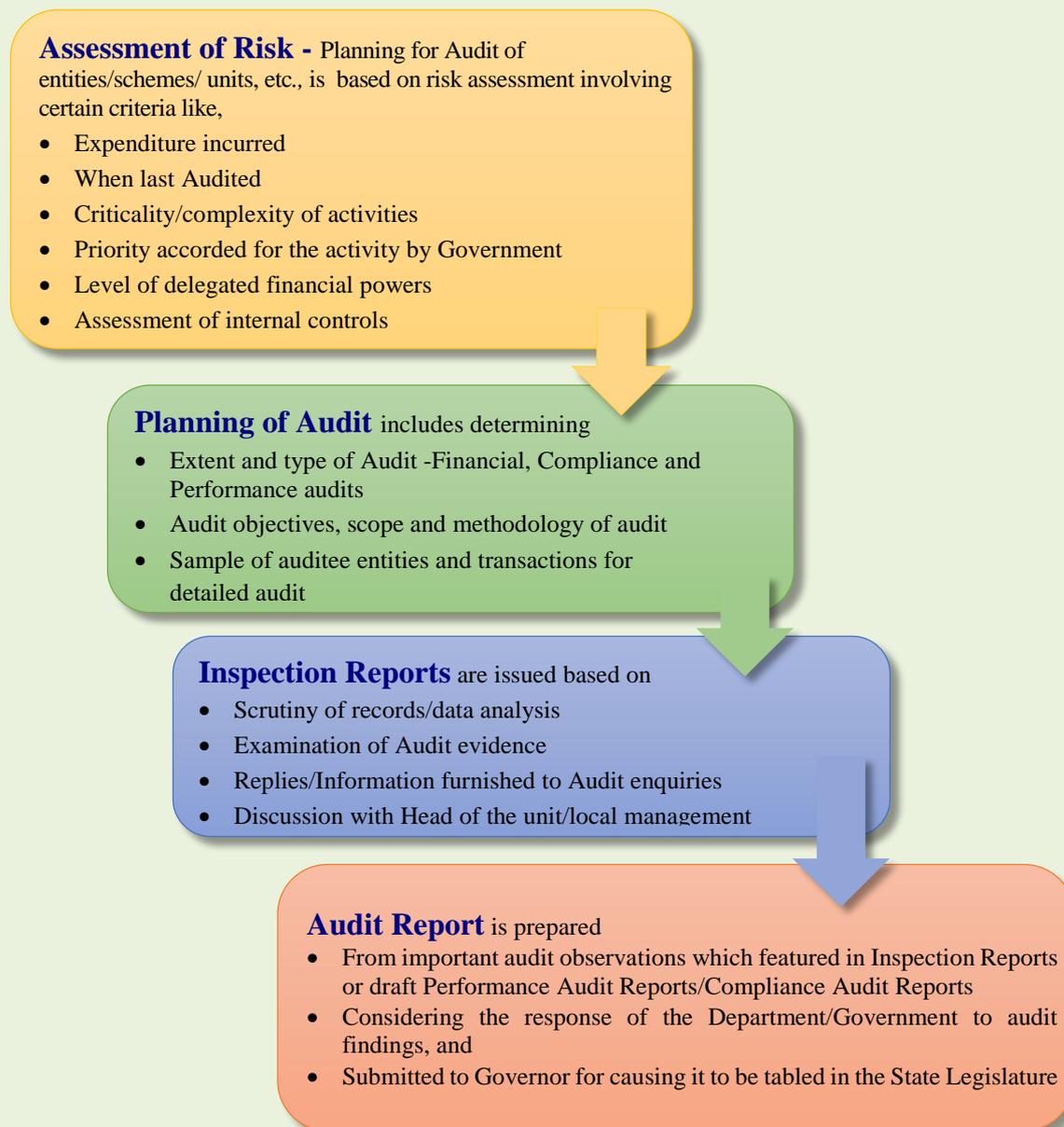
<sup>7</sup> Audit of all (i) receipts and expenditure of a body/authority substantially financed by grants or loans from Consolidated Fund of State and (ii) all receipts and expenditure of any body or authority where grants or loans to such body or authority from Consolidated Fund of State in a financial year is not less than ₹one crore

Principles and methodologies for various audits are prescribed in Auditing Standards and Regulations on Audit and Accounts, as well as other guidelines, manuals and instructions issued by or on behalf of the CAG.

## 1.5 Planning and Conduct of Audit

The following flowchart depicts the process of planning, conduct of audit and preparation of Audit Reports:

**Figure-1.1: Planning, Conduct of Audit and Preparation of Audit Reports**



After completion of compliance audit of each unit, an Inspection Report (IR) containing audit findings is issued to the Head of the unit with a request to furnish replies within one month of receipt of the IR. Whenever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations pointed out in these IRs, which require attention at the highest level in Government, are issued as draft

paragraphs to the Government for their responses, before possible inclusion after due consideration of the responses, in the Audit Reports. In addition, draft Compliance Audit and Performance Audit Report on specific themes, topics or schemes are also issued to the Government for their responses, before possible inclusion in the Audit Reports. These Audit Reports are submitted to the Governor of Telangana under Article 151 of the Constitution of India for causing them to be laid on the Table of the State Legislature.

## 1.6 Response of Government/Departments to Audit Findings

### 1.6.1 Response to previous Inspection Reports

Heads of Offices and next higher authorities are required to respond to the observations contained in IRs and take appropriate corrective action. Audit observations communicated in IRs are also discussed at periodical intervals in meetings at District/State levels by officers of the Accountant General's Office with officers of the concerned Departments.

As of 30 September 2022, 3,914 IRs containing 28,424 paragraphs pertaining to previous years were pending settlement as detailed below. Of these, first replies have not been received in respect of 617 IRs (6,671 paragraphs). Department-wise details are given in *Appendix-1.1*.

