

Chapter III

3. **Compliance Audit Observations**

Backward Classes Welfare Department

3.1 Kalyana Lakshmi Pathakam

3.1.1 Introduction

‘**Kalyana Lakshmi Pathakam**’ is a welfare scheme which was introduced in 2014 by the State Government. The objective of the scheme is to alleviate financial distress of parents in performing the marriage of unmarried daughters. Accordingly, it was decided to grant with effect from 2 October 2014 a one-time financial assistance of ₹51,000 for the marriage of every eligible¹ Scheduled Caste (SC) and Scheduled Tribe (ST) girl. The scheme was extended to Backward Classes (BC) and Economically Backward Classes (EBC) girls² from 1 April 2016. The benefit was further extended to all eligible disabled girls irrespective of the caste based on the provisions of Section 24 (1) of the Right of Persons with Disabilities Act, 2016 from June 2019.

The financial assistance of ₹51,000 was enhanced to ₹75,116 in April 2017 and to ₹1,00,116 in April 2018. The benefit has been enhanced (June 2019) further from ₹1,00,116 to ₹1,25,145 for the parents of a disabled girl. Kalyana Lakshmi Pathakam cannot be combined with other schemes such as the incentive award for inter-caste marriage, etc.

The overall implementation of the scheme is administered by the Commissioner, Backward Classes (BC) Welfare Department³, who is assisted by the Revenue Divisional Officer (RDO) at District level and Mandal Revenue Officer or Tahsildar at field level.

3.1.2 Functional setup

To avail of the scheme, the applicant shall apply for assistance by accessing the Electronic Payment and Application System of Scholarships (ePASS) website through a Mee Seva Centre. Based on the applications received on the ePASS website, the Mandal Revenue Officer or Tahsildar shall verify the claims with the supporting documents⁴ and prepare the beneficiaries’ list which would then be approved / countersigned by the concerned Constituency Member of Legislative Assembly (MLA). The approved hard copy is retained as a record and the same is scanned and uploaded in the online system (e-PASS). Based on the approved list, the RDO issues sanction and distribution orders duly indicating the list of beneficiaries and prefers the bill accordingly to the Treasury (Sub Treasury Officer / Assistant Treasury Officer)⁵. Thereafter, the Treasury will credit the amount to the Personal Deposit Account of the RDO.

¹ Girl must be resident of Telangana State and should have completed 18 years of age at the time of marriage; combined income of parents shall not exceed ₹2 lakh per annum (urban and rural)

² Whose parents combined income shall not exceed ₹1.5 lakh in respect of the parents of BC/EBC girl in rural areas and ₹2 lakh in urban areas per annum

³ G.O.Ms.No.14 BC Welfare (OP) Department, dated 6 July 2017

⁴ Birth Certificate, Caste Certificate, Income Certificate, Aadhaar card, Marriage Registration Certificate/letter given by Stamps and Registration Department/Gram Panchayat/Church/Mosque/any other authority/institution which has performed the marriage to avoid bogus claims along with wedding card

⁵ GO Ms.No.107 Finance (TFR) Department, dated 6 September 2016

Thereafter, the concerned RDO would issue a cheque to the Bank duly enclosing the list of beneficiaries with their respective Bank Account Number, Branch Name and IFSC Code, etc. Based on the information provided by the RDO, the Bank prepares individual pre-printed crossed cheques in the name of the bride's mother. In case, the bride's mother is deceased, the cheque is prepared in the name of the bride's father⁶. The cheques are then to be distributed to the beneficiaries by the MLA of the Constituency on a specific day (once a week), at the Mandal Headquarters.

Details of applications registered, rejected and sanctioned in the State during the period 2019-20 to 2021-22 are given in **Table 3.1** below:

Table 3.1: Details of applications registered and sanctioned during 2019-2022

(₹ in crore)				
Year	No. of Applications Registered	No. of Applications Rejected/Pending	No. of Applications Sanctioned	Total amount Sanctioned
(1)	(2)	(3)	(4)	(5)
2019-20	1,34,253	4,121	1,30,132	1,282.08
2020-21	1,83,366	2,600*	1,80,766	1,829.31
2021-22	2,15,022	3,974 [§]	2,11,048	1,597.18
TOTAL	5,32,641	10,695	5,21,946	4,708.57

Source: figures taken from ePASS website & VLC Figures

* Out of 2600 applications, 2597 applications were rejected and 3 applications were pending with MLA for countersignature (02 under RDO Secunderabad and 01 under RDO Warangal)

§ Out of 3974 applications, 3971 applications were rejected and 3 applications were pending at MRO level (02 under RDO, Achampet and 01 under RDO, Kandukur)

3.1.3 Budget Allocation and Expenditure

The details of Budget allocation and the expenditure incurred under the Kalyana Lakshmi Pathakam during the period 2019-22 are as follows:

Table 3.2: Budget allocation and expenditure incurred under Kalyana Lakshmi Pathakam during 2019-2022

(₹ in crore)		
Year	Budget Allocation	Expenditure incurred
(1)	(2)	(3)
2019-20	1,287.02	1,282.08
2020-21	1,940.46	1,829.31
2021-22	2,450.46	1,597.18
Total	5,677.94	4,708.57

Source: VLC figures

3.1.4 Audit Objectives

Compliance Audit of Kalyana Lakshmi Pathakam was conducted to ascertain whether:

- The selection of beneficiaries under the scheme was done in compliance with the norms and procedures specified in the Government orders;
- Adequate controls were exercised by the implementing authorities over sanction and release of financial benefits to the intended beneficiaries; and
- Monitoring mechanism was adequate to oversee the implementation of the scheme efficiently and effectively.

⁶ G.O.MS.No.22 BC Welfare (OP) Department, dated 17 September 2016

3.1.5 Audit Criteria

The audit findings were benchmarked against the criteria sourced from the following:

- i. Orders/circulars/instructions issued by the State Government and Backward Classes Welfare Department during 2014 to 2019 for implementation of Kalyana Lakshmi Pathakam; and
- ii. Telangana State Financial Code and Budget Release Orders

3.1.6 Audit Scope and Methodology

The Detailed Compliance Audit was conducted for the period from 2019-20 to 2021-22 covering the offices of Revenue Divisional Officer (RDO) and Tahsildar selected on sample basis for scrutiny of records. Out of 72 RDOs in the State, 18 (25 per cent) were selected on Simple Random Sampling Method for detailed scrutiny. Under each RDO, two Tahsildars (36⁷ Tahsildar Offices) were selected on random sampling method for scrutiny of applications. Further, out of 5,400 applications verified in these selected Tahsildar offices, 10 beneficiaries were randomly selected for conducting beneficiary survey.

An Entry Conference was conducted with the Principal Secretary to Government, Backward Classes (BC) Welfare Department in August 2022 to apprise the audit approach. The Audit methodology involved verification of records at the sampled offices; analysis of Kalyana Lakshmi Pathakam data provided by Centre for Good Governance (CGG); and survey of selected beneficiaries. Field audit was conducted between August and November 2022.

Draft Report has been forwarded to Government in May 2023. An Exit Conference was held with the Principal Secretary to Government, BC Welfare Department in September 2023 to discuss the findings and the deliberations during the meeting have been appropriately incorporated in the Report.

Audit Findings

3.1.7 Application Process and Scrutiny

During the audit period (2019-20 to 2021-22), 36,821 applications were received in the 36 test-checked Tahsildar offices, of which 568 applications were rejected after scrutiny and 36,253 applications were processed for sanction by the RDOs. As per the records of RDOs and Tahsildars test checked in Audit, all the applications received online were physically examined by Tahsildars with the enclosures and the list of eligible applicants was forwarded to the RDOs concerned for sanction. Except for RDO Sangareddy, hard copies of all the applications were maintained in respective RDOs as stipulated in Government orders⁸. The list of eligible beneficiaries was approved by the MLA concerned and uploaded on the website and the financial sanction was accorded by RDOs.

⁷ 36 Tahsildar Offices-Adavidevulapally, Balmoor, Bantwaram, Bhainsa, Chandurthi, Devarkonda, Dhoolimitta, Farooq Nagar, Gadwal, Husnabad, Indalwai, Khammam Urban, Kodair, Kohir, Konaraopet, Kondapak, Kothur, Madgulapally, Mominpet, Mulug, Munipally, Nalgonda, Narkatpally, Nizamabad Rural, Padara, Pedda Adeshlerpally, Peddakothapally, Penubally, Raghunadhapalem, Rajoli, Sangareddy, Sathupally, Siricilla, Tanoor, Yellareddipet, Zaheerabad

⁸ G.O.Ms.No.24, Scheduled Castes Development (POA.A1) Department dated 24 June 2016

Analysis of Kalyana Lakshmi Pathakam data followed by scrutiny of records relating to processing and verification of applications in the test checked 18 RDOs and 36 Tahsildar offices indicated lack of validation controls in the software application/system (ePASS) and improper verification mechanisms as discussed below.

3.1.7.1 Repetition of Bridegrooms

As per Government orders⁹, Aadhaar cards of both the bride and bridegroom are mandatorily to be uploaded on the website (telanganaepass.cgg.gov.in) to avoid misuse. Further, the benefit of Kalyana Lakshmi Pathakam is only one-time financial assistance to be availed in the life time of the bride. As such, legality of marriage in terms of the provisions¹⁰ of Indian Penal Code Acts is to be observed to avoid improper claims through illegal second marriages.

In this process, details of First Marriage Certificate or Divorce etc., provide the authenticity of second marriage, if any, of the bride / bridegroom. Hence, the Aadhaar number of bride/bridegrooms seeded at the time of first marriage should not be accepted again when provided at the time of second marriage without any proper justification.

Audit, however, observed that validation control for alerting the subsequent seeding of same Aadhaar number is available for only the bride in ePASS, but not for the Aadhaar number of bridegroom. Data analysis of Kalyana Lakshmi Pathakam during the years 2019-20 to 2021-22 revealed that in 676 cases, two brides were married to the same bridegroom. The system accepted Aadhaar number of same bridegroom at the time of second marriage. The amount sanctioned in these cases was ₹3.38 crore. There were 133 cases amounting to ₹1.33 crore in 17 out of 18 RDOs test-checked in Audit.

Audit could not verify the legality of the second marriage of these bridegrooms, as no documents to this effect were available with the RDOs / Tahsildars concerned as evident from the case files examined. Thus, the sanction of incentives to the above-mentioned cases without seeking / verification of valid documents (such as divorce certificates) is irregular and in the absence of divorce certificate etc., genuineness of the bride-groom is susceptible to verification.

When this was brought to notice, test checked RDOs replied that the validation control in ePASS website is available only in respect of bride's Aadhaar number, but not for the Aadhaar number of bridegroom.

During Exit Conference, Principal Secretary assured that a provision would be made in the programme for validating the cases of subsequent seeding of same Aadhaar number of bridegrooms.

⁹ G.O.Ms.No.24, Scheduled Castes Development (POA.A1) Department dated 24 June 2016 and G.O.Ms.No. 05, Backward Classes Welfare (OP) Department dated 21 April 2016

¹⁰ As per Section 494 of Indian Penal Code, the second marriage is void, except that, such husband or wife has been declared void by a Court of competent jurisdiction

3.1.7.2 Financial assistance to the brides married prior to date of introduction of scheme

The financial assistance under the scheme was extended¹¹ to Backward Classes (BC) and Economically Backward Classes (EBC) communities with effect from 1 April 2016 while applicants belonging to BC / EBC benefit from the scheme, if the marriage happens on or after 1 April 2016.

Audit noticed from the database of Kalyana Lakshmi Pathakam, that the Department had extended financial assistance of ₹2.04 lakh in the following four cases, where the date of marriage was prior to 1 April 2016.

Table 3.3: Details of sanctioned cases where the date of marriage was prior to date of implementation of scheme

Sl. No.	Marriage ID No.	Mandal	Date of birth	Date of marriage	Date of Sanction	Amount sanctioned (₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2019KL16500993	Thirumalagiri	01.10.1995	05.03.2016	27.09.2019	51,000
2	2021KL16738018	Secunderabad	13.12.1992	25.02.2016	07.08.2021	51,000
3	2016KL18117617	Rudrangi	01.01.1993	24.02.2016	05.10.2019	51,000
4	2021KL21778920	Kuravi	27.05.1995	07.11.2015	08.02.2022	51,000
Total						2,04,000

Source: Information provided by Tahsildars

This indicates that the system has issues with validity controls, which could not be addressed by the scrutiny officers during verification of the claims.

During Exit Conference, Principal Secretary assured that the issue would be checked and compliance would be reported.

3.1.7.3 Financial assistance to under-aged brides

As per the Kalyana Lakshmi Pathakam guidelines, the bride should have completed 18 years of age at the time of marriage. Scrutiny of applications in test-checked Tahsildar offices revealed that two brides of below 18 years of age at the time of marriage were sanctioned assistance of ₹two lakh under the scheme. Details are given in **Table 3.4**.

¹¹ G.O.Ms. No.05, BC Welfare (OP) Department, dated 21 April 2016

Table 3.4: Sanctioned cases of under aged brides

Sl. No	Marriage ID No.	Mandal	Date of birth (As per birth certificate or SSC certificate)	Date of marriage	Age of the bride at the time of marriage	Amount sanctioned (₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2020KL15597493	Mominpet	17.10.2002	17.02.2020	17 years 4 months (as per DOB certificate issued by Revenue Dept.)	1,00,116
2	2020KL19604473	Tanoor	04.08.2002	14.02.2020	17 years 6 months 10 days (as per SSC certificate)	1,00,116
Total						2,00,232

Source: Records of Tahsildars

Audit scrutiny revealed that the system does not have the provision to validate the age of the bride. In the absence of validation control, verification process is solely dependent on the discretion of scrutiny authorities. Since these two cases are only illustrative in test-checked offices, the issue requires exhaustive review across the State to verify incorrect claims.

During Exit Conference, Principal Secretary stated that orders would be issued to consider the credentials as per one single selected document to validate the date of birth of the bride.

3.1.7.4 Non-compliance with Government orders

As per Kalyana Lakshmi Pathakam guidelines, the combined income of parents of a SC / ST girl availing of the scheme shall not exceed ₹two lakh per annum in both urban and rural areas. In respect of a BC / EBC girl availing of the scheme, the combined income of the parents should not exceed ₹1.5 lakh in rural areas and ₹2 lakh in urban areas¹². The income certificate enclosed to the applications for availing financial assistance should not be older than six months.

As per Section 115BAC (1) of the Income Tax Act, 1961, the income of individuals and Hindu Undivided family above ₹2.5 lakh is taxable. As such, person earning income above ₹2.5 lakh per annum is a taxpayer. Hence, the parents of brides who have paid income tax are not eligible for financial assistance under the Scheme. In order to avoid misuse of scheme benefits, the system or verification process should have a holistic verification process to cover all aspects of eligibility criteria.

Analysis of data and scrutiny of records in test checked RDOs and Tahsildar offices showed the following:

¹² G.O.Ms.No.12 Scheduled Castes Development (POA.A1) Dept and G.O.Ms.No.5 Backward Classes Welfare (OP) Dept dated 21.04.2016

- i. In all the 36 test-checked Tahsildar offices, audit observed the cases of approved claims where the annual income certificate of bride was enclosed instead of combined income certificate of parents, contrary to Government orders. Out of 5,400 applications verified, 3,331 (62 *per cent*) beneficiaries submitted income certificates of bride instead of parents. The benefit of financial assistance extended to these beneficiaries was ₹33.25 crore.
- ii. In one (Mominpet) out of 36 test-checked Tahsildars, Audit noticed that the financial assistance amounting to ₹1 lakh¹³ was sanctioned in one case¹⁴ based on the income certificate of the bridegroom instead of income certificate of bride's parents in violation of Government orders.
- iii. In 119 cases pertaining to 32 out of 36 test checked Tahsildar offices, Audit noticed that the income certificates enclosed with the applications were older than six months, contrary to Government orders. An amount of ₹1.19 crore was sanctioned in these cases.

Cases mentioned above are only illustrative from the cases test-checked in Audit. A thorough examination of cases across the State is required to rule out such irregular claims.

During Exit Conference, Principal Secretary assured that proposals would be initiated to incorporate required controls in the system to accept the documents of only parents' income certificate and to increase the validity period to one year from the existing six months. Cases pointed out in Audit would be reviewed.

- iv. Comparison of State data (Aadhaar numbers) pertaining to Prime Minister Kisan Yojana¹⁵ (PMKY) with the State data of Kalyana Lakshmi Pathakam during the period from 2019-20 to 2021-22 revealed that the parents of 46 brides who benefited under Kalyana Lakshmi Pathakam were income taxpayers during the period for which income certificate was obtained for less than ₹two lakh. An amount of ₹46.30 lakh was released as financial assistance under the Scheme. In nine out of the 18 RDOs selected for detailed scrutiny, there were 15 cases of similar nature where the benefit allowed was of ₹15.02 lakh.

When this was brought to notice, nine test checked RDOs replied that income certificates were issued after due verification by the VROs / VRAs at local level. It was further replied that the payment of Income Tax by the parents of the beneficiary was not disclosed, and neither there was any mechanism to verify the payment of Income Tax. However, the matter would be re-examined, and action taken would be intimated to audit.

During Exit Conference, Principal Secretary assured that the issues would be checked, and compliance would be reported.

¹³ ₹1,00,116

¹⁴ Marriage ID No.2018KL15383544 (bride name P. Swetha)

¹⁵ A Government of India programme, intended to help all the small and marginal farmers by extending financial benefit up to ₹6,000 per year as minimum income support. The data of the Scheme was obtained in August 2022

3.1.7.5 Date of delivery was before the date of the marriage of the bride

As per scheme guidelines, the benefit of Kalyana Lakshmi Pathakam can be availed only once in a life time after the marriage of the bride. In order to check the veracity of claims sanctioned under Kalyana Lakshmi Pathakam, Audit compared the data of Kalyana Lakshmi Pathakam with the data of KCR KIT Scheme (extended to pregnant women and new-born babies of poor families¹⁶) availed for the years 2019-20 to 2021-22.

It was noticed that the date of delivery of the bride (as per KCR KIT data) was before the date of marriage of the bride (as per Kalyana Lakshmi data) in 7,314 cases across the State. The name of the husband is indicated at the time of availing KCR KIT by the pregnant woman. As the names of husbands are also matched in all the 7,314 cases, it is evident that the marriage date in all these cases must have been before the date of marriage mentioned in Kalyana Lakshmi Pathakam applications. Given the fact that there is a mis-match between different scheme databases pertaining to the same beneficiary, the possibility of submission of incorrect marriage certificates cannot be ruled out. Thus, the sanction of financial assistance under Kalyana Lakshmi Pathakam in 7,314 cases amounting to ₹72.91 crore was not in order. The amount involved in test checked RDOs is ₹19.15 crore in 1,917 cases.

On this being pointed out, concerned RDOs replied that the Kalyana Lakshmi Pathakam applications were processed and sanctioned after due verification as required in Government orders. It was further stated that there is no mechanism to compare the details of beneficiaries availing the benefit of Kalyana Lakshmi Pathakam with the KCR KIT at the time of processing the applications.

During Exit Conference, Principal Secretary stated that the issue pointed out in Audit would be examined and assured further that required controls would be made to the system to integrate it with the database of other schemes for checking the correctness of claims.

3.1.8 Sanction of Financial Assistance

The budget releases and amounts disbursed in the test checked RDOs during the Audit period are given in the following **Table 3.5**.

Table 3.5: Budget releases and amounts sanctioned in test checked RDOs during 2019-2022

Year	Budget releases (₹in crore)	Disbursement* (₹ in crore)	% of disbursement
(1)	(2)	(3)	(4)
2019-20	380.49	323.56	85.04
2020-21	479.06	427.17	89.17
2021-22	667.95	544.97	81.59
Total	1527.50	1295.70	

Source: Information provided by RDOs

* Disbursement here means sanctions by RDOs.

There was gap between the amount of budget released and disbursement. Department replied that budget releases were based on the number of applications received and that the

¹⁶ The scheme is designed to give the essentials to the pregnant women (nutritious food) and new-born babies after delivery (for baby- bed with attached mosquito net, dress, towels, washable nappy, powder, shampoo, oil, Soaps and rattle toy and for mother-Soap, Sarees etc., and ₹12,000 cash)

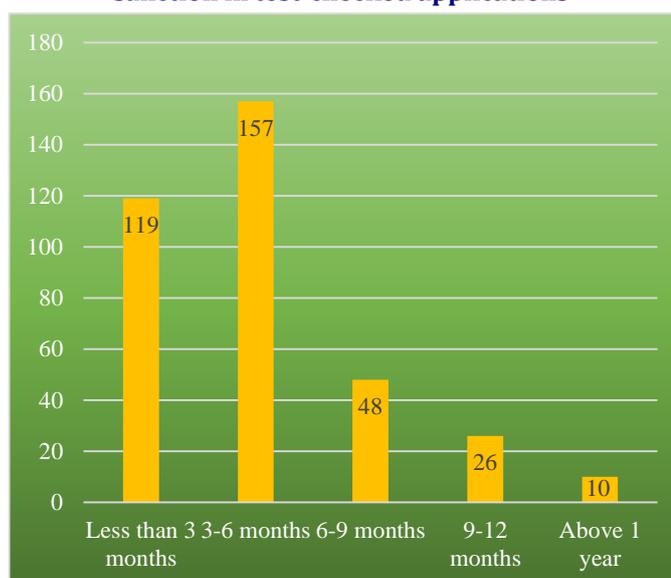
amounts were disbursed based on the number of applications scrutinised and cleared by the field level authorities.

Scrutiny of records in the test checked offices of RDO and Tahsildars revealed that:

- i. There was no mechanism to communicate the incorrect submission of documents/need for resubmission of correct documents by the applicants. Also, no timeframe was fixed for scrutinising the applications and disbursement of cheques. Test-checked RDOs stated that the Tahsildars would seek the clarifications from beneficiaries as and when required while scrutinising the applications.

Scrutiny of records pertaining to 360 applicants/beneficiaries who were surveyed in 18 test checked RDOs showed that the data relating to financial assistance given is available only up to the date of sanctions, but not up to the date of disbursement of payment/cheque. Period of delay from the date of application to sanction ranged from five days to more than one year (622 days) in these cases. Breakup of the delays is given alongside. No reasons were on record at least in respect of cases of huge delay.

Chart 3.1: Gap between the dates of application and sanction in test-checked applications



Source: Beneficiary survey results in test checked RDOs

- ii. As the details for disbursement of cheques/payments were not available either with the RDO or Tahsildars office, the same were obtained from the beneficiaries surveyed (360 applications) in Audit. As per the information provided by the surveyed beneficiaries about the dates of disbursement, it is noticed that the delay in disbursement of cheques varied from one day to 501 days from the date of sanction. Most of beneficiaries surveyed attributed the delay in receipt of cheques to their absence on the date of disbursement and also non-availability of constituent MLA. Details are as given in **Table 3.6** below:

Table 3.6: Gap between sanction and disbursement of cheques in test checked RDOs

Sl. No.	Gap between the sanction and disbursement of cheques	No. of cases and the percentage
1.	Less than three months	317 (88%)
2.	3-6 Months	39 (11%)
3.	6-9 Months	01
4.	9-12 months	01
5.	Above 1 year	2

Source: Beneficiary survey results in test checked RDOs

From the above it is implied that after submitting application on ePASS, the applicant had no idea about the outcome of her application, as there is no communication mechanism

with the beneficiaries. This resulted in the beneficiaries having to visit the Tahsildar offices repeatedly to enquire about the stage at which the application is pending. Out of 360 beneficiaries surveyed, 103 beneficiaries stated that they had visited Tahsildar offices twice, thrice by 50 beneficiaries, four times by 11 beneficiaries and nearly five times by two beneficiaries.

During Exit Conference, Principal Secretary assured that required guidelines would be issued for fixing the timelines at each level of authority for scrutiny and sanction of applications.

- iii. **Short receipt of scheme amount by the beneficiary:** State Government enhanced¹⁷ the financial assistance of ₹75,116 to ₹1,00,116 with effect from 1 April 2018.

Scrutiny of scheme files in one (Mominpet) out of 36 test-checked Tahsildar offices revealed that one beneficiary (marriage ID No.2018KL15389665) had applied for the financial assistance under Kalyana Lakshmi Pathakam for her daughter's marriage held on 1 July 2018. After verification of the application, RDO has sanctioned¹⁸ the scheme amount of ₹1,00,116. However, the cheque was issued for only ₹75,116 instead of ₹1,00,116. During Exit Conference, Principal Secretary assured that the details of the cases would be verified.

3.1.9 Internal controls

i. Reporting System: Transparency and efficiency in implementation of any beneficiary-oriented scheme relies upon the existence of an effective monitoring system. A well-defined monitoring system includes periodical reporting mechanism. Scrutiny of records of test-checked RDOs and Tahsildars revealed that there is no reporting mechanism to monitor the implementation of the scheme, as no periodical returns are specified to watch the progress of scrutiny and sanction of applications under the scheme.

ii. Internal Audit: As per Government Orders¹⁹, all the district offices and their subordinate offices are required to be inspected by Heads of the Department periodically. Test-check of the records of RDOs and Tahsildars revealed that Internal Audits were not conducted during the period of Audit from 2019-20 to 2021-22. Lack of internal audit results in lack of assurance on the quality of work at field level offices.

During Exit Conference, Principal Secretary assured furnishing of suitable reply.

3.1.10 Grievance Redressal Mechanism

One of the key factors determining the good governance of Departments dealing with people centric subjects is a mechanism to register the grievances/complaints of the applicants and its redressal. The feedback system would further enhance the process involved in service delivery.

¹⁷ Vide GO Ms. No.8 BC Welfare (OP) Dept., dated 3 April 2018

¹⁸ Vide Proceedings No.15283KL12181900303 dated 29 June 2019

¹⁹ G.O. Ms. No. 247 GAD dated 8 February 1962 along with Government Memo in Circular No. 42050/ARIII/97-7, GAD dated 26 July 1977

Audit noticed that there is no grievance redressal mechanism to address the grievances / complaints of the applicants. The beneficiaries surveyed in Audit expressed that due to lack of complaint registering mechanism, they had to frequently visit the Tahsildar offices to obtain the status of applications and for collection of cheque. They also attributed the delay in disbursement of cheques to the poor communication system.

3.1.11 Conclusion

Analysis of data of Kalyana Lakshmi Pathakam and scrutiny of records in test checked RDOs and Tahsildar Offices indicated that adequate controls were not provided either online or offline 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 5522 cases.

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. Administrative accountability suffered from a lack of reporting and monitoring mechanism.

3.1.12 Recommendations

1. 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.
2. State Government may investigate ineligible cases and take necessary action to fix responsibility against the officials concerned for such lapses.
3. 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.
4. 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.
5. 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.

Higher Education Department (Osmania University)

3.2 Functioning of Osmania University

3.2.1 Introduction

Osmania University (University) was established in the year 1918 and was governed up to 1958 by a Farman²⁰ issued on 26 April 1917 by H.E.H. Nizam VII. Consequent to the formation of the State of Andhra Pradesh, the Osmania University Act 1959 (Act No. 9 of 1959) was enacted. Now the University is governed by the Telangana Universities Act, 1991 (Act No. 4 of 1991 of Andhra Pradesh Universities Act adopted for Telangana State Universities on the reorganisation of the State under Andhra Pradesh Reorganisation Act 2014) which came into force in September 2015.

3.2.1.1 Organisation

The Governor of Telangana is the ex-officio Chancellor of the University. The Vice-Chancellor is the Principal Executive and Academic Officer who exercises control over the affairs of the University and is assisted by a Registrar, a Finance Officer, Deans and Directors of the Departments/Institutes. The Executive Council comprises Class I²¹ (Ex-Officio Members) and Class II²² (other Members), the Finance Committee and the Academic Senate which exercise control over various functions of the University. The Principal Secretary to the Government of Telangana, Higher Education is the Administrative Head at the Government level and is responsible for the implementation of Government policies and programmes. Details relating to Receipts and Expenditure of the University and the number of students enrolled during the period 2017-18 to 2021-22 are given in **Table 3.7** and **Table 3.8**.

Table 3.7 - Receipts and Expenditure during 2017-18 to 2021-22

(₹ in crore)					
Financial Year	Opening Balance	Receipts	Total	Expenditure	Closing Balance
2017-18	36.72	523.98	560.70	520.16	40.53
2018-19	40.53	493.17	533.70	490.71	42.99
2019-20	42.99	495.01	538.00	523.17	14.84
2020-21	14.84	532.33	547.17	492.48	54.69
2021-22	54.61	615.31	669.92	589.02	80.88

Source: Information furnished by the University

²⁰ The Mughal Constitutional term Farman was A Royal Order bearing the seal of the Emperor

²¹ 1. Vice-Chancellor, 2. Rector 3. Secretary to the Government in the Education Department or his nominee 4. Secretary to Government in the Finance and Planning (Finance Wing) Department or an officer in the Finance and Planning (Finance Wing) Department nominated by the Government; 5. Director of Higher Education/the Commissioner of Collegiate Education

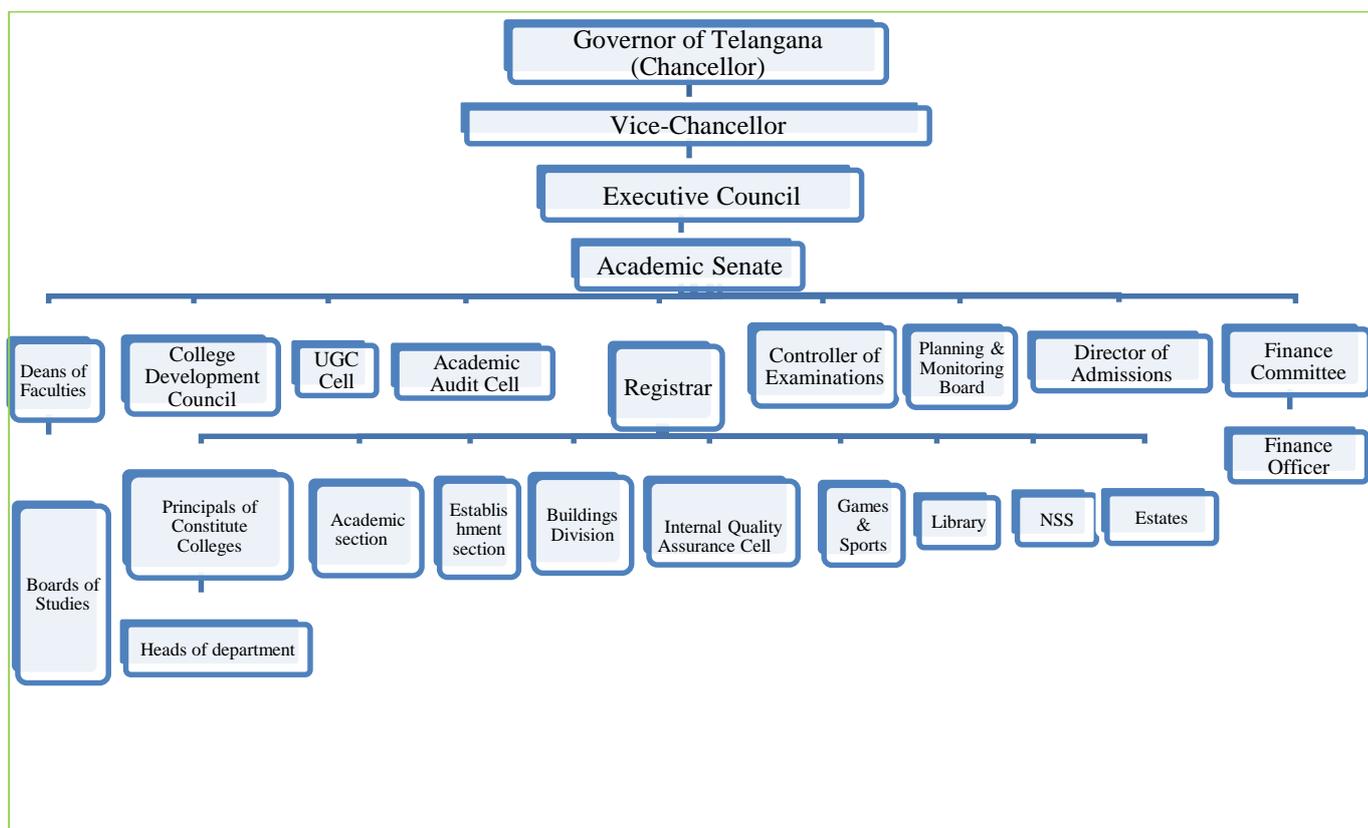
²² (i) One Senior Professor of the University Colleges to be nominated by the Government; (ii) one Principal of the University Colleges to be nominated by the Government; (iii) one Principal of the affiliated colleges to be nominated by the Government; (iv) one teacher from among the teachers of the University Colleges to be nominated by the Government; (v) one teacher from among the teachers of the affiliated colleges to be nominated by the Government; and (vi) four eminent persons representing industry, agriculture, trade, commerce, education, public life, legal profession, social work etc., to be nominated by the Government

Table 3.8: Number of students enrolled in the University Colleges during 2017-18 to 2021-22

Academic Year	Total number of students enrolled
2017-18	7,932
2018-19	29,749
2019-20	11,085
2020-21	18,763
2021-22	19,879
Total	87,408

Source: Annual Reports of the University

(i) Organisational Set-up

Chart 3.2: Organisational Set-up

Source: OU website information

The jurisdiction of the University is spread over seven²³ Districts of the State. The University has twelve²⁴ major Faculties encompassing 54 Academic Departments. Details of the Faculties and the Academic Departments are given in the **Appendix-3.1**. The University is offering courses as below:

²³ (1) Hyderabad, (2) Medchal-Malkajgiri (3) Medak, (4) Rangareddy, (5) Sangareddy, (6) Siddipet and (7) Vikarabad

²⁴ (1) Arts, (2) Business Management, (3) Commerce, (4) Education, (5) Engineering, (6) Informatics, (7) Law, (8) Oriental Languages, (9) Pharmacy, (10) Science, (11) Social Sciences and (12) Technology

Chart 3.3: Courses offered by the University

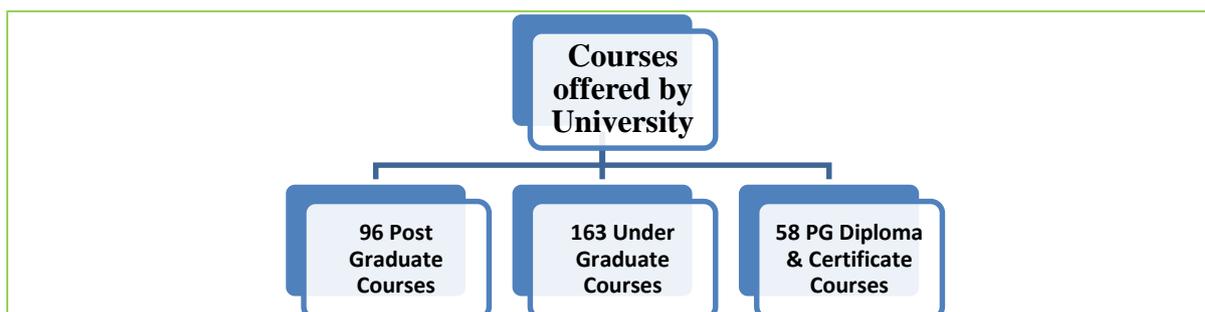
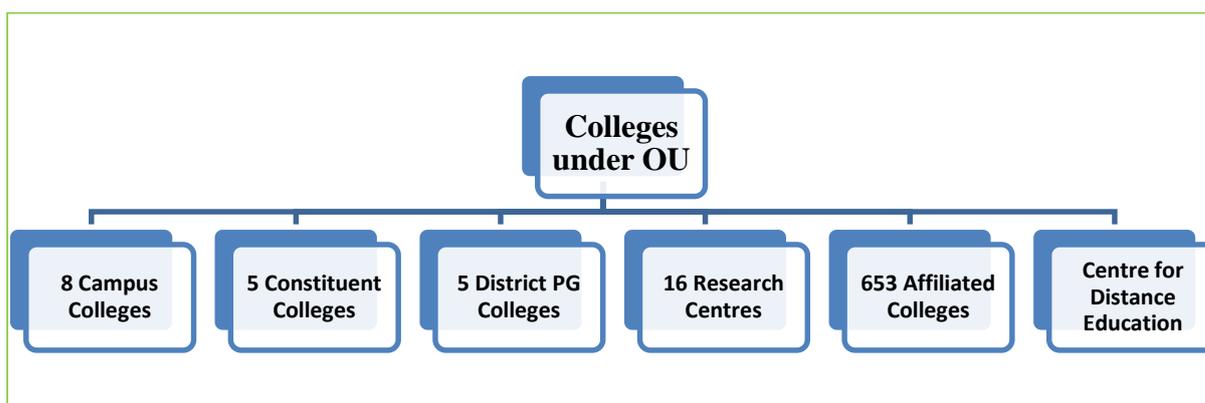


Chart 3.4: Details of Colleges under Osmania University



Source: Information furnished by University

The University has eight²⁵ Campus Colleges including Colleges of Engineering and Technology (with autonomous status), five²⁶ Constituent Colleges, five²⁷ District Post-Graduate Colleges, 16²⁸ Research Centres and 653 Affiliated Colleges under its management. Further, Professor G Ram Reddy Centre for Distance Education (CDE) established in 1977, provides distance education in various courses in Political Science, English, Hindi, Telugu, Philosophy, Public Personnel Management, History, Sanskrit, Sociology, Urdu, Business Management, English Language, Teaching, etc.

