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राज्य विधानसभा में रखा गया है।  
PLACED BEFORE THE STATE  
LEGISLATURE ON

**Report of the  
Comptroller and Auditor General of India  
General and Social Sector**

**for the year ended March 2016**

**Government of Tamil Nadu  
Report No. 3 of 2017**

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## TABLE OF CONTENTS

	Paragraph	Page
Preface		v
<b>CHAPTER I - INTRODUCTION</b>		
About this Report	1.1	1
Profile of Audited Entities	1.2	1
Authority for Audit	1.3	2
Planning and conduct of audit	1.4	3
Response to Audit	1.5	3
Audit observations of Performance Audits	1.6	4
Audit observations of Compliance Audit	1.7	7
Recommendations	1.8	8
<b>CHAPTER II - PERFORMANCE AUDITS</b>		
<b><i>HOME, PROHIBITION AND EXCISE DEPARTMENT</i></b>		
Modernisation of Judicial Infrastructure	2.1	9
Follow-up Audit of Modernisation of Police Force	2.2	34
<b><i>INFORMATION TECHNOLOGY, BACKWARD CLASSES, MOST BACKWARD CLASSES &amp; MINORITIES WELFARE, ADI-DRAVIDAR &amp; TRIBAL WELFARE, SOCIAL WELFARE &amp; NUTRITIOUS MEAL PROGRAMME AND REVENUE DEPARTMENTS</i></b>		
Information Technology Audit of e-District Project	2.3	55
<b>CHAPTER III - COMPLIANCE AUDIT</b>		
<b>Excess expenditure</b>		
<b><i>HOME, PROHIBITION AND EXCISE DEPARTMENT</i></b>		
Excess payment of Value Added Tax on purchase of vehicles	3.1.1	97

	Paragraph	Page
<b>Avoidable expenditure</b>	<b>3.2</b>	
<b><i>REVENUE DEPARTMENT</i></b>		
Excess expenditure on distribution of sarees and dhoties	3.2.1	98
<b><i>SCHOOL EDUCATION DEPARTMENT</i></b>		
Avoidable expenditure on payment of godown rent	3.2.2	101
<b><i>HEALTH &amp; FAMILY WELFARE AND PUBLIC DEPARTMENTS</i></b>		
Avoidable payment of contracted demand charges and Belated Payment Surcharge	3.2.3	103
<b><i>HIGHER EDUCATION DEPARTMENT</i></b>		
Avoidable extra expenditure	3.2.4	105
<b>Idle Investment</b>	<b>3.3</b>	
<b><i>HEALTH AND FAMILY WELFARE DEPARTMENT</i></b>		
Non-availability of essential infrastructure facilities in the maternity block	3.3.1	107
Non-establishment of District Geriatric Units under National Programme for Health Care of the Elderly	3.3.2	109
<b>Regularity issues</b>	<b>3.4</b>	
<b><i>REVENUE DEPARTMENT</i></b>		
Delay in fixation of lease rent	3.4.1	111
<b><i>ADI-DRAVIDAR AND TRIBAL WELFARE DEPARTMENT</i></b>		
Excess utilisation of Special Central Assistance towards administrative charges	3.4.2	115

**APPENDICES**

<b>Appendix No.</b>	<b>Details</b>	<b>Page No.</b>
1.1	Department-wise details of Inspection Reports and Paragraphs pending	119
2.1	Organisational hierarchy of the Judiciary in Tamil Nadu	120
2.2	Non-constitution of additional courts	121
2.3	Details of number of works taken up, works in progress and works completed by PWD during 2011-12 to 2015-16	122
2.4	Details of submission of AAP by GoTN and release and utilisation of funds under MPF during 2010-16	123
3.1	Details of avoidable excess expenditure	124
3.2	Avoidable payment of godown rent	127
3.3	Details of avoidable expenditure due to non-reduction of contracted maximum demand and payment of Belated Payment Surcharge (BPSC)	128
	Glossary of abbreviations	129



## PREFACE

This Report for the year ended March 2016 has been prepared for submission to the Governor of Tamil Nadu under Article 151 of the Constitution of India.

The Report contains significant results of the Performance Audit and compliance audit of the Departments of the Government of Tamil Nadu under the General and Social Services including Departments of Home, Prohibition & Excise, Social Welfare & Nutritious Meal Programme, Revenue, Public, Backward Classes, Most Backward Classes and Minorities Welfare, Adi-Dravidar & Tribal Welfare, Health & Family Welfare, School Education and Higher Education. However, Departments of Co-operation, Food and Consumer Protection, Municipal Administration and Water Supply, Special Programme Implementation, Finance, Law, Legislative Assembly, Personnel & Administrative Reforms, Planning, Development & Special Initiatives, Rural Development & Panchayat Raj, Tamil Development & Information, Welfare of Differently Abled Persons, Youth Welfare & Sports Development, Housing & Urban Development and Labour & Employment are not covered in this Report on General and Social Services.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2015-16 as well as those which came to notice in earlier years but could not be reported in the previous Audit Reports; Instances relating to the period subsequent to 2015-16 have also been included, wherever necessary.

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





**CHAPTER I**  
**INTRODUCTION**



# CHAPTER I

## INTRODUCTION

### 1.1 About this Report

This Report of the Comptroller and Auditor General of India (CAG) on Government of Tamil Nadu (GoTN) relates to matters arising from Performance Audit of selected programmes and activities and Compliance Audit of Government departments and Autonomous Bodies.

The primary purpose of the Report is to bring to the notice of the State Legislature important results of audit. Auditing standards issued by the CAG require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The audit findings are expected to enable the Executive to take corrective actions as also to frame appropriate policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance.

Compliance Audit refers to examination of transactions relating to expenditure, receipts, assets and liabilities of audited entities to ascertain whether provisions of the Constitution of India, applicable rules, laws, regulations and various orders and instructions issued by the competent authorities are being complied with.

Performance Audit examines the extent to which objectives of an organisation, programme or scheme have been achieved economically, efficiently and effectively.

This chapter provides profile of audited entities, planning and extent of audit and synopsis of audit observations. Chapter II of this Report deals with findings of Performance Audits and Chapter III deals with findings of Compliance Audit of various departments and Autonomous Bodies.

### 1.2 Profile of Audited Entities

There are 37 departments in the State at the Secretariat level, headed by Principal Secretaries/Secretaries who are assisted by Commissioners/ Directors and Subordinate officers. Of these, 23 departments including 16 Public Sector Undertakings and 1,550 Autonomous Bodies/Local Bodies falling under these departments are under audit jurisdiction of the Accountant General (General and Social Sector Audit), Tamil Nadu.

A comparative position of expenditure incurred by the Government during the year 2015-16 and in the preceding four years is given in **Table 1.1**.

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Abbreviations used in this report are listed in the Glossary at Page 129

**Table 1.1: Comparative position of expenditure**

(₹ in crore)

Disbursements	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Revenue expenditure</b>	<b>83,838</b>	<b>97,067</b>	<b>1,09,824</b>	<b>1,28,828</b>	<b>1,40,993</b>
General services	28,941	31,652	35,729	41,655	45,512
Social services	33,262	38,623	45,276	50,349	54,806
Economic services	14,142	17,628	19,644	26,843	29,943
Grants-in-aid and contributions	7,493	9,164	9,175	9,981	10,732
<b>Capital Expenditure</b>	<b>16,336</b>	<b>14,568</b>	<b>17,173</b>	<b>17,803</b>	<b>18,995</b>
<b>Loans and advances disbursed</b>	<b>5,483</b>	<b>4,769</b>	<b>2,242</b>	<b>4,319</b>	<b>2,331</b>
<b>Repayment of public debt (including transactions under ways and means advances)</b>	<b>3,830</b>	<b>5,015</b>	<b>4,977</b>	<b>6,488</b>	<b>6,605</b>
<b>Contingency fund</b>	<b>Nil</b>	<b>Nil</b>	<b>19</b>	<b>Nil</b>	<b>19</b>
<b>Public account disbursements</b>	<b>1,20,953</b>	<b>1,33,101</b>	<b>1,44,022</b>	<b>1,59,384</b>	<b>1,77,442</b>
<b>Total</b>	<b>2,30,440</b>	<b>2,54,520</b>	<b>2,78,257</b>	<b>3,16,822</b>	<b>3,46,385</b>

(Source: Finance Accounts for the respective years)

### 1.3 Authority for Audit

The authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971. The CAG conducts audit of expenditure of the departments of GoTN under Section 13<sup>1</sup> of the CAG's (DPC) Act, 1971. The CAG is the sole auditor in respect of 33 Autonomous Bodies which are audited under Sections 19(2)<sup>2</sup>, 19(3)<sup>3</sup> and 20(1)<sup>4</sup> of the said Act. Audit of Government companies is also conducted under Section 19(1) of the CAG's (DPC) Act. In addition, the CAG conducts, under Section 14<sup>5</sup> of the Act, audit of other Autonomous Bodies which are substantially funded by the State Government. The CAG also provides Technical Guidance and Support to the Local Fund Audit for audit of Local Bodies. The principles and methodologies for various audits are prescribed in the

<sup>1</sup> Audit of (i) all transactions from the Consolidated Fund of the State (ii) all transactions relating to the Contingency Fund and the Public Account and (iii) all trading, manufacturing, profit & loss accounts, balance sheets & other subsidiary accounts

<sup>2</sup> Audit of the accounts of Corporations (not being Companies) established by or under law made by the Parliament in accordance with the provisions of the respective legislations

<sup>3</sup> Audit of the accounts of Corporations (not being Companies) established by or under law made by the State Legislature at the request of the Governor

<sup>4</sup> Audit of accounts of any body or authority on the request of the Governor on such terms and conditions as may be agreed upon between the CAG and the Government

<sup>5</sup> Audit of (i) all receipts and expenditure of a body/authority substantially financed by grants or loans from the Consolidated Fund of the State and (ii) all receipts and expenditure of any body or authority where the grants or loans to such body or authority from the Consolidated Fund of the State in a financial year is not less than ₹ 1 crore

Auditing Standards and the Regulations on Audit and Accounts 2007 issued by the CAG.

## **1.4 Planning and conduct of audit**

Audit process starts with the risk assessment of the Departments/organisations as a whole and that of each unit based on expenditure incurred and its type, criticality/complexity of activities, level of delegated financial powers, assessment of internal controls, concerns of stakeholders and the likely impact of such risks. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided. An Annual Audit Plan is formulated to conduct audit on the basis of such risk assessment.

After completion of audit of units, Inspection Reports (IRs) containing audit findings are issued to the Heads of the audited entities. The entities are requested to furnish replies to the audit findings within one month of receipt of the IRs. Whenever replies are received, audit findings are either settled or further action for compliance is advised. Important audit observations pointed out in these IRs are processed for inclusion in the CAG's Audit Reports, which are submitted to the Governor of Tamil Nadu under Article 151 of the Constitution of India for being laid before the State Legislature.

## **1.5 Response to Audit**

### *1.5.1 Draft Paragraphs and Performance Audits*

Nine Draft Paragraphs (DPs) and three draft Performance Audits (PAs) were forwarded demi-officially to Principal Secretaries/Secretaries of the Departments concerned between June and December 2016 requesting them to send their responses within six weeks. Departmental replies for all the DPs and draft PAs have been received. The replies received have been suitably incorporated in the Report. In respect of draft PAs, Exit Conferences were held with representatives of the Government between September and December 2016. The Government's reply and views expressed by the representatives of the Government during Exit Conferences were considered while finalising the Report.

### *1.5.2 Pendency of Inspection Reports*

A review of the IRs issued up to 30 September 2015 revealed that 17,094 paragraphs relating to 4,724 IRs remained outstanding at the end of March 2016 as detailed in **Appendix 1.1**.

Large pendency of IRs was indicative of the fact that Heads of Offices and Heads of Departments did not initiate appropriate and adequate action to rectify the defects, omissions and irregularities pointed out in the IRs.

## **1.6 Audit observations of Performance Audits**

This Report contains three Performance Audits. The focus has been on auditing the specific programmes/ schemes and offering suitable recommendations with the intention to assist the Executive in taking corrective action and improving service delivery to the citizens. Significant audit observations are discussed below:

### ***1.6.1 Modernisation of Judicial Infrastructure***

With a view to strengthening judicial infrastructure for timely, consistent and user friendly justice delivery, National Judicial Infrastructure Plan (NJIP) was conceived (November 2006) by the National Judicial Academy. A scheme *viz.*, National Court Management Systems (NCMS) was approved (May 2012) by the Hon'ble Chief Justice of India, which stressed the need for greater allocation of funds for planning, creation, development and maintenance of judicial infrastructure.

Government of India (GoI) provided funds for implementing Centrally Sponsored Scheme (CSS) for development of infrastructure facilities for the Judiciary since 1993-94. Further, e-Courts Integrated Mission Mode Project envisaged deployment of hardware, software and networking to assist courts in streamlining their day to day functioning. Funds were also provided under 13<sup>th</sup> Finance Commission during 2010-15 for various components such as constitution of morning/evening/special courts and maintenance of heritage court buildings. State funds were also provided for construction of court buildings and residential quarters for Judicial Officers.

A Performance Audit on Modernisation of Judicial Infrastructure for the period 2011-12 to 2015-16, involving the aforesaid schemes/funds, revealed following significant audit findings:

- Due to non-submission of complete utilisation certificates for 2012-13 and 2013-14 to GoI in time, grants for 2014-15 and 2015-16 were not released by GoI, under CSS, though proposals for construction of court buildings and quarters worth ₹ 278.21 crore were sent to GoI by GoTN.
- Due to accommodating more courts by making alterations in the existing court buildings, as against the norm of 1,200 sq.ft. for the court hall in respect of District Court/Sub-Court, 74 out of 90 test checked courts had shortfall of available space ranging from 30 sq.ft. to 950 sq.ft. Similarly, as against the norm of 1,000 sq.ft. for the court hall in respect of Judicial Magistrate Court/District Munsif Court, 99 out of 132 test checked courts had shortfall of available space ranging from 25 sq.ft. to 860 sq.ft.
- Non-availability of ramp facilities for persons with disabilities in 57 out of 75 court complexes in the test checked districts was in clear violation of Persons with Disabilities Act, 1995. Non-availability of toilets for persons with disabilities was noticed in 67 out of 75 court complexes, in violation of NJIP. Similarly, non-availability of security devices like closed circuit television cameras and safety devices like

fire extinguishers was observed in 287 courts and 161 courts respectively in the test checked districts, putting the crucial court records and human lives at risk.

(Paragraph 2.1)

### **1.6.2 Follow-up Audit of Modernisation of Police Force**

A Performance Audit on Modernisation of Police Force (MPF) Scheme was conducted in 2009 covering the period 2005-06 to 2009-10 and the audit observations were included in the CAG's Report-Civil- for the Government of Tamil Nadu for the year ended 31 March 2010. A follow-up audit conducted during April to July 2016, to assess whether the accepted audit recommendations were implemented and also covering the implementation of MPF scheme during 2010-11 to 2015-16, revealed the following:

- All the four recommendations made in the previous Audit Report were accepted by the department. Of these, one recommendation was fully implemented, two were partially implemented and one was not implemented.
- No approval was obtained from High Powered Committee of Ministry of Home Affairs (MHA) for the deviation in procurement of items pointed out in the previous Audit Report. Purchase of alternative equipment without approval of MHA, unrealistic preparation of estimates and inclusion of proposal for construction of police stations in Annual Action Plans without ensuring availability of land, noticed during 2010-11 to 2015-16, indicated that the recommendation had been partially implemented.
- With reference to recommendation on replacement of vehicles using MPF funds, no replacement of vehicles was done using MPF funds and condemned vehicles were replaced with funds under State Budget only. Hence, the recommendation was fully implemented.
- In pursuance of the previous Audit recommendation, the department had provided enhanced funds for Annual Maintenance Contract (AMC) of equipment procured. However, 20 of the 29 equipment (mentioned in the previous Audit Report) and 5 of the 10 equipment procured during 2010-11 to 2015-16 in the Forensic Science Department were still without AMC. E-beat systems procured in Police Department were also without AMC and they became defunct. Hence, the recommendation was not implemented.
- While there was progress in completion of pending residential units pointed out in the previous Audit Report, the pending residential units taken up for construction during 2010-11 to 2015-16 were yet to be completed. Hence, the implementation of the recommendation was partial.
- Shortfall in availability of vehicles in police stations was noticed in the test checked districts.

- The project of Digital Based Police Radio System for Chennai and Tiruchirappalli sanctioned in April 2012 had not been implemented due to delay in deciding the technology.
- Non-payment of spectrum charges resulted in shortfall of procurement of communication equipment. Deoxyribo Nucleic Acid (DNA) Unit at Madurai established in December 2011 without ensuring availability of requisite cold storage facilities and technical staff, resulted in its sub-optimal usage for five years.

**(Paragraph 2.2)**

### **1.6.3 Information Technology Audit of e-District Project**

The e-District Project (Project) was one of the State Mission Mode Projects (MMPs) under National e-Governance Plan (NeGP) to provide support to the District so as to deliver certain high volume services to the citizens at their doorsteps. The Information Technology Audit of the implementation of e-District Project in four departments relating to 19 services revealed the following significant audit findings:

- The e-District project, initiated in the year 2008, had not been completed (February 2017) though it was planned to be completed by February 2016.
- The Data Centre site was shifted from State Data Centre, Perungudi owing to space constraints to BSNL Data Centre due to which four components worth ₹ 1.01 crore could not be put to use, as they were not compatible with BSNL data centre. Further, since the envisaged Data Recovery site had not become functional, servers and computer infrastructure worth ₹ 3.54 crore were not utilised.
- The main objectives of e-District Project viz., delivery of services in online mode, accessibility, transparency, accountability, functional and operational efficiency and effectiveness and seamless integration of various departments had not been achieved due to lack of appropriate input, processing and output controls and non-mapping of business rules. We observed the following lapses as a result of our audit:
  - Excess payment of scholarship was made to the tune of ₹ 3.23 crore by allowing multiple applications for the same student in the same academic year.
  - Students were paid lesser maintenance allowance amounting to ₹ 21.05 crore than their entitlement.
  - Marriage assistance was allowed to the same beneficiaries on more than one occasion.
  - Different community certificates were issued to the same applicants.



- There were delays in processing of applications for various purposes which defeated the purpose of ensuring efficient delivery of services to citizens.
- Ineligible applicants were given benefits and eligible candidates were denied benefits.
- Applications without required documents were captured and processed by the system raising doubts about the authenticity of the software application.

**(Paragraph 2.3)**

## **1.7 Audit observations of Compliance Audit**

We observed several deficiencies in critical areas, which had adverse impact on effective functioning of Government Departments/Organisations. Key audit findings of compliance issues are as under:-

The Director General of Police paid Value Added Tax to a firm at 14.5 *per cent* during 2014-15, as against the reduced rate of five *per cent* allowed for Government Departments, resulting in excess payment of ₹ 1.49 crore.

**(Paragraph 3.1.1)**

Tamil Nadu Handloom Weavers' Co-operative Society Limited supplied sarees and dhoties for the scheme 'Free supply of sarees and dhoties to pensioners covered under nine Social Security Pension schemes' at higher rates compared to those supplied by the same agency under another scheme with similar specifications, which resulted in avoidable excess expenditure of ₹ 43.94 crore.

**(Paragraph 3.2.1)**

Delay in taking decision by the Government in disposal of obsolete textbooks stored in godowns of Tamil Nadu Textbook and Educational Services Corporation resulted in avoidable expenditure of ₹ 13.37 crore towards payment of godown rent during 2012-16.

**(Paragraph 3.2.2)**

Failure to reduce the contracted maximum demand of load in High Tension service of electrical connection and non-payment of energy charges within due dates resulted in avoidable expenditure of ₹ 5.51 crore towards the contracted maximum demand and ₹ 2.46 crore as Belated Payment Surcharge.

**(Paragraph 3.2.3)**

Failure of the University of Madras to obtain planning permission for construction of building for National Centre for Nanosciences and Nano Technology before entrusting the work to the contractor resulted in avoidable extra expenditure of ₹ 2.87 crore and liability of ₹ 86.66 lakh.

**(Paragraph 3.2.4)**

Poor planning and delay in providing necessary infrastructure facilities in the maternity block, constructed at a cost of ₹ 3.52 crore, in Government Medical College Hospital, Villupuram, resulted in non-availability of essential infrastructure facilities as per Indian Public Health Standards.

**(Paragraph 3.3.1)**

Delays at various levels resulted in non-establishment of District Geriatric Units, despite availability of funds of ₹ 7.96 crore.

**(Paragraph 3.3.2)**

Delay in revising and fixing the lease rent resulted in non-collection of lease rent of ₹ 2,081 crore for the period 2000-16 from Tamil Nadu Cricket Association and Madras Cricket Club.

**(Paragraph 3.4.1)**

Adi-Dravidar and Tribal Welfare Department and Tamil Nadu Adi-Dravidar Housing and Development Corporation incurred ₹ 35.57 crore out of Special Central Assistance (SCA) funds towards staff cost of monitoring and evaluation cell and administrative expenses during 2009-15, in excess of the prescribed limit, which resulted in depleting SCA funds to that extent for implementation of schemes for the economic development of Scheduled Castes.

**(Paragraph 3.4.2)**

## **1.8 Recommendations**

This Report contains specific recommendations on a number of issues involving non-observance of the prescribed internal procedure and systems, compliance with which would help in promoting good governance and better oversight on implementation of departmental programmes and objectives at large. The State Government is requested to take cognizance of these recommendations and take appropriate action in a time bound manner.

**CHAPTER II**  
**PERFORMANCE**  
**AUDITS**



## CHAPTER II

### PERFORMANCE AUDITS

This chapter contains findings of Performance Audit on Modernisation of Judicial Infrastructure, Follow-up Audit of Modernisation of Police Force and Information Technology Audit of e-District Project.

#### *HOME, PROHIBITION AND EXCISE DEPARTMENT*

##### 2.1 Modernisation of Judicial Infrastructure

###### *Executive Summary*

*With a view to strengthening judicial infrastructure for timely, consistent and user friendly justice delivery, National Judicial Infrastructure Plan (NJIP) was conceived (November 2006) by the National Judicial Academy. A Scheme viz., National Court Management Systems (NCMS) was approved (May 2012) by the Hon'ble Chief Justice of India, which stressed the need for greater allocation of funds for planning, creation, development and maintenance of judicial infrastructure.*

*Government of India (GoI) provided funds for implementing Centrally Sponsored Scheme (CSS) for development of infrastructure facilities for the Judiciary since 1993-94. Further, e-Courts Integrated Mission Mode Project envisaged deployment of hardware, software and networking to assist courts in streamlining their day to day functioning. Funds were also provided under 13<sup>th</sup> Finance Commission during 2010-15 for various components such as constitution of morning/evening/special courts and maintenance of heritage court buildings. State funds were also provided for construction of court buildings and residential quarters for Judicial Officers.*

*A Performance Audit on Modernisation of Judicial Infrastructure for the period 2011-12 to 2015-16, involving the aforesaid schemes/funds, revealed following significant audit findings:*

*Due to non-submission of complete utilisation certificates for 2012-13 and 2013-14 to GoI in time, grants for 2014-15 and 2015-16 were not released by GoI, under CSS, though proposals for construction of court buildings and quarters worth ₹278.21 crore were sent to GoI by GoTN.*

*Due to accommodating more courts by making alterations in the existing court buildings, as against the norm of 1,200 sq.ft. for the court hall in respect of District Court/Sub-Court, 74 out of 90 test checked courts had shortfall of available space ranging from 30 sq.ft. to 950 sq.ft. Similarly, as against the norm of 1,000 sq.ft. for the court hall in respect of Judicial Magistrate*

***Court/District Munsif Court, 99 out of 132 test checked courts had shortfall of available space ranging from 25 sq.ft. to 860 sq.ft.***

***Non-availability of ramp facilities for persons with disabilities in 57 out of 75 court complexes in the test checked districts was in clear violation of Persons with Disabilities Act, 1995. Non-availability of toilets for persons with disabilities was noticed in 67 out of 75 court complexes, in violation of NJIP. Similarly, non-availability of security devices like closed circuit television cameras and safety devices like fire extinguishers was observed in 287 courts and 161 courts respectively in the test checked districts, putting the crucial court records and human lives at risk.***

### **2.1.1 Introduction**

Modernisation of Judicial infrastructure was envisaged in National Plans/Schemes and funds for the purpose were also provided through various sources, besides State funds, as detailed below.

With a view to strengthening judicial infrastructure for timely, consistent and user friendly justice delivery, National Judicial Infrastructure Plan<sup>1</sup> (NJIP) was conceived (November 2006) by the National Judicial Academy. As per the Plan, infrastructure consists of buildings, equipment and software, knowledge resources, human resources, facilities and systems. A Scheme *viz.*, National Court Management Systems (NCMS) was approved (May 2012) by the Hon'ble Chief Justice of India, which stressed the need for greater allocation of funds for planning, creation, development and maintenance of judicial infrastructure. An Action Plan for implementation of NCMS was also issued by the Hon'ble Chief Justice of India.

Government of India (GoI) provided funds for construction of court buildings and residential quarters for Judicial Officers/Judges, through a Centrally Sponsored Scheme (CSS) for development of infrastructure facilities for the Judiciary since 1993-94. Further, e-Courts Integrated Mission Mode Project, one of the National e-governance projects being implemented since 2005, envisaged deployment of hardware, software and networking to assist courts in streamlining their day to day functioning. Funds were also provided under 13<sup>th</sup> Finance Commission (13<sup>th</sup> FC) during 2010-15 for improvement in justice delivery comprising components such as constitution of morning/evening/special courts and maintenance of heritage court buildings. In addition, State funds were provided for construction of court buildings and Judicial Officers quarters.

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<sup>1</sup> It was resolved in the Chief Justices' Conference (August 2009) that the Chief Justices would be taking into consideration NJIP, with such modifications, as may be required, while taking up the cause for augmenting the infrastructure of subordinate courts, with the State Governments. The High Court of Madras was obtaining plan and estimate from Public Works Department (PWD), based on the recommendations of the National Judicial Infrastructure Plan, 2006.

### 2.1.2 Organisational set up

The Home, Prohibition and Excise (Home) Department, headed by the Principal Secretary to Government, provides facilities in terms of buildings, manpower and other infrastructure to the courts. The High Court of Madras is the highest court of Justice in the State, which is functioning as Principal Seat at Chennai, with jurisdiction over 19 districts and a Bench of High Court of Madras is functioning at Madurai, exercising jurisdiction over the remaining 13 districts. The Hon'ble Chief Justice of the High Court of Madras is the Head of the Judiciary, with powers of administration of the High Court and of the administration of Justice throughout the State. In addition to Hon'ble Chief Justice, there are 75 sanctioned posts of Judges in High Court of Madras, including Madurai Bench. The Registrar General, High Court of Madras is the administrative head of the High Court and is assisted by Registrars, Additional Registrars, Deputy Registrars, Assistant Registrars and Chief Accounts Officer.

There were 85 District and Sessions Courts, 56 City Civil Courts/Courts of small causes, 125 Sub Courts, 30 Chief Judicial Magistrate/Chief Metropolitan Magistrate Courts, 240 District Munsif and District Munsif-cum-Judicial Magistrate Courts, 217 Metropolitan/Judicial Magistrate Courts, 232 Special Courts and 29 District Legal Services Authority/Permanent Lok Adalats. The organisational hierarchy of the judiciary in the State is depicted in **Appendix 2.1**.

Tamil Nadu State Judicial Academy at Chennai and its two Regional Centres at Coimbatore and Madurai were functioning as training centres to impart training to Judicial Officers (Judges in various cadres), staff of judiciary and induction training to newly recruited Judicial Officers. The Public Works Department (PWD) was responsible for construction and maintenance of court buildings and residential quarters for Judicial Officers.

### 2.1.3 Audit objectives

The objectives of Performance Audit were to assess whether:

- plan for modernisation of the judicial infrastructure was adequate;
- funds provided for modernisation were adequate and whether they were utilised as per plan and in a timely manner and
- creation, development and maintenance of infrastructure was economical and efficient.

### 2.1.4 Audit Criteria

The Performance Audit was benchmarked against the criteria sourced from the following documents:

- National Judicial Infrastructure Plan, 2006.
- National Policy and Action Plan for implementation of Information and Communication Technology in the Indian Judiciary, 2005.

- Action Plan for National Court Management Systems issued by the Hon'ble Chief Justice of India, 2012.
- Scheme guidelines/instructions, sanction letters releasing funds under 13<sup>th</sup> FC, Centrally Sponsored Scheme etc., of GoI.
- Orders of Government of Tamil Nadu (GoTN) relating to Judicial Infrastructure.
- Guidelines/orders/norms issued by the Monitoring Committees formed for augmentation of Judicial Infrastructure.

### **2.1.5 Scope of Audit and Methodology**

As modernisation of judicial infrastructure was contemplated under different plans/schemes (as mentioned in **Paragraph 2.1.1**), we examined these and the various sources of funds, with a focus on examining modernisation of judicial infrastructure, envisaged and achieved. The audit objectives and criteria were communicated to the Principal Secretary to Government, Home Department through a letter in June 2016, followed by a meeting held on 28 September 2016, wherein the audit objectives, scope of audit and methodology adopted were reiterated. Records relating to the period 2011-12 to 2015-16 were test checked by us from March to August 2016, at Home Department, Office of the High Court of Madras, including Madurai Bench, Tamil Nadu State Judicial Academy's Regional Centre at Madurai, all the 287 courts<sup>2</sup> in eight districts<sup>3</sup>, out of 1,014 courts in 32 districts, selected through random sampling method. The construction and maintenance of courts, executed by PWD was reviewed through records available at the courts. The audit findings were discussed in an Exit Conference conducted with the Principal Secretary, Home Department on 14 December 2016 and the replies and responses of the Department were taken into account, while finalising the Report. The audit findings are given in the succeeding paragraphs.

## **Audit Findings**

### **2.1.6 Planning**

#### **2.1.6.1 Manpower**

##### **(i) Availability of Judges**

The National Judicial Infrastructure Plan (2006) and National Court Management System Policy and Action Plan released (May 2012) by the Hon'ble Chief Justice of India emphasised upon narrowing down the Judge-population ratio to the level of 50 Judges per 10 lakh people.

In this regard, we observed that the total population of Tamil Nadu was 7.21 crore as per 2011 Census and as per the above policy, the number of Judges available should have been 3,605. The number of Judges sanctioned and

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<sup>2</sup> District Courts (71), Subordinate Courts (54), District Munsif Courts (55), Judicial Magistrate Courts (81) and District Munsif-cum-Judicial Magistrate Courts (26)

<sup>3</sup> Cuddalore, Dindigul, Erode, Kancheepuram, Krishnagiri, Madurai, Tiruchirappalli and Tirunelveli



actually available as on 31 March 2016, as against the norms is detailed in **Table 2.1**.

**Table 2.1: Availability of Judges as per norms and actuals**

As per norms	Sanctioned	Number of Judges			
		Judge-population ratio with reference to sanctioned posts	Actual as on 31 March 2016	Shortfall in sanction as against norms	Shortfall in availability with reference to sanction
3,605	1,102	15 Judges per 10 lakh population	1,019	2,503 (69.43 per cent)	83 (7.53 per cent)

(Source: Details furnished by High Court of Madras)

It may be seen from the **Table 2.1** that the number of sanctioned posts of Judges in the State was 1,102 (75 Judges in High Court of Madras and 1,027 Judges in subordinate courts) as on 31 March 2016 leaving out shortfall in sanction of 2,503 posts of Judges against the norms. The Judge - population ratio worked out to only 15 Judges per 10 lakh population, as against desirable 50 Judges per 10 lakh people as per the policy.

Even against the sanctioned strength of 1,102 Judges, the actual availability was only 1,019 Judges in the State (57 Judges in High Court of Madras and 962 Judges in the subordinate courts of the State) as of 31 March 2016. There were 65 vacancies in subordinate courts in various cadres (District Judge: 7; Senior Civil Judge: 16 and Civil Judge: 42). In the eight selected districts, as against 287 sanctioned strength of Judges, there were 26 vacancies<sup>4</sup> in various cadres.

Thus, the sanctioned posts of Judges were not in accordance with the norms prescribed in NCMS Policy. Moreover, there was shortfall against the sanctioned strength also.

Regarding sanction of posts, the GoTN replied (December 2016) that based on the request (July 2012) of the GoI to issue necessary orders for creation of 10 per cent additional posts of Judges, GoTN agreed to create 59 additional posts during 2014-15 and 2015-16. Out of this, 38 posts were created and proposals were under examination of the GoTN for 21 posts. During the Exit Conference (December 2016), the Principal Secretary stated that orders for creation of 10 posts were issued, and for the remaining posts, proposals were under consideration.

On the issue of filling-up of posts, GoTN stated (December 2016) that 11 posts of Subordinate Court Judges had since been filled up during April 2016 to September 2016; steps had been taken to fill up vacancies in the posts of Judges.

We observed that the policy of narrowing down the gap in Judge-population ratio was not achieved even after sanction of 48 additional Judge posts, as the sanctioned strength of Judges was only 1,150 as against the norm of 3,605 Judges.

<sup>4</sup> District Judge: 5; Sub-Judge: 7; District Munsif-cum-Judicial Magistrate and District Munsif: 4 and Judicial Magistrate: 10

**(ii) Availability of staff in other cadres**

The details of sanctioned strength, persons-in-position and vacancies in respect of posts like Assistant, Junior Assistant, Typist/Copyist, Senior Bailiff, Junior Bailiff, Office Assistant etc., in the State are given in **Table 2.2**.

**Table 2.2: Availability of staff in other cadres**

Cadre	Sanctioned Strength	Persons-in-position	Vacancies	Percentage of vacancies
Assistant	814	635	179	22.00
Junior Assistant	1,650	1,354	296	17.94
Typist/Copyist	1,612	1,388	224	13.90
Senior Bailiff	826	684	142	17.19
Junior Bailiff	2,221	1,915	306	13.78
Office Assistant	2,093	1,664	429	20.50
<b>Total</b>	<b>9,216</b>	<b>7,640</b>	<b>1,576</b>	<b>17.10</b>

(Source: Details furnished by High Court of Madras)

It may be seen from the above that as against 9,216 sanctioned posts, 7,640 posts were filled and 1,576 posts were vacant as on 31 March 2016. The percentage of vacancies ranged between 13.78 and 22 and overall shortage was 17.10 *per cent*. Thus, the courts were functioning without adequate staff, impacting the smooth functioning of the courts.

**2.1.7 Financial Management**

**2.1.7.1 State funds**

Funds for the administration of High Court of Madras, Madurai Bench of High Court of Madras and other subordinate courts in districts were provided by GoTN in its budget.

Details of budget allotment made by GoTN and expenditure incurred during the years 2011-12 to 2015-16 are given in **Table 2.3**.

**Table 2.3: Budget Allotment and expenditure**

(₹ in crore)

Year	Budget Allotment	Expenditure	Excess (+)/ Savings (-)	Percentage of savings
2011-12	681.47	630.07	(-) 51.40	7.54
2012-13	737.89	599.06	(-) 138.83	18.81
2013-14	766.38	687.34	(-) 79.04	10.31
2014-15	853.33	783.66	(-) 69.67	8.16
2015-16	952.28	857.79	(-) 94.49	9.92
<b>Total</b>	<b>3,991.35</b>	<b>3,557.92</b>	<b>(-) 433.43</b>	<b>10.86</b>

(Source: Extracted from Appropriation accounts)

It may be seen from the **Table 2.3** that there were savings every year from 2011-12 to 2015-16 and the percentage of savings ranged between 7.54 and 18.81. This was due to non-completion of works, non-settlement of tenders, vacancy in posts, non-constitution of sanctioned courts etc.

### 2.1.7.2 Funds from Centrally Sponsored Scheme

The Department of Justice, Ministry of Law and Justice, GoI was providing funds with effect from the year 1993-94 for implementing CSS for development of infrastructure facilities for the Judiciary viz., construction of court buildings and residential accommodation for Judges and Judicial Officers, covering both High Court and subordinate courts to augment the resources of the State Government. Construction of court buildings and quarters for Judges and Judicial Officers was being carried out through PWD and the Utilisation Certificate (UC) furnished by them to GoTN were in turn forwarded to GoI. Expenditure under the scheme was equally shared between the Centre and the State Government upto the year 2011-12, which was revised to 75:25 from the year 2012-13 and further revised as 60:40 from the year 2015-16 onwards. From the year 2011-12, the scheme was restricted to District and subordinate courts and respective residential quarters only.

#### Non-receipt of GoI funds due to non-submission of UCs in time

As per the guidelines for CSS scheme, the funds allocated were to be utilised within that year and no carry forward of funds was allowed to next year. After receipt of UC for the year, subsequent funds were to be released by GoI. The details of funds released by GoI and GoTN and expenditure thereon during the period 2011-12 to 2015-16 are given in **Table 2.4**.

**Table 2.4: Details of funds released and utilised under CSS**

(₹ in crore)

Year	Sharing pattern between GoI and GoTN	Amount released by GoI	State share to be released as per sharing pattern	Total grant	Amount released by GoTN			Expenditure incurred as per UCs submitted by PWD
					Central share	State share	Total	
2011-12	50:50	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2012-13	75:25	19.53	6.51	26.04	19.53	6.31	25.84	25.61
2013-14	75:25	73.43	24.48	97.91	73.43	24.48	97.91	97.91
2014-15	75:25	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2015-16	60:40	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(Source: Details furnished by High Court of Madras)

GoI funds for 2011-12, 2014-15 and 2015-16 were not released, due to delay in furnishing of complete UCs for the funds released during previous years. Details of UCs sent by GoTN to GoI for 2012-13 and 2013-14, are detailed in **Table 2.5**.