**Table-1.2**

Year	Number of IRs/Paragraphs pending settlement as of 30 September 2022		IRs/Paragraphs where even first replies have not been received as of 30 September 2022	
	IRs	Paragraphs	IRs	Paragraphs
2017-18 and earlier years	2,467	13,679	44	440
2018-19	462	4,410	105	978
2019-20	477	4,662	192	2,206
2020-21	171	2,035	76	889
2021-22	337	3,638	200	2,158
<b>Total</b>	<b>3,914</b>	<b>28,424</b>	<b>617</b>	<b>6,671</b>

*Source: Records maintained by the O/o AG(Audit), Telangana*

Lack of action on IRs and audit paragraphs is fraught with the risk of perpetuating serious financial irregularities pointed out in these reports. It may also result in dilution of internal controls in the governance process, inefficient and ineffective delivery of public goods/services, fraud, corruption and loss to public exchequer. State Government, therefore, needs to institute an appropriate mechanism to review and take expeditious action to address the concerns flagged in these IRs and audit paragraphs.

### 1.6.2 Response of Government to Audit Observations

All Departments are required<sup>8</sup> to send their responses to draft audit paragraphs proposed for inclusion in CAG's Report within a specific timeline of their receipt. During the year 2021-22, 14 draft compliance audit paragraphs were forwarded to the Special Chief

<sup>8</sup> as per paragraph 4.7 of Finance Department's Handbook of Instructions

Secretaries/Principal Secretaries/Secretaries of eight departments<sup>9</sup>, drawing their attention to the audit findings and requesting them to send their response within specific time. It was brought to their attention that these paragraphs were likely to be included in the Audit Report of the CAG of India, which would be placed before the State Legislature and it would be desirable to include their comments/responses to the audit findings. Despite this, three departments<sup>10</sup> did not furnish reply to three draft compliance audit paragraphs and one department<sup>11</sup> had furnished partial reply to one draft para as on the date of finalisation of this Report. The fact of non-receipt of the Government responses was also brought to the notice of the Chief Secretary to the Government in March 2024 and reminded in August 2024. The responses of the Government, wherever received, have been appropriately incorporated in the Report.

### **1.6.3 Response of Government to Audit Paragraphs that featured in earlier Audit Reports**

Administrative Departments are required to submit Explanatory Notes on paragraphs and reviews (performance audits) included in Audit Reports<sup>12</sup> within three months of their presentation to State Legislature duly indicating action taken or proposed to be taken. For this purpose, the departments are not required to wait for any notice or call from the Public Accounts Committee. Explanatory Notes<sup>13</sup> were yet to be received as of 30 September 2022 from seven departments in respect of 15 Paragraphs/Performance Audit Reviews that featured in the Audit Reports for the years 2015-16 to 2018-19. Explanatory Notes were also yet to be received as of 30 September 2022 from 11 departments in respect of 23 Paragraphs/Performance Audit Reviews relating to the period prior to bifurcation<sup>14</sup>. Details are given in *Appendix-1.2*.

### **1.6.4 Response of Government to Recommendations of the Public Accounts Committee**

Administrative Departments are required to submit Action Taken Notes (ATNs) on Recommendations of Public Accounts Committee (PAC) within six months<sup>15</sup> from the date of receipt of Recommendations. As of 30 September 2022, one ATN in respect of one Department with regard to the issues exclusively pertaining to the State of Telangana and six ATNs in respect of three Departments<sup>16</sup> with regard to issues pertaining to the combined State of Andhra Pradesh were yet to be received. Details are given in *Appendix-1.3*.

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<sup>9</sup> Consumer Affairs, Food and Civil Supplies Department; Energy; Irrigation and Command Area Development; Minorities Welfare; Scheduled Castes Development; Tribal Welfare; Transport, Roads and Buildings and Youth Advancement, Tourism and Culture

<sup>10</sup> Minorities Welfare, Tribal Welfare and Youth, Advancement, Tourism & Culture

<sup>11</sup> Transport, Roads and Buildings

<sup>12</sup> as per instructions issued by Finance and Planning Department vide U.O. No.23810-c/200/PAC/93-2 dated 3 November 1993

<sup>13</sup> with regard to the issues exclusively pertaining to the State of Telangana

<sup>14</sup> of the erstwhile State of Andhra Pradesh (i.e., those featured in Audit Reports for the years 2009-10 to 2013-14)

<sup>15</sup> as per instructions issued by Finance and Planning Department vide U.O. No. 1576-A/32/PAC/95, dated 17 May 1995

<sup>16</sup> Agriculture & Cooperation; Health, Medical & Family Welfare and Panchayat Raj & Rural Development

## 1.7 Significant Audit Observations

This Report (pertaining to General, Social and Economic Sectors) contains findings of audit in respect of a Performance Audit paragraph and 9 compliance audit paragraphs from a test-check of accounts and transactions of departments<sup>17</sup> of Government of Telangana during 2021-22.

Significant results of audit that featured in this Report are summarised below.

### 1.7.1 Implementation of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) in the State of Telangana

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) (the Mission) was launched by the Ministry of Urban Development (MoUD) Government of India (GoI) in June 2015. In the State of Telangana, 12 Cities/Towns were approved by the Ministry for implementation of the Mission and the components of Water Supply, Sewerage and Green spaces and parks (Development of Parks) were undertaken under the Mission. Mission Statement and Guidelines (Mission Guidelines) were issued (June 2015) by GoI, for implementation of the Mission, for the period 2015-20.

Memorandum of Understanding, amongst State Mission Directorate, Engineer-in-Chief of Telangana Public Health and Municipal Engineering [ENC (TPH&ME)] and Urban Local Bodies (ULBs) involved in the implementation of the Mission, was not entered into as contemplated in the Mission Guidelines, on account of which, their roles, responsibilities and accountability were not defined, resulting in lack of coordination between ENC (TPH&ME) and the ULBs. Consequently, assets created under the Mission were not yet handed over in two Mission Cities of Karimnagar and Ramagundam.

