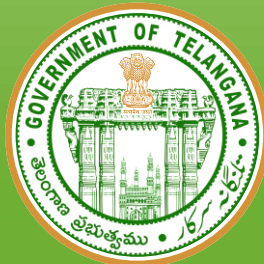सत्यमेव जयते

Report of the
Comptroller and Auditor General of India
on
Performance Audit of Direct Benefit Transfer Scheme
'Aasara Pensions in Telangana'
for the year ended 31 March 2021

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Government of Telangana
Report No. 1 of 2023

Report of the
Comptroller and Auditor General of India

on

Performance Audit of Direct Benefit Transfer Scheme 'Aasara Pensions in Telangana' for the year ended 31 March 2021

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Table of Contents

Preface

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2021 has been prepared for submission to the Governor of Telangana under Article 151 of the Constitution of India, for being laid before the Legislature of the State.

The Report contains significant results of the *Performance Audit of Direct Benefit Transfer Scheme 'Aasara Pensions in Telangana'*, covering the period from 2018-19 to 2020-21.

The instances mentioned in this Report are among those which came to notice during the course of test audit.

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

Executive Summary

Executive Summary

Purpose of this Audit

Direct Benefit Transfer (DBT) launched in January 2013 by Government of India (GoI) is a major initiative to re-engineer the process of delivery in various welfare schemes. It is intended to provide simpler and faster flow of funds/information, accurate targeting of beneficiaries and prevention of duplications and frauds.

Government of Telangana (GoT) as a part of its social safety net strategy introduced (November 2014) 'Aasara Pensions' scheme, to ensure secure life with dignity for the poor households and vulnerable sections of the State by sanctioning pension to old aged persons, widows, disabled persons, incapacitated weavers, toddy tappers and persons with HIV-AIDS. The scheme was later extended to provide monthly financial assistance to beedi workers (March 2015), single women (April 2017) and pension to filaria patients (April 2018). GoI funds received on account of pensions under National Social Assistance Programme (NSAP) are dovetailed with Aasara Pensions scheme. The Aasara Pensions scheme is implemented by Society for Elimination of Rural Poverty (SERP), a registered body under Panchayat Raj and Rural Development (PR&RD) Department. GoT is implementing Aasara Pensions scheme as a DBT scheme in the State.

The Performance Audit of Direct Benefit Transfer Scheme 'Aasara Pensions in Telangana' was conducted to assess whether Implementation of 'Aasara' scheme (through Information Technology application) during the period 2018-19 to 2020-21 has achieved the intended objectives of providing social security in a transparent and effective manner.

The findings of this audit are presented in this Report consisting of four chapters. Chapter I provides an introduction to the scheme and the Audit Framework. Budget and utilisation, Implementation of Aasara Pensions as a DBT Scheme and Controls in Aasara IT Application are discussed in Chapters II to IV.

Principal findings and recommendations of the Performance Audit

The chapter-wise Audit findings that led to Audit conclusions and recommendations are as follows:

Chapter II: Budget and Utilisation

- Utilisation Certificates (UCs) were submitted by the SERP to the GoI and GoT stating that the entire amount of grants-in-aid for pension disbursement was utilised even though unutilised amounts were retained in the bank accounts.

- Pensions to 2.30 lakh (6 *per cent*) beneficiaries per month (on an average) remained undisbursed, during April 2018 to March 2021.

Chapter III - Implementation of Aasara Pensions as a DBT Scheme

- Aasara Pensions scheme guidelines stipulated that the data of households collected during the 'Samagra Kutumba Survey' (SKS) was to be considered as the basis for identifying the poor and vulnerable for granting Aasara Pensions. Cross-check of Aasara beneficiaries and SKS data in Aasara database, however, revealed that 19 *per cent* of households data was not available in SKS data. Sixteen *per cent* of households found to be ineligible as per SKS data were included as beneficiaries of Aasara Pensions indicating ineffective verification and identification processes.

- Aasara IT Application was not implemented as an end-to-end IT based solution for pension application, approval and processing. IT system did not provide for application receipt and for verification of eligibility criteria. These two processes happened offline and had manual intervention.

- Audit noticed irregular/ inappropriate sanction of pensions resulting in payment of ₹535.39 crore under the categories of Disabled (₹71.90 crore), Beedi Workers (₹446.96 crore), Single Women (₹1.70 crore) and to more than one member in a household (₹14.83 crore).

- **Analysis of Rythu Bandhu data (2018 to 2020) of Department of Agriculture with Aasara beneficiary details revealed that the persons owning land more than the eligible limits (as prescribed in the guidelines of Aasara) were given undue benefit of ₹67.41 crore during the audit period.**

- Analysis of Rythu Bima data (August 2018 to February 2020) of Department of Agriculture with Aasara beneficiary details revealed that pension benefit of ₹0.90 crore was irregularly paid against 367 deceased beneficiaries beyond their date of death.

- Analysis of Transport Department data (as of May 2017) with Aasara beneficiary details revealed that undue benefit of ₹51.98 crore was passed on to ineligible beneficiaries having four wheelers. Similarly, analysis of Registration & Stamps Department data with Aasara beneficiary details revealed that benefit of ₹31.42 crore was extended to the persons involved in the registration of assets worth more than ₹10 lakh.

- **The beneficiaries identified as ineligible by the Department were not weeded out resulting in irregular payment of ₹1,175 crore to 2.02 lakh ineligible beneficiaries.**

- Best Fingerprint Detection (BFD) failure occurred to 9 *per cent* beneficiaries in the month of March 2021. Payments were made in these cases through biometric authentication of Panchayat Secretary/Bill Collector. Repeated failure of BFD authentication ranging from 7 to 30 months was noticed for 21,536 beneficiaries (benefit paid: ₹58.33 crore).

- In test checked units, it was observed that register/record for obtaining acknowledgment from the beneficiaries as a physical acquittance for the pension amounts drawn with biometric authentication of GP Secretary/Bill Collector was not maintained/not properly maintained.

- Lack of coordination between two sections of local bodies dealing with registration of deaths and disbursement of pensions, non-integration of registered deaths with beneficiary data captured in Aasara IT Application led to irregular credit of pension amounts to the bank accounts of deceased beneficiaries beyond their date of death, leaving scope for misutilisation. Audit also detected fraudulent pension withdrawal after beneficiaries' death using biometric authentication of the Panchayat Secretary.

- Audit conducted beneficiary survey of 480 beneficiaries and found that 32 (7 *per cent*) were ineligible for the pension benefit as per their own statement. Of this, Government confirmed the ineligibility of 15 beneficiaries.

Chapter IV - Evaluation of Controls in Aasara IT Application

Assessment of IT controls associated with development and implementation of Aasara software revealed that -

- Password policy management through Aasara IT Application is inadequate.

- Login/logout/IP Address/session details (including time stamps) of officials/staff operating through Aasara IT Application are not maintained.

- Contrary to the guidelines of National Critical Information Infrastructure Protection Centre (NCIIPC) on Proper Backup plan and policy, critical/important information was stored at same location.

- Details of Verification Officer (like name, designation) are not captured.

- Inbuilt business rule did not exist for 'Household income' and the system accepted higher incomes than stipulated in the criteria.

- There were gaps in Processing controls and Output controls in the Aasara IT Application.

Recommendations:

(i) *Effective interfacing mechanism with the databases of other Government departments should be put in place.*

(ii) *Government should ensure that surveys are conducted regularly for inclusion and exclusion of beneficiaries with due verification of eligibility conditions.*

(iii) *Penal provisions should also be enforced to prevent claiming of Aasara benefit by ineligible persons.*

(iv) *While dovetailing Central assistance with State scheme, adequate care should be taken to adopt the GoI norms under NSAP.*

(v) *Adequate monitoring of the Scheme at Apex level and District level should be ensured.*

(vi) *Aasara IT Application should be upgraded and strengthened to render an end-to-end solution for effective service delivery and to counter manual intervention and the possibility of preferential sanctions.*

Introduction

Chapter I – Introduction

1.1   Introduction

Direct Benefit Transfer (DBT) launched (January 2013) by Government of India is a major initiative to re-engineer the process of delivery in various welfare schemes for simpler and faster flow of information/funds for ensuring accurate targeting of the beneficiaries and for eliminating duplication and fraud. Information and Communication Technology (ICT) is used effectively to identify the beneficiaries accurately so as to eliminate duplications, to reduce delays in payments with minimum intermediary levels and to eliminate pilferages & frauds. Government of Telangana (GoT) as a part of its social safety net strategy introduced (November 2014) 'Aasara[1] Pensions' scheme, to ensure secure life with dignity for the poor households and vulnerable sections of the State by sanctioning pension to (i) old aged persons (ii) widows (iii) disabled persons (iv) incapacitated weavers (v) toddy tappers and (vi) persons with HIV-AIDS; the scheme was later extended to provide monthly financial assistance to (vii) beedi workers (March 2015) (viii) single women (April 2017) and pension to (ix) filaria patients (April 2018).

The amount of pension/ financial assistance under Aasara Pensions scheme is ₹2,016 per month (₹1,000 up to May 2019) for all categories except 'disabled' category, and ₹3,016 per month (₹1,500 up to May 2019) for 'disabled' category. Aasara is implemented as a DBT scheme.

GoI through the three[2] components of the National Social Assistance Programme (NSAP) provides pension of ₹200, ₹300 and ₹500, as the case[3] may be, under the categories of (a) Old Age (b) Widow and (c) Disabled. The beneficiaries under NSAP form part of Aasara Pensions scheme also. The amount received from GoI on account of their pension under NSAP is dovetailed under Aasara Pensions scheme. Further, GoT provides additional funds over and above NSAP limits, to bridge the shortfall for the pension amounts as fixed in Aasara Pensions scheme.

Disbursement of pension to Aasara beneficiaries (both in Urban and Rural areas) is made in three modes viz., (1) by cash through Post Offices using the AEPS[4] (by Department of Posts-DoP) for authentication, (2) by transfer using NPCI[5]'s Aadhaar Payment Bridge (APB) to transfer amount directly into Aadhaar seeded bank account through Core Banking Solution (CBS) and (3) by cash in manual mode by the concerned Gram Panchayat (GP) Secretary or Bill Collector by registering his/her own biometrics[6].

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[1] 'Aasara', translates to 'support'
[2] Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS) and Indira Gandhi National Disability Pension Scheme (IGNDPS)
[3] (i) For beneficiaries below the age of 80 years: ₹200 per month for Old Age Pension and ₹300 per month for the other two schemes; (ii) for beneficiaries of 80 years and above: ₹500 per month for all three schemes
[4] Aadhaar Enabled Payment System
[5] National Payments Corporation of India
[6] In rare circumstances where beneficiaries are bed-ridden or their upper extremities are badly affected

1.1.1 Eligibility conditions and Exclusion Criteria

Eligibility criteria for sanction of pension under different categories of Aasara Pensions scheme are as shown in **Table-1.1**.

Table-1.1: Category-wise eligibility criteria for Aasara Pensions

Sl. No.	Category	Eligibility Criteria	
		Age	**Other additional parameters**
1.	Old Age	65 Years and above	---
2.	Widow	18 Years and above	---
3.	Differently Abled (persons with disabilities)	Irrespective of age	Minimum Disability for Hearing Impaired: 51 *per cent*; other categories: 40 *per cent*
4.	Weavers	50 Years and above	---
5.	Toddy Tappers	50 Years and above	Registered member in the Cooperative Society of Toddy Tappers
6.	Persons with HIV-AIDS	---	Persons undergoing Anti-Retroviral Therapy (ART)
7.	Filaria Patients	---	Grade – II & III patients
8.	Beedi Workers	Above 18 Years	Poor Beedi workers who started the beedi rolling by taking raw material from contractor before 28 February 2014
9.	Single Women-Married	Above 18 Years	Separated from or deserted by husband and separation period shall be more than one year
	Single Women-Unmarried in Rural areas	Above 30 Years	---
	Single Women-Unmarried in Urban areas	Above 35 Years	---

Source: Government Orders on the scheme

The exclusion criteria stipulated for the scheme *inter alia* include households having (i) annual income of more than ₹1.50 lakh in Rural Areas and ₹2.00 lakh in Urban areas (ii) landholdings exceeding 3.0 Acres wet/ irrigated dry or 7.5 Acres dry (iii) children who are Government/Public Sector/Private Sector/Outsourced/Contract employees (iv) children who are Doctors, Contractors, Professionals and Self-employed (v) owners of four wheelers and big vehicles (vi) persons receiving freedom fighter pension or Government pension (vii) large business enterprises like rice/oil mills, petrol pumps, rig ownership or shop ownership, etc.