**Table 2.5: Details of UCs sent by GoTN to GoI**

(₹ in crore)

Year	Date of release by GoI	Date of release by GoTN	Amount	Date of sending of UCs by PWD to GoTN	Date of sending of UCs by GoTN to GoI	Cumulative amount for which UCs sent
2012-13	03/09/2012	13/12/2012	25.84	N.A.	02/06/2014	13.36
				23/03/2015	16/04/2015	21.62
				18/08/2015	26/08/2015	23.51
				29/09/2015	13/10/2015	23.95
				21/01/2016	25/01/2016	25.61
2013-14	04/10/2013	05/11/2014	97.91	18/08/2015	26/08/2015	8.59
				23/09/2015	13/10/2015	19.77
				21/01/2016	25/01/2016	43.80
				04/03/2016	14/03/2016	52.77
				10/05/2016	18/05/2016	97.91

N.A.: Not Available

(Source: Details furnished by High Court of Madras)

We observed as under in this regard:

(a) The funds for 2012-13 and 2013-14 were released by GoTN to PWD after delay of three months and one year respectively, since receipt of funds from GoI (**Table 2.5**).

(b) UCs were sent to GoI for partial expenditure reported by PWD from time to time and complete UCs for the funds received for 2012-13 and 2013-14, along with utilisation of the prescribed State share, were sent by GoTN to GoI only in January 2016 and May 2016 respectively (**Table 2.5**). This was due to delay in construction of court buildings and quarters, as commented in **Paragraph 2.1.8.7**.

(c) Due to non-receipt of complete UCs for 2012-13 and 2013-14, GoI did not release the Central share for the years 2014-15 and 2015-16, though GoTN had forwarded (August 2014) proposals for ₹ 84.93 crore for construction of court buildings and quarters for the year 2014-15 and forwarded (October 2015) a consolidated proposal for 2014-15 and 2015-16 to GoI, for construction of 113 court buildings and 52 quarters worth ₹ 278.21 crore.

Further, due to non-receipt of GoI funds, escalation cost at 10 per cent each year and subsequent increase in State Government share to 40 per cent from the year 2015-16 (from 25 per cent earlier), would be an additional liability to GoTN.

The GoTN replied (December 2016) that the details of actual expenditure incurred out of the funds sanctioned for construction works were available with the PWD and PWD forwarded the UCs to the Government on quarterly basis. Further, the Hon'ble Monitoring Committee had directed the PWD to ensure timely completion and quality in construction.

The reply was not acceptable as GoTN also had delayed the release of funds to PWD, which impacted the progress of works and consequent late submission of UCs by PWD.

### 2.1.7.3 13<sup>th</sup> Finance Commission Grants

The 13<sup>th</sup> FC recommended allotment of ₹ 252.44 crore as grants-in-aid (for five years i.e. 2010-11 to 2014-15) under the scheme 'Improvement in Justice Delivery' under the components viz., establishment of morning/evening/special courts, holding of Lok Adalats, training to Judicial Officers and Prosecutors, construction of Alternative Disputes Resolution (ADR) Centres, appointment of Court Managers, preservation of heritage court buildings etc. The projects cleared by the High Court Judges Committee and approved by the High Level Monitoring Committee (HLMC) were sanctioned by GoTN and funds were provided. In this regard, we observed as under:

#### Non-utilisation of 13<sup>th</sup> FC grants

During the period of 13<sup>th</sup> FC, though the HLMC accorded approval for ₹ 210.25 crore, GoTN sanctioned and released (January 2011 to March 2015) ₹ 205.25 crore and incurred an expenditure of ₹ 125.91 crore as on 31 March 2015. Reasons for non-achievement of financial targets were as under:

- As against provision of ₹ 123.54 crore for the constitution of morning/evening/special courts, an expenditure of ₹ 40.59 crore was incurred for constitution of 36 special courts. However, 121 evening courts proposed to be constituted in all the districts, were not constituted, resulting in non-utilisation of ₹ 82.95 crore (as detailed in **Paragraph 2.1.8.3**).
- Funds of ₹ 15.90 crore out of ₹ 22.24 crore provided (June 2010) for conservation of heritage court buildings were not utilised (as detailed in **Paragraph 2.1.8.8**).
- As against the allocation of ₹ 16.30 crore towards appointment of Court Managers, to assist the judiciary in their administrative functions, expenditure of ₹ 4.29 crore only was incurred, leaving ₹ 12.01 crore unutilised, due to delay of two years in their appointment from September 2010 (month in which allocation for the purpose was made by GoI) to December 2012 (month in which the Court Managers were appointed), on account of revision in mode of selection of candidates. Initially, it was decided to appoint Court Managers by publishing advertisements in leading newspapers and in the High Court website. However, subsequently, selection of candidates was entrusted to Tamil Nadu Public Service Commission (TNPSC).

During the Exit Conference (December 2016), the Registrar (Management), High Court of Madras stated that the process of selection delayed the appointment of Court Managers.

Thus, against the allocation of ₹ 252.44 crore, an amount of ₹ 125.91 crore only was incurred, which resulted in short utilisation of ₹ 126.53 crore. We further noticed that the GoTN had furnished UCs to GoI for ₹ 123.52 crore, against which an amount of ₹ 107 crore only was released by GoI, resulting in short receipt of ₹ 18.91 crore the reasons for which were not on records. It was also noticed that though GoTN had repeatedly (14 times from July 2015 to July 2016) requested GoI to release balance funds under 13<sup>th</sup> FC, but the GoI had not released the same (October 2016).

## **2.1.8 Creation and maintenance of Infrastructure**

NJIP proposed to implement the vision of strengthening judicial infrastructure, through establishing and achieving consistent standards for the Judiciary at the national level, in terms of physical/technology/knowledge/user-interface infrastructure and staffing. NJIP envisaged that the judicial infrastructure must be adequate to ensure that functions relating to administration of justice were carried out effectively. The deficiencies in infrastructure of courts in the State are discussed in the succeeding paragraphs.

### **2.1.8.1 Non-constitution of new courts**

According to the norms prescribed (August 2000) by the High Court of Madras, a new Sub-Court could be constituted, if the pendency was more than (i) 250 suits<sup>5</sup> including money suits (or) (ii) 200 suits (including money suits), provided there were at least 100 Sessions cases pending. A new District Munsif Court could be constituted, if there were 500 pending original suits including money suits. It was also provided that the norms might be relaxed for special reasons and in the peculiar facts and circumstances of a case.

(i) Based on the above norms, the Principal District Judges submitted proposals to the High Court of Madras for establishment of new sub-courts and new District Munsif Courts, which were forwarded to the GoTN by the High Court of Madras for approval.

We observed that High Court of Madras forwarded (April 2009 to March 2016) proposals for constitution of 156 new courts to GoTN, of which GoTN issued (February 2015 to February 2016) orders for sanction of 28 new courts and the remaining proposals were pending approval of the Government. It was further observed that there was no time limit fixed for constitution of courts from the stage of Government sanction till actual creation and 5 out of 28 new courts sanctioned started functioning only from September 2016. Constitution of the remaining 23 courts was pending at various stages, as detailed below:

- Government Orders for constitution of courts were issued. Draft Notification for getting orders from the GoTN and accommodation report<sup>6</sup>/readiness report<sup>7</sup> for housing the courts were awaited from Principal District Judges of District Courts (11 courts);
- High Court of Madras requested (March 2016) the GoTN for revalidating the Government Order issued (March 2015) for the constitution of court and revalidation order from GoTN was awaited (one court);
- Notification for the constitution of the courts forwarded to GoTN for orders and Government Orders were awaited (five courts);
- Notification for the constitution of the courts was issued; further action was awaited (two courts);

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<sup>5</sup> Refers to any proceeding by a party or parties against another in a court of law

<sup>6</sup> Report on availability of Government/rented building for housing the court

<sup>7</sup> Report on having made the building ready for occupation of court

- After issue of Notification and receipt of accommodation/readiness report from the Principal District Judges, steps were being taken for the inauguration of courts (two courts) and
- High Court of Madras addressed the GoTN for sanction of additional staff and Orders of the Government were awaited (two courts).

Though the GoTN, in its reply, furnished (December 2016) the present stage of constitution of new courts, but did not provide reasons for non-constitution of remaining 23 courts and non-sanction of other 128 courts at the State level. During the Exit Conference (December 2016), the Principal Secretary stated that time limit could not be fixed for constitution of court, from issue of Government sanction till actual creation of court, as the same involved parallel activities both by Judiciary and Government and delay in one activity would have a cascading effect on the other. The Principal Secretary also stated that action was being taken for issue of Government sanction on the pending proposals for opening of new courts.

(ii) In the test checked districts, out of 23 proposals<sup>8</sup> for establishment of new courts forwarded (February 2011 to November 2015), GoTN sanctioned (March 2015 to December 2015) constitution of six new courts and one court during August 2016. However, four out of the six courts had not been constituted as of November 2016, even after a lapse of 11 to 20 months, as per the details furnished in **Table 2.6**.

**Table 2.6: Status of constitution of new courts**

Sl. No.	Name of the court	Date of sending of proposal by the High Court to Government	Date of issue of Government Order	Reasons for delay in constitution of new courts
1	District Munsif Court, Uthangarai	09/07/2014	04/03/2015	High Court requested (September 2016) GoTN for sanction of funds for purchase of furniture and orders of the Government were awaited. Further, readiness report from field was awaited.
2	District Munsif Court, Vadipatti	14/03/2014	06/11/2015	Draft Notification was forwarded to GoTN for publication in the Government Gazette, by the High Court in October 2016. Government orders were awaited.
3	Sub-Court, Tirumangalam	05/06/2015	29/12/2015	Draft Notification was forwarded to GoTN for publication in the Government Gazette, by the High Court of Madras in September 2016. The orders of the Government were awaited.
4	District Munsif Court, Lalgudi	02/07/2009 12/01/2011 01/10/2012 31/01/2014	28/10/2015	Accommodation report called for from the field was awaited.

(Source: Details furnished by test checked courts)

It may be seen from the above that the new courts though sanctioned were not constituted due to various reasons such as non-receipt of accommodation report

<sup>8</sup> Sub-Courts (Nine), District Munsif Courts (six), Judicial Magistrate Courts (six) and District Munsif-cum-Judicial Magistrate Courts (two)

from field, pendency in issue of necessary notification by GoTN etc. Further, the GoTN was yet to issue necessary orders for the constitution of the remaining 16 new courts (November 2016).

#### **2.1.8.2 Delay in establishment of additional courts**

According to norms fixed (July 1993) by the High Court of Madras, an additional sub-court could be established, wherever there was an increase of 75 triable old suits, both money and title. An additional District Munsif Court could be established, wherever there was general increase in the volume of litigation of 200 triable old suits, both money and title.

#### **Position in the State**

Based on the above norms, the Principal District Judges submit proposals, to the High Court of Madras for establishment of additional sub-courts and additional District Munsif Courts, which are forwarded to the GoTN by the High Court of Madras.

We observed that High Court of Madras forwarded (July 2009 to March 2016) proposals for constitution of 92 additional courts to GoTN, of which GoTN issued (October 2015 to February 2016) orders for sanction of 24 additional courts and the remaining proposals were pending with Government. Further, 7 out of 24 additional courts sanctioned had started functioning (March 2016: one, April 2016: one, September 2016: one and October 2016: four) and the remaining courts were pending at various stages viz., awaiting orders of Government on issue of Notification (one), Notification issued (one) and awaiting accommodation/readiness report from district court offices (15).

The non-constitution of remaining 17 courts despite issue of Government Orders resulted in non-achievement of the purpose of constitution for a period ranging from 9 to 13 months (November 2016).

The GoTN, though furnished (December 2016) the present stage of constitution of additional courts, but did not provide reasons for non-constitution of remaining 17 courts and non-sanction of other 68 courts at the State level. During the Exit Conference (December 2016), the Principal Secretary stated that action was being taken for issue of Government sanction on proposals for constitution of additional courts.

#### **Position in the test checked districts**

In the test checked districts, out of 18 proposals<sup>9</sup> forwarded (June 2009 to November 2015) for establishment of additional courts, GoTN had ordered (October 2015 to December 2015) establishment of nine additional courts. Of these, two additional courts at Palani and Manapparai had started (October 2016) functioning. The status of constitution of the remaining seven additional courts though sanctioned, along with reasons for delay are mentioned in **Table 2.7**.

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<sup>9</sup> District Courts (three), Mahila Courts (two), Sub-Courts (two), District Munsif Courts (seven) and Judicial Magistrate Courts (four)



Table 2.7: Status of constitution of additional courts

Sl. No.	Name of the court	Date of sending of proposal by the High Court to Government	Date of issue of Government Order	Reasons for delay in constitution of additional courts
1	Additional District Court (Fast Track Court), Kancheepuram	16/10/2014	28/12/2015	Readiness report called for (October 2016) from field for the constitution of the court was awaited.
2	Additional Judicial Magistrate Court, Alandur	28/09/2011	29/12/2015	Readiness Report called for from field was awaited.
3	Additional Judicial Magistrate Court, Tambaram	06/02/2014	17/11/2015	Readiness Report in respect of accommodation and other infrastructure facilities called for from field was awaited.
4	Three Additional District Munsif Courts, Madurai	01/08/2014	26/11/2015	Draft Notification was forwarded (August 2016) to GoTN for publication in Government Gazette, by High Court of Madras but orders of GoTN were awaited. Accommodation report called for (January 2016 and November 2016) from field was awaited.
5	Additional District Munsif Court, Tirumangalam, Madurai	March 2014	28/10/2015	Draft Notification was forwarded (August 2016) to GoTN for publication in Government Gazette, by the High Court of Madras but orders of the GoTN were awaited. The High Court of Madras requested (October 2016) the Government for revalidating Government Order but the same was awaited.

(Source: Details furnished by test checked courts)

Thus, it may be seen from the above that the additional courts though sanctioned were not constituted due to reasons such as non-receipt of readiness report in respect of accommodation, pendency in issue of Notification by Government etc. The GoTN was yet to issue orders sanctioning constitution in respect of the remaining nine additional courts, in test checked districts (November 2016).

Non-establishment of these additional courts contributed to steady increase of pending cases in the existing courts from 41,428 in 2011 to 51,989 in 2016, as detailed in **Appendix 2.2**.

**Recommendation 1: Availability of adequate building facilities may be ensured in consultation with the concerned department before sending proposal to Government for sanction of new/additional courts.**

**2.1.8.3 Non-constitution of evening courts even after sanction**

As per the recommendations of the 13<sup>th</sup> FC (June 2010), under the scheme 'Improvement in Justice Delivery', morning/evening/special courts were to be constituted to try petty cases<sup>10</sup>, so as to clear the backlog of cases and to relieve pressure on judicial time. Accordingly, GoI provided (June 2010) financial assistance of ₹ 123.54 crore for constitution of morning/evening/special courts for the five years period (2010-15).

As per the Action Plan devised by the HLMC constituted by GoTN, the evening courts were to be established by utilising the services of regular Judicial Officers on payment of additional compensation or by taking services of retired persons upto the age of 65 years, who were otherwise not employed, to be selected by a Committee of Judges. The HLMC approved (November 2010) the proposal of the High Court of Madras for the constitution of 121 evening courts in all the 32 districts. Accordingly, GoTN sanctioned funds amounting to ₹ 5.26 crore for constitution of 121 evening courts (January 2011: 90 courts and July 2013: 31 courts) for clearance of backlog of petty cases and to relieve pressure on Judicial Officers. However, these evening courts were not constituted even after five years as of November 2016 and the State was not able to utilise the GoI grants provided under 13<sup>th</sup> FC, resulting in petty cases still being tried through regular courts, defeating the objective of GoI grant.

The GoTN and the Registrar General of the High Court of Madras replied (October and December 2016 respectively) that willingness was called for (March 2011) from the retired Judicial Officers on the directions of the Monitoring Committee of the High Court of Madras, in respect of the 90 evening courts sanctioned in January 2011 and that only 23 retired Judicial Officers expressed willingness. This was placed before the Monitoring Committee. Meanwhile, the 13<sup>th</sup> FC period ended on 31 March 2015 and the evening courts were not constituted. In respect of the 31 evening courts sanctioned in July 2013, it was stated that all the Principal District Judges were directed by the Monitoring Committee to get views of the respective Bar Associations regarding the feasibility of constitution of evening courts. On the Bar Associations being approached (September 2013) for their views, 13 Bar Associations expressed unwillingness and 12 Bar Associations expressed willingness to constitute evening courts. This was placed before the Monitoring Committee. Meanwhile, the 13<sup>th</sup> FC period ended on 31 March 2015 and the evening courts were not constituted. Thus, GoTN lost the opportunity to avail the 13<sup>th</sup> FC grants and it could not establish evening courts.

**Recommendation 2: Government may explore possibilities of constitution of evening courts from its funds, to clear backlog of cases.**

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<sup>10</sup> Cases pertaining to Motor Vehicles Act and ancillary regulations; cases pertaining to Shops and Establishments Act; cases pertaining to offences under Indian Penal Code and other Acts or Rules, where the punishment prescribed is non-custodial; cheque bouncing cases under Section 138 of the Negotiable Instruments Act, 1881 etc.

#### 2.1.8.4 *Insufficient space for Court Hall*

Based on guidelines given in NJIP, the Committee on Buildings and Facilities to Subordinate Courts<sup>11</sup>, resolved (July 2007) to adopt the standards that all the court halls to be allotted to the District Judges and Sub-Judges shall be of a minimum extent of 1,200 sq.ft. and all the court halls to be allotted to Judicial Magistrates/District Munsifs shall be of a minimum extent of 1,000 sq.ft.

We, however, noticed that in 173 courts<sup>12</sup> out of 222 test checked courts, for which details were made available, the size of the court halls allotted to the Judicial Officers was not in accordance with the size prescribed by the Committee. The shortfall ranged from 30 sq.ft. to 950 sq.ft. in respect of 74 court halls allotted to the District Judges and Sub-Judges. Similarly, the shortfall ranged from 25 sq.ft. to 860 sq.ft. in respect of 99 court halls allotted to the Judicial Magistrates and District Munsifs. The non-availability of required space for court halls was attributable to accommodating more number of courts by making alterations, as discussed in **Paragraph 2.1.8.5**.

While no specific reasons/replies for insufficient space for court hall were furnished, the GoTN stated (October 2016) that proposals for construction of buildings for 89 courts were in process at various stages<sup>13</sup>, new building constructed was inaugurated for one court, out of the above 173 courts.

During the Exit Conference (December 2016), the Registrar (Management), High Court of Madras stated that the norms prescribed for court hall had been followed in the construction of new court buildings.

The reply was not tenable as even after more than nine years after passing resolution by the Committee, the proposals were at initial stages in respect of 89 courts and no proposals were made in respect of remaining 83 courts. Thus, the courts continue to function with lesser space than the norm.

#### 2.1.8.5 *Functioning of courts in congested atmosphere*

Based on the broad guidelines given in NJIP, the Committee on Buildings and Facilities to Subordinate Courts prescribed the standards to be adopted while creating the infrastructure in court complexes for the benefit of stakeholders viz., justice seekers, Judges, lawyers, court staff, staff of lawyers etc.

We observed that in four out of eight test checked districts, as of November 2016, 68 courts were functioning in the buildings constructed for accommodating 33 courts. This was due to accommodation of new courts in the same buildings by making alterations in the existing buildings, which resulted in congestion in the court buildings, causing inconvenience to the public and lawyers, as detailed in **Table 2.8**.

<sup>11</sup> The Committee appointed by the Hon'ble Chief Justice, High Court of Madras, consisted of a Chairman and five members, all of whom were Judges

<sup>12</sup> Cuddalore (6 courts), Dindigul (19 courts), Erode (22 courts), Kancheepuram (17 courts), Krishnagiri (18 courts), Madurai (34 courts), Tiruchirappalli (29 courts) and Tirunelveli (28 courts)

<sup>13</sup> Under consideration of GoTN, under consideration of High Court of Madras, pending allotment of land for construction of building, Government Order issued and work in progress, Government Order issued but construction to be started, selection of site pending, work completed but inauguration not done and plan and estimate due from PWD

**Table 2.8: Addition of new courts in the existing buildings causing congestion**

Sl. No.	Name of the District	Name of the combined court building/Year of construction	Building constructed for (number of courts)	Number of courts actually functioning as of September 2016	Additional courts started functioning during the period
1	Cuddalore	Chidambaram/1892	2	5	1978 to 2002
2		Virudhachalam/1988	4	8	1999 to 2003
3	Krishnagiri	Krishnagiri/1976	6	11	1982 to 2013
4	Madurai	Madurai/1970	20	41	1981 to 2013
5	Tirunelveli	Ambasamudram/1905	1	3	1988 to 1992
<b>Total</b>			<b>33</b>	<b>68</b>	

(Source: Details furnished by courts)

The GoTN replied (December 2016) that proposals for administrative sanction in respect of construction of combined court buildings in Chidambaram and Krishnagiri were under its consideration. In respect of Virudhachalam, the High Court addressed (November 2016) the Principal District Judge, Cuddalore to furnish the land cost for sanction of funds.

In respect of Madurai, the revised plan and estimate for construction of second floor over the existing combined court building and plan and estimate for construction of new building in the space available in the existing court campus was called for (August 2015) by the Principal District Judge, Madurai from the PWD. The PWD submitted (January 2016) revised plan and estimate for construction of second floor only and the plan and estimate for construction of additional building was awaited. In respect of Ambasamudram, the High Court of Madras advised (November 2016) the Principal District Judge, Tirunelveli to take necessary steps for construction of combined court building in vacant space available after demolition of existing building.

During the Exit Conference (December 2016), the Registrar (Management), High Court of Madras stated that action would be taken to accommodate the courts in the new buildings constructed as per NJIP norms.

The fact, however, remains that though the Committee prescribed norms in 2007, the courts continued to function in congested atmosphere, as construction of buildings other than in Ambasamudram was in nascent stage only.

**Recommendation 3: The norms prescribed for space of court halls may be adhered to by planning court buildings.**

**2.1.8.6 Courts functioning in buildings unfit for occupation**

(i) In Chidambaram, Cuddalore District, five courts were functioning in an old building constructed during 1892. Further, the building was designed to accommodate only two courts and three more courts were accommodated (from 1978 to 2002) in the same building, by constructing (1978) first floor and making temporary arrangements. As the building was old and congested, the Principal District Judge, Cuddalore addressed (March 2007) the High Court of Madras for construction of new integrated court complex at Chidambaram. The Principal District Judge, Cuddalore requested (October 2010) the District Collector, Cuddalore to identify five acres of Government land for allotment to

Judicial Department for the construction of new integrated court complex and quarters for Judicial Officers. A Government land was identified (August 2013) and the Principal District Judge requested (September 2013) the District Collector, Cuddalore to allot nine acres of land to the Judicial Department. The Principal District Judge, Cuddalore after taking over the land in November 2013, called for (November 2013) plan and estimate from the PWD, Cuddalore and the same was forwarded by the PWD to the High Court of Madras only in April 2015, after protracted correspondence.

The High Court of Madras requested (August 2015) GoTN for according administrative and technical sanction for ₹ 18.28 crore for construction of combined court building and quarters for Judicial Officers. The GoTN, however, turned down (March 2016) the request of High Court of Madras due to difficult financial situation prevailing in the State.

We observed that the PWD authorities, to avoid any untoward incident, advised (July 2015) not to keep heavy articles like Almirah on the first floor of the existing court building, as the wooden ceiling was in damaged condition. Further, due to heavy rain in Cuddalore District in November and December 2015, leakage of rainwater was observed in the first floor roof. Also, the wooden joists used in the ground floor roof were in bad condition at some places. As the building was in need of major repair which was not considered economical and the building could not be repaired in full, the PWD authorities recommended (March 2016) not to use above building for regular functioning.

Thus, the courts were functioning in buildings unfit for occupation, without basic amenities, infrastructure and adequate place due to delay in identification of land, delay in preparation of plan and estimates by PWD and non-according of sanction by Government.

GoTN replied (December 2016) that the proposal for ₹ 20.11 crore forwarded (August 2016) by High Court of Madras under Centrally Sponsored Scheme for the year 2016-17, for according sanction was under its consideration.

The reply was not tenable in view of the fact that although GoTN in March 2016 attributed difficult financial situation for turning down the request, there were savings out of State funds provided during 2015-16 (as discussed in **Paragraph 2.1.7.1**), which could have been utilised for construction of the combined court building.

(ii) The District Munsif-cum-Judicial Magistrate Court, Kattumannarkoil in Cuddalore District was functioning from July 2000 in a private rented building at a monthly rent of ₹ 11,600.

The District Collector, Cuddalore allotted (April 2010) a portion of the old Taluk Office building measuring 267 sq.m. for the usage of the court till own building was constructed, based on the request (January 2009) of the Principal District Judge, Cuddalore. As the allotted portion was not adequate to house the court, the Principal District Judge, Cuddalore requested (August 2010) the District Collector to allot entire old Taluk Office building to the Judicial Department. The proposal (November 2013) of the District Collector, Cuddalore, for allotment of the entire old Taluk Office building was pending with the Commissioner of Revenue Administration (CRA). As no reply was

received from CRA, the High Court of Madras directed (December 2015) the Principal District Judge, Cuddalore to state availability of private rented building for accommodating the court. The Principal District Judge, Cuddalore requested (March 2016) the District Collector, Cuddalore to identify alternative suitable building, as the rainwater leakage was found in the entire court building during heavy rain, endangering human life and safe custody of case records.

For the construction of court building and residential quarters for the Judicial Officers, a land measuring 4.52 acres in Udayarkudi Village, Kattumannarkoil Taluk had been identified and the Principal District Judge, Cuddalore requested (February 2016) the District Collector, Cuddalore to allot the land. The transfer of land was pending with the District Collector (September 2016).

The GoTN replied (December 2016) that after receipt of allotment order from the District Collector, necessary plan and estimate for the above work would be obtained from the PWD for administrative and financial sanction. During Exit Conference (December 2016), the Principal Secretary stated that the transfer of land would be looked into and matter resolved soon.

Thus, even after more than six years the issue of having own/adequate building for the court remained unresolved and the court continued to function in a building unfit for occupation, incurring a monthly rent of ₹ 11,600.

#### **2.1.8.7 Delay in construction of court buildings and quarters**

The construction of buildings required for High Court and Subordinate Courts and quarters for the Judges of the High Court and Judicial Officers of the Subordinate Courts was taken up by PWD. The required funds for construction of infrastructure were sanctioned by GoTN from its own funds and GoI funds.

We observed that 86 works were taken up by PWD out of 95 works, for which GoTN issued orders during 2011-16. Nine works were not taken up due to non-identification of alternative site, awaiting shifting of court and delay in finalisation of tender as detailed in **Appendix 2.3**. Out of the 86 works taken up, 64 works were completed. Of these, nine works were completed within the target date and the remaining 55 works were completed with delay ranging from 1 month to 26 months from the target date of completion. Out of the 22 works in progress, two works were required to be completed before 31 March 2016, but had not been completed, even after a lapse of (i) seven months in respect of construction of Alternative Disputes Resolution Centre at Pudukottai and (ii) 27 months from the scheduled date of completion, due to slow progress of work and consequent litigation, in respect of construction of combined court building at Tindivanam, Villupuram District.

The Principal Secretary stated (December 2016) during Exit Conference that site problem, litigation and preparation of plan and estimates by PWD resulted in non-constructions of buildings / delays in construction of buildings.

#### **2.1.8.8 Preservation of heritage court buildings not carried out**

Under the component 'Preservation of Heritage Court Buildings', 13<sup>th</sup> FC allotted (June 2010) ₹ 22.24 crore to be incurred during 2010-11 to 2014-15, with the condition that no expenditure should be incurred beyond 31 March 2015. GoTN sanctioned (November 2013) ₹ 22.21 crore for conservation and

restoration of five court buildings<sup>14</sup> in Chennai. The following were observed in this regard:

- (i) For carrying out conservation works in heritage buildings, alternative accommodation to house the courts was identified only in respect of two works (Chief Metropolitan Magistrate Court and Additional Chief Metropolitan Magistrate Court, Egmore, Chennai) involving ₹ 4.98 crore. However, the courts were not shifted to the alternative accommodation. As a result, conservation works could not be carried out and no expenditure was incurred.
- (ii) Government sanctioned (November 2014) ₹ 17.20 crore to carry out preliminary renovation and retrofitting works in the heritage (main) building of High Court of Madras and to repair the leaky roof in George Town Court building and Small Causes Court building, based on the proposal (September and November 2014) of the High Court of Madras. The work was commenced in August 2015 for completion by 31 December 2016. Against the sanction of ₹ 17.20 crore, an expenditure of ₹ 6.34 crore was incurred upto October 2016.
- (iii) GoTN requested (May 2015) the GoI for extension of period for incurring expenditure under the component preservation of Heritage Court Buildings, as work involved was of complex nature and time consuming. The GoI clarified (July 2015) that State Governments were required to submit UC within 12 months of the closure of the financial year. Hence, State Governments could utilise the grants within that period.

Thus, even though GoI clarified that expenditure could be incurred within 12 months of the closure of the financial year, the non-execution of work in respect of conservation of heritage buildings in time resulted in non-utilisation of 13<sup>th</sup> FC grant of ₹ 15.90 crore (₹ 22.24 crore - ₹ 6.34 crore i.e. expenditure upto 31 October 2016).

GoTN did not furnish the reasons for not taking up the work in respect of two works at Egmore but stated (December 2016) that the estimate for conservation and restoration for these works involving ₹ 4.98 crore was forwarded (November 2016) by the High Court to the PWD for executing the said work and to send a report along with the UC.

During the Exit Conference (December 2016), the Principal Secretary stated that the conservation and preservation of heritage building was of a complex nature, requiring expert guidance, specialised workmanship, identification of agency, etc., which resulted in delay in execution of works.

The reply was not tenable, as these were known factors and even though the 13<sup>th</sup> FC recommendations were made in June 2010, the GoTN could not effect the preservation of heritage court buildings before the closure of 13<sup>th</sup> FC period.

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<sup>14</sup> Metropolitan Magistrate Court, George Town; Chief Metropolitan Magistrate Court, Saidapet; Chief Metropolitan Magistrate Court, Egmore; Additional Chief Metropolitan Magistrate Court, Egmore and Small Causes Court, High Court Campus

**2.1.8.9 Non-availability of amenities in courts**

(i) NJIP provided for various amenities in the court buildings such as ramp, litigant public waiting hall, availability of fire extinguisher, broadband facility for court offices, Xerox machine etc.

We noticed that public waiting hall was not available in 59 court complexes housing 201 courts, out of 75 court complexes housing 287 courts in the eight test checked districts. Also, Xerox machines were not available for public use in 70 court complexes housing 204 courts, as detailed in **Table 2.9**.

**Table 2.9: Non-availability of amenities in courts**

Sl.No.	Name of the District	No. of Court complexes in which waiting hall for public was not available	No. of courts in these complexes	No. of Court complexes in which Xerox machine for public use was not available	No. of courts in these complexes
1	Cuddalore	7	39	3	3
2	Dindigul	8	19	11	22
3	Erode	8	16	12	35
4	Kancheepuram	7	23	8	25
5	Krishnagiri	-	-	5	17
6	Madurai	6	48	6	27
7	Tiruchirappalli	12	18	12	31
8	Tirunelveli	11	38	13	44
	<b>Total</b>	<b>59</b>	<b>201</b>	<b>70</b>	<b>204</b>

(Source: Details furnished by courts)

Thus, the courts were functioning without public waiting hall, required by public and Xerox machines were not provided for taking copies by the public, which was against the provisions contained in NJIP.

(ii) The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act (PwD Act), 1995 envisaged provision of ramps in public buildings, among other things. NJIP also provided that courts were to be accessible to those who may be physically challenged/disabled. We, however, noticed that ramp facilities were not provided for easy access to elders and differently abled people attending courts in 57 court complexes housing 138 courts, out of 75 court complexes housing the 287 test checked courts, as of 31 March 2016. Similarly, toilets for persons with disabilities were not available in 67 court complexes housing 184 courts, as of 31 March 2016. The district-wise details are furnished in **Table 2.10**.



Table 2.10: Non-provision of ramp facilities/ toilet for PwD in courts

Sl. No.	Name of the District	Ramp facilities		Toilet for PwD	
		No. of court complexes in which ramp facilities were not available	No. of courts in these complexes	No. of court complexes in which toilets for PwD were not available	No. of courts in these complexes
1	Cuddalore	8	41	7	39
2	Dindigul	11	25	10	22
3	Erode	8	13	10	15
4	Kancheepuram	7	15	7	15
5	Krishnagiri	1	12	4	9
6	Tiruchirappalli	12	18	6	48
7	Tirunelveli	10	14	12	18
8	Madurai	--	--	11	18
	<b>Total</b>	<b>57</b>	<b>138</b>	<b>67</b>	<b>184</b>

(Source: Details furnished by courts)

The non-provision of ramps and toilets for PwD in the above mentioned court complexes was in violation of the provisions of the PwD Act, 1995 and NJIP and was insensitive and detrimental to the convenience of the differently abled persons attending the courts.

(iii) The Plan and estimate prepared and submitted by the PWD, as per the NJIP, provided for library for court building. However, it was noticed in the subordinate courts of test checked districts that there were no separate rooms for libraries and the books were kept in record room/office room/chamber/steno rooms.

The GoTN replied (October 2016), that as and when the request for Xerox machines was received, the High Court placed the same before the Hon'ble Portfolio Judge for getting the approval and on receipt of Government Order, necessary sanction proceedings issued. The GoTN further replied (December 2016) that the proposals for re-designing of existing court complexes (*viz.*, reception area, public waiting room, separate toilet for men, women and differently abled persons and canteen), which was called for (September 2015), were received only from ten districts and after receipt of the same from the remaining districts, the proposals would be considered for sanction of funds. During the Exit Conference (December 2016), the Registrar (Management), High Court of Madras stated that the basic amenities were provided in the new court buildings as per NJIP norms.

The reply was not tenable in view of the fact that lack of these amenities in the existing courts was violative of the NJIP and PwD Act, 1995 and a cause of inconvenience to public at large, especially the differently abled. Ramps were not provided even after lapse of more than 20 years after the PwD Act coming into effect.

**2.1.8.10 Non-provision of security arrangements and fire extinguishers**

As per NCMS Baseline Report (May 2012) on Court Development Planning System (Infrastructure and Budgeting), access controls, surveillance and continued security at all vulnerable points including night vision cameras at all entry gates and other important spots were to be installed.

We noticed that Closed Circuit Television (CCTV) cameras had not been provided in any of the 287 subordinate courts test checked.

Similarly, fire extinguishers were not installed or the installed fire extinguishers were not refilled/renewed in 161 courts<sup>15</sup> out of the 287 test checked courts.

Thus, the courts, where large number of case records were being kept till their finalisation, were functioning without any security arrangement and fire extinguishers.

The GoTN replied (October 2016) that fire extinguishers would be sanctioned by the High Court of Madras, on receipt of requirements from the lower courts and further replied (December 2016) that the Government sanctioned (April 2016) ₹ 7.68 crore for installation of CCTV cameras etc., at the Madras High Court Complex, Chief Metropolitan Magistrate Court at Egmore and Metropolitan Magistrate Courts at George Town and Saidapet and further sanctioned ₹ 39.79 crore for installation of CCTV cameras, etc., in all the court complexes in the State.

The reply was not tenable in view of the fact that though the NCMS Baseline Report (May 2012) prescribed provision of aforesaid security arrangements and fire extinguishers, the GoTN had sanctioned funds for installation of CCTV equipment to subordinate courts only in November 2016, after a lapse of more than four years and no action had been taken in respect of fire extinguishers. As a result, security and safety of the courts and public and valuable and crucial court records continued to be at risk.

**Recommendation 4: Basic amenities like ramp and toilets for persons with disabilities, waiting hall, library, security arrangements like CCTV cameras and safety devices like fire extinguishers may be provided in all the courts.**

**2.1.9 Implementation of e-Courts project**

The e-Courts project was conceptualised on the basis of National Policy and Action Plan for implementation of Information and Communication Technology (ICT) in the Indian Judiciary - 2005, by the E-Committee of Supreme Court of India. The e-Courts Integrated Mission Mode Project, envisaged deployment of hardware, software and networking to assist District and Taluk Courts in streamlining their day to day functioning. Key functions such as case filing, allocation, registration, case work-flow, orders and judgements were to be

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<sup>15</sup> Cuddalore (5 courts), Dindigul (15 courts), Erode (17 courts), Kancheepuram (8 courts), Krishnagiri (18 courts), Madurai (44 courts), Tiruchirappalli (24 courts) and Tirunelveli (30 courts)

computerised. Cause lists<sup>16</sup>, case-status, orders and judgements were to be made available on the web and made accessible online to litigants, advocates and general public.

The Phase I of the project, approved by GoI in September 2010, which ended on 31 March 2015, was to cover 675 courts. The Phase II of the project, approved by GoI in August 2015 proposed to cover 305 courts. The duration of Phase II was four years or until the project was completed, whichever was later. National Informatics Centre (NIC) was the implementing agency of e-Courts project and the project was funded by GoI. Purchase of computers and accessories was made by NIC and supplied to the courts concerned directly under Phase I and project implementation was decentralised in Phase II to the respective High Courts.

**2.1.9.1 Defective planning resulting in non-implementation of e-Courts Project in four courts**

The Phase I of the e-Court project proposed to cover four courts viz., Sub-Court, Principal District Munsif Court, Additional District Munsif Court and Judicial Magistrate Court at Sankarankoil in Tirunelveli District. At the time of proposal, these courts were functioning in rented/other Government buildings.

We observed that the hardware items supplied (June 2011 and October 2011) to the courts were installed (February 2015) in the court as per instructions of the High Court of Madras. These computers were not connected with Local Area Network (LAN) as the materials required for installation of LAN were not supplied. Besides, some of the hardware items (four Thin Clients and one Hard Disk) were reported to be missing and police complaint was lodged (2014) and the case was pending (July 2016). Meanwhile, the four courts started functioning in the new combined court complex from May 2015 and the hardware was shifted to new building in July 2015 without LAN facility.

Thus, due to non-provision of LAN facility, the e-Courts project could not be implemented in both the old court building and new combined court complex. As a result, the case status in respect of 5,656 pending cases in these four courts could not be viewed by the Advocates and public since these cases were not entered in the National Judicial Data Grid.

The GoTN replied (December 2016) that the four courts were initially covered under Phase I of e-Courts project and due to the construction of new court building, it was marked as 'Site Not Ready' and thereafter, removed from the Phase I project and included in the Phase II of the project and provision of 12 LAN points and four computers for each court would be commenced shortly.