²⁵ (1) University College of Arts & Social Sciences; (2) University College of Commerce and Business Management; (3) University College of Education; (4) University College of Engineering; (5) University College of Law; (6) University College of Physical Education; (7) University College of Science and (8) University College of Technology

²⁶ (1) University College for Women, Koti; Hyderabad (2) Nizam College, Basheerbagh, Hyderabad; (3) University College of Science, Saifabad, Hyderabad; (4) University PG College, Secunderabad and (5) College of Law, Basheerbagh, Hyderabad

²⁷ (1) PG College, Jogipet; (2) PG College, Mirzapur; (3) PG College, Narsapur; (4) PG College, Siddipet and (5) PG College, Vikarabad

²⁸ (1). Institute of Genetics and Hospitals for Genetic diseases; (2) Research and Training Unit in Navigational Electronics (NERTU); (3) Entrepreneurship Development Cell (EDC); (4) Information Dissemination Centre (IDC); (5) Japal-Rangapur Observatory (JRO); (6) Centre for Plant Molecular Biology (CPMB); (7) Dr BR Ambedkar Research Centre; (8) Regional Centre for Urban and Environmental Studies (RCUES); (9) Educational Multimedia Research Centre (EMRC); (10) Southern Regional Centre for the Indian Council of Social Science Research (ICSSR); (11) Research Foundation for Devotional Literary Studies; (12) Sir Ronald Ross Institute; (13) Centre for Solid Waste Technology and Management (CSWTM); (14) Centre for Quantitative Methods and Artificial Intelligence (CQM&AI); (15) Centre for Energy Technology; and (16) Centre for Women's Studies

3.2.1.2 Audit Objectives

The objectives of the Detailed Compliance Audit were to assess as to whether:

- 1) The University planned and executed its academic activities effectively;
- 2) The creation and development of Human Resources and Infrastructure facilities were adequate and as per norms to impart quality education; and
- 3) The financial management and utilisation of resources were efficient and effective.

3.2.1.3 Audit Criteria

Audit findings were benchmarked against the criteria sourced from the following:

- i. Telangana Universities Act, 1991
- ii. National Education Policy, 2020
- iii. UGC XII Plan Guidelines
- iv. Guidelines/ Norms for faculty and facilities of the National Assessment and Accreditation Council (NAAC), All India Council for Technical Education (AICTE), University Grants Commission (UGC) and the Distance Education Council of Government of India (GOI).
- v. Statutes, Acts, Ordinances, Regulations and Circulars of the University
- vi. Agenda, Resolutions and Minutes of the University authorities, namely Academic Senate, Executive Council, Finance Committee, etc.
- vii. State Government Orders, Guidelines, Circulars, Financial Rules,
- viii. Telangana Financial Code and Telangana Accounting Code and
- ix. Telangana Public Works Department Code

3.2.1.4 Audit Scope and Methodology

The Detailed Compliance Audit of the University was conducted for the period covering 2017-18 to 2021-22. Selection of the Campus Colleges, Constituent Colleges, Research Centres and affiliated colleges was done through simple random sampling without replacement method. The University Colleges and Research Centres covered during the field audit are detailed in **Appendix-3.2**. An Entry Conference was held with the Principal Secretary to Government, Higher Education Department of Telangana along with the Vice-Chancellor of the University on 19 October 2022 wherein the Scope, Objectives, Criteria and Methodology of Audit and the sampling of the colleges were discussed. The Draft Report was issued in August 2023 to the Government for its response. Government responses received (February 2024) were incorporated at appropriate places in the Report.

3.2.1.5 Audit acknowledgement and constraints

Audit acknowledges the cooperation extended by the Higher Education Department, Government of Telangana and Osmania University.

However, the extent of support envisaged from the Osmania University for the conduct of the Detailed Compliance Audit was not forthcoming as the University remained unresponsive on several issues pointed out by Audit despite repeated²⁹ reminders to it.

3.2.1.6 Audit findings

The audit findings are grouped and arranged under the following paragraphs:

Para 3.2.2: Planning

Para 3.2.3: Human Resources

Para 3.2.4: Financial Management

3.2.2 Planning

Effective planning is essential for a University to optimise its resources and strategically align them with its academic goals. By meticulously organising financial allocations and human capital, the institution can elevate the overall learning experience for students, foster research and innovation and cultivate a vibrant academic community. Moreover, coordinating academic and administrative planning creates a cohesive and dynamic environment where faculty, staff and students synergistically collaborate.

Robust planning practices serve as the backbone of a successful University, enabling the institution to confidently navigate challenges, capitalize on opportunities and ultimately realise its vision of becoming a beacon of knowledge, innovation and excellence in higher education.

3.2.2.1 Action-oriented plans/goals

As per Key Indicator 6.2 of Quality Indicator Framework of the National Assessment and Accreditation Council (NAAC), formulation of Development Objectives, Directives and Guidelines with specific Plans for implementation, by aligning the Academic and Administrative aspects improving the overall quality of the institutional provisions was to be ensured.

Audit observed that, the University had prepared a Vision and Strategy Document in 2018 with mention of policies of Academic Excellence, Student Enrolment, Faculty Excellence, Research Excellence, Social Impact, Alumni Engagement, Good Governance, Strengthening and Enhancing Access, Equity and Inclusion, Expanding International Reach, Strengthening Distance Education, Promotion of Extra-curricular activities, etc. However, action-oriented short, medium or long-term plans for making progress towards the set of Institutional goals were not prepared as of date (January 2023) since the publication of the Vision and Strategy Document. The achievements in respect of the Vision and Strategy Document are detailed in **Table 3.9** below:

²⁹ **November 2022:** Reminded vide AE Nos:18,37 and 47, **December 2022:** Reminded vide AE Nos:58,74 and 85 (Executive Council), **January 2023:** Reminded vide AE Nos:88 (Executive Council) and 100, **March 2023:** Reminded vide AE Nos:109,113 (Executive Council), 130, 139,140 (Executive Council), **April 2023:** DO letter to VC, **May 2023:** Meeting of DAG with VC, reminded vide AE Nos:159 and 166. **August 2023:** DO letter to Secretary to Government, Higher Education and VC

Table 3.9: Details of achievements in respect of the Vision document

S.No	Focal Area as per Vision Document	Focal area goal	Whether Achieved or Not Achieved
1.	Academic Excellence	Develop, strengthen and sustain a network of relationships with national and international academic institutions	Memorandum of Understanding (MOUs) were entered into with 77 Institutions, of which, 62 were National and 15 International Institutions/Organisations.
		Increase the seats of foreign students to 30 <i>per cent</i> in the next 5 years	The number of foreign students studying in the University had gone down from 1149 (2017-18) to 121 (2021-22).
2.	Student Enrolment	-	Increased Enrolment of students by the University from 7,932 students (2017-18) to 19,879 students (2021-22).
3.	Faculty Excellence	Use Foreign faculty and adjunct faculty services in identified areas of study	In the area of teaching, 29 MOUs were entered of which 20 MOUs were with Indian Institutions and 9 with Foreign Institutions. However, details of the number of Foreign Faculty who have visited the University to impart training to students were not furnished by the University.
		Provide faculty training and facilitate mobility	Faculty training was in the range of 13.95 <i>per cent</i> (2017-18 to 34.16 <i>per cent</i> (2019-20).
		Incentivize research and quality publications in top 100 journals.	University did not furnish reply on this issue.
4.	Research Excellence	Establish academic and industry linkages and partnerships through MoUs for teaching, research and Consultancy	University did not furnish information on this issue
5.	Good Governance	Constitute: Faculty and Department/ Centre Advisory Committees, OU-Research Institutes Council	Faculty of Studies was not constituted in respect of three ³⁰ Subject Streams. Although Faculty of Studies were constituted, they were not active in respect of Commerce, Education, Informatics, Management and Pharmacy Faculties. Information was not furnished by University regarding Advisory Committees and Research Institutes Council.
		Strengthen OU-Internal Quality Assurance Cell	Internal Quality Assurance Cell has been constituted and has obtained NAAC Accreditation on September 12, 2017 valid for 7 years (i.e., up to September 11, 2024).
6.	Strengthening and Enhancing Access	Establish New Departments	No new Departments established between April 2017 and March 2021.
		Introduce New Programmes	28 New Programmes were introduced between April 2017 and March 2021.
		Starting new Institutions	No new institutions established up to March 2021.
7.	Expanding International Reach	Global Reach, Catering to International Stakeholders, Exchange Programmes and International Faculty	Information not furnished by the University authorities.

Source: Information furnished by the University

Except in the case of Student enrolment, University authorities have not achieved what was envisioned in the Vision Document.

Government's response (February 2024) was not specific to the issues pointed out in Audit.

³⁰ Arts, Social Sciences, Science

3.2.2.2 Executive Council, Academic Council and Finance Committee

(i) Executive Council

The Executive Council is the most important body in the University administration and enjoys the real powers of decision-making. It consists of nine Nominated³¹ and five Ex-Officio Members³². The Vice-Chancellor and the Rector are its Ex-Officio Members and the former presides over the meetings of the Executive Council. The other Ex-Officio Members are officials of the Government. The Executive Council shall meet at least once in three months and may meet often, if necessary as per Section 18 of Telangana University Act, 1991.

The Executive Council wields authority over the University's property and funds and all administrative matters are decided by the Executive Council. Appointment of teaching and non-teaching staff, disciplinary control over them, matters relating to examination and conferment of degrees, inspection of Colleges and Departments of the University, conferment of honorary degrees, conferment of autonomy on the Colleges and Departments, recognition and affiliation of Colleges and other institutions are some of its important functions. The Executive Council is also responsible for formulating the regulations, statutes and ordinances of the University which form the basis for its day-to-day working. It can delegate any of its powers to the Vice-Chancellor or to a Committee or to any individual in the University.

Despite receiving repeated reminders, the University did not provide any information regarding the composition of the Executive Council, its members and the decisions made during its meetings.

In its reply (February 2024), the Government did not furnish any specific reasons for non-furnishing of the Resolutions of the Executive Council meetings to Audit. Although the University claimed to have furnished the composition of the Executive Council in its response, the document provided to Audit was an extract of AP Universities Act, 1991 and not the actual composition of members.

Due to lack of crucial information, Audit was not able to analyse the decisions taken in these meetings. This constraint hindered the assessment of whether the Executive Council adhered to the proper processes as mandated when making decisions. Further, it impeded the determination of the level of compliance exhibited by the responsible authorities with the decisions they made, along with the associated responsibilities and accountability. Therefore, compliance to Section 18 of the Telangana University Act, 1991 cannot be vouchsafed.

³¹ One Senior Professor of the University Colleges to be nominated by the Government; one Principal of the University Colleges to be nominated by the Government; one Principal of the affiliated colleges to be nominated by the Government; one teacher from among the teachers of the University Colleges to be nominated by the Government; one teacher from among the teachers of the affiliated colleges to be nominated by the Government; four eminent persons representing industry, agriculture, trade, commerce, education, public life, legal profession, social work etc., to be nominated by the Government

³² The Secretary to Government in the Education Department or an officer in the Education Department nominated by the Government; the Secretary to Government in the Finance and Planning (Finance Wing) Department or an officer in the Finance and Planning (Finance Wing) Department nominated by the Government; the Director of Higher Education/the Commissioner of Collegiate Education

(ii) Academic Council

The Academic Council (also known as Academic Senate) is the highest policy making body regarding learning and shall consist of Faculty Members drawn from the University, its Affiliated Institutions, Principals of the University and Affiliated Colleges, nominees of the Government, Legislators and Professionals. The Vice-Chancellor presides over the Academic Senate. It formulates the Academic Policies and provides leadership for maintaining the standard and quality of education and research in the University.

As per Para 1 of Statutes No. XIV of Osmania University, Statutes, Ordinances and Regulations, 1976, at least two ordinary meetings of Academic Council are to be conducted in a year. Meetings of Academic Council (Senate) held during 2017 to 2022 are detailed below:

Table 3.10: Meetings of Academic Council (Senate)

Year	No. of meetings to be conducted	No. of Actual meetings conducted	Shortfall
2017	2	2	0
2018	2	2	0
2019	2	2	0
2020	2	0	2
2021	2	0	2
2022	2	1	1

Source: Information furnished by the University

As against 12 meetings of Academic Senate to be conducted during the period from 2017 to 2022, only 7 meetings were conducted. No meetings were conducted during 2020 and 2021 and only one meeting was conducted during 2022.

The Government in its response (February 2024) stated that, during the academic year 2020-21 (March 2020 to December 2021), the Academic Senate meetings could not be held due to COVID-19 pandemic and that in the meeting held on 28 March 2023, all the matters pending from March 2020 were discussed. Details of the issues discussed and the action proposed to be initiated pursuant to this Academic Senate meeting of March 2023 were however not furnished to Audit.

Due to non-submission of the minutes of the Academic Council meetings, Audit could not analyse the decisions taken in these meetings. As a result, Audit could not assess as to whether the Academic Council adhered to the proper processes as mandated when making decisions. Further, it impeded the determination of the level of compliance exhibited by the responsible authorities with the decisions they made, along with the associated responsibilities and accountability.

(iii) Finance Committee

As per Section 47 (1) of Telangana University Act, 1991, Finance Committee shall be constituted. The Finance Committee is a subcommittee of the Executive Council presided over by the Vice-Chancellor. Three members of the Executive Council are nominated by the Executive Council to be members of this Committee. The Finance Officer of the University is its Secretary. The Finance Committee examines and reviews the financial position, the annual accounts and budget of the University. It advises the Executive Council on all financial matters including the Budget.

Audit observed that, Finance Committee meetings were not held during the period from 2012-13 to July 2021 and was constituted only on 15 July 2021. Since no meetings were conducted from 2012-13 to 2020-21, the Executive Council was denied of the benefit of inputs of the Finance Committee on all financial matters. This in turn led to certain shortcomings in the management of financial matters, such as, non-realisation of lease rentals due to University, loss of grants due to non-compliance to grant conditions, etc. In the absence of Finance Committee, it was not clear as to how the Executive Council had taken financial decisions.

The Government in its response (February 2024) while enumerating the provisions of Section 47 of the Telangana University Act regarding the composition of the Finance Committee stated that, since the members of the Finance Committee were also members of the Executive Council, University had directly taken resolution of the Executive Council pertaining to financial matters.

Reply of the Government is not in consonance with provisions of Section 47 wherein it is mentioned that the Finance Committee has to be constituted notwithstanding the fact that it is a Subcommittee of the Executive Council.

3.2.2.3 Functioning of College Development Council

As per UGC Guidelines (1985), there shall be a College Development Council (CDC) in the University for ensuring proper planning and integrated development of colleges (constituent as well as affiliated). The Council was also to provide necessary help and guidance for the all-round development of standards of education.

The primary functions of the CDC are to advise the University on all matters relating to:

- ⇒ development of affiliated colleges;
- ⇒ rationalisation, implementation of University's Policy on affiliation of colleges, to monitor the development programmes and maintain regular statistics on the development of colleges, etc.

According to Paragraph 2 of the UGC Guidelines, the CDC must consist of the Vice-Chancellor, Director of the Council, Principals of some affiliated colleges and senior teachers of University Departments and a representative of the State Government. The CDC was to meet at regular intervals at least twice in an academic year to review the implementation of various programmes and activities. The Director was expected to visit the colleges at least twice a year and to hold meetings with Principals of Colleges to apprise them of the ways in which CDC could function effectively for the development of colleges.

Audit observed that:

- A full-fledged CDC was not constituted with adequate representation and was now functioning with Dean³³ & Coordinating Officer only.

³³ The senior most faculty member of the comprehensive branches of the discipline of the Faculty is known as Dean of the Faculty

- During the period of audit, CDC did not meet in the years 2017-18 and 2020-21. In the years 2018-19 and 2019-20, CDC conducted six³⁴ meetings. In the year 2021-22, CDC met once.
- No affiliated college was visited during the year 2021-22.

When the issues of CDC preparing perspective plan for development of new colleges, advisory report on rationalisation and implementation of University's policy on affiliation of colleges, evaluation and assessment report on UGC grants utilized by the colleges for development projects were called for, University authorities stated that no information in this regard was available with them.

In response to Audit seeking reasons for not conducting CDC meetings during 2017-18, it was replied that Telangana State Council of Higher Education (TSCHE) was entrusted with the responsibility³⁵ through CDC meeting held on 20 January 2016. Copy of the minutes of the said meeting was however not made available to Audit. In respect of the year 2020-21, University attributed the prevalence of COVID-19 pandemic for the non-conduct of meetings.

The Government in its response (February 2024) stated that the functions of the CDC redefined with the approval of the Standing Committee of the Academic Senate and the Executive Council of the University. It was further stated that, the preparation of prospective plan for development of Autonomous Colleges, advisory report on rationalisation and implementation of University policies and utilisation of UGC grants action will be taken by the Dean, CDC, Osmania University.

As a result, Audit could not ascertain the compliance to the decisions taken in these CDC meetings, transparency of the CDC while taking these decisions and ensuring compliance to the decisions taken in respect of developmental activities of the colleges under the University.

(i) Faculty of Studies

As per Section 26 of Telangana University Act, 1991, the Universities shall have Faculty of Studies consisting of Departments of Teaching. Each Faculty of Studies should consist of Dean/Chairman who shall be appointed from among the members of Faculty concerned on the recommendations of Vice-Chancellor.

Each Faculty of Studies shall have the following powers:

- a) subject to the control of the Academic Council, to organise and co-ordinate teaching and research in the Department of Teaching assigned to the faculty.
- b) to recommend to the Academic Council the courses of studies for the different examinations after considering the recommendations of the Board of Studies.
- c) to recommend to the Academic Council the conditions for the award of Degrees, Diploma and other distinctions.

³⁴ 2018-19: 2 and 2019-20: 4

³⁵ Receipt of applications for the sanction of UG courses shall be processed first at the Council level before constituting Joint Inspection Committees

- d) to deal with any matter referred to it by the Vice-chancellor, the Syndicate, the Academic Council or the Senate, and
- e) to hold a meeting of the Faculty or a joint meeting of the Faculty with any other Faculty, to consider any matter of common interest.

There are 12³⁶ Faculties at present in the Osmania University. Every Faculty of Studies constituted is valid for a period of 2 years effective from the date of issue of notification.

Audit observed that, Faculties of Studies were active in four³⁷ subject streams. Faculties of Studies were not constituted in respect of three³⁸ subject streams and five³⁹ Faculties of Studies, although constituted, were not active at present.

When the specific reasons for the non-constitution of Faculties of Studies were called for by Audit, it was stated (April 2023) that, Faculties of Studies would be reconstituted on the basis of recommendations made by the concerned Deans of Faculties after expiry of the term of the Faculty. The Academic Branch of the University would send reminders to the concerned Deans of Faculties for reconstitution of the Faculty from time to time.

Government in its response (February 2024) provided the details of the reminders sent to various Deans of Faculties regarding the reconstitution of faculties. Specific reasons for delay in reconstitution of Faculties and details of the reconstitution of the faculties pointed out by Audit were, however, not furnished.

As a result, Audit could not ascertain the compliance to the decisions taken by Faculties of Studies and the extent of compliance regarding the recommendations made to Academic Council.

(ii) Board of Studies

As per Section 27 of the Telangana Universities Act, 1991, each teaching Department shall have a Board of Studies (BoS) whose constitution and functions shall be prescribed by Ordinances. As per the functions prescribed by the University, the BoS makes recommendations through its Faculties to the Academic Council as regards courses of study, syllabi and scheme of examinations. It also recommends to the Executive Council, panels of persons for appointment as examiners. The members of the BoS shall hold office on honorary basis for a period of two years from the date of notification.

The number of members of each BoS shall not be more than 12 provided that in the case of Professional Faculties, the number may be increased up to a maximum of 14. There shall be representation for students on the BoS.

Audit noticed that, out of 82 Departments, BoS was constituted and functional in 46 Departments. It was not constituted in respect of 9 Departments and in respect of 27 Departments, the term of the BoS was completed and it has not been reconstituted. Some of these BoS were not constituted since 2010 (Details vide **Appendix-3.3**).

³⁶ 1. Arts, 2. Commerce, 3. Education, 4. Engineering, 5. Informatics, 6. Law, 7. Management, 8. Oriental Languages, 9. Science, 10. Social Sciences, 11. Technology and 12. Pharmacy

³⁷ Engineering, Law, Oriental Languages and Technology

³⁸ Arts, Science and Social Sciences

³⁹ Commerce, Education, Informatics, Management and Pharmacy

Government in its response (February 2024) provided the details of the reminders sent to Chairman, BoS of the Department regarding the reconstitution of BoS. Although it was assured that the process of reconstitution of pending BoS was taken up, specific reasons for delay in reconstitution of BoS were not furnished to Audit.

Non-constitution of the BoS for all the Departments would affect the course of study and also would lead to non-revision of syllabi of the course at regular intervals.

(iii) Revision of Curriculum

UGC had recommended⁴⁰ (January 2017) that curricula of all Academic Departments in Universities should be reviewed and revised at least once in every three years. This review and revision of academic curricula should focus on the existing and potential demand and supply of skill sets to make the University/College students employable. The University was also requested to accord top priority to the matter and take immediate action so that the curricula of various programmes offered by the University were revised and adopted for quick implementation by the University and the colleges affiliated to it.

Audit noticed that curricula of 43 Academic Departments were not reviewed/revised during last three years, as detailed in **Appendix-3.4**. Curricula in respect of remaining 39 Academic Departments were reviewed/revised.

University replied that the reorganisation of Choice Based Credit System (CBCS) structure and syllabus in Undergraduate programs was implemented from the Academic Year 2019-20 and the revision of syllabi was a routine nature of the University. It was stated by the University that it shall initiate necessary action in order to implement the Guidelines. It was, further, submitted that the University has revised structure and syllabi as per CBCS pattern with 80 credits in PG courses in Osmania University from the academic year 2022-23 after approval of the Academic bodies. Documentary evidence in support of its claim was, however, not furnished to Audit.

The Government in its response (February 2024) stated that the revision of the Syllabi was a routine matter for the University. Response furnished by the Government did not address the concern raised by Audit regarding non-revision of syllabi and only stated about the adoption of CBCS pattern by the University.

(iv) NAAC Accreditation

Assessment and Accreditation of Higher Educational Institutions (HEIs) by National Assessment and Accreditation Council (NAAC) derives an understanding of the ‘Quality Status’ of the Institution in terms of its performance related to the educational processes and outcomes, curriculum coverage, teaching-learning processes, faculty, research, infrastructure, learning resources, organisation, governance, financial well-being and student services.

Currently, the University was having NAAC “A+” Grade Accreditation valid for the period from September 2017 to September 2024.

⁴⁰ Vide UGC DO.No. 9-2/2017(CPP-II), dated 31 January 2017

Audit observed areas of weakness which may affect the Status of Accreditation of the University as indicated below:

Criteria	Remarks
Curricular Aspects (Weightage:150)	Curricula of 43 Academic Departments were not revised/ reviewed during last three years as per the Annual Reports of the Osmania University
Teaching-Learning and Evaluation (Weightage:200)	82 teachers (10 per cent of the total teachers appointed) were appointed without Ph.D/ NET/ SET qualification. Shortage of Teaching (69 per cent) and non-teaching (34 per cent) were noticed in the University as on date. Student pass percentage in the Under-Graduate Conventional Courses examinations had improved from 54 per cent to 71 per cent during the period from 2017-18 to 2020-21. However, pass percentage of PG Conventional courses had gone down from 75 per cent (2017-18) to 57 per cent (2020-21). Similarly, while the pass percentage in PG Professional had shown a marginal increase from 80 per cent (2017-18) to 83 per cent (2020-21), in the case of UG Professional, the pass percentage had gone down from 90 per cent (2017-18) to 84 per cent (2020-21).
Student Support and Progression (Weightage:100)	Career and Counselling Cell was available in 4 ⁴¹ out of 18 colleges of the University. However, in 7 ⁴² out of 18 colleges, the required Career and Counselling Cell were not constituted in the Colleges.
Governance, Leadership and Management (Weightage:100)	Action-oriented short, medium or long-term plans for making progress towards the set of Institutional goals were not prepared as of date (January 2023) since the publication of the Vision and Strategy Document. Identified weakness of reducing dependence on State Funding not addressed till date. The number of foreign students studying in the University went down from 1,149 (2017-18) to 121 (2021-22). Faculty training was in the range of 13.95 per cent (2017-18) to 34.16 per cent (2019-20). Faculty of Studies was not constituted in respect of Arts, Social Sciences and Science. Although Faculty of Studies were constituted, they were not active in respect of Commerce, Education, Informatics, Management and Pharmacy Faculties. Information was not furnished by University regarding Advisory Committees and Research Institutes Council. No new Departments was established up to March 2021.No new institutions was established up to March 2021.

As the University Accreditation status is due for review by NAAC after September 2024, the above mentioned shortcomings may affect the accreditation status of the University.

- **Accreditation of Colleges under University**

As per Manuals of NAAC, Higher Education Institutions (HEIs), all colleges either affiliated or constituent or autonomous are eligible to apply for Assessment and Accreditation of NAAC. Under the control of Osmania University, five⁴³ Constituent

⁴¹ University College of Commerce and Business Management; University College of Science, Saifabad; University College of Engineering and University College for Women, Koti

⁴² University College of Arts and Social Sciences; University College of Science; OU PG Colleges Jogipet; Narsapur; Vikarabad; PG College of Law and University College of Education

⁴³ University College for Women; (2) Nizam College; (3) University College of Science, Saifabad; (4) University PG College, Secunderabad and (5) PG College of Law, Basheerbagh

colleges, two⁴⁴ Autonomous colleges and five University District Post Graduate (PG) Colleges⁴⁵ are functioning.

Two⁴⁶ Constituent colleges were functioning with NAAC accreditation. Three⁴⁷ of these Constituent Colleges and five⁴⁸ University District PG Colleges have not applied for NAAC Accreditation. University authorities attributed the non-application for Assessment and Accreditation of these colleges to fewer number of permanent teaching faculty. These colleges continued to function with the status of Accreditation awarded by Osmania University. Further, 22 colleges (out of 653 colleges) affiliated to Osmania University had only obtained the NAAC Accreditation and the remaining 631 affiliated colleges had neither applied for nor obtained the NAAC Accreditation as of March 2022.

Government replied (February 2024) that a circular would be issued to all affiliated colleges to apply for NAAC Accreditation at the earliest.

- **Annual Quality Assurance Reports (AQARs)**

In pursuance of its Action Plan for performance evaluation, assessment and accreditation and quality upgradation of institutions of higher education, the National Assessment and Accreditation Council (NAAC), Bangalore proposes that every Accredited Institution should establish an Internal Quality Assurance Cell (IQAC) as a quality sustenance measure. The Institutions are requested to submit the Annual Quality Assurance Reports (AQAR)⁴⁹ after one year from date of Accreditation every year. A functional Internal Quality Assurance Cell (IQAC) and timely submission of AQARs are the Minimum Institutional Requirements (MIR) to volunteer for second, third or subsequent cycle's Accreditation.

Audit observed that the IQAC had been established by the University and NAAC Accreditation obtained by the University till 2024. Although AQARs were to be submitted by the University annually, it was observed that AQARs for the years 2017-18 to 2019-20 were only submitted by the University to NAAC so far.

It was replied that AQARs of 2018-19 and 2019-20 were revised and uploaded. AQAR 2020-21 was delayed because of pandemic situation. The data acquisition was not possible in prolonged lockdown. However, the AQAR 2020-21 and 2021-22 have been upload before 30th July, 2023.

The University had, however, not provided supporting documents regarding the uploading of the AQARs on NAAC website.

⁴⁴ (1) University College of Engineering and (2) University College of Technology

⁴⁵ Located at Jogipet; Mirzapur; Narsapur; Siddipet and Vikarabad

⁴⁶ Nizam College and University College for Women, Koti

⁴⁷ (1) University College of Science, Saifabad; (2) University PG College, Secunderabad and (3) PG College of Law Basheerbagh

⁴⁸ University District PG Colleges, Jogipet, Mirzapur, Narsapur, Siddipet and Vikarabad

⁴⁹ Wherein criteria relating to Curricular aspects, Teaching Learning and Evaluation, Research, Innovations and Extension, Infrastructure and Learning Resources, Students Support and Progression, Governance, Leadership and Management, Institutional Values and Best Practices, Future Plans of Action for next Academic year were to be furnished.

3.2.2.4 Ranking under National Institutional Ranking Framework

The National Institutional Ranking Framework (NIRF) provides ranking of Institutions in five broad generic groups of parameters, namely: i) Teaching, Learning and Resources; ii) Research and Professional Practice; iii) Graduation Outcome; iv) Outreach and Inclusivity; and v) Perception.

Overall National Institutional Ranking of the University has gone down from Rank 38 (2017) to Rank 64 (2023). Even in respect of Overall University Ranking, the Ranking of the University has gone down from 23 (2017) to 36 (2023). Detailed analysis of parameter-wise marks earned by the University is as detailed in the **Table 3.11 and Table 3.12**:

Table 3.11: Overall and University Ranking by NIRF of Osmania University

S.No	NIRF Parameter	2017	2023
1	Teaching, Learning and Resources	46.63	58.74
2	Research and Professional Practice	20.56	31.24
3	Graduation Outcome	91.98	81.26
4	Outreach and inclusivity	58.41	57.91
5	Perception	11.16	9.15
6	Overall National Institutional Score	45.52	49.94
7	Overall National Institutional Rank ⁵⁰	38	64
8	Overall University Score	45.52	52.67
9	Overall University Rank ⁵¹	23	36

Source: Information available on NIRF website

Table 3.12: Comparison of the Osmania University NIRF with the Top Ranked University

S.No	NIRF Parameter	OU in 2023	Top Ranked University in 2023
1	Teaching, Learning and Resources	58.74	86.45
2	Research and Professional Practice	31.24	89.88
3	Graduation Outcome	81.26	87.22
4	Outreach and inclusivity	57.91	63.59
5	Perception	9.15	100
6	Overall National Institutional Score	49.94	86.69
7	Overall National Institutional Rank	64	1

Source: Information available in NIRF website

University replied that reasons for declining NIRF in the year 2023 are attributable to the following:

- ⇒ Retirement of Faculty,
- ⇒ The data for NIRF ranking are calculated based on last three academic years so data during the COVID-19 pandemic affected the ranking,
- ⇒ The faculty strength, research funding, Faculty Student Ratio (FSR) and Peer perception are more compared to Osmania University
- ⇒ The NIRF is collecting data such as Research database, Peer reviewed publications and perception from the third party and that the University did not have information about the actual data collected.

⁵⁰ The Overall National Institutional Rank includes Universities, Colleges, Research Institutions, Engineering, Management, Pharmacy, Medical, Dental, Law, Architecture and Planning, Agriculture and allied sectors and Innovation

⁵¹ The overall University rank among all institutions categorised as Universities

Reply of the University is not acceptable as:

1. Considering the retirement of faculty; recruitment of faculty should have been planned in advance.
2. COVID-19 pandemic affected pan India and NIRF data collection method is uniform for all institutions.
3. University needs to do more work on improving faculty strength, research funding, FSR and peer perception.