1.1.2 Organisational setup

The Aasara Pensions scheme is implemented by Society for Elimination of Rural Poverty (SERP), a registered body functioning under the administrative control of Secretary,

Panchayat Raj and Rural Development (PR&RD) Department who is assisted by Commissioner, Rural Development (CRD) and Chief Executive Officer (CEO), SERP. At the district level, the scheme is being implemented by the District Rural Development Agency (DRDA) and is headed by District Rural Development Officer (DRDO).

In Hyderabad, which is a 100 *per cent* urban district, the scheme is implemented by District Revenue Officer (DRO). District Collector accords administrative approval to new sanctions and monthly payment proceedings submitted by DRDO/DRO. Mandal Parishad Development Officers (MPDOs) in rural areas, Municipal Commissioners (MCs) in urban local bodies, Deputy Commissioners (DCs) in Greater Hyderabad Municipal Corporation - GHMC (other than Hyderabad District) and Tahsildars in Hyderabad District are responsible for beneficiary identification and sanction of pension. Concerned Panchayat Secretary (PS) and Bill Collector (BC) in rural and urban area respectively is responsible for receiving the applications from Aasara aspirants, verifying their antecedents and certifying the eligibility. The scheme is implemented since March 2015 through a web based application (Aasara Portal) developed and maintained by a private service provider (Tata Consultancy Services Limited-TCS).

Chart-1.1: Organisational setup

1.2 Audit Framework

1.2.1 Audit Objectives

Performance audit of the DBT scheme was carried out to assess whether:

1. Organisation and management of Aasara Pensions scheme was adequate and effective.

2. Implementation of 'Aasara Pensions' scheme (through Information Technology application) has achieved the intended objectives of providing social security in a transparent and effective manner.

3. The Information Technology (general and application) controls and information system security controls were adequate and effective.

1.2.2 Audit Criteria

Audit findings were benchmarked against criteria sourced from the following:

i. Documents, circulars, orders, instructions, and notifications issued on DBT by DBT Mission, GoI.
ii. Standard Operating Procedure, Handbook on DBT and Guidelines for State DBT Cell issued by DBT Mission.

iii. Guidelines of Aasara Pension Scheme[7] on process of identification and authentication of beneficiaries and payments issued by GoT from time to time.

iv. Information Technology Act 2000, as amended, and instructions/guidelines issued thereunder.

1.2.3 Scope, Sample and Methodology of Audit

The Performance Audit was carried out during February 2021 – February 2022[8] covering a three-year period from 2018-19 to 2020-21. Eight districts[9] (25 *per cent* of 33) were selected by applying the Simple Random Sampling Without Replacement (SRSWOR) technique. Four mandals (blocks) and two municipalities from each sampled district were selected by the SRSWOR method. Entry Conference was held with Secretary, PR&RD in January 2021 wherein audit objectives, methodology, scope, criteria and audit sample were explained. Audit methodology involved the following:

1. Scrutiny of records relating to the scheme at the offices of Secretary, PR&RD, Commissioner of Rural Development, SERP, State DBT Cell and selected units. Audit Enquiries were issued and discussions were held with Departmental authorities at various levels.

2. From each Mandal/Municipality, 20 applications submitted by Aasara aspirants were selected for review. Beneficiary Survey was conducted in respect of 10 beneficiaries randomly selected therefrom, to elicit their opinion on the scheme and service delivery.

3. Analysis of the Aasara IT Application database (as furnished by the Department) for the period 2018-19 to 2020-21 was carried out. Further, data available from other Government Departments was utilised to cross-check the stipulated inclusion/exclusion criteria.

The audit observations are presented in the following chapters:

Chapter-II : Budget and Utilisation

Chapter-III: Implementation of Aasara Pensions as a DBT Scheme

Chapter IV- Evaluation of Controls in Aasara IT Application

Audit findings were discussed with the Secretary to Government, PR&RD in the Exit Conference conducted in June 2022. Replies of the Government have been incorporated in the Report at appropriate places.

1.2.4 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the State Government, staff of SERP and all the test-checked units during the execution of the Performance Audit.

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[7] vide G.O.Ms.No. 17, dated 5 November 2014 of Panchayat Raj & Rural development (RD. I) Department
[8] Due to COVID-19 pandemic, Audit could not visit the sampled units during April-June 2021
[9] Hyderabad, Mahbubnagar, Medak, Nizamabad, Rangareddy, Sangareddy, Siddipet, and Yadadri-Bhuvanagiri

Budget and Utilisation

Chapter II – Budget and Utilisation

- **Utilisation Certificates were submitted by the SERP to the GoI and GoT stating that the entire amount of grants-in-aid for pension disbursement was utilised even though unutilised amounts were retained in the bank accounts.**
- **Pensions to 2.30 lakh beneficiaries per month on an average remained undisbursed during April 2018 to March 2021.**

2.1 Financial outlay

2.1.1 Budget and Expenditure

State Government makes budget provision in the annual Budget Estimates for Aasara Pensions scheme, along with provision for 100 *per cent* share of GoI under NSAP. Funds are drawn from Government Account by CRD and transferred to the Nodal Bank account of CEO, SERP. Details of funds allocated in the budget, expenditure incurred in Government account for the period from 2018-19 to 2020-21 are shown in the **Table-2.1**.

Table-2.1: Budget allotment and expenditure during 2018-2021

(₹ in crore)

Year	Budget Allotment			Expenditure*		
	GoI Share	State share	Total	GoI Share	State share	Total
2018-19	210	5,157	5,367	109	5,056	5,165
2019-20	413	9,350	9,763	343	8,353	8,696
2020-21	333	11,725	12,058	347	8,885	9,232
Total	**956**	**26,232**	**27,188**	**799**	**22,294**	**23,093**

Source: Budget Estimates and Appropriation Accounts of respective years

* Expenditure is booked in Government Account as and when the funds are drawn by the Commissioner, Rural Development and transferred to the Nodal Bank account of SERP irrespective of actual benefit disbursement to the beneficiaries.

2.1.2 Direct Benefit Transfer to the beneficiaries

Expenditure figures booked under Government Account reflect as receipts in the Nodal Bank account of SERP. Details of amounts paid to the beneficiaries by SERP through DBT mode (CBS: 45 *per cent* and DoP: 55 *per cent*) and manual mode during the audit period are shown in **Table-2.2**.

Table-2.2: Details of amounts paid to the beneficiaries during 2018-2021

(₹ in crore)

Year	Direct Benefit Transfer			Manual	Grand Total
	Bank	DoP	Total		
2018-19	2,196.62	2,777.81	4,974.43	0.59	4,975.02
2019-20	3,884.51	4,825.36	8,709.87	0.63	8,710.50*
2020-21	4,386.51	5,317.96	9,704.47	0.60	9,705.07*
Total	**10,467.64**	**12,921.13**	**23,388.77**	**1.82**	**23,390.59**

Source: Report R5.1(b) from Aasara Portal;
*Expenditure was more than receipts due to available balances with SERP

According to paragraph 17.1 of Telangana Budget Manual, an appropriation authorised by the Legislature is operative only until the close of the financial year; any unspent balance lapses and is not available for utilisation in the following year. However, unutilised amounts were retained in the bank account of SERP (2018-19: ₹455.17 crore; 2019-20: ₹933.94 crore; and 2020-21: ₹550.29 crore), without remittance back into Government Account. Despite having balances at the end of each year, Utilisation Certificates (UCs) were submitted to the GoI and GoT in a routine manner by CEO, SERP stating that 'the entire amount of grants-in-aid received was utilised for the purpose for which it was released'.

Department in its reply stated (June 2022) that the amounts were meant for next cycle disbursement and advance UCs were given to enable submission of bills by the CRD in anticipation of fund releases. UCs to GoI were communicated in the format prescribed. Reply is not acceptable as this practice is against the provisions of Budget Manual.

2.1.3 Pension amounts remaining undisbursed

The releases made by SERP towards pensions for the beneficiaries, amounts disbursed and remained undisbursed in March 2019, March 2020 and March 2021 are given in **Tables-2.3, 2.4 and 2.5**.

Table-2.3: Total Beneficiaries and pension amounts released

Month and Year	Bank		Department of Posts		Manual		Total	
	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)
March 2019	17,36,021	18589.52	22,00,170	26163.96	330	3.68	39,36,521	44757.15
March 2020	17,20,260	36774.72	21,44,244	50290.46	247	5.59	38,64,751	87070.77
March 2021	16,93,117	36268.40	20,66,322	48182.59	196	4.63	37,59,635	84455.62

Table-2.4: Beneficiaries and amounts disbursed

Month and Year	Bank		Department of Posts		Manual		Total	
	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)
March 2019	17,31,163	18334.21	18,57,915	21989.76	326	3.64	35,89,404	40327.60
March 2020	17,19,843	36765.92	20,32,924	47467.70	241	5.59	37,53,008	84239.20
March 2021	16,91,882	36242.43	18,64,042	43251.34	192	4.55	35,56,116	79498.32

Table-2.5: Beneficiaries and amounts remaining undisbursed

Month and Year	Bank		Department of Posts		Manual		Total	
	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)
March 2019	4,858	255.32	3,42,255	4174.20	4	0.04	3,47,117	4429.56
March 2020	417	8.81	1,11,320	2822.76	6	0.00	1,11,743	2831.57
March 2021	1,235	25.97	2,02,280	4931.25	4	0.08	2,03,519	4957.30

Source: Report R5.1(b) from Aasara Portal
Note: Details in the above tables related to one month (March) only

The average monthly pension amount released by SERP to the bank accounts of individuals and disbursing agencies (DoP and MPDOs) for the period from July 2019 to March 2021 was ₹862 crore[10]. Monthly average of the undisbursed amounts worked out to ₹45 crore (5 *per cent*). The undisbursed amounts are later remitted back to SERP's bank account. Further, on an average, pensions to 2.30 lakh (6 *per cent* out of 38.87 lakh) beneficiaries per month remained undisbursed, during April 2018 to March 2021.

Government attributed (June 2022) the non-disbursement of released pension amounts to deaths/permanent migrations/non-turning up of beneficiaries/bank rejections for various reasons. Further, undisbursed amounts would be released for three months for beneficiaries who did not turn up, after which their status would be treated as 'permanent migration' and pension, thereafter, would be stopped**.**

2.2 Conclusion

Unutilised amounts at the end of the financial year were retained in the Nodal Bank account of SERP without remittance into Government Account, in violation of the provisions of Budget Manual. Utilisation certificates submitted by the SERP to GoI and State Government did not reflect the balances available with the SERP.

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[10] ₹453 crore from April 2018 to June 2019 at old rates

Chapter III

Implementation of Aasara Pensions as a DBT Scheme

Chapter III - Implementation of Aasara Pensions as a DBT Scheme

- **Cross-check of Aasara beneficiaries and Samagra Kutumba Survey (SKS) data in Aasara database revealed that 19 *per cent* of households data was not available in SKS data and 16 *per cent* of households found to be ineligible as per the SKS data were included as beneficiaries of Aasara Pensions indicating ineffective verification and identification processes.**

- **Irregular/ inappropriate sanctions were made resulting in payment of ₹535.39 crore under the categories of Disabled (₹71.90 crore), Beedi Workers (₹446.96 crore) and Single Women (₹1.70 crore) and to more than one member in a household (₹14.83 crore).**

- **The automation of Aasara IT Application was not done as an end-to-end solution since receipt and verification processes were done manually.**

- **Analysis of Rythu Bandhu data (2018 to 2020) of Department of Agriculture with Aasara beneficiary details revealed that the persons owning land more than the eligible limits prescribed in the Aasara Pensions scheme guidelines were given undue benefit of ₹67.41 crore during the audit period.**

- **Analysis of Rythu Bima data (August 2018 to February 2020) of Department of Agriculture with Aasara beneficiary details revealed that pension benefit of ₹0.90 crore was irregularly paid against 367 deceased beneficiaries beyond their date of death.**

- **Analysis of Transport Department data (as of May 2017) with Aasara beneficiary details revealed that undue benefit of ₹51.98 crore was passed on to ineligible beneficiaries having four wheelers.**

- **Analysis of Registration & Stamps Department data with Aasara beneficiary details revealed that undue benefit of ₹31.42 crore was extended to 5,715 persons involved in the registration of assets worth more than ₹10 lakh.**

- **Irregular payment of ₹1,175 crore was made to 2.02 lakh ineligible beneficiaries despite their identification for exclusion by the department.**

- **Best Fingerprint Detection failure occurred for 9 *per cent* beneficiaries (March 2021). Payments were made in these cases through biometric authentication of Panchayat Secretary/Bill Collector. Repeated failure of BFD authentication ranging from 7 to 30 months was noticed for 21,536 beneficiaries (benefit paid: ₹58.33 crore).**

- **In test checked units, it was observed that acquittance register/record as a proof of payment in cases where pension amounts were drawn with biometric authentication of GP Secretary/Bill Collector was not maintained/not properly maintained.**

- **Beneficiary survey of 480 beneficiaries revealed that 32 (7 *per cent*) beneficiaries were ineligible for the pension benefit as per their own statement.**

The processes involved in implementation of Aasara Pensions scheme is detailed below:

3.1   Identification of beneficiaries

Eligibility Criteria for granting pensions to various categories are given in the guidelines[11] issued for implementation of Aasara Pensions scheme and explained in *paragraph 1.1.1 supra*. The data of households collected during the 'Samagra Kutumba Survey' (SKS)[12] was considered as the basis for identifying the poor and vulnerable for granting Aasara Pensions.

