

# **CHAPTER II**

**Detailed Compliance Audit  
on Package for Farmers'  
Welfare Krushak Assistance  
for Livelihood and Income  
Augmentation (KALIA)**



## CHAPTER II

### DEPARTMENT OF AGRICULTURE AND FARMERS' EMPOWERMENT

#### 2. Detailed Compliance Audit on Package for Farmers' Welfare "Krushak Assistance for Livelihood and Income Augmentation"

##### 2.1 Introduction

The State Government approved (December 2018) the Scheme of Package for Farmers' Welfare - "Krushak Assistance for Livelihood and Income Augmentation (KALIA) Scheme" with following five components.

- (i) Support to cultivators for cultivation;
- (ii) Livelihood support for landless agricultural households;
- (iii) Financial assistance to vulnerable agricultural households;
- (iv) Life insurance support to cultivators and landless agricultural labourers; and
- (v) Interest free crop loan.

Subsequently, in February 2019, a sixth component 'KALIA Scholarship' was added to provide scholarship on merit basis to the children of beneficiaries under Scheme pursuing professional courses in the State.

The aim of the Scheme was to accelerate agricultural prosperity and reduce poverty amongst the cultivators. Loanee as well as non-loanee farmers, sharecroppers<sup>5</sup> and landless agricultural labourers were to be covered under the Scheme. Beneficiaries having the following eligibility criteria were to be selected for the Scheme.

- (i) The Farm family constitutes the farmer and his or her spouse along with their dependent children.
- (ii) The farmer must be a permanent resident/ domicile of Odisha.
- (iii) The farmer or his/ her spouse should neither be an income tax payer nor a Government/ PSU sector employee (including retired staff).
- (iv) The amount was to be transferred to the bank account of head of the farm family.

The Department of Agriculture and Farmers' Empowerment (DA&FE) along with the Fisheries and Animal Resources Development Department (F&ARD) and Department of Co-operation, assessed the initial funds requirement of ₹10,310 crore for three years from 2018-19 to 2020-21 for implementation of the Scheme covering 127.29 lakh beneficiaries for six components. Besides, extra two *per cent* was allowed towards administrative expenses for

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<sup>5</sup> A farmer who gives part of his or her crop as rent to the owner of the land

implementation of the Scheme. Subsequently, the Department increased (June 2019) the target of beneficiaries from 40.18 lakhs to 75 lakhs for the first two components of the scheme. A web based IT system named as KALIA portal ([www.kalia.co.in](http://www.kalia.co.in)) was developed for selection of beneficiaries, managing payments and monitoring of the Scheme.

The Scheme was to be implemented by the Department of Agriculture and Farmers' Empowerment as per the following organisational chart.

**Chart-1: Organisational Chart**



### **2.1.1 Audit objectives**

Audit of the Scheme was undertaken during September 2019 to April 2021 (split periods due to pandemic) with the objectives to examine whether:

- the process of identification and selection of beneficiaries was equitable, fair and transparent;
- the desired benefits reached to the targeted beneficiaries; and
- the IT System developed for the Scheme was robust and facilitated selection of eligible beneficiaries and eliminated ineligible ones.

### **2.1.2 Scope of Audit and methodology**

Audit scrutinised (September to October 2019 and February to April 2021) the scheme records for the period from 2018-19 to 2020-21 maintained by the Department, Director of Agriculture and Food Production, Odisha, Director, Horticulture, Odisha and Odisha State Agricultural Marketing Board (OSAMB). The electronic data of KALIA Portal furnished by the Department was analysed using Structured Query Language (SQL) and python. The reports of KALIA portal were also examined. The Audit findings were discussed in the Exit Conference held on 18 May 2022 and replies of the Government have been suitably incorporated in the Report.

### **2.1.3 Limitations in the Audit**

Department used the database of beneficiaries from two farmer databases<sup>6</sup> and also collected fresh applications from farmers through KALIA portal for

<sup>6</sup> 1. Sharecroppers' Data maintained by Food and Civil Supplies Department and 2. Seed Subsidy Direct beneficiary database of the Department

**Department did not provide complete databases of the KALIA portal and also other databases which were used in selection and identification of beneficiaries in spite of repeated requests. The Department also did not provide the payment acknowledgement data from bank which authenticate the payment. Out of total disbursement of ₹9,333.01 crore, an amount of ₹2,060.29 crore pertaining to the year 2021-22 disbursed by the Department could not be analysed in the absence of data and information.**

selection of beneficiaries and 14 databases<sup>7</sup> to screen the applicants' eligibility for the scheme. All the above databases were required for detailed audit analysis of the functioning of the scheme. However, the Department did not provide complete databases of the KALIA portal and also other databases which were used in selection and identification of beneficiaries in spite of repeated requests. The Department also did not provide the payment acknowledgement data from

bank which authenticate the payment. However, audit examined this scheme with the limited data<sup>8</sup> and records/ documents furnished by the Department upto March 2021. Out of total disbursement of ₹9,333.01 crore, an amount of ₹2,060.29 crore pertaining to the year 2021-22 disbursed by the Department could not be analysed in the absence of data and information.