(i) Pass Percentage

As per Para 2.6 of NAAC Manual, the real test of the extent to which teaching learning has been effective in a HEI is reflected in the student performance in the examinations. Pass percentage of Conventional and Professional courses are shown in **Table 3.13** below:

Table 3.13: Pass percentage of Conventional and Professional courses

Courses	2017-18 (99 th Annual Report)			2018-19(100 th Annual Report)			2019-20(101 st Annual Report)			2020-21 (102 nd Annual Report)		
	Appeared	Passed	Pass %	Appeared	Passed	Pass %	Appeared	Passed	Pass %	Appeared	Passed	Pass %
UG (Conventional)	61,655	33,130	54	63,512	36,265	57	63,699	40,101	63	78,404	55,561	71
UG (Professional)	12,888	11,643	90	41,983	27,499	66	19,670	17,895	91	22,185	18,594	84
PG (Conventional)	7,038	5,253	75	7,324	5,442	74	9,853	7,066	72	10,983	6,293	57
PG (Professional)	13,968	11,142	80	15,371	12,917	84	18,018	14,029	78	19,541	16,194	83

Source : Annual Reports of the University

The Government in its response (February 2024) attributed the decline in pass percentage of UG and Professional courses (6 per cent) and PG Conventional courses (18 per cent) to COVID-19 pandemic, as the class work was held online and there was little/no direct interaction with the students.

3.2.2.5 Functioning of Placement Cell

As per the National Education Policy 2020 (Point No. 14, 14.4.2 – Steps to be taken by all HEIs), the HEIs should take steps to increase employability potential of Higher Education Programmes. As per Para 5.2.2 of NAAC Institutional Accreditation Manual for Self Study Report Universities, during Accreditation of an Institution, NAAC considers the average percentage of placement of outgoing students from the Institution during the last five years as one of the factors while grading the HEIs.

In the OU, Placements Cells are functioning at the University level and also at the College levels. Details of the admissions and placements of the students registered with the Placement Cell of OU during 2017-18 to 2021-22 are given in the **Table 3.14**.

Table 3.14: Details of admissions and placements during 2017-18 to 2021-22

Year	No. of Admissions into UG/PG courses	No. of students Registered for placements	Placements	% against Registration
2017-18	7,932	3,154	903	29
2018-19	29,749	1,364	475	35
2019-20	11,085	1,300	699	54
2020-21	18,763	4,723	1,206	26
2021-22	19,879	Not available	Not available	

Source: Annual Reports of the University

During the years from 2017-18 to 2020-21, students who secured placements ranged from 26 per cent (2020-21) to 54 per cent (2019-20). Information in respect of the year 2021-22 was not made available to Audit.

It was replied that the Directorate of Placement Services got merged with Human Capital Development Centre, Osmania University which was established in February 2022.

The low placement activity was attributed to the pandemic and Industry was not making any fresh recruitments.

3.2.2.6 Career and Counselling Cell

As per Para 15 of the “UGC Guideline for General Development Assistance to Central Demand and State Universities during XI Plan”, to address the diverse socio-economic handicaps and geographic backgrounds of the heterogeneous population of students coming to the Universities vis-à-vis equity of access and placement opportunities through availability of appropriate institutional support information, a Career and Counselling Cell (CCC) is to be established in the Universities. Through the above Cell, active guidance and information technology is to be supplemented to Students, for enhancing the reach and scope of available opportunities and prepare them for the future challenges.

Career and Counselling Cell was available in 4⁵² out of 18 colleges of the University. However, in 7⁵³ out of 18 colleges, the required Career and Counselling Cell were not constituted. Information in respect of University College of Law, University College of Technology, University College of Physical Education, University PG College, Secunderabad, Nizam College, OU PG College Siddipet and OU PG College Mirzapur was not furnished to Audit.

Details of the number of students who were registered for placement, number of students who were provided with placements, number of seminars and guidance workshops conducted in two campus and two constituent colleges are given in the **Table 3.15**:

⁵² University College of Commerce and Business Management; University College of Science, Saifabad; University College of Engineering and University College for Women, Koti

⁵³ University College of Arts and Social Sciences; University College of Science; Osmania University PG Colleges Jogipet; Narsapur; Vikarabad; PG College of Law and University College of Education

Table 3.15: Seminars and Guidance Workshops conducted in Campus and Constituent Colleges

Academic Year	No. of recruiting agencies of reputed firms identified/ contacted	No. of agencies conducting campus interviews	No. of students who participated/ registered for placements	No. of students provided the placement	No. of seminars and guidance workshops conducted in a year for students
University College of Commerce and Business Management					
2017-18	120	5	95	72	5
2018-19	150	10	86	64	6
2019-20	160	02	80	62	8
2020-21	170	02	85	50	6
2021-22	200	04	76	50	8
University College of Science, Saifabad					
2017-18	3	Not furnished	115	40	12
2018-19		Not furnished	121	35	10
2019-20		Not furnished	124	36	10
2020-21		Not furnished	-	-	10
2021-22		Not furnished	118	50	18
University College of Engineering					
2017-18	42	42	330	359 ⁵⁴	2
2018-19	68	68	340	338	2
2019-20	37	37	330	273	2
2020-21	53	53	290	246	3
2021-22	57	57	330	327	1
University College for Women, Koti					
2017-18 to 2018-19	19	19	Not furnished	175	3
2019-20 to 2021-22	24	24	Not furnished	30	2

Source: Information furnished by Campus and Constituent Colleges

Government in its response (January 2024) stated that only two Campus and two Constituent Colleges implemented access and placement opportunities to students through Institutional support and information. It was also assured that other colleges were in the process of activating the existing Career and Counselling Cell to provide opportunities for the students.

3.2.2.7 Sports and Extra-curricular activities in the Campus and Constituent Colleges

As per Para 4.1.2 of NAAC Manual, one of the parameters used in the ranking of the Institution is by assessing as to whether the Institution has adequate facilities for cultural activities, yoga, games (indoor, outdoor) and sports (gymnasium, yoga centre, auditorium, etc.).

Information in respect of the availability of infrastructure has not been furnished by 10⁵⁵ Campus, Constituent and District PG Colleges and has been furnished only by 8 out of the 18 colleges. Details of the availability of the infrastructure in the eight colleges under the control of the University are indicated in **Table 3.16**:

⁵⁴ Number of Job offers received by Students in University College of Engineering

⁵⁵ University College of Science, University College of Engineering, University College of Technology, University College of Physical Education, University College of Law, Nizam College, University College for Women, Koti, Law College, Basheerbagh, OU District PG College Siddipet and Mirzapur

Table 3.16: Availability of infrastructure in Colleges

Sl. No.	Name of the College	Name of the play Area	Whether ground available	Extent of area in Sq.Mts/Sqft.	Sports facilities
1	University College of Business Management	Sports Room	Yes	200 Sqft.	Table Tennis, Chess and Carroms
		Volleyball Court	Yes	25 X 25 mts	Volleyball and Throwball
		Badminton Court	Yes	80-0 X 80-0	Badminton and Tennikoits
2	University College of Science, Saifabad	Ramleela Ground of the College	Yes	2 Acres	Cricket, Volleyball, Kabaddi, Kho-Kho, etc.
		VV Hall inside the college	Yes	-	Shuttle Badminton etc.
		Sports Room	Yes	-	Table Tennis, Chess and Carroms
3	University College of PG, Secunderabad	Cricket	Yes	3 Acres	Cricket
		Volleyball Ground	Yes	-	Volleyball Ground
		Basket ball	Yes	-	Basket ball
		Indoor Gym	Yes	-	Chess and Carrom
4	Osmania University PG College, Jogipet	No play Area			
5	Osmania University PG College, Narsapur			2500 Sq.mts	Cricket, Volleyball and Shuttle
6	University College of Education	No play Area			
7	Osmania University PG College, Vikarabad	No play Area			
8	University College of Arts and Social Science, OU	Student lounge	Yes	177 Sq.mts	Table Tennis, Chess and Carrom

Source: Information furnished by Campus and Constituent Colleges

Audit further observed that, in 10⁵⁶ out of 18 colleges, there was no expenditure incurred on sports and extracurricular activities and in respect of seven colleges, only a miniscule amount of expenditure was incurred during the audit period. Information in respect of University College of Technology was not furnished to Audit.

Government in its response (February 2024) did not furnish any specific response on the audit observations.

3.2.2.8 Committee for curbing the menace of Ragging

In pursuance to the Judgement of the Hon'ble Supreme Court of India dated 8 May 2008, UGC had notified "Regulations on Curbing the Menace of Ragging in HEIs, 2009". Under the above regulations, HEIs are required to constitute the necessary Committees/ Squads/ Cells to ensure a ragging-free campus.

As per the information furnished by Campus, Constituent and District PG Colleges, Anti Ragging Cell had been formed in eight⁵⁷ colleges. In three⁵⁸ Colleges, the required Anti Ragging Cell was

⁵⁶ University College of Arts and Social Sciences, University College of Commerce and Business Management, University College of Science, University College of Education, University College of Science, Saifabad, PG College of Law, Basheer Bagh, OU PG College Jogipet, Siddipet, Narsapur & Vikarabad

⁵⁷ University College of Arts and Social Sciences, University College of Science, University College of Education, University College of Engineering, University College of Commerce and Business Management, University College of Technology, University College of Women, Koti and University College of Science, Saifabad

⁵⁸ PG College of Law, Basheerbagh, OU PG College Jogipet and Vikarabad

not constituted. Information in respect of seven⁵⁹ colleges was not furnished to Audit.

Government in its response (February 2024) did not furnish any specific response on the Audit observations.

3.2.2.9 Non- Constitution of Student Grievance Redressal Committees

To provide opportunities for redress of certain grievances of students already enrolled in any Institution, as well as those seeking admission to such Institutions and a mechanism thereto, UGC issued the Regulations, viz., University Grants Commission (Redress of Grievances of Students) Regulations, 2019. As per above Regulations, various Student Grievance Redressal Committees at University, Department and College levels have to be constituted.

University had not furnished the information relating to Constitution of Student Grievance Redressal Committees at University level and Department level. Student Grievance Redressal Committees had been formed in six⁶⁰ Campus Colleges (out of 18 Colleges). The required Student Grievance Cell was not constituted in four⁶¹ colleges. Information in respect of formation of Student Grievance Cell had not been furnished to Audit by eight⁶² colleges.

The Government in its response (February 2024) did not furnish any specific response on the audit observations.

3.2.3 Human Resources

The most important factor in the success of higher education institutions is the quality and engagement of its faculty. Goal 4 (SDG 4) of the Sustainable Development, adopted by India in 2015 seeks to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” by 2030.

3.2.3.1 Availability of Teaching Staff

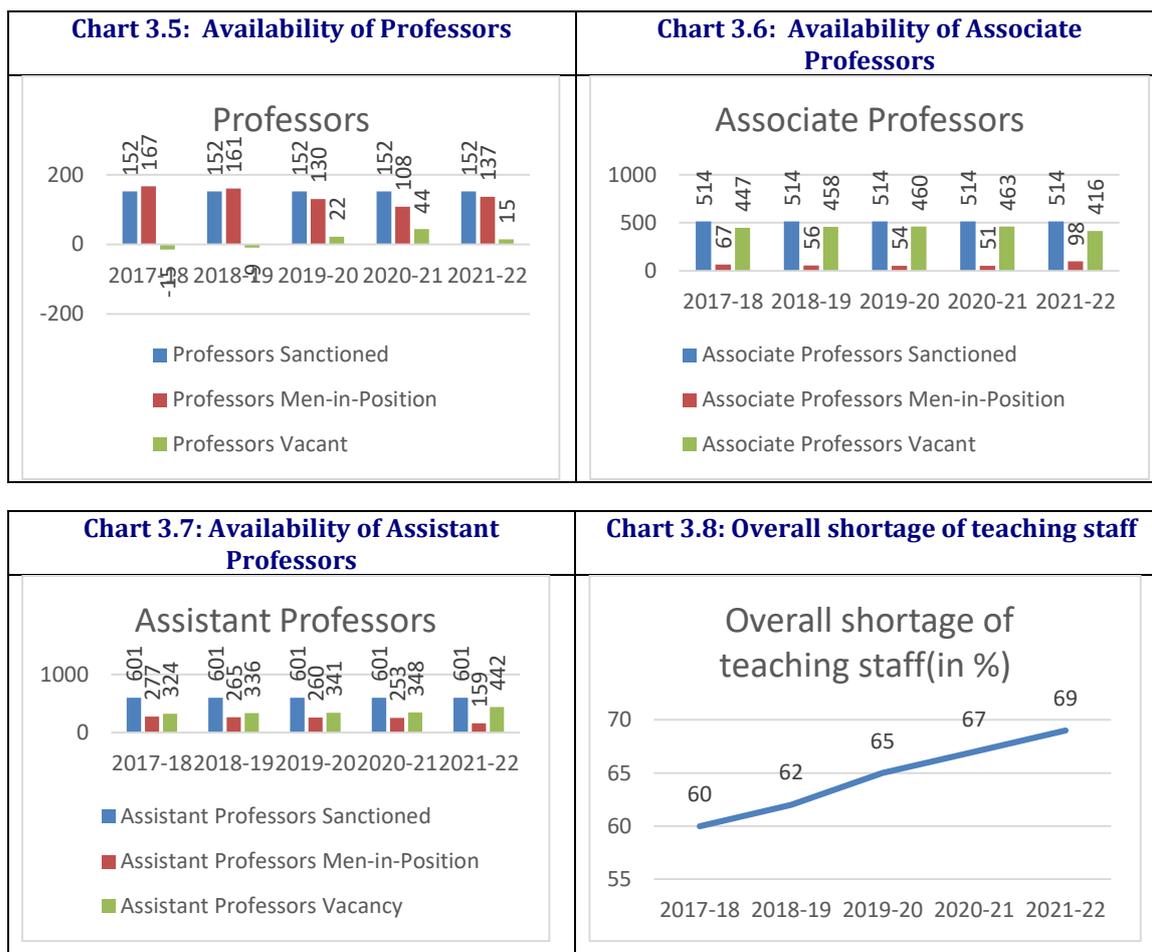
As per Regulation 12.2 of UGC Regulations on Minimum Qualifications for Appointment of Teachers and other Academic Staff in Universities and Colleges and Measures for the Maintenance of Standards in Higher Education, 2018 the Universities were directed to fill the sanctioned/approved posts on an urgent basis. Details of Teaching Staff in the University are given below.

⁵⁹ University College of Law, University College of Physical Education, Nizam College, University PG College, Secunderabad, OU PG College Siddipet, Mirzapur and Narsapur

⁶⁰ University College of Arts and Social Sciences, University College of Science, University College of Education, University College of Engineering, University College of Women, Koti and University College of Science, Saifabad

⁶¹ University College of Commerce & Business Management; PG College of Law, Basheerbagh; OU PG College, Jogipet and Vikarabad

⁶² University College of Law, University College of Technology, University College of Physical Education, Nizam College, University PG College, Secunderabad, OU PG College Narsapur, OU PG College Siddipet and OU PG College Mirzapur



Source : Annual Reports of the Osmania University

Although there was no shortage in the cadre of Professor during the years 2017-18 and 2018-19, it was ranging from 10 per cent (2021-22) to 29 per cent (2020-21). In the cadre of Associate Professors shortage was ranging from 81 per cent (2021-22) to 90 per cent (2020-21). Similarly, shortage of teaching staff in the cadre of Assistant Professor ranged between 54 per cent (2017-18) and 74 per cent (2021-22). Audit noticed severe overall faculty crunch in the University which had increased from 60 per cent in Academic year of 2017-18 to 69 per cent in 2021-22.

Some portion of the vacancy in the Teaching Staff was addressed by the University by appointment of Assistant Professors on contract basis during the years 2017-18 to 2021-22 as indicated in the **Table 3.17** below:

Table 3.17: Regular and Contract Teaching Staff in the University

Academic Year	Total Sanctioned Strength of the University	Total number of regular teaching staff	Total number of Contract teaching Staff	Total number of regular and Contract Staff	Vacancy	Vacancy Percentage
2017-18	1267	511	430	941	326	26
2018-19	1267	482	429	911	356	28
2019-20	1267	444	424	868	399	31
2020-21	1267	412	421	833	434	34
2021-22	1267	394	393	787	480	38

Source : Annual Reports of the Osmania University

Audit observed that, even after including Contract Faculty, the vacancy percentage in the Teaching cadre ranged between 26 *per cent* (2017-18) and 38 *per cent* (2021-22).

Audit scrutiny of the vacancies in the professional courses also revealed significant vacancies in these Departments. Details are given in the **Table 3.18**:

Table 3.18: Vacancies in the Departments imparting Professional courses

	2017-18			2018-19			2019-20			2020-21			2021-22		
	Sanctioned	Men in Position	Vacant												
Commerce and Business Management	68	42	26	68	40	28	68	34	34	68	32	36	68	32	36
Education	21	11	10	21	11	10	21	9	12	21	9	12	21	9	12
Physical Education	17	5	12	17	5	12	17	5	12	17	5	12	17	5	12
Engineering	127	83	44	127	80	47	127	77	50	127	75	52	127	74	53
Technology	44	13	31	44	13	31	44	11	33	44	9	35	44	9	35
Law	27	12	15	27	11	16	27	9	18	27	9	18	27	8	19
Overall	304	166	138	304	160	144	304	145	159	304	139	165	304	137	167

Source : Annual Reports of the Osmania University

- 1) Out of the 68 posts sanctioned in the Department of Commerce and Business Management, vacancies were ranging from 26 posts (38 *per cent* in 2017-18) to 36 posts (53 *per cent* in 2020-21 and 2021-22).
- 2) Out of the 127 posts sanctioned in the Department of Engineering, vacancies were ranging from 44 posts (35 *per cent* in 2017-18) to 53 posts (42 *per cent* in 2021-22).
- 3) Out of the 21 posts sanctioned in the Department of Education, vacancies were ranging from 10 posts (48 *per cent* in 2017-18) to 12 posts (57 *per cent* in 2021-22).
- 4) Out of the 17 posts sanctioned in the Department of Physical Education, vacancies existed to the extent of 71 *per cent* during the period from 2017-18 to 2021-22.
- 5) Out of the 27 posts sanctioned in the Department of Law, vacancies were ranging from 15 posts (56 *per cent* in 2017-18) to 19 posts (70 *per cent* in 2021-22).
- 6) Out of the 44 posts sanctioned in the Department of Technology, vacancies were ranging from 31 posts (70 *per cent* in 2017-18) to 35 posts (80 *per cent* in 2020-21 and 2021-22).
- 7) Overall, the vacancy position ranged from 45 *per cent* during 2017-18 (with 138 posts out of 304 posts remaining vacant) and increased to 55 *per cent* (with 167 posts out of 304 posts) remaining vacant.

When the issue of vacancies in the teaching staff of the University was brought to notice, Government responded (February 2024) that it had issued Orders⁶³ to fill up the 415

⁶³ G.O.Ms.No. 23 Higher Education (UE) Department, dated 4 July 2018

teaching posts (88 Associate Professors and 327 Assistant Professors). Government proposed to recruit the posts through Common Recruitment Board. Recruitment process could not be completed due to non-receipt of further instruction/ direction of the Government in the matter as of December 2023.

The matter of acute shortage in teaching staff still remains unaddressed by the University.

(i) Ratio of Sanctioned Strength of Professor, Associate Professor and Assistant Professor

As per Regulation 12.1 of University Grants Commission (Minimum Qualifications for Appointment of Teachers and other Academic Staff in Universities and Colleges and Measures for the Maintenance of Standards in Higher Education -2010) Regulations, teaching posts in Universities, as far as feasible, may be created in a pyramidal order, that is, for instance, for one post of Professor, there shall be two posts of Associate Professors and four posts of Assistant Professor, per Department. Scrutiny of the filling up of the posts of Professors, Associate Professors and Assistant Professors revealed that this was not complied with by the University as detailed in **Table 3.19** below:

Table 3.19: Requirement of Associate Professors and Assistant Professors as per UGC directions and actual Men in Position

Academic Year	Professor	Associate Professor			Assistant Professor		
	No. of posts sanctioned	Posts to be sanctioned	Posts actually sanctioned	Excess	Posts to be sanctioned	Posts actually sanctioned	shortage
2017-18	152	304	514	210	608	601	7
2018-19	152	304	514	210	608	601	7
2019-20	152	304	514	210	608	601	7
2020-21	152	304	514	210	608	601	7
2021-22	152	304	514	210	608	601	7

Source: Information available in the Annual Reports of the University

When the issue of excess sanction of posts in the cadre of Associate Professor was brought to the notice of the University, the University authorities had not furnished any specific response on the issue of creation of excess posts in the cadre of Associate Professor.

Audit also observed that notwithstanding the Regulation, posts were not sanctioned in the cadres of Professors, Associate Professors and Assistant Professors as shown in **Appendix-3.5**.

University stated that, the budgeted posts⁶⁴ of the University both teaching and non-teaching were sanctioned prior to the enactment of the Universities Act-1975. Therefore, the University cannot maintain the Pyramid structure as per the UGC regulations-2010 and 2018 i.e., one post of Professor, two posts of Associated Professors and four posts of Assistant Professor per Department.

(ii) Appointment of Contract Faculty

As per Regulation 13 of UGC Regulations on Minimum Qualifications for Appointment of Teachers and other Academic Staff in Universities and Colleges and Measures for the Maintenance of Standards in Higher Education, 2018, the Teachers should be appointed on

⁶⁴ Posts: Professor-152, Associate Professor (Reader)-514 and Assistant Professor (Lecturer)-601

contract basis only when it is absolutely necessary and when the Student-Teacher Ratio does not satisfy the laid-down norms. In any case, the number of such appointments should not exceed 10 *per cent* of the total number of faculty positions in a University. Similarly, Regular and Contract staff, should not be more than the posts sanctioned.

Scrutiny of the records relating to appointment of Teaching faculty in the cadre of Assistant Professors revealed the following as detailed in **Table 3.20**.

Table 3.20: Excess appointment of Assistant Professors

Academic Year	Name of Post	Posts sanctioned	Men-in-position			Excess appointments on contract basis
			Regular (Percentage)	Contract (Percentage of post sanctioned)	Total	
2017-18	Assistant Professor	601	462 (77)	430 (72)	892	291
2018-19	Assistant Professor	601	437 (73)	429 (71)	866	265
2019-20	Assistant Professor	601	409 (68)	424 (71)	833	232
2020-21	Assistant Professor	601	383 (64)	421 (70)	804	203
2021-22	Assistant Professor	601	368 (61)	393(65)	761	160

Source: Information available in the Annual Reports of the University

Audit noticed that the sanctioned strength of the University as a whole was 1,267 during the audit period 2017-22. As per the UGC regulations, the number of such appointments should not exceed 10 *per cent* of the total number of faculty positions in a University. The University was entitled to appoint contract staff to the extent of 127 (being 10 *per cent* of 1,267). Even considering the appointment of contract staff in the cadre of Assistant Professor to the extent of the sanctioned strength of 601, the excess appointments in the cadre of Assistant Professor ranged from 160 (2021-22) to 291 (2017-18).

Specific reply was not furnished by the University as to whether the excess teaching faculty recruited without taking Government approval had been identified and steps taken to cancel the irregular/illegal appointment made.

(iii) Departments without teaching staff

As per Regulation 12.2 of UGC Regulations on Minimum Qualifications for Appointment of Teachers and other Academic Staff in Universities and Colleges and Measures for the Maintenance of Standards in Higher Education, 2018 the Universities were directed to fill the sanctioned/approved posts on an urgent basis. In Departments of Theatre Arts, neither regular Faculty was available nor contract Faculty was posted although there were 39⁶⁵ students who had enrolled during the period 2017-18 to 2020-21.

When the issue of absence of Teaching staff in some of the Departments and how the students were being imparted the requisite education was brought to the notice of the University authorities, no specific response was furnished by them.

⁶⁵ 2017-18: 8; 2018-19: 9; 2019-20: 15 and 2020-21: 7

Government in its response (February 2024) stated that the courses offered in Theatre Arts in the University is only at Nizam College and that there was only one Faculty member in that Department and that he retired from the University services on 31 March 2016. Due to ban on appointment of Contract staff in University from 02 June 2014, the classes for students admitted in the Theatre Arts courses were being handled by the Part-time Lecturers. However, the University has stopped the enrolment of the students in the above Department from the academic year 2021-22. It was also assured that all the Departments in which the students are enrolled are having Teaching staff either Regular or Contract/Part-time Lecturers.

• **Departments functioning without sanction of Professor**

As per Regulation 12.1 of University Grants Commission (Minimum Qualifications for Appointment of Teachers and other Academic Staff in Universities and Colleges and Measures for the Maintenance of Standards in Higher Education -2010) Regulations, teaching posts in Universities, as far as feasible, may be created in a pyramidal order, that is, for instance, for one post of Professor, there shall be two posts of Associate Professors and four posts of Assistant Professor, per Department.

Audit observed that notwithstanding the Regulation, posts of Professors were not sanctioned in 12 Academic Departments (Details vide **Appendix-3.5**).

University stated that the Government while issuing its concurrence for filling up of Teaching posts in the University has not issued its concurrence for Professor posts, the Government has issued its approval/concurrence for filling up of Associate Professors and Assistant Professors during the year 2006 and 2009 without Professor posts. All the Professors working in the University are promoted from the Associate Professor to Professor under Career Advancement Scheme (CAS). Therefore, the University cannot maintain the Pyramid structure as per the UGC regulations-2010 and 2018 i.e., one post of Professor, two posts of Associated Professors and four posts of Assistant Professor per Department.

(iv) Faculty Student Ratio

As per the provision 1(a) of NIRF – A Methodology for Ranking of Universities and Colleges in India, the expected FSR should be 1:15.

Scrutiny of the Faculty Student Ratio of the University revealed the following:

Table 3.21: Faculty Student Ratio of Osmania University

Academic Year	Total number of teaching staff including Contract staff	Total number of students enrolled	Faculty Student Ratio
2017-18	941	7,932	1:8
2018-19	911	29,749	1:33
2019-20	868	11,085	1:13
2020-21	833	18,763	1:23
2021-22	787	19,879	1:26

Source: Information available in the Annual Reports of the University

As seen from the table above, Osmania University had a favourable FSR during the years 2017-18 and 2019-20. However, it did not have the envisaged FSR in the years 2018-19,

2020-21 and 2021-22 with the FSR ranging from 1:23 (2020-21) to 1:33 (2018-19). The sudden unfavourable FSR ratio in 2018-19 could be attributed to the sudden increase in the number of students enrolled during 2018-19. University had not furnished any specific reason for substantial increase in the number of students during 2018-19 as compared to 2017-18.

The Government in its response (February 2024) stated that, the University was maintaining the FSR and that, it was engaging part-time Lecturers after allotment of workload to Regular Teachers and Contract Faculty. It was also appointing adjunct Faculty (Retired Professors) in various Departments based on the recommendations of the Heads of Department and Principal of the concerned Colleges.

As per the provision 1(a) of NIRF – A Methodology for Ranking of Universities and Colleges in India, regular appointment means Faculty on full time basis with no time limitation to their employment, Faculty on contract basis for a period of not less than 3 years, can also be included. Hence, the University contention that, in order to maintain FSR it had engaged Part-time Lecturers is not acceptable as it is contrary to regulations of NIRF.

- **Faculty Student Ratio of Affiliated Colleges**

As per the 1(a) Part II of NIRF Manual, a methodology for ranking of Universities and Colleges in India, the expected Faculty Student Ratio (FSR) was 1:20 in respect of Affiliated Colleges.

Audit observed that, 29 out of the 33 colleges had a favourable FSR during the period 2017-18 to 2021-22. However, in 4 out of 33 colleges, FSR Ratio was more than prescribed norms. Details of FSR Ratio of affiliated colleges are given below in **Table 3.22**:

Table 3.22: Faculty Student Ratio of affiliated Colleges

Sl. No.	Name of the College	Faculty-Students Ratio				
		2017-18	2018-19	2019-20	2020-21	2021-22
1	Arunodaya Degree and PG College, Hyderabad	01:33	01:30	01:24	01:31	01:27
2	Sri Sai Degree College, Jogipet	01:29	01:30	01:30	01:26	01:29
3	Tapasya Degree College, Hyderabad	01:25	01:21	01:21	01:28	01:29
4	Vivekananda Degree College, Hyderabad	01:22	01:23	01:24	01:26	01:25

Source: Information furnished by Colleges

Government in its response (February 2024) stated that, the Faculty Student Ratio (FSR) in some Affiliated colleges was more as such colleges gave focus on imparting education to students with Teachers specialised in those particulars area/topics which will benefit students in employability.

Reply furnished by the University does not address the concerns raised by Audit about four Affiliated colleges being non-compliant with FSR norm.

(v) ***Teachers appointed without specified qualifications***

As per Clause 3.3.0 of the UGC Regulations on Minimum Qualification for appointment of Teachers and other Academic staff in Universities and Colleges and measures for the maintenance of standards in Higher Education, 2010, the minimum qualification for appointment as an Assistant Professor is Master's Degree with 55 *per cent* marks in a

relevant/ allied subject and the candidate must have cleared National Eligibility Test (NET) or an accredited test (State Level Eligibility Test – SLET/SET) provided however, that the candidates who are or have been awarded a Ph.D shall be exempted from the requirement of minimum eligibility condition of NET/SLET/SET. The qualification and selection procedure for appointment of Teachers on contract basis should be same as those applicable to a regularly appointed Teacher.

Audit observed that as of January 2023, 82 teachers (10 *per cent* of the total teachers appointed) were appointed without Ph.D/ NET/ SET qualification as stated in **Appendix–3.6**.

Government in its response (February 2024) stated that teachers, who were appointed⁶⁶ conditionally under SC/ST backlog vacancies, were to pass the NET/SLT/SET within a period of two years with effect from the date of their appointment. Otherwise their annual increments and promotion under CAS would not be considered. It was also stated that there were certain teachers who are working as Assistant Professors (Contract) appointed by the Principals of the College with College Level Selection Committee.

Appointment of Teachers without qualification as prescribed by the UGC will adversely affect the quality of teaching.

3.2.3.2 Availability of non-teaching staff

Scrutiny of the sanctioned strength and actual men in position of non-teaching staff as of March, 2023 revealed huge vacancies in the non-teaching staff. Details are given in the **Table 3.23**:

Table3.23: Sanctioned strength and men in position of non-teaching staff

Category	Sanctioned strength	Persons in position	Vacancies
Gazetted	126	79	47
NGOs	808	312	496
Technical	965	267	698
Class IV	1,310	382	928
Total	3,209	1,040	2,169

Source: Information furnished by the University

The University had addressed some portion of this vacancy through appointment of employees on Time-scale and Contract basis. Details are given in the **Table 3.24** below:

Table3.24: Sanctioned strength and men in position of non-teaching staff recruited on time scale and contract basis

Category	Time scale	Contract	Total
NGOs	27	263	290
Technical	23	163	186
Class IV	174	428	602
Total	224	854	1,078

Source: Information furnished by the University

However, vacancies still continue to exist in the cadre of NGOs (206 posts/25 *per cent*), Technical (512/53 *per cent*) and Class IV (326/25 *per cent*). The overall vacancy in the non-teaching staff of the University continues to be 1091 (34 *per cent*).

⁶⁶ G.O.Ms.No.18, Dated 2004

Government in its response (February 2024) stated that, it had issued orders⁶⁷ for filling up 9,168 vacancies of Group-IV services under direct recruitment including 375 vacancies of the University through Telangana State Public Service Commission (TSPSC) and that the selection process for the vacancies were under progress at Government/TSPSC level.

3.2.3.3 *Infrastructure*

(i) *Observations on Infrastructure facilities*

As per Para 4.1 of NAAC Manual, adequate infrastructure facilities are keys for effective and efficient conduct of the educational programmes. The growth of infrastructure thus has to keep pace with the academic developments in the institution. The other supportive facilities on the campus are developed to contribute to the effective ambience for curricular, extra-curricular and administrative activities. Details in respect of availability of Class rooms, Laboratories and Seminar Halls (*Appendix-3.7*), general facilities in the seven⁶⁸ University Colleges are given in *Appendix-3.8*. Information in respect of 11⁶⁹ colleges was not furnished to Audit.

Government did not furnish (January 2024) any specific response regarding the non-availability of required infrastructural facilities in some of the test checked colleges.

(ii) *Functioning of District University PG Colleges without own buildings*

According to Regulation 3 of the UGC (Affiliation of Colleges by Universities) Regulations, 2009, every College seeking Affiliation to Universities must fulfil certain mandatory requirements. These requirements include undisputed ownership and possession of land measuring not less than two acres if the College is located in a Metropolitan city and five acres if it is located in other areas. Additionally, the College must have a building suitable for carrying out administrative and other activities.

During the Audit of sampled District University PG Colleges, it was observed that the District PG College at Jogipet was operating in temporary accommodation provided within the premises of the Government Degree College. Similarly, the District University PG College at Narsapur was functioning in a rented building.

In March 2023, the issue was brought to the attention of University authorities. The Director of District PG Colleges, Osmania University, stated (May 2023) that, the Government has allotted land for Narsapur and Jogipet colleges. The registration process is underway under the name of the Registrar, Osmania University. Additionally, proposals have been submitted to the Government to release funds for building construction and infrastructure development for PG Colleges in Vikarabad, Narsapur and Jogipet.

Government did not furnish (February 2024) any specific response regarding the non-availability of buildings in some of the test checked colleges.

⁶⁷ Vide G.O.Ms.NO.175, dated 25 November 2022

⁶⁸ University College of Arts and Social Sciences; University College of Commerce and Business Management; University College of Education; University College of Science, Saifabad; University PG College, Secunderabad; District PG Colleges Jogipet and Narsapur

⁶⁹ University College of Science, University College of Engineering, University College of Technology, University College of Physical Education, Nizam College, Koti Women's College, Law College Basheerbagh, PG College Siddipet, PG College Vikarabad and PG College Mirzapur

(iii) Non-compliance to UGC regulations by Affiliated Colleges

• Non-Compliance with Land Ownership Criteria for Temporary Affiliation

As per Regulation 3.1.1 of UGC (Affiliation of Colleges by Universities) Regulations, 2009, one of the eligibility criteria for temporary Affiliation is undisputed ownership and possession of land measuring not less than two acres if the College is located in Metropolitan cities and five acres if it is located in other areas.

Audit observed that 8 out of 33 Affiliated Colleges established in Metropolitan city of Hyderabad had land less than 2 acres and one college located in other areas has land less than five acres as shown in **Appendix-3.9**.

Government in its response (February 2024) did not furnish the specific reasons for giving permission to such Colleges.

• Non-compliance with Building Construction Criteria for Affiliation

As per Regulation 5.2 of UGC (Affiliation of Colleges by Universities) Regulations, 2009, one of the eligibility criteria for permanent affiliation is that the College shall have completed construction of building.