The following diagram depicts the flow of the processes involved in identification of a beneficiary:

Chart 3.1: Aasara Pensions -Beneficiary Identification
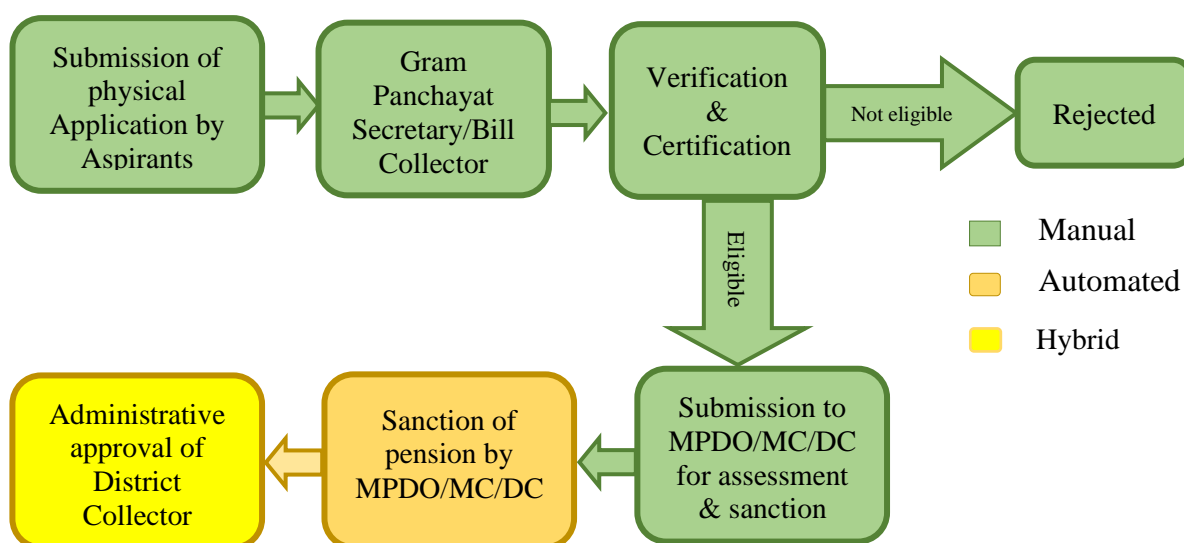
3.1.1 Receipt of Applications

The Aasara Pensions scheme guidelines stipulate that the aspirants submit their applications in physical form to PS of the GP or BC of the municipal ward along with required documents. All applications shall be entered in a register with details of serial number, name, surname, contact number, date and acknowledgement issued to each applicant giving serial number of his/ her application.

3.1.2 Verification of applications and identification of beneficiaries

The guidelines stipulate that the PS or BC shall verify and certify the applications and forward them to MPDO/MC/DC/Tahsildar for identifying the applicant for Aasara Pension. The poorest of the poor amongst the verified list covering all social categories shall be identified. Adequate care shall be taken to ensure that no eligible beneficiary is left out.

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[11] Issued vide G.O.Ms.No. 17 dated 5 November 2014 of Panchayat Raj and Rural Development (RD.I) Department
[12] A comprehensive integrated household survey conducted in Telangana on 19 August 2014 whose data is maintained by National Informatics Centre

3.1.3 Ineffective verification and identification processes

Audit noticed that the inputs to SKS were self-declared by the household members and were not supported by authenticated evidence. Audit cross-checked Aasara beneficiaries and SKS data[13] to ascertain accuracy, authenticity and transparency of the process of identifying the Aasara beneficiaries. Data analysis revealed the following:

➢ Household details of 9,76,223 (19 *per cent*) beneficiaries out of 50,30,158 were not available in the SKS data table, indicating that SKS data available in the Aasara database was incomplete and inadequate. Further, Audit observed that Verification and Sanctioning Officers did not have access to original SKS database maintained by National Informatics Centre. The Verification and Sanctioning officers were therefore unable to cross check the self-declared information vis-a-vis that captured in the SKS.

➢ Of the 27,43,019 households whose information was available in SKS data table, 4,35,112 households (16 *per cent*) were found to be ineligible on account of owning land and/or four-wheeler and/or being an Income Tax assessee and/or receiving Government/freedom fighter pensions, etc. During April 2018 to March 2021, pension of ₹1768.42 crore was paid to 3,09,134 beneficiaries from 2,92,566 ineligible households (67 *per cent*). Inclusion of these beneficiaries in the Aasara Pensions scheme, despite their ineligibility, as per SKS data table was against the scheme guidelines.

Further, verification and correlation cannot be done based on the SKS data alone and could only be undertaken by cross verifying Aasara beneficiary details with the data of other related departments. The absence of any mechanism to enable the Verification and Sanctioning Officers to cross-check with other databases such as National Voters Service Portal for required age, Revenue Records about land holdings, Transport Department data about ownership of four-wheelers and heavy vehicles by the applicant's household, etc., results in the identification of beneficiaries not being correct or up-to-date.

Government replied (June 2022) that SKS data was not integrated with Aasara IT Application and admitted that no mechanism existed to cross-check Aasara applicant's data with SKS data. The reply is not in consonance with the procedure stipulated in scheme guidelines which mandates that Sanctioning Officers are required to broadly assess the recommendation reports of Verification Officers and correlate the same with SKS survey data (exclusion and inclusion criteria). Government also admitted that no mechanism exists for integration with other departments' databases. In the absence of integration with SKS data as well as other databases of Government, identification and verification is purely based on information furnished by the applicants/ verification authorities. This has resulted in inclusion of ineligible beneficiaries, as discussed in the succeeding paragraphs.

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[13] BENEFICIARY_DETAILS and SKS_HH_MASTER tables of Aasara database

3.1.4 Lacunae in application receipt and verification processes

The DBT Flyer[14] defined that the purpose of DBT is to bring efficiency, effectiveness, transparency and accountability in the Government system and infuse confidence of citizen in governance. Thus, DBT entails leveraging modern technology and IT tools to achieve the goal of 'Minimum Government - Maximum Governance'.

To assess the efficiency, transparency and effectiveness aspects in Aasara Pensions scheme, Audit test checked 960 applications[15] from those available with the sampled units. Scrutiny of applications/connected records and data analysis revealed the following:

3.1.4.1 Issues in the Application process

➢ As the application receipt and verification processes are in manual mode, Aasara IT Application is not a completely automated end-to-end solution.

➢ A fixed common format of physical application to capture relevant beneficiary data was not prescribed. This resulted in different formats being used in the sampled units/districts.

➢ Audit observed that the register for chronological recording of applications was not maintained at all in 32 units and not properly maintained[16] in the remaining 16 units for the audit period. Due to non-maintenance/ improper maintenance of this register, Audit could not vouch for inclusion of all eligible applicants and deliberate omissions/delays, if any.

➢ Audit observed that the approved physical applications were not retained by the Sanctioning Officers in the test checked units. Where applications are available, they were kept haphazardly, without year-wise, GP-wise/Ward-wise segregation and none of the test-checked units could produce the 20 sampled applications.

Government replied (June 2022) that instructions were issued to district authorities to maintain the required registers/records.

3.1.4.2 Issues in verification process

➢ Audit observed that there was no uniform Verification Report and different formats were used for Verification Report/ Checklist/ Certificate of eligibility in the test-checked units.

➢ Aasara Pensions scheme guidelines prescribe grant of sanctions only after submission of verification reports. However, in 312 out of 960 cases (33 *per cent*), pensions were sanctioned without verification reports. An amount of ₹1.38 crore was paid to 289 (out of 312) beneficiaries during the audit period. In 202 cases (21 *per cent*), pensions were sanctioned without an application of the aspirant. Pensions were sanctioned in these cases by collecting copies of beneficiaries' Aadhaar Card/ first page of Savings Bank Account Passbook.

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[14] Document issued by DBT Mission
[15] 20 each from the 48 selected units
[16] date of application/receipt/ verification/sanction/rejection were not available

During Exit Conference, Government assured (June 2022) that there would be no necessity of physical applications in future as this process would be carried out only through electronic mode.

➢ Aasara Pensions scheme guidelines stipulate that the eligibility of an applicant is to be determined based on the fulfillment of inclusion/exclusion criteria for the household of the applicant. However, details of name and age of all children and other family members of the household, their Unique Identification (UID) numbers, occupation/employment/ profession/ business and details of annual income, land holdings, vehicles for self and family members of the applicant's household with supporting documents of detailed verification were not available.

   (i)   Income details of the beneficiary were not mentioned in the applications. Tahsildar's Certificate[17] in proof of income of the household was also not enclosed in 872 (91 *per cent*) test-checked applications.

   (ii) Certificate given by competent authority regarding land ownership[18] was not enclosed in 844 (88 *per cent*) test-checked applications. Further, it was not clear on how motor vehicle ownership status was verified.

   (iii) Details of criteria considered to ascertain the lifestyle, possession of assets and non-receipt of Government/Freedom Fighter Pensions by the applicant himself/other members of the household were not available for the test-checked applications.

Audit observed that application and verification processes were conducted physically and kept out of the Aasara IT Application. Further, the physical processes lacked uniformity and suffered from deficiencies pointed above.

Government accepted (June 2022) that verification reports in respect of beneficiaries sanctioned initially were not available and stated that scanned copies of beneficiary's application, duly certified by PS/BC and MPDO/Municipal Commissioner are being captured now. In respect of other issues, Government stated that instructions were issued to maintain all records for future reference.

3.2   Sanction of Pension

The data pertaining to the identified beneficiary after verification is fed on Aasara Portal at Rural/Urban block level by a Computer Operator. Sanctioning Officers are required to broadly assess the recommendation reports of Verification Officers and correlate the same with SKS survey (exclusion and inclusion criteria), population census data, etc. and the percentages of allocations made, category-wise, for the Mandal by the District Collector. New sanctions are submitted to the District Collector for administrative sanction through DRDOs.

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[17] to support that the annual household income was within the stipulated ceiling of ₹1.50 lakh in Rural Areas and ₹2.00 lakh in Urban areas
[18] that the self and family members of the applicant's household does not possess landholding more than 3.0 Acres wet/ irrigated dry or 7.5 Acres dry

However, there was no evidence available regarding such assessment made in any of the test checked Mandals/ULBs. In the absence of access to SKS survey data and other databases of Government, pension was sanctioned by the Sanctioning Officer merely depending upon the recommendation of the Verification Officer.

Details of new sanctions made during the audit period are shown in **Table-3.1**.

Table-3.1: Number of new sanctions made during 2018-19 to 2020-21

Year	OAP	Widow	Disabled	Toddy Tapper	Weaver	Single Women	Beedi Workers	Total
2018-19	53,533	55,983	22,489	3,117	1,875	8,776	2,265	1,48,038
2019-20	38,887	67,150	31,787	3,072	1,639	7,417	1,150	1,51,102
2020-21	5,496	7,494	1,234	391	204	364	11,789	26,972

Source: Report R 2.2 (a) of Aasara Portal.