The reply was not tenable in view of the fact that the computers were supplied to four courts for coverage under Phase I and to be installed in a network by providing LAN facility. As the Department decided to install the system with LAN facility only in the new court building as the same was under construction, the computers were installed as stand-alone systems, which could not serve the

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<sup>16</sup> Cause lists are schedule of cases to be heard by the courts on the following day(s). Every court must have a Cause list for each working day. The Cause lists give details such as the Court Number, the Bench dealing with the cases and the case details like case number, petitioner/respondent and respective Advocates

intended purpose of uploading the case data and viewing the case status of pending cases by litigant public and Advocates. Thus, even after shifting the computers to the new court building in July 2015, for want of LAN facility, the computers continued to be used as stand-alone systems defeating the intended objective.

### **2.1.9.2 Non-provision of broadband internet connection in courts**

As per National Policy and Action Plan for implementation of ICT in the Indian Judiciary 2005, broadband internet connection ranging from 256 Kbps to 2 Mbps was to be provided at the court complex and home offices of all Judicial Officers/Judges.

We observed in the test checked districts that though the broadband internet connection was provided in the home offices of Judicial Officers/Judges, the same was not provided to 259 court offices<sup>17</sup>, out of 287 test checked courts. We noticed that from June 2015, web pay roll system was introduced by the Director of Treasuries and Accounts and monthly pay bills of all staff were to be submitted through online mode only every month. Due to non-availability of broadband connection in the court offices, the monthly pay bills were uploaded through private Internet Centres.

The GoTN replied (December 2016) that against the proposal (January 2016) of High Court of Madras for ₹ 59.66 crore for provision of Tamil Nadu State Wide Area Network (TNSWAN) connectivity to all the District and Taluk level court complexes throughout the State, the GoTN sanctioned (November 2016) ₹ 11.81 crore and the sanction of remaining funds was under consideration. During the Exit Conference (December 2016), the Registrar (Management), High Court of Madras stated that with the funds sanctioned by Government, the broadband connection would be provided.

The fact remains that funds for provision of broadband facility were sanctioned only in November 2016, though the web pay roll system was introduced in June 2015, resulting in non-availability of internet facilities in the courts.

### **2.1.9.3 Implementation of e-Courts project by High Court of Madras**

#### **Vacancies in the posts of Information and Communication Technology Administrator**

As per e-Courts guidelines (August 2005), one District Court Information and Communication Technology Administrator and two support System Assistants were required to be recruited for maintenance of e-Courts for district and subordinate courts. Recruitment of personnel for the above posts was to be made by the High Court of Madras.

We noticed in test checked districts that eight posts<sup>18</sup> of System Assistants were not filled up.

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<sup>17</sup> Cuddalore (41 courts), Dindigul (23 courts), Erode (36 courts), Kancheepuram (21 courts), Krishnagiri (18 courts), Madurai (45 courts), Tiruchirappalli (32 courts) and Tirunelveli (43 courts)

<sup>18</sup> Cuddalore (two posts), Dindigul (one post), Kancheepuram (two posts), Krishnagiri (two posts) and Tiruchirappalli (one post)

The GoTN replied (December 2016) that the existing technical manpower filed a writ petition praying for their absorption in the respective posts of Senior System Officer/System Officer/System Assistant and the same was pending before the Hon'ble Division Bench, High Court of Madras and further steps would be taken as per the direction of the Hon'ble Division Bench in the writ petition. Government further stated that 102 posts of technical manpower had been sanctioned (September 2016) on a regular time scale of pay for the High Court of Madras and subordinate courts.

### **2.1.10 Conclusion**

Due to non-submission of complete utilisation certificates for 2012-13 and 2013-14 to GoI in time, grants for 2014-15 and 2015-16 were not released by GoI, under the Centrally Sponsored Scheme, though proposals for construction of court buildings and quarters worth ₹ 278.21 crore were sent to GoI by GoTN. Due to accommodating more courts by making alterations in the existing court buildings, as against the norm of 1,200 sq.ft. for the court hall in respect of District Court/Sub-Court, 74 out of 90 test checked courts had shortfall of available space ranging from 30 sq.ft. to 950 sq.ft. Similarly, as against the norm of 1,000 sq.ft. for the court hall in respect of Judicial Magistrate Court/District Munsif Court, 99 out of 132 test checked courts had shortfall of available space ranging from 25 sq.ft. to 860 sq.ft.

Non-availability of ramp facilities for persons with disabilities in 57 out of 75 court complexes in the test checked districts was in clear violation of PwD Act, 1995. Non-availability of toilets for persons with disabilities was noticed in 67 out of 75 court complexes, in violation of NJIP. Similarly, non-availability of security devices like closed circuit television cameras and safety devices like fire extinguishers was observed in 287 courts and 161 courts respectively in the test checked districts, putting the crucial court records and human lives at risk.

## **HOME, PROHIBITION AND EXCISE DEPARTMENT**

### **2.2 Follow-up Audit of Modernisation of Police Force**

#### *Executive Summary*

*A Performance Audit on Modernisation of Police Force (MPF) Scheme was conducted in 2009 covering the period 2005-06 to 2009-10 and the audit observations were included in the Comptroller and Auditor General (CAG)'s Report-Civil, for the year ended 31 March 2010 - Government of Tamil Nadu. A follow-up audit conducted during April to July 2016, to assess whether the accepted audit recommendations were implemented and also covering the implementation of MPF scheme during 2010-11 to 2015-16, revealed the following:*

*All the four recommendations made in the previous Audit Report were accepted by the department. Of these, one recommendation was fully implemented, two were partially implemented and one was not implemented.*

*No approval was obtained from High Powered Committee of Ministry of Home Affairs (MHA) for the deviation in procurement of items pointed out in the previous Audit Report. Purchase of alternative equipment without approval of MHA, unrealistic preparation of estimates and inclusion of proposal for construction of police stations in Annual Action Plans without ensuring availability of land, noticed during 2010-11 to 2015-16, indicated that the recommendation had been partially implemented.*

*With reference to recommendation on replacement of vehicles using MPF funds, no replacement of vehicles was done using MPF funds and condemned vehicles were replaced with funds under State Budget only. Hence, the recommendation was fully implemented.*

*In pursuance of the previous Audit recommendation, the Department had provided enhanced funds for Annual Maintenance Contract (AMC) of equipment procured. However, 20 of the 29 equipment (mentioned in the previous Audit Report) and 5 of the 10 equipment procured during 2010-11 to 2015-16 in the Forensic Science Department were still without AMC. E-beat systems procured in Police Department were also without AMC and they became defunct. Hence, the recommendation was not implemented.*

*While there was progress in completion of pending residential units pointed out in the previous Audit Report, the pending residential units taken up for construction during 2010-11 to 2015-16 were yet to be completed. Hence, the implementation of the recommendation was partial. Shortfall in availability of vehicles in police stations was noticed in the test checked districts. The project of Digital Based Police Radio System for Chennai and Tiruchirappalli sanctioned in April 2012, had not been implemented due to delay in deciding the technology.*

*Non-payment of spectrum charges resulted in shortfall of procurement of communication equipment. Deoxyribo Nucleic Acid (DNA) Unit at Madurai established in December 2011 without ensuring availability of requisite cold storage facilities and technical staff, resulted in its sub-optimal usage for five years.*

### **2.2.1 Introduction**

The scheme of Modernisation of Police Force (MPF) was launched (1969-70) by the Ministry of Home Affairs, GoI to enable the police forces to effectively face the emerging challenges to internal security. The focus of the scheme was to strengthen the police infrastructure by way of construction of secure police stations, equipping the force with required level of mobility, modern weaponry, communication systems and other equipment, forensic tools, training and sufficient housing. A revised scheme was launched by GoI in February 2001 for a period of ten years, which was further extended (February 2013) for a five year period (2012-17).

### **2.2.2 Organisational setup**

The Police Department functions under the Home, Prohibition and Excise (Home) Department of the GoTN, headed by the Principal Secretary, who was responsible for implementation and monitoring of the MPF scheme. At Directorate level, the Director General of Police (DGP), Law and Order, headed the State Police Force. Besides, there were three DsGP at State level looking after Training, Tamil Nadu Uniformed Services Recruitment Board (TNUSRB) and Tamil Nadu Police Housing Corporation (TNPHC). The Inspector General (Police Modernisation) was in direct charge of the Modernisation Programme. At State level, the above DsGP and at the District level, Superintendents of Police (SP)/Commissioners of Police (CoP) were involved in the implementation of the scheme. There were 1,812 police stations which include, 1,334 regular police stations, 200 all women police stations, 251 traffic police stations and 27 police outposts. The Forensic Science Department (FSD) and State Crime Records Bureau (SCRB) were also involved in the implementation of the scheme. A State Level Empowered Committee (SLEC), constituted (2001) under the chairmanship of the Chief Secretary to GoTN, was responsible for finalising the Annual Action Plan (AAP) and monitoring the implementation of the scheme.

### **2.2.3 Audit Objectives**

We had conducted a Performance Audit on MPF scheme in 2009 covering the period 2005-2010 and the audit observations were included in Para 1.3 of the Comptroller and Auditor General (CAG)'s Report - Civil for the GoTN, for the year ended 31 March 2010. Significant lapses in the implementation of the scheme were highlighted in that Report and various measures were recommended to streamline the procedures. In the light of the audit observations contained in our previous Performance Audit, we conducted a follow-up Performance Audit to assess:

- Whether the previous audit recommendations, which were accepted by the Government were implemented so as to improve the implementation of the scheme;
- Whether the planning process was robust and effective and the funds provided for the scheme were utilised efficiently and effectively and
- Whether assets created/equipment procured were adequate as envisaged in the scheme and the same were maintained properly.

#### **2.2.4 Audit criteria**

Audit findings were benchmarked against criteria sourced from the following:

- Recommendations made in the CAG's Audit Report 2009-10 and replies furnished by the GoTN.
- MPF Scheme Book, 2010 of Ministry of Home Affairs, GoI.
- Norms/Guidelines of Bureau of Police Research and Development (BPRD) and Ministry of Home Affairs (MHA) of GoI.
- Perspective Plan and Annual Action Plan of MPF scheme.
- Decisions of the State Level Empowered Committee and High Powered Committee of MHA/GoI.
- Fund release orders of GoI/GoTN and instructions issued therein.
- General Financial Rules (GFR).
- Orders, circulars and instructions issued by the MHA, GoI and GoTN from time to time.
- Tamil Nadu Third Police Commission Report, 2007.

#### **2.2.5 Scope and methodology of audit**

We conducted the follow-up Audit of the 'Performance Audit of Modernisation of Police Force' from April to July 2016. Besides follow-up audit, the scheme was reviewed for the period from 2010-11 to 2015-16 in the current audit. Scheme implementation records in the offices of DGP, SCRB, FSD, TNPHC, SP/CoP offices in 10<sup>19</sup> out of 40 police districts and 123 police stations out of 487 police stations in the 10 selected police districts were test-checked. The audit objectives and criteria were communicated to the Principal Secretary, Home Department through a letter in June 2016. An entry meeting was held on 28 September 2016 with the Principal Secretary, Home Department, wherein the audit objectives, scope of audit, methodology adopted were reiterated.

We also held discussions with various officials of the Department in the field units covered during Audit. Joint physical verification of police stations was

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<sup>19</sup> (i) Coimbatore (10 police stations), (ii) Coimbatore City (7 police stations), (iii) Tiruchirappalli (11 police stations), (iv) Tiruchirappalli City (6 police stations), (v) Erode (12 police stations), (vi) Madurai (13 police stations), (vii) Tirunelveli (19 police stations), (viii) Thanjavur (13 police stations), (ix) Cuddalore (14 police stations) and (x) Vellore (18 police stations)



also conducted along with the department officials. The audit findings were discussed in an Exit Conference conducted with the Principal Secretary, Home Department on 14 December 2016 and the replies and responses of the department were taken into account, while finalising the Report. The audit findings are discussed in the subsequent paragraphs.

## **Audit Findings**

### **2.2.6 Recommendations made in the previous Audit Report**

The following recommendations were made in CAG's Report - Civil for the GoTN, for the year ended 31 March 2010 in the Performance Audit on MPF.

- AAPs should be drawn up based on assessment of actual requirements.
- Government should consider separate allocation of funds from the State Budget for replacement of vehicles instead of using MPF funds.
- Sufficient funds should be provided for maintenance of equipment purchased under the scheme.
- The pace of construction of residential units should be accelerated to ensure completion of the buildings in a time-bound manner.

In the Detailed Explanatory Notes submitted (February 2014) to the Committee on Public Accounts (PAC), the GoTN had accepted the above recommendations and assured that steps would be taken to address the audit observations. The Report was discussed by the PAC (May 2015) and its recommendations were awaited (November 2016).

In this follow-up audit, the following issues have been discussed:

- (i) The results of follow-up audit on the recommendations of the previous Audit Report are given in Paragraph 2.2.7.
- (ii) Additional observations noticed during the current audit are given in Paragraph 2.2.8.

### **2.2.7 Results of follow-up audit**

#### **2.2.7.1 *Annual Action Plans to be drawn up based on assessment of actual requirements – Recommendation 1***

##### **(i) Deviation from approved Annual Action Plan**

MPF scheme guidelines provided that the State Government was to prepare Annual Action Plans (AAPs) to implement various components of the MPF scheme and that the AAPs were to be approved by the High Powered Committee (HPC) of MHA. The GoI allocates funds to the States based on the AAPs.

While conveying the approval for the continuation of the scheme for a further period of five years from 2012-13 to 2016-17, the GoI had instructed (February 2013) that funds released for a particular item included in the approved AAP would not be diverted by the State Government for any other item without obtaining specific approval to the effect from the SLEC and the MHA.

MPF scheme guidelines further provided that changes in the AAP were required to be approved by the competent authority at the State level and approvals should be sought from HPC of MHA.

It was observed in the previous Audit Report (Paragraph 1.3.6) that GoTN had proposed specific requirement of equipment in the AAPs and got them approved by HPC of MHA. However, the department had purchased alternative equipment such as video/audio recorders, Digital Versatile Disc (DVD) handycams, Liquid-Crystal-Display (LCD) Televisions, laser printers, photo copier etc., for ₹ 2.52 crore during 2006-09 in deviation of the approved AAPs.

In the Explanatory Notes submitted to the PAC, the GoTN stated (February 2014) that while purchasing the items approved in AAP through open tender and limited tender basis, it was learnt that the production of the make and model, specifications of certain items in AAP were stopped by the companies due to improvement of technology and change of requirement in public market and alternative approved items were selected. It was further stated that items already approved in the earlier years by the HPC and eligible items under MPF scheme were only purchased as alternative items with the approval of the SLEC.

During follow-up audit, it was, however, observed that no specific approval was subsequently obtained from HPC of MHA, for procurement of those items mentioned in the previous Audit Report. GoTN replied (November 2016) that any deviation in the AAP would be got approved by HPC of MHA in future.

Further examination of system of preparation of AAPs during the period 2010-11 to 2015-16 revealed that there was (a) alternative equipment purchased without approval of MHA, (b) unrealistic preparation of estimates resulting in savings and (c) inclusion of proposals for construction of police buildings in AAPs, without acquiring land, as discussed below:

**(a) Purchase of alternative equipment without approval of MHA**

The GoTN sanctioned (September 2010) ₹ 33.35 lakh for the purchase of Radio Monitoring Receiver cum Direction Finder, with accessories proposed in the AAP for 2010-11, under MPF scheme. DGP proposed (April 2014) alternative items viz., Non-linear Junction Detector, Portable Digital Video Recorder (DVR) with accessories and Surveillance equipment for mobile control center on the grounds that it would be difficult to purchase the required product within the sanctioned amount, as the cost of the originally contemplated product had increased to ₹ 50 lakh and it was felt that the need for the equipment was not much compared to the cost. Accordingly, the alternative items were purchased (August 2016) for ₹ 33.35 lakh.

Thus, Radio Monitoring Receiver cum Direction Finder, sanctioned in 2010-11, was not procured due to increase in cost. Alternative items approved in earlier AAPs were procured in order to keep the expenditure within the sanctioned amount. The alternative equipment was procured without the approval of MHA.

The GoTN accepted the audit observation and agreed (November 2016) to address the MHA of GoI, for ratification for purchase of alternative items.

**(b) Unrealistic preparation of estimates resulting in savings**

The estimates for the items projected in the AAP were based on the estimated cost quoted in the proposals received from the unit offices and also taking into account the previous purchase price along with escalation.

We observed that in respect of 98 items/equipment (mobility: 12, communication equipment: 5 and general equipment: 81) procured during 2010-11 to 2015-16, there were savings of ₹ 14.03 crore, which ranged<sup>20</sup> from 20.08 to 89.38 *per cent* of the sanctioned amount, indicating unrealistic preparation of estimates with regard to those items.

GoTN replied (November 2016) that due to open tender process and bulk orders, the prices sometimes were less than the estimated cost. It was further stated that care would be taken in future while assessing the estimated cost of the items to be projected in the AAPs. The reply was not acceptable as the estimates were ranging between 50.66 and 89.38 *per cent* above the actual cost in 34 of the 98 items, which had resulted in savings of ₹ 8.06 crore. Of these, 33 items (97.06 *per cent*) pertained to general equipment (as against only one item pertaining to mobility), for which estimates could have been prepared more realistically based on trend analysis.

**(c) Proposal for construction of police buildings included in AAP without acquiring land**

As per MPF scheme guidelines, construction activities would be approved in the AAP, only if the Police Department or the Home Department had acquired title and possession of the land.

We, however, noticed during the current audit that construction works of three police stations *viz.*, Koodalpudur, Kammapuram and Subramanyaswami temple, approved and sanctioned during 2011-12, had not commenced (September 2016) due to non-identification of land. Thus, it was observed that inclusion of locations in the AAP without clear title in the name of the Department was not only in contravention of the guidelines, but was also indicative of ill-planning.

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<sup>20</sup> Savings range:

Mobility	-	20.08 to 54.64 <i>per cent</i> for 12 items
Communication equipment	-	20.38 to 40.66 <i>per cent</i> for 5 items
General Equipment	-	20.20 to 49.92 <i>per cent</i> for 48 items 50.66 to 69.37 <i>per cent</i> for 19 items and 70.89 to 89.38 <i>per cent</i> for 14 items

The GoTN stated (November 2016) that though AAPs were prepared based on the requirements of the field units, due to cumbersome formalities, transferring of land to the department consumed more time and further stated that, as observed by the Audit, the place of construction of police stations would be projected in the AAP in future. During the Exit Conference (December 2016), Additional Director General of Police (ADGP)/Technical Services stated that land for two locations had been allotted (October and November 2016) and for one location where land was under dispute, action was being taken to find an alternative site. This indicated that the AAPs were prepared without adequate planning in ensuring clear titles of land.

*In view of the above observations regarding Annual Action Plan, the recommendation had been partially implemented.*

**2.2.7.2 Replacement of vehicles with funds from State Budget and not from MPF funds – Recommendation 2**

As per the MPF scheme guidelines, purchase of new vehicles in replacement of old/condemned vehicles using MPF funds was inadmissible. In the previous Audit Report, it was observed (Paragraph 1.3.9) that the GoTN had sanctioned (2006-09) purchase of 392 vehicles in replacement of existing ones at a cost of ₹ 24.23 crore out of MPF funds, in contravention to the scheme guidelines.

In the Explanatory Notes given to PAC, the GoTN stated (February 2014) that the replacement of condemned vehicles was not done through MPF funds from 2009-10 onwards and funds were provided under State Budget for replacement of condemned vehicles.

We observed (June 2016) that 4,182 condemned vehicles were replaced with funds under State Budget during 2010-11 to 2015-16 and MPF funds were not utilised for replacement of condemned vehicles.

*In view of the above observation, the recommendation had been fully implemented.*

**2.2.7.3 Sufficient funds to be provided for maintenance of equipment procured under the scheme – Recommendation 3**

**(i) Equipment not covered under Annual Maintenance Contract in Forensic Science Department**

In the previous Audit Report (Paragraph 1.3.12), it was observed that 24 out of 29 sophisticated equipment available in Forensic Science Laboratory, Chennai were not covered by AMC. Against the estimated requirement of ₹ 40 lakh per annum for proper maintenance of the equipment, GoTN allocated only ₹ 9 lakh to ₹ 14.50 lakh per year during 2005-06 to 2009-10.

The GoTN, in its Explanatory Notes furnished (February 2014) to PAC stated that ₹ 50 lakh was sanctioned (February 2011) towards AMC for equipment in the FSD.

During the follow-up audit, it was noticed that ₹ 50 lakh was sanctioned each year from 2011-12 under maintenance head to FSD. Scrutiny of records revealed that as against 29 equipment mentioned in the previous Audit Report, AMC was entered into for nine equipment and the remaining 20 equipment were not covered by AMC, out of which two equipment viz., Liquid Chromatography Mass Spectrometer and Fourier Transform Infrared Spectrophotometer with ambience were not functioning with effect from June 2015 and December 2015 respectively. Director, FSD replied (December 2016) that manufacturers were not ready to enter into AMC for these equipment as the models were obsolete.

It was also observed that the Department was not systematically watching the expiry of warranty/AMC period of all its equipment to take timely action. Department assured (December 2016) to open a register to watch the same.

We further observed that out of 10 new equipment purchased in FSD during 2010-11 to 2015-16, five equipment were covered under AMC and in respect of remaining five equipment, AMC was not entered into. GoTN stated (November 2016) that most of the major equipment were brought under AMC and further stated that action would be taken to enter into AMC for other products effectively. Director, FSD replied (December 2016) that action had been initiated to bring the remaining equipment under AMC and during the Exit Conference (December 2016), added that funds for AMC were sought as lumpsum amount only and the actual necessity would be worked out and proposed in the Budget in future.

The reply was not acceptable as it indicated that though GoTN had provided enhanced funds to FSD towards maintenance of equipment, non-assessment of actual requirement of funds for AMC and poor planning had resulted in equipment still remaining without AMC.

**(ii) Non-provision of Annual Maintenance Contract for e-beat system**

In the previous Audit Report (Paragraph 1.3.11.6), it was observed that out of 60 e-beat systems<sup>21</sup> supplied to 60 police stations in Chennai City, the system was not in working condition for the past one year in all the 11 test-checked police stations, though an AMC was entered into with the firm which had supplied the systems. Further, 200 e-beat systems procured (August 2008) for Chennai City at ₹ 97.97 lakh were not installed.

The GoTN in the Explanatory Notes furnished (February 2014) to PAC stated that instructions were issued to the Commissioner of Police to take up the matter with the firm concerned regarding AMC entered for the period from 18 March 2010 to 17 March 2011 and further stated that the 200 e-beat systems procured in August 2008 were installed and were in working condition.

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<sup>21</sup> System launched to closely monitor the beat work by police personnel, electronically

In the follow-up audit, it was observed that in respect of the 60 e-beat systems procured in March 2006, AMC was entered into with the company upto March 2011 and remaining 200 e-beat systems were under warranty period upto June 2011. Scrutiny of records revealed that no action was taken to renew the AMC, before the expiry of the said AMC/warranty period. Out of 260 e-beat systems, 128 were not functioning with effect from August 2012 and all the 260 e-beat systems were not functioning with effect from September 2012.

The GoTN replied (November 2016) that AMC could not be renewed for the 60 e-beat systems after March 2011, as the supplier had demanded 25 per cent of the cost of the equipment as AMC, which was against the statutory provision of ten per cent and since the sole manufacturer of the e-beat systems discontinued production of the devices, spare parts could not be obtained from the market and also that the life span of five to seven years had exhausted. During the Exit Conference (December 2016), ADGP stated that the e-beat systems had completed its life period and new systems would be proposed shortly.

*In view of the above observations regarding non-entering into AMC for various equipment in FSD/Police Department, the recommendation was not implemented.*

**2.2.7.4 Pace of construction of residential units to be accelerated – Recommendation 4**

**Construction of Residential Quarters under MPF scheme**

In the previous Audit Report (Paragraph 1.3.8.4), it was stated that as against 3,631 quarters to be constructed under MPF during 2005-10, only 2,612 quarters were constructed and the Government failed to give specific reasons for the shortfall in construction of remaining 1,019 quarters.

The GoTN in its Explanatory Notes to PAC stated (February 2014) that out of 3,631 quarters sanctioned under MPF scheme during 2005-10, 3,568 quarters were constructed and 62 quarters were in progress and construction of one inspector quarter at Wellington had not been taken up due to land dispute.

In the follow-up audit, it was noticed that all the works taken up during 2005-10 were completed except one inspector quarter at Wellington due to non-identification of land by the department. The alternative site proposed (September 2016) by DGP was pending decision of the GoTN.

Scrutiny of records further revealed that GoTN proposed to construct 17,470 quarters in the State for the period 2010-11 to 2015-16, out of which only 861 were sanctioned by GoI and as against 298 quarters to be completed by March 2016, 233 were completed.

In respect of test checked districts, it was observed that 273 out of 294 quarters sanctioned during 2010-11 to 2015-16 were not completed (March 2016). Out of 41 quarters to be completed before March 2016, 21 were completed and 20 quarters were in progress and had exceeded the time limit of eight months from the issue of work order. In response to Audit, the Executive Engineers, TNPHC Divisions attributed (June 2016) the delay in completion of works to non-availability of skilled labourers, scarcity of materials provided by the contractor and delay in handing over of site by the department and escalation in rates of labour and material. It was noticed that there were delays of 74 and 85 days in handing over the site in respect of construction of quarters at Pernampet and Sevur in Vellore District respectively.

The GoTN replied (November 2016) that at most of the places, works were nearing completion and that effective action was taken by increasing manpower at all sites to do simultaneous work to complete the schemes early.

*While there was progress in completion of pending residential units, pointed out in the previous Audit Report, the pending residential units taken up during 2010-11 to 2015-16 needed to be completed. Hence, the implementation of the recommendation was partial.*

## **2.2.8 Additional Observations**

### **2.2.8.1 Planning and Financial Management**

#### **(i) Delay in submission of Annual Action Plan and consequent non-utilisation of funds**

The MPF scheme guidelines provided a calendar for the AAP and budget cycle to ensure that the AAPs were prepared, reviewed and approved in a timely manner. It further stated that delays in approval of the AAP delays the release of funds, which in turn impacts the programme implementation and utilisation of funds.

The GoTN submits the AAP every year to HPC. The funds were sanctioned by MHA, as per AAP approved by the HPC under various components of the scheme. Under the scheme, 75 per cent of the outlay approved in the AAPs was to be funded by GoI upto 2011-12. The balance 25 per cent was to be borne by the GoTN. The GoI share was decreased to 60 per cent from 2012-13. The details of submission of AAP by GoTN, release and utilisation of funds under MPF during 2010-11 to 2015-16 are given in **Appendix 2.4**.

Audit scrutiny of AAPs for 2010-11 to 2015-16 revealed that there were delays of 8 to 194 days in submission of AAP by the GoTN to GoI, which consequently resulted in delay in approval by the GoI ranging from 40 to

333 days<sup>22</sup>, from the due date for approval. Further, out of ₹ 570.15 crore released (GoI share: ₹ 373 crore and GoTN share: ₹ 197.15 crore) during 2010-11 to 2015-16, ₹ 446.36 crore was utilised (GoI share: ₹ 312.93 crore and GoTN share: ₹ 133.43 crore), leaving a balance of ₹ 123.79 crore (GoI share: ₹ 60.07 crore and GoTN share: ₹ 63.72 crore) unspent as of March 2016. Scrutiny of records revealed that non-implementation of projects sanctioned during 2010-11 and 2014-15 (amounting to ₹ 17.31 crore) and the delay in finalisation of tenders under communication and equipment components had resulted in non-utilisation of the funds.

The GoTN replied (November 2016) that the intimation regarding allocation of tentative funds was received only during March every year and after observing the codal formalities and approval of the working group and the SLEC, the AAPs were sent to GoI, MHA within the stipulated time and that out of unspent balance of ₹ 123.79 crore, ₹ 27.81 crore was spent upto October 2016 and for the remaining ₹ 95.98 crore, tenders were floated for ₹ 49.15 crore for the Megacity Policing Project and ₹ 46.83 crore pending at various stages i.e. technical evaluation, installation, etc.

The reply was not acceptable as the timeframe prescribed in the MPF scheme guidelines for submission of AAPs was not followed. Further, the delay in sending proposals by GoTN, consequent delay in approval by GoI and delayed release of funds by GoTN, contributed to the non-utilisation of funds by the implementing agencies.

**(ii) Reduction in Grant from GoI**

MPF scheme guidelines provided that funds should be released after deducting unspent balances available with the State Government.

We observed that ₹ 24.14 crore<sup>23</sup> were deducted by GoI in subsequent releases of Central share, being the unspent balances during previous years.

Scrutiny of records revealed that consequently eight items were not procured and reduced quantities of items were procured during 2011-12, 2014-15 and 2015-16 as shown in **Table 2.11**.

Year	Due date for approval by GoI	Actual date of approval	Delay in number of days
2010-11	31/03/2010	21/06/2010	82
2011-12	31/03/2011	22/12/2011	266
2012-13	31/03/2012	27/02/2013	333
2013-14	30/04/2013	26/07/2013	87
2014-15	30/04/2014	09/06/2014	40
2015-16	30/04/2015	06/07/2015	67

<sup>23</sup> 2011-12 : ₹ 15.23 crore; 2014-15 : ₹ 4.55 crore and 2015-16: ₹ 4.36 crore



Table 2.11: Component-wise details of items procured in reduced quantity/not procured

Year	Sl. No.	Component <sup>24</sup>	No. of Items	Proposed quantity (No.)	Quantity procured (No.)	Quantity not procured (No.)	Reduced Amount (₹ in lakh)
2011-12	1	Mobility	6	475	341	134	501.50
		Mobility	1	6	0	6	96.00
	2	Weaponry	2	65	0	65	29.50
	3	Communication	4	2,660	1,210	1,450	249.50
	4	FSD	3	3	0	3	220.00
	5	Equipment	5	205	144	61	427.15
2014-15	1	Communication	3	5,800	4,115	1,685	418.70
	2	FSD	1	3	0	3	36.00
2015-16	1	Mobility	3	640	418	222	226.65
	2	Communication	3	1,700	1,303	397	78.59
	3	Equipment	9	269	255	14	76.89
		Equipment	1	90	0	90	54.00
<b>Total</b>			<b>41</b>	<b>11,916</b>	<b>7,786</b>	<b>4,130</b>	<b>2,414.48</b>

(Source: Details furnished by DGP Office)

The Principal Secretary, Home Department attributed (October 2016) the delay in utilisation of funds to tender process, field study before execution of the project and other administrative constraints. The reply was not justified because these were known factors and could not be taken as reasons for delays.

Thus, due to the delay in utilising the funds received from the GoI, the department was deprived of the funds to the tune of ₹ 24.14 crore (Central share), resulting in non-fulfilment of the needs of the police force to the desired levels.

### (iii) Non-furnishing of Completion Report

MPF scheme guidelines stipulated that the release of funds by the State Governments to the implementing agencies was to be based on the periodic Statement of Expenditure (SoE), physical progress report and UCs.

We noticed from the records of TNPHC that as against 1,130 works sanctioned during 2010-11 to 2015-16, 382 works were completed upto March 2016.

<sup>24</sup> Components suffered due to reduction in grant:

Mobility	- Jeep, minibus, van, two wheelers, bus, lorry and recovery van
Weaponry	- Glock 19 pistol, MP 5 KA1
Communication Equipment	- VHF Static, repeater, mobile, handheld sets
FSD	- Forensic computer work station, Comparison microscope, Video Spectral Comparator and GC MS with ambience
General Equipment	- Explosive vapour detector, Ballistic shield, Non-linear junction detector, bomb suit, X-ray baggage scanner, door frame metal detector etc.

TNPHC had, however, not furnished work-wise SoE (completion certificate), as stipulated in the MPF scheme guidelines.

The GoTN replied (November 2016) that intimation letter for the progress/completion of schemes was periodically sent to the DGP by TNPHC.

The reply was not acceptable as intimation letter regarding progress of work could not be a substitute for work-wise SoE (completion certificate) prescribed in the MPF scheme guidelines. In the absence of SoE, the Department/Government could not ascertain the actual expenditure/savings available under each completed work.

**(iv) Non-maintenance of separate Savings Bank account**

MPF scheme guidelines stipulated that the funds released to Police Housing Corporations or similar organisations should be kept in an exclusive Savings Bank (SB) account for MPF scheme only and the funds from this account should not be kept in fixed or short term deposit accounts to obtain higher interest.

We observed that the department received funds under MPF scheme for various construction works. The construction works so sanctioned were entrusted to TNPHC. The department released funds to TNPHC as deposit work and the same were kept in Personal Deposit (PD) account by TNPHC, instead of SB Account.

We observed further that ₹ 21.75 crore being the GoI share for buildings and housing component for the year 2011-12 directly released (December 2011) by GoI to TNPHC was kept in SB account/short term deposit account of a Nationalised Bank. From this, TNPHC earned an interest of ₹ 4.68 crore as of March 2016 and the interest earned was not disclosed to the department. Further, ₹ 257.44 crore received through GoTN during 2010-11 to 2015-16, was kept in a pooled non-interest bearing PD account by TNPHC, in violation of MPF scheme guidelines.

The GoTN replied (November 2016) that the amount released by it would be deposited in the PD Account and would be immediately withdrawn and kept in the SB Account. The short term deposits would be withdrawn and kept in the SB Account though there would be interest loss to the MPF funds in future. During the Exit Conference (December 2016), the ADGP/Chairman, TNPHC stated that the interest of ₹ 4.68 crore available with TNPHC would be remitted into Government account.

The reply of the GoTN that there would be interest loss was not acceptable as the MPF scheme guidelines envisaged that MPF funds should not be kept in fixed or short term deposit accounts to obtain higher interest.

**2.2.8.2 Buildings**

**(i) Police Buildings**

In the previous Audit Report (Paragraph 1.3.8.2), a mention was made about sanction of buildings for police stations without ensuring availability of land. We observed that during 2010-11 to 2015-16, out of 1,034 works proposed in the perspective plan for construction of police buildings, 403 were proposed in AAPs. Of these, only 269 works had been sanctioned, based on final fund allocation by GoI. Out of the 269 works, only 169 had been completed (June 2016) and the balance 100 were either in progress (97) or yet to be taken up (three).

In the 10 test checked police districts, as against 91 police building works sanctioned during 2010-11 to 2015-16, 66 were to be completed by March 2016, out of which only 47 were completed and the remaining were in progress.

Scrutiny of records in the test checked districts revealed that during 2011-12, construction proposals for police stations in eight locations were approved and the same was communicated to TNPHC in November 2012. In March 2013, these locations were changed on the grounds that construction had to be done for the police stations which were functioning in rented buildings. Accordingly, locations for the new police stations were identified from March 2013 to July 2015. The delay was attributed by the TNPHC to handing over of site by user departments, land disputes and encroachments etc.

The GoTN replied (November 2016) that action was being taken to complete the pending works early by increasing the manpower in all sites.

This indicated lack of planning in identification of locations for the construction of police stations before making proposals in the AAPs which resulted in non-fulfilment of the objective of providing a better working environment to the police personnel, as envisaged in the scheme.

**(ii) Construction of Barracks and Bell of Arms**

The GoTN sanctioned (November 2011) ₹ 3.60 crore for constructing Barracks and Bell of Arms<sup>25</sup> for Tamil Nadu Special Police (TSP) Battalion IV at Kovaipudur, Coimbatore under MPF scheme. The amount was released to TNPHC in March 2013 and January 2014.

The estimate for the above work was technically sanctioned (July 2012) at a cost of ₹ 3.10 crore. The work order was issued (July 2013) to the single tenderer for an agreement value of ₹ 2.75 crore on the fifth call, as there was no response to four calls. The site was handed over (October 2013) with the target period of 10 months (i.e., August 2014) for execution of works.

Audit scrutiny revealed that extension of time was given for reasons of non-availability of men and material. The contract was cancelled due to slow progress of work on 4 February 2016 and then revoked on 15 February 2016. The contractor was levied a penalty of ₹ 2.10 lakh, for slow progress of work. The work was still in progress with target for completion as 31 December 2016.

<sup>25</sup> Bell of Arms – Bell shaped tent or building used for storage of arms

The total value of work done as of August 2016 was only ₹ 83.47 lakh (30.35 per cent).

The GoTN replied (November 2016) that necessary action was being taken to complete the works early.

The reply was not acceptable. Though the progress of work by the contractor was not satisfactory, the termination order was cancelled and the work was continued with the same contractor resulting in delay of over two years and non-achievement of the objective of providing necessary infrastructure to the police personnel.

### **2.2.8.3 Mobility**

One of the major thrust areas of the MPF scheme was to increase the mobility of the police force in order to enable them to effectively face the challenges and quick response to crime by increasing the fleet strength of the police force.

Non-fulfilment of minimum requirement of vehicles at test-checked police stations, as prescribed by BPRD, had been pointed out in the previous Audit Report (Paragraph 1.3.9.1). In the detailed Explanatory Notes submitted (February 2014) to the PAC, the department had stated that no police station was left without vehicle and the unit officers had been instructed to ensure that the vehicles to the field officers and men were provided to discharge their duty without any omission.

As per the study report of BPRD, mobility could be achieved only when a well equipped police force had the ability to move the entire police force at once. BPRD prescribed availability of two four-wheelers (light motor vehicles) and three two-wheelers (motor cycles) at every police station to meet the requirement of mobility of police force.

We observed that 194 police stations out of 487 police stations in the 10 test checked police districts did not have four wheelers and 227 police stations did not have two wheelers. Out of 123 test checked police stations in these districts, 44 and 49 police stations did not have four wheelers and two wheelers respectively and 25 police stations did not have any vehicles.

The Principal Secretary, Home Department replied (November 2016) that the Zonal Inspectors General of Police had been requested to review and ensure that the vehicles were distributed as per BPRD norms.

The fact remains that the requisite vehicles were not provided to police stations as per BPRD norms during 2010-11 to 2015-16, even though the department had stated in the Explanatory Notes to PAC that all police stations were provided with vehicles, in response to audit observation in the previous audit report.