Audit observed that, 4 out of 33 Colleges are operating in rented/leased buildings, even after they acquired permanent affiliation as shown in **Appendix-3.10**.

As per Regulation 3.3 of UGC (Affiliation of Colleges by Universities) Regulations, 2009, one of the conditions for temporary affiliation, the College has to move completely to the proposed permanent building by the beginning of the third year, failing which the College shall not be granted renewal of temporary affiliation until the College moves to the permanent buildings. Under no circumstances, extension of time for this movement to the permanent building shall be granted by the University beyond 5 years.

Audit has observed that 7 out of 33 Colleges (**Appendix-3.11**) are continuing to operate in rented/leased buildings without relocating to permanent buildings, even after the completion of 5 years from the date of Affiliation. Thus, University had renewed the Affiliations to these Colleges without ensuring the criteria of permanent building for these Colleges.

Government in its response (February 2024) stated that the system of granting permanent Affiliation to College is discontinued.

(iv) Constructed University Buildings not being put to use

• Construction of New Academic Building in University Post-Graduate College, Secunderabad

The “Construction of the Academic Building (Ground + 2 floors)” in University PG College, Secunderabad, which was administratively sanctioned for ₹21.64 crore in February 2018, was completed in June 2019. The total cost of completion was ₹10.70 crore, but only the civil works of the building were finished till June 2019. The electrical installations, transformer, lifts and other related works were not completed. Despite being

inaugurated by the Education Minister on 8 July 2019, the Central Public Works Division (CPWD) authorities didn't officially hand over the completed structure until 5 November 2020.

In April 2021, the Principal of the University Post-Graduate College, Secunderabad, addressed the Vice-Chancellor of Osmania University, expressing concerns about the non-utilisation of the completed building due to the non-supply of furniture. As of March 2023, the building remains unused.



New Academic Building of Osmania University PG College, Secunderabad 10 February 2023

Moreover, the College had been paying monthly minimum electricity charges of ₹60,000 per month, as per the High Tension agreement (August 2020) with Telangana State Southern Power Distribution Company Limited (TSSPDCL), until August 2021. This resulted in a wasteful expenditure of ₹7.20 lakh due to the building's non-occupation. Further, the guarantee period for the lifts installed in the building expired by June 2020 without even being used. The University has not provided any specific response regarding this issue.

Government in its response (February 2024) stated that in response to the concerns of the Principal of the University Post-Graduate College, Secunderabad, Vice Chancellor had approved the use of the new building for class rooms from the Academic year 2023-24. Since the building was being put to use from October 2023, the processes to streamline the power bill and the usage of lift are implemented.

- **UGC- Human Resource Development Centre (HRDC) Studies Building and Centre for Biodiversity building**

Under the Rashtriya Uchcharat Shiksha Abhiyan (RUSA) Component, CPWD was assigned the execution of UGC-HRDC Studies and Centre for Biodiversity Buildings in July 2019. Construction of these buildings was completed in September 2021 and February 2022 respectively. However, despite the completion, the buildings have not been utilised for their intended purpose until now. Consequently, the release of ₹6.69 crore to CPWD did not yield the desired results and an additional committed expenditure of ₹41 lakh was incurred.

When the issue of non-utilisation was brought to the University authorities' attention, they provided the following reasons for the delay:

- UGC-HRDC building utilisation was delayed due to the slow construction of the boundary wall. However, the building has been inaugurated and has been in use since March 2022. The claim that the inaugurated building was being put to use is not factually correct as during physical verification of the building, Audit observed non-utilisation of the completed building due to non-availability of requisite furniture.

- Centre for Biodiversity and Conservation Studies building utilisation was delayed due to the late completion of the electricity supply line. Additionally, there is a lack of necessary infrastructure and items inside the building for effective use, which resulted from insufficient funding. The building is expected to be inaugurated by the end of May 2023 and will be put to use at that time.



Centre for Biodiversity building Dated (17th March 2023) UGC-HRDC Studies Building Dated (17th March 2023)

Government in its response (February 2024) stated that, the UGC-HRDC building was inaugurated on 22 May 2023 and that the Director, CBCS had initiated the process of procurement of minimum required furniture and the process of shifting the Centre to the new building had been initiated.

3.2.3.4 Works sanctioned under Khelo India

Under the “*Khelo India – National Programme for Development of Sports*” Programme, the Central Government approved a project cost of ₹13.50 crore, of which ₹5.81 crore was released in October 2020 to Osmania University as the first instalment. However, as of March 2023, Audit revealed that none of the three sanctioned works was completed and only ₹1.74 crore had been spent on the proposed works estimated at ₹13.50 crore (Details vide *Appendix-3.12*).

Government in its response (February 2024) stated that, the works were under process and that the work status report had been submitted to Ministry of Youth Affairs and Sports, New Delhi.

3.2.3.5 Repairs and restoration works entrusted to Telangana State Education and Welfare Infrastructure Development Corporation (TSEWIDC)

With a view to undertake civil works, University granted (October and November 2021) administrative sanction for works with an estimated cost of ₹4.28 crore. Subsequently, in January 2022, the execution of these works were entrusted to TSEWIDC.

Audit noticed that the above works have not been completed as on date (March 2023) despite release of ₹3.33 crore to TSEWIDC. As per the information furnished by the Government, only four out of the six entrusted works had been completed. (Details vide *Appendix-3.13*).

3.2.3.6 Toilet Blocks for women in Campus and Constituent Colleges of Osmania University

State Government in February 2022 released an amount of ₹two crore to Osmania

University (out of the allocated amount of ₹10 crore in Budget for the year 2021-22) towards construction of Toilet Blocks for Women in Campus and Constituent Colleges of Osmania University. Accordingly, administrative sanction⁷⁰ for Toilet Blocks was accorded by the Executive Council.

University released⁷¹ (October 2022) a sum of ₹one crore to the TSEWIDC, for execution of the works relating to construction of new toilet blocks and repairs to toilets and remaining amount of ₹one crore was lying unutilised in the bank account of the Works Accounts section as on date (March 2023).

Although the progress reports in respect of the above works were called for, the same have also not been provided to Audit.

The Government in its response (February 2024) stated that, the works were administratively sanctioned by the Executive Council and the works were being executed by TSEWIDC and the progress reports may be obtained from TSEWIDC.

As a result of non-provision of the progress reports of the works entrusted, Audit was unable to assess the extent of work done, quality of work done, etc.

3.2.3.7 Irregularities in execution of works

As per APPWD Code (Article 150) Execution of works Departmentally by employment of daily labour, is allowed only when no contractors are available. Under this method, the Department purchases its own materials. The purchase of materials or tools & plant and machinery is governed by the Store Rules in Appendix 15 to the A.P. Financial and Accounts Code (Volume II). All departmental works are to be executed only through the line departments like CPWD, University Building Division (UBD), TSEWIDC, etc.

Further, the above Code stipulates that major work should not be split into small/ minor works for avoiding the sanction of the higher authorities, calling of tenders, publication of tender notices, etc. In respect of each work before being taken up for execution, necessary administrative sanctions, work estimation along with technical sanction of the Engineering Divisions, etc., are to be obtained. Each work costing more than ₹one lakh is to be awarded and executed by invitation of open tenders through e-procurement platform.

During verification of records in Regional Centre for Urban and Environmental Studies (RCUES), Audit noticed the following irregularities in execution of works.

- i) Works worth ₹71.56 lakh and ₹45.35 lakh were split into 77 and 47 minor works respectively to bypass e-procurement tender requirements and awarded to agencies via limited quotations. Audit also observed that, some of contractors to whom works were awarded were not registered as Government contractors.
- ii) Work quantities were not accurately measured or recorded in Measurement Books, raising doubts about work correctness and payments were made without verification by the Engineering Division.
- iii) No quality checks were conducted by line departments like CPWD, PWD, TSEWIDC, UBD, compromising the overall project quality.

⁷⁰ Approved by 3rd Finance Committee/164th Executive Council Meeting held on 16 March 2022 vide Proc.No.1752/207/2022-23/Budget-IV, dated 27 July 2022

⁷¹ Vide its letter No.51/works account/2022, dated 3 October 2022

- iv) Statutory deductions like Value Added Tax (VAT)/Goods & Services Tax (GST), Income Tax, Seigniorage Charges, National Academy of Construction etc., were not recovered from Work Payments.
- v) Agencies executing works did not submit Earnest Money Deposits or Security Deposits, posing a risk during the defect liability period for rectification of potential defects after project completion.

Government in its response (February 2024) had not furnished any specific reply on this issue.

3.2.3.8 Facilities for Differently abled persons (Divyangjan)

As per 4 (e) of National Institutional Ranking Framework, there should be facilities like Ramps, Lifts, walking aids, Disabled Friendly Toilets, Braille/Special Labs and Audio Visual aids including Software for Differently abled persons (Divyangjan) enrolled in the Institution.

In this regard, Audit observed that facilities for the Differently abled persons in Osmania University Colleges were as shown in **Table 3.25**:

Table 3.25: Facilities available in colleges for Differently abled persons

Sl. No	Name of the College	Ramp Facility	Provision for lift	Walking Aids	Disabled Friendly Toilets	Wheel Chairs	Transportation facility
1.	University College of Arts and Social Sciences	No	No	No	No	Yes	No
2.	University College of Science	Yes	No	No	No	No	No
3.	University College of Engineering	Yes	No	No	Yes	Yes	No
4.	University College of Education	Yes	No	No	Yes	Yes	No
5.	University College of Science, Saifabad	Yes	No	No	Yes	No	No
6.	University PG College, Secunderabad	No	No	No	No	Yes	No
7.	PG College of Law Basheerbagh	Yes	No	No	No	No	No
8.	Osmania University PG College, Jogipet	No	No	No	No	No	No
9.	Osmania University PG College, Narsapur	No	No	No	No	No	No
10.	Osmania University PG College, Vikarabad	No	No	No	No	No	No

Source: Information furnished by the concerned Colleges

Information in respect of 8⁷² Colleges was not furnished to Audit.

Government in its response (February 2024) assured that work had been taken up and shall be completed at the earliest.

⁷² University College of Law, University College of Technology, University College of Physical Education, University College of Commerce and Business Management, Nizam College, Koti Women's College, Osmania University PG College Siddipet and Osmania University PG College Mirzapur

3.2.3.9 Hostel Capacity and Occupancy Concerns at the University

The University and its affiliated Colleges maintain a total of 28 hostels to accommodate students. Scrutiny of the details of the intake capacities and occupancy position revealed following.:

- **Exceeding Capacity:** 10 out of 28 hostels, were accommodating students beyond their designated capacities. The occupancy percentages ranged from 103 to 314 *per cent*, indicating a significant deviation from the intended occupancy levels.
- Girls Hostel at UC of Women, Koti: Over the period from 2017-18 to 2021-22, this particular hostel experienced occupancy rates ranging from 154 to 314 *per cent*, which is a matter of concern.
- UC of Engineering, Girls Hostel and Nizam College E II Old Hostel: These hostels showed persistent occupancy concerns throughout the Audit period. The occupancy rates for UC of Engineering, Girls Hostel, ranged from 116 *per cent* in 2017-18 to 162 *per cent* in 2020-21. Similarly, Nizam College E II Old Hostel witnessed occupancy rates ranging from 111 *per cent* in 2021-22 to 174 *per cent* in 2018-19.
- **Under-Occupancy:** On the other hand, 13 hostels⁷³ faced under-occupancy issues, with occupancy rates ranging from 20 to 94 *per cent*. Additionally, there are three⁷⁴ hostels for which occupancy data was not furnished, leading to uncertainties about their current status.

Details of the intake and occupancy of the various hostels are given in **Appendix-3.14**.

Government in its response (February 2024) stated that, the intake capacity of PG College, Secunderabad was well within the accepted range. As regards, the University College of Engineering the excess occupancy was attributed to limited availability of hostels and non-construction of new hostel buildings during the last ten years.

The occupancy concerns need to be addressed promptly to ensure the well-being and comfort of the students residing in these hostels.

3.2.3.10 Research

(i) Research Projects

The University has received funding support under UGC and Non-UGC Schemes and other National Agencies for enhancing performances in teaching and research. Details of research programmes sanctioned for Osmania University are shown in **Tables 3.26 and 3.27**:

⁷³ Swarnamukhi Hostel, UC of Engineering; Boys Hostel, UCSS, UCS, Saifabad; OU, A & C Hostel (PG), UCA&SS, OU; Gnanagangothri, Boys, UC PG, Secunderabad; Manjeera, PG College, Mirzapur; BEd/Med. Girls Hostel, UCE, OU; Sports Hostel, UC PE, OU; Ladies Hostel, UCC&BM, OU; E1 UC LAW, OU; BEd/Med. Boys Hostel, UCE, OU; Manjeera Hostel, UCC&BM, OU; NRSH(Ph.D), UCA&SS, OU and Old P.G (Ph.D), UCA&SS, OU

⁷⁴ New Godavari, CHW(PH.D), CHW (PG) of UCA&SS, OU

Table 3.26: UGC Research Programmes sanctioned and completed during the period 2017-18 to 2021-22

Year	Sanctioning Authority	Opening Balance of Research programmes	Research programmes sanctioned during the year	Research programmes completed during the year	No. of patents applied	Closing Balance of Research programmes
2017-18	UGC	23	1	6	-	18
2018-19	UGC	18	5	9	-	14
2019-20	UGC	14	-	9	-	5
2020-21	UGC	5	-	1	-	4
2021-22	UGC	4	1	-	-	5
Total				25		

Source: Information furnished by the University

Table 3.27: Non-UGC Research Programmes sanctioned and completed during the period 2017-18 to 2021-22

Year	Sanctioning Authority	Opening Balance of Research programmes	Research programmes sanctioned during the year	Research programmes completed during the year	No. of patents applied	Closing Balance of Research programmes
2017-18	Non-UGC	46	22	23	-	45
2018-19	Non-UGC	45	15	34	-	26
2019-20	Non-UGC	26	30	27	-	29
2020-21	Non-UGC	29	8	15	-	22
2021-22	Non-UGC	22	11	25	-	8
				124		

Source: Information furnished by the University

Audit observed that, although 149 UGC/Non-UGC Research Programmes were completed during the years 2017-18 to 2021-22, not a single application for patents was made.

The Government in its response (February 2024) stated that, the applications for patents were applied by the Faculty concerned (Principal Investigators of the Projects) through the concerned Colleges from concerned Departments.

(ii) Delay in completion of Research by the Research Scholars

As per Rule 7 of Osmania University Ph. D Rules and Regulations, the tenure of the Ph.D course for a full-time Research Scholar is four years and for a part-time Research Scholar is five years from the date of Admission Order issued and may be extended up to a maximum period of two years in case of a full-time and one year in case of part-time Research Scholar. The registration of a Research Scholar whether full time or part-time shall automatically stand cancelled under any circumstances after the completion of Six years from the date of admission.

Scrutiny of records and statement furnished to Audit revealed that, 2,887 Scholars had completed their Ph.D course during the period from 2017-18 to 2022-23. However, it was noticed that only 1,222 Scholars had completed the Ph. D within the stipulated timelines. It was observed that 1,665 Students (out of 2,887 Scholars) completed their Ph.D course between 7 to 30 years which is contrary to the above University Guidelines.

Table 3.28: Number of Students who have completed Ph.D (in Years)

Year	1 to 6	7 to 10	11 to 15	16 to 20	21-25	26-30	Total
2017-18	328	110	27	2	0	0	467
2018-19	268	179	14	5	2	0	468
2019-20	179	129	17	7	1	0	333
2020-21	65	187	14	6	2	0	274
2021-22	135	188	39	6	0	1	369
2022-23	247	382	258	60	20	9	976
Total	1,222	1,175	369	86	25	10	2,887

Source: Information furnished by the University

Government in its response (February 2024) stated that, in response to Scholars representations, University in a meeting (held on 5 January 2022) with Dean of all the Faculties had resolved to extend the last date for submission of Ph. D programme for those candidates availing “One time Changes” keeping in view the Telangana agitation and the COVID-19 pandemic.

(iii) Wasteful expenditure of ₹30 lakh due to abandonment of Research Project midway

The Science and Engineering Research Board (SERB), Department of Science & Technology (DST), Ministry of Science and Technology, GOI has sanctioned an amount of ₹39.40 lakh vide letter No.SB/EMEQ-500/2014 dated 05 August 2014 towards financial assistance to the Department of Geology, UCS, Saifabad, Hyderabad under Project of Nature of Pale Proterozoic Neoproterozoic Magmatism evidence from the Alkaline Carbonatites complexes of Pikkili, Thirupattur and Samalpatti. The duration of the project was four years i.e., from 01 September 2014 to 31 August 2018. The amount released by SERB is as detailed below:

Table 3.29: Details of the amounts released by SERB

(₹ in lakh)

Head	Amount sanctioned	Released	Expenditure incurred
Non-recurring: Equipment Research Microscope with Image Analyser	15.00	15.00	16.75*
Recurring: Consumables, Manpower, Domestic Travels, Contingencies and Analytical Charges	19.40	15.00	11.10
Overhead charges	5.00		3.90
	39.40	30.00	

* An amount of ₹1.75 lakh was met from accrued interest and overhead charges

Source: Information furnished by the University

During verification of records, Audit observed that the DST had released an amount of ₹15 lakh towards procurement of major equipment (Trinocular Research Microscope with Camera and Analyser software) on 11 August 2014. However, as seen from the records, the equipment was procured in June 2018 with a delay of more than three years. From this, it is evident that, the project commenced with a delay of more than three years. Delay in the procurement of equipment had escalated the cost of equipment and an excess expenditure of ₹1.75 lakh (met from the University resources) was incurred towards procurement of equipment as against the sanctioned amount. It was also observed that remaining grant of ₹9.40 lakh was not released due to the non-utilisation of the grant already released under the project in time.

Scrutiny of records⁷⁵ by Audit revealed that due to the non-release of the recurring balance grant, a significant part of the analytical work and data generation of the geological samples were not carried out as of August 2019. The project duration had expired on 31 August 2018. As a result, the total expenditure of ₹30 lakh was rendered wasteful.

The Government in its response (February 2024) while confirming the abandonment of the Research Project midway stated that a reminder letter had been issued to the officer concerned.

Thus the objectives of the Research project were not achieved in full and the expenditure incurred on the project was infructuous.

(iv) Loss of grant from DST ₹27 lakh and non-utilisation of released grant ₹16.15 lakh

The Department of Science and Technology (DST) sanctioned ₹85.50 lakh to the Department of Botany, Osmania University, Hyderabad and ₹55 lakh to the Department of Zoology for research facility enhancement under the Fund for improvement of Science and Technology Infrastructure (FIST) Programme for five years (01 May 2014 to 30 April 2019). The amounts released by DST are detailed below:

Table 3.30: Details of sanction order of amount released in Departments of Botany & Zoology
(₹ in lakh)

Head	Botany			Zoology		
	Amount sanctioned	Released	Expenditure incurred	Amount sanctioned	Released	Expenditure incurred
Equipment	60.00	60.00	56.24	26.00	26.00	24.76
Infrastructure	13.50	6.00	1.00	15.00	6.00	6.00
Networking and Computational facility	5.00	5.00	5.00	10.00	10.00	4.19
General Component	7.00	0	0	4.00	0.50	0.16
Total	85.50	71.00	62.24	55.00	42.50	35.11

Source: Information furnished by the University

Audit observed significant delays in procurement of equipment in both the Department of Botany and Department of Zoology. As a result, ₹14.50 lakh grant for Botany and ₹12.50 lakh for Zoology were not released and ₹16.15 lakh was returned to DST. Reasons cited included tender processing, administrative changes and unused networking facilities. Non-adherence to DST's instructions and procurement delays impacted project objectives and future support. The Department of Botany replied that the project was completed to the extent of the available funds, UC and completion certificate furnished to DST.

The Government in its response (February 2024) confirmed the closing of the project in the year 2018-19 and the refund of the unutilised amount and utilisation certificate to the funding agency.

3.2.3.11 Functioning of sampled Research Centres

(i) Dr. BR Ambedkar Research Centre

Dr. BR Ambedkar Research Centre was established (2018) in the Osmania University to undertake work in areas that require in-depth analysis from the vantage point of social

⁷⁵ Lr. No. 189/KS/SERB/GEO/2014, Dated 21 August 2019

justice, equity, liberty, fraternity and related fields, to promote constitutional morality as the basis of governance as advocated by Dr. BR Ambedkar.

Audit findings revealed the following shortcomings at the Dr. BR Ambedkar Research Centre:

- Dr. BR Ambedkar Research Centre has not undertaken any research activity in areas of social justice, equity, liberty and fraternity since its establishment.
- No activities are in place for collaboration with Central/State agencies promoting welfare activities for SC/ST/BC/Minorities.
- The Centre has not conducted training programmes to improve knowledge in Social Sciences, Equity and Social Justice.
- There are no specialised or periodic research methodology courses for SC/ST/BC/Women and Minority Social Science.

The Director of the Research Centre confirmed these observations in May 2023.

The Government in its response (February 2024) stated that, Dr. BR Ambedkar Research Centre was not a practical Research Centre and that it was only for students to refer research books and study of books to go for research work.

The reply of the Government is contrary to the objective of establishment of the Centre which was to undertake work in areas that require in depth analysis from the vantage point of social justice, equity, liberty, fraternity and related fields, to promote constitutional morality as the basis of governance as advocated by Dr. BR Ambedkar.

(ii) Centre for Women's Studies

Centre for Women's Studies (CWS) established in the OU in the year 1997 strives to promote women's studies through teaching, research, action, fieldwork, extension and seeks to promote a better understanding of the multi-dimensional contributions made by the women to the process of sustainable development. The Centre attempts to provide access to better opportunities, counter the existing disparities and make efforts to change the basic social attitudes due to gender inequality across class, caste and region. The objective of the CWS included, to organise seminars, workshops, extension lectures to create awareness; to work in cooperation with other women's study centres; to build library and documentation facilities for women's studies; and to encourage women-focused research schemes and activities.

Scrutiny of records revealed the following:

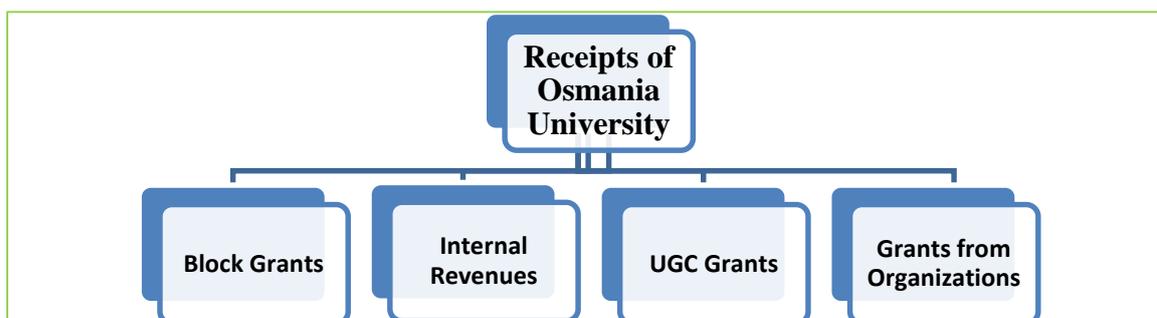
- As against the stipulation that the post of Director should be a full-time Director, the post of Director of the CWS was on in-charge basis during the period from 2019 to-till date.
- As against the stipulations that Statutory Academic Board was to be constituted as per the University procedure either in the form of a regular Board of Studies or Board/Committee of Interdisciplinary Studies or an Ad hoc Committee Board, Board of Studies was not constituted.
- The CWS was eligible for a grant of ₹35 lakh per annum from UGC under the scheme of Development of Women's Studies in Indian Universities and Colleges

from the year 2019. However, during the Audit period, the same was not released by the UGC and the specific reasons therefore are not forthcoming from the records.

Government in its response (February 2024) stated that, the appointment of the full-time or in-charge Director was the decision of the University authorities and that Board of Studies was not constituted as there were no courses offered by the Centre and the non-application for the UGC Scheme of Development of Women's studies in Indian Universities and Colleges in 2019 was due to COVID-19 Pandemic.

The University is mainly financed through Block⁷⁶ grants from State Government, grants received from UGC and other Central Government organisations like Science and Engineering Research Board (SERB), Council for Scientific and Industrial Research (CSIR), Defence Research and Development Organisation (DRDO), Indian Council for Agricultural Research (ICAR), Indian Space Research Organisation (ISRO), etc. The University also generates its own income by way of fees from students towards admissions, examinations, affiliations, tuition fees, sale of publications, sale of study material, processing fees, rents, leases, etc., as indicated in **Chart 3.9**.

Chart 3.9: Source of University Funds



Source: Information furnished by University

3.2.4 Financial Management

3.2.4.1 Budget and Expenditure

The year-wise and source-wise details of income and expenditure are given below.

Table 3.31: Total Grants (Block Grants, Internal Revenues, UGC and Non-UGC) received during 2017-18 to 2021-22

Financial Year	Opening Balance	Receipts	Total	Expenditure	(₹ in crore)
					Closing Balance
2017-18	36.72	523.98	560.70	520.16	40.54
2018-19	40.54	493.17	533.71	490.71	43.00
2019-20	43.00	495.01	538.01	523.17	14.84
2020-21	14.84	532.33	547.17	492.48	54.69
2021-22	54.69	615.31	670.00	589.02	80.98

Source: Receipts and Expenditure particulars furnished by University

⁷⁶ The grant given by the State Government towards salaries, pensions and other contingent expenditure

Audit findings relating to management of the finances of the University are detailed in the succeeding paragraphs:

3.2.4.2 Dependence on State Funding

As per University's Vision and Strategy Document prepared in 2018, one of the identified weaknesses of the University was excessive dependency on State Funding. Accordingly, in the above Vision and Strategy Document, it was proposed to achieve financial self-sufficiency through raising of funds by use of existing resources.

Audit scrutiny revealed that excessive dependence on State funding was identified as one of the weaknesses in the Vision and Strategy Document of the Osmania University. However, it was not one of the focal areas identified for improvement by the University. State Government funding of ₹269.16 crore provided in 2017-18 had increased to ₹353.89 crore in 2021-22. Meanwhile, the University's own revenues remained almost unchanged, with ₹231.16 crore generated in 2017-18 and ₹230 crore generated in 2021-22. As a result, functioning of the University was largely dependent on the Block Grants of the Government and the weakness identified in the Vision and Strategy Document remained unachieved.

Government in its response (February 2024) while confirming the dependence of the University on the Block Grants released by State Government every year, stated that the Budget was enhanced from 10 to 15 *per cent* which was not sufficient to meet the salaries of the University employees. It was also stated that, the University was generating internal resources every year to incur expenditure over and above the Block Grants.

3.2.4.3 Loss of Financial Assistance Grants

Award and release of Grants were considered only on the basis of providing reasonable evidence of proper utilisation of instalments released earlier and evidence of achieving the specified objectives and expenditure incurred supported by Audited Statement of Expenditure. However, lapse of the University in timely utilisation of the Government grants and completion of the works sanctioned, resulted in loss of financial assistance from the Central and State Government.

The Government in its response (February 2024) stated that, the University had been sending Utilisation Certificate (UCs) for releasing grants every quarter to Government and that almost all the grants were released. It further confirmed that an amount of ₹53.96 crore was released against ₹200 crore sanctioned and that despite submission of UCs and repeated requests, the remaining amount was not been released by it.

3.2.4.4 Loss of Financial Assistance from Central Government

(i) General Development Assistance Grants Forgone- ₹6.77 crore

The 12th Plan General Development Assistance Scheme, provided by the University Grants Commission (UGC) in the form of Block grants, aimed to improve infrastructure and basic facilities in Universities to enhance their quality and achieve at least the threshold level.

Osmania University received ₹31.95 crore from UGC under the 12th Plan General Development Assistance Scheme for improving infrastructure and facilities. The scheme, originally ending in March 2017, was extended until March 2023. Total of ₹25.18 crore

[₹3.49 crore (August 2012), ₹9.29 crore (July 2013), ₹6.39 crore (July 2015) and ₹6.01 crore (September 2021)] was released. However, there was delay in utilisation of funds and audited UCs were also not submitted to UGC until March 2021, resulting in non-release of remaining grant of ₹6.77 crore.

The delay in utilisation and submission of UCs caused a loss of financial assistance to the University, which received only ₹25.18 crore out of the sanctioned ₹31.95 crore. Absence of a regular Vice-Chancellor from July 2019 to May 2021 was mentioned as a reason for the funding loss, as the in-charge Vice-Chancellor could only handle routine matters.

Despite repeated reminders of University to UGC authorities, the University did not receive the 4th instalment of the grant and no response was received from UGC. The delay in utilising the grants and submitting necessary documentation led to substantial financial setbacks for Osmania University, affecting their quality and hindering achievement of at least the threshold level.

Government in its response (February 2024) stated that, the XII Plan General Development Assistance Scheme was originally up to March 2017 and not up to March 2023. It attributed the non-utilisation to inordinate delay in appointment of regular Vice Chancellor during the period July 2019 to May 2021 and non-release of 4th instalment of grant by UGC.

(ii) Promotion of University Research and Scientific Excellence (PURSE-II) grants- ₹2.13 crore forgone

The main objective of the PURSE⁷⁷ programme was to strengthen the research capacity of Indian Universities and support the research ecosystem and R&D base in the country. The financial assistance in the form of grant that was intended to provide support to Universities essentially for research manpower cost, augmentation of equipment and computational facilities, research consumables and maintenance of facilities.

The University requested for ₹8.10 crore⁷⁸ under PURSE-II programme in 2017 for the activities relating to hardware and others such as consumables, manpower, contingencies, etc. Details of the releases and the expenditure incurred on each item of release till the end of 31 December 2022 were as follows:

Table 3.32: Head-wise release and utilisation of funds under PURSE-II

Head wise utilization of funds (₹ in lakh)				
Sanctioned Budget Head	Allocation	Allocated	Expenditure (up to 31.03.2021)	Expenditure (up to 31.12.2022)
Consumable	255	250.78	208.39	249.78
Manpower	81		3.61	6.78
Domestic	8.1		0.71	2.85
Contingencies	32.4		17.08	28.6
Hardware	433.5	346.8	246.35	401.02
Total	810	597.58	476.14	689.03

Source: Information furnished by University

⁷⁷ Promotion of University Research and Scientific Excellence

⁷⁸ 1st instalment: ₹2.68 crore; 2nd instalment: ₹2.68 crore; 3rd instalment: ₹1.81 crore and 4th instalment: ₹0.94crore

Against the proposed amount of ₹8.10 crore, University received only ₹5.97 crore⁷⁹ by October 2020. Despite this, expenses of ₹6.89 crore were incurred by December 2022, in expectation of further grants from GoI. The amount of expenditure was mainly on consumables and out of ₹81 lakh allocated in respect of manpower component, only an amount of ₹6.78 lakh spent. Against an amount of ₹3.46 crore released for hardware, an amount of ₹4.01 crore was incurred. There had been an excess expenditure of ₹91.45 lakh. To cover excess expenditure, UGC funds were diverted, on the orders of the Vice-Chancellor against guidelines prohibiting such usage. Since the University did not maintain individual cash book in respect of the funds received under various schemes of UGC, Audit is not able to comment on the specific scheme from which funds were diverted.

Audit observed significant delays in fund utilization, leading to non-receipt of balance amount of ₹2.13 crore from remaining GoI grant. Delayed equipment procurement was attributed by University to the absence of a regular Vice-Chancellor from July 2019 to May 2021.

Out of 26 proposed equipment, only 18 were purchased due to time constraints. Non-adherence to expenditure timelines resulted in forfeiting the remaining financial assistance under PURSE-II.

The Government in its response (February 2024) while confirming the excess expenditure of ₹91.45 lakh stated that, the same was incurred on the advice of the concerned Officials. It was also stated that, the audited UC was submitted to the funding agency with a request to release the excess expenditure incurred. Specific response was not furnished by the Government in respect of the forfeiting of remaining grant of ₹2.13 crore under the scheme.

Non-adherence to expenditure timelines resulted in the University forfeiting the remaining financial assistance of ₹2.13 crore which denied the University of the opportunity to strengthen its research capacity.

(iii) National Mission for Teachers and Teaching scheme - Loss of Central Assistance of ₹2.85 crore

The Pandit Madan Mohan Malaviya National Mission on Teachers and Teaching (PMMMNMTT) Scheme in Higher Education aimed to enhance the professional capabilities of teachers, providing both recurring and non-recurring grants to Universities and Colleges.

The non-recurring grant was intended for construction and equipment purchase, with the condition of completing the civil works by March 2020. The funds sharing pattern between the Government of India (GoI) and State Government/University was in the ratio of 60:40. Non-completion of the civil works by the specified date would result in grant return and self-financed completion.

Under the PMMMNMTT Scheme, Osmania University was allocated ₹9.50 crore, with GoI contributing 60 *per cent* and the State Government/University contributing 40 *per cent*.

⁷⁹ Capital Asset and Hardware component of ₹3.46 crore; Consumables, Manpower, Domestic Travels, Contingencies, etc.: ₹2.51 crore

The first instalment of ₹2.85 crore was released by GoI in May 2019. However, the University faced challenges in securing its 40 *per cent* share from the State Government, leading to delays.

Audit observed the following:

- 1) The work of ‘Construction of School of Education Building’, which was originally estimated (December 2019) for ₹6.24 crore (G+1 floors), was subsequently restricted to ₹3.57 crore (Ground floor only) due to non-release of State Matching share. Work taken up in January 2020 by CPWD, was completed in September 2021. Audit further observed that a sum of ₹1.75 crore was only released to CPWD against contract value of ₹3.57 crore and there was committed liability of ₹1.82 crore for payment to CPWD.
- 2) As per the information furnished by the Principal, the completed building could not be taken over as there were certain gaps in the civil works executed by the CPWD which were likely to be completed and the building handed over by June 2023.
- 3) Computers worth ₹49 lakh which were procured during February 2020 remained uninstalled and idle till February 2023.



Construction of School of Education Building only up to Ground floor (8 February 2023)



Non-utilised constructed rooms of School of Education Building (8 February 2023)



Equipment procured in February 2020 lying idle in the stores (8 February 2023)

These delays and the non-release of matching shares resulted in non-release of remaining Central Assistance of ₹2.85 crore.

The University explained that, efforts were being made to mobilise the matching share and unresolved civil work gaps also contributed to the delay. They assured that once the issues were resolved, the building would be taken over and utilised to replace deteriorated classrooms.