3.2.1 Non-maintenance of registers

Aasara Pensions scheme guidelines stipulate that GPs should necessarily maintain an 'A Register' specifying the existing pensioners and a 'B Register' for those who are eligible but have not been considered for a pension. As and when there is a vacancy and a person can be accommodated, the person who is accommodated first should be considered based on the criteria - oldest among those listed, SC/ST, landless with a preference to women, especially deserted women in all categories. The IT Application used for automation of scheme implementation is expected to provide an end-to-end solution to comply with all business rules without fail. The criteria adopted in release of benefit on priority among the waitlisted applicants should also be available online to ensure that the eligibility process had been scrupulously followed. Audit observed that:

➢ Register A and Register B were not maintained in the test-checked[19] Municipalities/GPs of the Mandals.

➢ During the period 2018-21, benefit disbursement did not commence as per the criteria stipulated in the guidelines for 98,987 (30 *per cent*) cases out of 3,26,112. This is further explained in *paragraph 3.3.1 infra*.

➢ Aasara Pension is generally not disbursed to new pensioners immediately in succeeding month of District Collector's (Administrative) sanction. In any given month, master list of beneficiaries does not match with list of disbursals. Analysis of new sanctioned pensioners data revealed that 30 *per cent* of them were not disbursed with pension immediately. Among eligible beneficiaries, the period of waiting (i.e., before they were considered for pension), ranged from 7 to 36 months.

Non-maintenance of requisite records under the scheme indicates lack of transparency in identification and enrolment of beneficiaries.

Government replied (June 2022) that instructions were issued to the districts for maintenance of registers/records, chronologically. Delay in release of pensions to eligible beneficiaries was attributed to budgetary considerations.

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[19] Registers are maintained in Chegunta (10 GPs) and in Kowdipally (11 GPs) mandals in Medak district; in Gajwel (6 GPs) mandal in Siddipet district

3.2.2 Issues relating to irregular sanctions

Audit analysed the Aasara database for the years 2018-2021 and verified the results of data analysis through field verification and beneficiary survey. Issues in sanction of pensions are discussed below:

3.2.2.1 Pension to more than one member in a household

Aasara Pensions scheme guidelines stipulate that in respect of all pensions except disabled, widows and beedi workers, only one member per household, preferably a woman, shall be allowed pension. Data Analysis of 20,36,537 pensioners pertaining to Old Age Pension (OAP), Weavers, Toddy Tappers and Single Women categories for the period of audit revealed that benefit of ₹14.83 crore was passed on to 3,009 ineligible beneficiaries hailing from 2,914 households. These beneficiaries already had another member from their household receiving Aasara Pension.

3.2.2.2 Lapses in sanction of pension to Disabled persons

Aasara Pensions scheme guidelines stipulate that disabled person shall be sanctioned pension based on the certificate provided by SADAREM[20]. Further, for sanctioning pension to a disabled person, mapping of SADAREM_ID[21] is mandatory.

➢ Audit noticed that in respect of 11,629 disabled pensioners (2 *per cent* out of 5,83,050) SADAREM_ID was not captured in the beneficiary details table. An amount of ₹2.16 crore was paid to 1,467 beneficiaries (13 *per cent* out of 11,629) during the audit period. Government accepted that SADAREM validation was built into the Aasara IT application in February 2019 only and stated that proposals for ratification of lapses is under consideration. The delay in implementation of business rule had led to payment of pension to ineligible persons.

➢ Audit cross-checked 'employee type description' column of SADAREM_COMPLETE_DETAILS_SHARING table[22] with 'BENEFICIARY_DETAILS' table and found that 8,760 disabled persons were ineligible for Aasara Pensions as they were employed either in government sector (1,644) or private sector (7,116). These ineligible persons were paid an amount of ₹69.74 crore (₹13.08 crore for government employees and ₹56.66 crore for private sector employees) during the period of audit.

Government stated that only Pensioner's certificate type, certificate expiry date and disability percentage are considered from SADAREM data for sanctioning pension and that the employment status was not considered. The reply is not acceptable as employment status cannot be ignored and this has resulted in sanction of pensions to ineligible persons. Also, SADAREM data is collected and maintained by SERP itself and hence, proper checks to prevent sanction of pensions to ineligible persons could have been taken.

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[20] 'Software for Assessment of Disabled for Access Rehabilitation and Empowerment (SADAREM)' is a web- based application for generation of a computer based Disability Certificate with unique ID along with Identity Card. Disability Certificate is issued on regular or temporary (with limited period of validity) basis as per the scientific assessment of degree of the disability done on the basis of methods and formulae prescribed

[21] Identity generated on SADAREM portal certifying the degree of disability of a disabled person

[22] The table contains disability related details of beneficiaries populated from SADAREM portal

3.2.2.3 Inappropriate sanction of Financial Assistance to Beedi Workers

The GoT ordered (March 2015)[23] to provide Financial Assistance to Beedi Workers registered under SKS through Aasara Pensions scheme. Later, based on the requests of five District Collectors[24], GoT decided[25] (April 2015) to extend the benefit to 1,20,419 Beedi Workers who were registered with Employees' Provident Fund Organisation (EPFO) before 1 March 2014 and not covered under SKS in those districts alone. A sub-category "Beedi Workers (Non-SKS PF)" was created duly imposing an additional condition that the beneficiary age shall be less than 50 years.

Analysis of data pertaining to 4,91,120 Beedi workers[26] revealed that:

➢ 12,643 beneficiaries with age more than 50 years, were paid benefit of ₹46.20 crore during the period of audit, in contravention to the business rules. Of the 960 test-checked cases, 123 were under the Beedi Workers category. Of this, 14 were paid financial assistance beyond 50 years age.

➢ 68,324 additional persons were sanctioned financial assistance under Beedi Workers category without Government orders, over and above the 1,20,419 beneficiaries identified and recommended by District Collectors. The benefit for these 68,324 additional persons worked out to ₹391.74 crore during 2018-19 to 2020-21. Audit is unable to deduce the basis on which these additional persons were identified as Beedi Workers and sanctioned financial assistance.

➢ 1,596 Beedi Workers hailing from districts other than the identified districts, were paid ₹9.02 crore without Government orders/specific reasons.

Government replied (June 2022) that proposals have been submitted for ratification and the same are under consideration.

3.2.2.4 Irregular sanction of Financial Assistance to Single Women

The GoT ordered (April 2017)[27] to provide Financial Assistance through Aasara Pensions scheme to the most vulnerable single women not having family support and in dire financial stress. Data analysis of 1,41,196 cases under the category revealed the following irregularities:

➢ Financial Assistance of ₹1.33 crore was paid to 256 unmarried urban women even though their age was less than the stipulated age of 35 years. Similarly, benefit of ₹4.58 lakh was given to eight unmarried rural women though their age was less than the stipulated 30 years.

  Government admitted (June 2022) that this happened in respect of cases where the beneficiary's residential area was converted from Rural to Urban and Rural beneficiary's migration to Urban area. In such cases, though the Age criteria is 35, the

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[23] Vide G.O.Ms.No.29 dated 11 March 2015 of Panchayat Raj and Rural Development (RD) Department
[24] Adilabad, Karimnagar, Medak, Nizamabad and Warangal districts
[25] Vide G.O.Ms.No.38 dated 7 April 2015 of Panchayat Raj and Rural Development (RD) Department
[26] SKS: 2,99,727; non-SKS: 1,91,393
[27] Vide G.O.Ms.No.27 dated 2 May 2017 of Panchayat Raj and Rural Development (RD) Department

Financial Assistance is continued as per the Rural Area eligibility. It was also stated that proposal submitted for amending the relaxation in age criteria is under consideration. This indicates the absence of controls in the Aasara IT Application to flag changes in beneficiary data and their domicile status.

➢ Financial Assistance of ₹32 lakh was paid to 61 married rural women when their age was equal to or less than the stipulated age of 18 years.

➢ Financial Assistance to a single woman shall be discontinued, if she gets remarried or gets permanent employment or attains economic stability. Responsibility for verifying the status, on quarterly basis, was devolved on MPDOs in rural areas, Municipal Commissioners in urban local bodies, Deputy Commissioners in GHMC (other than Hyderabad District) and Tahsildars in Hyderabad District. However, no records reflecting such verification process, were made available to Audit.

Government accepted that condition relating to period of separation from/desertion by the spouse was not built into Aasara IT Application and is proposed to be incorporated now. This indicates incomplete mapping of business rules.

➢ Further, no record evidencing conduct of super checks[28] on 10 *per cent* of the beneficiaries by Special Officers appointed by the District Collector was produced to Audit in test checked units.

3.2.3 Non-correlation with other databases

Non-correlation of Aasara particulars with information available in databases of other departments/agencies led to sanction and payment of pension to ineligible persons as detailed below:

3.2.3.1 Analysis with 'Rythu Bandhu' database

Aasara Pensions scheme guidelines stipulate that beneficiaries belonging to the households having land more than 3.0 Acres wet/ irrigated dry or 7.5 Acres dry are not eligible for Aasara Pensions. Audit cross-checked Rythu Bandhu[29] data (2018 to 2020) of Department of Agriculture with Aasara beneficiary details and noticed that persons owning land more than the eligible limits prescribed in Aasara Pensions scheme guidelines were drawing benefit irregularly. The details are:

➢ **In 12,835 cases, ineligible persons from households possessing land above 7.5 acres were sanctioned pension. Undue benefit of ₹67.41 crore was passed on to 12,152 persons, during April 2018 to March 2021.**

➢ Similarly, 2,12,709 persons from households possessing land between 3 to 7.5 acres were sanctioned pension and of this, 2,04,688 persons were paid pension of ₹1,150.71 crore during the audit period. Details of land categorisation (wet/irrigated dry/dry) were, however, not available in Aasara database. Further, these details were also not readily available with the verification/sanctioning authorities concerned in the

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[28] Paragraph 2 III (vi) of G.O.Ms.No.27 dated 2 May 2017 of Panchayat Raj and Rural Development (RD) Department
[29] Agriculture Investment Support Scheme implemented in the State of Telangana from 2018-19 onwards which provides assistance of ₹5,000 per acre per season of agricultural land ownership

test-checked units. Due to non-availability of wet or irrigated dry categorisation of lands, Audit could not arrive at the exact quantum of undue benefits passed on in these cases.

3.2.3.2 Analysis with Rythu Bima

Audit cross-checked Rythu Bima[30] data (August 2018 to February 2020) of Department of Agriculture with Aasara beneficiary details and noticed that pension benefit of ₹89.56 lakh was irregularly paid against 367 deceased beneficiaries beyond their date of death.

➢ Audit detected that an amount of ₹78.82 lakh was transferred to the bank accounts of 329 deceased beneficiaries during the audit period.

➢ Audit also detected that in 38 cases under DoP mode, an amount of ₹10.74 lakh was fraudulently drawn after the date of beneficiary's death by the concerned PS/BC using their biometrics.

3.2.3.3 Analysis with data of Transport Department

Audit cross-checked data of Transport Department (as of March 2017) with Aasara beneficiary details and noticed that persons owning vehicles (four-wheeler or heavy vehicles) were sanctioned Aasara benefit against the guidelines:

➢ **Pensions were sanctioned to 5,250 persons even though they belong to the households possessing a four-wheeler/big vehicle, as on the date of sanction. This resulted in payment of undue benefit of ₹26.81 crore to 4,645 ineligible beneficiaries during the audit period.**

➢ Four-wheeler/big vehicle was acquired by households of 5,315 beneficiaries after sanction of pension. However, they were not weeded out from the database of eligible beneficiaries. This resulted in undue payment of ₹25.17 crore to 4,463 ineligible beneficiaries during April 2018 to March 2021.

3.2.3.4 Analysis with data of Registration & Stamps Department

Aasara Pensions scheme was introduced to protect the most vulnerable sections of society and the quantum of pension was fixed in order to cover the basic minimum requirements of the needy to combat the ever-increasing cost of living and inflation. As per the socio-economic criteria stipulated in the Scheme Guidelines, the Verification Officer may assess the manner of lifestyle, occupation and possession of assets by households of Aasara beneficiaries and render them ineligible.

Audit cross-checked data of Stamps & Registration department with Aasara beneficiary details. On a conservative assessment, Audit took the basic (book) value of asset worth ₹10 lakh as benchmark. This is equal to five times of annual income ceiling (₹2 lakh)

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[30] A "Farmers' Group Life Insurance Scheme", under which ₹5.00 lakh is deposited in to the bank account of nominee of the deceased farmer

stipulated for exclusion criteria. Audit noticed that persons involved in the registration of assets worth more than ₹10 lakh (either as executants or claimants) during the years 2018-20 were paid the following benefits under the scheme:

➢ In respect of 456 cases, the registration process took place even before the pension was sanctioned and the benefit given to them was ₹1.95 crore.