### **2.2.8.4 Communication Equipment**

#### **(i) Shortfall in communication equipment**

Shortfall in procurement of communication equipment had been pointed out in the previous Audit Report (Paragraph 1.3.11.1). In the Explanatory Notes submitted (February 2014) to the PAC, the department had stated that the

procurement of Very High Frequency (VHF) sets was made based on the funds allotted by GoI and since GoI was not allotting funds as per projection, there was shortfall in procurement of these equipment.

We noticed that the number of communication equipment, such as VHF Static sets, VHF mobile sets, VHF repeaters, available with the department as of March 2016 was 20,043.

The requirement of communication equipment, viz., VHF Static, Mobile, Handheld and Repeater Sets assessed in 2013 as per Tamil Nadu Third Police Commission (PC) Report, availability and shortfall are given in **Table 2.12**.

**Table 2.12: Shortfall in communication equipment**

Sl. No.	Equipment	Quantity required as per Third PC report	Quantity available during 2013	Quantity Available as of March 2016	Shortfall as of March 2016	Percentage of shortfall
( in numbers)						
1	Static sets	5,232	2,711	2,657	2,575	49.22
2	Mobile sets	7,423	4,774	4,699	2,724	36.70
3	Handheld sets	27,371	12,670	12,438	14,933	54.56
4	Repeater sets	430	249	249	181	42.09
	<b>Total</b>	<b>40,456</b>	<b>20,404</b>	<b>20,043</b>	<b>20,413</b>	<b>50.46</b>

(Source: Details furnished by DGP's Office)

Thus, there was a shortfall of 20,413 communication equipment (50.46 per cent) as of March 2016 against the requirement of 40,456 communication equipment. Further, it was also seen that the quantity of VHF equipment had reduced from 20,404 to 20,043 during 2013 to 2016. This clearly indicated that the department had failed to procure the required quantity.

It was noticed that one of the reasons for the shortfall was non-payment of spectrum charges of ₹ 202.89 crore, including late fee of ₹ 143.65 crore (till February 2016) to GoI for the period from 2004 to March 2016. On further scrutiny of records, the following were noticed:

The Wireless Planning and Coordination Wing (WPC) of Department of Telecommunications under Ministry of Communication and Information Technology, GoI levied spectrum charges (licence fee (+) royalty charges) for wireless frequencies used by Government/private organisations in India.

Tamil Nadu Police used frequencies assigned through Decision to Grant Licence letters (DL) of WPC. The DLs had an initial validity period of one year, which had to be extended or had to be converted to Wireless Operating Licences (WOL) by payment of spectrum charges.

The demand towards spectrum charges was being raised by GoI periodically from 2004 onwards and GoTN was requesting for waiver of the same. GoI asked (March 2016) GoTN to pay the spectrum charges of ₹ 59.24 crore excluding late fee (₹ 143.65 crore) accumulated till February 2016, by 31 March 2016 so as to acquire further licences/frequency assignments. GoI also stated

(May 2016) that the request for waiver of late fee was under active consideration. GoTN, however, sanctioned ₹ 59.24 crore for the payment of spectrum charges only in December 2016. During the Exit Conference (December 2016), the Principal Secretary, Home Department stated that GoI had agreed to waive the late fee and the payment of spectrum charges would be done shortly.

Thus, the delay in payment of spectrum charges by eight months (April to November 2016) even after GoI agreed to consider waiver of late fee, led to further delay in procurement of communication equipment for the police personnel.

**(ii) Digital Based Police Radio System**

Terrestrial Trunked Radio (TETRA)<sup>26</sup> communication system was sanctioned (April 2012) by GoTN for Chennai and Tiruchirappalli. The GoTN accorded administrative sanction (March 2013) at a cost of ₹ 71.51 crore (MPF funds: ₹ 37.88 crore, State funds: ₹ 33.63 crore) to implement TETRA project in Chennai and Tiruchirappalli cities during 2012-13 to 2014-15.

Audit scrutiny of records revealed that based on the technical study conducted (May-July 2013) in various States<sup>27</sup>, by the Officers of DGP Office, Chennai, subsequent to sanction of TETRA system, DGP requested (December 2015) the GoTN to modify the proposal in order to enable the implementation of APCO<sup>28</sup> instead of TETRA in Chennai and Tiruchirappalli. The GoTN issued necessary modification orders (May 2016) to implement APCO network instead of TETRA network in Chennai and Tiruchirappalli, which had also not been implemented (September 2016).

Thus, the department sanctioned a project, without assessing its feasibility, which resulted in its subsequent modification and delay in achieving the objective of having effective digital based communication for the department.

The GoTN replied (November 2016) that the delay in implementation of the project was due to conducting field study in order to provide effective digital based communication for the department. During the Exit Conference (December 2016), the ADGP/Technical Services stated that as the project was critically reviewed, re-examined and cost effectiveness was studied before implementation, the delay was unavoidable. The reply was not acceptable as the project was already sanctioned in April 2012 and the department took four years to finalise the technology to be adopted, which ought to have been done before obtaining the sanction for the same.

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<sup>26</sup> Terrestrial Trunked Radio - A digital based communication system for integrated use of data and voice

<sup>27</sup> Delhi, Andhra Pradesh, Maharashtra and West Bengal

<sup>28</sup> Association of Public-Safety Communication Officials - A digital based communication system

### 2.2.8.5 Equipment

#### (i) Non-functioning of Traffic Regulatory Management System

In order to monitor the movements of suspects for preventing crime and to ensure better traffic management across Tiruchirappalli City, a Traffic Regulatory Management System (TRMS) was sanctioned under MPF scheme in 2008-09. The equipment required for the system such as Dome Cameras, Automatic Number Plate Readers and Handheld Terminals were ordered and supplied in May and September 2009 by a firm 'A' at a cost of ₹ 2.96 crore and the TRMS was commissioned in October 2010. We noticed that 24,287 traffic violation cases<sup>29</sup> were booked during 2010-11 to 2012-13 using TRMS and that the equipment were under major repair since September 2013 and not functioning (June 2015). The warranty period of three years had expired in October 2013.

Audit scrutiny of records revealed that though the district authorities had requested (June 2013 and September 2013) for entering into AMC with the supplier, but the same was not approved by DGP for the reasons that apart from the cost of AMC (₹ 16.75 lakh), repairs and replacement charges (₹ 57.22 lakh) were also demanded (September 2015) by the supplier which was considered to be on higher side. ADGP/Technical Services, had suggested (December 2015) for a fresh project instead of continuing with the current project.

The GoTN replied (November 2016) that as the performance of the firm was not satisfactory, the bank guarantee had been withheld by the department and the technical teams had decided to go in for fresh project rather than going ahead with the current proposal for entering into AMC with the firm. During the Exit Conference (December 2016), the ADGP/Technical Services stated that the feasibility and cost details for the new project were being worked out.

The reply was not tenable as, though the ADGP, Technical Services had suggested (December 2015) for a fresh project, no proposals for the same with cost estimates were worked out till December 2016 to assess its cost *vis-à-vis* having an AMC in place. Thus, the existing system had become defunct and a new system had not been put in place and the prime objective of installing the system to register the signal violation cases and to monitor the coverage of large gathering in important places in the peak hours in Tiruchirappalli was not achieved.

#### (ii) Installation of Closed Circuit Television cameras

According to the recommendation of the Tamil Nadu Third Police Commission, 2007, Closed Circuit Television (CCTV) Technology with recording facilities should be used in selected areas, especially in bigger cities as the presence of CCTV cameras could be a deterrent against criminal behaviour, useful in crime detection and help police investigation.

(a) Based on a survey conducted (September 2013), GoTN sanctioned (February 2015) ₹ 3.12 crore for purchase of 114 CCTV cameras for Pillayarappatti Temple (29), Rameswaram Temple (70) and Erwadi Dharga (15) in

<sup>29</sup> 2010: 3,885; 2011: 6,929; 2012: 4,781 and 2013: 8,692

38 locations. Tender was invited (March 2015) for the above works and work orders were issued (January 2016). At the time of installation of CCTV cameras at Pillayarpatthi Temple, the temple trust informed (March 2016) that they had already installed 25 CCTV cameras in the Temple. Therefore, after conducting feasibility study by the Department in April 2016, the ADGP/Technical Services decided (June 2016) to install 29 cameras at Karaikudi Town, instead of Pillayarpatthi and the DGP sought approval (July 2016) of GoTN for the change in location. The installation work at Karaikudi Town was yet to commence. We observed that the initial sanction for installation of CCTV cameras at Pillayarpatthi Temple was accorded without their request.

The GoTN replied (November 2016) that the approval for alternative site of Karaikudi instead of Pillayarpatthi was given in November 2016. The installation works were in progress at Rameswaram temple and completed at Erwadi Dharga.

(b) GoTN sanctioned (February 2015) ₹ 3.51 crore for installation of CCTV cameras with accessories in 56 intersections in Salem City. The work order was issued (November 2015) with the target period of 180 days for completion of installation. It was noticed that for four out of 56 locations, No Objection Certificates (NOC) from Highways Authority and District Collector were not obtained by the department and also that only pre-dispatch inspection of the equipment was going on. The installation work was yet to commence (July 2016) in all the 56 intersections.

The GoTN stated (November 2016) that the delay was due to lack of NOC, obtaining EB connection, re-work and change of new locations (due to flyover construction).

The reply was not acceptable, as these were indicative of lack of proper planning in scheme implementation which contributed to delay in installation of CCTV cameras and thus, the benefit of helping police investigation was delayed.

**(iii) Establishment of Deoxyribo Nucleic Acid Unit at Madurai**

Tamil Nadu Third Police Commission, 2007 had recommended to set up a Deoxyribo Nucleic Acid (DNA) Unit<sup>30</sup> in Madurai with necessary staff and equipment and adequate funds for procuring the reagents to have DNA database. GoTN sanctioned (August 2008) under MPF scheme, a DNA Unit at Regional Forensic Science Laboratory (RFSL) at Madurai for ₹ 2.50 crore and for the DNA unit, an additional building was also sanctioned (September 2010) for ₹ 1.07 crore. Equipment were procured between January 2009 and May 2010 for ₹ 2.29 crore. The unit was functioning with effect from December 2011 with the existing staff catering to the needs of nearby districts<sup>31</sup>.

We noticed that though the DNA Unit at Madurai had started functioning with effect from December 2011, 332 cases were referred to FSD, Chennai between

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<sup>30</sup> DNA Unit is the state-of-art genetic technology for crime detection, helping to fix the identity of offenders and secure their conviction

<sup>31</sup> Dindigul, Kanyakumari, Madurai, Ramanathapuram, Sivagangai, Theni, Thoothukudi, Tirunelveli and Virudunagar



January 2012 and June 2016 as no technical staff were sanctioned and also for want of reagents required for conducting the analysis for crimes such as rapes, murders etc., and only paternity cases were analysed in DNA unit at Madurai. Though several requests for posting of technical staff were made from 2011 by the DNA unit at Madurai, FSD failed to initiate action to fill up the posts. The cold storage room, which was necessary for the storage of specimens which were degradable under room temperature, was non-functional as requisite equipment for the same had not been provided.

The Principal Secretary, Home Department replied (October 2016) that action was being taken to fill up the vacant posts and to sanction a make shift cold storage room during 2016-17 for RFSL Madurai and further added (November 2016) that as soon as the cold storage was installed and vacant posts filled up, steps would be taken to receive crime oriented case exhibits also at Madurai.

Director, FSD stated (December 2016) that new proposal requesting staff exclusively for DNA unit at Madurai would be submitted to the GoTN.

The fact remains that the DNA Unit at Madurai was established without ensuring availability of requisite technical staff and cold storage facilities, which resulted in sub-optimal usage of the unit for five years as of November 2016 and would remain so till requisite action is taken to finality.

### **2.2.9 Conclusion**

Out of the four recommendations made in the previous Audit Report, purchase of alternative equipment without approval of MHA, unrealistic preparation of estimates and inclusion of proposal for construction works in AAPs without ensuring availability of land indicated that the recommendation on preparation of AAPs had been partially implemented. Recommendation that condemned vehicles should not be replaced using MPF funds was fully implemented, as MPF funds were not used for this purpose during 2010-11 to 2015-16. Recommendation on provision of funds for maintenance of equipment was not implemented, as many equipment in the Forensic Science Department were yet to be brought under AMC during 2010-11 to 2015-16, though more funds were provided. Further, the e-beat systems procured in Police Department were also without AMC and they became defunct. Recommendation on accelerating the pace of construction of residential units was partially implemented, as there were residential units pending completion. Shortfall in availability of vehicles in police stations was noticed in the test checked districts. The project of Digital Based Police Radio System for Chennai and Tiruchirappalli sanctioned in April 2012 had not been implemented due to delay in deciding the technology. Non-payment of spectrum charges resulted in shortfall of procurement of communication equipment and a DNA Unit at Madurai established in December 2011 without ensuring availability of requisite cold storage facilities and technical staff, resulted in its sub-optimal usage for five years.

### **2.2.10 Recommendations**

The department may take action to fully implement the recommendations made in the previous Audit Report. Additionally, the following recommendations are made:

- Shortfall in availability of requisite vehicles in the police stations may be reviewed and addressed to enhance the mobility of police force.
- Police communication infrastructure may be strengthened by providing necessary communication equipment.
- Provision of cold storage facilities and technical staff at the DNA unit, Madurai may be made to make it fully functional.

**INFORMATION TECHNOLOGY, BACKWARD CLASSES,  
MOST BACKWARD CLASSES & MINORITIES WELFARE,  
ADI-DRAVIDAR & TRIBAL WELFARE, SOCIAL WELFARE  
& NUTRITIOUS MEAL PROGRAMME AND REVENUE  
DEPARTMENTS**

**2.3 Information Technology Audit of e-District Project**

*Executive Summary*

*The e-District Project (Project) was one of the State Mission Mode Projects (MMPs) under National e-Governance Plan (NeGP) to provide support to the District so as to deliver certain high volume services to the citizens at their doorsteps. The Information Technology Audit of the implementation of e-District Project in four departments relating to 19 services revealed the following significant audit findings:*

*The e-District project, initiated in the year 2008, had not been completed (February 2017) though it was planned to be completed by February 2016.*

*The Data Centre site was shifted from State Data Centre, Perungudi owing to space constraints to BSNL Data Centre due to which four components worth ₹ 1.01 crore could not be put to use, as they were not compatible with BSNL data centre. Further, since the envisaged Disaster Recovery site had not become functional, servers and computer infrastructure worth ₹ 3.54 crore were not utilised.*

*The main objectives of e-District Project viz., delivery of services in online mode, accessibility, transparency, accountability, functional and operational efficiency and effectiveness and seamless integration of various departments had not been achieved due to lack of appropriate input, processing and output controls and non-mapping of business rules. We observed the following lapses as a result of our audit:*

- *Excess payment of scholarship was made to the tune of ₹3.23 crore by allowing multiple applications for the same student in the same academic year.*
- *Students were paid lesser maintenance allowance amounting to ₹21.05 crore than their entitlement.*
- *Marriage assistance was allowed to the same beneficiaries on more than one occasion.*
- *Different community certificates were issued to the same applicants.*
- *There were delays in processing of applications for various purposes which defeated the purpose of ensuring efficient delivery of services to citizens.*

- *Ineligible applicants were given benefits and eligible candidates were denied benefits.*
- *Applications without required documents were captured and processed by the system raising doubts about the authenticity of the software application.*

### **2.3.1 Introduction**

The e-District Project (Project) was one of the State Mission Mode Projects (MMPs) under National e-Governance Plan (NeGP) to provide support to the District so as to deliver certain high volume services to the citizens at their doorsteps. The project was fully funded by the Government of India (GoI). To begin with, the delivery of 19 services relating to four<sup>32</sup> departments was provided through Common Service Centres (CSCs) / Educational institutions all over the State of Tamil Nadu.

The project was implemented in two phases viz., the pilot phase and State-wide implementation phase. The pilot phase was taken up (October 2010) in six districts<sup>33</sup> for implementation. The outlay for the pilot phase was ₹ 14.76 crore. An amount of ₹ 12.29 crore released by GoI had been spent by Tamil Nadu e-Governance Agency (TNeGA), the State nodal agency for the Project. In December 2013, Government of Tamil Nadu (GoTN) ordered State-wide implementation of e-District project in the remaining 26 districts. National Informatics Centre (NIC) developed the software application for the Project, which runs on Linux Operating System with PostgreSQL database. As against the outlay of ₹ 68.91 crore for the State-wide implementation of 92 services, based on the progress in implementation of the project, GoI released ₹ 19.17 crore to the TNeGA. As of March 2016, ₹ 12.08 crore had been spent by TNeGA. The project was to be completed by February 2016.

### **2.3.2 Objectives of the Project**

The major objectives of the Project were as under:

- Enablement of internal processes of district administration and subordinate offices to increase functional efficiency;
- Automation of workflow and internal processes of district administration;
- Integration of databases of the departments for providing services to the citizens and
- Ensuring transparency and accountability in delivery of services.

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<sup>32</sup> (1) Backward Classes, Most Backward Classes and Minorities Welfare (BCMBC&MW) Department, (2) Adi-Dravidar and Tribal Welfare (AD&TW) Department, (3) Social Welfare and Nutritious Meal Programme (SW&NMP) Department and (4) Revenue Department

<sup>33</sup> Krishnagiri, Ariyalur, Perambalur, Coimbatore, Thiruvavur and The Nilgiris

### 2.3.3 Organisational set up

The TNeGA, functioning under Information Technology (IT) Department headed by the Principal Secretary to the GoTN was the implementing agency for e-District project. At the district level, District e-Governance Society headed by the District Collector was responsible for the implementation of the Project, which provides overall guidance to the project partners at District Level and support the CSCs. M/s. PricewaterhouseCoopers (PwC) was appointed (October 2012) as the State Project Monitoring Unit (SPMU) for the Project, which was to prepare Request For Proposal (RFP), select System Integrator (SI), manage the Project, monitor the deployment and commission necessary hardware at the State Data Centre (SDC).

### 2.3.4 Scope of audit and methodology

We conducted the Information Technology (IT) audit of the implementation of e-District Project in the four departments relating to 19 services. We conducted field visit covering 8<sup>34</sup> out of 32 districts and 16<sup>35</sup> out of 285 Taluk offices, selected by random sampling method for the period from 2010-11 to 2015-16. During field visit, we examined the system at the end-user level and verified the manual records in support of our data analysis. In addition, the records of TNeGA were also examined. The State wide data relating to the four departments was obtained from NIC after which we conducted audit analysis to ascertain the effectiveness of implementation of the project and its monitoring. An Entry Conference was held in April 2016 with the Principal Secretary, IT Department, Principal Secretary/Secretaries of four Departments and Chief Executive Officer of TNeGA, wherein audit objectives were discussed. Audit was conducted between February and July 2016. After the conduct of the audit, Exit Conference was held with the Principal Secretary, IT Department on 30 September 2016 to discuss our audit findings. The heads of the user Departments and NIC representatives were also present. We have incorporated replies received from the GoTN, TNeGA and others while finalising this report.

### 2.3.5 Audit Objectives

The objectives of audit were as under:

- to analyse the implementation of the Project;
- to analyse the Business Continuity Plan and Disaster Recovery (DR) plan and their implementation;

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<sup>34</sup> Chennai, Coimbatore, Cuddalore, Pudukottai, Salem, Thiruvapur, Tirunelveli and Tiruvallur

<sup>35</sup> Ayanavaram, Perambur, Kinathukadavu, Perur, Kattumannarkoil, Bhuvanagiri, Alangudi, Gandarvakottai, Yercaud, Mettur, Nannilam, Thiruthuraiipoondy, Ambasamudram, Sankarankoil, Gummidipoondi and Maduravoyal Taluks

- to review the achievement of the objectives of the e-District project including its monitoring;
- to examine the re-engineering process and mapping of business rules to derive assurance of the internal controls during the automation process and
- to derive assurance of data accuracy, reliability, consistency and integrity by examining input, processing and output controls.

### **2.3.6 Audit Criteria**

The audit findings were benchmarked against the following criteria:

- e-District implementation guidelines and orders issued by GoI relating to the implementation of the project
- GoTN Orders relating to e-District project
- e-District Operating and mapping manuals including Detailed Project Report, Request For Proposals, System/Functional Requirement Specifications and Gap analysis and business process re-engineering Report and
- Citizen Charter of the Departments.

### **Audit Findings**

The audit observations have been discussed in the succeeding paragraphs.

### **2.3.7 General Controls**

#### **2.3.7.1 *Delay in implementation of Pilot Project***

The GoI accorded approval for the pilot phase of the Project in February 2008 and the Detailed Project Report (DPR) was prepared by M/s Wipro (July 2008) for implementation of the project within 18 months i.e. by February 2010. The Project was completed in December 2014 with the time overrun of 2 years and 9 months. For the time overrun, TNeGA stated that one of the service centre agencies against whom penalty was levied for delayed implementation in creation of CSCs, had taken recourse to arbitration. The reply was not tenable since there was a delay of two years and nine months in the completion of the pilot project even after settlement of the dispute in favour of TNeGA in March 2012.

#### **2.3.7.2 *Non-identification of risk resulting in change of Data Centre site***

The scope of the SPMU, with whom agreement (October 2012) was entered into by the TNeGA, was inclusive of monitoring the performance of the SI against the base project plan, deployment and commissioning of necessary hardware at SDC at the State level, maintain issue tracker and keep on updating the status of all risks and issues from time to time and performance

of the overall system in terms of availability and efficiency against the service levels already defined for SI.

The TNeGA entered into an agreement (April 2015) with the SI for State-wide implementation of e-District Project. As per the terms and conditions of the agreement, the SI had to complete the IT infrastructure within 12 weeks from the date of signing of agreement i.e., before July 2015. However, the deployment and commissioning of necessary hardware at the SDC was not done due to non-availability of space at SDC, Perungudi. Therefore, it was decided (October 2015) to shift the servers to BSNL Data Centre at Chennai Harbour, for which TNeGA had paid BSNL ₹ 39.27 lakh per year as co-location charges.

It was further noticed that without ensuring the availability of space at SDC, the SI had gone ahead with procurement of necessary hardware. Due to non-availability of space at SDC, the storing of database was shifted to BSNL Data Centre at Chennai Harbour, due to which the SDC environment specific components<sup>36</sup> (costing ₹ 1.01 crore) were rendered unfit for utilisation. GoTN replied (October 2016) that these components were SDC dependent and would be used after expansion of the SDC. The reply was not tenable as there was no action plan in place for expansion of SDC in the near future nor there was any commitment by SDC to provide space to TNeGA.

Further, Agents for Enterprise Management Server (EMS) component (55 numbers) worth ₹ 47.10 lakh required for managing the servers, were not procured, since these were dependent on the environment at SDC at Perungudi. In the absence of Agents for EMS component tool, the continued working of servers could not be ensured for providing services effectively.

### **2.3.7.3 Non-availability of Business Continuity Planning**

Implementation guidelines issued by the GoI for e-District Project under NeGP envisaged provision for complete security assurance at system level by way of Business Continuity Management. The standard Disaster Recovery site for the State of Tamil Nadu was the NIC Data Centre at Pune. For hosting the DR site, the SI had procured the infrastructure valuing ₹ 3.54 crore. We however observed (July 2016) that the infrastructure was not put to use as the same was at the testing stage only. GoTN replied (October 2016) that these were expected to be made live soon.

Thus, even after six years of implementation of the Project and after incurring an expenditure of ₹ 3.54 crore, the DR site had not become operational and the Project was running the risk of disruption in continuity that would severely interrupt the services provided under e-District Project.

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<sup>36</sup> Server Load Balancer, Host-Intrusion Protection System, VPN Concentrator and Anti-Virus for all servers

#### **2.3.7.4 Non-availability of services in off-line mode**

RFP prepared by TNeGA *inter alia* provides for off-line server capabilities. As per the RFP, the off-line capability shall be developed to overcome power and connectivity problems to avoid significant loss of data in such conditions. We noted that the solution selected by TNeGA did not support the applications available to users in the off-line mode.

GoTN replied (October 2016) that as per the RFP, the off-line solution was part of the requirement and required to be implemented by the SI and as of now, the application had not been checked for operations during off-line mode.

Thus, due to lacuna in the design of the software, the off-line mode was not available during the periods of network failure due to which the citizens would not be able to approach the CSCs for availing the services. Hence, the off-line capability should be added as additional feature in the e-District Project.

#### **2.3.7.5 Non-integration of databases**

The DPR prepared by M/s Wipro and approved by the GoTN provided for e-District Application software that would automate the business process of the District Administration and the core service delivery of the District Administration. Other services which were provided by various departments were also needed to be linked with the e-District Application. The respective application of the line departments dealing with the delivery of said services would be integrated to the e-District Application through the e-District Portal/Gateway. The integration of database would eliminate the need for physical verification of documents which were already validated and authenticated by the departments/authorities concerned.

We observed that at present, the databases relating to the 19 services rendered by four departments were being dealt with individually and not integrated with each other, resulting in non-sharing of information, which was required for validating the information submitted by the citizens e.g. the income was the common criteria for social welfare and scholarship schemes. Revenue Department was the authority for issuing the income certificate which was one of the mandatory documents required to be enclosed with the application. If the data available in the Revenue Department was linked on-line with other departments, the authenticity, timeliness and saving of manpower could be ensured for validating the information submitted by the citizen.

GoTN replied (October 2016) that they were in the final phase of integrating DigiLocker<sup>37</sup> with e-District Project which would minimise the use of physical documents and provide authenticity to e-documents, once integration was completed.

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<sup>37</sup> DigiLocker is a "digital locker" introduced in February 2016 to provide a secure dedicated personal electronic space for storing the documents of resident Indian citizens.



The reply was not entirely relevant as the software design modification had not been carried out so far for achieving envisaged objective. Thus, even seven years after undertaking the pilot project, integration of databases of various departments had not been achieved which was affecting the service delivery to the beneficiaries and stakeholders.

**Recommendation 1: Integration of databases across departments should be made in the software design to avoid repetitive capture of information and to ensure its authenticity for providing services to the eligible persons.**

#### 2.3.7.6 *Non-functioning Common Service Centres*

GoTN envisaged setting up of 16,000 CSCs by March 2016. We, however, noticed from the database that there were 10,683 CSCs in the State as of March 2016. During data analysis, we found that in respect of 1,003 CSCs, there were no log-in entries. On being asked, it was stated that the log-in entries were not there due to issues relating to internet connectivity, hardware, manpower, etc.

GoTN accepted (October 2016) the audit observation and stated that the user IDs of the non-performing centres had been deactivated to avoid misuse and that some applications were being processed manually, where e-District Project had not commenced.

Thus, e-District services were not available to the public at nearby locality. Moreover, various certificates were also being issued manually in the non-functional CSCs.

#### 2.3.8 **Application controls**

The IT audit of e-District Project covered 19 services implemented in four Departments *viz.*, (1) Backward Classes, Most Backward Classes and Minorities Welfare (BCMBC&MW) Department, (2) Adi-Dravidar and Tribal Welfare (AD&TW) Department, (3) Social Welfare and Nutritious Meal Programme (SW&NMP) Department and (4) Revenue Department. The department-wise audit observations are given below:

### **BACKWARD CLASSES, MOST BACKWARD CLASSES AND MINORITIES WELFARE DEPARTMENT**

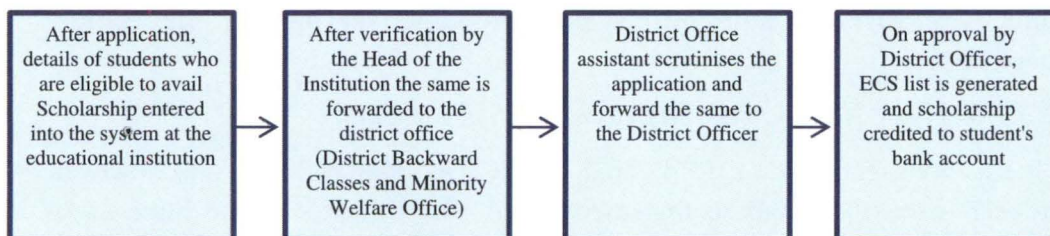
#### 2.3.8.1 *Scholarship schemes covered in e-District Project*

The Backward Classes, Most Backward Classes and Minorities Welfare (BCMBC&MW) Department was giving scholarship to the students belonging to the Backward Classes (BC), Most Backward Classes (MBC) and De-notified Communities (DNC) in the State through a web-based application under e-District Project with effect from the year 2009-10.

As per procedure, the scholarship applications received in the colleges were to be forwarded to the District Backward Classes and Minorities Welfare Officer

(DBCMWO). After verification, sanction for grant of scholarship money was to be accorded in the system (online e-District Project) by the DBCMWO. Subsequently, sanction proceedings were to be generated and scholarship amount credited to the individual bank account of the students concerned through Electronic Clearance System (ECS). The workflow process is depicted in **Flow Chart 2.1**.

**Flow Chart 2.1: Workflow process in BCMBC&MW Department**



Five categories<sup>38</sup> of scholarship were being given to BC/MBC/DNC students by the Department. Out of these, four categories excluding Pre-matric Scholarship, which was not fully computerised, were taken up for audit scrutiny and audit observations are discussed in the succeeding paragraphs.

**(i) Non-Mapping of Business Rule - Issue of Scholarships to students whose annual parental income exceeded the prescribed limit**

As per Government orders issued from time to time and the Citizen's Charters issued by the department for the years 2013-14 to 2015-16, students were eligible for Post-matric Scholarship at the rate prescribed in the Scholarship Notification, subject to the condition that the parental income should not exceed ₹ 2 lakh per annum. In respect of the students who were studying in three year Degree Courses in Government and Government aided Arts and Science Colleges, no income limit was prescribed for getting scholarship.

Data analysis pertaining to academic years from 2013-14 to 2015-16, for the State as a whole, revealed that in respect of Free Education Scholarship (Three year Diploma in Polytechnics and Professional Degree courses), 161 (0.04 *per cent*) out of 3.89 lakh students, whose annual parental income exceeded the prescribed limit, were given scholarship (₹ 3.16 lakh), though they were not eligible to receive the same. Similarly, in respect of Post-matric Scholarships, 114 (0.06 *per cent*) out of 1.86 lakh students, whose annual parental income exceeded the prescribed limit were also given scholarship (₹ 3.56 lakh) despite their ineligibility.

Thus, we observed that the absence of validation control / provision in the system for checking the annual parental income and also failure on the part of the college and departmental authorities to ensure data entry in a correct manner and its scrutiny before forwarding the scholarship applications to

<sup>38</sup> (a) Pre-matric Scholarship, (b) Post-matric Scholarship, (c) Free Education Scholarship to three year Degree Courses in Government/ Government Aided Arts and Science Colleges, (d) Free Education Scholarship to three year Diploma in Polytechnics and (e) Free Education Scholarship for Professional Degree courses

DBCMWO, resulted in grant of scholarship to ineligible students whose annual parental income exceeded the prescribed limit.

On being asked, GoTN replied (October 2016), that necessary modification had been made in the software with effect from the academic year 2016-17 to avoid such lapses.

**Recommendation 2: We recommend the GoTN to provide necessary validation controls in the online system to ensure that the scholarship applications having income more than the prescribed limit should get automatically rejected to guard against the recurrence of such lapses in future.**

**(ii) Payment of more than one scholarship amount to the same student in an academic year under different Student ID**

Data analysis pertaining to the period 2010-11 to 2015-16 revealed that in respect of 5,280 students, 13,766 multiple IDs were created and scholarship was approved by DBCMWO to students more than once in an academic year.

We observed that multiple scholarship IDs were generated in respect of 5,280 students in the same academic year and scholarship amounting to ₹ 2.07 crore was disbursed through ECS by the DBCMWOs concerned. The illustrative cases noticed during field visit, where two scholarships were issued to the same students in a College, in 2014-15 with duplicate Student ID, are mentioned in **Table 2.13**.

**Table 2.13: Payment of more than one scholarship to same student**

Sl. No.	Student name, ID and Course	Date of Birth	Course	Scholarship Amount per Year (₹)	Batch in which the application was submitted	Proceeding number in which scholarship was sanctioned
1	Bhuvanewari .B 201408040BCM00003 201408040BCM00004 B.Sc. Nursing	08/07/1997	1 <sup>st</sup> Year	4,450	20140002	2014020158
		08/07/1997	1 <sup>st</sup> Year	4,450	20140003	2014020159
2	Janani .V 201408040BCM00008 201408040BCM00009 B.Sc. Nursing	12/06/1997	1 <sup>st</sup> Year	4,800	20140002	2014070152
		12/06/1997	1 <sup>st</sup> Year	4,800	20140003	2014070153

(Source: Database furnished by the department).

Thus, there was no input validation control in the software in the form of a suitable Primary Key<sup>39</sup> in the database, to reject multiple entries for the same student, for the same year, for the same course at the initial data entry stage. This lacuna in the software resulted in generation of multiple entries for the same students leading to grant of scholarship on more than one occasion.

<sup>39</sup> A primary key is a column (or columns) in a table that uniquely identifies the rows in that table. A combination of name of the student, date of birth, father's name, academic year and name of the course can be the Primary Key in BCMBC&MW scholarship database.

The college authorities admitted (July 2016) that they had erroneously entered the student details twice.

GoTN accepted (October 2016) the audit observation and stated that suitable modification had been made in the software from the current year (i.e. 2016-17) to verify Aadhaar number and Bank account number, so that no duplicate entry be made for any student.

**Recommendation 3: We recommend that unique IDs may be put in place by way of modification in the software to eliminate chances of multiple entries for same students for more than once.**

**(iii) Individual bank account for each student for the purpose of ECS credit - not followed**

As per directions of the Government, the scholarship amount of college students were being credited directly into their bank accounts through ECS disbursement with effect from the year 2013-14 and the software had been designed to capture the bank account details of the individual students at the time of submission of their scholarship applications. After approval by DBCMWO, sanction was made in the system and proceedings were generated for payment of scholarship to students. Thereafter, the scholarship was credited to the individual student's bank account through ECS.

We analysed the scholarship data and observed as under:

(a) The data analysis of grant of scholarship to 5.76 lakh students during the academic years 2013-14 to 2015-16 revealed that 4,939 bank account numbers were used for multiple times ranging from 2 to 86 times for disbursement of scholarship to 10,477 students. This indicated that scholarship had been credited to account numbers of the persons who were not the actual beneficiaries. Therefore, in these cases, we could not ascertain whether intended students had received the scholarship amounts.

(b) ECS payments were rejected by the banks in 38,270 instances during the same period. Data analysis of such rejected cases revealed that ECS payments were rejected by various banks stating reasons such as "No such account", "Account description does not tally", "Account closed/Transferred", etc. In these cases, the scholarship money was returned by the banks to the accounts of DBCMWOs concerned. We conducted test check of cases during our field visit which revealed that after doing manual verification, the college authorities gave scholarship to the students in cash after obtaining their signature in Acquittance roll.

Thus, we noticed that in all these cases, there was lack of validation control *viz.*, a provision in the software to reject the same data entry which had already been fed in the system. Moreover, there was failure on the part of the college authorities and DBCMWOs in monitoring the scrutiny of application details due to which same bank account numbers were allowed to be captured by the system for different students. Further, the scholarship for the ECS rejected

cases was not given through system but it was done through manual process, which clearly indicated that the software was not designed properly.

While accepting (October 2016) audit observations, GoTN stated that the scholarship was being credited directly to the students' accounts through ECS with effect from 2013-14 only but due to poor response, scholarship was also disbursed to students by crediting the amount in the bank accounts of the colleges after obtaining acquittance from students. GoTN further stated that effective steps were taken from the year 2015-16 by implementing unique bank account number verification in the software. We, however, observed that the GoTN failed to fully implement its policy to ensure disbursement of scholarship directly through ECS to the bank accounts of students. Therefore, we could not ascertain that the scholarship was received by the actual students.

We further noticed that though GoTN had claimed that effective steps had been taken with effect from the year 2015-16 to disburse the scholarship through ECS, by implementing unique bank account number for verification in the software, similar discrepancies were also noticed in respect of 425 bank account numbers, even during 2015-16.

These cases were, therefore, indicative of system lapses due to which the above aberrations took place. Thus, the system was suffering for want of accuracy and dependability, due to which serious financial irregularities cannot be ruled out.

**Recommendation 4: We recommend that unique bank account number of each student may be put in place in such a way that the software should not allow capture of same bank account number for more than one student.**

**(iv) Application submitted by students but not processed**

We analysed the flow of data from initial data entry level to sanction/rejection level of the application of the BC/MBC/DNC Scholarship. We noticed that 56,187<sup>40</sup> out of 8.95 lakh applications submitted by students through their respective colleges and forwarded to DBCMWOs during the years 2013-14 to 2015-16 had not been processed till September 2016 by the system. This was attributable to lack of provision in the system for checking the batch total of applications received, processed, pending, rejected, forwarded and approved.

We further noticed during field visit that for instance, if a batch containing 30 eligible students was forwarded to DBCMWO by the college, only 28 eligible applications were received by the DBCMWO, leaving out two applications, due to process failure. Though the status of these two applications was shown as "Application is being processed by institution", it was observed that no pending applications were available for process in the college login, as well in the Department's login.

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<sup>40</sup> 2013-14: 25,177 applications; 2014-15: 14,942 applications; 2015-16: 16,068 applications

Thus, the above position indicated that there was no control in the system to ensure that all scholarship applications received had been accounted for and acted upon till their logical end.

While accepting (October 2016) audit observation, GoTN stated that the issue had since been rectified with effect from the year 2016-17 by centralising the payment system, modification of the software and automatic updation of response file for reprocessing of failed online transactions.

The reply was not tenable as there were 56,187 unprocessed applications relating to the period prior to 2016-17 as per the data in the system and that the action taken on the same was not ascertainable as regards the payment of scholarship to the students concerned.