The Government in its response (February 2024) did not furnish any specific reasons for the non-release of its share of 40 *per cent* and the loss of Central Assistance from GoI to the extent of ₹2.85 crore.

(iv) **Rashtriya Uchchatar Shiksha Abhiyan (RUSA 1.0) – Loss of Financial Assistance due to non-utilisation of funds - ₹1.12 crore**

Component 3 (Infrastructure Grants to Universities) under Rashtriya Uchchatar Shiksha Abhiyan (RUSA) 1.0, provides grants for meeting critical infrastructural needs that would lead to immediate quality gains such as upgrading of libraries, laboratories, equipment, hostels and toilets, etc. Under the above scheme, Osmania University received an amount of ₹20 crore towards creation of new infrastructure, renovation/ upgradation of existing infrastructure, procurement of equipment, etc.

Audit observed that against release of ₹20⁸⁰ crore, a sum of ₹18.88 crore was only utilised till the closure of the RUSA 1.0 (March 2020). Details of the amounts released, the purpose for which it was released and the extent of expenditure are detailed in **Table 3.33** below:

Table 3.33: Details of amounts released and extent of expenditure under RUSA 1.0
(₹ in crore)

S. No	Name of the work/purpose	Estimated cost	Amounts sanctioned and received	Expenditure	Balance
1	Construction of 500 bedded Boys' hostel, in the University Campus	7.00	7.00	7.00	Nil
2	Providing repairs and maintenance to Hostel building and laying new drainage, pipeline and improving existing bathrooms and toilets in the University campus	2.50	8.00	8.00	Nil
3	Providing special repairs and renovation including electrification to Tagore Auditorium	3.08			
4	Renovation and repairs of D-Block Hostel	1.51			
5	Additional works to Tagore Auditorium	0.14			
6	Establishment of Smart Data Centre	1.09			
7	Purchase of Computers, Tables and Chairs	2.12			
8	Lab Equipment and Generators	2.22	2.00	18.88	1.12
9	Books and E-Resources	1.00			
	Total	20.66	20.00	18.88	1.12

Source : Information furnished by the University

Specific response of the University authorities regarding non-utilisation of ₹1.12 crore was not furnished to Audit.

Audit observed that unutilised grant of ₹1.12 crore has been adjusted against subsequent releases under RUSA 2.0 which resulted in the loss of financial assistance of ₹1.12 crore under RUSA 2.0.

University confirmed the loss of financial assistance to the extent of ₹1.12 crore.

Government in its response (February 2024) while furnishing the details of expenditure on computers, computer chairs and computer tables stated that, an amount of ₹44.62 lakh was saved against the sanctioned amount and that one more generator at Tagore Auditorium was not installed due to exploring the possibility of solar power unit to meet the power requirement of the site.

⁸⁰ ₹2.5 Crore released on 6 April 2017, ₹2.5 crore released on 5 February 2018, ₹10 crore released on 5 October 2018 and ₹5 crore released on 19 July 2019

3.2.4.5 Non-utilisation of Development Grants - ₹18.78 crore

State Government released (December 2015) ₹20.52 crore towards Development Activities (Capital works) during the year 2015-16. The amount was received by the University in January 2016.

Accordingly, the University proposed to take up the following works.

Table 3.34: Works proposed to be taken up under Capital works of the University

Sl. No.	Name of the Work	Amount (₹ in crore)
1.	Construction of Centenary Administrative Block in the University Campus	10.00
2.	Installation of 300 KWp Solar Power Plant on the terrace of Central Facilities for Research and Development Building, Osmania University Campus	1.63
3	Purchase and installation of CCTV Surveillance System in the University Campus	8.89

Source: Information furnished by the University

However, there was no expenditure on the above works as on date, except the expenditure of ₹1.74 crore towards purchase and installation of CCTV Surveillance System and remaining amount of ₹18.78 crore (₹20.52 crore – ₹1.74 crore) was lying unutilised as on date (May 2023).

The University authorities confirmed the non-utilisation of ₹18.78⁸¹ crore. It was stated that the unutilised amount of ₹18.78 crore was proposed to be utilised for the purpose of Construction of Centenary Administrative ‘E’ Block at OU Campus.

The Government in its response (February 2024) stated that, the work of Construction of Centenary Block in the University was taken up by TSEWIDC and expenditure of ₹10 lakh was incurred.

(i) Diversion of Centenary Celebration Grants - ₹3.96 crore

Government released (July 2018), an amount of ₹Nine crore towards construction of Centenary Building and other related expenditure in view of the OU Centenary Celebrations. As against the above grant, ₹5.04 crore was lapsed to Government account in March 2020, due to non-utilisation of the funds and the remaining grant of ₹3.96 crore was diverted (March 2021) towards pay and allowances of the Staff.

The Government in its response (February 2024) did not offer any specific remarks on the audit observations.

3.2.4.6 Non-utilisation of Special Purpose Grants - Library Grants of ₹50 lakh

The University in January 2021, requested the State Government to provide grants to the extent of ₹2 crore over and above the Block Grant for protecting and strengthening the OU Centre for International Studies. Considering the request of the University, the State Government in March 2021, released a special purpose grant of ₹50 lakh as one time grant towards library purchases, conducting conferences and developmental activities. However,

⁸¹ Approved by 4th Finance Committee / 166th EC meeting held on 23rd May 2022

the above funds of ₹50 lakh⁸² were lying unutilised since April 2021 and were kept in form of Term Deposits due to delays in obtaining permissions from the State Government to spend the grant.

Government in its response (February 2024) stated that the Auditorium needed repairs and that the Infrastructure Department had submitted estimations for repairs/renovation and the same had been forwarded for approval.

3.2.4.7 Self-Financing Institutions

Osmania University is offering courses under self-financing mode through 16 Colleges/ Departments. The operation of these courses is to be made from the finances generated from the Students. Details of income and expenditure of Self-Finance Institutions are stated in the **Appendix-3.15**.

Audit noticed that the following colleges/ departments were consistently operating on a loss as shown in **Table 3.35**.

Table 3.35: Departments operating in losses under Self Financing Mode

(₹ in lakh)				
Sl. No	Name of the College	Total Income (From 2017-18 to 2021-22)	Total Expenditure (From 2017-18 to 2021-22)	Loss
1	University College for Women, Koti	957.2	1254.23	297.03
2	University College of Science, Osmania University	376.77	394.65	17.88
3	University PG College, Secunderabad	845.72	860.34	14.62
4	University College of Commerce and Business Management	231.12	236.61	5.49
5	PG College of Law, Basheerbagh	249.7	254.39	4.69
6	University College of Arts and Social Sciences	581.93	585.83	3.9
7	Department in Arabic	6.88	9.78	2.9
	Total	3249.32	3595.83	346.51

Source: Accounts of Self Finance Courses

There is an inherent need to revisit the fee structure in view of the increasing costs and controlling the expenditure.

The Government in its response (February 2024) assured that, the University would take a decision to revise the fee structure for the Self Finance Courses offered at various Colleges.

3.2.4.8 Lease Management

The University generates revenue from its immovable properties in the form of lease amount from lands leased out, rent from quarters let out to University Employees. Registrar of the OU was responsible for review of the lease agreements and the Director of Estate Cell, OU was responsible for the collection of lease rents.

(i) Non-collection of lease rental charges of ₹7.07crore from TRANSCO and TSSPDCL

The University entered into (October 2011) a lease agreement with Transmission Corporation of TS Limited (TRANSCO) for receipt of ₹59.80 lakh per annum towards

⁸² Account Number 40113238484: ₹40 lakh and Account Number 40113231444: ₹10 lakh

lease rentals in respect of land leased out. However, the lease amount of ₹3.59 crore relating to the period from 2016-17 to 2021-22 was not collected from TRANSCO as of February 2024. Additionally, the lease deed which was expired in April 2015, was also not renewed as of March 2023.

Further, the University allotted lands to Telangana State Southern Power Distribution Company Limited⁸³ (TSSPDCL) for establishment of electricity substations at the lease amount of ₹17.50 lakh per annum at each location.

However, lease amount of ₹54.60⁸⁴ lakh has only been collected from TSSPDCL as against outstanding amount of ₹4.03 crore and remaining amount of ₹3.48 crore relating to period from 2010-11 to 2021-22 was still pending from the TSCPDCL as shown in **Appendix-3.16**.

The Government in its response (February 2024) stated that, an amount of ₹3.65 crore was outstanding from TSCPDCL and that legal notices had also been issued.

(ii) Loss of Revenue of ₹1.49 crore due to non-revision of rental charges

The Government in October 1996 directed the Government Departments to enhance the rental charges by 10 per cent annually and lease out lands initially for a period of five years and in no case the lease period was to exceed 25 years. The lease rentals were to be fixed on the basis of 10 per cent of the current market value of the land per annum prevailing at the time of such renewal to review the lease after every five years.

The University executed (July 1998) the lease deed with M/s University Filling Station, Tarnaka for an amount of ₹20,000 per month, with an enhancement of 10 per cent for every three years and the lease deed was executed for a period of 25 years. Although the remittance of lease rentals was being done regularly, revision of the lease rentals as specified in the GO was not done. By considering lease rental with an annual increase of 10 per cent (without accounting for the prevailing market rate⁸⁵), revenue loss worked out to ₹1.49 crore as shown in **Appendix-3.17**.

The Government in its response (February 2024) stated that, there were no instructions from the State Government to enhance the rental charges at 10 per cent annually for leases already executed.

The Government response is contrary to its own directions⁸⁶ given in October 1996 which is prior to the date of entering into Lease Agreement and hence binding on the University.

3.2.4.9 Other Issues

(i) “Andhra Pradesh GIS Master Plan Project” – Non-recovery of Expenditure of ₹86 lakh

The Government of Andhra Pradesh had sanctioned (November 2018) the Regional Centre for Urban & Environmental Studies (RCUES), Osmania University for preparation of GIS

⁸³ Lands are allotted at Nizam College Basheerbagh and University College for Women, Koti

⁸⁴ ₹40.95 lakh vide Cheque Nos 591639, dated 27 July 2010 and Cheque No. 591757 dated 9 August 2010; ₹13.65 lakh vide Cheque No.0989510, dated 14 August 2012

⁸⁵ Prevailing market rate was not available in the records produced by the University

⁸⁶ G.O.Ms.No.140 Revenue (ASSN.III) Department dated 14 October 1996

based Master Plan under AMRUT for Adoni Package-VIII⁸⁷ and Chilakaluripeta Package-XXVI⁸⁸ for payment of a professional fee of ₹75 lakh and ₹85 lakh respectively.

During verification of the records of the above project, Audit observed the following irregularities in execution of the project.

- 1) Execution of the project was commenced in anticipation of receipt of the funds from the client. Only an amount of ₹75.78 lakh (2019-20: ₹46.36 lakh; 2020-21: ₹29.42 lakh) was received from the Government of Andhra Pradesh. Further, a sum of ₹1.28 crore was diverted from the Plan funds received from the State Government of Telangana for establishment charges of RCUES.
- 2) Project which was to be completed within 6 months from the date of work order (November 2018) has not been completed as of March 2023.
- 3) In March 2022, Town and Country Planning Department, Government of Andhra Pradesh (DTCP) issued a show-cause notice to RCUES for non-completion of the project as per timelines agreed and reiterated to recover the consultancy charges released to RCUES along with liquidated damages. In response to above notice, RCUES requested the DTCP to allow for further two months for completion of the project. However, RCUES could not complete the project as of February 2024.
- 4) Proper estimation was not prepared either for project cost or for engagement of project staff. Most of the appointments were made on the recommendations of the Project Coordinator and the necessity of the above appointments were neither checked by the Director of RCUES nor applied any scientific base for fixing of remuneration to above project staff.

Government in its response (February 2024) did not furnish any specific reasons for non-completion of the project.

Improper cost estimation for the project and staff, unsettled advances led to delays, causing a potential loss of ₹86 lakh to RCUES and liability to repay funds to DTCP with penal interest.

(ii) Irregular Payment of Remuneration to staff - ₹2.60 crore

As per Rule 11 of Andhra Pradesh Fundamental Rules adopted by Telangana State, the whole time of a Government Servant is at the disposal of Government and he may be employed in any manner required by proper authority without claim for additional remuneration.

Audit noticed that contrary to the above provisions, University Staff were paid remuneration of ₹1.53 crore during 2017-18 to 2020-21 (**Appendix-3.18**). Similarly, the staff of the Centre for Distance Education were also paid an additional remuneration of ₹1.07 crore (**Appendix-3.19**).

⁸⁷ ULBs of Adoni and Yemmiganur

⁸⁸ ULBs of Chilakaluripeta, Bapatla, Macherla, Repalle and Chirala

The University replied that Remuneration for Registrar's Office Staff sanctioned at one basic pay (maximum) for 180 additional hours worked beyond regular office hours which was paid up to 2020-21. It was stopped from 2021-22. University did not furnish specific reasons for its stoppage.

As per the reply furnished by Professor G Ram Reddy Centre for Distance Education, additional remuneration was paid yearly to the staff from 2016-17 to 2020-21 as per University Order⁸⁹, approved by the Executive Council.

The Government in its response (February 2024) stated that, the remuneration was sanctioned based on the recommendation of the Committee and approved by the Executive Council. Government did not furnish any specific reasons for its stoppage despite its approval by the Executive Council.

(iii) Irregular expenditure on purchase of new vehicles - ₹19.80 lakh

Government has imposed⁹⁰ ban on purchase of new vehicles by the Government Departments/ Organisations, Local Bodies, etc. In case of emergencies, the Department with the specific permission of the Government can procure vehicles within the upper ceiling of ₹seven lakh.

However, contrary to above orders, Osmania University irregularly purchased a new vehicle at a cost of ₹19.80 lakh which was met from the unspent balances of the funds received towards “Hyderabad Hour for Higher Education 2017”.

When the issue of irregular purchase of new vehicle was brought to the notice of the OU authorities, it was replied (March 2023) that the Executive Council has accorded approval⁹¹ and the payment for the same was made from the above head only. However, the Government approval for procurement of the vehicle was not furnished to Audit.

Government in its response (February 2024) stated that, there was no practice of obtaining its approval by the University as the Executive Council is the highest authority of the University.

The Government response goes contrary to its own order which had clearly stipulated an upper ceiling of ₹seven lakh only in respect of a vehicle and stated that the ban of purchase of vehicles extended to State run Public Sector Undertakings and other agencies also.

(iv) Non-adjustment of Advances of ₹5.26 crore

Article 99 of the TS Financial Code envisaged that the advance given for a specific purpose should be adjusted as soon as possible from the date of its drawal. Further, no second advances should be sanctioned for the same purpose unless the pending advances were fully adjusted.

During the verification of Advance Registers and Cash books of test checked Colleges and Centre for Distance Education, Hyderabad, it was observed that advances of ₹5.26 crore

⁸⁹ Order No. 3026/209/2000-2001/Budget-V dated 24 May 2000

⁹⁰ G.O Ms No.170, Finance (W&M) Department, dated 6 July 2005 and Circular Memo No.10783-C/321/DCM-II/2010, dated 13 June 2012

⁹¹ Accorded approval for purchase of new Innova Crysta 2.4Z package – 7 seater (Diesel Car), for use of University and that the above vehicle procurement was carried out by the Director, Regional centre for Urban and Environmental Studies, Osmania University

(49 cases) were transferred between April 2017 and December 2022 for various purposes but remained unadjusted as of May 2023. Among the pending amount, ₹78 lakh was due for more than five years and ₹4.48 crore was due for one to five years. College-wise details of amounts yet to be adjusted were given in **Appendix-3.20**.

Colleges attributed the pending advances to insufficient funds for reimbursement of advances.

The Government in its response (February 2024) stated that, instructions were issued to the Colleges to take immediate steps to adjust the amounts drawn for various purposes.

(v) Outstanding Tuition Fees from Government

As per the orders of the Government, the tuition fee in respect of the Scheduled Caste, Scheduled Tribe, Backward Class and Minority students was to be reimbursed by the Social Welfare, Tribal Welfare, Backward Classes and Minorities Departments.

During the scrutiny of records of the eight⁹² colleges, an amount of ₹33.42 crore was to be reimbursed by Government towards tuition fee. Out of this, the Government/Welfare Department reimbursed an amount of ₹25.34 crore and an amount of ₹8.08 crore was pending reimbursement by Government towards outstanding tuition fee for the academic years from 2017-18 to 2021-22 as detailed in **Appendix-3.21**.

Government in its response (February 2024) stated that, reimbursement of tuition fees in respect of SC, ST, BC, EBC and Minority students was sanctioned and the payments were pending for disbursement for the years 2019-22 and 2022-23. It was also stated that as and when budget was released by Government, the pending dues would be disbursed to all the colleges.

(vi) Non-accounting of Answer Booklets in the Stock Register

As per Rule 10 of the Examination Manual of Osmania University, the accounts of main answer books and additional answer books is to be maintained by the Academic Co-ordinator of the college.

During scrutiny of stock register of “32-page answer booklets” in the Department of Controller of Examination, it was observed that stock register was not maintained properly by accounting all receipts of answer booklets from the supplier.

Audit observed that, there was an under-accounting of 1,50,200 answer booklets valued at ₹10.60 lakh in stock. Non-accountal of answer booklets received from the supplier is fraught with the risk of mis-utilisation during the academic examinations conducted by the University.

Further, it was noticed that records for unused booklets by the Colleges/Examination Centres were also not maintained. Hence, Audit could not find out the actual receipt of unused answer booklets after examination from the Examination Centres.

⁹² University College of Arts and Social Sciences, University College of Science, Nizam College, Law College Basheerbagh (LLB and LLM), University College of Science, Saifabad, University PG College, Secunderabad, District PG College Narsapur, District PG College Vikarabad

When the issue of improper maintenance of stock register was brought to the notice of the Government, it was stated (February 2024) that, the stock registers could not be updated due to continuous examinations and shortage of staff. It was also stated that, unused answer booklets of Colleges/Examination Centre would be submitted after examination and accounts would be updated accordingly.

3.2.5 Conclusion

Osmania University, which is known for its educational eminence and once ranked higher, currently faces a series of challenges that have lowered its ranking.

Effective planning is crucial for a University's success. Despite creating a Vision and Strategy Document in 2018, Osmania University could not develop actionable plans, leaving institutional goals unattained as of January 2023. Notably, an action plan aimed to increase the percentage of foreign students to 30 per cent within the next five years; however, this did not materialise, as number of foreign students significantly declined from 1,149 (2017-18) to 121 (2021-22) i.e., by 89 per cent. Further, the University identified excessive dependence on State funding as a weakness in its strategy document. Nonetheless, it continues to heavily rely on State funding, struggling to enhance its own resource generation.

There have been issues related to Policy making of the University like 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, non-constitution of Board of Studies for nine Departments and expiration of the term of Board of Studies for 27 Departments. These issues hindered important decision-making processes such as non-revision of curricula for 43 Academic Departments, non-establishment of new Institutions or Departments, presence of NAAC unaccredited colleges operating under the University.

Faculty plays a pivotal role in higher education, ensuring the delivery of high-quality academic programmes. However, Osmania University is grappling with a significant shortage of faculty members, which has increased from 26 per cent in 2017-18 to 38 per cent in 2021-22 (including Contract) and in non-teaching staff, amounting to 34 per cent (as of March 2023). This shortage highlights the challenges the University faces in adhering to the recruitment guidelines of the UGC. Furthermore, it has impacted the envisioned Faculty-Student Ratio, which has ranged from 1:23 to 1:33, in three of five years falling short of the desired levels (1:15).

Another concerning issue is the fluctuating placement rates from 26 per cent to 54 per cent between the academic years 2017-18 and 2020-21 for registered students. In 7 out of 18 Campus and Constituent Colleges, the required Career and Counselling Cells were not constituted.

The University's physical infrastructure was also facing issues such as, overcrowded hostels and underutilised buildings. Mismanagement of projects, such as Khelo India,

has aggravated these problems. Further, the University has not collected lease payments resulting in loss of revenue.

Regarding research, Osmania University has faced several challenges. These included non-compliance with grant conditions, substantial delays in research project completion by Research Scholars and absence of application for patents. 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 38th in 2017 to 64th in 2023, as well as decrease in its Overall University ranking from 23rd in 2017 to 36th in 2023.

With a clear vision and determined approach, Osmania University can transform its status as a symbol of excellence, as envisioned in its Vision and Strategy Document, to be known for its quality and excellence in teaching and research, enhance social impact and fulfil its objective of providing intellectual inputs and quality teaching to students seeking excellent education on a global scale to influence, impact and shape the present and future world.

3.2.6 Recommendations

1. 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.
2. 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.
3. The University may address on priority basis all the areas that may impact its accreditation grading.
4. The University may ensure NAAC accreditation of all Educational Institutions under its control within a definite timeframe.
5. 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.
6. 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.
7. The University may take measures to ensure adequate infrastructure facilities for effective and efficient conduct of the educational and extra-curricular programmes.
8. 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.

Panchayat Raj and Rural Development Department

3.3 Construction and Maintenance of Rural Roads in the State of Telangana

3.3.1 Introduction

3.3.1.1 Rural Road Connectivity

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. In Telangana State, rural road connectivity and its maintenance works are taken up with the funds from-

- Ministry of Rural Development (MoRD), Government of India (GoI) under Pradhan Mantri Gram Sadak Yojana (PMGSY).
- National Bank for Agriculture and Rural Development (NABARD) under the Rural Infrastructure Development Fund (RIDF) and
- Assistance to Panchayat Raj Institutions (PRIs) for the Construction of Rural Roads (CRR) and Maintenance of Rural Roads (MRR) through the State Budget.

3.3.1.2 Brief of the Programmes for providing Rural Road Connectivity

(i) Pradhan Mantri Gram Sadak Yojana (PMGSY)

Ministry of Rural Development, GoI launched the Pradhan Mantri Gram Sadak Yojana (referred as PMGSY-I) on 25 December 2000 with the primary objective of providing connectivity by way of an all-weather road⁹³.

(ii) Pradhan Mantri Gram Sadak Yojana (PMGSY-II)

As the PMGSY-I programme unfolded, a dire need to consolidate the entire rural roads network by upgradation of selected Through Routes⁹⁴ and some Major Rural Links (MRLs) (emanating from the Through Route) was felt and accordingly a new intervention was evolved, namely PMGSY-II in August 2013. PMGSY-II envisages consolidation of the existing Rural Road Network to improve its overall efficiency as a provider of transportation services for people, goods and services.

(iii) Pradhan Mantri Gram Sadak Yojana (PMGSY-III)

The PMGSY-III (August 2019) envisages consolidation of the existing Rural Road Network by upgradation of existing Through Routes and Major Rural Links that connect habitations to-

- Gramin Agricultural Markets (GrAMs)
- Higher Secondary Schools
- Hospitals

⁹³ An all-weather road is one which is negotiable during all weathers with some permitted interruptions

⁹⁴ Through routes are the ones which collect traffic from several link roads or a long chain of habitations and lead it to a market centre or a higher category road, i.e. the District Roads or the State or National Highways

The roads selected under PMGSY–III are mainly Through Routes.

Under PMGSY, the cost of maintenance covering routine maintenance for initial five years after construction and also for further five years including periodic renewal as per requirement, special repairs and emergency maintenance shall be fully borne by the respective State/Union Territory.

(iv) Rural Infrastructure Development Fund

Ministry of Rural Development, GoI created Rural Infrastructure Development Fund (RIDF) in the year 1995-96 in collaboration with National Bank for Agriculture and Rural Development (NABARD) for providing loan assistance to State Governments for creation of durable assets in rural areas. Roads and Bridges Sector were included for funding under NABARD from the year 1996-97 for construction and upgradation of rural roads and bridges to provide improved connectivity to villages from highways and market centres.

(v) Construction and Maintenance of Rural Roads through State Budget

State Government had undertaken construction of new road works, upgradation of roads, maintenance and repairs to roads from the funds provided through the State Budget⁹⁵ under Construction of Rural Roads (CRR) and Maintenance of Rural Roads (MRR) from the year 2014-15.

The works under CRR and MRR were sanctioned subject to certain conditions, which, *inter alia*, included the following:

- Due quality control procedures and measures shall be strictly enforced in the procurement and execution of works.
- All road safety measures like signages etc., shall be adequately provided and executed. Further, Name Boards and Information Boards, etc., should be properly provisioned and executed.
- Digital photos/videos of the entire road surface shall be taken at the time of preparation of estimates, during execution and after completion of work.
- Routine maintenance by the contractors for a period of five years from the date of completion shall be provided in the bid document similar to PMGSY guidelines.

A brief of the scope of works for rural roads⁹⁶ connectivity under PMGSY-I, II and III, NABARD (RIDF), CRR and MRR implemented in the State of Telangana is given in **Chart-3.10**.

⁹⁵ CRR Major Head-2515-Other Rural Development Programme-319-Grants for creation of assets and MRR: Major Head-3054-Roads & Bridges-272-Maintenance

⁹⁶ Roads serving the rural areas of production and providing them with outlet to market centres, block, taluka/tehsil headquarters or main roads. Also, roads connecting villages and group of villages with each other or to the market centres and with the nearest road of higher category

Chart- 3.10: Brief of scope of works for Rural Road Connectivity

<p>PMGSY-I</p>	<ul style="list-style-type: none"> • The Programme launched in 2000, was initially a 100 <i>per cent</i> Centrally Sponsored Programme and covered the rural areas only. The fund sharing pattern between Centre and States was revised to 60:40 from 2015-16 onwards. • Permit upgradation of the existing roads in those districts where all the eligible habitations of the designated population size have been provided all-weather connectivity.
<p>PMGSY-II</p>	<ul style="list-style-type: none"> • Consolidation of the existing rural road network to improve its overall efficiency as a provider of transportation services for people, goods and services. • Cover the upgradation of existing selected rural roads based on their economic potential and their role in facilitating the growth of rural market centres and rural hubs. • Fund sharing between the Centre and States at 75:25 (Normal Areas). • The fund sharing pattern was revised to 60:40 from 2015-16 onwards.
<p>PMGSY-III</p>	<ul style="list-style-type: none"> • The roads selected under PMGSY–III were mainly Through Routes. Roads catering to large populations by connecting habitations over a large area which act as collectors of traffic from smaller roads would be treated as Through Routes. All Through Routes/Major Rural Links in a Block would be identified and numbered during the preparation of the road inventory with the help of trace maps. • The fund sharing between Centre and States would be 60:40.
<p>NABARD (RIDF)</p>	<ul style="list-style-type: none"> • The Loan Eligibility is 80 <i>per cent</i> in all States (other than NE/Hilly States) of eligible project cost for activities under Rural Connectivity. • The projects are sanctioned by NABARD on the basis of Detailed Project Reports (DPRs) submitted by the State Government. • Funding for the approved project will be on monthly reimbursement of expenditure incurred upon submission of Statement of Expenditure by the State Government.
<p>CRR and MRR</p>	<ul style="list-style-type: none"> • In the context of CRR and MRR funds financed through the State Budget, there were no specific guidelines in place on how road works are to be selected and taken up. The road works are taken up based on the proposals received from the public and public representatives. • The proposals are examined by the Superintending Engineers for their feasibility and need and sent to Engineer-in-Chief, Panchayat Raj and Engineering Department [ENC (PRED)]. The proposals recommended by ENC (PRED) are sent to the Panchayat Raj and Rural Development (PR&RD) Department in the State Government. • The PR&RD Department in the State Government examine the proposals and forward to Finance Department for Budget clearance. • The PR&RD Department in the State Government after Budget clearance by Finance Department will allocate the budget provisions based on the priority. • Under CRR, construction of new road works and upgradation of roads to BT standards will be taken up. • Under MRR, Maintenance and Special Repairs to BT roads are undertaken.

Source: PMGSY, RIDF Guidelines and the State Government Orders on CRR and MRR

The status of the rural road works sanctioned and executed under PMGSY-I, II and III, CRR, MRR and NABARD (RIDF) in the State during 2017-18 to 2021-22 furnished (December 2023) by ENC (PRED) is given in **Table-3.36**.

Table-3.36: Statement showing the details of status of works sanctioned during 2017-22 and expenditure thereon under PMGSY-I, II and III, CRR, MRR

Name of the Programme	Sanctioned works	Cost of the works (₹ in crore)	Completed works	Expenditure on completed works (₹ in crore)	Number of Works-in-progress	Expenditure on Works-in-progress (₹ in crore)	No. of works not yet taken up	Cost of the works not yet taken up (₹ in crore)
CRR	3,138	1,272.94	1,843	357.79	355	57.43	940	258.97
MRR	3,403	680.38	3,242	445.72	0	0	161	21.72
PMGSY I	236	338.10	210	277.08	26	19.05	0	0
PMGSY II	NIL							
PMGSY III	456	1,729.81	105	288.52	351*	357.98	0	0

Source: Information furnished by ENC (PRED), Hyderabad

**includes seven works costing ₹14.77 crore (one work under court case, two bridgeworks under tender stage and four bridgeworks tendered and at agreement stage)*

The Engineer-in-Chief, Panchayat Raj and Engineering Department replied (December 2023) that no new rural road works were sanctioned under NABARD (RIDF) after 2015-16.

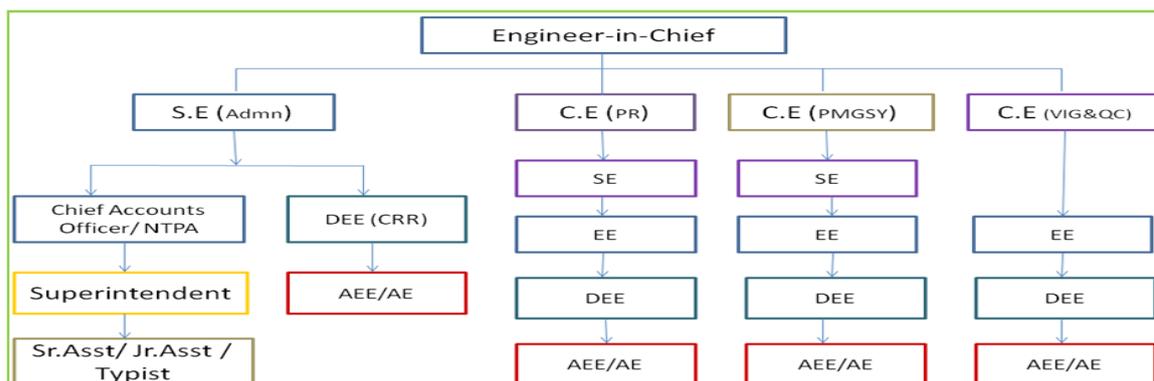
3.3.2 Organisational Setup

3.3.2.1 Organisational Setup in the State for execution of Rural Roads under Central and State Programmes

Principal Secretary to Government of Telangana in Panchayat Raj and Rural Development Department (PR&RD) oversees the implementation of the execution of rural roads with technical supervision of the Engineer-in-Chief, Panchayat Raj Engineering Department (ENC (PRED)), who reviews the progress of execution of works. ENC (PRED) is supported by Superintending Engineers (SEs) and Executive Engineers (EEs), who supervise and monitor the progress of the works. District Panchayat Raj Engineering (DPRE) offices headed by EEs in each district act as the Project Implementation Units (PIUs) and are responsible for execution of rural roads through contractors in the State of Telangana.

The organisational structure in the ENC (PRED) in the State for execution of rural roads from Central and State Funds is given in **Chart-3.11**.

Chart-3.11: Organisational Structure of Panchayat Raj Engineering Department



Source: pred.telangana.gov.in website

3.3.2.2 Organisational Setup in the State for execution of Rural Roads under PMGSY

The organisational setup for implementation of PMGSY at State and District Level is given in **Chart-3.12**.

Chart-3.12: PMGSY

State level	<ul style="list-style-type: none"> The Principal Secretary to Government in Panchayat Raj and Rural Development (PR&RD) Department oversees the implementation of the execution of PMGSY works. A State Level Standing Committee (SLSC) formed by the State Government will monitor the Programme. The Engineer-in-Chief, Panchayat Raj Engineering Department will undertake technical supervision and execution of the works. Telangana State Rural Roads Development Agency (TSRRDA), an autonomous body would advise on technical specifications, project appraisal, mobilisation of funds and management monitoring system of periodical reports to the MoRD and to monitor the financial progress of the Programme.
District level	<ul style="list-style-type: none"> The Programme Implementation Units (PIU) are the basic units for project planning, execution and accounting. A PIU may consist of one or more Engineering Divisions, appropriately headed by an Executive Engineer or Superintending Engineer. The PIU would be directly responsible for contracting implementation and Quality Management of PMGSY works. In the State of Telangana, District Panchayat Raj Engineer (DPRE) offices in each district are designated as PIUs.

Source: PMGSY Guidelines

3.3.3 Audit Framework

3.3.3.1 Audit Objectives

This Detailed Compliance Audit was conducted to assess whether:

- (i) Preparation of the Core Network as well as the District Rural Road Plan was adequate and financial management was effective;
- (ii) The road works were executed economically, efficiently and effectively;
- (iii) The monitoring system and quality control mechanism were adequate and effective.

3.3.3.2 Audit Criteria

Audit findings were benchmarked against the criteria sourced from the following:

- Guidelines and Operations Manual for PMGSY issued by the Ministry of Rural Development (MoRD), GoI
- Indian Road Congress (IRC) specifications;
- Orders issued by GoI and State Government from time to time on execution of rural roads;
- Telangana Rural Roads Maintenance Policy, 2017

3.3.3.3 Audit Scope and Methodology

The Detailed Compliance Audit was conducted to assess whether the rural road works were executed during 2017-18 to 2021-22 in an efficient, effective and economical manner with compliance to relevant provisions. Audit methodology involved examination of records of PR&RD Department in the Secretariat, Offices of the ENC (PRED) and Programme Implementation Units (PIUs)/District Panchayat Raj Engineer (DPRE) of the selected districts. An Entry Conference was held with the Principal Secretary to Government, PR&RD Department in February 2023, to brief on audit scope, objectives, criteria, methodology including the conduct of Joint Site Inspection. Exit Conference has not been held as the State Government has not responded to the requests in demi-official letters sent to the Principal Secretary to Government, Telangana from the Accountant General (Audit), Telangana on 31 August 2023 and Deputy Accountant General (Audit), Telangana on 19 October 2023 in this regard.

3.3.3.4 Audit Sampling

Out of 32 districts (excluding Hyderabad being an Urban area), five districts⁹⁷ (15.63 per cent) were selected on a Stratified Random Sampling basis. The Programme-wise/ district-wise details of the number of works executed and expenditure incurred during 2017-18 to 2021-22 in the selected five districts are given in **Appendix-3.22**.