➢ Similarly, in 5,259 cases, registration activity was after sanction of pension. However, eligibility of these beneficiaries was not reassessed and benefit of ₹29.47 crore was given to them.

3.2.3.5 Analysis with State Government Employees' data

Audit test checked Aasara beneficiary details with General Provident Fund (GPF) data to identify the serving/retired government employees or any of their family members among Aasara beneficiaries. It was noticed that:

➢ Family members of the households pertaining to 126 employees of Telangana State Government (in service /retired)[31] were irregularly drawing Aasara Pension. Payment of ₹73.75 lakh was made during the period covered in audit to these households[32].

➢ Cross-checking also revealed that mobile numbers belonging to 13,934 Aasara beneficiaries matched with the in-service/retired Government employees' mobile numbers[33]. Further, mobile number of 436 employees working with PR&RD (including retired) was used against 8,927 Aasara beneficiaries, indicating that beneficiary data capture was not as per guidelines and PR&RD employees' mobile numbers were extensively used to facilitate data entry.

These instances indicate that the process of identifying a beneficiary/household was not done in accordance with the prescribed procedure and these disbursals suggest failures/gaps in (a) the mechanism of verifying the antecedents of a beneficiary/household and (b) process of reviewing their economic status periodically.

Further, the eligibility criteria for 'Toddy Tappers' prescribes registration of the beneficiary with Cooperative Society of Toddy Tappers, whereas similar criterion was not fixed for 'Weavers'. Also, due to non-mapping of Toddy Tappers' Cooperative Society registration details with Aasara IT Application, Audit could not verify the veracity of their eligibility for pension.

Government accepted (June 2022) that no mechanism exists for integration of Aasara IT Application with databases of other departments to identify ineligible beneficiaries and that action would be taken for such integration.

[31] 74 Households of in-service Government employee and 52 of retired Government employees
[32] ₹43.44 lakh to the households of in-service employees and ₹30.31 lakh to the households of retired employees
[33] 9,886 in-service and 4,048 retired employees

3.3   Process and Methods of Pension Disbursement

The process involved every month for generating payment proceedings and disbursement is depicted in **Chart-3.2**:

Chart-3.2: Aasara Pensions - Disbursement Process
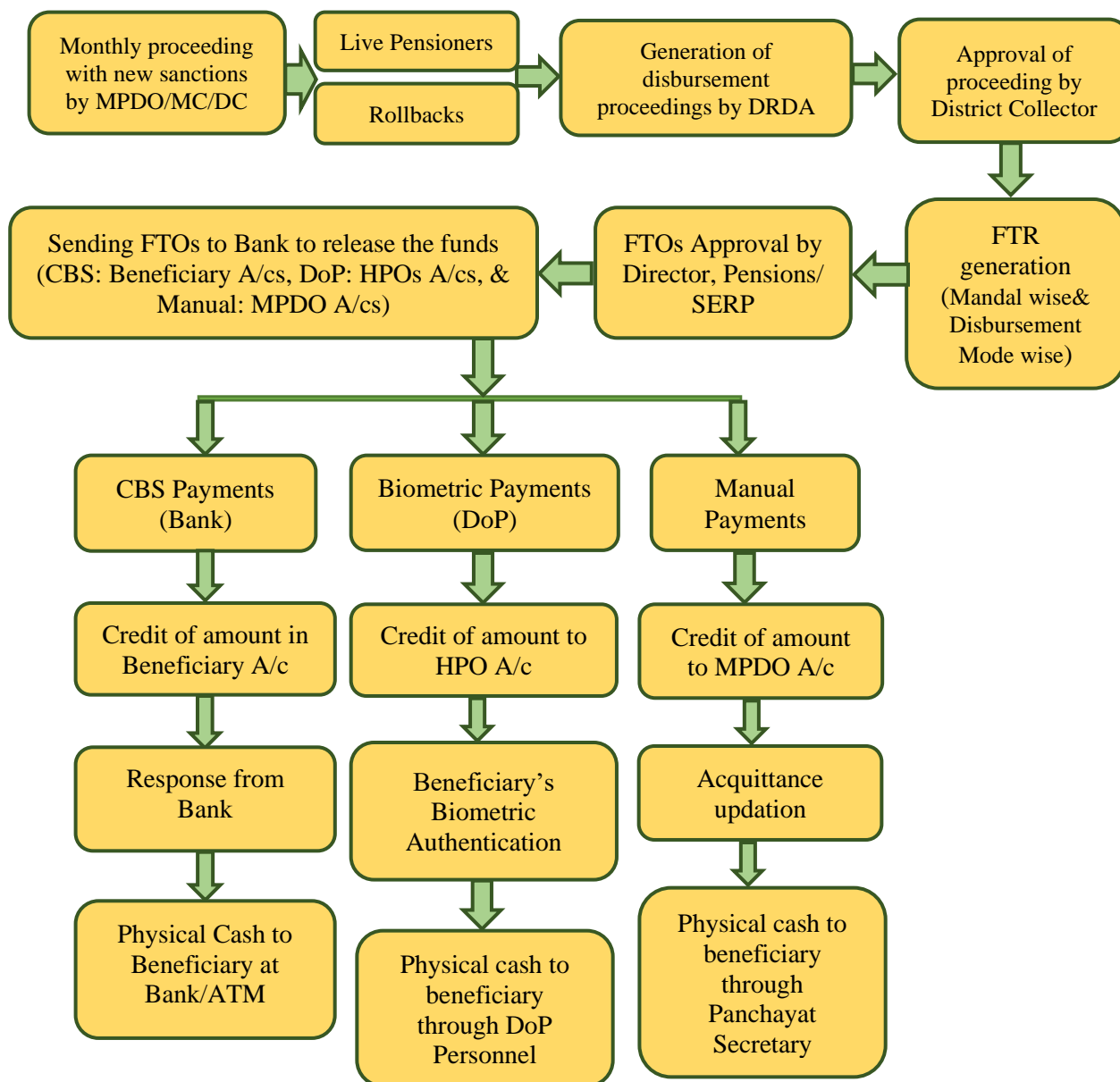
The DRDOs in 32 districts and District Revenue Officer (DRO) for Hyderabad District submit the updated list of beneficiaries to District Collector concerned every month for his/her approval. On transfer of the approved list to SERP, centralised proceedings get generated through Aasara IT Application and are forwarded back electronically to the DRDO/DRO concerned for obtaining authorisation of District Collector on the physical file for releasing the payments. The DRDO/DRO uploads the details of District Collector's approval into Aasara IT Application. Relevant Fund Transfer Request (FTR) is generated on the Aasara IT Application, Block-wise and GP-wise, by DRDO/DRO for each district

for physical and financial figures for a particular month and against which Fund Transfer Order (FTO) is issued at State Level by Director (Pensions), SERP for transfer of funds electronically from the State Nodal Account[34] to the Disbursing Agencies.

Once approved and digitally signed by the Authoriser, the payment files are sent by Aasara IT Application through an automated process to the Nodal Bank account of SERP.

In respect of disbursement of pensions through Core Banking Solution (CBS), authorised amount is debited from SERP's bank account, routed through NPCI[35] and the beneficiaries' bank accounts are credited with respective pension amounts through the appropriate payment bridge (Beneficiary's Account number and the relevant IFSC Code of the Branch are captured in Aasara IT Application).

State Bank of India shares, through an automated process, the payment status response files with Aasara IT Application through NPCI within 24 to 48 hours, i.e., T+2 days. These response files contain the details of successful and failed transactions along with reasons for the failure.

In case of pension disbursement via biometric authentication mode, the service provider is Department of Posts (DoP). Pension amount is transferred to Head Post Offices (HPOs-84) of DoP. The beneficiaries data transmitted to DoP is further transferred to the server of its technical service provider (TS Online) from where it is downloaded into the Point of Transaction Devices (PoTDs) held by Sub-Post Masters/Branch Post Masters/ Dak Sevaks. The amount is paid in cash upon authentication of biometrics through Aadhaar Enabled Payment System (AEPS).

In rare cases such as those who are bed-ridden, or whose upper extremities are badly affected, pension amount is transferred to the bank account of MPDO and the disbursement is made through manual mode in cash by Secretary of the GP concerned or by BC concerned in the Urban Local Body (ULB) at the beneficiary's door steps.

Approved pensioners are receiving pension monthly without any interruption and this was verified during the Beneficiary Survey. Acknowledgement is also posted transaction-wise against each beneficiary in the Aasara portal. Average success rate during 36 months period covered in Audit was 99.81 *per cent* for payments through bank accounts and was 89.50 *per cent* for payments through DoP[36].

Audit test-checked the number of beneficiaries as sanctioned by the District Collector on file (FTRs) with the amounts actually released (FTOs) as per the database provided, for

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[34] Maintained at State Bank of India (SBI) Adarshnagar Branch, Hyderabad

[35] All Aadhaar based transactions are routed through Aadhaar Payment Bridge System (APBS) of National Payments Corporation of India (NPCI) and all non-Aadhaar based transactions are routed through National Automated Clearing House (NACH) of NPCI

APBS: Aadhaar Payment Bridge (APB) System, one of the payment systems implemented by NPCI, uses Aadhaar number for electronically channelising the Government benefits and subsidies in the Aadhaar Enabled Bank Accounts of the intended beneficiaries

NACH: NPCI has implemented "National Automated Clearing House (NACH)" for Banks, a web-based solution to facilitate interbank, high volume, electronic transactions which are repetitive and periodic in nature. NACH System can be used for making bulk transactions towards distribution of subsidies, pension etc. The sponsor bank routes all non-Aadhaar based transactions through NACH which is an automated process

[36] including payments through messenger authentication

two sampled Mandals in two sampled Districts for two months[37]. We did not find any variation or discrepancies between them.

As per the information available on the Aasara Portal, 100 *per cent* Aadhaar seeding was completed for all live pensioners of Aasara scheme. However, the data provided to Audit by the SERP was without Aadhaar (UID) numbers; hence Audit could not confirm the Aadhaar linkage.

3.3.1 Selective sanction and disbursement of pension

Analysis of Aasara data revealed that payments to new sanctions were stopped from September 2019 and the sanction generating feature in Aasara IT Application was disabled with effect from January 2020. However, in the month of September 2020, the interface was temporarily enabled for Medak, Sangareddy and Siddipet districts to accommodate addition of 36,690[38] new pensioners. Justification was not available for preferential sanction of pensions to these persons *en masse,* ignoring 98,987 other eligible pensioners[39] across the State. Further, it was noticed that:

➢ New sanctions were accorded to 26,943[40] beneficiaries between 2nd and 5th September 2020, while for the remaining 9,747 beneficiaries, pensions were sanctioned prior to that.

➢ Pensions amounting to ₹4.75 crore was disbursed to 23,077 beneficiaries for the previous month of August 2020 also.

➢ To accommodate these fresh set of pensioners, the disbursement proceedings generated on 30th/31st August 2020 for the month of August 2020, were revised subsequently on 10th September 2020, in these districts.

Government replied (June 2022) that pension amount was released in September'2020 to the beneficiaries in the three districts of Medak, Sangareddy and Siddipet as a special case. The reply is not acceptable as selection of just three districts lacks justification for ignoring other eligible persons in the waitlist across the State.

3.3.2 Delay in payment of benefit

A monthly disbursement cycle (to be followed without fail) was stipulated in the scheme guidelines so that the poor receive pension between 1st to 7th of every month. In this regard, scrutiny of disbursement data revealed that there were delays ranging from 6 to 32 days in disbursement process for all the 36 months during April 2018 to March 2021.

Government attributed (June 2022) the delays to exigencies but no specific reasons were furnished.

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[37] Armoor Mandal and Nizamabad Municipal Corporation in Nizamabad District and Abdullapurmet Mandal and Saroornagar urban Mandal in GHMC area in Rangareddy District for November 2020 and December 2020'

[38] 10,319 from Medak, 9,499 from Sangareddy and 16,872 from Siddipet

[39] 1,205 from the districts of Medak, Sangareddy and Siddipet while the remaining 97,782 are from other districts

[40] 7,274 from Medak, 4,973 from Sangareddy and 14,696 from Siddipet

3.3.3 Pension Amount credited to Bank Accounts of deceased beneficiaries

Panchayat Secretary/ Bill Collector shall report every month change in status of the pensioner/beneficiary (viz., his/her death, remarriage in respect of a widow, percentage of disability, etc) and the MPDO/Municipal Commissioner shall be responsible for deleting these names on an immediate basis.