Planning was inadequate, as the assessment of gaps was not scientifically done by the Urban Local Bodies (ULBs) and projection of service levels for Water Supply in the Service Level Improvement Plans (SLIPs) documents for the Mission Cities/Towns were not backed by documented estimates or authentic data. There was short execution of House Service Connections (HSCs) in the test checked Mission Cities/Towns. Even the executed connections were not fully taken over by the Mission Cities/Towns. Service Level Benchmarks (SLBs) for Water Supply and Sewerage were not fully achieved.

Preparation of Detailed Project Reports (DPRs) for Water Supply projects was done without considering the actual field requirements leading to changes in capacity and staging of Reservoirs during execution. The conditionality regarding the availability of land and clearances from other Departments concerned was not strictly adhered to by the State Mission Directorate and projects were included in the State Annual Action Plan (SAAP) without ensuring the availability of land.

Payments for inadmissible items like price adjustments, road restoration and Permanently Lubricated Duct works were made from the Mission funds in violation of the Mission Guidelines and despite State Government orders to incur expenditure on such items from Municipal General Funds.

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<sup>17</sup> Backward Classes Welfare; Consumer Affairs, Food and Civil Supplies; Higher Education; Irrigation and Command Area Development; Minorities Welfare; Municipal Administration and Urban Development; Panchayat Raj and Rural Development; Scheduled Castes Development; Tribal Welfare; and Youth Advancement, Tourism and Culture

Lapse of the PH&ME Divisions in complying with Government orders while preparing the bills and of the Pay and Accounts Officers in scrutinising the bills resulted in excess payment towards price adjustment of POL, DI pipes and DI fittings.

The Joint Physical Verification (JPV) of Water Supply connections provided in the test checked Mission Cities/Towns revealed that there were no effective measures to prevent instances of cutting of water pipes and removal of meters. Instances of laying of water pipelines exposed to open surfaces and across the drainage were observed during JPV.

In six test checked Mission Cities/Towns, the ULBs did not evolve a system for maintenance of parks with local resident's participation.

Monitoring of the Mission was found deficient due to non-placement of the Independent Review and Monitoring Agency (IRMA) Reports before State Level Technical Committee (SLTC) and State High Power Steering Committee (SHPS) for discussion; and non-furnishing of Action Taken Reports on IRMA reports by the State Mission Directorate though mandated in the Mission Guidelines.

### **Recommendations:**

- State Government may ensure execution of Tripartite MoU that defines the roles, responsibilities and accountability of State Mission Directorate, ENC (TPH&ME) and ULBs for effective coordination in achieving the Mission objectives.
- State Government may ensure that execution of work is done as per gaps assessed and Water Supply HSCs are provided to eligible households following mandated procedures.
- State Government may ensure the achievement of Service Level Benchmarks for Water Supply and Sewerage Management as envisaged in the Mission Guidelines.
- State Government may ensure that PH&ME Divisions and Pay and Accounts Officers exercise due diligence to prevent instances of excess payment to the contractors.
- State Government may ensure appropriate measures to prevent instances of cutting of water pipes and removal of meters and also to adopt suitable mechanism to penalise erring official to minimise inconvenience to households provided with HSC.
- State Government may ensure availability of encumbrance free land before award of work. Additionally, it may ensure inclusion of penalising provision against the officials concerned who could not ensure encumbrance free land before award of work in the guidelines.
- State Government may ensure that findings of the IRMA Reports along with comments of SLTC and ULBs are submitted to SHPS for effective follow up action.

*(Paragraph 2.1)*

### 1.7.2 Kalyana Lakshmi Pathakam

‘Kalyana Lakshmi Pathakam’ is a welfare scheme, introduced by the State Government in 2014, to alleviate financial distress of parents in performing the marriage of unmarried daughters.

Analysis of data of Kalyana Lakshmi Pathakam and scrutiny of records in test checked Revenue Divisional Offices and Tahsildars offices indicated that adequate controls were not provided to ensure compliance with Government orders for implementation of the Scheme effectively. Further, there was no system of cross-checking database of different beneficiary-oriented schemes implemented by the State Government and Government of India. Adequate controls were not put into the system to ensure that only eligible beneficiaries avail of the scheme. As a result, Audit noticed the cases of scheme benefits being extended to ineligible beneficiaries such as under-aged brides, brides whose parents’ income was more than the eligible criteria, brides married prior to the date of introduction of scheme, etc., involving a total money value of ₹55.12 crore in 5,522 cases test-checked in audit. Lack of adequate communication mechanism and grievance redressal system resulted in beneficiaries’ repeated visits to Tahsildar offices to obtain the status of their applications and also in delayed distribution of cheques as the State Government did not introduce online transfer of incentives to beneficiary account.

#### Recommendations:

- Provision may be made in ePASS system for validating the Aadhaar number of bridegrooms also and for uploading the required documents supporting the legitimacy of the second marriage of bride/bridegrooms.
- State Government may investigate ineligible cases and take necessary action to fix responsibility against the officials concerned for such lapses.
- State Government may strengthen internal control mechanism, by providing adequate controls in the system, including cross-checking of database of different beneficiary-oriented schemes implemented by the State Government and Government of India, to establish robust verification processes that validate beneficiary data, thereby ensuring that scheme benefits are distributed only to eligible beneficiaries.
- State Government may evolve a system of communicating through SMS/Whatsapp/website, etc., the status of sanction/rejection of the applications, as well as disbursement of cheques to avoid repeated visits by the applicants to Tahsildar offices.
- To avoid delays and to ensure transparency in distribution of cheques, State Government may establish the system of transferring the incentives online directly to the accounts of beneficiaries instead of distribution through cheques.