**Recommendation 5: The GoTN needs to review these cases after carefully going through the status of each application for taking appropriate action about grant of scholarship or their rejection followed by their weeding out from the system.**

**(v) Non-generation of final proceedings despite approval of applications**

Data analysis revealed that final proceedings were not generated in respect of 2,853 out of 5.76 lakh students (2,222 and 631 students respectively in 2013-14 and 2015-16) relating to 46 out of 2,495 institutions, though scholarship was approved by DBCMWOs amounting to ₹ 1.32 crore (2013-14: ₹ 1.08 crore and 2015-16: ₹ 0.24 crore).

During field visit, we noticed that the DBCMWO, Salem District addressed (June 2016), the Commissioner of Backward Classes Welfare stating that only 24 students of Government Arts College (Autonomous), Salem were available in the proceedings list, as against 83 students in the batch number 2015023 and the remaining 59 students were left out during generation of the proceedings list without any valid reasons. Subsequently, these 59 students were paid the scholarship through manual processing of cases.

Thus, non-generation of scholarship proceedings despite approval of applications for scholarship and payment of scholarship through manual intervention indicated failure of the existing system.

GoTN accepted (October 2016) the audit observation and stated that during the year 2015-16, such cases were brought to their notice by districts and were settled. Further, necessary condition had been incorporated in the software to reflect all the sanctioned applications in the proceedings list and such errors would not recur in future. Though GoTN claimed that corrective action had been taken in respect of cases relating to 2015-16, but details of cases settled were not furnished. Besides, the GoTN was silent on 2,222 cases involving ₹ 1.08 crore relating to the year 2013-14, which also needed to be addressed.

**Recommendation 6: The GoTN may carry out necessary amendment in the system and review all such cases to ensure whether all students had received the scholarship.**

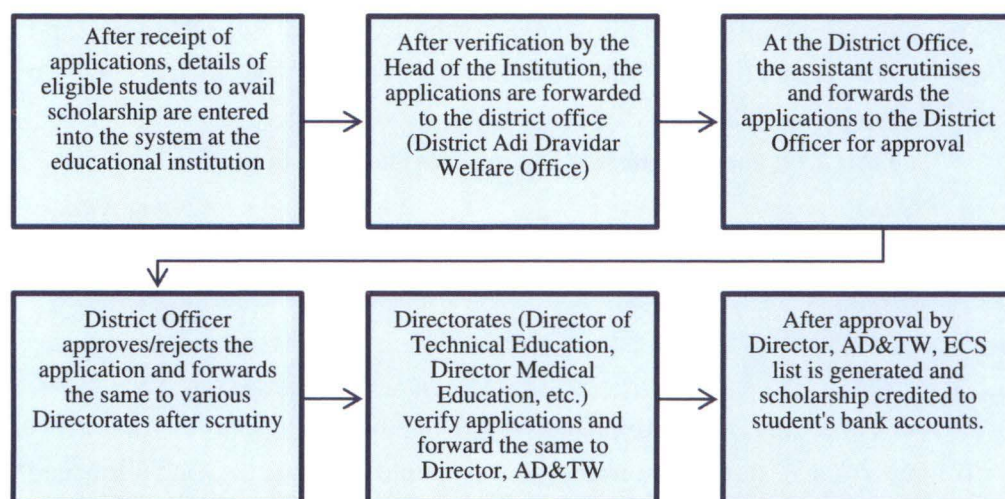
## ADI-DRAVIDAR AND TRIBAL WELFARE DEPARTMENT

### 2.3.8.2 Scholarship schemes covered in e-District Project

The Adi-Dravidar and Tribal Welfare (AD&TW) Department sanctioned different types of scholarships<sup>41</sup> to students belonging to Adi-Dravidar and Tribal communities in the State. The entire process of sanction of scholarship viz., entering students' details, processing the claims, sanction and disbursement was done through a web-based application from August 2011. The scholarship amount had been disbursed to the students through the educational institutions upto 2012-13. Thereafter, from the year 2013-14, the scholarship amounts were being credited directly into students' bank account through ECS disbursement. In respect of ECS rejected cases, the resubmission of scholarship was also being done through a provision available in the system.

The scholarship applications of college students are forwarded to the District Offices where the colleges are located. Consequently, the DADWO of each district forwards the approved applications to respective HODs for verification. After verification by HODs of different Directorates (Director of Technical Education, Director Medical Education, etc. as the case may be), the applications are forwarded to Directorate of AD&TW for disbursement of scholarship to eligible students through ECS. The workflow process is depicted in **Flow Chart 2.2**.

**Flow Chart 2.2: Workflow process in AD&TW Department**



The lapses noticed during audit regarding the disbursement of scholarship to the students through e-District services are brought out in the succeeding paragraphs.

<sup>41</sup> GoI Post-matric Scholarship, GoI Pre-matric Scholarship for the children of those engaged in unclean occupation, Pre-matric Scholarship for IX and X SC/ST students, Higher Education Special Scholarship, Overseas Scholarship, Incentive for full time Ph.D., Scholar and State Special Post-matric Scholarship (beyond X Std.)

**(i) Incorrect calculation of Maintenance allowance**

The amount of scholarship to be given to the students studying in various types of courses was prescribed in the guidelines (effective from 1 July 2010) issued by the Ministry of Social Justice and Empowerment, GoI on the Scheme of Post-matric Scholarships to the students belonging to Scheduled Castes for studies in India. The rates of maintenance allowance, varied from ₹ 230 to ₹ 550 per month in case of day scholars and from ₹ 380 to ₹ 1,200 per month in respect of hostellers, according to the course of study. Further, as per guidelines, the maintenance allowance was payable from 1<sup>st</sup> April or from the month of admission whichever was later, to the month in which the examinations were completed, at the end of academic year, provided that if the student secured admission after the 20<sup>th</sup> day of a month, the amount would be paid with effect from the month following the month of admission and maintenance allowance would be paid from the month following the month up to which scholarship was paid in the previous year, in case the course of study was continuous.

The system was calculating the maintenance allowance automatically based on the group<sup>42</sup> in which the course was classified and date of admission of the student in the first year.

As per database, department disbursed maintenance allowance amounting to ₹ 367.15 crore and ₹ 195.33 crore to 5,66,542 day scholars and 1,37,803 hostellers respectively, who enrolled between May 2010 and March 2016.

We noticed that the day scholars and hostellers who were studying in first year were paid lesser maintenance allowance to the extent of ₹ 13.81 crore and ₹ 7.24 crore respectively, than their actual entitlement as detailed in **Table 2.14**.

**Table 2.14: Short payment of maintenance allowance to students**

(₹ in crore)

Sl.No.	Category and number of students	Actual entitlement	Amount paid	Short payment
1	Day scholars - 2,79,833	108.19	94.38	13.81
2	Hostellers - 68,542	57.53	50.29	7.24

We observed that the short payment was attributable to adoption of incorrect cut-off date viz., 15<sup>th</sup> day of the month as per an old order of the GoTN instead of 20<sup>th</sup> day of the admission month as mentioned in the GoI guidelines. While accepting (October 2016) the audit observation, the GoTN stated that instructions had been issued to the Department to adopt the correct cut-off date as prescribed in the GoI guidelines.

Thus, non-adoption of business rule and inadequate change management control within the system resulted in short payment of maintenance allowance.

<sup>42</sup> Groups for various courses viz., professional courses, graduate and post graduate courses and undergraduate courses and post matriculation courses



**Recommendation 7: We recommend the Government to adopt the cut-off date of 20<sup>th</sup> day of the admission month as per GoI guidelines instead of 15<sup>th</sup> of the month for ensuring correct calculation of maintenance allowance.**

**(ii) Multiple scholarship payment for the same student in an academic year under different Student ID**

Data analysis pertaining to the period 2010-11 to 2015-16, revealed that 1,077 students out of 7.04 lakh students received scholarship more than once in an academic session by using 2,333 multiple IDs which resulted in excess payment of ₹ 1.16 crore. An illustrative case of double payment is detailed in **Table 2.15.**

**Table 2.15: Multiple issue of scholarship to same student**

Sl. No.	Student name	Date of Birth	Institution code	Student ID	Academic year	Proceeding number	Amount paid (₹)
1	Eswaran J, S/o Jeyapal G	10/8/1999	29031	201529031ADW00051	2015-16	2015010100	5,600
2	Eswaran J, S/o Jeyapal G	10/8/1999	29031	201529031ADW00040	2015-16	2015010100	5,600

(Source: Database furnished by the department)

From the above, it may be seen that there was no input validation control within the system to eliminate creation of multiple student ID for the same student. In an IT System, if a proper validation control by making the combination of parameters like Student Name, Date of birth, Institution Code and Academic Year as 'Primary Key' was deployed, such multiple IDs would not have entered into the system.

**Recommendation 8: Validation control may be incorporated in the system in such a way that all parameters like student name, date of birth, institution code, academic year, course name should be used as 'Primary Key' to avoid creation of multiple IDs for the same students.**

**(iii) Individual bank account for each student not maintained for the purposes of ECS credit**

With effect from the academic year 2013-14, the GoTN decided to credit the scholarship amounts in the individual bank accounts of students through ECS. We analysed the data about disbursement of the scholarship to students and found that the system allowed the use of same bank account numbers by other students / persons due to lack of validation controls. We observed that instead of opening their bank accounts for getting scholarship, 5,134 students had operated 1,381 bank accounts which pertained to others. Moreover, in the case of 4,299 out of 4.27 lakh students, the college bank accounts were used for crediting the scholarship which was further disbursed to students instead of ensuring credit of scholarship directly in the individual bank accounts of the students concerned.

Thus, due to lack of input control in the software, bank accounts of the persons other than the beneficiary students were used for crediting the scholarship multiple times, which was against the instructions of the GoTN which were actually meant for ensuring direct credit of such amount in the individual bank accounts of the students. Further, we could not ascertain whether scholarship was received by the intended students in these instances, which was indicative of not only non-achievement of the intended objective of the scheme but these instances also raised serious doubts about the integrity of the software/system about its accuracy and transparency.

While accepting audit observations, the GoTN promised (October 2016) to take action in respect of 501 cases relating to the academic year 2015-16, for which it had claimed to have completely enforced the concept of unique bank account number for giving scholarship. In respect of cases relating to the years 2013-14 and 2014-15, the GoTN did not give any specific reply about the disbursement of the scholarship to the intended students.

**Recommendation 9: The GoTN may ensure credit of scholarship in the individual bank account through system by ensuring necessary modification in the software. The GoTN may also investigate as to whether the scholarship has been disbursed to the intended students.**

**(iv) Scholarship Applications pending settlement**

We noticed during data analysis that out of 12.26 lakh applications received from students of 4,290 colleges, captured in the system, 20,781 applications relating to 1,526 colleges had not been forwarded by the colleges to the DADWOs concerned for grant of scholarship.

We noticed during field visit that there was no system in place in District Level offices (DADWO) to ensure that all the students who were eligible to receive scholarship assistance had submitted their applications in the online system. There should be control in the system to ensure that all scholarship applications received were accounted for and acted upon till their logical end. Due to lack of the above control, the applications relating to 20,781 students<sup>43</sup> were not taken to the stage of further processing for which reasons were not recorded in the database.

Similarly, it was also noticed that the HODs had neither approved nor rejected the scholarship applications in respect of 21,763 applications<sup>44</sup>, though all the relevant data were captured by the colleges and applications were approved by DADWO.

Thus, the above position indicated that there was lack of control in the system, such as alerts and reporting tools to ensure that all the applications received were accounted for and further appropriate action was taken to disburse scholarship through online system. Moreover, one of the objectives of

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<sup>43</sup> 8,414 applications relating to 2013-14; 7,564 applications relating to 2014-15 and 4,803 applications relating to 2015-16

<sup>44</sup> 17,335 applications relating to 2013-14 and 4,428 applications relating to 2014-15

e-District Project viz., ensuring transparency in such transactions was also not achieved.

GoTN replied (October 2016) that the NIC had been requested to make modification in the software for providing flash messages to District Officers and institutions regarding pending applications. Action taken in respect of the pending cases pointed out by us was awaited.

**Recommendation 10: The GoTN may modify the system to provide flash messages to all concerned for taking timely action to take care of pending cases. Till such time, GoTN should pay special attention to the pending applications for disbursement of scholarship to the intended students.**

**(v) Scholarship not disbursed to students in respect of ECS rejected cases**

The AD&TW Department decided to credit the scholarship amount to individual student's bank account through ECS with effect from the financial year 2013-14. However, during data analysis, it was noticed that due to various reasons like 'account closed or transferred', 'no such account', 'account description no tally' etc., scholarship amounting to ₹ 37.80 crore<sup>45</sup> (Course fees: ₹ 30.47 crore; Maintenance allowance: ₹ 7.33 crore) was not disbursed by banks to 15,748 students.

During field visit, we, however, noticed that 432 applications (Chennai: 228, Coimbatore: 93 and Pudukottai: 111) were manually processed and details relating to the students' new account numbers along with bank details were called for from the concerned college authorities and forwarded manually to the Directorates for disbursement and payments were made to the students after due acknowledgement.

Thus, due to lapse on the part of college authorities, even after two years, they were not able to get the details of all the students belonging to the academic year 2013-14. Further, during field visit, we noted that the present system did not allow resubmission process for individual student unless all the records in that batch were updated with new details. Due to this limitation in the software, colleges could not forward the applications (re-submission) for want of correct information for all the students in a batch.

GoTN replied (October 2016) that separate module for resubmission of ECS return cases through online had been introduced resulting in reduction of such cases considerably. As regards system's inability to allow resubmission process for individual students unless all the records in that batch were updated with new details, the GoTN stated that number of resubmission cycles would grow exponentially which would ultimately result in increase in complexity of monitoring the disbursement. The reply was not tenable as the GoTN had not come up with a meaningful solution to disburse scholarship to the students without delays.

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<sup>45</sup> 2013-14: 9,975 students (₹ 23.78 crore) and 2014-15: 5,773 students (₹ 14.02 crore)

**Recommendation 11: GoTN should ensure that the system is in tune with the objective of the e-District project for ensuring disbursement of scholarship in timely manner.**

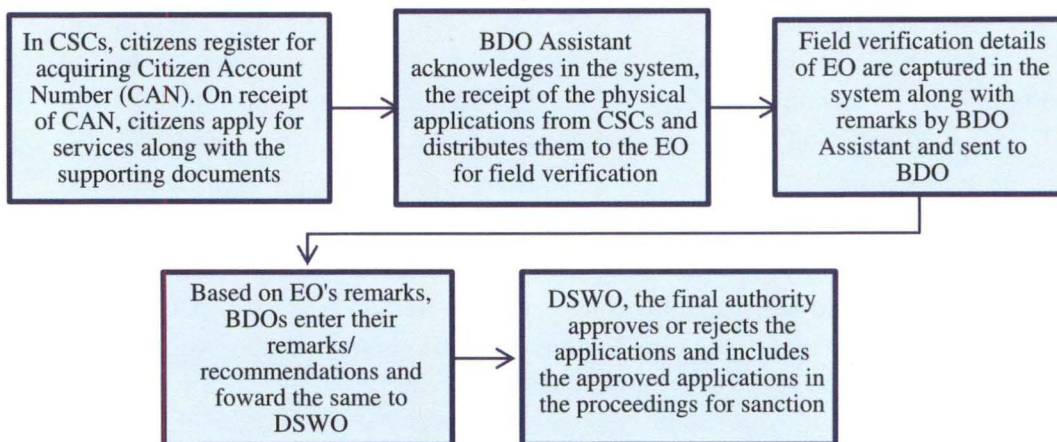
**SOCIAL WELFARE AND NUTRITIOUS MEAL PROGRAMME DEPARTMENT**

**2.3.8.3 Schemes under the e-District Project - (i) Marriage assistance schemes and (ii) Girl child protection scheme**

The GoTN has been implementing five Marriage Assistance Schemes<sup>46</sup> and Girl Child Protection scheme. These schemes were introduced by the GoTN to help the daughters of poor parents, orphan girls, widows who re-marry, widow’s daughter’s marriage, inter-caste married couples and to eradicate female infanticide.

As per the procedure in vogue, the applications received in the CSCs for these schemes were to be captured in the e-District System by the CSC Operator and moved to the inbox of Block Development Office. The BDO Assistant was to acknowledge the receipt of the physical applications from CSCs. On receipt of physical applications, the EO was to conduct field verification to ensure that details provided by the applicant were correct. After field verification, the details were to be entered by BDO Assistant. Based on such details, the Block Development Officer (BDO) was to enter his recommendations and the application was to be moved to the inbox for District Social Welfare Officer (DSWO) for final approval or rejection along with remarks. With effect from April 2015, all the district offices were instructed to process the scheme applications only through online system. The workflow process is depicted in **Flow Chart 2.3.**

**Flow Chart 2.3: Workflow process in Social Welfare and Nutritious Meal Programme Department**



<sup>46</sup> (1) Moovalur Ramamirtham Ammaiyar Ninaivu Marriage Assistance Scheme, (2) Dr. Dharmambal Ammaiyar Ninaivu Widow Remarriage Assistance Scheme, (3) E.V.R. Maniammaiyar Ninaivu Marriage Assistance Scheme for Daughters of Poor Widows, (4) Annai Therasa Ninaivu Marriage Assistance Scheme for Orphan Girls and (5) Dr. Muthulakshmi Reddy Ninaivu Inter-caste Marriage Assistance Scheme

We reviewed the implementation of both the schemes and our audit observations are discussed in the succeeding paragraphs.

(i) **Non-mapping of Business Rules**

(a) **Moovalur Ramamirtham Ammaiyar Ninaivu Thirumana Nidhi Udhavi Thittam (Marriage Assistance Scheme)**

According to guidelines of the scheme, if the bride had studied upto Tenth Standard in regular stream or passed Tenth Standard in case of private study or Fifth Standard for ST girls, the assistance was ₹ 25,000 and four grams of gold coin for making 'Thirumangalyam'. If the bride had completed any Degree/Diploma, the assistance was ₹ 50,000 and four grams of gold coin for making 'Thirumangalyam'. The assistance was given subject to the conditions that (i) Annual family income should not exceed the limit of ₹ 24,000 for applications submitted between 1 January 2000 and 6 September 2013 or ₹ 72,000 for applications submitted after 6 September 2013, (ii) Only one girl in a family will be given the benefit, (iii) Bride should have completed 18 years and Bridegroom should have completed 21 years and (iv) The application should be submitted within 45 days before marriage for the period from 30 May 1989 to 16 May 2011 and within 40 days before marriage for the period after 16 May 2011. In exceptional circumstances, the application could be submitted one day before the marriage.

We analysed the data and found that out of 2,09,801 applications, due to non-mapping of the business rules in the application software, the eligibility criteria was not adequately inbuilt in the system for processing the applications under this scheme due to which we observed the following lapses in the implementation of the scheme as mentioned in **Table 2.16**.

**Table 2.16: Issue of assistance to ineligible beneficiaries**

Sl. No.	Eligibility Criteria	No. of ineligible cases	No. of cases approved out of (c)
(a)	(b)	(c)	(d)
1	Annual Family Income more than ₹ 72,000/ ₹ 24,000	1,136	127
2	Bride's age less than 18 years	99	15
3	Bridegroom's age less than 21 years	1,591	330
4	Application date and Marriage date is same	2,398	338
5	Application not submitted within 40 days before marriage date	4,809	1,518
6	Bride having no formal education or Below Fifth Standard	67	8
7	Bride not belonging to ST Community and not having Matric/Diploma/Degree	2,130	682

(Source: Extraction from database furnished by the department)

We analysed the data in the system and documents during field visit and observed that the applicants were not eligible for getting benefit under the scheme. Moreover, it was observed in test-checked applications that there were data entry errors in the system i.e., the data entries were not matching with the entries as per the supporting documents. Some instances are mentioned below in this regard:

- In respect of Application ID 2015/0301/22/003251 dated 07/12/2015 (Pudukottai District), the date of marriage was 07/12/2015 as per data as well as manual documents. Since the application was given on the day of marriage, this applicant was not eligible for assistance. However, this application had been captured and processed.
- In Tirunelveli District, Applicant (ID 2015/0301/29/000195) had Income Certificate for ₹ 60,000 dated 10/02/2016 which was later than the application date of 18/01/2016. As per the data, the income was ₹ 84,000 and scrutiny of manual application disclosed that the income ₹ 84,000 was written initially in numeric and words but numeric alone was overwritten as ₹ 60,000. Due to lack of validation control and non-integration of departmental databases, manipulations were done and ineligible cases were captured in the system rendering the data unreliable.
- In Pudukottai District, for Application ID 2015/0301/22/000656, Transfer Certificate for VI STD to VII Standard was enclosed in manual documents and no other educational qualification certificate enclosed in manual documents for eligibility under this scheme. However, this application had been captured and processed.

Thus, the benefits were allowed in the above cases, although the applicants were not eligible for the same due to the failure on the part of various officials who were responsible for processing and verification of required documents.

GoTN stated (October 2016) that when any of prescribed criteria were not matched, the corresponding values were highlighted in red color on Field Verification Entry Screen, BDO Verification Screen and DSWO approval. It was further stated that DSWO was the final authority to approve / reject applications by using alteration option based on the data and documents. Though, the reply of GoTN was found to be correct in so far as the system was concerned but we observed that the scheme was not being implemented in its true spirit as brought out below:

- Though alerts were inbuilt in the system, erroneous data was being captured due to lack of input control on the eligibility criteria.
- Due to human failure, these ineligible cases had been processed by the officials though supporting documents had been uploaded in the system and field verification details were available.
- In case of data entry error during capture of information at CSCs, DSWO had not updated the data by editing information or by registering his/her remarks for approval or rejection in the system rendering the database incomplete and unreliable to that extent.

**(b) Girl Child Protection Scheme**

Chief Minister's Girl Child Protection Scheme promotes education of girl children, to eradicate female infanticide, to discourage preference for male child and promote the small family norm. An amount of ₹ 50,000 for a family with one girl child only / an amount of ₹ 25,000 per girl child for a family with two girl children only, was deposited for 18 years in the name of the girl child, in the form of fixed deposit with the Tamil Nadu Power Finance and Infrastructure Development Corporation Limited. The copy of the fixed deposit receipt was given to the family of the girl child. The assistance was subject to the conditions that (i) the parent should have one or two girl children and no male child, (ii) Annual Income of the parent should not exceed ₹ 24,000 for applications submitted between 1 January 2000 and 13 October 2014 or ₹ 72,000 for applications submitted after 13 October 2014 (iii) the age of the child should be less than three years at the time of enrolment and (iv) the parents / grand parents should be domicile of Tamil Nadu for a period of 10 years at the time of submitting the application.

On scrutiny of the data, it was found that out of 20,206 applications in following cases (**Table 2.17**) the applications were processed by the system though not meeting the eligibility criteria.

**Table 2.17: Issue of assistance to ineligible beneficiaries**

Sl. No.	Eligibility Criteria	No. of ineligible cases	No. of cases approved out of (c)
(a)	(b)	(c)	(d)
1	Male Child available in the family	1,752	723
2	Annual Family Income more than ₹ 24,000 / ₹ 72,000	643	88
3	Child's age more than three years	955	219
4	Not domicile for 10 years in the State	2,223	951

(Source: Extraction from database furnished by the department)

Lack of appropriate validation controls while capturing mandatory information like Annual Income, Date of Marriage, Date of application, Child's Date of Birth, etc., had resulted in ineligible cases being captured in the system. It was also observed that the approving authority had failed to ensure that the applicants were fulfilling the eligibility criteria for receiving assistance under the schemes.

GoTN stated (October 2016) that the applications were not approved for families having male child and the applications were wrongly uploaded by CSC in the field 'No male child' for which instead of marking 'Yes', it had been entered as 'No' which was wrong. We observed that the erroneous data captured at CSC had not been corrected in the database during processing of the application at the next higher level.

In respect of cases mentioned at Sl. Nos. 2, 3 and 4 of **Table 2.17**, the GoTN replied that eligibility criteria were taken care of through manual verification

before payment. Reply was not tenable as the provision was available in the system for the approving authority to view the details of applications in the screen as well as scanned enclosures and recommendations of block level officials. Despite availability of such a provision, the approving authorities had failed to reject the ineligible cases. Further, the details collected during field verification were not updated in the system.

**Recommendation 12: In respect of marriage assistance and girl child protection schemes, the eligibility criteria should be adequately built into the system by strengthening the existing validation controls.**

**(ii) Applications not processed and finalised**

It was observed on scrutiny of the data that out of 2,23,306 applications received during 2010-11 to 2015-16, the applications mentioned in the **Table 2.18** were not processed and finalised:

**Table 2.18: Unprocessed applications**

Sl.No.	Stage	2010-14	2015	2016	Total
1	Pending at receipt stage	1,061	6,175	9,552	16,788
2	Pending for Field Verification	1,595	32,080	17,229	50,904
3	Field Verification Completed	1,318	6,903	1,018	9,239
4	Pending with DSWO	3,640	46,647	1,864	52,151

(Source: Extraction from database furnished by the department)

In respect of cases at Sl.No.1 of **Table 2.18**, though the applications had been received in the system from the CSCs but these had not been acknowledged in the system by the BDO Assistant to enable further processing of application by the next level officials.

As per procedure, the applications received at the CSCs are forwarded to concerned Block Office's dashboard depending upon the locality of beneficiary. The applications which did not belong to the jurisdiction of the Block Office could not be opened and processed due to incorrect mapping of villages under the blocks. Hence, these applications remained pending. During field visit, we noticed that out of 38 applications available in the Tiruvallur Block office's dashboard for the year 2015-16, 11 applications did not belong to its jurisdiction. These applications could not be processed as the same were not transferred to the concerned Block office's dashboard. These applications remained pending due to lack of awareness about a provision at the district level for transfer of these applications to the correct Block office, as also due to improper mapping of villages/areas in the system to the correct Block offices.

We also noticed that the MIS Reports generated for pendency of applications failed to list the above mentioned cases. Therefore, the actual status of the applications was not being projected due to failure in system.

When this matter was discussed in Exit Conference (September 2016), Director, TNeGA stated that suitable instructions would be given to the DSWOs to



process all the applications and keep them pending for sanction of funds after approval to enable to represent the correct status of applications in the workflow system.

**(iii) Lack of justification in database for approval of non-recommended cases**

After receipt of applications for marriage assistance under various schemes discussed in the beginning of **Para 2.3.8.3**, these are processed for granting assistance based on eligibility or rejected due to non-fulfillment of eligibility criteria. Provisions were made in the system for BDO Assistant/EO, BDO and DSWO to enter mandatory details like field verification date, remarks and recommendations. It was also mandatory for DSWO to provide the reasons for rejecting any application.

We observed that 277<sup>47</sup> cases were approved by DSWOs without recording any justification, though the said cases had not been recommended by BDOs for marriage assistance. The DSWOs' remarks field contained comments like 'approved', 'recommended', 'ok', 'eligible', etc., only without giving detailed justification. In the absence of justification not being entered properly in the system, the action of DSWOs in approving such cases was not in order.

To cite instances, Application ID 2015/0301/12/000521 was not recommended by BDO in Coimbatore District stating that online application had been made on 18/05/2015 after the date of marriage 15/05/2015. Similarly, Application ID 2015/0301/12/000009 was rejected by BDO stating that another daughter had availed marriage assistance in 2011. However, these cases had been approved by DSWO. Similarly, in Cuddalore District, in Application ID 2015/0301/18/000318, marriage invitation with date of marriage on 25/06/2015 was found to be bogus during field verification done on 28/05/2015. Though this case was not recommended by BDO, but it was approved by DSWO on 28/02/2016 without recording any justification.

As regards Application ID 2015/0301/12/000521, GoTN stated (October 2016) that this was approved by mistake but the applications had not been processed and the assistances had not been sanctioned and in the case of Application ID 2015/0301/18/000318, the assistance was not sanctioned to the applicant after ascertaining that it was approved by mistake by the DSWO. Further, it was stated that DSWOs have been instructed to write in detail about the justification for approval and it was decided to add a provision to scan and upload the note of approval.

When this matter was discussed in Exit Conference (September 2016), Director, TNeGA suggested that approval note should be scanned and uploaded by DSWO to justify the approval / rejection of applications. Thus, in the circumstances, TNeGA's suggestion needs to be implemented for ensuring fairness and transparency.

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<sup>47</sup> 2010: 11 cases; 2011: 42 cases; 2012: 28 cases; 2013: 58 cases; 2014: 72 cases and 2015: 66 cases

**(iv) Processing of applications without required documents**

As per Software Requirement Specification (SRS), while applying for assistances, the applicants must submit the applications along with supporting documents like Identity Proof, Community Proof, Marriage Proof, Income Proof, Photos (Applicant, Bride and Bridegroom), Bride's Age Proof, Bride's Education Level Proof, Marriage Agreement Form, Cheque Sample, Birth Certificate of the girl child, No Male Child Certificate and Nativity Certificate which would be scanned at the CSC and uploaded in the system. The CSC Operator should enter the details, scan and upload the supporting documents in the system and on submission in the system, a unique Application ID was generated. After the submission of applications at CSCs, these were forwarded to the block offices. Field verification was done, supporting documents collected and remarks captured in the system.

On scrutiny of the database containing 2,43,512 applications, we observed that the required documents were not available in the database as listed in **Table 2.19**.

**Table 2.19: Processing of applications without required documents**

Sl.No.	Mandatory proof required	No. of applications processed in system
1	Applications without ID Proof	3,365
2	Applications without Bride / Bridegroom Community Proof	10,239
3	Applications without Marriage Proof	766
4	Applications without Income Proof (Moovalur and Maniammaiyyar Schemes)	10,653
5	Applications without Photos	23,015
6	Applications without Bride's Age Proof	6,827
7	Applications without Bride's Education Proof	18,156
8	Applications without Cheque Samples	1,02,559
9	Application with no corresponding records in Attachment table	1,256

(Source: Extraction from database furnished by the department)

In the light of the above, we observed that CSC Operator failed to scan and upload all the required documents in the system. Though the required documents were not found attached, the system had allowed the submission of incomplete applications as well as their further processing, which should not have taken place. Further, the mandatory documents, if produced during field verification, were not uploaded in the system as per the requirement in SRS due to lack of scanning facility with block offices.

Thus, lack of alerts and inbuilt controls had resulted in processing of applications without mandatory documents.

GoTN replied (October 2016) that efforts will be made to provide scanning facility at all levels so that uploading of all the mandatory documents in the system is done without omission.

(v) **Discrepancies in information due to repeated capture of same information**

Citizens applying for marriage assistance/assistance under girl child protection scheme were required to do a one-time registration and receive a Citizen Account Number (CAN). The mandatory fields viz., Type of ID Card, Applicant's Name, Date of Birth, Marital Status, Community, etc., were required to be filled in. It had been envisaged that by entering the CAN, details available in the citizen registration, were to be automatically filled in by the system in the respective columns, while capturing the details for availing marriage assistance. It was, however, observed that instead of auto-populating the details from CAN, the details were filled in afresh in the marriage assistance request form. The Applicant's name, gender, community and father/husband relation details captured in the Citizen\_Registration table should be used to link the Assistance\_Details table, so that the details like bride's name, bride's mother name, bride's father name and bride's community would be filled in automatically by the system. It was mandatory for the citizens to produce Identity Proof while registering for CAN and availing the assistance. The applications for marriage assistance could be made only by bride's mother, father or bride herself.

In the following instances, repeated capture of same information while availing marriage assistance resulted in discrepancies in data, rendering the data inconsistent and unreliable.

In respect of 83,598 out of 2,23,306 applications, the applicant's name in Citizen\_Registration table did not match with the data captured in the fields viz., bride's name, bride's mother's name and bride's father's name in Assistance\_Details table.

Similarly, in 5,001 out of 2,23,306 applications, the information on community differed between Citizen\_Registration table and Assistance\_Details table.

Out of 2,47,804 applications, in 1,41,241 applications, values differed in Document Number and Ration Card Number fields though both the fields were in the same master table and relate to the same document viz., Ration Card.

Thus, we observed that due to inherent system defects, the software was not able to link the relative fields in the same table or between two tables to prevent repetitive capture of information. Data entry of mandatory information instead of auto-populating had led to duplication of work, wastage of time, inaccuracies due to manual entries, incomplete and unreliable data maintenance, which may lead to incorrect output/grant of benefits to ineligible beneficiaries.

**Recommendation 13: The application software may be modified to provide automatic filling up of information from single source in different screens to prevent data inaccuracies and save time.**

**(vi) Discrepancies in age criteria**

The eligible age for bride and bridegroom for availing marriage assistance was completion of 18 years and 21 years respectively as on the date of the marriage. The system calculates the age of bride and bridegroom taking into account their date of birth and date of marriage. For example, to work out the completed age of the bride/bridegroom, a person born on 1/1/1998 would have completed the age of 18 only on 31/12/2015. However, it was observed that the system had incorrectly calculated the completed age, which was one of the criteria for availing assistance under all schemes of marriage assistance, as detailed in **Table 2.20**.

**Table 2.20: Discrepancies in Age criteria**

Sl.No.	Nature of discrepancy	Total No. of cases where age was calculated wrongly by the system	No. of cases approved out of (c)
(a)	(b)	(c)	(d)
1	Bride's completed age calculated incorrectly by the system.	8,455	4,987
2	Bridegroom's completed age calculated incorrectly by the system.	9,230	5,135
<b>Underaged Bride/Bridegroom availing marriage assistance</b>			
3	Brides age is lesser than 18 years	103	16
4	Bridegroom's age is lesser than 21 years	1,692	352

(Source: Extraction from database furnished by the department)

In the cases listed in Sl.Nos.1 and 2 of **Table 2.20**, the system had erroneously rounded off the age calculated to next year. This was due to error in software. Hence, software needed to be modified suitably to ensure that age calculated by the system was rounded off to the correct year as per government norms.

In the cases listed in Sl.Nos.3 and 4 of **Table 2.20**, the applications with bride's/bridegroom's age lesser than the qualifying age had been entered in the system and processed also. This was due to both system and human failure viz.; (i) uploading of ineligible applications at CSC level despite alerts thrown by the system and (ii) processing of ineligible applications at block and district level despite availability of the results of the field verification. This had led to ineligible applications being processed and benefits being extended to ineligible applicants.

The Department, citing two instances (Application IDs 2015/0301/01/003163 and 2015/0301/01/00709) in Tiruvallur District stated (September 2016) that these two cases had been approved by DSWO by mistake in the online system but later rejected as the Bridegroom's age was found to be below 21 years. Further, in the Exit Conference (September 2016), Department stated that the applications had been rejected based on audit observations.

**Recommendation 14: The eligibility criteria with respect to age should be built into the system so that ineligible cases are rejected at the initial data entry stage itself.**

**(vii) Failure to render assistance to poor before marriage due to delay in processing of applications**

The various stages of application process were stored in Assistance\_Workflow table. As per Citizen's Charter 2015-16, the processing time for applications of marriage assistance was 15 days. However, on scrutiny of the data in Assistance\_Workflow table, it was observed that there had been considerable delay in processing of the 81,561 approved applications as available in the database as of March 2016. The delay in various stages of approving an application is detailed in **Table 2.21**.

**Table 2.21: Delay in processing of applications**

Sl. No.	Processing Stages	Role	No. of applications approved				
			within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	More than 90 days
(Figures in bracket indicate percentage)							
1	Acknowledgement	BDO Assistant acknowledges the receipt of physical application	27,186 (77.36)	2,777 (7.9)	2,867 (8.16)	1,143 (3.25)	1,168 (3.32)
2	Clearance by BDO Assistant	BDO Assistant enters the field verification remarks	10,301 (29.31)	6,149 (17.5)	7,930 (22.57)	4,686 (13.33)	6,075 (17.29)
3	Clearance by BDO	BDO enters his recommendations	27,956 (79.55)	2,855 (8.12)	2,166 (6.16)	1,129 (3.21)	1,035 (2.95)
4	Clearance by DSWO	Final authority for approving/rejecting with remarks	9,625 (27.39)	3,775 (10.74)	5,701 (16.22)	5,099 (14.51)	10,941 (31.13)
5	Time taken for processing applications from the date of submission to approval		184 (0.52)	791 (2.25)	3,239 (9.22)	4,751 (13.52)	26,176 (74.49)

(Source: Results of data analysis from the database furnished by the Department)

The main objective of e-District Project was implementation of an efficient electronic workflow system for District Administration and fast processing as per public requirement. However, it was observed that though it had been envisaged that the system would reduce the processing period of manual system, there was consistent delay at every stage of approving process. No provision was there for the applications received in Corporation offices to be processed through the system. Due to lack of system efficiency, only less than one *per cent* of the applications were approved within the prescribed timeline. Though there were in-built MIS Reports for monitoring the pendency of applications at every stage of the process, effective action had not been taken to reduce these delays.

GoTN stated (October 2016) that (i) there were no field officers in Corporations as Extension Officer in rural areas, (ii) there was no provision for forwarding applications after field verification by BDOs in blocks, Assistant Commissioner/Deputy Commissioner of Corporations in the online format and (iii) there was no designated personnel in the BDO/Zonal Offices of the Corporation to attend exclusively for Marriage Assistance Schemes and (iv) eligible applications were kept pending until funds were allocated for the districts.

Reply of Government was not tenable as it was its responsibility to ensure implementation of the scheme to help the needy by providing adequate funds in a timely manner.

**Recommendation 15: We recommend that a provision may be made in the software for the officials in Corporation to process the applications through the system. Further, the applications should be processed in a timely manner for rendering necessary assistance to the beneficiaries by providing adequate funds in pursuance to the declared policy of Government to achieve its intended objective.**

**(viii) Same beneficiary availing assistance on more than one occasion**

The Service specific information for marriage assistance schemes was stored in Assistance\_Details table. On scrutiny of data in Assistance\_Details table, it was observed that in 1,067 out of 2,211 applications, the Bride's Name, Bride's Date of Birth, Bridegroom's Name, Bridegroom's Date of Birth and Date of Marriage were same. Out of these, 144 applications were approved for same beneficiaries more than once, of which 48 applicants derived excess benefit of ₹ 12.50 lakh.

In Cuddalore District, same beneficiary had submitted two online applications with Application IDs 2015/0301/18/001096 and 2015/0301/18/001095. Both the applications had been recommended by BDO and approved by DSWO. ECS payment had been released for both but Gold coin issued for one only.