In the Telangana State, deaths are registered on Unified Birth and Death Registration Management Information System (UBDMIS) through a web application[41], developed and maintained by National Informatics Centre (NIC). The responsibility of registering the death and issue of death certificate vests with the concerned Urban Local Body (Municipality/Municipal Corporation) or Panchayat Raj Institution (Gram Panchayat). Further, the responsibility to update the data on the websites for registration of deaths and Aasara Pensions vests with the PRIs/ULBs. Similar data is maintained by Greater Hyderabad Municipal Corporation (GHMC) for deaths under its jurisdiction through its website[42] designed and developed by Centre for Good Governance (CGG). Scrutiny of relevant records in test-checked units revealed the following:

➢ The death details in UBDMIS and GHMC websites were not integrated with the data of beneficiaries captured in Aasara IT Application. Due to lack of coordination between two Sections in the ULBs (dealing with Registration of Deaths and Aasara Pensions), beneficiaries were not deleted from Aasara database even after registration of deaths in the same ULBs too.

➢ Further, MPDOs and DRDOs are not obtaining the details of all death cases from the local bodies under their jurisdiction for identification and deletion of deceased beneficiaries from the Aasara IT Application.

➢ The death details were not uploaded to the UBDMIS website by PRIs and were maintained offline in physical registers during the audit period and the deaths information was not updated in Aasara database.

This resulted in irregular credit of pension/financial assistance to deceased beneficiaries, leaving scope for its misutilisation. Audit observed that in Nizamabad Municipal Corporation, ₹76.55 lakh was found to be recoverable[43] from the persons drawing pension against deceased beneficiaries.

➢ Relatives/nominees of the deceased beneficiaries approached the MPDOs/Commissioners of ULBs for authorisation to be given to Bank authorities to draw outstanding amounts in the bank accounts. Only in such cases, the MPDOs/Municipal Commissioners deleted the deceased beneficiaries from Aasara Portal and requested the concerned bank authorities to transfer irregularly credited amounts back to the nodal account of SERP.

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[41] http://ubdmis.telangana.gov.in
[42] https://bnd.ghmc.gov.in/Death_Certificate.aspx
[43] ₹ 48.83 lakh (64 *per cent*) recovered as of March 2021

➢ As per the records made available to Audit, an amount of ₹1.31 crore was credited to the bank accounts of deceased beneficiaries in 672 cases[44]. The period of credits after the date of death ranged from 1 to 39 months. However, there was no follow up either with the authorities of the Banks or SERP with regard to recovery of identified amount and its remittance to Nodal Account of SERP. CEO, SERP also stated (June 2022) that there was no mechanism to reconcile such amounts remitted to State Nodal Account.

➢ The status of 4,78,280 beneficiaries is denoted with "D" (Notation for Death) in the BENEFICIARIES_DETAILS table but corresponding dates of death were not captured in any case. In absence of this, Audit could not ascertain the benefits, if any, paid to such deceased beneficiaries.

➢ Scrutiny revealed that 50 beneficiaries under 'Filaria' category were deleted due to the death of beneficiary and death date was captured for 24 (out of 50) beneficiaries. Cross-checking with payments data revealed that payment of ₹3.78 lakh was passed on, during April 2018 to March 2021, to these 24 beneficiaries even after their death.

Government replied (June 2022) that no mechanism existed for integration of Aasara database with databases of other departments (including UBDMIS and GHMC) and due steps are being taken to implement such a mechanism.

These lapses indicate lack of adequate monitoring at Apex level and District level and therefore, necessary action may be taken for strengthening oversight.

3.3.4 Pension disbursed to excluded beneficiaries

As per the Aasara Portal, details of deletion of beneficiaries were as shown in **Table-3.2**.

Table-3.2: Number of deletions during 2018-19 to 2020-21

Year	Reason for Deletion						Total Deletions
	Death	**Ineligibility**	**Double OAP**	**Repeated**	**Permanent Migration (PM)**	**less % of disability**	
2018-19	38,680	4,136	65	161	53,052	29	96,123
2019-20	97,027	4,774	130	218	34,859	2,590	1,39,598
2020-21	1,18,208	5,286	184	116	44,227	1,070	1,69,091
Total	**2,53,915**	**14,196**	**379**	**495**	**1,32,138**	**3,689**	**4,04,812**

Source: Report R 1.16-Deleted Pensioners Details on Aasara Portal

There was no provision in the Aasara IT Application to capture the dates when the beneficiaries were found to be ineligible and recoveries to be made in case of excluded beneficiaries. Audit could not ascertain payments made to above deleted beneficiaries in the absence of effective date of deletion and reflection of deletion status in database for stopping benefit disbursal. These beneficiaries are not receiving pensions as on date.

Government accepted (June 2022) that there was no provision in the Aasara portal to capture date from which beneficiary is ineligible.

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[44] Hayathnagar (GHMC) (14 cases: ₹ 4.08 lakh), Sangareddy Municipality (43 cases: ₹ 3.90 lakh), MPDO, Ramayampet, Medak (22 cases: ₹2.82 lakh), MPDO, Chegunta, Medak (4 cases: ₹0.64 lakh), Tahsildar, Nampally (1 case: ₹0.08 lakh), Jadcherla Municipality (3 cases: ₹1.04 lakh); Nizamabad District (351 cases: ₹76.55 lakh), Saroornagar (GHMC) (102 cases: ₹16.75 lakh), Tahsildar, Charminar (61 cases: ₹10.36 lakh) and MPDO, Patancheru (71 cases: ₹14.37 lakh)

Scrutiny of Aasara data also revealed that 2,80,224 beneficiaries who were identified by the department for exclusion as the beneficiaries were (a) possessing excess land or four wheelers, (b) employed with government and private sector, (c) drawing freedom fighter/ other pension, etc. Cross-checking with payment history revealed that 2,02,294 of these beneficiaries were paid ₹1,175 crore during the period 2018-19 to 2020-21. Details are given in **Table-3.3**.

Table-3.3: Beneficiaries identified for exclusion by the Department

	Exclusion Criteria						Total
	Employees	**Freedom Fighter/ Other Pension**	**Four/Higher wheeled vehicles**	**Wet/Dry Land**	**Large businesses**	**Multiple conditions**	
Number of ineligible persons	1,16,453	34,995	9,349	19,681	881	20,935	2,02,294
Amount (₹ in crore)	684.86	198.89	55.09	108.87	5.12	122.12	1174.95

Source: Aasara Database tables

Further, pension was sanctioned to 1,94,315 (out of 2,02,294) ineligible persons before January 2015. Delays in conducting regular checks to weed out the ineligible beneficiaries resulted in payment of undue benefit to them. Data analysis further revealed that 1,80,297 (out of 2,02,294) beneficiaries identified for exclusion were still receiving benefits (as of March 2021) and no action was taken to weed them out.

CEO, SERP replied (June 2022) that details of live beneficiaries and new sanctions were given to Samagra Vedika[45] for the scrutiny of eligibility, in the year 2019. However, Government reply (June 2022) is silent on reasons for inaction on the beneficiaries identified for exclusion.

Responsibility on the concerned officials needs to be fixed for their failure to delete the ineligible beneficiaries timely which led to erroneous use of Government money. Immediate action should also be taken for deletion of those identified ineligible beneficiaries from the Aasara database to avoid further burden on the exchequer.

3.3.5 Pension amounts drawn on the biometric authentication of Gram Panchayat Secretaries/Bill Collectors

For disbursement of pension in cash from DoP, it is mandatory to authenticate biometrics of the beneficiary on Point of Transaction Device (PoTD)[46]. Only in rare cases, where the beneficiaries are bedridden or their upper extremities are affected, the benefit can be disbursed by using biometrics of PS/BC, subject to clearance of all such cases by a competent higher authority. The stipulation is in consonance with the DBT Guidelines issued by the Union Government.

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[45] Telangana's integrated platform using big data, Machine Language, Graph database for better citizen service delivery and transparency, accountable and efficient Governance, an initiative by Information Technology, Electronics and Communications Department, GoT

[46] a handheld machine operated with internet by the DoP personnel for payment of pension

Audit observed that a facility was also made for pensions disbursed under DoP mode enabling PS/BC, to draw pension with their biometrics for old age/ bed-ridden beneficiaries, whose biometrics could not be authenticated.

Data analysis of DoP disbursements and scrutiny of relevant records revealed the following lapses:

Table-3.4: Disbursements made without Biometric authentication

Year	Total DoP disbursements during the Year	Number of disbursements without beneficiary's biometric authentication (*per cent*)	Amount Disbursed without beneficiary's biometric authentication (₹ in crore)
2018-19	2,65,39,959	9,52,622(4)	135.63
2019-20	2,60,60,061	10,08,073 (4)	232.53
2020-21	2,52,80,765	11,39,660 (5)	285.57
Total	**7,78,80,785**	**31,00,355 (4)**	**653.73**

Source: Aasara database

➢ In the month of March 2021, Best Fingerprint Detection (BFD) failure occurred in respect of 1,82,608 (9 *per cent*) out of 20,66,322 beneficiaries. Payments in these cases were made through biometric authentication of PS/BC and these transactions were recorded as payments through 'messenger authentication' in the Aasara IT Application.

➢ Repeated BFD authentication failure was noticed (ranging from 7 to 30 pension months out of 36) for 21,536 out of 5,10,980 beneficiaries and benefit of ₹58.33 crore was paid to them. Further, none of these beneficiaries belong to disabled or old age categories.

➢ To evaluate gaps in data maintenance/interfacing/reconciliation at granular level of postal disbursements, Audit sought data relating to tracing the last mile delivery of benefit, but the same was not made available. Granular level data is not available with SERP as DoP acquired services of third party (TS Online) for PoTD data maintenance and biometric authentication. Non-retention of granular level data depicting complete path of delivery, is a serious risk to data retention and transaction traceability.

➢ Register/record for obtaining acknowledgment (signature/ thumb impression) from the beneficiaries as a physical acquittance for the pension amounts drawn with biometric authentication of GP Secretary/BC was not maintained in most of the test-checked municipalities and GPs under test-checked Mandals[47]. Thus, Audit could not vouch the actual disbursement of pensions to beneficiaries.

Government replied (June 2022) that payments are made to senior citizens through messenger in rare circumstances. However, Audit analysis revealed that 4 *per cent* of DoP payments were authenticated through messenger. Further, continuous payments through messengers to persons not falling under disabled and old age categories is not justified.

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[47] Registers are maintained in Ibrahimpatnam (1 GP) Mandal and Amangal Municipality in Rangareddy district; Armoor (3 GPs), Dichpally (2 GPs), Makloor (6 GPs), Yedpally (4GPs) Mandals in Nizamabad district; Ganded (1 GP), Mahabubnagar (7GPs), Rajapur (7 GPs) Mandals in Mahabubnagar district; Gajwel (1 GP). Wargal (2 GPs) Mandals in Siddipet district and in Bibinagar (5 GPs), Turkapally (7 GPs) Mandals in Yadadri-Bhuvanagiri district

In test checked units, where acquittance registers were maintained, following irregularities were noticed:

➢ Register was not maintained for entire period covered in audit, i.e., maintained for the partial period only. Number of beneficiaries for whom pension was drawn with GP Secretary's biometric authentication as per Aasara IT Application was not in agreement with the number of persons whose acknowledgment was recorded in the Registers. There was shortfall in recording acknowledgements.

➢ Signatures of persons other than the actual beneficiaries were taken in token of disbursement of pension. Pension was disbursed to multiple persons with acknowledgement from single person. Signatures of GP staff (Secretary/Karobaar) were also recorded.

➢ In the test checked mandal of Chegunta in Medak district, Audit detected fraudulent withdrawal of ₹0.20 lakh after death of the beneficiary using biometric authentication of the PS for 10 months (August 2020 to May 2021). Similar fraudulent withdrawals amounting to ₹0.17 lakh for 1-3 months were made in four more cases in Yadadri-Bhuvanagiri district.

This indicates that the authentication mechanism adopted for payments through Messenger is not supported by proper acquittance of the beneficiary and hence, is in contravention of Aasara Pensions scheme guidelines as well as DBT guidelines.

Government accepted the audit observations and stated that instructions were issued to maintain the acquittance registers systematically.