*(Paragraph 3.1)*

### 1.7.3 Functioning of Osmania University

Osmania University (University) was established in 1918 and was governed up to 1958 by a *Farman* issued in April 1917 by H.E.H. Nizam VII. Consequent to the formation of the State of Andhra Pradesh, the Osmania University Act 1959 was enacted. Now, the University is governed by the Telangana Universities Act, 1991, which came into force in September 2015.

Osmania University, once held in high regard for its educational eminence, currently faces a series of challenges that have significantly impacted its reputation.

Effective planning is crucial for a University's success. Despite creating a Vision and Strategy Document in 2018, Osmania University has not developed actionable plans, leaving institutional goals unattended as of January 2023. One of the goals of Vision Document aiming to increase the percentage of foreign students to 30 percent within the next five years did not materialise, as the number of foreign students significantly declined. The University remains highly dependent on State funding, facing challenges in enhancing its own revenue generation.

Issues related to policy making and functioning of regulatory bodies of the University persisted. These included; non-conducting of necessary meetings by the Academic Senate and College Development Council (CDC), insufficient representation within CDC, delay in constituting Finance Committee, non-constitution of Faculty of Studies for three subject streams and non-renewal of Board of Studies for 36 Departments. These issues in turn have hindered important decision-making processes such as non-revision of curricula for 43 Academic Departments, non-establishment of new Institutions or Departments and presence of National Assessment and Accreditation Council (NAAC) unaccredited colleges operating under the University.

Faculty plays a pivotal role in higher education, ensuring the delivery of high-quality academic programmes. University was grappling with a significant shortage of faculty members, which increased from 26 *per cent* in 2017-18 to 38 *per cent* in 2021-22 (including contractual) and in non-teaching staff to an extent of 34 *per cent* (as on March 2023). This has impacted the envisioned Faculty-Student Ratio (FSR) in 2018-19, 2020-21 and 2021-22, which has ranged from 1:23 to 1:33, falling short of the desired levels of 1:15. However, FSR was favourable during 2017-18 and 2019-20.

The fluctuating placement rate from 26 *per cent* to 54 *per cent* between the academic years 2017-18 to 2020-21 for registered students is also an area of concern. In seven out of 18 colleges of the University, the required Career and Counselling Cells were not constituted.

The University's physical infrastructure was also facing issues such as, incompleted projects, overcrowded hostels and under-utilised buildings. Further, the University was unable to collect lease payments resulting in loss of revenue.

University faced several challenges regarding research which include non-compliance with grant conditions, substantial delays in completion of research project by research scholars

and lack of patent acquisition by both University faculty and students. University could not ensure timely utilisation of Government grants and completion of the works sanctioned.

All these issues collectively contributed to the University's decline in the Overall National Institutional Ranking, from 38<sup>th</sup> in 2017 to 64<sup>th</sup> in 2023, as well as decrease in its Overall University ranking from 23<sup>rd</sup> in 2017 to 36<sup>th</sup> in 2023.

### **Recommendations:**

- State Government and the University on a priority basis may ensure that all the administrative and academic bodies of the University are formed and functional as mandated and may regularly review the working of such bodies.
- The University may formulate action-oriented short, medium or long-term plans for making progress towards the set of Institutional goals as per Vision Document.
- The University may address on priority basis all the areas that may impact its accreditation grading.
- The University may ensure NAAC accreditation of all Educational Institutions under its control within a definite timeframe.
- The University may collect lease rental charges in respect of land leased out and explore ways of increasing its internal resources to reduce its dependence on the State Government funding.
- The University may take measures to fill the vacant positions of Professors, Associate Professors and Assistant Professors in accordance with the norms and of non-teaching staff.
- The University may take measures to ensure adequate infrastructure facilities for effective and efficient conduct of the educational and extra-curricular programmes.
- The University may put in place an effective monitoring mechanism to ensure that funds received are effectively utilised for the purposes for which they are allotted within the stipulated timelines.

*(Paragraph 3.2)*

### **1.7.4 Construction and Maintenance of Rural Roads in the State of Telangana**

Rural road connectivity, and its sustained availability, is a key component of Rural Development as it assures continuing access to economic and social services and thereby generates a sustained increase in agricultural incomes and productive employment opportunities.

Audit noticed that several road works were initiated/awarded without adequate preparatory work and surveys, leading to works remaining incomplete or not commenced due to lack of forest clearance.

The Panchayat Raj Engineering Department (PRED) did not fulfil several key obligations under the Telangana Rural Roads Maintenance Policy, 2017. PRED did not prepare Annual

Rural Roads Maintenance Plan each year, constitute requisite committees or conduct road user surveys, as mandated in the Policy.

There were instances of delays in crediting MoRD, GoI share pertaining to Pradhan Mantri Gram Sadak Yojana (PMGSY) works by the State Government into Telangana State Rural Roads Development Agency (TSRRDA) account and delays in release of matching State share into TSRRDA Account.

Due to non-completion of the connecting Bridge-cum-Check Dam work in the stretch of the road, the rural road connectivity envisaged to connect the villages could not be achieved even after a lapse of more than eight years. This indicated lack of proper planning in execution of works.

In 15 road works, the pavement crust/thickness was constructed with higher specifications in contravention of the specifications prescribed in Indian Road Congress (IRC) Manual resulting in avoidable expenditure of ₹1.18 crore.

Joint inspections of PMGSY works were not conducted by the Engineering staff with public representatives as mandated in PMGSY Guidelines.

The PMGSY Operations Manual, 2005 requires the State Quality Coordinator (SQC) to obtain Action Taken Reports (ATRs) from Programme Implementation Units (PIU) after lapse of one month of inspection for communication to National Rural Roads Development Agency. However, ATRs for the work were not communicated by the PIU, Adilabad to SQC for effective follow-up.