In each selected district, 16.10 per cent of works executed under different programmes were selected on Stratified Random Sampling Selection basis. The number of selected works in the sampled districts is 224 out of 1,391 total works and the expenditure on the sampled works is ₹169.93 crore, which constitutes 16.70 per cent of the total expenditure of ₹1,017.29 crore in five districts. The abstract of selected works in the five districts are given in **Appendix-3.23**.

3.3.3.5 Audit Acknowledgement and Constraints

Audit acknowledges the cooperation and assistance extended by the PR&RD Department, ENC (PRED) and the DPRES of the selected districts and their officials during the conduct of audit.

However, Audit was hampered due to poor flow of information and non-submission of records both in the Office of the ENC (PRED), Hyderabad and in DPRE offices of the selected districts as given below:

⁹⁷ Adilabad, Jogulamba-Gadwal, Mahabubabad, Medchal-Malkajgiri and Siddipet

- a. **Audit Enquiries:** In ENC (PRED) office, Hyderabad, 68 Audit Enquiries (AEs) were issued (between September 2022 and March 2023), against which replies to 65 AEs were received as of December 2023 and replies to the remaining 3 AEs were still pending.

Out of total 341 Audit Enquiries issued in the selected five DPRE offices, replies were not received to 166 Audit Enquiries⁹⁸ (48.70 per cent) as of August 2023.

- b. **Production of Records:** Records/Documents like (i) Agreements, (ii) Drawings and Designs, (iii) Measurement Books, (iv) Specification Report/Traffic Survey data, (v) Estimates for the work, (vi) Detailed Project Reports (DPRs) of the work, (vii) Quality Control Reports, (viii) Completion Reports of the works, (ix) Price Adjustment Statements and (x) Work Inspection Reports, (xi) Core Network pertaining to sample selected works were not produced to Audit in complete shape.

Due to non-production of records, Audit was constrained from holistically assessing the Audit Objectives.

Audit Findings

3.3.4 Planning

3.3.4.1 Planning and Selection of Rural Roads under CRR and MRR

In the context of CRR and MRR programmes financed through the State Budget, there were no specific guidelines in place on how Road works are to be selected and taken up. ENC (PRED) replied (October 2022) that road works are taken up based on the proposals received from the public and public representatives. The proposals are examined by the SEs for their feasibility and then the same are forwarded to ENC (PRED). Thereafter, the proposals recommended by ENC (PRED) are sent to the PR&RD Department. PR&RD Department examines the proposals and forwards to Finance Department for budget clearance.

State Government sanctioned 3,138 works for upgradation of roads up to BT standards including Cross Drainage works wherever required under CRR Grants during 2017-22. However, the proposals received from the public and public representatives for the 3,138 works and documents pertaining to scrutiny of the proposals by the Superintending Engineers for their feasibility and need-based assessment for selection of roads were not made available to Audit.

Engineer-in-Chief, Panchayat Raj Engineering Department also did not furnish the proposals of public representative based on which the sample selected 171 rural roads were sanctioned and executed under CRR (99 works) and MRR (72 works).

Hence, Audit was not able to assess the need for execution of the sample selected Rural Roads, for which State Government had sanctioned funds under CRR and MRR.

⁹⁸ Adilabad:52 AEs, Jogulamba-Gadwal: 38 AEs, Mahabubabad:4 AEs, Medchal-Malkajgiri:23 AEs and Siddipet:49 AEs

3.3.4.2 *Planning and Selection of Rural Roads under NABARD (RIDF)*

Engineer-in-Chief, Panchayat Raj and Engineering Department informed that no new sanctions of rural roads and bridges were made under NABARD (RIDF) after 2015-16.

The Detailed Project Reports of the sample selected rural roads sanctioned prior to 2017-18 and executed during 2017-22 were not furnished, on account of which Audit could not assess the basis for selection of the rural roads under NABARD (RIDF).

State Government replied (November 2023) that the final DPRs prepared for according Administrative sanction had already been submitted to the NABARD authorities for their scrutiny and were retained by them, as they are the basic records for according Administrative sanction.

3.3.4.3 *Implementation of Telangana Rural Roads Maintenance Policy*

The Ministry of Rural Development, GoI directed (September 2014)⁹⁹ States to formulate their own Maintenance Policy for Rural Roads to provide a guiding framework for establishing the objectives and for establishing sets of procedures for maintenance and repairs. Accordingly, the State Government prepared the Rural Roads Maintenance Policy, 2017 in March 2018¹⁰⁰.

Audit observations in respect of the implementation of the Policy are as follows.

(i) *Non-preparation of Annual Rural Road Maintenance Plan*

Para 12 of the Telangana Rural Roads Maintenance Policy, 2017 stipulates that the PRED shall prepare an Annual Rural Road Maintenance Plan (ARRMP) for the State every year. It will identify the maintenance works on the rural road network, for different classes of roads including bridges, culverts, road signs and other road appurtenances within the jurisdiction of the department concerned. However, ARRMP was not prepared for any year as of March 2023.

State Government accepted (November 2023) that ARRMP was not prepared. It was, however, stated that all the ongoing PMGSY works which were under Defect Liability Period (DLP) of five years were being maintained in eMARG¹⁰¹ and all the payments were done through eMARG only. For the works whose DLP was completed, the renewals were being taken up under MRR State Grant as per the priority.

The reply was not in consonance with the fact that in the eMARG portal, only data on completed PMGSY rural roads and their maintenance activities are uploaded. However, ARRMP should be prepared by the State for all the rural roads in the State including PMGSY roads, for effective planning and budgeting of rural road maintenance works.

⁹⁹ Directions given by MORD, GoI based on the decision taken in the one-day National Workshop on Policy on Maintenance of Rural Roads for India-Stakeholders Consultation

¹⁰⁰ G.O. Rt.No.215 of Panchayat Raj and Rural Development (PROGS.II) Department dated 31 March 2018

¹⁰¹ eMARG (electronic Maintenance of Rural Roads under PMGSY) is an enterprise e-Governance solution for maintenance of rural roads constructed under PMGSY developed for National Rural Infrastructure Development Agency (NRIDA), Ministry of Rural Development, Govt. of India. Its standardised transparent process-oriented system to manage and monitor maintenance of rural roads under Post Construction DLP of five years (source: <https://emarg.gov.in/aboutEmarg.htm>)

(ii) Constitution of a State Level Committee for working out norms for maintenance of Rural Roads

As per Para 12 of the Policy *ibid*, Government shall constitute a State Level Committee¹⁰² to work out realistic norms for maintenance of rural roads covering routine, periodic, special repairs and emergency maintenance.

The Engineer-in-Chief, Panchayat Raj and Engineering Department replied (December 2023) that the State Level Committee was not established.

(iii) Constitution of a Standing Empowered Committee

As per Para 16 of the Policy *ibid*, Government shall constitute a Standing Empowered Committee¹⁰³ (EC) to decide on annual allocation of funds for maintenance of different categories of roads with reasonable share for rural roads based on the percentage of rural roads with respect to the total road network. Further, keeping in view the above requirement, there shall be established a dedicated fund to be known as Telangana Rural Road Maintenance Fund (the Fund) to provide funds on a sustainable and dependable basis for maintenance of rural roads.

The Engineer-in-Chief, Panchayat Raj and Engineering Department replied (December 2023) that no Standing Empowerment Committee was constituted.

(iv) Non-conduct of Road User Survey

Para 13 of the Policy stipulates that the departments concerned shall organise road user surveys once every three years to assess level of satisfaction of the road users. The survey data shall be documented in the format approved by TSRRDA and made available in the public domain of departmental website. The feedback received from the road users shall be taken into account in improving performance of maintenance of the road network.

However, no Road User Surveys were conducted as of March 2023.

Hence, it could be seen from above observations that though Policy document was prepared the same was not put into effective implementation. An ARRMP was also not prepared every year, which resulted in non-identification of roads requiring maintenance and consequent degradation of roads (*Paras 3.3.7.1 and 3.3.7.2 refer*).

3.3.4.4 Unfruitful expenditure due to stoppage of works on account of lack of forest clearance

Para 5.3.3 of PMGSY Operations Manual, 2005 emphasises on involvement of local community in the process of deciding on the alignment and requiring that Junior Engineer (JE)/ Assistant Engineer (AE) must conduct a “Transect walk”¹⁰⁴ along the alignment/trace together with the Panchayat Pradhan/ Ward Panch, local revenue and forest officials. The Transect Walk will be conducted by the AE/JE along with the contour map of the proposed

¹⁰² Comprising technical, administrative and finance senior level officers under the chairmanship of Secretary in-charge of PR&RD Department with Secretaries of Departments concerned and one senior engineer not below the rank of ENC/Chief Engineer

¹⁰³ Comprising Principal Secretary (Finance), Secretaries of the departments concerned and their Engineer-in-Chief/ Chief Engineer

¹⁰⁴ Transect walk is a method for gathering spatial data of an area by observing people, surroundings and resources while walking around an area or community

alignment(s). Forest Department officials should also be involved in the Transect Walk, where forest land is likely to be involved.

During the Transect Walk, issues relating to alternative alignments, land requirements for the rural roads and its impact on landowners, *etc.* would have to be discussed with the members of the local community and Secretary of the Gram Panchayat present.

Para 12.6.2 of PMGSY Operations Manual, 2005 also mandates that PIUs are to conduct survey and prepare DPRs. The head of the PIU needs to monitor the progress on a weekly basis, particularly the conduct of the Transect Walk. A copy of the minutes along with digital photographs of the Transect Walk should be attached to the finalised DPR.

Audit observed from the information furnished by ENC (PRED) that 17 road works and two bridge works taken up under PMGSY were not completed (**Appendix-3.24**) due to lack of forest clearance. An abstract of the works is given in **Table-3.37**.

Table-3.37: Road and Bridge works pending completion due to lack of forest clearance

Year of sanction	No of Roads/Bridges	Total sanctioned cost (₹ in crore)	Total length (in km)	Total length completed (in km)	Expenditure (₹ in crore)
2010-11	1	2.72	--	--	0.20
2012-13	5	17.13	24.84	11.48	10.21
2017-18	13	39.70	87.40	20.53	16.17
Total	19	59.55	112.24	32.01	26.58

Source: Information furnished by ENC (PRED), Hyderabad

Non-assessment of required land, suitable alternate alignments during transect walks and execution of rural road works without obtaining forest clearance had led to stoppage of works. This resulted in unfruitful expenditure of ₹26.58 crore on the 19 works.

Further, 17 PMGSY works (12 road works and 5 bridge works) were not completed due to lack of forest clearance and no expenditure was incurred (**Appendix-3.25**). This resulted in non-provision of rural connectivity even after a lapse of more than five years of sanction of the works. An abstract of the works is given in **Table-3.38**.

Table-3.38: Road and Bridge works not initiated due to lack of forest clearance with zero expenditure

Year of sanction	No of Roads/Bridges	Total sanctioned cost (₹ in crore)	Total length (in km)	Years of delay in non-completion of works as on 31 March 2023
2012-13	2	7.04	9.875	10
2016-17	3	6.88	0	6
2017-18	12	34.45	56.400	5
Total	17	48.37	66.275	

Source: Information furnished by ENC (PRED), Hyderabad

The details of present status of the above total 36 works were called for (December 2023) in audit and clarification regarding expenditure against eight road works, despite zero road length was not furnished (**Appendix-3.25**). It was observed from the latest status on the 36 works furnished by ENC (PRED) in December 2023 that out of 36 works, one work was

withdrawn¹⁰⁵ and the remaining 35 works were still not completed.

State Government replied (November 2023) that obtaining forest clearances for laying of the roads is a cumbersome procedure and it passes through hierarchy of officers in Forest Department, which led to abnormal delays for obtaining forest clearances.

Notwithstanding the reply, the fact remains that the objective of providing rural connectivity could not be achieved despite lapse of five to ten years after sanction of the works.

3.3.5 Financial Management

In the State of Telangana, the expenditure incurred as on 31 March 2022 for the Construction and Maintenance of Rural Road projects from various Programmes is detailed in **Table-3.39**.

Table-3.39: Expenditure incurred under various Programmes as of March 2022

							(₹ in crore)
Year	PMGSY-I	PMGSY-II	PMGSY-III	CRR	MRR	NABARD/ RIDF	Total
2017-18	65.26	67.40	0	560.72	202.29	135.18	1,030.85
2018-19	231.62	38.08	0	251.20	38.16	109.10	668.16
2019-20	148.00	12.36	0	178.74	80.35	67.42	486.87
2020-21	100.26	2.56	106.65	479.59	85.88	69.45	1,102.68
2021-22	11.25	27.79	219.25				
Total	556.39	148.19	325.90	1,470.25	406.68	381.15	3,288.56

Source: Information furnished by ENC (PRED), Hyderabad

It could be observed from **Table-3.39** that expenditure on maintenance of rural roads sanctioned under MRR decreased by 57.55 per cent from ₹202.29 crore in 2017-18 to a meagre ₹85.88 crore during 2020-22 put together. This decrease in spending on maintenance of rural roads indicated poor maintenance of roads (*Para 3.3.7.1 refers*).

3.3.5.1 Utilisation of funds under PMGSY

The fund-sharing pattern between Central and State Governments for construction and maintenance of rural roads under PMGSY–I to III is 60:40. Till 2013-14, Government of India released funds directly to the State Rural Road Development Agency (SRRDA). However, from 2014-15 onwards, funds are being routed through the Consolidated Fund of State and the State Governments are required to transfer these funds to SRRDA within three working days positively from the date of receipt of funds.

SRRDAs are required to maintain three separate accounts under PMGSY, namely, Programme Fund Account, Administrative Expenses Fund Account, and Maintenance Fund Account, by opening three separate accounts in a selected bank. State Government releases corresponding share in Programme Fund Account and Administrative Expenses Fund Account. All the amounts required for maintenance are released by the State Government in the Maintenance Fund Account.

¹⁰⁵ Sl. No. 5 of Appendix-1.3 - ENC(PRED) informed (December 2023) that this work was withdrawn after laying a road of 5 km against proposed 11.8 km and incurring expenditure of ₹4.39 crore

The SRRDA should designate the Executive Engineers of PIUs/Heads of PIUs (who are the drawing and disbursing officers of the PIU) as its ex-officio members or officers, so as to enable them to draw on the funds of the Agency from the three Fund Accounts.

(i) **Physical and Financial Progress on Rural Roads Connectivity under PMGSY**

• **Physical Progress on New Connectivity Rural Roads**

The year-wise coverage of habitations and length of rural roads during 2017-18 to 2021-22, are given in **Table-3.40**.

Table-3.40: Year-wise coverage of habitations and length of Rural Roads during 2017-18 to 2021-22

Year of sanction	Name of the Programme	No. of Habitations		Length (Km)			
		Target	Habitations covered	Target	New Connectivity completed	Upgradation completed	Total completed
2017-18	PMGSY-I	65	10	500	104.25	2.45	106.70
	PMGSY-II	-	-		0	196.23	196.23
2018-19	PMGSY-I	100	63	500	313.47	1.64	315.11
	PMGSY -II	-	-		0	16.01	16.01
2019-20	PMGSY-I	28	28	600	105.25	2.00	107.25
	PMGSY-II	-	-		0	1.92	1.92
2020-21	PMGSY-I	29	27	600	69.38	0	69.38
	PMGSY-II	-	-		0	0	0
	PMGSY-III	-	-		0	200.42	200.42
2021-22	PMGSY-I	2	0	1,000	35.91	0	35.91
	PMGSY-II	-	-		0	1.48	1.48
	PMGSY-III	-	-		0	507.58	507.58
	Total	224	128	3,200	628.26	929.73	1,557.99

Source: Information furnished by ENC (PRED), Hyderabad

Note: Regarding length targeted there was no breakup as to whether the target length pertains to PMGSY I, II or III. Further, the data (road length completed) also include some extra figures under 'Target' and 'Upgradation'.

• **Financial Progress on Construction/Upgradation of Rural Roads**

During 2017-18 to 2021-22, year-wise opening balance, provision, release and utilisation of funds under PMGSY-I to III for construction and upgradation of rural roads furnished (December 2023) to Audit are given in **Table-3.41**.

Table-3.41: Year-wise opening balance, provision, release and utilisation of funds under PMGSY-I to III for construction and upgradation of Rural Roads

Year	Opening Balance	Demand		Releases		Other Misc, Receipts	Interest earned	Total fund available (Columns 2+5+6+7+8)	Expenditure (per cent to col.9)	Closing balance (per cent to col.9)
		GoI share	State share	GoI share	State share					
1	2	3	4	5	6	7	8	9	10	11= (Col.9-10)
2017-18	117.65	203.00	135.33	0	116.51*	1.78	7.59	243.53	131.01 (54%)	112.52 (46%)
2018-19	112.52	200.00	133.33	99.22	103.82^	0	4.12	319.68	266.28 (83%)	53.40 (17%)
2019-20	53.40	400.00	266.67	97.75	65.17@	0.17	3.72	220.21	157.84 (72%)	62.37 (28%)
2020-21	62.37	300.00	200.00	184.21	34.99#	0.18	3.99	285.74	207.75 (73%)	77.99 (27%)
2021-22	77.99	300.00	200.00	48.88	122.81 ⁵	0	1.12	250.80	250.68 (99.95%)	0.12 (0.05%)
Total	423.93	1,403.00	935.33	430.06	443.30	2.13	20.54	1,319.96		

Source: Information furnished by ENC (PRED), Hyderabad

* Pertains to the releases for the year 2015-16 (₹58.23 crore) and 2016-17 (₹58.28 crore)

^ Includes the releases for the year 2016-17 (₹37.52 crore) and 2017-18 (₹66.14 crore)

@ This amount pertains to the releases for the year 2018-19

Pertains to additional State share for Tender Premium and Price Escalation

\$ This amount pertains to the releases for the year 2019-20

Significant Audit findings on utilisation of funds under PMGSY are detailed below:

(ii) Delays in transfer of Central share and release of State share

• Non-release of second instalment of funds by MoRD, GoI

Para 19.2 of both PMGSY-I and PMGSY-II Guidelines stipulates that the second instalment of Central share of 50 per cent of project would be released subject to utilisation of 60 per cent of the already available funds and completion of at least 80 per cent of the road works awarded in the year previous to the preceding year and 100 per cent of the awarded works of all the years preceding that year.

Further, Para 19.3 of PMGSY-II Guidelines require that the Central share for each instalment will be released subject to the condition that State Government has first credited its share in the Bank account of the SRRDA.

It was observed from the information furnished to Audit that against annual allocation of ₹1,403 crore¹⁰⁶ during the years 2017-18 to 2021-22 under PMGSY-I and II, an amount of ₹430.06 crore¹⁰⁷ was only released by MoRD, GoI as first instalment of Central share and no further releases were made as of March 2022.

Engineer-in-Chief, Panchayat Raj Engineering Department replied (January 2023) that due to administrative reasons and non-release of matching State share by the State Government in time, MoRD, GoI did not release subsequent instalment of funds.

The State Government accepted (November 2023) the audit observations

• Delay in transfer of funds received from MoRD by the State Government into TSRRDA Bank Account

MoRD, GoI sanction orders for release of PMGSY funds stipulated that funds are released to the State Consolidated Fund with directions to transfer the funds to SRRDA's account by the State Government within three days from the date of its receipt failing which the Central Government may stop further funds.

Audit observed from the information furnished by the ENC (PRED) that there were substantial delays ranging from 82 days to 454 days in crediting the amount released by MoRD, GoI to the TSRRDA account as detailed in **Table-3.42**. However, only amount released by MoRD, GoI was credited by the State to TSRRDA account without the interest component on the amount for the delay period.

¹⁰⁶ 2017-18: ₹203 crore, 2018-19: ₹200 crore, 2019-20: ₹400 crore, 2020-21: ₹300 crore and 2021-22: ₹300 crore

¹⁰⁷ 2017-18: ₹99.22 crore, 2018-19: ₹97.75 crore, 2019-20: ₹184.21 crore, 2020-21: Nil and 2021-22: ₹48.88 crore

Table-3.42 Release of first instalment of funds under PMGSY-I and II by MoRD, GoI to the State Government during 2017-22

Amount released by MoRD, GoI (₹ in crore)	Date of released by GoI, MoRD	Amount credited to TSSRDA Account by the State Government (₹ in crore)	Date of Credit	Delay in Days
99.22	22.12.2017	50.00	01.10.2018	283
		49.22	25.01.2019	399
97.75	18.03.2019	12.74	13.09.2019	179
		39.20	18.09.2019	184
		45.81	08.11.2019	235
184.21	27.12.2019	92.11	22.07.2020	208
		92.10	25.03.2021	454
48.88	29.11.2021	48.88	19.02.2022	82
430.06 (Total releases)		430.06 (Total amount credited)		

Source: Information furnished by ENC (PRED), Hyderabad

ENC (PRED) replied (January 2023) that due to administrative reasons there were delays in release of Central share to the TSRRDA Bank Account.

State Government accepted (November 2023) the Audit observation.

- **Delays in release of matching State share into TSRRDA Bank Account**

Para 19.3 of PMGSY-II Programme guidelines stipulate that Central share for each instalment would be released subject to the condition that State Government has first credited its share in the Bank account of the SRRDA.

Audit observed from the information furnished by the ENC (PRED) that matching State share was released after release of Central share only and also there were delays ranging from 179 to 665 days in crediting the matching State share by the State Government into the TSRRDA's Bank account as detailed in **Table-3.43**.

Table-3.43: Delayed release of matching State share

Amount released by MoRD, GoI (₹ in crore)	Date of release by MoRD, GoI	Matching state Share Amount (₹ in crore)	Date of actual credit to Bank Account of State share	Delay (in days)
99.22	22.12.2017	66.14	01.03.2019	434
97.75	18.03.2019	34.63	13.09.2019	179
		30.53	26.11.2019	253
184.21	27.12.2019	30.13	05.08.2021	587
		50.00	16.08.2021	598
		42.68	22.10.2021	665
48.88	29.11.2021	33.03	25.07.2022	238
430.06		287.14		

Source: Information furnished by ENC (PRED), Hyderabad

Engineer-in-Chief, Panchayat Raj and Engineering Department replied (January 2023) that due to administrative reasons there were delays in release of matching State share.

State Government accepted (November 2023) the Audit observation.

• **Non-release of State share remitted back to Consolidated Fund of the State**

Audit observed during scrutiny of records that an amount of ₹378 crore was released (November 2016) by the State Government as matching State share under PMGSY and credited to the Programme Fund Account on 6 March 2017. Subsequently, in compliance with the oral request of the Finance Department of the State Government, TSRRDA transferred an amount of ₹350 crore, out of released amount of ₹378 crore to the Consolidated Fund of the State on 13 March 2017. This was on the condition that the transferred amount of ₹350 crore would again be remitted back to TSRRDA Account by the State Government in the first week of April 2017.

However, the amount of ₹350 crore was not released by the State Government as of March 2023 for remitting back to the PMGSY Programme Fund Account.

Analysis of **Tables 3.42 and 3.43** above revealed that the second instalment of funds was not disbursed by the Ministry of Rural Development (MoRD), Government of India, primarily due to not providing the required matching funds by the State Government within the stipulated time. Additionally, there were delays in transferring the Central share to TSRRDA's bank account by the State Government, along with corresponding delays in releasing the matching State share.

Furthermore, a significant setback was withdrawal of State's matching share amounting to ₹350 crore by the Finance Department for the purposes not furnished to Audit. This amount was intended to be credited back into the PMGSY Programme Fund Account by the Finance Department in a month but was not released till date.

State Government replied (November 2023) that as there were no bills pending for payment and return of ₹350 crore to the Consolidated Fund of the State in March 2017 was intimated to MoRD in the utilisation certificate submitted on 8 April 2017.

The reply was not in consonance with the fact that the said the amount was transferred to the Consolidated Fund of the State on the condition of release of the transferred amount back by the State Government in the first week of April 2017 and the State share, however, was not released subsequently.

3.3.5.2 Non-completion of CRR works due to paucity of funds

From the information furnished (October 2022) by the Department on CRR works taken up during 2015-19 and not completed, Audit observed that 17 works were not completed due to paucity of funds as detailed in **Table-3.44**.

Table-3.44: CRR works taken up but not completed due to paucity of funds

Sl. No	Year of agreement	No. of works pending due to Paucity of fund	Cumulative Expenditure (₹ in crore)	Bills pending with Pay and Accounts Officer (₹ in crore)
1	2015-16	2	1.27	0.24
2	2017-18	3	0.36	0.32
3	2018-19	12	9.57	6.24
Total		17	11.20	6.80

Source: Information furnished by ENC (PRED), Hyderabad

State Government replied (November 2023) that paucity of funds under CRR does not arise as payments would be made based on budget availability.

Audit, however, noticed that required funds were not made available, on account of which 17 works under CRR pertaining to period 2015-19 could not be completed even after lapse of more than five years of Agreement.

3.3.5.3 Irregular utilisation of Administrative Expenses Funds

Para 13.7 of PMGSY Operations Manual, 2005 stipulates that the administrative and travel expenses of PIUs and SRRDA will be met from the Administrative Expenses Fund Account. Amounts paid on account of outsourcing of execution and management-related functions can also be paid out of administrative expenses.

Audit observed during the scrutiny of Administrative Expenses Fund Account Cash Book in PIU, Adilabad, that an amount of ₹11.64 lakh was utilised for the Regional Office i.e. office of the Superintending Engineer, Panchayat Raj, Adilabad, which was irregular.

State Government replied (November 2023) that, Superintending Engineer is a part of hierarchy in executing the PMGSY works in the State and the expenses were for authorised purpose as per clause 13.7.2 (i) of PMGSY Operations Manual, 2005.

Reply is not acceptable since provisions in the PMGSY Operations Manual, 2005 clearly stipulate that administrative expense are admissible for PIUs only.

3.3.6 Execution of Works

Significant Audit findings on execution of works are detailed below:

3.3.6.1 Irregular utilisation of savings under PMGSY works for other non-sanctioned works

The upgradation of road work “PMGSY-II, Grant-Package No. AP011402-MRL22-Road from R&B Road at 25/4 to Kobbai in Bela Mandal of Adilabad District” was sanctioned in February 2014 at an estimated cost of ₹5.75 crore for a road length of 11.07 km. In November 2014, a 3.4 km section (0/0 to 3/4) of the same road received ₹one crore funding from MRR grant through the State Budget for BT renewal. This segment of the 3.4 km road was improved with ₹0.98 crore from the State Budget amount.

Subsequently, the remaining 7.67 km stretch of the road was upgraded under PMGSY-II from January 2015 to April 2017, costing ₹5.56 crore. Later, PIU, Adilabad, utilised the savings from the PMGSY-II funds for other two non-sanctioned works¹⁰⁸ beyond the scope of the original work sanctioned under PMGSY-II.

State Government replied (November 2023) that to establish connectivity to villages Chaprala and Devujiguda, two cross drainage works were constructed with the recommendations of National Quality Monitors (NQMs) and State Quality Monitors (SQMs) at the time of visit of the site. Besides, on the request of Hon’ble MLA, Adilabad and the villagers, the two cross drainage works were taken up and completed, duly utilising the savings.

National Quality Monitors advised the PIU to take approval from the competent authority before start of new works from the savings. State Government, however, did not furnish

¹⁰⁸ (i) Construction of two vent of 6m span: ₹48 lakh and (ii) Construction of road dam 30 vent at km 4/2: ₹42.38 lakh

evidence in support of permission obtained from the competent authority (MoRD) for execution of the new works from savings amount. Thus, taking up of new works not sanctioned by MoRD under PMGSY-II was irregular.

3.3.6.2 *Wasteful expenditure on incomplete road work under CRR due to non-interlinking of road and bridge works*

The road work “Providing BT Road from Tharoda to Sawapur via Hashimpur, Jainath Mandal of Adilabad District” for a length of 4.2 km was sanctioned (December 2014) under CRR funds through State Budget. The work was awarded to a contractor in May 2015 for an Estimated Contract Value of ₹2.17 crore.

During JPV (May 2023) of the work, it was observed that road was laid from Tharoda to Hashimpur for a length of 2.14 km and from Hashimpur after laying a road of length 1.38 km towards Sawapur, the work was stopped without connecting the Sawapur Village. This was due to non-completion of Bridge-cum-Check Dam in between Hashimpur and Sawapur Villages (**Exhibit No.1**).

The Bridge-cum-Check Dam was sanctioned in July 2018 at a cost of ₹two crore under “Special Development Fund for Welfare and Development Activities” to connect rural remote areas and reach the District Headquarters by the villagers.

Audit observed from the records that District Collector, Adilabad sought for (August 2021) revised Administrative Sanction from the State Government for an amount of ₹3.75 crore for the work. However, due to non-receipt of revised Administrative Sanction, the Bridge-cum-Check Dam work was not completed.

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 of Tharoda and Sawapur as depicted in **Chart-3.13** could not be achieved even after a lapse of more than eight years.

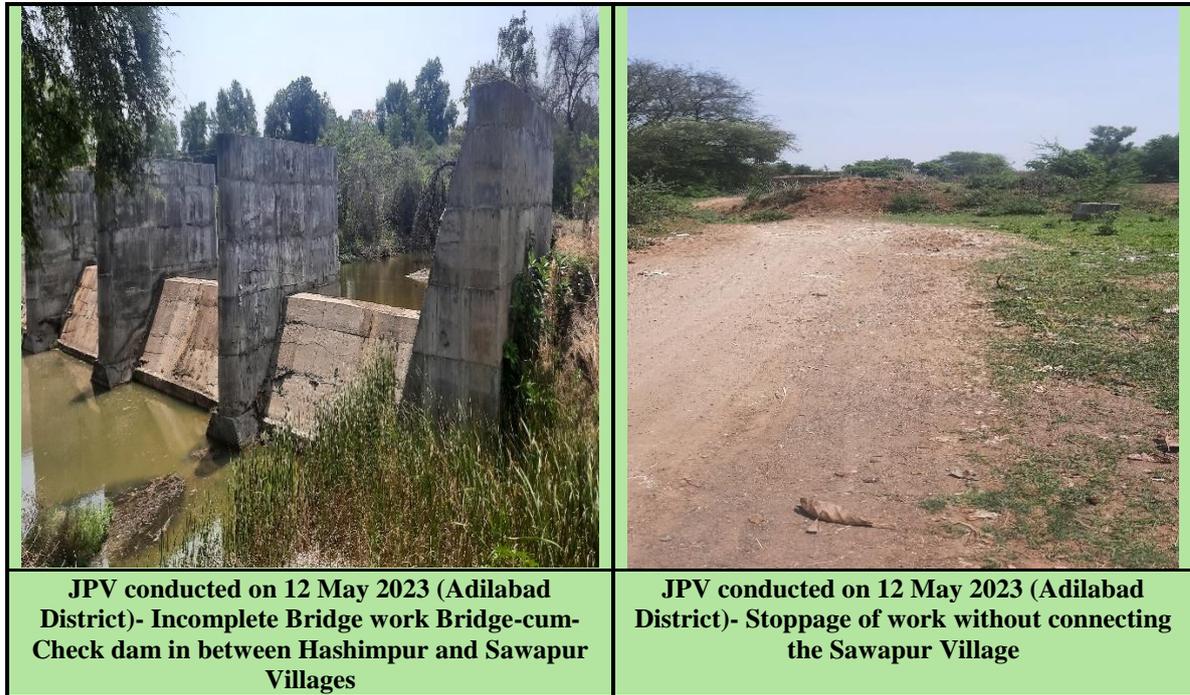
Chart-3.13: Image showing the proposed connectivity from Tharoda village to Sawapur village (via) Hashimpur



This indicated that proper survey and field investigations were not carried out before proposing the road work under CRR. The need for the Bridge-cum-Check Dam was not

interlinked with the proposed road work. Non-interlinking of the two works resulted in wasteful expenditure of ₹64.68 lakh on the incomplete road work.

Exhibit No.1



The State Government accepted (November 2023) the audit observation and stated that soon after the receipt of the revised Administrative sanction amount of ₹3.75 crore, the remaining Bridge-cum-Check Dam work would be taken up and the total road would be made available for traffic for the target villages.

The reply underscores the fact that the need for the Bridge-cum-Check Dam was not interlinked with the proposed road work and the rural road connectivity between Tharoda and Sawapur villages could not be achieved even after a lapse of more than eight years of sanction of the rural road work under CRR.

3.3.6.3 Road constructed for Krishna Pushkaralu-2016 under CRR Grant without rural connectivity

The work “Providing BT on Road from R&B Road to Old Sasanool of Itikyala Mandal under CRR Grant from State Budget” was sanctioned (March 2016) at an estimated cost of ₹1.50 crore in connection with Krishna Pushkaralu-2016. As per the completion report (May 2018) and 3rd and Final Bill recorded in the Measurement Book, an amount of ₹1.40 crore was incurred as expenditure for the work.

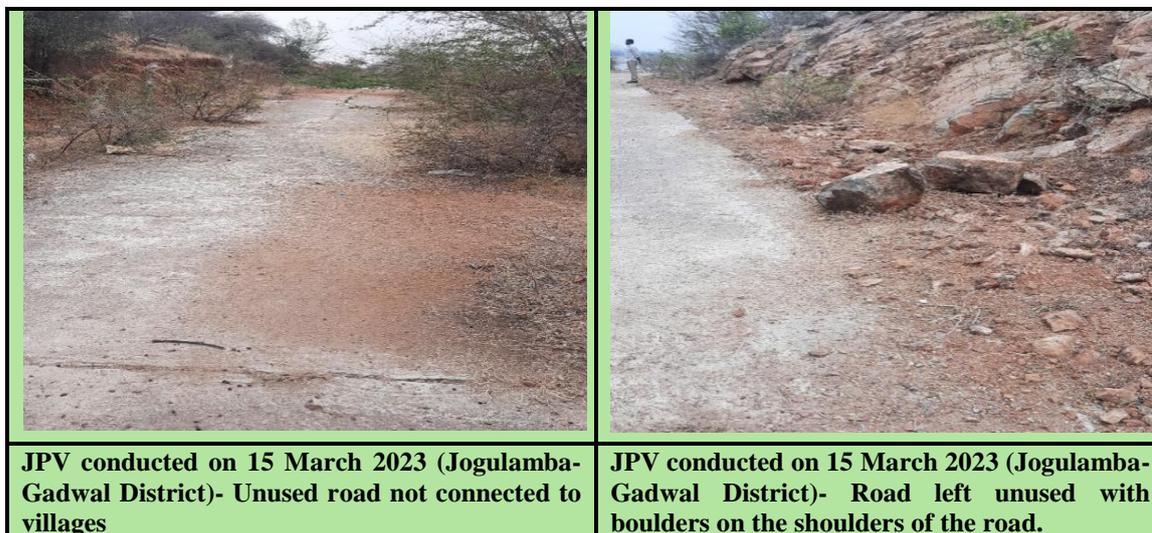
During JPV of the work (March 2023), Audit observed the following:

- a. The CC road portion leading to the hill was covered with bushes, boulders and left without maintenance.
- b. No bathing ghats were existing adjacent to the road or near to the road leading to the river.
- c. The road had no regular traffic and not connected to other network of roads to cater

to the needs of nearby villages (**Exhibit No.2**).