Lack of input controls to prevent capture of duplicate applications, though having consecutive numbers, had resulted in these discrepancies. Further, the genuineness of field verification was doubtful since the officers had failed to notice these duplicate cases even during field verification and duplicate applications were approved finally. This had resulted in undue advantage for certain beneficiaries at the cost of other eligible beneficiaries.

GoTN stated (October 2016) that their database ensured that only one application could be submitted per CAN number. Further, to help the DSWO to locate such cases, a duplicate list had been introduced. Reply of the GoTN was not acceptable since the observations had been made in cases where the CANs were different for the same beneficiary. The duplicate applications had been overlooked even during field verification. To prevent such manual errors, a combination of information should be used to filter duplicates at an early stage of processing. In addition, failure on the part of EOs/BDOs calls for fixing of responsibility. During Exit Conference (September 2016),

Department stated that in future, Aadhaar number would be captured to avoid duplicate applications.

**(ix) Rejection of applications without justified reasons**

Applications for marriage assistance under various schemes were processed till finally approved by DSWO or rejected by DSWO with reasons viz., belated submission of application after the date of Marriage, rejected due to incorrect data entry, age of bride below 18 years, age of Bridegroom below 21 years, etc.

Discrepancies noticed on scrutiny of data relating to 8,061 rejected applications are detailed below:

(a) In the following cases (**Table 2.22**), though the applications were submitted within the prescribed time limit, these were rejected stating the reason as “Belated submission of Application after the Date of Marriage”.

**Table 2.22: Rejection of applications without justified reasons**

Sl.No.	Eligibility Criteria	No. of eligible cases rejected in the system
1	Applications submitted within 40 days before marriage date or one day before the marriage – Moovalur Scheme	290
2	Applications submitted within 45 days before marriage date or one day before the marriage – Moovalur Scheme	18
3	Applications submitted within 40 days before marriage date or one day before the marriage – Maniammaiyyar Scheme	13
4	Applications submitted one day before the marriage – Annai Teresa Scheme	01

(Source: Extraction from database furnished by the department)

(b) CSC Operators were responsible for capturing information in the system submitted by applicants. It was observed that 2,096 cases relating to five marriage assistance schemes, were rejected stating the reason as “Rejected due to incorrect data entry”. Data entry error was due to human failure on the part of CSC Operators. Non-provision of edit option at the field level resulted in rejection of applications and making the citizens to re-apply on payment again. Hence, Government may investigate the reasons for data entry errors in the system.

(c) The annual family income should not exceed the limit of ₹ 24,000 for applications submitted between 01 January 2000 and 06 September 2013 or ₹ 72,000 for applications submitted after 06 September 2013. It was observed that in 1,285 (**Table 2.23**) out of 7,903 rejected cases, though the applications contained Annual Family Income within the prescribed amount limit, these were rejected stating the reason as “Income Exceeds Limit” or “Income more during Spot Inspection”.

**Table 2.23: Rejection of eligible cases**

Sl. No.	Eligibility Criteria	No. of eligible cases rejected
1	Annual Family Income less than ₹ 72,000 –Moovalur Scheme	531
2	Annual Family Income less than ₹ 24,000 –Moovalur Scheme	726
3	Annual Family Income less than ₹ 72,000 – Maniammaiyyar Scheme	16
4	Annual Family Income less than ₹ 24,000 – Maniammaiyyar Scheme	12
<b>Total</b>		<b>1,285</b>

(Source: Extraction from database furnished by the department)

(d) It was observed that 1,654 cases had been rejected stating reasons as “Non-Production of Certificates”. Out of these 1,654 cases, 1,634 cases had corresponding records in Assistance\_Attachments table, which stores the scanned documents, which were submitted along with the applications as proof for Identity, Age, Community, etc., Out of these 1,634 cases, 1,186 cases had more than 9 attachments in Assistance\_Attachments table.

In the above mentioned cases, the approving authority did not take care to ensure that reasons for rejection were justifiable by corroborating with the documents attached with the applications.

GoTN replied (October 2016) that during the field verification in respect of Application ID 2015/0301/12/00174, it was ascertained that the date of marriage was actually 01/04/2015 and not 20/05/2015 as submitted by the applicant. Hence, this application was rejected on the grounds ‘belated submission of application after the date of marriage’. We observed that though the reason for rejection was correct, the date of marriage had not been updated by DSWO and justification remarks not captured in the system, which reflected incorrect picture. No reply was furnished in respect of other rejected cases mentioned above. During Exit Conference (September 2016), Director, TNeGA stated that instructions will be issued to record proper reasons and details for rejection.

**Recommendation 16: The justification for rejection/approval of applications may be made mandatory to corroborate the action taken. The reason for rejection and the data relating thereto should be verified and correlated by the system to prevent erroneous rejection.**

**(x) Marriage assistance schemes and Girl Child Protection Scheme in Chennai District kept out of e-District project**

During field visit, we observed that the Marriage Assistance Schemes applications were processed through two channels in Chennai. Of the five schemes, the major scheme viz., Moovalur Marriage Assistance Scheme was handled by the Corporation of Chennai and the remaining four schemes were handled by District Social Welfare Office in the District Collectorate, Chennai.



Chennai Corporation website had a menu for Moovalur Marriage Assistance Scheme, wherein the beneficiaries could apply for this scheme from any point of entry viz., home, Zonal Corporation offices or CSCs. As per procedure, the beneficiaries were to register and enter necessary details for availing service and registration number was generated and acknowledgement given to the applicant. Thereafter, the beneficiaries were to approach the Corporation office with acknowledgement slip and processing of the applications was done manually.

In respect of the other four marriage schemes (Inter-caste marriage, Poor Widow's Daughter marriage, Widow re-marriage and Orphan girls marriage), applications were received in CSCs and forwarded to DSWO's office. The applicant was required to submit the mandatory / supporting documents along with the acknowledgement slip issued at the CSC. The various stages in the processing of the application from the receipt in DSWO office till final approval including proceedings were done manually. The DSWO, Chennai stated (June 2016) that they were unable to process the applications through the online system due to shortage of staff.

Thus, it was observed that as far as Chennai District was concerned, except the receipt of the applications, all subsequent processes/stages, were not available in the on-line workflow system which was contrary to the stated objective of the Project.

GoTN stated (October 2016) that steps had been taken by the DSWO to process the applications online. The fact, however, remains that Chennai District had not been brought under the coverage of e-District Services offered by the SW&NMP Department.

**Recommendation 17: We recommend that system may be modified to include processing of applications relating to all marriage assistance/girl child protection schemes in Chennai District, as done in other districts.**

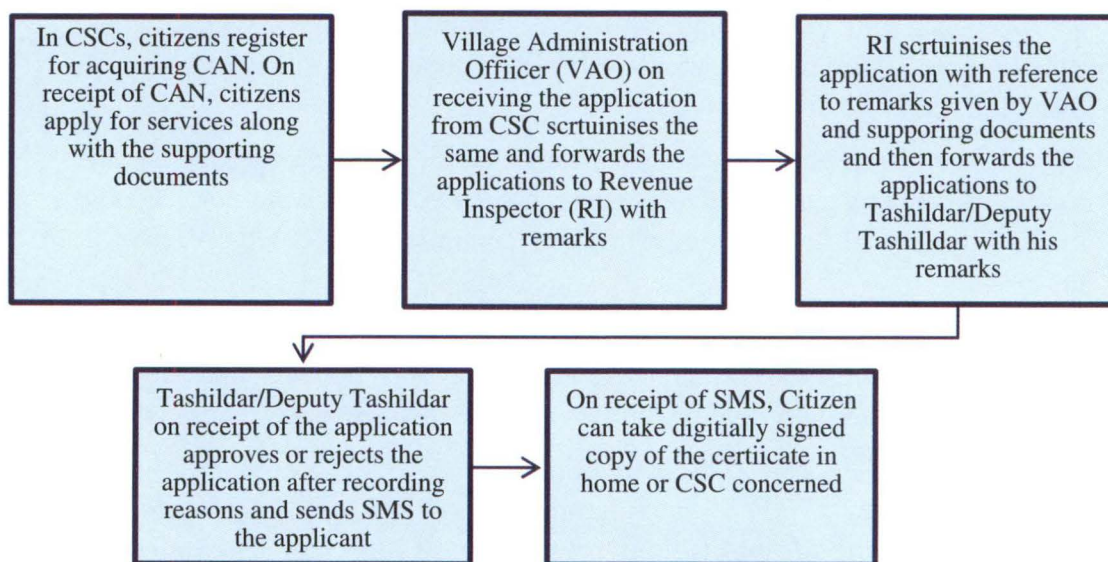
## REVENUE DEPARTMENT

### 2.3.8.4 Issue of Certificates covered under e-District Project

The Revenue Department focuses on the welfare and upliftment of the poor and the downtrodden with the broad objective of providing efficient delivery of services to the people. The applications for issue of Community Certificates, Nativity Certificates, Income Certificates, First Generation Graduate Certificates and Deserted Women Certificates are to be received from the public through CSCs. All the applications were to be processed and approved online by the Revenue Officials (Village Administrative Officers (VAOs), Revenue Inspectors (RIs), Zonal Deputy Tahsildars (ZDTs) and Tahsildars) and e-certificates were to be issued through the CSCs.

When an application was submitted at the CSC, the operator at the CSC was to enter the data, scan the supporting documents and upload them along with the application. Application entered in the e-District portal was to be automatically assigned to the VAO for physical verification. VAO was to perform physical verification and update his recommendation in the e-District portal. The date of field inspection was also to be captured in the system. RI was to enter his recommendation on the e-District portal. Deputy Tahsildar / Section Clerk had to check the information and then update their recommendations. Tahsildar was to issue the certificate after reviewing the recommendations. Thereafter, the approval date, proceeding date, generated date and despatch date were to be captured in the system. Finally, Citizen could collect the digitally signed certificate or hard copy from the CSC. The process of work-flow is depicted in **Flow Chart 2.4**.

**Flow Chart 2.4: Workflow process in Revenue Department**



Audit findings relating to issue of certificates under e-District Project by the Revenue Department are discussed below:

**(i) Non-mapping of business rules**

**(a) Nativity Certificate**

Nativity means a place by virtue of one's birth. Nativity Certificates were required for getting admission in schools and to seek job opportunities. Nativity Certificate was issued by the Tahsildar, subject to the applicant proving continuous residence for five years and above. Residence certificate was issued, if applicant lived in a place for more than one year. The Nativity Certificate was to be issued within a period of seven days. Some of the mandatory fields captured in Nativity table were Current Address, Permanent Address, Details of Immovable Property of Parents, Ration Card Number, Purpose of Application, etc. In Address\_Details table, some of the mandatory fields captured were Period\_from, Period\_to, Block\_Name, Street\_name, etc., as available in the manual system. On scrutiny of data, the following observations were made.

Out of 30,79,620 applications (from 2010-11 to 2015-16), 99,607 applications had been uploaded in the system for issue of Residence/Nativity Certificate without capture of details in the mandatory columns like 'period from' and 'period to'. Out of these applications, 95,294 were approved for issue of Residence/Nativity Certificates. As the details of certificates were not stored in the database or indicated in the system, the type of certificate issued to these applicants and basis for issue of such certificate could not be ascertained during audit.

The applicants should have lived in a place for a minimum period of one year for seeking Residence/Nativity Certificates. Where the stay period was less than one year, the applicant was not eligible for any certificate. However, we observed that in 5,919 cases, though the living period was less than one year, these were approved for issue of certificate in the system.

During data entry, request for Nativity or Residency Certificate was captured on screen but the database did not have separate field/column to store this information. Further, during processing of applications, when the field staff viewed the application, the title was 'Application for Nativity Certificate' only and did not include 'Residency Certificate'. In several cases, due to this improper title, the applications were rejected by the field staff due to the residence period being less for nativity.

Due to lack of input control, erroneous data was captured in the system and mandatory fields were not captured. Further, there was lack of transparency and audit trail in the process. GoTN accepted (October 2016) the audit observations and stated that the business model would be put in place after standardisation, which would be done by internal teams of Commissioner of Revenue Administration. Software was to be suitably modified to redesign the database table structure to include the type of certificate requested / issued and to ensure the capture of all the mandatory data.

**(b) No Graduate Certificate**

'No Graduate' certificate was issued to applicants in whose family, none of the members had graduation as educational qualification. It is issued by the Tahsildar for getting preference in admission in educational institutions or employment opportunities. Proper enquiry through the Revenue Inspector had to be conducted to ascertain whether anyone in the family had studied in a college. If none in the applicant's family had studied in a college, this certificate was to be issued within 8 days. Some of the mandatory fields captured and stored in the table No\_Graduate were Course Completed, Year of Passing, Current Course, Academic Year, Any Other Graduate in Family, Name of Institution, Institution Address, etc. The Educational Qualification details (Relation\_Code, Qualification\_Code, Is\_Alive, etc.) of all the family members were also captured and stored in the table Family\_Details. During data analysis of 2,24,517 applications (from 2010-11 to 2015-16), we observed that lack of appropriate validation controls while capturing mandatory information like Any\_Graduate, Relation\_Code,

Qualification\_Code, Is\_Alive, etc., had resulted in ineligible cases being captured in the system as detailed in **Table 2.24**.

**Table 2.24: Ineligible cases captured**

Sl. No.	Observations	No. of ineligible cases	No. of cases approved out of (c)
(a)	(b)	(c)	(d)
1	Field 'Any Graduate' with value 'Y' i.e. graduates are in the family – No_Graduate table	6,607	4,932
2	Family members had educational qualification of degree and above and were also alive – Family_Details table	7,249	4,539
3	Field 'Any Graduate' with value 'N' i.e. no graduates are in the family – No_Graduate table but Family members had educational qualification of degree and above and were also alive – Family_Details table	6,128	3,914

(Source: Extraction from database furnished by the department)

This had further resulted in wastage of time, manpower, unreliable data and collection of service charges from the citizen though ineligible for the issue of certificate. It had also been observed that the approving authority had failed to ensure that the applicants fulfilled all the eligibility criteria for getting the scheme assistance as well as failed to record the reasons for approving ineligible cases.

It was also observed that incorrect data entry as 'Degree and above' had been done for some applicants who had family members undergoing graduation. Due to lack of validation control, when 'Any\_Graduate' is given as 'Y', ineligible cases were captured in the system and processed also. Affidavits from educational institutions of applicants' siblings relating to non-availing of 'first graduate' benefits were rarely scanned and uploaded in the system.

**Recommendation 18: For complete and reliable data, scanning and uploading of affidavits should be made mandatory.**

**(c) Income Certificates**

Income Certificate was required to be produced by students for obtaining scholarship in schools and colleges, admission in the hostels of educational institutions etc. Income Certificate was to be issued within seven days of submitting the application, by the Tahsildar. Some of the mandatory fields captured in the table Income\_Certificate were Income in Ration Card, Employment Income, IT Assessment, Total Income, Rental Income, Income from Land Property, Other Sources Income, etc. For issue of income certificate, the income amount as submitted by the applicant was entered into the system at CSCs and subsequently re-entered by VAO, RI and Deputy Tahsildar/Tahsildar after assessment.

The results of data analysis in Income\_Certificate table containing 51,55,740 applications relating to the period 2010-11 to 2015-16 are given in **Table 2.25**.

Table 2.25: Discrepancies in Income Certificate table

Sl.No.	Observations	No. of cases	No. of cases approved out of (c)
(a)	(b)	(c)	(d)
1	Total income is zero though different types of income are available (total income is not calculated by the system)	1,195	961
2	Total income declared by the applicant is more than the income certified by the Tahsildar	3,954	3,783
3	Total income declared by the applicant is more than ₹ 72,000 while the income certified by the Tahsildar is equal to or less than ₹ 72,000	1,090	1,053
4	Income certified by VAO, RI and ZDT are equal and lower than the income certified by the Tahsildar	14,411	14,361
5	Income certified by VAO, RI and ZDT are equal to ₹ 72,000 but the income certified by the Tahsildar is more than ₹ 72,000	2,268	2,266
6	Income certified by VAO / RI / ZDT is more than ₹ 72,000/- but the income certified by the Tahsildar is equal to or less than ₹ 72,000	7,453	7,376

(Source: Extraction from database furnished by the department)

Despite the data being available in the system, there was variance in the assessment of the revenue officials. Further, the remarks/justification for assessment of income by the revenue officials were not captured in the system due to lack of provision. In case, the amount entered by Deputy Tahsildar/Tahsildar (issuing authority) differed from the one already entered, the system should display an alert for drawing attention to recheck the figures. Since the system lacked such alerts, input controls and edit option, the Deputy Tahsildar/Tahsildar issued the certificate even if the amount was erroneously captured.

GoTN accepted the audit observations on issue of 'Income', 'Nativity' and 'No Graduate' certificates and stated (October 2016) that the issues emerging in certification process were being examined and business model would be put in place.

**Recommendation 19: The software should be incorporated with an input control so that an alert is displayed when there is difference between the amounts entered by two different authorities. In addition, edit option should be provided to Deputy Tahsildar / Tahsildar so that data entry error could be set right and that the official should be made responsible for ensuring the accuracy of the data.**

**(d) Issue of various certificates without mandatory attachments and without any supporting documents**

Citizens applying for Revenue services had to do a one-time registration and receive a CAN. The mandatory fields viz., Type of ID Card, Applicant Name, Date of Birth, Religion, Community, etc., were required to be captured. After

logging in by clicking on 'e-forms' menu, citizen could avail any of the Revenue services.

The supporting documents were to be scanned and uploaded while the manual documents were to be forwarded to the department. The list of attachments was required to be enclosed included proofs for identity, community, marriage, income and address.

The Citizen details were to be stored in Citizen\_Registration table, the service requests details were to be stored in different tables viz., Community, Income\_Certificate, Nativity, No\_Graduate and Deserted\_Women tables and the supporting documents were to be stored in Attachment table. For example, when an application was submitted for Community Certificate along with supporting documents like Identity proof, Community proof, etc., a record is stored with application ID in Community table. The supporting documents scanned and uploaded were stored as records. On scrutiny of the database, the following instances of approval of applications without attachment were observed (Table 2.26):

**Table 2.26: Approval of applications without attachments**

Sl. No.	Remarks	No. of applications	No. of applications approved out of (c)
(a)	(b)	(c)	(d)
Figures in bracket indicate percentage			
<b>Service specific mandatory documents not attached</b>			
1	Community Certificate Applications without Community Proof for parents, Transfer Certificate, School Leaving Certificate or Others (Bonafide Certificate)	1,96,276 (4.84)	1,06,341 (2.62)
2	Nativity Certificate Applications without Address Proof viz., Ration Card, Voter ID, Driving License, Passport, PAN Card or Aadhaar Card	12,826 (0.41)	10,442 (0.34)
<b>Without any attachment</b>			
3	Community Certificate	12,30,915 (30.35)	10,11,979 (24.96)
4	Income Certificate	14,89,679 (28.89)	14,07,281 (27.30)
5	Nativity Certificate	9,06,666 (29.44)	8,65,844 (28.12)
6	No Graduate Certificate	61,676 (27.47)	48,880 (21.77)
7	Deserted Women Certificate	671 (26.84)	195 (7.80)

(Source: Extraction from database furnished by the department)

Due to lack of input controls, applications without the mandatory documents had been accepted by the system. Since the data was incomplete and unreliable, maintenance of centralised data for future use and computerised workflow system for the end-to-end processing of applications submitted was not achieved.

GoTN accepted the audit observation and stated (October 2016) that due to lack of input controls, system had accepted the incomplete applications. It was further stated that a system would be evolved in consultation with IT Department, wherein computerised system for end-to-end processing of the applications would be ensured in future.

**Recommendation 20: Software may be modified to reject the applications submitted without mandatory documents at the entry level itself. Provision may be made to scan and upload additional documentary proof collected during field visit.**

**(ii) Pending Applications**

**(a) Applications pending at Receipt stage without any action**

On scrutiny of the data in Application Workflow table, it was observed that 59,713 records<sup>48</sup> had been received but not processed and kept pending since May 2012. The applications were forwarded from CSCs and kept pending in Taluks for further process by VAOs. The delay in processing these applications and not intimating the applicant about the final status had denied the applicant's right to know the same well in time.

**(b) Applications pending at different stages**

The applications were also pending at various stages of process since 2012 till 2016 as detailed in **Table 2.27**.

**Table 2.27: Details of pending applications**

Sl. No.	Name of the certificate	No. of pending applications				
		2012	2013	2014	2015	2016
1	Community certificate	1,106	1,553	699	7,713	58,178
2	Income certificate	432	812	195	1,788	32,142
3	No Graduate certificate	3	33	36	539	627
4	Nativity / Residence certificate	418	791	144	1,165	26,738
5	Deserted Women certificate	--	3	15	248	198

(Source: Extraction from database furnished by the department)

MIS reports generated for knowing pendency of applications had two options namely 'pending for less than seven days' and 'pending for more than seven days'. The cases mentioned in the above table were very old (from one to five years) and these were not reflected as such in the MIS reports. The applications should get priority based on the basis of the concept of First in First Out (FIFO) i.e. date of receipt, to ensure transparency. However, it was observed that this procedure was not followed in these cases since applications received later were processed prior to the applications which were received before these applications. Thus, fairness and transparency in the processing of applications was lacking.

<sup>48</sup> 2012: 95 records; 2013: 301 records; 2014: 305 records; 2015: 4,663 records and 2016: 54,349 records

**(iii) Delay in approval of applications**

Various certificates were issued by the Revenue Department for availing assistance under various schemes, scholarship, registration for employment, etc.

As per DPR for State-wide Rollout of e-District project, with a view to provide improved services through e-District Project, the existing service delivery levels (the number of days taken) for issuance of certificates by Revenue Department, were considered and the new service delivery levels<sup>49</sup> were proposed. However, it was observed during audit that in many cases (**Table 2.28**), the timelines could not be achieved, which resulted in delay in processing of the applications and issuance of certificates.

**Table 2.28: Delay in approval of applications**

Sl. No.	Name of the certificate	No. of Applications processed					
		Within Timeline	Timeline to 15 days	16 to 30 days	31 to 60 days	61 to 90 days	More than 90 days
(Figures in bracket indicate percentage)							
1	No Graduates	1,74,016 (77.51)	29,371 (13.08)	14,407 (6.42)	4,541 (2.02)	1,114 (0.50)	1,068 (0.48)
2	Community	17,71,392 (54.33)	8,70,198 (26.69)	4,17,818 (12.82)	1,43,343 (4.40)	35,582 (1.09)	21,914 (0.67)
3	Income	33,58,110 (69.46)	10,37,224 (21.45)	3,13,826 (6.49)	84,352 (1.74)	23,914 (0.49)	17,214 (0.36)
4	Nativity	18,82,244 (64.78)	6,57,841 (22.64)	2,52,390 (8.69)	83,434 (2.87)	17,365 (0.60)	12,517 (0.43)
5	Deserted Woman	72 (12.79)	127 (22.56)	133 (23.62)	109 (19.36)	53 (9.41)	69 (12.26)

(Source: Results of data analysis from the database furnished by the department)

The main objective of e-District project was implementation of an efficient online workflow system for District Administration and fast processing as per public requirement. However, it was observed that though it had been envisaged that the online system would reduce the processing period of manual system, there were delays at every stage of approving process, impacting the timely delivery of intended services. Though there were in-built MIS Reports for monitoring the pendency of applications at every stage of the process, effective action had not been taken to reduce these delays.

During field visit, Tahsildars stated that network issues, power breakdown and delay in issue of passwords to revenue officials who were transferred to other Taluks contributed to delay in processing of the applications. GoTN accepted the audit observation and stated (October 2016) that necessary changes would be made in the existing system in consultation with TNeGA to make available

<sup>49</sup> No Graduates certificate: 8 days; Community certificate: 7 days; Income certificate: 7 days; Nativity certificate: 7 days and Deserted Women certificate: 5 days



exception reports to Supervisory Officers in Districts from time to time, so that long pending cases would be attended to without delay.

**Recommendation 21: The MIS reporting tool may be suitably modified to give the correct status of the pending applications. The User IDs and Passwords may be issued in time to the revenue officials transferred to other Taluks. Responsibility of the officials may be fixed for delay in processing of applications at every stage.**

**(iv) Issue of more than one community certificate to the same person**

With effect from the year 1988, the system of issuing permanent Community Certificate had been introduced for reduction of unnecessary pressure on Revenue department. This certificate was valid for securing admission in all educational institutions and other professional institutions and also for employment. In manual system, the applicant could make the request to the Tahsildars with or without the recommendation of the RIs/VAOs. If it was without the reports of the RIs/VAOs, the Tahsildar could send the papers to either one or both of them for submitting verification report. In the e-District workflow system, the application for community certificate was received at the CSCs and would be processed at different levels viz., VAOs, RIs, ZDT/Tahsildar and RDO. RDO was the approving authority for ST community certificate, Tahsildar for SC community certificates and ZDT for other than SC/ST communities.

We analysed the data and observed that same applicants were issued more than one community certificates, which fell under two categories viz., same community (21,175 instances with range from 2 to 31) and different communities (818 instances) in all the 32 Districts. In an instance in Coimbatore district, an applicant had been issued two certificates of two different communities within a span of two days viz., SC certificate issued by Tahsildar on 18/11/2015 and BC certificate issued by Zonal Deputy Tahsildar on 20/11/2015. Details of sample cases are given in **Table 2.29**.

**Table 2.29: Issue of more than one community certificate to the same person**

Sl. No.	Application ID	Application Date	CAN	Certificate issued	Date of approval	Issuing authority
1	<b>Coimbatore South Taluk</b>					
	2015/0204/12/073606	16/11/2015	0331201021238	SC	18/11/2015	Tahsildar
	2015/0204/12/074506	19/11/2015	0331201021482	BC	20/11/2015	ZDT
2	<b>Mettupalayam Taluk</b>					
	2015/0204/12/036887	13/07/2015	0331204019023	BC	03/08/2015	ZDT
	2015/0204/12/047570	06/08/2015	0331204021099	MBC	10/08/2015	ZDT
3	<b>Madukkarai Taluk</b>					
	2015/0204/12/053820	20/08/2015	0331214010942	SC	11/10/2015	Tahsildar
	2015/0204/12/061191	11/09/2015	0331214012398	DNC	07/10/2015	ZDT

(Source: Extraction from database furnished by the department)

Due to lack of validation control in the system, when an applicant requested for community certificate for the second time, the system allowed the application to be captured with new CAN and application ID.

GoTN accepted the audit observation and stated (October 2016) that an enquiry had been initiated in Coimbatore and Madurai districts and if any irregularity was found, disciplinary action would be taken against the erring officials. However, reply of GoTN was silent about remaining cases pointed out by us.

**Recommendation 22: We recommend that provisions may be made in the system to display alert when request is made by the same applicant more than once and only a copy of the certificate should be furnished instead of fresh certificate every time. GoTN may examine all such cases and take necessary action.**

**(v) Issue of certificates through manual system**

We observed that Revenue Certificates were being issued manually even after the implementation of online system since April 2015. The details of manual certificates issued in the test-checked Taluks are listed in **Table 2.30**.

**Table 2.30: Issue of manual certificates**

Sl. No.	Taluk	Community	Income	Nativity	No graduate	Reasons
1	Kattumannarkovil	Nil	667	650	40	Network issue. Issued urgently.
2	Buvanagiri	268	1,127	258	24	Newly bifurcated taluk from Chidambaram from 02/06/2015. Delay in establishment of technical machinery. Oral instructions from collector.
3	Nannilam	160	120	200	30	Reason not furnished
4	Thiruthuraiipoondi	212	330	186	Nil	Reason not furnished
5	Gummidipoondi	478	879	634	180	Due to non-functioning of e-district web browser during the period 01/04/2015 to 31/03/2016.
6	Maduravoyal	21	32	2	Nil	Reason not furnished
7	Alangudi	Nil	7,616	3,103	305	Online from February 2016 only. Urgency during peak period for educational purposes.
8	Ambasamudram	1,803	Nil	Nil	Nil	Reason not furnished
9	Sankarankoil	821	Nil	Nil	Nil	
10	Mettur	298	395	393	70	
11	Yercaud	28	17	224	61	
12	Perur	355	1,163	241	74	OC certificate issued manually. Income certificate for scholarship issued in prescribed form which is not available in online. SC certificate for applicants, who are applying for central government jobs and universities to be issued in prescribed form. Certificates required for medical emergencies.
13	Kinathukadavu	433	1,145	235	87	

(Source: Results of data analysis from the database furnished by the department)

During field visit to Taluks, we observed that the certificates were being issued through manual system even after introduction of online system from

April 2015, due to lack of provision in the present on-line system for issue of Other Backward and Forward Communities, network issues and when the certificates were sought for in a specific format other than the common format available in the on-line system.

GoTN stated (October 2016) that such certificates were issued due to network issues, non-functioning of e-District web browser and urgent educational purpose. During Exit Conference (September 2016), Department also stated that efforts would be made to bring out the missed out communities in the list of values so that Community Certificate could be issued to all the applicants. Further, it was stated that a Committee would be appointed to rectify the discrepancies and submit a detailed report. We observed that the issue of required modifications was not taken up with the software developer by the department.

### **2.3.9 Monitoring**

As per the guidelines of GoI, GoTN had appointed State Apex Committee (SAC), which was empowered to take decision on the implementations strategy, process re-engineering requirements and make all policy level decisions. This state level committee had to co-ordinate with functionaries of various concerned District Administration and Government Departments as well as District level offices for ensuring smooth implementation of the e-District Vision, Mission and Objectives. The Committee was to meet regularly and review the progress of implementation of the project.

We noticed that only three such meetings were conducted by SAC i.e. on 13/09/2011, 26/02/2014 and 06/04/2015. It was further noticed that several policy decisions (change in system architecture, prioritisation of services to be included in e-District, change in payment schedules, etc.,) on the implementation of the project had been taken only in the meetings conducted by TNeGA.

TNeGA stated (April 2016) that the Chief Secretary to Government was the Chairman of the SAC and Secretaries to Government of Mission Mode Departments were members of the SAC and meetings were convened based on the availability of the SAC members.

Further, it was stated that in the RFP, it was specified to use the open standards and not open source, based on which the change in System Architecture had been proposed. Since the prioritisation of services and change in payment schedules were operational decisions, the SAC had authorised the Director of e-Governance to add additional services in consultation with the Departments concerned and to fix service charges for the same and to obtain ratification in due course from the SAC. However, it was reiterated that the policy decisions were to be taken only after convening the SAC.

We observed that the decisions relating to (i) the replacement of 23 services for development of CSC Management module at an additional cost of ₹ 1.58 crore and (ii) shifting the Data Centre site from SDC, Perungudi to BSNL Harbour Exchange, which resulted in under-utilisation of

hardware/software, had not been placed before the SAC. TNeGA stated (September 2016) that the above two policy decisions had been placed and ratified by SAC in September 2016. Though the events took place in July 2015, approval was obtained consequent to the audit observations.

The reply was not tenable as meetings were required to be held regularly to take care of the successful implementation of the project.

### **2.3.10 Conclusion**

The e-District Project, initiated in the year 2008, had not been completely implemented (February 2017) though it was planned to be completed by February 2016. The Data Centre site was shifted from State Data Centre, Perungudi owing to space constraints to BSNL Data Centre due to which four components worth ₹ 1.01 crore could not be put to use, as they were not compatible with BSNL data centre. Further, since the envisaged Disaster Recovery site had not become functional, servers and computer infrastructure worth ₹ 3.54 crore were not utilised. The main objectives of e-District Project viz., delivery of services in online mode, accessibility, transparency, accountability, functional and operational efficiency and effectiveness and seamless integration of various departments had not been achieved due to lack of appropriate input, processing and output controls and non-mapping of business rules. We observed the following lapses as a result of our audit:

- Excess payment of scholarship was made to the tune of ₹ 3.23 crore by allowing multiple applications for the same student in the same academic year.
- Students were paid lesser maintenance allowance amounting to ₹ 21.05 crore than their entitlement.
- Marriage assistance was allowed to the same beneficiaries on more than one occasion.
- Different community certificates were issued to the same applicants.
- There were delays in processing of applications for various purposes which defeated the purpose of ensuring efficient delivery of services to citizens.
- Ineligible applicants were given benefits and eligible candidates were denied benefits.
- Applications without required documents were captured and processed by the system raising doubts about the authenticity of the software application.

The above observations contained in this Information Technology Audit were based on field visits conducted in eight test-checked districts which were only illustrative. As such, we recommend that corrective action in respect of similar cases in other districts may be taken by the Government.

**CHAPTER III**  
**COMPLIANCE AUDIT**



## CHAPTER III

### COMPLIANCE AUDIT

Compliance Audit of Departments of the Government and their field formations as well as autonomous bodies brought out several lapses in management of resources and failures in observance of norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs.

#### 3.1 Excess expenditure

##### *HOME, PROHIBITION AND EXCISE DEPARTMENT*

#### 3.1.1 Excess payment of Value Added Tax on purchase of vehicles

**The Director General of Police paid Value Added Tax to a firm at 14.5 per cent during 2014-15, as against the reduced rate of five per cent allowed for Government Departments, resulting in excess payment of ₹ 1.49 crore.**

Government of Tamil Nadu notified<sup>1</sup> (July 2011) under the Tamil Nadu Value Added Tax Act, 2006, reduction in rate of tax to five *per cent* on the sale of goods, to the State and Central Government Departments including Indian Railways and Departments of other State Governments in Tamil Nadu, which are taxable at a rate higher than five *per cent* except petrol, diesel and cement, subject to the condition that the dealer furnishes a certificate prescribed in this regard to the Commercial Taxes and Registration Department.

Scrutiny (January 2016) of records in the Office of the Director General of Police (DGP), Chennai revealed that GoTN provided ₹ 30.95 crore during 2014-15 to the Home, Prohibition and Excise (Home) Department under the Head 'Provision for the purchase of Motor Vehicles in place of condemned vehicles'. In response to DGP's letter (January 2015) calling for quotations, firm 'A' in Chennai quoted (February 2015) the rates approved by the Director General of Supplies and Disposals (DGS&D) for the vehicles. These rates were inclusive of Value Added Tax (VAT) at 14.5 *per cent*, instead of five *per cent* meant for purchase for Government departments. The DGP placed purchase orders (March 2015) with the firm 'A', for procurement of 102 vans and 71 mini buses at a cost of ₹ 18.72 crore, inclusive of all taxes and transportation charges, without taking into account the above Notification of July 2011, which provided for payment of VAT at five *per cent* on sale to Government Departments. As per the terms of the purchase order, the firm 'A' was sanctioned (March 2015) ₹ 18.72 crore as advance based on the

<sup>1</sup> Notification No. II(1)/CTR/12(u-1)/2011 dated 19/07/2011 of the Commercial Taxes and Registration Department

proforma invoices submitted (March 2015) by them. The vehicles were supplied by the firm 'A' to the DGP in June and July 2015 and adjustment bills were passed for payment by the DGP in October 2015.

It was noticed that the proforma invoices were submitted by the firm 'A' to the DGP which were inclusive of VAT at 14.5 *per cent* of the basic cost of the vehicles. We, however, observed that the VAT on the above purchases was paid incorrectly, at 14.5 *per cent* (₹ 2.28 crore) of the basic cost of the vehicles (₹ 15.71 crore), instead of at the reduced rate of five *per cent* (₹ 78.60 lakh) applicable for sale to Government departments.

Thus, failure of the DGP to make payment of VAT at the correct rate of five *per cent* on the basic cost of vehicles resulted in excess payment of VAT amounting to ₹ 1.49 crore, which calls for fixing of the responsibility for causing loss to the Government exchequer. It was, however, noticed that the DGP had requested (December 2016) the Commercial Tax Department to refund the excess paid VAT amount, based on the audit objection.

The Principal Secretary to Government, Home Department replied (September 2016) that the firm had mentioned 14.5 *per cent* as VAT on the basic cost in the proforma invoice and that as the DGS&D rate contract provided for price inclusive of VAT, payment was made to the firm 'A', which was inclusive of 14.5 *per cent* VAT.

The reply was not tenable, as the DGP failed to verify the correct rate of VAT applicable for the purchase of vehicles, before placing purchase order with the firm.

### **3.2 Avoidable expenditure**

#### ***REVENUE DEPARTMENT***

##### **3.2.1 Excess expenditure on distribution of sarees and dhoties**

**Tamil Nadu Handloom Weavers Co-operative Society Limited supplied sarees and dhoties for the scheme Free supply of sarees and dhoties to pensioners covered under nine Social Security Pension schemes at higher rates compared to those supplied by the same agency under another scheme with similar specifications, which resulted in avoidable excess expenditure of ₹ 43.94 crore.**

As per Article 3(1) of the Tamil Nadu Financial Code, every Government servant is expected to exercise the same diligence and care in respect of all expenditure from public moneys under his control as a person of ordinary prudence would exercise in respect of the expenditure of his own money.



GoTN has been implementing the scheme of 'Free supply of sarees and dhoties to pensioners covered under nine Social Security Pension (SSP) schemes<sup>2</sup>' since 1979. Under the scheme, one saree per female pensioner and one dhoti per male pensioner were distributed twice a year, once for the Pongal festival and another for the Deepavali festival. The Commissioner of Revenue Administration (CRA), Revenue Department was in charge of implementation of the scheme.

A similar scheme of 'Free supply of sarees and dhoties to the poor people<sup>3</sup>' was also being implemented by GoTN since 2004, with a view to benefit the poor and provide employment opportunities in handloom and power loom sector in the State. Under the scheme, one saree and one dhoti were supplied to the eligible poor people, once a year on the eve of Pongal festival. This scheme was renamed 'Scheme of distribution of priceless sarees and dhoties' in 2012. The Handlooms, Handicrafts, Textiles and Khadi (HHTK) Department was entrusted with the task of implementing the scheme by way of procurement of yarn, production and distribution of sarees and dhoties to the Revenue Department, which would in turn distribute them to the beneficiaries.

The Tamil Nadu Handloom Weavers' Co-operative Society Limited<sup>4</sup> (Co-optex), under the control of HHTK Department, was the nodal agency, for implementing both the schemes, which procured sarees and dhoties from Weavers' Co-operative Societies and supplied to Taluks, based on the requirements furnished by the District Administration.