Joint Physical Verification by audit of selected roads revealed several deficiencies in quality of roads / pavements and damage of roads within the defects liability period of five years, indicating improper maintenance of the roads.

### **Recommendations:**

- The State Government may ensure that Panchayat Raj Engineering Department prepares the Annual Rural Roads Maintenance Plan each year, constitutes the requisite committees and conducts road user surveys as mandated by the Telangana Rural Roads Maintenance Policy, 2017.
- The State Government may ensure all clearances and availability of funds to facilitate the smooth and prompt completion of works.
- The State Government may adhere to road specifications mandated in the IRC Manual, instead of using higher specifications to avoid unnecessary expenditure.
- The State Government may ensure joint inspections of PMGSY works by engineering staff with public representatives, as mandated in PMGSY Guidelines.
- The State Government may ensure the crediting of the GoI's share pertaining to Pradhan Mantri Gram Sadak Yojana into Telangana State Rural Roads Development Agency (TSRRDA) account and the release of the matching State's share into TSRRDA Account.

*(Paragraph 3.3)*

### **1.7.5 Irregular expenditure due to lifting of subsidised rice by ineligible persons**

Lack of proper mechanism for identification of beneficiaries in the absence of a system for periodic validation/updating of Ration Cards in Civil Supplies Department resulted in irregular disbursement of subsidised rice worth ₹135.16 crore to 83,545 ineligible/deceased beneficiaries. Out of these cases, suspected fraudulent claims of ₹6.31 lakh were noticed in respect of 309 deceased persons where the beneficiary was the only member registered on the ration card.

#### **Recommendations:**

- The State Government may ensure mechanism for periodic validation of beneficiaries and updation of ration cards to prevent ineligible beneficiaries from drawing subsidised ration.
- The State Government may investigate cases of drawal of subsidised ration by ineligible beneficiaries and fix responsibility on the officials responsible for such lapses.

*(Paragraph 3.4)*

### **1.7.6 Non-recovery of interest on Mobilisation Advance**

The Irrigation and Command Area Development Department did not complete the land acquisition process and obtain forest clearance before awarding the work of construction of a reservoir across Modikuntavagu and releasing the Mobilisation Advance to the contracting agency. Further, delay on the part of the Department in encashing the Bank Guarantees to recover the Mobilisation Advance and non-recovery of interest of ₹6.89 crore, accrued on the Mobilisation Advance for the period March 2006 to March 2023, resulted in an undue favour to the contracting Agency. The Government assured that the interest on the Mobilisation Advance would be recovered from the contractor's deposits available with the Department and from other works being executed by the Agency or through other means in due course.

*(Paragraph 3.5)*

### **1.7.7 Wasteful expenditure on construction of a Minor Irrigation Tank**

Taking up of a Minor Irrigation Project without addressing the issues of land acquisition and rehabilitation and resettlement led to non-completion of the project and non-achievement of intended objective of providing irrigation to the targeted command area even after 16 years, thereby rendering the expenditure of ₹19.38 crore, incurred so far on this incomplete project, wasteful.

*(Paragraph 3.6)*

### **1.7.8 Wasteful expenditure on establishment of Computer Training Centres**

The Telangana State Minorities Finance Corporation incurred wasteful expenditure of ₹2.35 crore towards rent and upgradation of hardware and software, due to non-utilisation

of Urdu Computer Training Centres / Urdu Computer Training Centres Cum Libraries, meant for enhancing the IT skills of minority students and promotion of Urdu language.

*(Paragraph 3.7)*

### **1.7.9 Irregularities in implementation of Driver Empowerment Programme**

Under the Economic Support Scheme Action Plan, the Government of Telangana initiated (February 2017) the Driver Empowerment Programme, targeted for individuals from Scheduled Castes/Scheduled Tribes/Backward Castes/Minority communities. Due to absence of linkage of data of Food Security Card with Online Beneficiary Management and Monitoring System, identification of beneficiaries availing benefit under the Schemes could not be ensured. Absence of a mechanism to verify beneficiary details resulted in sanction of subsidy of ₹1.75 crore to ineligible beneficiaries under Driver Empowerment Programme.

*(Paragraph 3.8)*

### **1.7.10 Wasteful expenditure on Stadium Buildings**

Administrative approvals were granted without financial concurrence, non-approval of Extension of Times and delayed payments to contractors, coupled with inadequate supervision by higher authorities led to the abandonment of Stadium Buildings after incurring an expenditure of ₹2.32 crore. This resulted in wasteful expenditure of ₹2.32 crore and the non-achievement of objective of developing Sports Stadiums in Assembly Constituencies.

*(Paragraph 3.9)*

## Part – B    General (Public Sector Undertakings)

### 1.8    General

Telangana State was formed on 2 June 2014. As on 31 March 2022, there were 83 Public Sector Undertakings (PSUs) in Telangana State under the audit jurisdiction of the Comptroller and Auditor General of India (CAG). These included eight Government Companies in Power Sector, 69 Government Companies, three Other Companies<sup>18</sup> controlled by Government and three Statutory Corporations<sup>19</sup> in Non-Power Sector. Out of the 83 PSUs, 67 were working and 16 were inactive<sup>20</sup> PSUs. During the period 2021-22, one Government Company<sup>21</sup> came under audit jurisdiction of the CAG.

### 1.9    Audit Mandate

The authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and Section 19 and 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act). The CAG also conducts supplementary audit of accounts of the PSUs under Section 143 of the Companies Act, 2013. Audit of Statutory Corporations is governed by their respective legislations. Out of the three Statutory Corporations, CAG is the sole auditor for Telangana State Road Transport Corporation.

Principles and methodologies for various audits are prescribed in Auditing Standards and Regulations on Audit and Accounts, as well as other guidelines, manuals and instructions issued by the CAG.