3.4   Results of Beneficiary Survey

Survey, with the help of a structured questionnaire, was conducted for 480 beneficiaries by Audit, to elicit their opinion on the scheme and to evaluate transparency, adequacy and deficiencies in service delivery. Results of the survey are detailed below:

(i) Beneficiaries knew about the Aasara Pensions scheme from their friends and family members (41 *per cent*) followed by radio/television (23 *per cent*), People's Representatives (21 *per cent*) and campaign by Departmental authorities (15 *per cent*).

(ii) Most of the beneficiaries (76 *per cent*) stated that they got help from the authorities in filling and submission of pension application. Of the total beneficiaries surveyed, only 5 *per cent* beneficiaries stated that they had faced difficulty while getting sanction for pension.

Number of beneficiaries who stated that they/ their family members visited the authorities more than two times for pension sanction is given in **Table-3.5**.

Table-3.5: Details of surveyed beneficiaries visited offices more than two times for pension sanction

Number of Visits	Number of Surveyed Beneficiaries who visited these offices		
	GP Office	MPDO/Municipal Office	DRDA/Collectorate
More than Two times	73	112	3

(iii) With regard to the purpose of immediate utilisation of pension amount, 37 *per cent,* 27 *per cent* and 24 *per cent* of the beneficiaries respectively stated that the pension amount was used for procuring medicines, food and multi-household items. The pension amount was spent by themselves for their daily needs by 95 *per cent* of surveyed beneficiaries and the amount was spent by their family members for the remaining beneficiaries (5 *per cent*).

(iv) Beneficiaries, stated that there was no alert mechanism for DoP disbursement/ Bank Credits (65 *per cent*). DoP beneficiaries stated that they were taking help of neighbours about the information on disbursements during a month. Review of Aasara IT Application also revealed that no alert mechanism exists to intimate beneficiaries about payment initiation. This was against the stipulation in Standard Operating Procedure (SOP) for DBT payments.

(v) Of the 480 Surveyed Beneficiaries, pension was credited to their bank accounts in respect of 220 Beneficiaries. Of this, 87 beneficiaries stated that pension amount was drawn with Debit Card at ATM facility by self (76) or family members (11); and 133 beneficiaries stated that they have no ATM Card and they draw pension at bank.

(vi) With regard to immovable properties, 271 (56 *per cent*) beneficiaries stated that they or their family members were having own house and/or agriculture land.

(vii) Audit found that 32 beneficiaries (7 *per cent* of 480 beneficiaries surveyed) were found to be ineligible for the pension benefit as per their own statement given during the beneficiary survey.

Government confirmed the ineligibility of the beneficiaries in 15 cases and stated that enquiry was pending in 6 cases. Further, 11 cases were found eligible as per latest status of the beneficiaries.

3.5 Observations on dovetailing Central Assistance into Aasara and inconsistencies in data tables

Audit analysed the Aasara and NSAP data tables and observed the following inconsistencies:

➢ Cross-checking of Aasara beneficiary details with NSAP data revealed mismatch of age among 5,21,881 out of 8,47,374 (62 *per cent*) beneficiaries. The mismatch ranged from 1 year to 79 years.

➢ 38,012 NSAP beneficiaries are not eligible as their age is less than that prescribed in NSAP criteria. An amount of ₹23.54 crore was irregularly paid to these beneficiaries from central assistance during April 2018 to March 2021 as detailed in **Table-3.6**.

Table-3.6: Category-wise under aged beneficiaries shown under NSAP

Sl. No.	NSAP component	Minimum age prescribed	Beneficiaries with age less than stipulation	Central Amount (₹ in crore)	State Amount (₹ in crore)	Total Amount (₹ in crore)
(a)	(b)	(c)	(d)	(e)	(f)	(e) + (f)
1	IGNOAPS	60 years	12,260	1.09	9.58	10.67
2	IGNWPS	40 years	24,488	21.52	94.80	116.32
3	IGNDPS	18 years	1,264	0.93	6.67	7.60
Total			**38,012**	**23.54**	**111.05**	**134.59**

Source: Aasara and NSAP data tables

➢ 6,204 Aasara beneficiaries other than Old Age or Widow or Disabled category were shown under NSAP, indicating erratic dovetailing of central assistance under NSAP.

➢ Scrutiny and cross-checking of 15,814 (out of 24,099 beneficiaries) IGNDPS beneficiary data with Aasara data revealed that disability percentage did not comply with NSAP disability stipulation (80 *per cent*). An amount of ₹12 crore was irregularly paid to these beneficiaries from central assistance during April 2018 to March 2021.

Above observations indicate that NSAP criteria were not being captured/maintained accurately and was not in adherence to NSAP guidelines. It is imperative on the State Government to adopt and adhere to the NSAP guidelines when GoI funds are utilised for disbursement of pension.

Due to non-updation of age of NSAP/Aasara beneficiaries, eligibility of a NSAP beneficiary for enhanced pension, after attaining 80 years of age, could not be ascertained.

Government accepted (June 2022) non-updation of age in Aasara/NSAP tables and inconsistencies in data amongst related tables.

3.5.1. State specific Guidelines for implementation of Social Security Pensions under NSAP

GoI recognised the variations in methods/processes adopted for implementation of Social Security Pensions in different States. GoI realised that it would not be possible to harmonise all the variations as State schemes are largely based on precedents and local situations. Hence, NSAP Guidelines (October 2014) gave scope for adoption of State-specific Guidelines while complying with its key principles and requirements. States were required to suggest variations needed and submit the same within three months, for one-time approval of the National Social Assistance Advisory Committee in the Ministry of Rural Development, GoI. However, the State Government did not furnish information to Audit regarding submission of its guidelines to GoI for one-time approval, though specifically called for.

3.6 Conclusion

Aasara IT Application has not been implemented as an end-to-end IT based solution for pension application, approval and processing. IT system did not provide for application receipt and for verification of eligibility criteria. Ineligible persons were sanctioned and

paid pensions due to ineffective verification. Aasara IT Application had no interfacing with databases of other Government Departments to cross-check eligibility criteria stipulated in the scheme guidelines. The objective of extending benefits to all eligible persons from the poorest of poor households was not fully achieved as a substantial number of eligible applicants were kept waiting for the benefit upto three years. Biometric authentication failed in respect of four *per cent* of payments through DoP mode. Delays in timely deletion of the ineligible beneficiaries from the database resulted in payment of undue benefit of ₹1,175 crore to those ineligible beneficiaries during the period 2018-19 to 2020-21.

3.7   Recommendations

(i)   Effective interfacing mechanism with the databases of other Government departments should be put in place.

(ii)   Government should ensure that surveys are conducted regularly for inclusion and exclusion of beneficiaries with due verification of eligibility conditions.

(iii)   Penal provisions should also be enforced to prevent claiming of Aasara benefit by ineligible persons.

(iv)   While dovetailing Central assistance with State scheme, adequate care should be taken to adopt the GoI norms under NSAP.

(v)   Adequate monitoring of the Scheme at Apex level and District level should be ensured.

Chapter IV

Evaluation of Controls in Aasara IT Application

Chapter IV - Evaluation of Controls in Aasara IT Application

- **Password policy management through Aasara IT Application is inadequate.**

- **Login/logout/IP Address/session details (including time stamps) of officials/staff operating through Aasara IT Application are not maintained.**

- **Contrary to the guidelines of National Critical Information Infrastructure Protection Centre (NCIIPC) on Proper Backup plan and policy, critical/important information was stored at same location.**

- **Details of Verification Officer (viz., name, designation) are not captured.**

- **Inbuilt business rule did not exist for 'Household income' and the system accepted higher incomes than stipulated in the criteria.**

- **Payments were made to ineligible beneficiaries due to inadequacies in capture of reliable and accurate data and there were gaps in Processing controls and Output controls in Aasara IT Application.**

4.1 Evaluation of IT Controls implemented in Aasara Application

For implementing Aasara Pensions scheme, the CEO, SERP issued (December 2014) a work order to the service provider for designing, developing and hosting a dedicated IT application (Web based) and its maintenance for a specified period. The service provider completed the software development and implemented the Aasara IT Application with effect from January 2015. The database is being maintained at the State Data Centre (SDC), Hyderabad. Audit evaluated the controls implemented in the IT application.

4.1.1 General controls

General controls are crucial to ensure effective implementation of IT application and security/integrity of IT and IT systems.

The processes involved in a System Development Lifecycle are (a) Feasibility Study, (b) Requirement Projection & Analysis, (c) Designing & Development, (d) Testing/User Acceptance & Quality Assurance (e) Deployment and (f) Continued Maintenance and Improvements to the product, etc. Audit assessed IT controls associated with development and implementation of Aasara software and observed following gaps:

4.1.1.1 Non-adherence to bidding procedures

The Telangana State Financial Code[48] stipulates that all State Government Departments/ Agencies shall follow 'open tender system' for procuring goods/services where the estimated value of the order is ₹5 lakh or more. Audit observed that open tendering method/competitive bidding process was not followed for identifying the service provider. A direct work order[49] was issued (value: ₹38.20 lakh) to the pre-determined vendor (TCS)

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[48] Rule 3 article 125 of Vol-I
[49] 05/SERP.APS/2014 dated 23 December 2014

on a techno-commercial proposal, prepared by the vendor in October 2014 i.e., three weeks before the Scheme guidelines were issued in November 2014. This indicated that competitive bidding process was not explored.

Government accepted the observation and stated (June 2022) that proposal for ratification is under consideration.

4.1.1.2 Lack of documentation and policies

A) Audit requested SERP to provide records relating to project initiation such as User Requirement Specification (URS), Software Requirements Specification (SRS), Change Management, etc. Documentation on High Level Design, Database Design, SRS, Deployment Manual and Server details only were furnished. URS, Change Requests, Knowledge Transfer terms were not furnished despite repeated written requests. In this background, the gaps between URS and SRS could not be ascertained by Audit.

B) IT Policies and procedures instrumental for assuring protection of information system assets like data, software, hardware, etc. Evaluation of relevant policies and procedures implemented revealed the following:

- Password policy management through Aasara IT Application is inadequate, since enforcement of periodical password change was not made mandatory. Government accepted that password change is mandatory only on first time login.

- Login/logout/IP Address/session details (including time stamps) of officials/staff operating through Aasara IT Application are not maintained and Audit could not evaluate unauthorised access/changes, if any, to the critical/sensitive data. Government replied (June2022) that IP address and session details were captured but the reply was silent on access or changes to sensitive/critical data.

- Effective User awareness & liability ensure risk free changes to Master data like Bank Account Number, Disability percentage, etc. Audit noticed from analysis of 'ALL_DELETIONS_TILL_NOW' table that payment in respect of 255 beneficiaries was withheld (July 2019) in Charminar Mandal due to change of bank account numbers abnormally, as noticed from Management Information System (MIS) reports. This indicates gaps in access /privilege management, lack of audit logs/trails and review mechanism. Government reply (June 2022) was silent on audit observation. However, CEO, SERP replied (June 2022) that the said case is under investigation by Cyber Crime team of Police.

- Audit sought details of documentation/test cases/acceptance certificates pertaining to the changes implemented. Though access to the periodical work done report on changes was provided to Audit, documentation relevant to major/minor changes proposed/approved with budgets/review by technical committee for implementation of changes along with testing and review reports were not available. This indicates lapses in change management procedures adopted.

- Business Continuity Plan (BCP) and Disaster Recovery management policy (DRP) were not drafted. Audit sought vulnerability assessment reports done by SERP. No specific reply was furnished by the Government for this observation.

- National Critical Information Infrastructure Protection Centre (NCIIPC[50]), guidelines (January 2015) on protection of Critical Information Infrastructure stipulate 'Proper Backup plan and policy should be in place for the protection of all types of data on the regular basis' as a best practice. However, Audit observed from the operational log that copies of backup media are being stored at same location (i.e. SDC, Hyderabad) and storing of critical/important information is not being done at any other alternate location, where they may be recovered from, in case of disaster. No specific reply was furnished by the Government for this observation.

- Audit sought documentation on emergency response strategy/testing/alarm procedures and expected response scenarios for attending various levels of emergencies to safeguard the IT assets at SDC or SERP. Excepting Fire Safety Adherence compliance as per SDC norms, no specific reply was furnished for other types of emergencies/disasters.

- Audit observed that adequate training was not provided to staff working at all the implementation levels.

  Government reply (June 2022) is not specific to the trainings imparted to field level staff subordinate to MPDOs/Municipal Commissioners/DRDOs.