We observed from the scrutiny of records (April 2016) in the HHTK Department that the rates of sarees and dhoties in respect of the 'Scheme of distribution of priceless sarees and dhoties' were being fixed by the Government, based on the proposals of Director of Handlooms and Textiles (DHT).

Further, scrutiny of records (March 2016) relating to 2013-16 in Revenue Department revealed that the rates of sarees and dhoties in respect of 'Free supply of sarees and dhoties to pensioners covered under nine SSP schemes' were fixed by the Co-optex and communicated to CRA, who accepted the same and payments were made accordingly to Co-optex.

The audit scrutiny further revealed that the rates of sarees and dhoties supplied by Co-optex under the scheme 'Free supply of sarees and dhoties to

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<sup>2</sup> (i) Indira Gandhi National Old Age Pension Scheme, (ii) Indira Gandhi National Widow Pension Scheme, (iii) Indira Gandhi National Disability Pension Scheme, (iv) Destitute Widow Pension Scheme, (v) Destitute Differently Abled Pension Scheme, (vi) Destitute/Deserted Wives Pension Scheme, (vii) Unmarried Women Pension Scheme, (viii) Chief Minister's Uzhavar Padukappu Thittam - Old Age Pension and (ix) Old Age Pension to Srilankan refugees

<sup>3</sup> Under the scheme, holders of Rice Option Cards (Green Cards) under Public Distribution System were eligible

<sup>4</sup> Established in 1935 with the objective of purchase and supply of required yarn to the affiliated Primary Weavers' Co-operative Societies and to procure and market the products of the Primary Weavers' Co-operative Societies

pensioners covered under nine SSP schemes' to the Revenue Department, during 2013-16 were higher than the rates charged under the 'Scheme of distribution of priceless sarees and dhoties' to the HHTK Department, though specifications of the items of sarees and dhoties were the same under both the schemes.

We further observed that there was no co-ordination between the two departments to assess the rates of the same supplier for their respective scheme for supply of sarees and dhoties, which resulted in procurement of sarees and dhoties at higher rates by CRA under the scheme 'Free supply of sarees and dhoties to pensioners covered under nine SSP schemes', leading to avoidable extra expenditure to the Revenue Department amounting to ₹ 43.94 crore.

Thus, the failure of the CRA to follow the provisions contained in the Tamil Nadu Financial Code and lack of co-ordination between the Revenue and HHTK Departments resulted in procurement of sarees and dhoties at higher rates from the same supplier i.e., Co-optex.

GoTN replied (November 2016) that for the 'Scheme of distribution of priceless sarees and dhoties', production activities were carried out with the advance payment made by DHT to Co-optex, handling and transportation charges actually incurred were claimed separately and were not included in the supply rate and the major requirement of yarn for production of dhoties and sarees was being procured through tender system. However, in respect of 'Free supply of sarees and dhoties to pensioners covered under nine SSP schemes', no advance payment was made and Co-optex included the handling and transportation charges in the sarees and dhoties price itself. Thus, there was variation in the price of sarees and dhoties supplied by Co-optex under the scheme 'Free supply of sarees and dhoties to pensioners covered under nine SSP schemes' when compared to the price of sarees and dhoties supplied under general scheme of distribution of priceless sarees and dhoties to the public through the DHT.

The reply was not acceptable as CRA who was responsible for distribution of sarees and dhoties for both the schemes could have co-ordinated with the DHT and explored the possibility of procuring the yarn through tender system as was done by DHT. Further, the excess expenditure was worked out by us after taking into account the handling, transportation charges and administrative expenses claimed by Co-optex/DHT. Even after taking into account the handling, transportation charges and administrative expenses claimed separately for the 'Scheme of distribution of priceless sarees and dhoties', the rates of sarees and dhoties were higher for the supplies made to CRA under 'Free supply of sarees and dhoties to pensioners covered under nine SSP schemes' than the rates of sarees and dhoties supplied under the 'Scheme of distribution of priceless sarees and dhoties', as detailed in **Appendix 3.1**. Thus, payment of excess expenditure for the same material calls for fixing of responsibility of the CRA.

## SCHOOL EDUCATION DEPARTMENT

### 3.2.2 Avoidable expenditure on payment of godown rent

**Delay in taking decision by the Government in disposal of obsolete textbooks stored in godowns of Tamil Nadu Textbook and Educational Services Corporation resulted in avoidable expenditure of ₹ 13.37 crore towards payment of godown rent during 2012-16.**

The School Education Department has been supplying free textbooks for all students of standards I to XII in Government and Government aided schools through the Tamil Nadu Textbook and Educational Services Corporation (TNTESC) from 2005-06. Upto 2011-12, the printed textbooks were stored in godowns owned or hired by the TNTESC and then supplied to District Elementary Educational Officers (DEEOs)/District Educational Officers (DEOs) for eventual distribution to students. With a view to minimise transport cost, the textbooks, instead of being stored in godowns, were directly supplied by the printers to designated nodal schools for distribution to the schools concerned through DEEOs/DEOs, with effect from 2012-13. It was, however, noticed that TNTESC continued to claim and receive godown rent from Directorate of School Education (DSE) and Directorate of Elementary Education (DEE), as one of the constituent components<sup>5</sup> of the cost of the free textbooks supplied during 2012-16.

On being asked during audit, the TNTESC replied (February 2016) that rent was claimed as the godowns were utilised for storing obsolete stock of textbooks.

The scrutiny of records (January and February 2016) in the TNTESC, DSE and DEE, however, revealed avoidable payment of godown rent due to delay on the part of the Government in disposal of obsolete textbooks as discussed below:

(i) The GoTN introduced the Uniform System of School Education (USSE) during 2010-11 for students in Standards I and VI with common syllabus, textbooks and examination for four streams of education<sup>6</sup> prevalent in the State. In modification of the above decision, GoTN issued instructions (May 2011) to TNTESC to print textbooks for the academic year 2011-12 based on 2009-10 syllabus, which prevailed before the introduction of USSE. Accordingly, TNTESC issued print orders for printing 5.27 crore textbooks for the academic year 2011-12. It was observed that printing commenced on 31 May 2011 and 4.41 crore textbooks had been printed by July 2011.

Subsequently, the GoTN instructed (19 July 2011) the TNTESC to keep in abeyance the printing of textbooks for 2011-12 in view of the judgment of the Madras High Court (18 July 2011), which ordered the GoTN to adhere to USSE. The Supreme Court of India also directed (August 2011) the State

<sup>5</sup> The other components were cost of paper, printing charges and transport charges

<sup>6</sup> State Board, Matriculation, Oriental and Anglo-Indian

Government to enforce the High Court judgement. Thus, the textbooks printed under 2009-10 syllabus for 2011-12 had become obsolete in July 2011.

The Managing Director of TNTESC informed (March 2012 and February 2013) the GoTN that 12,182 MTs of books printed under 2009-10 syllabus (for 2011-12) were not distributed and hence, the unused and outdated books were proposed to be disposed of to Tamil Nadu Newsprint and Papers Limited (TNPL) for recycling. The GoTN agreed to this proposal only in July 2013 due to delay in finalisation of rates and as of April 2015, 11,293 MTs<sup>7</sup> of obsolete books were handed over to TNPL.

(ii) It was further observed that the trimester system<sup>8</sup> was introduced (June 2012) for Standards I to VIII with effect from academic year 2012-13. The TNTESC approached (January 2014) GoTN, requesting approval for disposal of USSE books printed prior to 2012-13 and other obsolete books approximately weighing 5,239 MTs. Subsequently, TNTESC informed (April 2015) GoTN that the stock of books would approximately weigh 6,000 MTs. The GoTN issued orders for handing over 6,000 MTs of obsolete books to TNPL only in January 2016, after delay of two years from the date when TNTESC had initially approached them for orders.

Thus, delay in taking decision by the GoTN in disposal of obsolete books resulted in avoidable payment of godown rent of ₹ 13.37 crore (**Appendix 3.2**) during 2012-16.

GoTN replied (October 2016) that the books cannot be disposed of immediately, stating that had the USSE books printed initially for the year 2011-12 been disposed of immediately after Government's decision (May 2011) not to implement USSE, it would have resulted in huge loss as Government was forced to implement USSE based on the directions of the High Court (July 2011) and the Supreme Court (August 2011) and the printed books retained were distributed. Government also stated that the decision of lifting obsolete books/fixing the rates with TNPL was taken after several discussions due to which, issues which were faced earlier, such as return of the disposed of books to open market for resale, confusion relating to weighment procedures, loading, arranging for labour etc., were avoided.

The reply was not tenable as it highlighted probable loss, had USSE books been disposed of, whereas we pointed out delay in disposal of books printed based on 2009-10 syllabus. Further, Government had taken two years in deciding on each of the two occasions (July 2011 to July 2013 in the first instance and January 2014 to January 2016 in the second instance) in issuing orders for disposal of textbooks, which led to avoidable payment of godown rent of ₹ 13.37 crore to TNTESC during 2012-16.

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<sup>7</sup> TNTESC attributed (February 2016) the difference of 889 MTs (12,182 MTs - 11,293 MTs) to loss of quality and weight of papers in the books and inaccuracy in weighment of the initial estimate

<sup>8</sup> Under this system of education, the textbooks are divided into three volumes for the three terms in an academic year

## **HEALTH & FAMILY WELFARE AND PUBLIC DEPARTMENTS**

### **3.2.3 Avoidable payment of contracted demand charges and Belated Payment Surcharge**

**Failure to reduce the contracted maximum demand of load in High Tension service of electrical connection and non-payment of energy charges within due dates resulted in avoidable expenditure of ₹ 5.51 crore towards the contracted maximum demand and ₹ 2.46 crore as Belated Payment Surcharge.**

According to Tamil Nadu Electricity Supply Code (2004) (TNESC), High Tension (HT) power consumers were required to pay, besides current consumption charges, demand charges at rates prescribed from time to time, on maximum demand recorded in a month or 90 *per cent* of contracted demand, whichever was higher. Moreover, as per Regulation 5(2)(iv) of TNESC, no addition or reduction of demand in case of HT service was to be sanctioned unless outstanding dues in the same service connection had been paid. Regulation 5(4) of TNESC stipulated that all bills were to be paid in the case of HT consumers, within the due date specified in the bill. If the HT consumer failed to make payment against the bills by due dates, they were liable to pay Belated Payment Surcharge (BPSC) from the day following the due date for payment.

Consequent to shifting (May 2011) of the State Secretariat from the newly constructed Secretariat complex at Omandurar Government Estate, Chennai, to the earlier location at Fort St. George, GoTN ordered (September 2011) to utilise Block 'A' of this complex as a Government Multi Super Speciality Hospital (GMSSH) and issued necessary administrative and financial sanction (March 2012). Accordingly, the work of modification of the existing building was completed (February 2014) at an expenditure of ₹ 31.56 crore, by the Public Works Department<sup>9</sup> (PWD) and was inaugurated (February 2014). A total expenditure of ₹ 28.39 crore was incurred for the period September 2011 to October 2016 towards current consumption charges (₹ 15.28 crore), demand charges (₹ 10.65 crore) and BPSC upto January 2016 (₹ 2.46 crore).

Scrutiny of records (April 2016) in GMSSH and Health and Family Welfare (H&FW) Department, for the period February 2014 to March 2016, revealed as under:

- Due to change in usage of Block 'A' of new Secretariat complex, Public (Buildings) Department requested (September 2011) Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) to reduce contracted maximum demand from 6,000 Kilo Volt Ampere (KVA) to 2,000 KVA. However, the request for reduction was not

<sup>9</sup> Public Works Department was entrusted (March 2012) with modification of newly constructed Secretariat complex as Multi Super Speciality Hospital

accepted (September 2011), in terms of TNESC provision viz., Regulation 5(2)(iv), as the payment of pending electricity dues of ₹ 1.47 crore relating to the period October 2010 to August 2011 was not made by the Public (Buildings) Department for want of funds from the GoTN.

- Subsequently, H&FW Department sought (February 2014) waiver of contracted demand charges and BPSC from TANGEDCO for the period September 2011 to December 2013, on the plea that actual monthly demand during this period ranged only between 72 KVA and 1,116 KVA. This request for waiver was rejected (March 2014) by TANGEDCO citing Regulation 5(4) of TNESC viz., all bills were to be paid in the case of HT consumers, within the due date specified in the bill.
- Later (December 2014), at the time of transferring the HT service connection of Block 'A' in the name of "Officer on Special Duty, GMSSH", an agreement was executed with TANGEDCO for the already contracted maximum demand of 6,000 KVA, without seeking reduction in the contracted maximum demand.
- The current consumption and demand charges for the period from September 2011 to January 2016 were not paid within due dates, due to failure of Public (Buildings) Department to obtain funds from GoTN. Due to delay in payment, TANGEDCO levied BPSC of ₹ 2.46 crore (upto January 2016) on the outstanding dues under Regulation 5(4) of TNESC.
- Though TANGEDCO made repeated requests<sup>10</sup> for payment of current consumption bills, pending since September 2011 along with resultant BPSC, H&FW Department cleared the current consumption charges only in instalments<sup>11</sup> resulting in piling up of BPSC of ₹ 2.46 crore, which was paid in March 2016.

Thus, (i) non-payment of current consumption and demand charges within due dates, (ii) failure of Public (Buildings) Department to get the contracted maximum demand reduced<sup>12</sup> due to non-payment of outstanding dues and (iii) incorrect action of H&FW Department, which was aware of the trend of reduced monthly demand (72 KVA to 2,742 KVA) during September 2011 to October 2016, in requesting waiver of payment of maximum demand charges and BPSC instead of seeking reduction of the contracted maximum demand, had resulted in avoidable expenditure of ₹ 7.97 crore (**Appendix 3.3**) on contracted maximum demand (₹ 5.51 crore) and BPSC (₹ 2.46 crore).

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<sup>10</sup> June 2014, September 2014, December 2014, June 2015, November 2015, December 2015, January 2016 and February 2016

<sup>11</sup> March 2015, April 2015, February 2016 and March 2016

<sup>12</sup> By reducing from 6,000 KVA to 2,000 KVA during September 2011 to January 2014 and by reducing from 6,000 KVA to 3,600 KVA during February 2014 to October 2016

While accepting audit observations, the GoTN stated (December 2016) that the TANGEDCO had been requested (August 2016) to reduce the contracted demand to 3,600 KVA based on the load requirement. The fact, however, remains that till October 2016, GMSSH continued to pay for the contracted demand of 6,000 KVA, as it had failed to seek reduction of contracted maximum demand in time and also failed to reduce the contracted maximum demand while executing fresh agreement. Thus, the departments failed to make the payment in a timely manner and reduce the contracted demand for power as per actual requirement.

## **HIGHER EDUCATION DEPARTMENT**

### **3.2.4 Avoidable extra expenditure**

**Failure of the University of Madras to obtain planning permission for construction of building for National Centre for Nanosciences and Nano Technology before entrusting the work to the contractor resulted in avoidable extra expenditure of ₹ 2.87 crore and liability of ₹ 86.66 lakh.**

According to Section 49 of the Tamil Nadu Town and Country Planning Act, 1971, permission of Chennai Metropolitan Development Authority (CMDA) for taking up any development, is a pre-requisite for commencing the construction. Further, as per Section 3(1) of the Development Regulations (September 2008) forming part of the second Master Plan for Chennai Metropolitan Area, written permission (planning permission) of the designated authority for development was necessary.

The University of Madras (University) received, between September 2007 and November 2010, ₹ 70 crore as grant from GoI to commemorate its 150<sup>th</sup> year celebrations, which *inter alia* included ₹ 14.48 crore for constructing a building for National Centre for Nanosciences and NanoTechnology (Centre) at its campus in Guindy, Chennai. After finalisation of tenders for civil works (February 2011), an agreement for a value of ₹ 14.95 crore was entered into (June 2011) and work order was issued (July 2011) to a contractor.

From the scrutiny of records of the University and the CMDA during April/June 2016 in this regard, we observed that though the work was entrusted (July 2011) to the contractor, it was not commenced because CMDA advised (July 2011) the University not to proceed with the work on the basis of a representation (July 2011) made to it by Alumni Association of Anna University, which objected to the construction of the Centre in an area falling under Heritage Zone.

We further observed that the University, after applying to CMDA for planning permission (July 2011) and establishing that the construction site did not fall under Heritage Zone, obtained approval (January 2012) from the Government

in Housing and Urban Development Department and handed over the site (February 2012) to the contractor for commencing construction work.

Subsequently, the contractor, citing delay in handing over the site (i.e., as work order was issued initially in July 2011) requested (March 2012) for rate escalation on the contract value due to abnormal increase in cost of construction material prevailing at the time of handing over of site.

When the contractor's request for cost escalation was taken up by the University with the Chief Engineer, Public Works Department, he suggested that though a clause for cost escalation was not available in the agreement, the contractor could be compensated with some nominal percentage due to the cost escalation of building material. Accordingly, the Building Committee of the University resolved (May 2012) to pay cost escalation to the contractor. The University, after holding negotiations (July 2012) with the contractor enhanced the contract value and executed a revised agreement (September 2012) with the contractor for ₹ 19.14 crore (i.e., an increase of 28 per cent<sup>13</sup>). The work was started by the contractor after a fresh work order was issued (October 2012) for completion by March 2014. Later, the University obtained (June 2013) planning permission from CMDA during execution of the project. The work was completed (March 2015) at a cost of ₹ 18.69 crore<sup>14</sup>, after a delay of one year, from the stipulated date of completion.

From the scrutiny of records, the following lapses were noticed:

- Planning permission was not obtained by the University in violation of the Tamil Nadu Town and Country Planning Act, 1971.
- The University compromised for cost escalation, though there was no such clause in the agreement.

Thus, failure to obtain planning permission from CMDA for construction of building before entrusting the work (July 2011) to the contractor compelled the University to revise and increase the contract value in order to complete the work, by incorrectly allowing price escalation to the contractor, when no such clause was provided in the agreement. This resulted in avoidable extra expenditure of ₹ 2.87 crore<sup>15</sup> and liability of ₹ 86.66 lakh, besides delay in completion of the work.

The GoTN replied (November 2016) that the delay to obtain planning permission from CMDA was due to Heritage Zone intervention by the Alumni Association of Anna University. The GoTN further stated that through negotiations with the contractor, the University succeeded in maintaining the

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<sup>13</sup> The increase was due to adoption of 2012-13 PWD Schedule of Rates (SOR) in place of 2010-11 SOR adopted in the original agreement

<sup>14</sup> ₹ 86.66 lakh was pending settlement to the contractor

<sup>15</sup> Total amount paid to contractor: ₹ 17.82 crore (-) Original agreement rate: ₹ 14.95 crore



increase at 28 per cent of the cost (₹ 19.14 crore) instead of 45 per cent claimed by the contractor and added that if the tender had been called after obtaining planning permission, the cost would have been more than ₹ 19.14 crore. The reply was not tenable, as the University had applied to CMDA (19 July 2011) for written permission only after executing the agreement (7 July 2011) with the contractor, contrary to the rule provision that no person shall carry out any development without the written permission of the CMDA.

### 3.3 Idle Investment

#### **HEALTH AND FAMILY WELFARE DEPARTMENT**

##### **3.3.1 Non-availability of essential infrastructure facilities in the maternity block**

**Poor planning and delay in providing necessary infrastructure facilities in the maternity block, constructed at a cost of ₹ 3.52 crore, in Government Medical College Hospital, Villupuram, resulted in non-availability of essential infrastructure facilities as per Indian Public Health Standards.**

As per paragraph 4.4.3.8 of Indian Standard (IS) 15903:2010 on guidelines for Maternity Nursing Home, besides stairways, electrically operated automatic control lift shall be provided, if the building is having more than one storey. Further, as per Indian Public Health Standards (IPHS) for 31 to 100 bedded hospitals, ramp as per specification must be provided for easy access to non-ambulant (wheel chair, stretcher), semi-ambulant, visually disabled and elderly persons.

The Committee on Public Accounts (PAC), had expressed serious concern over delays in creation of facilities in hospitals, after completion of civil works on several occasions<sup>16</sup>. GoTN had also assured the PAC of simultaneous co-ordinated action for commissioning of medical facilities without loss of time in future.

A maternity block (i.e., CEmONC<sup>17</sup> centre), comprising ground plus two floors, was constructed in Government Medical College Hospital, Villupuram (Hospital) under National Rural Health Mission (NRHM) scheme viz., 'Strengthening of First Referral Units (FRUs)' at a cost of ₹ 3.52 crore. On completion of civil works (December 2013), the maternity block was taken

<sup>16</sup> Para 10.2.3, 33rd Report (VII Assembly) - 1984-85; Para 6.4, 50th Report (X Assembly) - 1991-92; Para 8.1.5, 60th Report (X Assembly) - 1991-92; Para 6.4, 322nd Report (XI Assembly) - 2000-01; Para 4.9, 141st Report (XII Assembly) - 2002-03 and Sl. No. 2, Para 10.2.3, 69th Report (X Assembly) - 1991-92

<sup>17</sup> CEmONC: Comprehensive Emergency Obstetric and Newborn care

over (August 2014) by the Dean of the Hospital (Dean). Though the new block was inaugurated (September 2015), due to non-provision of lift and ramp facilities, the ground floor of the building was only utilised for Ante-natal ward and Gynaecology ward and the remaining portion of the ground floor and the two other floors were not put to use. As a result, all labour-deliveries and connected activities were carried out in the old maternity wing of the main hospital.

Scrutiny of records in the Hospital and Health and Family Welfare (H&FW) Department during August-September 2015 and March-June 2016 revealed the following:

- GoTN accorded (November 2012) Administrative and Financial sanction for ₹ 3.80 crore for construction of the maternity block and directed the Dean to discuss with the Mission Director, State Health Society (MD), NRHM and finalise the works. Accordingly, the design was finalised (December 2012) by the then Dean in consultation with the MD, NRHM. Subsequently, based on the plan prepared by the Chief Architect, PWD, the estimate for the work was prepared by PWD (January 2013), approved by the Dean (January 2013) and technically sanctioned (February 2013) by the Chief Engineer, PWD. In the above estimate, ramp and lift facilities were not provided but only lift duct was provided.
- Later, the next incumbent Dean, realising the essentiality of ramp and lift facilities for the maternity block, requested PWD, in a review meeting (February 2014), for rough cost estimate for providing ramp facility. The Assistant Executive Engineer (AEE), PWD furnished (February 2014) the rough cost estimate for ₹ 53 lakh and requested the Dean to countersign the estimate for taking further action. The Dean, after forwarding (February 2014) the same to PWD also sent (September 2014) a copy of the rough cost estimate to the Director of Medical Education (DME), the administrative head under whose control the hospital functions. However, as no further action was taken in this regard by the DME, the Dean, after a period of 17 months requested (February 2016) for another rough cost estimate from Assistant Engineer, PWD based on plinth area rate of 2015-16. The same was forwarded (March 2016) to DME for approval, which was awaited (October 2016).
- The Dean requested (July 2014) the MD, NRHM to provide lift facility in the maternity block. Subsequently, Chief Engineer (Buildings), PWD sent (November 2014) the estimate for lift facility to DME for obtaining administrative and financial sanction from the Government. The DME, in turn, sought (December 2014) and obtained (April 2015) Government Order sanctioning ₹ 21.50 lakh, which mentioned the building as ground plus four floors instead of ground plus two floors. The Dean, who initially decided to obtain modification of the Government Order, with regard to number of floors, later, without

obtaining the modification, requested (June 2016) PWD to start the work. The work commenced in October 2016.

Thus, the maternity block of the hospital remained without essential infrastructure as per IPHS norms for over two years, due to the failure of the MD, NRHM and the Dean to design the building with lift and ramp facilities at the planning stage and the failure of the DME to take timely action in this regard. Further, GoTN did not adhere to its earlier assurance to PAC on prompt commissioning of facilities. As a result, even after incurring an expenditure of ₹ 3.52 crore, the building, except for a portion of the ground floor, was not put to use for over two years (from August 2014) and maternity patients were deprived of essential facilities.

GoTN replied (October 2016) that action was being taken to provide lift and ramp facilities in the new maternity block. The fact, however, remained that the building lacked essential infrastructure facilities as per IPHS norms even after more than two years since taking over the maternity block from PWD.

## **HEALTH AND FAMILY WELFARE DEPARTMENT**

### **3.3.2 Non-establishment of District Geriatric Units under National Programme for Health Care of the Elderly**

**Delays at various levels resulted in non-establishment of District Geriatric Units, despite availability of funds of ₹ 7.96 crore.**

Government of India had launched (2010) National Programme for Health Care of the Elderly (NPHCE) with GoI/State share of 80/20 *per cent* respectively to provide easy access to preventive, curative and rehabilitative services for the elderly<sup>18</sup> persons aged 60 and above. The funds for the Programme were routed through Tamil Nadu State Health Society<sup>19</sup> (SHS) and the programme was to be implemented through Tamil Nadu Health Systems Project<sup>20</sup> (TNHSP).

The GoI released (December 2010 and September 2012) ₹ 6.23 crore<sup>21</sup> to the SHS, for implementation of NPHCE during 2011-13 in five districts<sup>22</sup> by setting up District Geriatric Units (DGUs), to carry out various functions such

<sup>18</sup> As per Census 2011, the total population of elderly people in the State was 75.76 lakh.

<sup>19</sup> A society registered under Tamil Nadu Societies Registration Act, 1975 to achieve the objectives of National Rural Health Mission

<sup>20</sup> Tamil Nadu Health Systems Project is functioning from January 2005 for implementing various schemes to improve the health status of the people of the State.

<sup>21</sup> ₹ 2.79 crore for 2011-12, released in December 2010 and ₹ 3.44 crore for 2012-13 released in September 2012

<sup>22</sup> Coimbatore, Theni, Thoothukudi, Tirunelveli and Virudhunagar

as provision of Geriatric Clinics for outpatients, Laboratories for diagnosis, medicines for geriatric medical and health problems and ten-bedded Geriatric wards for the in-patient care of the elderly. The GoTN released (June 2013) ₹ 1.73 crore towards its share (20 per cent) to the SHS. As per the guidelines of the scheme issued by GoI in August 2011, the DGUs were required to supervise and co-ordinate the activities of Community Health Centres (CHC), Primary Health Centres (PHC) and Sub-Centres.

Scrutiny of records (January 2016) in the SHS and TNHSP revealed the following:

- GoTN had decided (April 2011) to implement NPHCE through TNHSP. Though as per GoI's guidelines, the NPHCE was to be implemented through Non-Communicable Diseases (NCD) Cell wherever available in the State Government, but the Project Director, TNHSP requested (March 2012) GoTN to authorise the NCD Cell<sup>23</sup> of the TNHSP to implement the NPHCE. The GoTN authorised NCD Cell for the purpose only in September 2013, after a delay of 2 years and 8 months from the date of receipt of initial release of funds from GoI in December 2010. Since there was no need for seeking authorisation of GoTN as per the GoI's guidelines, the delay of 2 years and 8 months was avoidable.
- Though GoI released ₹ 6.23 crore in December 2010 and September 2012, SHS sanctioned and transferred ₹ 3.49 crore to TNHSP only in June 2013. Thus, the funds were released after delay of two years and five months from the receipt of first instalment of funds by GoTN in December 2010 from GoI.
- The Special Secretary, Health and Family Welfare Department, GoTN cum Project Director, TNHSP sought (May 2013) clarification from GoI for identifying activity/component on which GoI funds could be utilised under NPHCE. He also stated that no funds allocated under NPHCE had been utilised till then i.e., May 2013. Thus, even though funds had been received from GoI as early as in December 2010, GoTN sought clarification only in May 2013 from GoI in this regard after a gap of two years and four months from the receipt of funds initially in December 2010.
- We further noticed that the GoI asked (June 2014) GoTN to refund the unspent balance as on 31 March 2013 in respect of NPHCE, to the GoI Account, so that future releases were not adversely affected. Accordingly, the Mission Director, SHS, Tamil Nadu refunded (March 2015) ₹ 6.71 crore<sup>24</sup> to GoI, being the unspent balance under NPHCE as of 31 March 2014. The SHS also refunded (March 2016) ₹ 1.73 crore to the GoTN, which was released by GoTN as its 20 per cent share under the scheme.

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<sup>23</sup> Formed for NCD Intervention Programme of the World Bank supported TNHSP

<sup>24</sup> Including interest amounting to ₹ 0.48 crore

Thus, the National Programme for Health Care of the Elderly could not be implemented in the State due to various lapses as pointed out above.

On being asked, the Principal Secretary, Health and Family Welfare Department replied (October 2016) that the funds for the years 2010-11 and 2011-12 could not be utilised due to non-availability of operational guidelines for the utilisation of funds and that the funds for the two years were not requested by GoTN and the districts identified for implementation were not the choice of GoTN. It was further stated that NCD control programme was being implemented in all the districts by TNHSP from 2011 onwards.

The reply was not acceptable, as it was noticed that the Operational Guidelines for NPHCE were released by GoI in August 2011 itself. Further, the funds, though stated to be not required, were not returned by GoTN to GoI immediately, if the same were not required and were refunded in March 2015, only on being asked by GoI. Moreover, the NCD control programme was implemented by GoTN for prevention and control of NCDs like diabetes, Hyper Tension, Cervix Cancer and Breast Cancer and was not a focused one, as in the case of NPHCE, which was meant to cater to the elderly people exclusively.

### 3.4 Regularity issues

#### *REVENUE DEPARTMENT*

##### 3.4.1 Delay in fixation of lease rent

**Delay in revising and fixing the lease rent resulted in non-collection of lease rent of ₹ 2,081 crore for the period 2000-16 from Tamil Nadu Cricket Association and Madras Cricket Club.**

Under the provisions of Revenue Standing Order 24-A (RSO 24A), comprising of various executive orders issued from time to time by the Revenue Department, lease rent for Government land granted to individuals, private bodies, companies or associations and local bodies should be revised at the time of renewal of lease or once in three years, whichever was earlier. As per GoTN orders (December 1970), issued by Revenue Department, lease rent for properties situated in Chennai City was to be levied at seven *per cent* of double the market value of the property in the case of rich persons i.e., persons or organisations dealing with commercial activities and seven *per cent* of the market value of the property in other cases. The market value of the land was to be assessed by the Revenue Department on the basis of the details of sale of land during the relevant period from the records of Sub-Registrar and the highest value of these sales within the vicinity was to be adopted.

Audit scrutiny of the records (April to June 2016) of the Revenue Department, Office of the Additional Chief Secretary and Commissioner of Land

Administration (ACS/CLA) and the Collectorate, Chennai revealed that the GoTN renewed (June 1995) the lease<sup>25</sup> for Government land (7,48,453 sq. ft.<sup>26</sup>) to Tamil Nadu Cricket Association (TNCA) and Madras Cricket Club (MCC). Lease agreements were executed (February 2001) by the District Collector, Chennai with TNCA and MCC for a period of 20 years from 20 April 1995 and the lease rent was fixed at ₹ 50,000<sup>27</sup> per annum for the first five years (i.e., 20 April 1995 to 19 April 2000), which was payable in advance (on 1 April) for each year. The lease rent for the remaining 15 years was, however, not fixed by the GoTN.

Scrutiny of records revealed that the lease rent had neither been fixed nor collected from the TNCA and MCC for the period from 2000 to 2015, due to delaying tactics adopted by the Government (Revenue Department) as discussed below:

The ACS/CLA had requested (March 2007) the Revenue Secretary to fix the lease rent for the period with effect from April 2000 in terms of 'RSO 24A' on commercial basis in respect of TNCA and MCC. On being asked, the additional particulars on the issue were also submitted (September 2011) by the ACS/CLA to the Government but the lease rent was not fixed.

Subsequently, the District Collector, Chennai submitted (January 2014) a proposal to the ACS / CLA for levy of lease rent of ₹ 592.85 crore<sup>28</sup> to be collected from TNCA and MCC, for the period 2000-15. The ACS/CLA, however, had found three mistakes in the proposal submitted by the District Collector *viz.*, (i) the lease rent calculated at the rate of seven *per cent* on double the market value of land for only one year was adopted by the District Collector, instead of for three years for each block period with effect from the year 2000; (ii) the land to the extent of 3,640 square feet was not taken into account by the District Collector and (iii) the rate per square feet for the period 2009-12 was adopted by the District Collector as ₹ 12,549, which related to the previous block year i.e., 2006-09, instead of the rate of ₹ 14,055.

After getting the above discrepancies rectified from the District Collector, the ACS/CLA submitted (April 2014) a revised proposal to the Government (Revenue Department) for fixing the lease rent for 7,52,093 sq.ft. (7,48,453 sq.ft. + 3,640 sq.ft.) on commercial basis, which worked out to ₹ 1,834.78 crore<sup>29</sup> for the period 2000-15. It was, however, noticed that instead of accepting and fixing the lease rent in respect of TNCA and MCC, as proposed by the ACS / CLA in the light of the provisions of RSO 24A, the Secretary to Government, Revenue Department held (April 2014) a meeting with the District Collector, Chennai and Joint Commissioner (Land Administration) by discussing with them various methods for fixing the lease rent. The Revenue Secretary also appointed a Joint Committee (JC), consisting of (a) District Collector, Chennai and (b) Joint Commissioner (Land

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<sup>25</sup> The original lease was for 30 years from 20/04/1965 to 19/04/1995

<sup>26</sup> Includes land to an extent of 98,344 sq. ft. leased to Madras Cricket Club

<sup>27</sup> Fixed adopting the 1970 orders, based on the then prevailing market value

<sup>28</sup> The lease rent was calculated at 14 *per cent* on the highest value of land lying within the radius of 1.6 km, for each block of three year periods during 2000-15.

<sup>29</sup> 2000-2003 : ₹ 198.46 crore; 2003-2006 : ₹ 352.61 crore; 2006-2009: ₹ 396.40 crore; 2009-2012 : ₹ 443.97 crore; 2012-2015 : ₹ 443.34 crore

Administration). The mandate of the JC was to verify the details about the fixation of lease rent, arrears due from TNCA and MCC and examination of various options for future use of leased land on expiry of the lease in 2015.

After conducting deliberations in the light of the discussion held by the Revenue Secretary, the members of JC submitted (September 2014) their report to the Government, recommending three options for fixing the lease rent in respect of the leased lands viz., the lease rent be fixed at (i) ₹ 917.39 crore, by adopting the rate of seven *per cent* of prevailing market value of land, applicable for non-commercial usage; (ii) ₹ 1,834.78 crore, by adopting the rate of seven *per cent* of double the prevailing market value, applicable to commercial usage and (iii) ₹ 34.70 crore, by adopting the nominal lease rent of 15 *per cent* of gross income of the audited balance sheets of TNCA and MCC and additional tax, as was done in the case of Tamil Nadu Golf Federation and Cosmopolitan Club.

In the meantime, after the expiry of the lease period of the land in April 2015, TNCA requested (April 2015) the GoTN for renewal of lease for a period of 30 years. However, the GoTN had neither taken any decision on the proposal of ACS / CLA submitted in April 2014 nor on the recommendations of the JC about the quantum of lease rent or the renewal of lease in respect of TNCA and MCC till date (January 2017).

We observed following lapses as a result of scrutiny of records:

(i) As per RSO 24A, though the revision of lease rent was due once in three years (from 2000), but the ACS/CLA had submitted a proposal (March 2007) for revision in the lease rent to GoTN after a period of seven years. Thus, the GoTN had failed to take action in time to determine and revise the lease rent for the relevant three years period, as and when it became due.

(ii) As per GoTN orders (December 1970), lease rent was to be levied at seven *per cent* of double the market value of land. Thus, as per these norms, the lease rent in this case was required to be worked out at the rate of seven *per cent* of double the market value of land. Since the proposal submitted by ACS/CLA in April 2014 to the GoTN was based on the prescribed procedure for fixation of lease rent i.e., at seven *per cent* of double the market value of land in terms of RSO 24A, which was quite clear, JC was not required to be constituted by the GoTN.

(iii) On being asked by the GoTN to offer comments on the recommendations of the JC, the ACS/CLA reiterated (February 2015) previous stand (April 2014) for fixing the lease rent in terms of the provisions of RSO 24A (i.e., ₹ 1,834.78 crore for the period 2000-15) and requested Government to pass orders as deemed fit. Even after obtaining views of the ACS/CLA on the report of JC, the GoTN had not taken any action to fix the lease rent till date (January 2017).

(iv) The action of the Revenue Secretary to appoint District Collector and Joint Commissioner (Land Administration) as members of the JC was not in order, as they were submitting proposals to the ACS / CLA and GoTN for fixing the lease rent in respect of TNCA and MCC, instead of appointing some

other independent officer/committee having no stake and role in the submission of the proposal for fixing of lease rent. We observed that the Revenue Secretary briefed the members of JC to submit their recommendations in a particular manner, thereby influencing the possible recommendations of the JC in advance.

(v) Since TNCA and MCC were still in occupation of the land after expiry of the lease period, the lease rent for the period after expiry of the lease (April 2015) upto December 2016 (20 months) amounting to ₹ 246.30 crore<sup>30</sup> had also become due and payable by TNCA and MCC. Thus, the total lease rent for the period 2000-2016 amounted to ₹ 2,081.08 crore (₹ 1,834.78 crore (+) ₹ 246.30 crore), which was still remaining outstanding for recovery from TNCA and MCC.

On being asked, GoTN replied (March 2017) that in view of the various proposals mooted and meetings conducted and additional particulars called for between March 2007 and February 2016 from various departments, including Inspector General of Registration and Commissioner of Commercial Taxes about the activities of the TNCA for fixing the lease rent, there was continuous process carried out at Government level regarding fixing the lease rent. It was also stated that there was no undue influence on the JC and that there was no intention to favour any particular private body. The decision on fixing the lease rent could not be taken in the absence of required particulars to be collected from various departments. It was also stated that ₹ 1.05 crore was collected from MCC and TNCA as lease rent for the period 1995-2015 and the lease rent due from the lessee would be collected along with interest retrospectively.