### 1.10    Coverage of this Report

The summary of financial performance of PSUs of Telangana Government (GoTS) as revealed from the accounts/ information furnished by them and results of oversight role of the CAG is reported separately as part of the CAG's State Finances Audit Report.

This Report of the CAG contains matters arising from the compliance audit of transactions and review of detailed compliance of the PSUs of the GoTS coming under the administrative control of 19 Departments falling under 14 clusters. The cluster wise list of Departments and the PSUs under their jurisdiction is given in *Appendix 1.4*.

In this Report, one Detailed Compliance Audit on “Creation of Industrial Infrastructure by TSIIC” and three Compliance Audit Paragraphs are included, and these were issued to the Special Chief Secretary/ Principal Secretary/ Secretary of the Departments concerned with a request to furnish reply within specific timelines. Government replies and the views expressed by the State Government during the Exit Conference on the Detailed Compliance Audit Report are suitably incorporated in this Report.

The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit on PSUs. The findings of audit are expected to enable the Executive to take

<sup>18</sup> Hyderabad Growth Corridor Limited, Karimnagar Smart City Corporation Limited, and Greater Warangal Smart City Corporation Limited

<sup>19</sup> Telangana State Financial Corporation, Telangana State Road Transport Corporation and Telangana State Warehousing Corporation

<sup>20</sup> Either defunct or under liquidation

<sup>21</sup> Manjeera Lift Irrigation Corporation Limited

corrective action, to frame appropriate policies as well as to issue directives that will lead to improved financial management of the PSUs and contribute to better governance.

## 1.11 Response of PSUs/Government to Audit Findings

### 1.11.1 Response to previous Inspection Reports

Inspection Reports are issued to the heads of the auditee unit with a copy to next higher authority for necessary action. They are required to respond to the audit observations within four weeks. As of 30 September 2022, 374 IRs containing 2,399 Paragraphs were pending for settlement. Of these, first replies have not been received in respect of 638 Paragraphs of 71 IRs as detailed in **Table 1.3**. Working PSU-wise and Department-wise details of outstanding IRs/Paragraphs are given in *Appendix 1.5*.

**Table-1.3: Status of pending IRs/Paragraphs as of 30 September 2022**

Year	Number of IRs/ Paragraphs pending for settlement		IRs/ Paragraphs for which even first replies were not received	
	IRs	Paragraphs	IRs	Paragraphs
2017-18 and earlier years	224	1,036	18	159
2018-19	52	408	19	159
2019-20	58	632	16	149
2020-21	15	124	4	42
2021-22	25	199	14	129
<b>Total</b>	<b>374</b>	<b>2,399</b>	<b>71</b>	<b>638</b>

*Source: Records maintained by Office of the Accountant General (Audit), Telangana*

Lack of action on IRs and audit paragraphs is fraught with the risk of perpetuating serious financial irregularities as pointed out in these reports. It may also result in dilution of internal controls in the governance process, inefficient and ineffective delivery of public goods/ services, fraud, corruption and loss to public exchequer.

### 1.11.2 Follow-up action on Audit Reports

The Reports of the CAG are products of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the Executive. As per the instructions issued (June 2004) by the Finance Department of erstwhile Government of Andhra Pradesh, all Administrative Departments are required to submit replies/explanatory notes to paragraphs/reviews included in the Audit Reports of the CAG of India within a period of three months of their presentation in the Legislature in the prescribed format, without waiting for any questionnaires from the Committee on Public Undertakings (CoPU).

As of 30 September 2022, out of 86 Performance Audits (PAs) and 430 Paragraphs featured in CAG Reports on Telangana PSUs, Explanatory Notes (ENs) to 19 PAs and 65 Paragraphs were awaited. Of these, 01 PA and 06 Paragraphs pertain exclusive to Telangana and 18 PAs and 59 Paragraphs are common to both Andhra Pradesh and Telangana as given in **Table 1.4**.

**Table 1.4: Status of Receipt of Explanatory Notes**

Year of the Audit Report	Date of Placement of Audit Report in the State Legislature	Total PAs and Paragraphs in the Audit Report		Number of PAs/ Paragraphs for which ENs were not received			
				Exclusive to TS		Common (TS & AP)*	
		PAs	Paragraphs	PAs	Paragraphs	PAs	Paragraphs
<b>Up to 2013-14</b>		<b>81</b>	<b>399</b>	<b>0</b>	<b>2</b>	<b>18</b>	<b>59</b>
2014-15	30 March 2016	1	3	0	0	NA	NA
2015-16	27 March 2017	1	8	0	0	NA	NA
2016-17	29 March 2018	1	8	0	0	NA	NA
2017-18	26 March 2021	1	6	0	0	NA	NA
2018-19	26 March 2021	0	4	0	2	NA	NA
2019-21	15 February 2024	1	2	1	2	NA	NA
<b>Total</b>		<b>86</b>	<b>430</b>	<b>1</b>	<b>06</b>	<b>18</b>	<b>59</b>

**Source:** Compiled by Office of the Accountant General (Audit), Telangana

\* These relate to PSUs in the composite State of AP. These PSUs are, however currently under the control of Government of Telangana

NA implies Not Applicable as Separate Audit Reports were issued from 2014-15 onwards

### 1.11.3 Discussion of Audit Reports by the Committee on Public Undertakings (CoPU)

The status of PAs and Paragraphs that featured in CAG Audit Reports on Telangana PSUs and discussed by the CoPU as on 30 September 2022 is given in **Table 1.5**.