Hence, the road work constructed for seasonal traffic did not serve the purpose of rural connectivity and the same was left unused and resulted in wasteful expenditure of ₹1.40 crore.

Exhibit No.2



State Government accepted (November 2023) the Audit observations and stated that the road was executed to meet the traffic in Pushkaralu period only and no further maintenance was taken up on this road in normal days.

The reply confirms the fact that the road work was constructed for temporary purposes without serving the need for rural connectivity.

3.3.6.4 Cross Drainage work sanctioned under NABARD (RIDF) not taken up

The work “Construction of Cross Drainage work on Road from Tantoli to Sirkonda via Society Guda of Adilabad District” was sanctioned (November 2015) by NABARD at a cost of ₹30 lakh. This was later revised (April 2016) to ₹45 lakh by the State Government with an additional cost of ₹15 lakh to be met from Irrigation & Command Area Development Department for construction of Bridge-cum-Check Dams.

Subsequently, Superintending Engineer, PR Circle, Adilabad requested (September 2016) the Chief Engineer (PR), Hyderabad for a revised Administrative sanction for an amount of ₹1.16 crore for execution of the work including Bridge-cum-Check Dams.

Audit observed during scrutiny of records that neither revised Administrative sanction was accorded, nor the work was taken up by PIU, Adilabad with earlier sanctioned amount of ₹45 lakh. Further, after a lapse of four years, PIU, Adilabad proposed (January 2021) for another revised Administrative sanction for an amount of ₹1.44 crore, on the grounds of increase in cost, recasting of estimates as per the Standard Schedule of Rates 2020-21 and also due to increase in rates of Statutory Recoveries.

State Government accepted (November 2023) the observation and stated that the works would be taken up, once the revised Administrative sanction is received.

3.3.6.5 Incomplete Rural Road work due to non-completion of connecting High Level Bridge work

The road work “Kukunurpally to Burugupally Sivar via Mangole, Thipparam in Kondapak Mandal of Siddipet District’ was sanctioned in 2020-21 under PMGSY-III at a cost of ₹3.15 crore with Package. No.TS21KPIIA12 (Batch-1). The work was awarded (September 2020) to a contractor with a stipulation to complete the work by August 2022. Out of sanctioned road length of 6.11 km, the work was executed for 4.966 km and an expenditure of ₹2.90 crore was incurred as of May 2023.

Further during the same year 2020-21, on the same stretch of the road, the work “Construction and Maintenance of High Level Bridge (HLB) on road from Kukunurpally to Burugupally Sivar via Mangole, Thipparam in Kondapak Mandal of Siddipet District” was sanctioned by MoRD, GoI under PMGSY-III for a total cost of ₹3.49 crore with the same Package No.TS21KPIIA12 (Batch-2). The work was entrusted (October 2021) to a contractor with a stipulation to complete the work (April 2023).

The PIU, Siddipet informed (May 2023) that the HLB work was not yet started due to water stagnation at site.

Hence, due to non-commencement of the proposed construction and maintenance work of HLB, which was on the same stretch of the road earlier sanctioned under Batch-1, the remaining portion of road work of 1.144 km could not be completed even after lapse of one year of the original completion date.

This indicated that effective planning was not done before executing two different interlinked works on the same stretch of the road length.

State Government replied (November 2023) that the Bridge work was badly delayed due to reduced working season on account of continuous flow of water from Kondapochamma Sagar project on upstream side and existing check dam on downstream side causing standing back water throughout the season.

Further, it was stated that the work was under progress and efforts were being made for early completion of the HLB with Extension of Agreement Time (EoAT) sanctioned for the work up to 7 October 2024.

3.3.6.6 Avoidable Expenditure due to Adoption of Higher Design Specifications

Para 2.1.3 of the Guidelines for Design of Flexible Pavements for Low Volume Rural Roads stipulate that using the design traffic parameter and the sub-grade strength parameter, the pavement thickness and composition can be determined from the Design Catalogue given in Para 8 of the Guidelines. The pavement composition is given in Para 5.1 of the Guidelines.

Para 2.2.3 of the Guidelines stipulate that considering design California Bearing Ratio (CBR)¹⁰⁹ of the sub-grade soil and projected traffic at the end of design life, total thickness

¹⁰⁹ The California Bearing Ratio is a measure of the strength of the subgrade of a road or other paved area, and of the materials used in its construction

required should be calculated, using design catalogue as given in Figure-4 of the Guidelines.

Para 8 of the Guidelines prescribe the recommended flexible pavement designs for low-volume rural roads with granular sub-bases and bases, which are given in Figure-4 of the Guidelines. The corresponding Figure-4 relating to the Guidelines of IRC:SP:72-2007 and IRC:SP:72-2015 are given in **Appendices-3.26** and **3.27** respectively.

Further, Para 4.6 of Guidelines for Design and Construction of Low Volume Roads (IRC:SP:62-2014) prescribes the thickness of cement concrete pavement as 160 mm for traffic up to 50 Commercial Vehicle Per Day (CVPD). The crust thickness to be adopted as per the IRC Manuals SP-72-2007 and SP-72-2015 are given in **Table-3.45**.

Table: 3.45: Specifications for pavements as given in IRC Manuals SP-72-2007 and SP-72-2015

S. No.	CBR Value (Per cent)	Traffic Category	GSB ¹¹⁰ (mm)	WBM ¹¹¹ Gr.-II (mm)	WBM Gr.-III (mm)	OGPC ¹¹² (mm)
IRC:SP-72-2007						
1	3-4	T3	100	100	75	20
2	3-4	T4	100	100	75	20
3	3-4	T5	100	100	75	20
4	3-4	T6	100	100	75	20
5	5-6	T7	100	150	75	20
IRC:SP-72-2015						
1	3-4	T3	175	75	75	20
2	3-4	T4	125	75	75	20
3	3-4	T5	125	75	75	20
4	3-4	T6	100	150	75	20
5	5-6	T7	100	150	75	20

Source: IRC Manuals SP-72-2007 and SP-72-2015

Note: The recommended thickness of 100 mm WBM Grade-II may be modified to 75 mm with corresponding increase of 25 mm in GSB thickness

Audit observed that in 15 road works, the pavement crust/thickness was constructed with specifications higher than that prescribed in the IRC Manuals *ibid*, which resulted in avoidable expenditure of ₹1.18 crore (Details in **Appendix-3.28**).

The State Government replied (November 2023) in respect of flexible pavements of 11 road works (Sl. Nos. 1, 2, 4 to 7, 9 to 12 and 15 of **Appendix-3.28**) that the technical sanction to the work was given in February 2015 and the designs were adopted as per IRC-SP-20-2002 which was reprinted in 2013.

The reply of the State Government was not in consonance with the fact that Chapter-5 of IRC-SP-20-2002 containing the design of flexible pavement for BT Roads was revised in 2007 (as IRC-SP-72-2007) and IRC-SP-72-2007 was again revised in 2015

¹¹⁰ Granular Sub-Base (GSB) is a naturally occurring or artificially created building material used as a sub-base layer for roads

¹¹¹ Water Bound Macadam (WBM) road refers to a particular type of road construction where the base is built with broken stones and the road's surface is bound by stone dust with the help of moisture

¹¹² OGPC: Open Graded Premix Carpet

(as IRC-SP-72-2015). Hence, adoption of specifications for rural road works as per IRC-SP-20-2002 was not correct.

The State Government replied in respect of road work at Sl. No. 3 of **Appendix-3.28** that at the time of DPR preparation the IRC specifications were recommended, but in the intervening period of DPR preparation and execution, it was found that the sub-grade was totally worn out and badly damaged due to incessant rains. Hence, the recommended specification was not considered and a layer of Granular Sub-Base (GSB) of 150 mm was adopted.

The reply was not acceptable in the absence of documents in support of damage of sub-grade due to incessant rains.

The State Government replied in respect of road work at Sl. No. 8 of **Appendix-3.28** that in the DPR, as against the recommended thickness of 175 mm GSB 150 mm was considered, but in the intervening period of DPR preparation and execution, it was found that the existing GSB layer was totally worn out and damaged due to incessant rains. Hence, the GSB of 175 mm thickness was executed ignoring the existing damaged GSB.

The reply of the Government was not acceptable in the absence of documents in support of damage of GSB due to incessant rains.

Regarding adoption of higher specifications for cement concrete roads, the State Government replied (November 2023) that, keeping in view of higher temperature due to global warming, differential temperature was to be considered as per the annexure to the clause 4.5 of IRC SP 62-2014. Accordingly, higher specifications were considered for cement concrete roads.

The reply was contrary to the fact that as per Para 3.4 and 4.6 of the IRC-SP-62-2014, the need of consideration of temperature differential and temperature stresses was not required for road works with traffic less than 50 CVPD. In the instant cases, the CVPD for the cement concrete roads was less than 50 CVPD.

3.3.7 Joint Physical Verification of Road Works

3.3.7.1 Poor Maintenance of Roads

To assess the quality of roads executed, out of sampled 224 roads in selected five districts, Joint Physical Verifications (JPV) of 164 roads¹¹³ were conducted by audit teams in the presence of staff of the implementing agencies. The summary of Audit findings of JPV is as below:

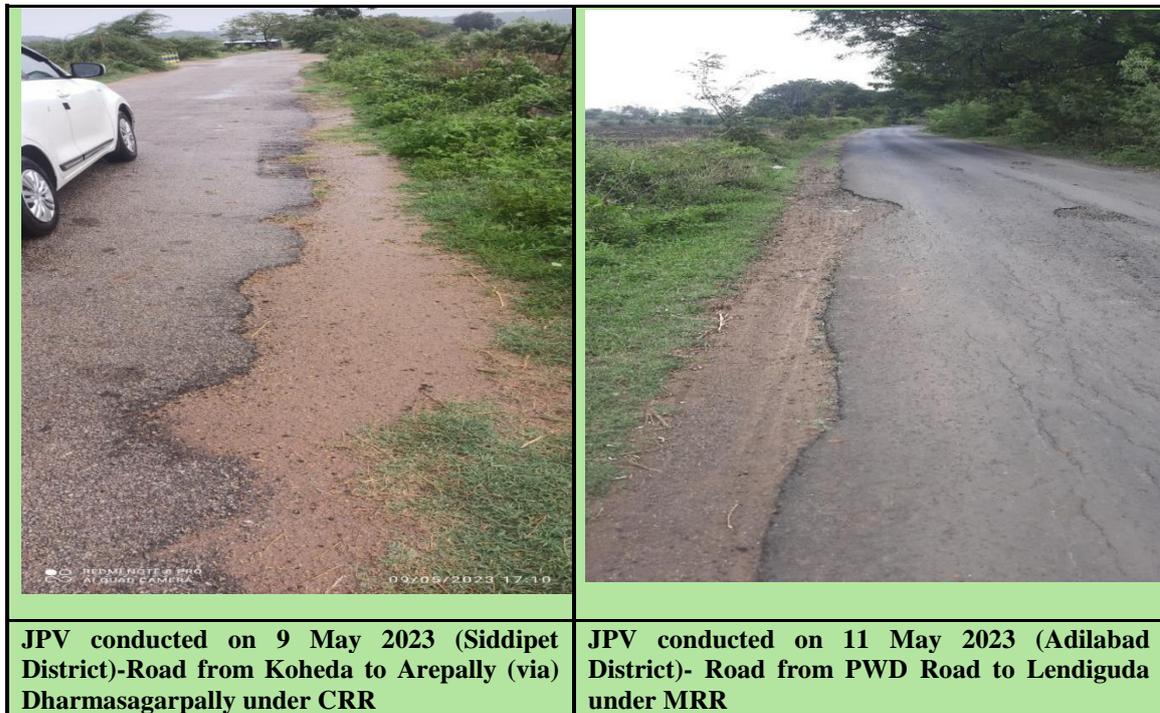
- (i) BT part of the Road
 - a. Edge of pavement broken (**Exhibit No.3**)
 - b. BT layer removed in patches/worn out (**Exhibit No.4**)
 - c. Potholes below BT layer (**Exhibit No.5**)
 - d. Cracks in Pavement (**Exhibit No.6**)
 - e. Pavement cutting for laying pipeline (**Exhibit No.7**)

¹¹³ Adilabad: 27 works, (ii) Jogulamba-Gadwal: 2 works, (iii) Mahabubabad: 60 works, (iv) Medchal-Malkajgiri-5 works and (v) Siddipet: 67 works

- f. Shoulders of road eroded and or covered with bushes (**Exhibit No.8**)
- (ii) Cement Concrete part of the Road
 - a. Uneven/rough surface due to removal of Cement Concrete (**Exhibit No.9**)
 - b. Cracks in surface (**Exhibit No.10**)
 - c. Shoulders eroded and or covered with bushes (**Exhibit No.11 (A)**)
 - d. Shoulders not provided on either side of the road (**Exhibit No.11 (B)**)
- (iii) Cross Drainage Works (**Exhibit No.12**)
 - a. Guard Stones broken
 - b. Cement Concrete surface broken

The deficiencies at Sl. Nos. (i), (ii) and (iii) above indicated improper maintenance of rural roads. Besides, this was also due to non-preparation of Annual Rural Roads Maintenance Plan (*Para 3.3.4.3(i) refers*).

BT part of the Road-Exhibit No.3: Edge of the pavement broken



BT part of the Road-Exhibit No.4: BT layer removed in patches or worn out



JPV conducted on 4 May 2023 (Siddipet District)-Rajiv Rahadari to Gundla Cheruvu under CRR



JPV conducted on 11 May 2023 (Adilabad District)- Road from PWD Road to Lendiguda under MRR

BT part of the Road-Exhibit No.5- Potholes below BT layer



JPV conducted on 5 May 2023 (Adilabad District)- Road from NH7 to Arli-B (via) Landa Sangvi under MRR



JPV conducted on 6 May 2023 (Siddipet District)-Road from Angadikistapur to Ippalaguda under CRR

BT part of the Road-Exhibit No.6: Cracks in Pavement



JPV conducted on 8 May 2023 (Siddipet District)- Road from Mulugu-Tunki ZP Road to Rajiv Rahadari under CRR

JPV conducted on 11 May 2023 (Adilabad District)- Road from PWD Road to Lendiguda under MRR

BT part of the Road-Exhibit No.7: Pavement cutting for laying pipeline



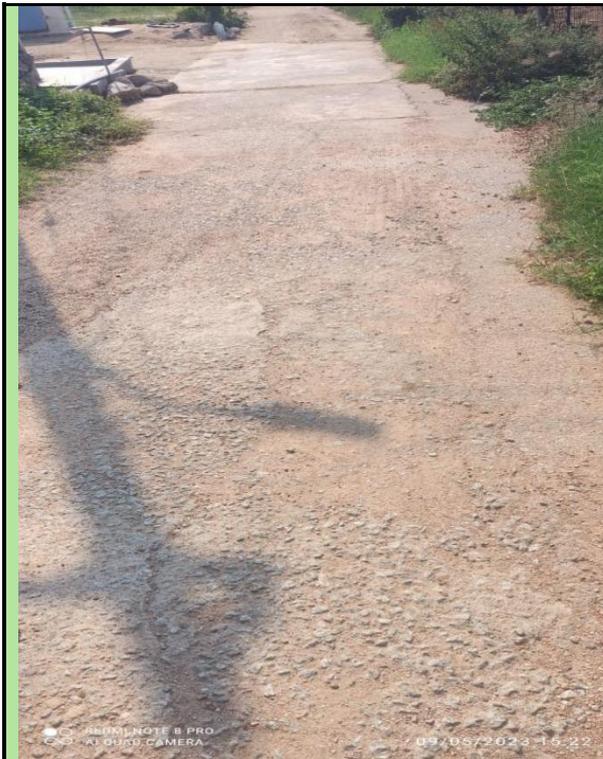
JPV conducted on 4 May 2023 (Siddipet District)- Road from Kodandaraopally village to Laxmidempally SC Colony under CRR

BT part of the road-Exhibit No.8: Shoulders of road eroded and or covered with bushes



JPV conducted on 13 April 2023 (Mahabubabad District)- Road from PWD Road Thanamcherla to Kotya Thanda under MRR

**Cement Concrete part of the road-Exhibit No.9:
Uneven/rough surface due to removal of Cement Concrete**

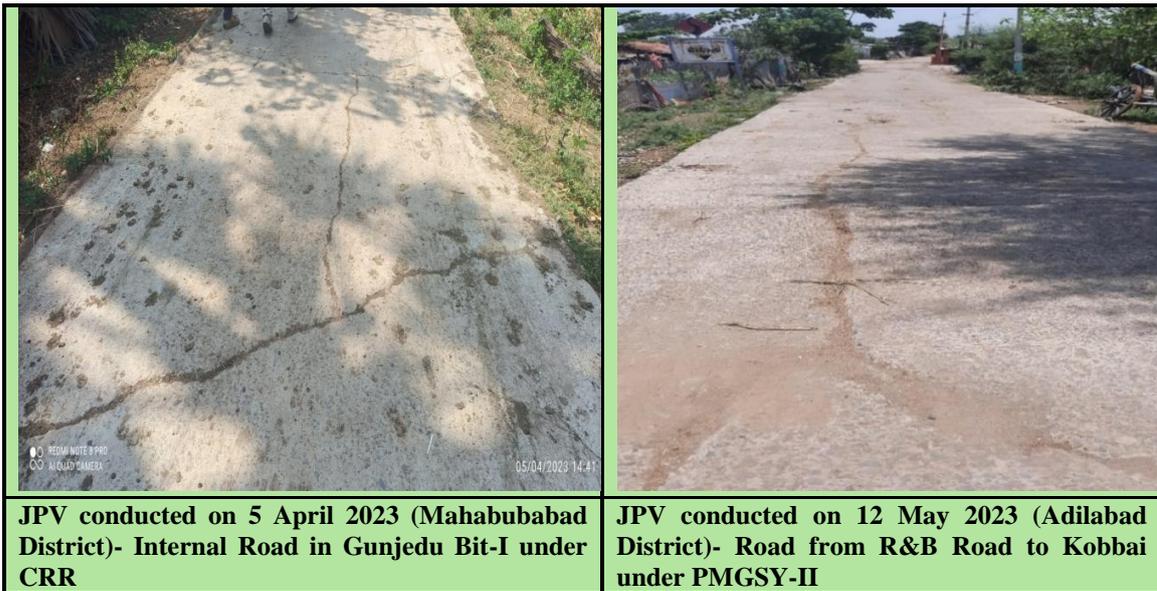


JPV conducted on 9 May 2023 (Siddipet District)- Road from CC Road from CH Bala Reddy House to Bakka Reddy House at Laxmipur

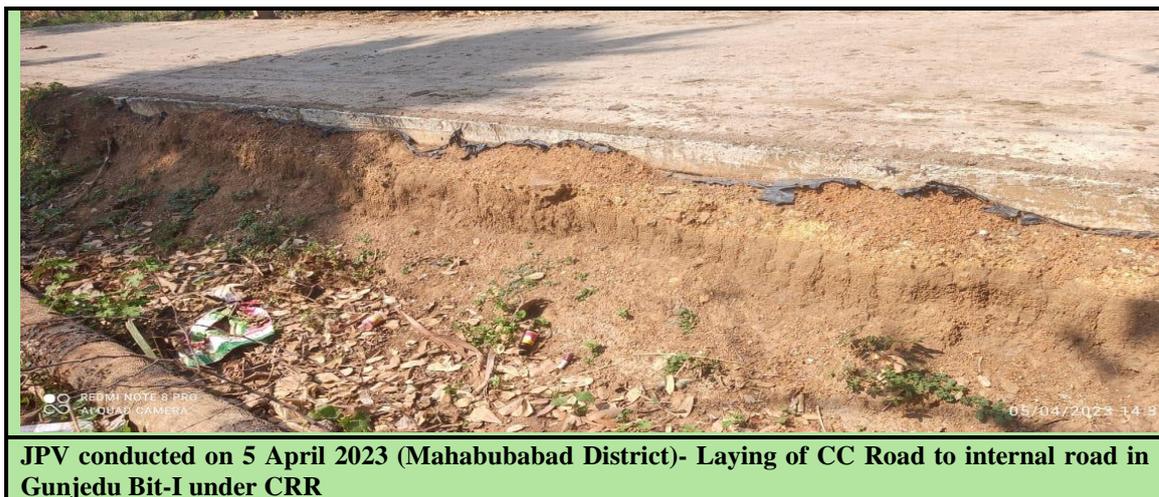


JPV conducted on 11 May 2023 (Adilabad District)- Road from Sirichelma to Neredigonda G in Echoda under PMGSY-I

Cement Concrete part of the road-Exhibit No.10: Cracks in surface



**Cement Concrete part of the road - Exhibit No.11 (A) :
Shoulders eroded and or covered with bushes**



**Cement Concrete part of the road - Exhibit No.11 (B) :
Shoulders not provided on either side of the road**



Cross Drainage Works-Guard Stones broken: Exhibit No.12



State Government stated (November 2023) that the repair works would be taken up for those roads which are covered under defect liability period and necessary steps would be taken for repairs to the remaining works. Further, the State Government replied that the deficiencies would be rectified.

3.3.7.2 Roads damaged within defects liability period of five years

Para 3.3 of the Guidelines for Design of Flexible Pavements for Low Volume Rural Roads of Indian Roads Congress recommends a design life of 10 years for purposes of pavement design for flexible pavements¹¹⁴. Further, as per Para 3.3 of the Guidelines for Design and Construction of Cement Concrete Pavements for Low Volume Roads, concrete pavements¹¹⁵ will have a design life of 20 years or higher. The roads after completion of construction are to be put to routine maintenance during five year defect liability period for correction of defects, if any. Audit observed during JPV that 10 roads got damaged within the defects liability period of five years (*Appendix-3.29*) which indicated poor maintenance of roads by the PIUs (**Exhibit No.13**).

Exhibit No.13 Roads damaged within the defects liability period



¹¹⁴ Para 3.3 SP-72-2015

¹¹⁵ Para 3.3 SP-62-2014

	
<p>BT and CC Road from Jagdevpur to Vardharajpur (via) Lingareddypally, Itikyala, Kothapet under CRR (6 May 2023)</p>	<p>BT Road from Koheda to Arepally (via) Dharmasagarpally under CRR (9 May 2023)</p>
	
<p>BT and CC Road from PWD Road to Chepur Thanda under PMGSY-I (4 April 2023)</p>	<p>BT and CC Road from Alair to Komatipally of Nellikudur and Kesamudram Mandals under PMGSY-II (6 April 2023)</p>

State Government replied (November 2023) that, DLP for works under CRR as per agreement was only two years after completion of the work.

The reply of the State Government regarding DLP period of two years for the works under CRR was contrary to the fact that in Agreements for CRR works, it was mentioned that DLP and Routine Maintenance would be for five years, which begins after completion of the work and ends after five years.

Regarding the JPV observations on the test checked cases pertaining to BT/CC Road works under CRR, the State Government attributed the damages/cracks/potholes to various reasons¹¹⁶ and stated that defects would be rectified while undertaking BT/CC renewals after obtaining administrative sanction.

Similarly, regarding the JPV observations on PMGSY works, the State Government replied that except for some parts of the road the remaining portion was in good condition and the defects/damages in those portions would be attended to.

¹¹⁶ Plying of vehicles and tractors, cage wheels/bullock carts, digging of shoulders for laying water pipelines during execution of works by Mission Bhagiratha Department

3.3.7.3 Erection of Logo and Sign Boards for PMGSY works and Name Boards for road works executed under CRR and MRR

Para 14.5 of PMGSY Operations Manual, 2005 mandated provision of PMGSY Logo and Sign Boards for the rural roads executed.

The sanction orders for CRR and MRR works also mandate provision of Village Name Boards and Information Boards for the road works executed.

The JPV observations on erection of PMGSY Logo and Sign Boards (**Exhibit No.14** and Name Boards for CRR, MRR works (**Exhibit No.15**) are detailed in **Table-3.46**.

Table-3.46: Details of erection of PMGSY Logo and Sign Boards and Name Boards for CRR, MRR works

Name of the Programme and description	PMGSY	CRR	MRR
Number of works test checked in JPV for erection of PMGSY Logo, Sign Board and CRR, MRR Name Boards	31	74	47
Number of works <i>with</i> PMGSY Logo and Sign Boards/Name Board for CRR and MRR works both at beginning and at the end of the road	21	1	2
Number of works <i>without</i> PMGSY Logo and Sign Boards/Name Board for CRR and MRR works both at beginning and at the end of the road	10	73	45
Percentage of number of works <i>without</i> PMGSY Logo and Sign Boards/Name Board for CRR and MRR works both at beginning and at the end of the road	32.26	98.65	95.74

Source: JPV data during field audit

Exhibit No.14: PMGSY Logo and Sign Board with sanction road cross section , road sanction and construction details



3.3.8 Quality Control and Monitoring

(A) PMGSY Works

3.3.8.1 Non-conduct of Joint Inspections

Para 15.10.1, 15.10.2 and 15.10.3 of the PMGSY Guidelines, 2015 provide that joint inspection of the PMGSY works shall be fixed by (i) Zonal Engineer by requesting the Member of Parliament and Zilla Pramukh of that zone/region once in six months, (ii) Divisional Engineer by requesting the Member of Legislative Assembly and Chairperson of Mandal once in three months, and (iii) Sub-divisional Engineer by requesting the Sarpanch of Gram Panchayat concerned once in two months respectively, as per the convenience. Documentary evidence in support of joint inspections conducted were not furnished to Audit.

DPRE, PIU, Mahabubabad stated that, joint inspections would be held with PRI heads and members of constitutional bodies.

DPRE, PIU, Siddipet stated (May 2023) that, MPs/MLAs were examining the works and SE, EE and AE were conducting joint inspections frequently.

DPRE, PIU, Gadwal stated (August 2023) that, joint inspections of MLA with other public representatives were made to some extent before/at the time of laying of foundation stone.

The State Government replied (November 2023) that, joint inspections were being conducted regularly as per the availability of the public representatives (MP/ MLA). As and when the inspections were completed the same were being entered in Online Management, Monitoring and Accounting System (OMMAS).

The reply is not acceptable, as on verification of OMMAS website (omms.nic.in), it was noticed that no joint inspections by public representatives were done in the State of Telangana during April 2017 to July 2023.

3.3.8.2 Non-submission of Action Taken Report for the work graded as 'Unsatisfactory' by National and State Quality Monitors

(A) PMGSY Works

Para 11.6.1 of the PMGSY Operations Manual, 2005 stipulates that as the third tier of the Quality Management Structure, the NRRDA engages independent NQM, mostly retired Senior Engineers from State/ Central Organisations for Quality Control inspections of PMGSY works.

The work "Road from Sirichelma to Neredigonda G in Echoda Mandal of Adilabad District" sanctioned (March 2018) by MoRD, GoI under PMGSY at a cost of ₹3.31 crore was completed in December 2019 at a cost of ₹3.22 crore.

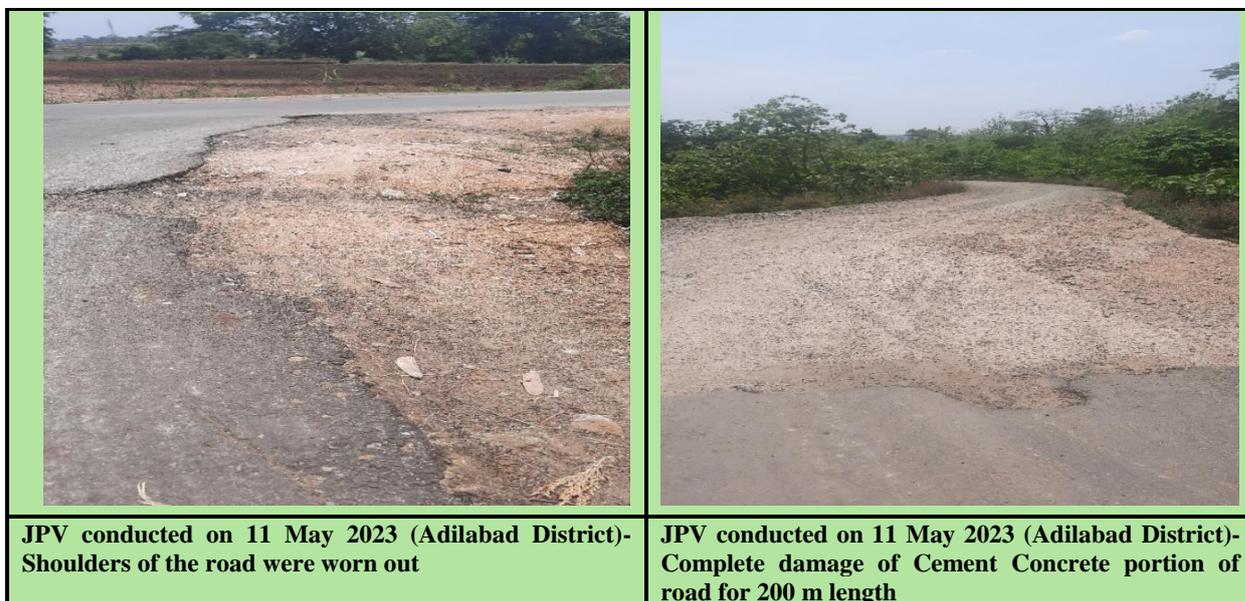
Analysis of the OMMAS data on SQM and NQM inspections of the work revealed the following:

- a. NQM had conducted two inspections in January 2020 and August 2021 and gave overall grading as 'Unsatisfactory'.
- b. SQM conducted three inspections during February 2019 to May 2020 and gave overall grading as 'Unsatisfactory'.

Audit observed during JPV of the work conducted in May 2023 (**Exhibit No.16**) that-

- i. Shoulders of the road were worn out
- ii. Complete damage of Cement Concrete portion of road for 200 m length
- iii. Blockage of vents of Cross Drainages at two stretches of the road.

Exhibit No.16



Further, Para 11.6.3 of the PMGSY Operations Manual, 2005 requires the State Quality Coordinator (SQC) to obtain the Action Taken Reports (ATRs) from PIU after the lapse of one month of inspection for communication to NRRDA. However, ATRs for the work were not communicated by the PIU, Adilabad to SQC.

State Government replied (November 2023) that the defects pointed out by Audit during JPV would be attended as a part of routine maintenance after taking the permission of the Forest Range Officer.

(B) CRR and MRR Works

- (i) The works were to be monitored under the overall supervision of SEs and CEs of the PRED in the State. However, Monitoring Reports for the sampled 171 works undertaken under CRR and MRR were not furnished to Audit.
- (ii) General Administration (Vigilance and Enforcement) Department in its Appraisal Report (August 2018) on the review of engineering works of PR Department had observed deficiencies in the execution of six works. Audit noticed that out of six works, there were deficiencies on one sample selected work under MRR in selected district of Jogulamba-Gadwal - "Providing BT Road from PWD Road to Sindanoor via Leeza Mandal Complex, Uttanoor, Bhoompur". Further, it proposed recovery of ₹2.84 lakh from the contractor for the deficiencies. However, the amount was not recovered yet by the PIU, Jogulamba-Gadwal.

State Government replied (November 2023) that the recoveries proposed would be affected at the time of payment by the concerned DPRES (PIUs) or the Executive Engineers, as the payment authority.

(C) NABARD (RIDF) Works

Para 4.4 of RIDF Manual stipulates that the monitoring of RIDF projects by NABARD is conducted by the Engineers/Officers through the following two tools:

- i. Desk Monitoring (off-site) and
- ii. Field Monitoring (on-site)

The details of monitoring by the Engineers for sample selected 11 works undertaken under NABARD (RIDF) were not furnished to Audit.

The State Government replied (November 2023) that, Desk Monitoring (off-site) and Field Monitoring (on-site) were carried out by the concerned Engineers and quality control Engineers within the specified time. The documentary evidence for monitoring carried out, however, were not furnished to Audit.

3.3.9 Conclusion

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.

Though mandated as per Telangana Rural Roads Maintenance Policy, 2017, the PRED did not prepare Annual Rural Roads Maintenance Plan every year as of March 2023.

There were instances of delays in crediting MoRD, GoI share pertaining to PMGSY works by the State Government into TSRRDA Account and also delays in release of matching State share into TSRRDA Account.

There were instances of non-completion of rural road connectivity due to connecting bridge works on the same stretch of roads remaining incomplete. This indicated lack of proper planning in execution of works.

There were instances of roads laid with higher specifications in contravention of the specifications prescribed in IRC Manual resulting in avoidable expenditure.

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

Action Taken Reports on NQM and SQM Inspections were not submitted by PIUs to SQC for effective follow-up.

Joint Physical Verification of selected roads showed that roads were badly damaged within the defects liability period. This indicated poor maintenance of roads.

3.3.10 Recommendations

1. 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.
2. The State Government may ensure all clearances and availability of funds to facilitate the smooth and prompt completion of works.

3. The State Government may adhere to road specifications mandated in the IRC Manual, instead of using higher specifications to avoid unnecessary expenditure.
4. The State Government may ensure joint inspections of PMGSY works by engineering staff with public representatives, as mandated in PMGSY Guidelines.
5. 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.

Consumer Affairs, Food and Civil Supplies Department

3.4 Irregular expenditure due to lifting of subsidised rice by ineligible persons

Lack of proper mechanism for identification of 83,545 ineligible/deceased beneficiaries in absence of a system for periodic validation/updating of Ration Cards in Civil Supplies Department resulted in irregular expenditure of ₹135.16 crore. Out of these cases, suspected fraudulent claims in respect of 309 deceased persons resulted in a loss of ₹6.31 lakh to the exchequer.

The Commissionerate of Civil Supplies (Department) functioning under the administrative control of the Consumer Affairs, Food & Civil Supplies Department, Government of Telangana, is responsible for implementation of the National Food Security Act, 2013 (NFSA) in the State. The NFSA is an Act of Parliament to provide food and nutritional security to all by ensuring access to adequate quantity of quality food at affordable prices through the Targeted Public Distribution System (TPDS). Under NFSA, an eligible Below Poverty Line (BPL) household is provided with the Food Security Card (FSC) *i.e.*, Ration Card to provide food security to the family members.