The reply of the Government that the action was continuous was not acceptable as this had not helped the Government to arrive at a decision to fix the lease rent for the period 2000-15 while the lease rent should have been fixed before the commencement of the sixth year of the lease period i.e., before April 2000 itself and subsequently thereafter, as and when it became due. Thus, the GoTN has failed to fix, determine and collect the lease rent due even after a lapse of more than 16 years of lease rent becoming due in April 2000.

Besides, the formation of JC was not only unwarranted in view of the provisions about fixing the lease rent already existing in RSO 24A, it had also resulted in further delays in postponing the decision on fixing lease rent. Further, the JC did not function independently, as its likely outcome was already under influence / overshadowed by the advice of the then Secretary, Revenue Department. The failure on the part of the GoTN to fix the lease rent based on proposal of ACS/CLA, which was again reiterated (by ACS/CLA) on being asked about comments on the report of JC, was not in the interest of the Government. On further verification, it was also seen that only ₹ 8 lakh<sup>31</sup> out of ₹ 1.05 crore pertained to the leased land discussed in the paragraph for the period 2000-15 and even after taking into account this amount, lease rent of

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<sup>30</sup> 7,52,093 square feet x ₹ 14,035 = ₹ 1055,56,25,255; ₹ 1055,56,25,255 x 14 per cent x 20/12 = ₹ 246,29,79,226 or ₹ 246.30 crore. ₹ 14,035 per square foot taken for calculating the market value for 2012-15 has been adopted.

<sup>31</sup> Collected at the old rate of ₹ 50,000 fixed for the period 1995-2000



₹ 2,081 crore was still remaining outstanding for recovery from TNCA and MCC. The Government's stand that interest would be collected along with lease rent retrospectively was not tenable as the interest becomes payable only if the lessee fails to pay the lease rent in time whereas the Government had failed even to fix and demand the lease rent for the period 2000-15, as per RSO 24A.

As a result, the Government failed to determine, demand and collect the lease rent for the period 2000-16 as per RSO 24A, even after the expiry of the lease period in April 2015 and the lease rent was still remaining outstanding for recovery (January 2017) against TNCA and MCC.

It is recommended that the Government should decide on priority the extent of lease rent to be fixed and recovery thereof.

## **ADI-DRAVIDAR AND TRIBAL WELFARE DEPARTMENT**

### **3.4.2 Excess utilisation of Special Central Assistance towards administrative charges**

**Adi-Dravidar and Tribal Welfare Department and Tamil Nadu Adi-Dravidar Housing and Development Corporation incurred ₹ 35.57 crore out of Special Central Assistance (SCA) funds towards staff cost of monitoring and evaluation cell and administrative expenses during 2009-15, in excess of the prescribed limit, which resulted in depleting SCA funds to that extent for implementation of schemes for the economic development of Scheduled Castes.**

Government of India releases Special Central Assistance (SCA) each year to the State Governments in addition to the States' Special Component Plans (SCPs) for the economic development of Scheduled Castes. The Tamil Nadu Adi-Dravidar Housing and Development Corporation Limited (TAHDCO) was the State Channelising Agency for implementing the economic development schemes for the welfare of Scheduled Castes using SCA funds.

SCA funds received by GoTN were transferred to the Personal Deposit Account of TAHDCO for implementing economic development schemes and to the Commissioner of Adi-Dravidar Welfare for implementing infrastructure facilities at the ratio of 90:10 respectively. A Monitoring and Evaluation Cell (MEC) was functioning in the Adi-Dravidar and Tribal Welfare (ADTW) Department for monitoring the progress on implementation of schemes and the staff cost of MEC was to be met out of 10 *per cent* SCA funds released to the Director of ADTW Department.

The GoI gave the State Governments full flexibility in utilising SCA funds, subject to the condition that the expenditure on staff meant for implementation, supervision, monitoring and evaluation was limited to three *per cent* of the funds released every year. GoTN, however, instructed (December 1990) TAHDCO that its administrative cost may be met from SCA with effect from the year 1990-91 without fixing any limit.

Scrutiny of records of the ADTW Department (October-November 2016) and TAHDCO (March-June 2016) revealed that, contrary to GoI guidelines, ADTW Department and TAHDCO incurred expenditure on staff cost of MEC and administrative expenditure amounting to ₹ 52.55 crore during 2009-10 to 2014-15, as against admissible amount of ₹ 16.98 crore, resulting in excess expenditure of ₹ 35.57 crore for the period 2009-10 to 2014-15 as shown in the **Table 3.1**.

**Table 3.1: Excess utilisation of SCA funds towards administrative charges**

(₹ in crore)

Year	SCA released by GoI	Admissible administrative expenditure @ three per cent	Administrative expenditure incurred from SCA funds by MEC and TAHDCO			Excess administrative expenditure incurred from SCA funds	Percentage of SCA funds utilised towards administrative expenditure
			MEC	TAHDCO	Total		
2009-10	65.86	1.98	0.09	6.77	6.86	4.88	10.42
2010-11	34.19	1.03	0.07	13.14	13.21	12.18	38.64
2011-12	114.70	3.44	0.08	9.31	9.39	5.95	8.19
2012-13	125.50	3.76	0.13	7.41	7.54	3.78	6.01
2013-14	100.00	3.00	0.15	4.62	4.77	1.77	4.77
2014-15	125.60	3.77	0.17	10.61	10.78	7.01	8.58
<b>Total</b>		<b>16.98</b>	<b>0.69</b>	<b>51.86</b>	<b>52.55</b>	<b>35.57</b>	

(Source: Details furnished by the Department and TAHDCO)

From the **Table 3.1**, it may be seen that administrative expenditure was incurred by TAHDCO ranging from 4.77 to 38.64 *per cent*, as against the permissible three *per cent* of SCA funds. It was further noticed that GoTN indicated only the staff cost of MEC separately and included the entire administrative expenditure incurred by TAHDCO in scheme expenditure in the annual progress report on the utilisation of SCA furnished to GoI.

It is pertinent to mention that in the previous Audit Report (Civil) of the CAG for the year ended March 1996, it was commented that the actual staff expenditure met out of SCA funds by TAHDCO during 1990-91 to 1994-95 was far in excess of the eligible amount resulting in overcharging the scheme by ₹ 7.37 crore. In reply to the PAC, the Department stated (August 2002) that the entire staff cost was charged to SCA funds as instructed by the GoTN in December 1990 and further added that GoI had given a ruling in October 1998 that the States were given full 'flexibility' in utilising the SCA funds and therefore, all costs were booked under the orders of the GoTN. The PAC had expressed its unhappiness with the reply of the Department and observed that the 'flexibility' mentioned (October 1998) by GoI evidently applied to the scheme implementation proper and was not meant for being applied for incurring expenditure on establishment without any limit. Similar audit comments were also included in the subsequent Audit Reports<sup>32</sup> of CAG of India.

<sup>32</sup> Paragraph 2.7 of the Audit Report (Commercial) for the year ended 31 March 2003; Paragraph 2.3.1 of the Audit Report (Civil) for the year ended 31 March 2010; and Paragraph 2.9 of the Audit Report (Commercial) for the year ended 31 March 2010

Thus, GoTN, in disregard of GoI instructions and PAC recommendations, continued to allow TAHDCO to utilise ₹ 35.57 crore of SCA funds for administrative expenses in excess of the prescribed limit for the period from 2009-10 to 2014-15, due to which SCA funds to that extent could not be spent for implementation of schemes for the economic development of Scheduled Castes, which calls for fixing of responsibility for violation of GoI's instructions.

GoTN replied (January 2017) that the administrative cost was limited to three *per cent* by GoI with effect from 1998 and was not revised thereafter. The administrative cost of TAHDCO increased due to adoption of revised pay scales of V and VI Pay Commissions and also due to increase in cost of petrol, rent, telephone charges etc. The GoTN further stated that GoI was requested (January 2017) for enhancement of administrative cost from three *per cent* to six *per cent* and the response of GoI was awaited. The reply of GoTN was not tenable in view of the fact that incurring of administrative cost in excess of three *per cent* of SCA was in violation of GoI's instructions.

Chennai  
The 16 May 2017



(DEVIKA NAYAR)  
Principal Accountant General  
(General and Social Sector Audit),  
Tamil Nadu and Puducherry

Countersigned



New Delhi  
The 17 May 2017

(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India



# APPENDICES



## Appendix 1.1

(Reference: Paragraph 1.5.2; Page 3)

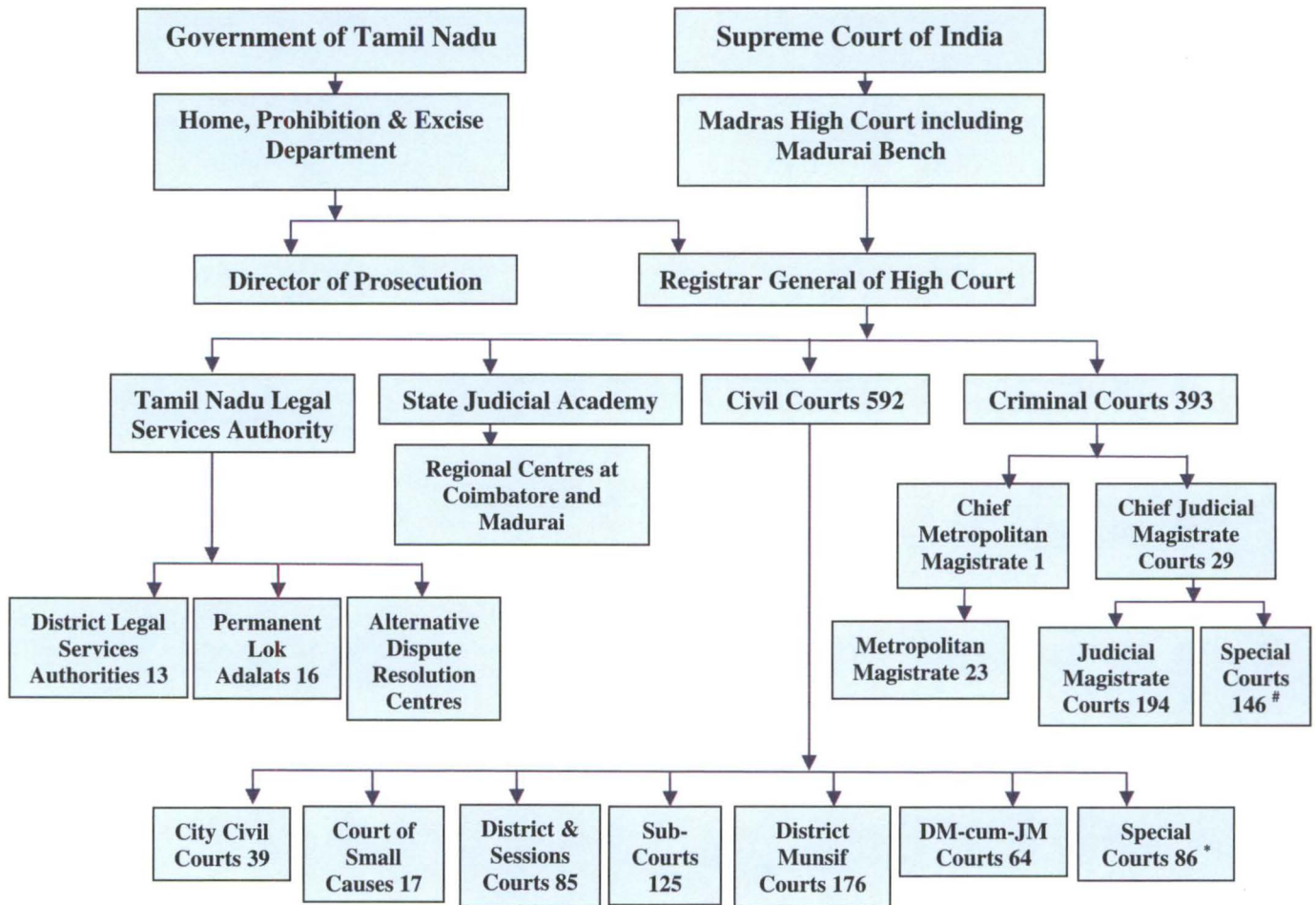
### Department-wise details of Inspection Reports and Paragraphs pending

Sl. No.	Name of the Department	Number of Outstanding	
		Inspection Reports	Audit Observations
1	Adi-Dravidar and Tribal Welfare	204	1,269
2	Backward Classes, Most Backward Classes and Minorities Welfare	111	426
3	Co-operation, Food and Consumer Protection	140	362
4	Finance	51	98
5	Health and Family Welfare	776	3,509
6	Higher Education	361	1,459
7	Home, Prohibition and Excise	304	977
8	Housing and Urban Development	47	151
9	Labour and Employment	89	188
10	Law	82	219
11	Municipal Administration and Water Supply	167	398
12	Personnel and Administrative Reforms	7	20
13	Planning, Development and Special Initiatives	17	55
14	Public	16	32
15	Revenue	1,340	4,573
16	Rural Development and Panchayat Raj	74	246
17	School Education	525	1,666
18	Social Welfare and Nutritious Meal Programme	217	770
19	Tamil Development and Information	36	97
20	Tourism, Culture and Religious Endowments	40	152
21	Welfare of Differently Abled Persons	83	332
22	Youth Welfare and Sports Development	37	95
<b>Total</b>		<b>4,724</b>	<b>17,094</b>

Appendix 2.1

(Reference: Paragraph 2.1.2; Page 11)

Organisational hierarchy of the Judiciary in Tamil Nadu



* Special Courts - Civil includes	Labour Courts	12
	Family Courts	22
	Tribunals	18
	Motor Accident Claim Original Petition cases Courts	28
	Land Acquisition Original Petition cases Courts	6
	<b>Total</b>	<b>86</b>
# Special Courts - Criminal includes	Protection of Civil Rights Act 1955/Scheduled Castes & Scheduled Tribes (Prevention of Atrocities) Act 1989 cases Courts	6
	Bomb blast/ Communal Clashes cases Courts	3
	Essential Commodities Act/ Narcotic Drugs and Psychotropic Substances Act 1985 cases Courts	10
	Central Bureau of Investigation Courts/ Tamil Nadu Protection of Interest of Depositors Act 1997 cases Courts	5
	Mahaleer Neethimandrams (Mahila Courts)	32
	Prevention of Corruption cases Courts	8
	Fast Track/Additional Mahaleer Neethimandrams	47
	Land Grabbing Cases Courts	23
	Mobile Courts	12
	<b>Total</b>	<b>146</b>



## Appendix 2.2

(Reference: Paragraph 2.1.8.2; Page 21)

## Non-constitution of additional courts

Sl. No.	Name of the court	Name of the Additional Court proposed and the period in which proposal was made	Number of cases pending in the years					
			2011	2012	2013	2014	2015	2016
1	District Munsif Court, Palani	Additional District Munsif Court at Palani (05/11/2015)	1,158	1,192	1,233	1,429	1,367	1,253
2	Sub-Court, Palani	Additional Sub-Court at Palani (27/08/2014)	3,477	4,975	6,852	8,474	10,757	11,357
3	Fast Track Court (Magisterial Level), Palani	Conversion as Judicial Magistrate Court – II, Palani (21/07/2015)	266	119	211	308	259	345
4	Mahila Court (Fast Track Mahila Court) Erode	Additional Mahila Court, Erode (19/09/2013)	---	---	55	61	45	45
5	Sub-Court, Kancheepuram	Additional Sub-Court at Kancheepuram (21/08/2015)	7,988	8,791	9,245	8,221	8,923	9,069
6	Judicial Magistrate Court, Alandur	Additional Mahila Court, Alandur (21/03/2014)	4,763	5,248	5,331	5,507	4,686	4,168
7	Judicial Magistrate Court, Madurantagam	Additional Judicial Magistrate Court at Madurantagam (12/01/2012)	1,631	1,474	1,111	1,312	1,388	1,182
8	District Court No.II, Kancheepuram	Additional District Court (Fast Track Court) Kancheepuram (16/10/2014)	1,312	1,399	1,061	1,075	1,580	1,479
9	District Munsif Court, Chengalpattu	Additional District Munsif Court, Chengalpattu (11/12/2009)	1,883	1,850	2,062	2,154	2,003	1,891
10	Judicial Magistrate Court, Alandur	Additional Judicial Magistrate Court, Alandur (28/09/2011)	4,763	5,248	5,331	5,507	4,686	4,168
11	Judicial Magistrate Court, Tambaram	Additional Judicial Magistrate Court, Tambaram (06/02/2014)	3,574	4,503	4,852	5,568	5,532	5,458
12	Principal District Court, Chengalpattu	Fast Track Court (District Judge), Tambaram (12/06/2009)	1,926	1,587	1,971	2,417	2,021	1,849
13	Principal District Munsif Court, Madurai	Three Additional District Munsif Courts at Madurai (01/08/2014)	1,671	1,588	1,550	1,450	1,508	1,696
14	Additional District Munsif, Madurai		3,585	3,677	3,849	3,788	4,149	4,208
15	District Munsif, Madurai Taluk		882	890	949	952	1,042	1,069
16	District Munsif, Tirumangalam	Additional District Munsif Court at Tirumangalam (March 2014)	2,549	3,006	3,183	2,898	2,710	2,752
<b>Total</b>			<b>41,428</b>	<b>45,547</b>	<b>48,846</b>	<b>51,121</b>	<b>52,656</b>	<b>51,989</b>

Appendix 2.3

(Reference: Paragraph 2.1.8.7; Page 26)

Details of number of works taken up, works in progress and works completed by PWD during 2011-12 to 2015-16

Sl. No.	Name of the Scheme	Year	No. of works sanctioned	No. of works taken up	No. of works completed	No. of works in progress	Number of works not taken up	Status as of October 2016
1	CSS	2012-13	5	5	5	Nil	Nil	All works taken up
		2013-14	15	14	7	7	1	Construction of Quarters for Judicial Officers at Karur – Alternative site selected in old court campus at Karur. Pending with Hon'ble Building Committee, High Court.
(For the years 2011-12, 2014-15 and 2015-16, GoI funds not sanctioned )								
2	13 <sup>th</sup> FC	2011-12	30	30	28	2	Nil	All works taken up
3	State Fund	2011-12	5	5	5	Nil	Nil	All works taken up
		2012-13	7	7	6	1	Nil	All works taken up
		2013-14	10	9	8	1	1	Preservation and maintenance of Heritage Court Building at Egmore – Work to be taken up after shifting of the court
		2014-15	6	5	4	1	1	Nagapattinam: Court work: Alternative site to be identified. Quarters work completed
		2015-16	17	11	1	10	6	<b>Construction of court building</b> 1.Ambasamudram - High Court issued (November 2016) orders to the Principal District Judge, Tirunelveli, to take necessary steps for construction of Combined Court Building after demolition of the existing court buildings. 2.Orathanadu – Tender approved, work to be started <b>Construction of Court building and quarters</b> 1.Natham – Tender approved, work to be started 2.Nanguneri – Tender under scrutiny <b>Construction of quarters</b> 1.Panruti – Tender approved, work to be started 2.Tirunelveli – Tender under scrutiny
<b>Total</b>			<b>95</b>	<b>86</b>	<b>64</b>	<b>22</b>	<b>9</b>	

## Appendix 2.4

(Reference: Paragraph 2.2.8.1 (i); Page 43)

## Details of submission of AAP by GoTN and release and utilisation of funds under MPF during 2010-16

(₹ in crore)

Year	Due date for		Date of		Date of Fund released by GoI	Date of issue of GO	Period of delay in days				Total funds released	Funds Utilised	Unspent balance as on 31st March 2016
	Submission to GoI	Approval by GoI	Submission to GoI	Approval by GoI			Submission to GoI	Approval by GoI	Release of fund by GoI from AAP approved date	Issue of GO by GoTN after receipt of fund from GoI			
2010-11	31-12-2009	31-03-2010	08-01-2010	21-06-2010	29-07-2010	23-09-2010	8	82	38	56	123.21	109.42	13.79
									204	220			
									262	251			
2011-12	31-12-2010	31-03-2011	09-05-2011	22-12-2011	22-12-2011	10-05-2012	129	266	0	140	57.43	55.61	1.82
									90	225			
2012-13	31-12-2011	31-03-2012	12-07-2012	27-02-2013	27-02-2013	11-07-2013	194	333	0	134	29.50	29.16	0.34
2013-14	31-12-2012	30-04-2013	24-05-2013	26-07-2013	24-09-2013	11-12-2013	144	87	60	78	113.09	113.09	Nil
2014-15	15-01-2014	30-04-2014	23-05-2014	09-06-2014	19-06-2014	03-12-2014	128	40	10	167	143.32	117.90	25.42
									142	119			
2015-16	15-01-2015	30-04-2015	28-04-2015	06-07-2015	09-07-2015	07-12-2015	103	67	3	151	103.60	21.18	82.42
									63	91			
<b>Total</b>										<b>570.15</b>	<b>446.36</b>	<b>123.79</b>	

Appendix 3.1

(Reference: Paragraph 3.2.1; Page 100)

Details of avoidable excess expenditure

(in ₹)

Item of saree/ dhoti supplied	Quantity supplied to CRA (in Nos.)	Rate fixed by Co-optex	Amount	Rate fixed by HHTK Department	Amount payable at HHTK Rate	Excess expenditure
	(1)	(2)	(3)	(4)	(5)	(6) = (3)-(5)
<b>Pongal 2013</b>						
Handloom polycot saree	2,01,180	227	4,56,67,860	209.68	4,21,83,422.40	34,84,437.60
Handloom polycot dhoti	1,47,570	180	2,65,62,600	156.14	2,30,41,579.80	35,21,020.20
Powerloom polycot saree	15,69,626	156	24,48,61,656	131.51	20,64,21,515.26	3,84,40,140.74
Powerloom polycot dhoti	5,82,368	115	6,69,72,320	96.29	5,60,76,214.72	1,08,96,105.28
Pedal loom polycot saree	1,72,404	196	3,37,91,184	184.16	3,17,49,920.64	20,41,263.36
			<b>41,78,55,620</b>		<b>35,94,72,652.82</b>	<b>5,83,82,967.18</b>
<b>Less Handling and other charges @ 1.5% of Column (5) recommended by the Committee for fixing the Handling charges constituted by the GoTN</b>						<b>53,92,089.79</b>
<b>Total</b>						<b>5,29,90,877.39</b>
<b>Deepavali 2013</b>						
Handloom polycot saree	7,888	254	20,03,552	228.39	18,01,540.32	2,02,011.68
Powerloom polycot dhoti	8,51,234	125	10,64,04,250	103.63	8,82,13,379.42	1,81,90,870.58
Pedal loom polycot saree	6,82,893	223	15,22,85,139	200.30	13,67,83,467.90	1,55,01,671.10
			<b>26,06,92,941</b>		<b>22,67,98,387.64</b>	<b>3,38,94,553.36</b>
<b>Less Handling and other charges @ 1.5% of Column (5) recommended by the Committee for fixing the Handling charges constituted by the GoTN</b>						<b>34,01,975.81</b>
<b>Total</b>						<b>3,04,92,577.55</b>
<b>Pongal 2014</b>						
Handloom polycot saree	71,046	254	1,80,45,684	228.39	1,62,26,195.94	18,19,488.06
Handloom polycot dhoti	2,98,002	190	5,66,20,380	169.97	5,06,51,399.94	59,68,980.06
Powerloom polycot saree	6,45,154	200	12,90,30,800	177.19	11,43,14,837.26	1,47,15,962.74
Powerloom polycot dhoti	4,14,533	125	5,18,16,625	103.63	4,29,58,054.79	88,58,570.21
Pedal loom polycot saree	7,647	223	17,05,281	200.30	15,31,694.10	1,73,586.90
Pedal loom polycot dhoti	61,291	163	99,90,433	146.09	89,54,002.19	10,36,430.81
	34,365	164	56,35,860	146.09	50,20,382.85	6,15,477.15
PL Cot Look sarees *	5,00,520	200	10,01,04,000	177.19	8,86,87,138.80	1,14,16,861.20
PL Cot Look sarees *	7,88,447	200	15,76,89,400	177.19	13,97,04,923.93	1,79,84,476.07
W PL sarees *	14,516	195	28,30,620	177.19	25,72,090.04	2,58,529.96
			<b>53,34,69,083</b>		<b>47,06,20,719.84</b>	<b>6,28,48,363.16</b>
<b>Less Handling and other charges @ 1.5% of Column (5) recommended by the Committee for fixing the Handling charges constituted by the GoTN</b>						<b>70,59,310.80</b>
<b>Total</b>						<b>5,57,89,052.36</b>

Item of saree/ dhoti supplied	Quantity supplied to CRA (in Nos.)	Rate fixed by Co-optex	Amount	Rate fixed by HHTK Department	Amount payable at HHTK Rate	Excess expenditure
	(1)	(2)	(3)	(4)	(5)	(6) = (3)-(5)
<b>Deepavali 2014</b>						
Handloom polycot saree	7,962	254	20,22,348	225.50	17,95,431.00	2,26,917.00
Handloom polycot dhoti	4,447	190	8,44,930	171.20	7,61,326.40	83,603.60
	500	195	97,500	171.20	85,600.00	11,900.00
Powerloom polycot saree	20,05,013	200	40,10,02,600	174.50	34,98,74,768.50	5,11,27,831.50
Powerloom polycot dhoti	7,23,537	125	9,04,42,125	97.90	7,08,34,272.30	1,96,07,852.70
Pedal loom polycot saree	32	254	8,128	196.00	6,272.00	1,856.00
W PL Sarees *	13,554	195	26,43,030	174.50	23,65,173.00	2,77,857.00
Pedal loom dhoti	43,429	164	71,22,356	146.15	63,47,148.35	7,75,207.65
			<b>50,41,83,017</b>		<b>43,20,69,991.55</b>	<b>7,21,13,025.45</b>
<b>Less Handling and other charges @ 1.5% of Column (5) recommended by the Committee for fixing the Handling charges constituted by the GoTN</b>						<b>64,81,049.87</b>
<b>Total</b>						<b>6,56,31,975.58</b>
<b>Pongal 2015</b>						
Handloom polycot dhoti	22,267	190	42,30,730	171.20	38,12,110.40	4,18,619.60
Powerloom polycot saree	20,17,722	200	40,35,44,400	174.50	35,20,92,489.00	5,14,51,911.00
Powerloom polycot dhoti	7,70,471	125	9,63,08,875	97.90	7,54,29,110.90	2,08,79,764.10
Pedal loom polycot saree	54	254	13,716	196.00	10,584.00	3,132.00
W PL sarees *	21,728	195	42,36,960	174.50	37,91,536.00	4,45,424.00
Pedal loom dhoti	197	164	32,308	146.15	28,791.55	3,516.45
			<b>50,83,66,989</b>		<b>43,51,64,621.85</b>	<b>7,32,02,367.15</b>
<b>Less Administrative expenditure @ 0.81% of Column (5) sanctioned to DHT</b>						<b>35,24,833.44</b>
<b>Total</b>						<b>6,96,77,533.71</b>
<b>Deepavali 2015</b>						
Powerloom polycot saree	19,81,984	200	39,63,96,800	169.45	33,58,47,188.80	6,05,49,611.20
Powerloom polycot dhoti	7,16,893	125	8,96,11,625	92.70	6,64,55,981.10	2,31,55,643.90
W PL sarees *	21,704	195	42,32,280	169.45	36,77,742.80	5,54,537.20
			<b>49,02,40,705</b>		<b>40,59,80,912.70</b>	<b>8,42,59,792.30</b>
<b>Less Administrative expenditure @ 0.81% of Column (5) sanctioned to DHT</b>						<b>32,88,445.39</b>
<b>Total</b>						<b>8,09,71,346.91</b>

*Audit Report (General and Social Sector) for the year ended 31 March 2016*

Item of saree/ dhoti supplied	Quantity supplied to CRA (in Nos.)	Rate fixed by Co-optex	Amount	Rate fixed by HHTK Department	Amount payable at HHTK Rate	Excess expenditure
	(1)	(2)	(3)	(4)	(5)	(6) = (3)-(5)
<b>Pongal 2016</b>						
Handloom polycot saree	586	254	1,48,844	231.20	1,35,483.20	13,360.80
Powerloom polycot saree	20,22,241	200	40,44,48,200	169.45	34,26,68,737.45	6,17,79,462.55
Powerloom polycot dhoti	7,94,208	125	9,92,76,000	92.70	7,36,23,081.60	2,56,52,918.40
W PL sarees *	16,287	195	31,75,965	169.45	27,59,832.15	4,16,132.85
			<b>50,70,49,009</b>		<b>41,91,87,134.40</b>	<b>8,78,61,874.60</b>
<b>Less Administrative expenditure @ 0.96 % of Column (5) sanctioned to DHT</b>						<b>40,24,196.49</b>
<i>Total</i>						<b>8,38,37,678.11</b>
<b>Grand Total</b>						<b>43,93,91,041.61</b>

\* For want of rate for PL Cot look saree & W PL Saree, rates for Powerloom saree adopted

- Note: (i) In respect of seven items relating to Deepavali 2013 (one item), Pongal 2014 (five items) and Deepavali 2015 (one item), the rates adopted for Free supply of Dhoties/Sarees to OAPs' were lesser than the other scheme, involving an amount of ₹ 3.87 crore.
- (ii) In respect of 'Scheme of distribution of priceless sarees and dhoties', the subsequent Pongal rate, adopted for Deepavali 2013, 2014 and 2015.
- (iii) For Pongal 2013 and 2014 and Deepavali 2013 and 2014, 1.5 per cent of total value of procurement allowed as handling and other charges based on the recommendation of Committee for fixing the Handling charges constituted by the GoTN. For Pongal 2015 and 2016 and Deepavali 2015, the percentage of Administrative expenditure has been arrived at based on expenditure incurred by DHT towards handling and other charges.

(Source: Details furnished by Revenue Department, HHTK Department, DHT and Co-optex)

## Appendix 3.2

(Reference: Paragraph 3.2.2; Page 102)

## Avoidable payment of godown rent

Year	Term	Godown Rent paid by DSE	Godown Rent paid by DEE	Total Rent paid
		(Amount in ₹)		
2012-13	I	53,06,115	53,06,115	1,06,12,230
	II	Nil	53,06,115	53,06,115
	III	Nil	53,06,115	53,06,115
2013-14	I	63,07,128	63,07,128	1,26,14,256
	II	31,53,564	31,53,564	63,07,128
	III	31,53,564	31,53,564	63,07,128
2014-15	I	84,57,255	84,57,255	1,69,14,510
	II	50,86,015	50,86,015	1,01,72,030
	III	33,90,677	33,90,677	67,81,354
2015-16	I	1,53,74,182	1,53,74,182	3,07,48,364
	II	65,71,856	65,71,856	1,31,43,712
	III	47,35,698*	47,35,698	94,71,396
Total		6,15,36,054	7,21,48,284	13,36,84,338

\* Not paid for want of Government orders

Appendix 3.3

(Reference: Paragraph 3.2.3; Page 104)

Details of avoidable expenditure due to non-reduction of contracted maximum demand and payment of Belated Payment Surcharge (BPSC)

Sl. No.	Month and year	Number of months	Contracted Maximum Demand (CMD) charged (90 per cent of CMD i.e. 6000 KVA)	Demand charges per KVA	Demand charges levied and paid (col. 3x4x5)	CMD if got reduced	Reduced CMD chargeable (i.e. 90 per cent of col.7)	Demand charges for reduced CMD (col. 3x5x8)	Avoidable expenditure towards CMD (col.6 - col.9)
			(KVA)	(₹)	(₹)	(KVA)	(KVA)	(₹)	(₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	September 2011 to January 2014	29	5,400	300	4,69,80,000	2,000	1,800	1,56,60,000	3,13,20,000
2	February 2014 to November 2014	10	5,400	300	1,62,00,000	3,600 <sup>@</sup>	3,240	97,20,000	64,80,000
3	December 2014 to October 2016	23	5,400	350	4,33,35,000*	3,600 <sup>@</sup>	3,240	2,60,01,000*	1,73,34,000
		<b>62</b>			<b>10,65,15,000</b>			<b>5,13,81,000</b>	<b>5,51,34,000</b>
<b>Add: Avoidable expenditure due to payment of BPSC for the period September 2011 to January 2016</b>									<b>2,46,00,000</b>
<b>Total avoidable expenditure</b>									<b>7,97,34,000</b>

<sup>@</sup> Adopting the reduction in CMD sought (August 2016) by the Department.

\* For December 2014, demand charges were collected at the rate of ₹ 300 for the first 15 days and at the rate of ₹ 350 for the subsequent days of the month.



## Glossary of abbreviations

Abbreviations	Full Form
13 <sup>th</sup> FC	13 <sup>th</sup> Finance Commission
AAP	Annual Action Plan
AC	Assistant Commissioner
ACS	Additional Chief Secretary
AD&TW	Adi-Dravidar and Tribal Welfare
ADGP	Additional Director General of Police
ADR	Alternative Disputes Resolution
AEE	Assistant Executive Engineer
AMC	Annual Maintenance Contract
BC	Backward Classes
BCMBC&MW	Backward Classes, Most Backward Classes and Minorities Welfare
BDO	Block Development Officer
BPRD	Bureau of Police Research and Development
BPSC	Belated Payment Surcharge
BSNL	Bharat Sanchar Nigam Limited
CAG	Comptroller and Auditor General of India
CAN	Citizen Account Number
CCTV	Closed Circuit Television
CEmONC	Comprehensive Emergency Obstetric and Newborn care
Centre	National Centre for Nanosciences and Nano technology
CHC	Community Health Centres
CLA	Commissioner of Land Administration
CMD	Contracted Maximum Demand
CMDA	Chennai Metropolitan Development Authority
CoP	Commissioner of Police
Co-optex	Tamil Nadu Handloom Weavers' Co-operative Society Limited
CRA	Commissioner of Revenue Administration
CSCs	Common Service Centers
CSS	Centrally Sponsored Scheme
DADWO	District Adi-Dravidar and Tribal Welfare Officer
DBCWMO	District Backward Classes and Minorities Welfare Officer
DEE	Directorate of Elementary Education
DEEOs	District Elementary Educational Officers

<b>Abbreviations</b>	<b>Full Form</b>
DEOs	District Educational Officers
DPs	Draft Paragraphs
DGP	Director General of Police
DGS&D	Director General of Supplies and Disposals
DGUs	District Geriatric Units
DHT	Director of Handlooms and Textiles
DL	Decision to Grant License letters
DME	Director of Medical Education
DNA	Deoxyribo Nucleic Acid
DNC	De-notified Communities
DPR	Detailed Project Report
DR	Disaster Recovery
DSE	Directorate of School Education
DSWO	District Social Welfare Officer
DVD	Digital Versatile Disc
DVR	Digital Video Recorder
ECS	Electronic Clearance System
EMS	Enterprise Management Server
EO	Extension Officer
FRUs	First Referral Units
FSD	Forensic Science Department
GFR	General Financial Rules
GMSSH	Government Multi Super Speciality Hospital
GoI	Government of India
GoTN	Government of Tamil Nadu
H&FW	Health and Family Welfare
HHTK	Handlooms, Handicrafts, Textiles and Khadi
HLMC	High Level Monitoring Committee
HPC	High Powered Committee
HT	High Tension
ICT	Information and Communication Technology
IPHS	Indian Public Health Standards
IRs	Inspection Reports
IS	Indian Standard

Abbreviations	Full Form
IT	Information Technology
JC	Joint Committee
KVA	Kilo Volt Ampere
LAN	Local Area Network
LCD	Liquid-Crystal-Display
MBC	Most Backward Classes
MCC	Madras Cricket Club
MD	Mission Director, State Health Society
MEC	Monitoring and Evaluation Cell
MHA	Ministry of Home Affairs
MIS	Management Information System
MMPs	Mission Mode Projects
MPF	Modernisation of Police Force
MT	Metric Tonne
NCD	Non-Communicable Diseases
NCMS	National Court Management Systems
NeGP	National e-Governance Plan
NIC	National Informatics Centre
NJIP	National Judicial Infrastructure Plan
NOC	No Objection Certificate
NPHCE	National Programme for Health Care of the Elderly
NRHM	National Rural Health Mission
PAs	Performance Audits
PAC	Committee on Public Accounts
PD	Personal Deposit
PHC	Primary Health Centre
PwC	M/s PricewaterhouseCoopers
PWD	Public Works Department
PwD Act	Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act
RFP	Request For Proposal
RFSL	Regional Forensic Science Laboratory
RIs	Revenue Inspectors
RSO	Revenue Standing Order
SAC	State Apex Committee

<b>Abbreviations</b>	<b>Full Form</b>
SB	Savings Bank
SCA	Special Central Assistance
SCPs	Special Component Plans
SCRB	State Crime Record Bureau
SDC	State Data Centre
SHS	State Health Society
SI	System Integrator
SLEC	State Level Empowered Committee
SoE	Statement of Expenditure
SP	Superintendent of Police
SPMU	State Project Monitoring Unit
SRS	Software Requirement Specification
SSP	Social Security Pension
SW&NMP	Social Welfare and Nutritious Meal Programme
TAHDCO	Tamil Nadu Adi-Dravidar Housing and Development Corporation Limited
TANGEDCO	Tamil Nadu Generation and Distribution Corporation Limited
TETRA	Terrestrial Trunked Radio
TNCA	Tamil Nadu Cricket Association
TNeGA	Tamil Nadu e-Governance Agency
TNESC	Tamil Nadu Electricity Supply Code
TNHSP	Tamil Nadu Health Systems Project
TNPHC	Tamil Nadu Police Housing Corporation
TNPL	Tamil Nadu Newsprint and Papers Limited
TNPSC	Tamil Nadu Public Service Commission
TNSWAN	Tamil Nadu State Wide Area Network
TNTESSC	Tamil Nadu Textbook and Educational Services Corporation
TNUSRB	Tamil Nadu Uniformed Service Recruitment Board
TRMS	Traffic Regulatory Management System
TSP	Tamil Nadu Special Police
UC	Utilisation Certificate
USSE	Uniform System of School Education
VAOs	Village Administrative Officers
VAT	Value Added Tax

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<b>Abbreviations</b>	<b>Full Form</b>
VHF	Very High Frequency
VPN	Virtual Private Network
WOL	Wireless Operating Licenses
WPC	Wireless Planning and Coordination Wing
ZDT	Zonal Deputy Tahsildar