**Table 1.5 : PAs/ Paragraphs discussed vis-à-vis featured in Audit Reports**

Year of the Audit Report (Commercial/ PSU)	Total PAs and Paragraphs in the Audit Report		Number of PAs/ Paragraphs Discussed			
			Exclusive to State		Common (TS & AP)*	
	PAs	Paragraphs	PAs	Paragraphs	PAs	Paragraphs
<b>Up to 2013-14</b>	<b>81</b>	<b>399</b>	<b>1</b>	<b>23</b>	<b>21</b>	<b>199</b>
2014-15	1	3	1	1	NA	NA
2015-16	1	8	0	2	NA	NA
2016-17	1	8	0	2	NA	NA
2017-18	1	6	0	0	NA	NA
2018-19	0	4	0	0	NA	NA
2019-21	1	2	0	0	NA	NA
<b>Total</b>	<b>86</b>	<b>430</b>	<b>2</b>	<b>28</b>	<b>21</b>	<b>199</b>

**Source:** Compiled by Office of the Accountant General (Audit), Telangana

\* These relate to PSUs in the composite State of AP. These PSUs are however, currently under the control of Government of Telangana

NA implies Not Applicable as Separate Audit Reports were issued from 2014-15 onwards

Out of 86 PAs and 430 Paragraphs relating to Telangana PSUs, 23 PAs and 227 Paragraphs were discussed by CoPU.

### 1.11.4 Compliance to Reports of CoPU

Action Taken Notes (ATNs) in respect of 458 recommendations (upto 2006-07) on PSUs were not received from the administrative departments (September 2022) as detailed in **Table 1.6**.

**Table 1.6: Compliance to CoPU Reports**

Year of the CoPU Report	Total number of CoPU Reports	Total No. of recommendations in CoPU Reports	ATNs not received	
			Exclusive to TS	Common (TS & AP)
<b>Up to 1998-99</b>	<b>22</b>	<b>592</b>	<b>2</b>	<b>378</b>
2000-01	13	114	0	52
2002-03	1	24	0	0
2004-05	10	80	0	7
2006-07	4	25	0	19
<b>Total</b>	<b>50</b>	<b>835</b>	<b>2</b>	<b>456</b>

*Source: Compiled by Office of the Accountant General (Audit), Telangana*

*Note: After 2006-07, no Report was issued by the CoPU*

Lack of remedial action on Performance Audits/ Paragraphs that featured in CAG Audit Reports and lack of discussion by CoPU on these Reports coupled with absence of follow-up action by the Government are fraught with the risk of perpetuating serious financial irregularities as pointed out in the earlier Reports. It may also result in dilution of internal controls in the governance process, inefficient and ineffective delivery of public goods/ services, fraud, corruption and loss to public exchequer.

### 1.12 Significant Audit Observations

This Report(PSUs) contains findings of audit in respect of four compliance audit paragraphs from a test-check of accounts and transactions of Departments<sup>22</sup> of Government of Telangana.

Significant results of audit that featured in this Report are summarised below:

#### 1.12.1 Creation of Industrial Infrastructure by TSIIC

The Industrial Policy Framework for the State of Telangana, 2014 envisaged large-scale private sector participation with the Government playing the role of a facilitator and a catalyst. Telangana State Industrial Infrastructure Corporation Limited (TSIIC) was responsible for the development and maintenance of industrial and related infrastructure in the Industrial Parks (IPs).

The Compliance Audit revealed that there was an inordinate delay of more than five and seven years in the acquisition of lands for the establishment of Hyderabad Pharma City and National Investment and Manufacturing Zone (NIMZ) Zaheerabad respectively resulting in delay in the achievement of expected investment and employment generation. TSIIC availed loan of ₹725 crore from Housing and Urban Development Corporation Limited (HUDCO) for land acquisition of NIMZ projects but diverted ₹317.49 crore for land

<sup>22</sup> Industries and Commerce; Energy and Transport, Roads and Buildings

acquisition in other projects, development of e-city, repayment of loan and operational requirements.

Audit observed that alienation orders of GoTS had not been received in respect of 23,717 acres which included 19,669 acres of Government land. The alienation proceedings were pending from 1974. The reasons for such long pendency were not found on record. Despite non-finalisation of alienation proceedings, TSIIC allotted lands to private parties and executed sale deeds based on the tentative market value of the land.

TSIIC did not undertake a periodical survey of its 53,474 acres of land since its formation in 2014.

The Industries and Commerce Department allotted 20 acres of land at Hardware Park, Mamidipally, at the concessional rate of ₹40.00 lakh per acre against the TSIIC's prevailing land rate of ₹2.13 crore per acre, in deviation from the Cabinet Sub-Committee's decisions and thus, extended undue benefit of ₹34.60 crore to the allottee. Consultative Committee on Electronic System Design & Manufacturing (CCESD&M) allotted 165.21 acres to 39 allottees though it was not competent to do so thereby extended undue benefit of ₹208.24 crore.

TSIIC allotted 511 acres of land against the actual requirement of 49 acres, as evaluated by the TSIIC's technical consultant (January 2022), at a concessional rate in contravention of the Land Allotment Policy and guidelines of National Investment and Manufacturing Zone. This resulted in revenue loss to TSIIC and extension of undue benefit to the allottee to the tune of ₹106.91 crore.

The CAG's Report on PSUs of GoTS for the year ended March 2019 highlighted (*Para 4.2 of Report No. 5 of 2020*) the revenue loss of ₹4.47 crore to TSIIC due to allotment (March 2017) of one acre prime land at IP, Gachibowli to one mobile manufacturing company at the rate of ₹10.05 crore per acre as fixed (December 2016) by the I&C Department without due diligence, ignoring the prevailing basic market value of ₹14.52 crore per acre effective from April 2013. Audit observed that TSIIC further allotted 2.68 acres of prime land at IP, Gachibowli to three more mobile manufacturing companies at the same rate of ₹10.05 crore. Thus, TSIIC sustained further revenue loss of ₹12.00 crore due to the allotment of prime land below the prevailing market value. Audit also observed that three of the allottees were yet (December 2022) to establish their units despite a lapse of five years. However, TSIIC had neither levied the applicable penalty of ₹1.60 crore nor resumed their premises.