As per Section 10 of the NFSA read with Clause 4 of the Targeted Public Distribution System (Control) Order, 2015¹¹⁷, the State Government is responsible for identification of eligible households, issue and periodical updating of Ration Cards.

Audit scrutiny (July to December 2022) of records of the Department relating to the implementation of NFSA in Telangana State for the period from 2019-20 to 2021-22 revealed lack of proper mechanism for identification of ineligible beneficiaries and updating of ration card database, resulting in irregular expenditure as detailed below:

(i) As per Rule 3 read with Annexure-1 of the Telangana State Public Distribution System (Control) Order-2016¹¹⁸ and Rule 3 of the Telangana Food Security Rules, 2017¹¹⁹, the families/households whose annual family income is ₹1.50 lakh or below in rural areas and ₹2 lakh or below in urban areas are eligible for issuance of ration cards. Audit analysis of

¹¹⁷Issued by GoI under Section 3 of the Essential Commodities Act, 1955

¹¹⁸ Issued by Government of Telangana under Section 3 read with Section 5 of the Essential Commodities Act, 1955

¹¹⁹ Issued by Government of Telangana under Section 40 (i) of NFSA

the data of ration card holders in the State revealed that 58,225 ineligible households whose family income was higher than the above-mentioned income limit continued to hold ration cards as shown in the **Table 3.47** below:

Table 3.47 – Details of Ineligible Ration Card holders

Sl. No.	Ineligibility criteria	No. of ineligible households identified by Audit
1	Ration Card data (pertaining to the years 2020-21 and 2021-22) were compared with the data of PM KISAN scheme ¹²⁰ (2020-21) and found that these beneficiaries were marked as Income Tax payers in the PM KISAN database.	52,339
2	Ration Card data were compared with data of the Rythu Bandhu Scheme ¹²¹ (pertaining to 2019 Rabi season) and found that these beneficiaries were possessing more than 15 acres of land and receiving ₹10,000 per acre per annum under Rythu Bandhu scheme, amounting to a total annual income of more than ₹1.50 lakh, i.e., above BPL.	5,886
Total		58,225

Source: Comparison of the Ration Card data provided by the Department with the PM KISAN data of GoI and Rythu Bandhu data of the State Agriculture Department

As per the information¹²² furnished by the Commissioner of Civil Supplies, these 58,225 ineligible ration card holders had drawn 17,985.327 MT¹²³ of rice in 2020-21 and 19,690.906 MT of rice in 2021-22 (including the rice distributed under Pradhan Mantri Garib Kalyan Anna Yojana - PMGKAY), as detailed in **Appendix-3.30**.

Since these beneficiaries were not eligible for issue of ration card, providing PDS rice to them resulted in an irregular expenditure of ₹124.38 crore (₹84.20 crore to GoI + ₹40.18 crore to Telangana Government) towards the subsidy provided on the rice drawn (i.e., the economic cost of the rice drawn) by these ineligible beneficiaries during 2020-21 and 2021-22.

Thus, absence of a mechanism for periodic updating of the ration cards and identification of ineligible beneficiaries resulted in an irregular expenditure of ₹124.38 crore.

On this being pointed out (December 2022), the Commissioner of Civil Supplies and Ex-Officio Secretary to Government, Civil Supplies Department replied (October 2023) that the details of ineligible card holders identified by Audit were submitted to Government for obtaining orders to furnish the data to the concerned District Offices for conducting field verification of eligibility/ineligibility of the beneficiaries and that after field level verification, the ineligible ration cards would be deleted.

Further development was awaited (March 2024).

(ii) A comparison of data of deceased persons¹²⁴ with the ration card data revealed that there were 16,218 cases in 2020-21 and 25,320 cases in 2021-22 where the beneficiary

¹²⁰ A Central Sector Scheme of GoI aimed to augment the income of all the land holding farmers of the country

¹²¹ An Agriculture Investment Support Scheme launched by Telangana State

¹²² Data of month-wise quantities of rice lifted by the ineligible beneficiaries

¹²³ Metric Tonnes

¹²⁴ Data of the Farmers' Group Life Insurance Scheme (Rythu Beema) implemented by Government of Telangana

had died but his/her name had not been deleted from the Ration Card database and ration was still being drawn in their name even after death of the beneficiary.

Non-deletion of the names of these deceased members resulted in drawal of 938.52 MT of rice in 2020-21 and 2,216.53 MT of rice in 2021-22 (including the rice distributed under PMGKAY), in names of the deceased persons after their deaths, as detailed in **Appendix-3.31**.

This resulted in an irregular expenditure of ₹10.78 crore (₹8.31 crore to GoI + ₹2.47 crore to Telangana Government) towards the subsidy provided on the rice drawn (*i.e.*, the economic cost of the rice drawn) in the name of these deceased beneficiaries.

Suspected Fraudulent Lifting of Subsidised Rice

It was also observed from the data of deceased beneficiaries that in 230 cases in 2020-21 and 100 cases in 2021-22 (involving a total of 309 deceased persons¹²⁵) where the beneficiary was the only member registered on the ration card, but ration was still being drawn in his/her name even after death of the beneficiary.

A total quantity of 19.37 MT of subsidised rice was lifted in the name of the Deceased persons after their deaths, in 2020-21 and 2021-22, as detailed in Appendix-3.32. It could not be ascertained by Audit as to how the rice was allowed to be lifted at the Point of Sale (POS), as all lifting by beneficiaries through the ration cards was to be allowed by the POS dealer only after biometric authentication.

The Department's lapse in carrying out periodic updating of ration card database coupled with absence of checks at the POS resulted in suspected fraudulent lifting of subsidised rice, resulting in loss of ₹6.31 lakh (₹4.02 lakh to GoI + ₹2.29 lakh to Telangana Government) to the exchequer.

On this being pointed out (December 2022), the Commissioner of Civil Supplies and Ex-Officio Secretary to Government, Civil Supplies Department replied (October 2023) that all the deceased beneficiaries identified by Audit, except 125 cases which did not match with the PDS data, were verified and deleted from the database. The Department did not furnish the list of these 125 cases.

The fact, however, remained that absence of a proper mechanism to identify and remove the names of deceased beneficiaries from the list of ration cards resulted in an irregular expenditure of ₹10.78 crore.

Recommendations:

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

¹²⁵ 330 cases include 309 unique beneficiaries. In the case of 21 deceased beneficiaries rice had been lifted in both 2020-21 and 2021-22

Irrigation and Command Area Development Department

3.5 Non-recovery of interest on Mobilisation Advance

The Irrigation and Command Area Development (I&CAD) Department did not complete the land acquisition process and obtain forest clearance before awarding the work and releasing of Mobilisation Advance to the contracting agency in Modikuntavagu Project. Further, delay on the part of the Department in encashing the Bank Guarantees to recover the Mobilisation Advance and the non-recovery of interest of ₹6.89 crore resulted in an undue favour to the contracting Agency

As per the established procedure for sanction of estimates¹²⁶ in Irrigation and Command Area Development (I&CAD) Department, the administrative approvals to the estimates for Major and Medium Irrigation Schemes are to be accorded in two stages. The Stage-I approval would be accorded for conducting detailed investigations, preparation of detailed designs/drawings, project reports, Environmental Impact Assessment (EIA) and Environmental Management Plan (EMP) reports, R&R plan, forest clearance, acquisition of minimum lands required, etc. The Stage-II Administrative Approval would be issued only after designs are finalised, detailed investigation completed and lands are acquired for taking up works without interruption, in the first two years.

The Government accorded (May 2005) Administrative Approval for an amount of ₹124.60 crore to take up construction of a reservoir across Modikuntavagu¹²⁷ in Khammam District¹²⁸ with the objective of utilizing 2.751 TMC¹²⁹ (77.924 million cubic metres) of water for irrigating a command area of 13,591 acres (5,500 hectares). Even though the land acquisition was not completed and acquisition of 1,232.53 acres of forest land was still pending for want of forest clearance, the contract for the work of Modikuntavagu Project was awarded (July 2005) to M/s Gammon India Limited (Agency) under Engineering, Procurement and Construction (EPC) Turnkey system for an amount of ₹118.95 crore with a completion period of two years.

After concluding (July 2005) the contract, a Mobilisation Advance (MA) of ₹5.95 crore (five *per cent* of the contract value) was paid to the Agency during 2005-06 against Bank Guarantees (BGs) for ₹5.95 crore furnished by the Agency. As per conditions of the contract related to the issuance of Mobilisation Advance, bearing an interest of eight *per cent* per annum, the advance loan together with interest was to be repaid/recovered from the intermediate payments under the contract. The deduction would commence in the next interim payment following that in which the total of all such payments to the contractor have reached 10 *per cent*.

Audit observed that, the land acquisition of the Patta land for the main canal was completed in certain reaches and the agency was instructed to start the work on the main canal in the

¹²⁶ Issued vide G.O. No.94 dated 01.07.2003

¹²⁷ A tributary of Godavari River

¹²⁸ Now (after re-organisation of Districts) in Mulugu District

¹²⁹ Thousand Million Cubic Feet

reaches where land acquisition was completed¹³⁰. However, in spite of the notice issued (January 2019), the Agency did not start the work. The Department could not recover the Mobilisation Advance from the work bills since the contractor did not execute the work and the value of bills did not reach 10 *per cent* of contract value to commence recovery. Despite non-commencement of work, no efforts were made by the Department to close the contract and to recover the Mobilisation Advance along with interest by encashing the BGs. It was only in April 2019 (*i.e.*, after more than 11 years from the stipulated date of completion of work) that the State Level Standing Committee¹³¹ recommended foreclosure of the contract citing that, the Agency was non-responsive. The Government permitted¹³² (August 2022) closure of the contract and accordingly, the Department issued (October 2023) letter for 'Termination of contract' to the Agency.

Meanwhile, the Department recovered the Mobilisation Advance of ₹five crore by encashing (in February 2020) the BGs. The Department could not recover the remaining advance of ₹94.75 lakh as it had misplaced the BG and the concerned bank did not respond to the request for encashment in the absence of the original BG. As the contracting agency also did not respond to the notices (October/December 2020) to repay the remaining advance, the Department recovered the amount by encashing (April 2023) the BG submitted by the contractor towards the Earnest Money Deposit. Audit, however, observed that the Department did not recover the interest amount of ₹6.89 crore¹³³ accrued on Mobilisation Advance during the period from March 2006 to March 2023.

Thus, the I&CAD Department's inability to complete the land acquisition process and obtain statutory clearances from the line departments before release of Mobilisation Advance to the Agency, coupled with the delays in encashing the BGs to recover the Mobilisation Advance and non-recovery of the interest amount of ₹6.89 crore on the advance resulted in an undue favour to the Agency. Therefore, the Department should take necessary steps to recover the outstanding interest on Mobilisation Advance from the contractor without further delay.

On being pointed out by the Audit, the Government assured (October 2023) that the interest on Mobilisation Advance would be recovered from the contractor's deposits¹³⁴ available with the Department and from other works being executed by the Agency or through other means in due course.

¹³⁰ Out of the total *Patta* land of 187.71 acres required, an extent of 112.28 acres (only 60 *per cent*) was acquired by the year 2012

¹³¹ A committee constituted by Government for examination and approval of the estimates for EPC contracts taken up by the Irrigation Department

¹³² Vide G.O.Rt.no.266 dated 29.08.2022

¹³³ Simple interest at the rate of 8 *per cent* on ₹5.95 crore for 14 years (from March 2006 to February 2020) = ₹6.66 crore and on ₹94.75 lakh for 3 years and 34 days (from March 2020 to 03 April 2023) = ₹0.23 crore. Total = ₹6.89 crore

¹³⁴ Security Deposit of ₹2.07 crore

Irrigation and Command Area Development Department

3.6 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

The Government of the erstwhile combined Andhra Pradesh State had accorded (September 2004) administrative approval for ₹12.56 crore for construction of a new Minor Irrigation (MI) project called Chinna Suddavagu Project in Adilabad District¹³⁵ to irrigate a Command Area (CA) of 4,600 acres of land. The project involved construction of a new MI tank across Chinna Suddavagu stream and excavation of right and left canals. The Irrigation and Command Area Development (I&CAD) Department divided the project works into two packages. The work under Package-I included formation of tank and excavation of right flank canal, while the work of Package-II involved formation of right canal and left canal. Further the Department also included construction of a protective bund in the scope of Package-I to prevent submergence of Gundegaon village (falling within the Full Reservoir Level (FRL) contour of the proposed MI tank). The Department awarded (June 2005 and October 2005) works of Package-I and Package-II to contractors for ₹4.74 crore and ₹1.61 crore respectively, with the stipulation to complete the works within 18 months (i.e., by December 2006 and April 2007, respectively).

Audit observed that, the works under Package-II were completed in the year 2008. In the case of Package-I, after executing part of the work at a cost of ₹3.07 crore, the contractor stopped (June 2007) execution of the work due to non-acquisition of land and resistance from the landowners. Subsequently, the villagers of Gundegaon also did not agree (March 2014) for construction of protective bund on the ground that, it would obstruct the flow of other local streams and cause water logging in the village and started demanding Resettlement and Rehabilitation (R&R) package. Despite this, the Department closed (April 2015) the contract of Package-I, sanctioned the estimate for the remaining work and entrusted (June 2016) the same to another contractor for ₹13.74 crore (at 2015-16 Schedule of Rates) without addressing the R&R issue. The second contractor executed the remaining bund portion and some cement concrete structures on the canals at a cost of ₹11.46 crore and stopped the work in June 2018 due to protests by the villagers. No further work on the project had been executed thereafter, pending implementation of R&R package and the Government finally ordered pre-closure of the contract in October 2020.

¹³⁵ Now (after re-organisation of Districts) in Nirmal District

As such, the project which was to be completed by April 2007, remained incomplete and did not achieve the intended objective even after a time over-run of more than 16 years (as of October 2023).

Audit further observed that:

- Though the Department was aware of the fact that the Gundegaon village was in the submergence area of the MI tank, it had proposed for construction of a protective bund to prevent submergence of this village without assessing the practicability of the protective bund. It was only in the year 2017, *i.e.*, after awarding the work to a second contractor with significant cost escalation, that the Department recommended shifting of the village to a higher elevation.
- When the Department submitted proposal to take up the left-over work of Package-I in February 2015, the Government ordered (April 2015) that the remaining work should be taken up only after sorting out the R&R issue. However, the Government later accorded (May 2016) administrative approval for the remaining works, even though the R&R issue was not addressed. Reasons for this change in Government's stance were not on record.
- While according (November 2004) technical sanction for the Package-I work, the Department had projected a land requirement of only 375 acres for the work. However, after award of the work, the Department revised the extent of land requirement and a total extent of 559 acres of land was acquired by the year 2016. Again, in February 2016, the Department projected additional requirement of 100 acres falling in the submergence area under the project. As per the latest assessment (July 2022), the remaining land requirement had further increased to 255 acres, which was yet to be acquired. This indicates that the Department did not correctly assess the land requirement at the initial stages.

Thus, taking up the Chinna Suddavagu MI Project without addressing the land acquisition and R&R issues resulted in non-completion of the project and non-achievement of the intended objectives, thereby rendering expenditure of ₹19.38 crore¹³⁶, incurred so far on this incomplete project, wasteful.

On this being pointed out (August 2023), the Government replied (October 2023) that the first contractor of Package-I had stopped the work in the year 2007 due to land acquisition problems and that the R&R issue was not there in the year 2007. The Government further replied that, a protective bund was initially proposed in original and remaining estimates to avoid huge amount towards R&R for Gundegaon village and that after the remaining work was entrusted to the second contractor, the villagers stopped the work and demanded shifting of the village under R&R package. It was also stated that, the Government accorded (July 2022) approval for ₹61.30 crore for the remaining work including R&R and land acquisition and that R&R proposals were submitted (June 2023) to the Commissioner

¹³⁶ Works: ₹16.15 crore (Package-II: ₹3.07 crore; Package-I first contractor: ₹1.62 crore; Package-I second contractor: ₹11.46 crore) and land acquisition: ₹3.23 crore

(R&R) and the remaining work would be completed as soon as the land acquisition and R&R is completed.

The reply is not tenable as although the I&CAD Department was aware of the R&R issue in the year 2014, it did not factor in the feasibility or otherwise of construction of protective bund prior to entrusting the remaining work to the second contractor in June 2016. The Government reply is also silent on the issue of taking up the project works without acquiring the lands, frequent changes in the extent of land requirement and the reasons for award of the remaining work again without addressing the land acquisition and R&R issues.

Minorities Welfare Department (Telangana State Minorities Finance Corporation)

3.7 Wasteful expenditure on establishment of Computer Training Centres

The Telangana State Minorities Finance Corporation incurred wasteful expenditure of ₹2.35 crore 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

The erstwhile Andhra Pradesh Urdu Academy¹³⁷, established in the year 2000, introduced the scheme of "Vocational Training in Urdu Computer Education" with the primary objective of promoting the Urdu language and enhancing the IT skills of Muslim students in the State. As a part of this scheme, Urdu Libraries and Urdu Computer Training Centres were also established to serve Urdu-speaking individuals and visitors in local areas.

In December 2015, the State Government decided to transfer the existing 43 Urdu Computer Training Centres and 30 Urdu Libraries, along with their employees, to the Telangana State Minorities Finance Corporation (TSMFC). Subsequently, in November 2017, Government decided to merge these Urdu Libraries with the Urdu Computer Training Centres and also proposed to upgrade 37 centres. Depending upon the facilities available in the Centres, they were either called as a Computer Training Centres-cum-Libraries (CTCLs) or Computer Training Centres (CTCs). However, the Vice Chairman and Managing Director (VC&MD) of TSMFC clarified (December 2023) that wherever it was feasible to merge Urdu Computer Training Centres with Urdu Libraries, the same were merged and called as Computer Training Centres-cum-Libraries (CTCLs) and where it was not feasible due to long distance and shortage of space, the Urdu Computer Training Centres and Urdu Libraries were retained as separate entities.

¹³⁷ Presently Telangana State Urdu Academy

Consequent to the Government's decision of merger, six CTCLs were formed while eight CTCs and 11 Urdu Libraries were closed, resulting in 30¹³⁸ Urdu Computer Training Centres and 13 Urdu Libraries functioning as separate entities.

Scrutiny of the records of TSMFC in January 2023 revealed the following:

- Out of the proposed 37 CTCLs/CTCs, hardware and software was upgraded in respect of only 13¹³⁹ CTCLs/CTCs in 2017-18, with an expenditure of ₹1.64 crore. After the upgradation of these CTCLs/CTCs, 518 students were trained for three to five months during 2018-19 in nine of the 13 upgraded CTCLs/CTCs, while 67 students were trained in a non-upgraded CTC¹⁴⁰. No training was conducted in any of the CTCLs /CTCs since February 2019.

TSMFC attributed the non-conduct of trainings to lack of permission from Government due to COVID-19 during the years 2019 and 2020 and lack of budgetary support during the years 2022-23 and 2023-24.

- Out of the CTCLs, CTCs and Urdu Libraries, only 14 were operating in Government buildings, while the remaining 35 were housed in rented buildings. An amount of ₹71 lakh was paid as rent for the CTCLs/CTCs since February 2019 to March 2022, even as they continued to remain non-functional.
- TSMFC in a letter addressed to Government (July 2021) had proposed that the expenditure towards rents could be avoided if action is taken to dispense with the non-functioning CTCLs/CTCs, especially in view of the fact that there was no release of budget for the scheme. However, the State Government did not provide any directions to TSMFC in this regard (January 2024).
- Adequate advertisements are crucial to ensure the spread of information about the scheme among its beneficiaries. When the information pertaining to the details of scheme advertisements given was called for, TSMFC only provided the information pertaining to the period from June 2022 to June 2023. From the information furnished, Audit observed that even during the above period, advertisements were given in respect of only 17 CTCLs/CTCs and no advertisements were given in the remaining 19 CTCLs/CTCs.

In the absence of information pertaining to the previous years, Audit could not verify whether TSMFC had created adequate awareness among the intended beneficiaries about the training facilities through advertisements.

Thus, non-utilisation of CTCLs/CTCs for the intended purposes resulted in wasteful expenditure of ₹2.35 crore towards rent and upgradation of hardware and software in the Training Centres.

¹³⁸ Including one newly CTC established at Kumuram Bheem, Asifabad District

¹³⁹ Of the 13 CTCs upgraded (including one CTC at Santosh Nagar not in the original list of CTCs proposed for upgradation), two are currently existing CTCLs and 11 are currently existing CTCs

¹⁴⁰ Khilwath CTC

Scheduled Castes Development Department, Minorities Welfare Department and Tribal Welfare Department

3.8 Irregularities in implementation of Driver Empowerment Programme

Absence of a mechanism to verify beneficiary details resulted in sanction of subsidy of ₹1.75 crore to ineligible beneficiaries under Driver Empowerment Programme

Under the Economic Support Scheme (ESS) Action Plan, the Government of Telangana initiated (February 2017) the “Driver Empowerment Programme” (DEP), targeted for individuals from Scheduled Castes/Scheduled Tribes/Backward Castes/Minority communities. The primary objective of this programme was to ensure sustainable livelihood to the identified beneficiaries. This is sought to be achieved by providing subsidies¹⁴¹ to selected applicants, facilitating purchases of vehicles by them and enabling them to become independent Driver-cum-Owners.

The respective Departments, viz., Scheduled Caste Development Department, Tribal Welfare Department and Minorities Welfare Department were the nodal Departments for implementation of the Scheme. To streamline the process, the programme is executed through the Online Beneficiary Management and Monitoring System (OBMMS) portal, developed by the Centre for Good Governance (CGG).

Scrutiny of records¹⁴² revealed that a total of 3,259 vehicles were provided during 2016-20 under the DEP as detailed in **Table 3.48** below:

Table 3.48: Details of the vehicles and subsidy provided by the Departmental Corporations under DEP

Name of the Corporation	Financial year	No. of vehicles sanctioned	Total Subsidy provided (₹ in crore)
Telangana Scheduled Castes Co-Operative Development Corporation Ltd (TSCCDC)	2016-17	568	25.23
	2017-18	1,538	70.99
Telangana State Scheduled Tribes Cooperative Finance Corporation Ltd (TRICOR)	2016-17	441	19.64
Telangana State Minorities Finance Corporation Ltd (TSMFC)	2016-17	410	18.22
	2019-20	302	13.74
Total		3,259	147.82

Audit observations on the implementation of the DEP are as follows:

3.8.1 As per guidelines of ESS, beneficiaries availing financial support under the ESS scheme were not further eligible under this scheme during the next five years.

¹⁴¹ 60 per cent of Unit cost (limited to ₹5 lakh) towards purchase the vehicle. Balance of Cost of the Vehicle was to be met by Beneficiary Contribution of ₹0.50 lakh and loan from the bank

¹⁴² Compliance Audit of TSCCDC: June/July 2021; Compliance Audit of TSMFC: January 2023; Data analysis: August 2023

An analysis of beneficiary data from ESS (2014-15 to 2017-18) and DEP (2016-17 to 2019-20), specifically relating to the sanctions by TSCCDC and TSMFC during 2016-17 to 2019-20 revealed that contrary to eligibility conditions, 32 beneficiaries¹⁴³ received a total subsidy of ₹1.39¹⁴⁴ crore under DEP within five years of receiving an ESS subsidy.

Scheduled Castes Development Department replied (April 2024) that, TSCCDC could not weed out any repetition or duplication of beneficiaries due to non-availability (2016-17) of Food Security Card (FSC) data and during 2018-19 certain technical errors in the support systems of both OBMMS and FSC data to link up with OBMMS Portal. Executive Directors were instructed for recovery of subsidy component under ESS where both schemes were sanctioned to a single beneficiary. Government response in respect of other two departments had not been received.

However, the detail of recoveries made were not furnished to Audit.

3.8.2 As per guidelines of ESS, only one Economic Support Scheme was to be granted per family (as defined in the Ration Card).

An analysis of beneficiary details from the DEP revealed a deviation from this condition, where three families were irregularly granted an additional subsidy totalling ₹26.66 lakh by the TSCCDC and the TSMFC during the year 2016-17. Due to non-observance of eligibility criteria, there was an excessive payment of ₹27 lakh to three beneficiaries. (*Appendix-3.33*).

Scheduled Castes Development Department replied (April 2024) that due to absence of linkage of FSC data to OBMMS portal identification of beneficiaries availing benefit under the Schemes was not possible. This coupled with implementation of scheme by different banks resulted in banks not being aware of the fact of sanctioning of the scheme to the family or other members of the family. Further, it was stated that Selection Committee might have been satisfied with the candidates' credentials and selected the candidates.

The reply is not tenable, as Government had not fixed any specific criteria which was unique and helpful in identifying and weeding out duplicate applications.

3.8.3 The Guidelines clearly stipulated that only those beneficiaries with a household annual income of less than ₹1.5 lakh (for rural areas) or ₹two lakh (for urban areas) were eligible to receive subsidies under the DEP. An analysis (August 2023) of the data regarding DEP beneficiaries from various departments revealed that although two beneficiaries¹⁴⁵ had incomes exceeding the stipulated limit and were income tax payees; they were granted a subsidy of ₹nine lakh during the 2018-19 period by TSCCDC.

The Government in Scheduled Caste Development Department replied (April 2024) that there was no mechanism to verify the authenticity of the income certificate issued by the Revenue authorities. The verification of the authenticity would be done by the District Authorities only when challenged by some beneficiary. Beneficiaries have uploaded

¹⁴³ SCCDC-30 + MFC -2

¹⁴⁴ SCCDC-₹1.30 crore + MFC-₹0.089 crore

¹⁴⁵ Benf. Id No. 2015432170 and 2015142458

income certificate issued by the competent authorities which have unique number on it in the OBMMS portal.

The reply is silent about action taken by the Department towards recovery of the benefit amount provided to ineligible beneficiaries pointed out and corrective mechanism put in place to prevent sanction of benefit to ineligible beneficiaries in future.

Due to technical errors in support systems of both OBMMS and FSC data and absence of corrective mechanism to prevent sanction of benefit to ineligible beneficiaries, Audit could not vouchsafe that the scheme was implemented as per envisaged objectives.

The State Government may investigate such cases and fix responsibility on the Sanctioning Authorities who approved the benefits under the Scheme without proper verification.

Youth Advancement, Tourism and Culture Department

3.9 Wasteful expenditure on Stadium Buildings

Administrative approvals granted without financial concurrence, non-approval of Extension of Times (EoTs) 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 non-achievement of objective of developing Sports Stadiums in Assembly Constituencies

The erstwhile Government of Andhra Pradesh had decided (April 2013) to construct Sports Stadiums in each of its Assembly Constituencies in a phased manner as part of its policy for development of sports under “Modernisation and Development of Sports Infrastructure in the State”. Accordingly, administrative sanctions were accorded during the period 2015-19 for construction of 105¹⁴⁶ Sports Stadiums at various locations in the erstwhile State subject to alienation of land to the authorities concerned.

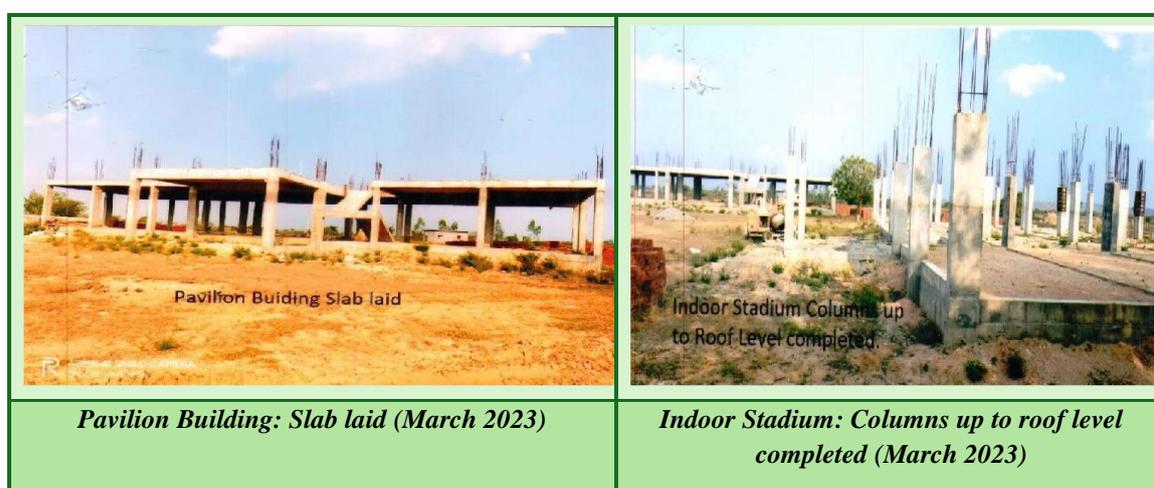
Scrutiny of records of Vice Chairman and Managing Director (VC&MD), Sports Authority of Telangana State (SATS) during (November 2020 – January 2021) and further information called for from various authorities like District Youth Sports Officers, Executive Engineers, etc., revealed that of these 105 Stadium works, 52 Stadium works were completed, 42 Stadium works were not taken up, six Stadium works were in various stages of completion, one Stadium work was the subject matter of legal case and the four

¹⁴⁶ 2015-16: 43; 2016-17:16; 2017-18:15; 2018-19:31

remaining Stadium¹⁴⁷ works were abandoned as of March 2023. Details of abandoned works are given below:

Construction of Greenfield Stadium at Bichkunda

In April 2013, the Government accorded administrative sanction of ₹2.10 crore to construct a Greenfield Stadium at Bichkunda Mandal in Jukkal Constituency, Kamareddy District. The work was entrusted (September 2014) to the Telangana State Medical Services Infrastructure Development Corporation (TSMSIDC). The work was awarded to a contractor in April 2016 with a completion timeline of 12 months. However, delays in handing over the land and making payments to contractor caused the work to stop in March 2018, with ₹82.87 lakh already spent. The status of work is as seen below:



The Superintending Engineer, TSMSIDC recommended the closure of the agreement in December 2019 after the contractor requested it due to delayed payments for the work done and non-extension of time for further completion of works. The crucial works that were reduced in the revised estimate for the construction work of the Stadium included provisions towards Water Supply and Sanitation arrangements and Tracks, Courts and site development. These are essential components for any Sports Stadium and are critical for the Stadium's functional and operational aspects. The remaining work required an amount of ₹1.17 crore and as of March 2023, no action has been taken, resulting in wasteful expenditure of ₹82.87 lakh.

The Executive Engineer, (TSMSIDC) Nizamabad Division stated¹⁴⁸ that the work was closed and not resumed after 20 March 2018. It was also stated¹⁴⁹ that, tender was not called for completion of the remaining work.

¹⁴⁷ Greenfield Stadium at Bichkunda, Jukkal Constituency; Mini-Stadium at Domakonda, Kamareddy Constituency; Mini-Stadium at Narayankhed, Narayankhed Constituency and Indoor Stadium at Choutuppal, Munugode Constituency

¹⁴⁸ In his reply vide Lr.No.EE/TSMSIDC/NZB/2022-23/549 dated 15 November 2022

¹⁴⁹ In his reply vide Lr.No.EE NZB/2022-23/801 dated 03 March 2023/TSMSIDC/

Construction of Mini-Stadium at Domakonda

In April 2016, a Mini-Stadium was proposed at Domakonda Mandal in Kamareddy Constituency, Kamareddy District. The work was entrusted to TSMSIDC and an agreement was signed with the contractor in December 2016. The work was scheduled to be completed within 12 months, i.e., by December 2017. However, the work was stopped from June 2018 due to delays in making payments to the contractor, resulting in wasteful expenditure of ₹85.55 lakh. A Deviation Statement was approved in November 2017 for ₹1.98 crore against the sanctioned estimate of ₹1.87 crore. As of March 2023, the pending work worth of ₹1.12 crore remained to be executed resulting in a wasteful expenditure of ₹85.55 lakh due to the abandonment of the Stadium works midway. The status of work is as seen below:



Construction of Mini-Stadium at Narayankhed

In June 2013, a proposal was made for a Mini-Stadium at Narayankhed in Narayankhed Constituency, Sangareddy District, with a budget of ₹2.65 crore. The work was entrusted to Executive Engineer, PR Division, Andole and an agreement was made with the contractor in October 2017 for ₹2.13 crore, with completion scheduled for October 2018. However, the commencement of the work got hampered due to delayed finalisation of Stadium Building designs and the Stadium location being shifted to Jukkal village. The work was stopped in May 2018 as the contractor was not being paid for the work completed. Financial concurrence was not obtained at the start of the work, resulting in the bill not being paid until June 2020. The contractor lost interest in completing the work, leading to the cancellation of the agreement in December 2020, resulting in the abandonment of the Stadium project in May 2018 and wasteful expenditure of ₹20.22 lakh. The Executive Engineer stated¹⁵⁰ (January 2023) that, the work was cancelled in December 2020 and no further tenders were called for completion of remaining works. The status of work is as seen below:

¹⁵⁰ Lr. NO. A4/SATS/20/2022-23/ dated 25 January 2023



*Pavilion Building: Plinth level completed
(January 2023)*



*Indoor Stadium: Earth works completed
(January 2023)*

Construction of Indoor Stadium at Choutuppal

A proposal for an Indoor Stadium at Choutuppal in Munugode Constituency, Yadadri-Bhuvanagiri District was approved for ₹1.25 crore in September 2015 with completion scheduled for May 2017. The work was not completed within time due to delayed inspections and a change in the administrative agency¹⁵¹. An Extension of Time was granted until May 2018, but the work remained incomplete and the contractor requested a further extension, which was not granted. After that the contractor did not respond to the notices of Deputy Executive Engineer for submission of further EoT proposals. Thus, the project was eventually abandoned in July 2022 due to lack of response from the contractor, resulting in a wasteful expenditure of ₹43.68 lakh. The status of work is as seen below:



Indoor Stadium at Choutuppal (January 2023)

¹⁵¹ From Telangana State Housing Corporation Limited to Panchayat Raj Department in March 2017

Thus, Administrative approvals granted without financial concurrence, non-approval of Extension of Times (EoTs) 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. As a result, the objective of developing Sports Stadiums in Assembly Constituencies could not be achieved.

The matter was reported to the Government in May 2023; their reply is awaited.

The State Government may take necessary action to fix responsibility on the concerned authorities who could not ensure timely release of required funds which resulted in the works being abandoned.