- Except for Web application security audit (last done in June 2020 for the audit period to end of March 2021), Aasara IT infrastructure lacks defined IT Security Policy and periodical audits, either at SDC or SERP, to ensure security of Database/Network.

4.1.2 Inadequate Input controls

Input controls ensure entry of correct and complete information being fed into the database, thereby, assuring data integrity and reliability. Audit evaluated input controls of Aasara IT Application and the following gaps are noticed:

➢ Details of Verification Officer (like name, designation) are not captured;

  Government replied (June 2022) that details of Verification Officer were captured. However, data analysis by Audit revealed that in 60 *per cent* records (29,20,671 out of 48,51,310 records), Verification Officer details were not available.

➢ 'SKS ID' captured in Aasara IT Application was not standardised;

  Government replied (June 2022) that SKS data was not integrated with Aasara IT Application. The reply is not acceptable as it is not in compliance with the Scheme Guidelines.

➢ Inbuilt business rule was non-existent for 'Household income' and the system accepted higher incomes than stipulated in the criteria.

  Government accepted the lapse and replied (June 2022) that suitable validation has been incorporated in the system.

➢ Data entry screens were not designed, as per requirements (SRS), to implement mandatory capture of inputs (like SKS ID, Date of Birth, Age, Account Number, etc).

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[50] Nodal Agency notified (January 2014) by GoI for Critical Information Infrastructure Protection under Section 70A of Information Technology Act 2000

Government replied (June 2022) that capture of information against these columns is mandatory. However, scrutiny of data for the audit period revealed that out of 50,30,158 beneficiaries, important data like Date of Birth against 45,87,465 beneficiaries and Bank Account Number in respect of 7,80,019 beneficiaries was not available. Further, issues referred in *paragraphs 3.1.3, 3.2.2.2, 3.2.2.4* and *3.2.3* also indicate inadequate input controls. This has resulted in incomplete/incorrect/duplicate data capture as well as financial loss, as indicated, previously.

4.1.3 Gaps in Processing controls

Data analysis showed that there were ineligible payments to disabled beneficiaries after expiry of the validity of SADAREM certificates. Similarly, cases of payments to beneficiaries with duplicate/improper SADAREM IDs and lesser degree of disability than the prescribed limits[51] were detected. Details of payments made to ineligible beneficiaries due to inadequacies in capture of reliable and accurate data are described below:

➢ In 7,675 cases, pension payments of ₹14.01 crore were made even after expiry of SADAREM certificate during the Audit period. This indicates that validity/renewal of disability certificate (SADAREM) was not checked/carried out periodically. Government replied (June 2022) that ratification proposals are under consideration.

➢ In respect of 7,336 cases improper/duplicate SADAREM_IDs were detected and 1,302 beneficiaries were paid pensions of ₹5.56 crore during the audit period. This indicates that department had sanctioned pensions without verifying the uniqueness of the SADAREM_ID. Government replied (June 2022) that validation to prevent duplicate SADAREM_IDs was put in place since February 2019. However, Audit detected six cases of duplication even after February 2019.

➢ The degree of disability in respect of 73 hearing impaired and 304 other than hearing impaired (Total: 377 cases) was less than the percentage stipulated. Amounts of ₹10 lakh and ₹28 lakh respectively were disbursed to these ineligible beneficiaries during audit period.

Government replied (June 2022) that validation for percentage of disability was put in place since February 2019 and upon reassessment, pension was stopped if the percentage is less than the stipulation. However, scrutiny of data revealed three instances of sanctions with lesser disability percentage after February 2019 also.

➢ Cross-checking of Aasara data with National Voters' Service Portal, Aadhaar particulars and details submitted in the physical applications revealed that 14 applicants[52] having age less than 65 years were sanctioned Aasara Pension under OAP category in violation of the inclusion criteria. Payments made to these ineligible persons during the audit period worked out to ₹5 lakh. Beneficiaries age should be updated/ calculated automatically after initial data entry. However, the department stated (December 2021) that the age captured during data entry was not being updated periodically.

Government confirmed (June 2022) the ineligibility of the beneficiaries in 11 cases and stated that enquiry is pending against three cases.

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[51] Hearing Impaired: 51 *per cent* and other categories: 40 *per cent*
[52] Hyderabad district: one case-₹0.55 lakh; Medak district: seven cases-₹2.35 lakh; Siddipet district: five cases: ₹1.53 lakh; Yadadri-Bhuvanagiri district: one case-₹ 0.57 lakh

➢ Further, during the scrutiny of sampled applications, Audit detected that 13 beneficiaries under widow (6 cases), OAP (4 cases) and disabled (3 cases) categories though not eligible under the respective categories (as per inclusion and exclusion criteria) were sanctioned pension.

Government confirmed (June 2022) the ineligibility in these cases.

Above observations indicate inadequate processing controls.

4.1.4 Gaps in Output controls

Output controls provide reasonable assurance for matching the results of authorised and approved input processes with the output generated. Control totals produced in outputs during processing need to be compared and reconciled with input control totals.

➢ Audit observed that the MIS Report R5.1(b) generated through Aasara Portal for the month of March 2020 was erratic since there was a mismatch between number of beneficiaries and corresponding amount for undisbursed totals. This indicates lapses in reporting/output generation.

➢ There was mismatch between the sanction orders relating to new pensioners added in Siddipet district and total sanctioned pensioners' report (R 2.2 of Aasara Portal) for the period from November 2016 to September 2020. Aasara IT Application is not facilitated to carry out reconciliation of funds (control unit wise) for flagging of undisbursed/unutilised amounts for recovery purpose. Government concurred (June 2022) that reconciliation of undisbursed funds is taking place under DoP mode only, leaving out undisbursed funds in bank and manual modes.

➢ Under the jurisdiction of Greater Warangal Municipal Corporation, 10 beneficiaries were being credited with Aasara Pension amount even though these beneficiaries were reported as deceased/expired (May 2020). Aasara IT Application reflected the current status of these beneficiaries as 'live'. This indicated that the current status of a beneficiary and the IT Application reports are not being updated in a timely manner. Non-updating of beneficiary data in these cases resulted in erratic output as well as ineligible payment of ₹0.73 lakh during April 2018 to March 2021 for nine beneficiaries. Status of these beneficiaries was updated after intimation of audit observation. Similar lapses pertaining to live status of beneficiaries have been brought in *paragraph 3.3.4 supra*. Government concurred (June 2022) that pensions were credited to deceased beneficiary accounts due to delay in reporting of death/updation.

These cases indicate that Aasara IT Application has certain gaps in implementing effective/adequate output controls. Further, issues relating to age criterion and disability percentage level as referred to in *paragraph 3.5 supra* also indicate inadequate output controls.

4.1.5 Lacunae in data management system controls

Standard data management controls assure accurate and consistent data maintenance. Ineffective data management controls do not mitigate the risks relating to data integrity and security.

➢ Scrutiny of data revealed that important information like age, bank account number, SKS ID and surname are not accurately captured. Further, mechanisms to maintain/update accurate data do not exist, due to which implementation of criteria in categorisation/disbursement processes were affected as brought out in *paragraph 3.2 supra*. Government replied (June 2022) that capture of Bank Account details was made mandatory for beneficiaries drawing pensions under DoP mode since January 2017. However, scrutiny of data revealed that bank account numbers are not available against beneficiaries who were sanctioned pension prior to January 2017. This indicates lack of data updating for such persons.

➢ Audit observed that the software maintenance service provider was directed (January 2018) to make changes to Aasara data unilaterally by updating age of Old Age pensioners having age as null in the database to 66 years. Similarly, the age of widow pensioners was directed to be updated between 35-40 years and for other categories to the age prescribed in eligibility criteria. As a result, the age of 3,88,005 (out of 17,76,109) OAP pensioners and that of 2,08,555 (out of 16,88,180) widows was updated without any basis. This indicates that Aasara data is not supported with documentary proof of age stipulated in the Aasara Pensions scheme guidelines. Government did not furnish specific reply to this observation. Responsibility on the concerned officials needs to be fixed and disciplinary action should be taken.

➢ Aasara IT Application lacks provisions for uploading of manual application/verification report and also does not facilitate the capture of all required details to ascertain eligibility. This indicates that Aasara IT Application is ineffective in providing assurance for transparency/verifiability in sanction process as brought out in *paragraph 3.2 supra*. Government stated (June 2022) that a facility has since been created in the Portal enabling uploading of scanned copy of beneficiary application, duly certified by PS/BC and MPDO/Municipal Commissioner.

➢ Due to lack of standard data maintenance practices and cleansing activities, inadequacies/inconsistencies were noticed as brought out in *paragraph 3.2 supra*. Department stated (June 2022) that data cleansing activities would be taken up.

During the exit meeting, the Government accepted the audit observations and stated that the audit process had aided in identifying the gaps in the Aasara IT application and necessary rectifications shall be carried out.

4.1.6 Grievance Redressal Mechanism

An effective Grievance Redressal System enables users and stakeholders to escalate and resolve issues and prevents delay in services provided through IT solution.

Scrutiny of grievances data revealed that 53,097 issues were reported through Aasara IT Application. Of this, 51,653 (97 *per cent*) issues relate to rolling back the status of beneficiary (from ineligible to eligible), 1362 relate to change of address, 72 relate to issues with Point of Transaction Devices (POTD Module), 6 relate to Name Correction of Pensioner and 4 relate to wrong tagging of SADAREM (SADAREM ID Wrong Tagging Module).

Ninety-seven *per cent* of issues in Rollback module indicate that beneficiaries were excluded in erratic manner or on misrepresented facts. This indicates that in these cases,

verification status of beneficiaries (like death, permanent migration/temporary migration/marital status and other inclusive criteria) was not obtained and authenticated in proper manner, necessitating generation of many change requests. In 3,838 cases, "death" of beneficiary was reported by PS but subsequently, requests were received from Heads of Jurisdictional unit offices to change the beneficiary status to "live". This indicates that due diligence was missing while escalating the facts and acting on such false cases disturbed timely disbursal of benefit to the beneficiaries.

Audit sought for the evidence regarding objective and verifiable methods implemented to ensure accuracy/authenticity of the reports given by the verifying staff/officers. The same was not furnished. This indicates gaps in controls to prevent the risk of incorrect verification reports.

4.2   Conclusion

There were deficiencies in input, processing and output controls which led to payment of benefits to ineligible persons. There were certain inadequacies and errors in data capture which should be rectified to ensure accuracy, adequacy and consistency.

4.3   Recommendations

Aasara IT Application should be upgraded and strengthened to render an end-to-end solution for effective service delivery and to counter manual intervention and the possibility of preferential sanctions.

(SUDHA RAJAN)
Accountant General (Audit)
Telangana

Hyderabad
The

Countersigned

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

Glossary of Abbreviations

BC	Bill Collector
BFD	Best Fingerprint Detection
CBS	Core Banking Solution
CEO	Chief Executive Officer
CGG	Centre for Good Governance
CRD	Commissioner, Rural Development
DBT	Direct Benefit Transfer
DoP	Department of Posts
DRDA	District Rural Development Agency
DRDO	District Rural Development Officer
DRO	District Revenue Officer
EPFO	Employees' Provident Fund Organisation
FTO	Fund Transfer Order
FTR	Fund Transfer Request
GHMC	Greater Hyderabad Municipal Corporation
GoI	Government of India
GoT	Government of Telangana
GP	Gram Panchayat
GPF	General Provident Fund
GWMC	Greater Warangal Municipal Corporation
ICT	Information and Communication Technology
IGNDPS	Indira Gandhi National Disability Pension Scheme
IGNOAPS	Indira Gandhi National Old Age Pension Scheme
IGNWPS	Indira Gandhi National Widow Pension Scheme
MC	Municipal Commissioner
MIS	Management Information System
MPDO	Mandal Parishad Development Officer
NIC	National Informatics Centre
NPCI	National Payments Corporation of India
NSAP	National Social Assistance Programme
OAP	Old Age Pension
PoTD	Point of Transaction Device
PR&RD	Panchayat Raj and Rural Development
PS	Panchayat Secretary
SADAREM	Software for Assessment of Disabled for Access Rehabilitation and Empowerment
SDC	State Data Centre

SERP	Society for Elimination of Rural Poverty
SKS	Samagra Kutumba Survey
SRS	Software Requirements Specification
SRSWOR	Simple Random Sampling Without Replacement
TCS	Tata Consultancy Services Limited
UBDMIS	Unified Birth and Death Registration Management Information System
UC	Utilisation Certificate
UID	Unique Identification Number
URS	User Requirement Specification

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