The Land Allotment Policy required TSIIC to assess the land required to be allotted to different industries on a scientific basis. The State Level Allotment Committee evaluated (October 2017) the requirement of land for the project at the Plastic Park, Mankhal (Expansion) for 23 acres. However, based on the Industries and Commerce Department's proposal and the TSIIC's instructions, the Zonal Office, Shamshabad allotted (October 2017) the land measuring 29.87 acres at concessional rate, resulting in undue benefit to the allottee to an extent of ₹8.93 crore for additional land of 6.87 acres.

The Allotment Regulations provided that in case TSIIC resumes the premises, the request for restoration of land shall not be entertained and the applicant shall have to apply for the

premises afresh requiring allotment of land at the rate prevailing on the date of such fresh application. Audit observed that TSIIC restored the land after a lapse of more than 20 years by collecting a paltry ₹1.51 crore against ₹54.91 crore chargeable as per the Allotment Regulations, resulting in undue benefit of ₹53.40 crore to the allottee.

For allotment of land in phases, Allotment Regulations prescribed allotment of the land required for the initial phase only and reservation of the balance land for a maximum period of five years from the date of allotment for the initial phase subject to levy and advance payment of process fee at the rate of five per cent of the prevailing land cost for each year of reservation. As requested by the allottee, TSIIC reserved 175 acres (out of the 550 acres allotted) at IP, Chandanvelly for a period of two and half years from February 2019 to August 2021 and raised (August 2021) a claim for only ₹2.40 crore, based on concessional rate instead of prevailing rate of ₹9.72 crore. TSIIC was yet to recover even its claim of ₹2.40 crore (December 2022).

Out of 11 infrastructure upgradation projects sanctioned by GoI between 2014 and 2022 under the Micro and Small Enterprises Cluster Development Program, only one project was completed after a delay of seven years and the progress of the remaining projects was slow.

Despite a lapse of nearly four decades, TSIIC could not establish the Common Effluent Treatment Plants for Pharma clusters in the IPs at Jadcherla and Pashamylaram.

Audit observed that out of the 1,642 units which were allotted 2,181 acres between 2014-15 to 2019-20, 1,417 units involving 1,587 acres were either under implementation or yet to commence implementation of the projects or the status of implementation was not known. Audit observed that the delay in the implementation by the allottees ranged from three years to 48 years resulting in the idling of a huge land bank of 6,905 acres. However, TSIIC did not take any concrete steps for the cancellation of allotments/ agreements of sale and re-allotting the vacant industrial plots to other needy entrepreneurs.

The Research and Development, Quality Assurance and Quality Control and Pilot Plant building constructed at a cost of ₹7.83 crore remained idle for more than a year. In case of delay/non-implementation of projects, TSIIC had not taken action to cancel the allotments/agreements of sale to resume the premises.

Service Societies involving the industrial units located in the Industrial Parks are elected to promote self-governance and transparency in the management and functioning of the Industrial Area Local Authorities (IALAs). The Service Society functioned through a Management Committee elected for a three-year term and was required to meet once every month. Audit observed that Service Societies were formed in respect of 23 IALAs only out of 138 IALAs. Of these, only 11 Service Societies were governed by Management Committees constituted through elections.

Audit observed that TSIIC diverted (September 2015 – November 2021) ₹500 crore of IALA's funds for land acquisition, IT infrastructure works, and other developmental works.

The State Government may:

- Take appropriate steps to speed up the acquisition of land for the Industrial Parks.
- Ensure completion of the process for alienation of Government lands (which is already in possession of TSIIC) in favour of TSIIC.
- Ensure that the Industries and Commerce Department and TSIIC strictly abide by the Cabinet Sub-Committee's decisions and the Allotment Regulations regarding the provision of concessional allotments and infrastructure facilities.
- Ensure early completion/upgradation of the infrastructure projects by TSIIC.
- Ensure the incorporation of suitable clauses by TSIIC in the sale deeds to provide for the resumption of premises in the event of non-implementation of the projects by the allottees. Additionally, the Government may ensure that TSIIC enforces these clauses effectively.
- Ensure that Service Societies are formed for all IALAs and these Societies are governed by Management Committees constituted through elections.

*(Paragraph 4.1)*

### **1.12.2 Non-recovery of Tax Deducted at Source (TDS) on terminal benefits**

Telangana State Power Generation Corporation Limited, Transmission Corporation of Telangana Limited, Northern Power Distribution Company of Telangana Limited and Southern Power Distribution Company of Telangana Limited did not recover Tax Deducted at Source of ₹20.15 crore on the excess amount of gratuity and leave encashment, as per the provisions of the IT Act. This resulted in short remittance of Income Tax of ₹20.15 crore.

*(Paragraph 4.2)*

### **1.12.3 Avoidable payment of interest charges**

The Transmission Corporation of Telangana Limited did not pay advance income tax as per the provisions of the Income Tax Act, 1961 due to incorrect/non-estimation of advance tax liability. This resulted in avoidable payment of interest charges of ₹9.67 crore for the assessment years 2019-20 to 2021-22.

*(Paragraph 4.3)*

### **1.12.4 Infructuous expenditure due to introduction of Buses without proper survey**

As per the Manual on Operations of the Telangana State Road Transport Corporation (TSRTC), proposals for introduction of long distance services should be submitted with route and traffic survey. An essential part of traffic survey is assessment of the economics of the proposed operation. However, TSRTC procured (September 2016 and August 2017)

100 AC Mini buses (21-seaters) called “Vajra Buses” without analysing the operational viability. As the “Vajra Buses” continued to incur losses, TSRTC decided (December 2019) to stop its operations after two years and seven months of service. This resulted in wasteful expenditure of ₹22.04 crore, with additional interest loss of ₹3.99 crore on account of hypothecation of 59 buses to a Bank.

*(Paragraph 4.4)*