#### 2.1.4 Budget provision and Expenditure

Budget provision, re-appropriation, advance from Odisha Contingency Fund (OCF) and expenditure incurred under the Scheme for 2018-22 are as shown in Table No.2.1:

**Table No.2.1: Details of budget provision, re-appropriation, advance from Contingency Fund and the expenditure incurred during 2018-22**

(₹ in crore)

Year	Budget Provision under Farmers' Welfare	Re-appropriation from other heads of accounts	Advance from OCF	Total Provision	Expenditure	Surrender/ Savings
2018-19	250.00	(+) 681.00	1,244.66	2,175.66	2,175.66	0
2019-20	5,501.00	(-) 48.01	-	5,452.99	3,243.01	2,209.98
2020-21	3,195.00	-	-	3,195.00	1,854.05	1,340.95
2021-22	1,827.85	(+) 259.47	-	2,087.32	2,060.29	27.03
<b>Total</b>	<b>10,773.85</b>	<b>892.46</b>	<b>1,244.66</b>	<b>12,910.97</b>	<b>9,333.01</b>	<b>3,577.96</b>

(Source: Data compiled from records of the Department, Government of Odisha)

<sup>7</sup> 1. National Food Security Act (NFSA), 2. National Population Register (NPR), 3. Socio Economic Caste Census (SECC) 4. Unique Identification Authority of India (UIDAI), 5. Pradhan Mantri Fasal BimaYojana (PMFBY), 6. State Food Security Scheme (SFSS), 7. Sharecropper, 8. Paddy Procurement Automation System (PPAS), 9. Human Resource Management System (HRMS), 10. Police Constable data base, 11. Teachers' data base, 12. Pensioners' database, 13. Medical Professionals' data base, and 14. Bankers database

<sup>8</sup> Instead of complete data backup, Department had furnished only 29 tables like applications, grievances, final payment to beneficiaries, Village list, GP list etc.

Surrender of funds was mainly due to delay in identification of beneficiaries for the Scheme components which are discussed in subsequent paragraphs.

The KALIA beneficiaries' payments were made through provision in the State Budget. The DA&FE draws the funds from State treasury and deposits in a designated Account maintained in State Bank of India. The payments to the beneficiaries were directly released from this account to the beneficiaries' accounts.

## 2.2. Audit Findings

### 2.2.1 Lack of Planning

The package for farmers' welfare – KALIA Scheme was implemented from 21 December 2018 for five cropping seasons starting from *Rabi*<sup>9</sup> season of 2018-19. As per Finance Department circular (January 2013)<sup>10</sup>, the Department was required to ensure the feasibility of implementation of any new Scheme/ project before proposing. Under the scheme, there were six components. The scale of assistance of these six components are given in the **Table No.2 2**.

**Out of six components under KALIA scheme approved by the Government, only two components i.e 1 – 'Support to cultivators for cultivation' and 2 – 'Livelihood support for landless agricultural households', were implemented during 2018-21. Further, only three out of five instalments were released to beneficiaries under first component as of March 2021. The two components i.e 3 – 'Financial assistance to vulnerable agricultural households' and 5 – 'Interest free crop loan' were dropped. The remaining two components i.e. component 4 – 'Life insurance support to cultivators and landless agricultural labourers' and component 6 – 'KALIA Scholarship' are under planning stage even after more than two years from the commencement of the scheme.**

**Table No. 2.2: Details of components and scale of assistance of the Scheme**

Sl. No.	Component	Scale of assistance	Initial		Revised	
			Targeted beneficiaries (in lakh)	Funds required (₹ in crore)	Revised numbers of beneficiaries (in Lakh)	Funds required (₹ in crore)
1	Support to Cultivators for Cultivation	₹5,000 per family per crop season for five cropping seasons	30.18	7,540	50.00	12,500
2	Livelihood support for landless agricultural households (LL)	₹12,500 per household in three years.	10.00	1,250	25.00	3,125
3	Financial assistance to vulnerable	₹10,000 per household	10.00	1,000	-	-

<sup>9</sup> Cropping season from October to March

<sup>10</sup> OM No. 1068/F dated 10/01/2013 of Finance Department, GoO

Sl. No.	Component	Scale of assistance	Initial		Revised	
			Targeted beneficiaries (in lakh)	Funds required (₹ in crore)	Revised numbers of beneficiaries (in Lakh)	Funds required (₹ in crore)
	agricultural households					
4	Life insurance support to cultivators and landless agricultural labourers	₹171 per beneficiary (Age group from 18 to 50 year). An Additional amount of ₹12 per beneficiary from 51 to 70 year)	57.00	170	-	-
5	Interest free crop loan	₹110 crore per year towards additional subvention for interest free crop loan up to ₹50,000	20.00	220	-	-
6	KALIA Scholarship	All fees including hostel / mess charges	0.11	130	-	-
<b>Total</b>			<b>127.29</b>	<b>10,310</b>	<b>75</b>	<b>15,625</b>

(Source: Records of the Department, Government of Odisha)

Government approved (December 2018) the scheme 'KALIA' to be implemented by Department without adequate feasibility study as discussed below:

- **Dropping of components:** During implementation of the scheme, Government noticed that the component No.3 and 5 were redundant because the beneficiaries under component No.3 were already covered under component No.1 and 2. Further, Co-operation Department, GoO had already started (June 2019) a similar scheme "Interest subsidy/ subvention crop loan" up to ₹0.5 lakh to all farmers in line with the component No.5. Thus, the department removed (November 2019)<sup>11</sup> the above said two components i.e component No.3 and 5 from implementation of the scheme.
- **Non-implementation of components:** Other two components i.e Component No.4 and 6 are under planning Stage even after more than two years from the commencement of the scheme. As such, the department could implement only first two components i.e component No.1 and 2 of the scheme in the State since January 2019.
- **Non-achievement of target:** The first two components i.e Component No.1 and 2 were implemented with a target of 40.18 lakh beneficiaries. However, Department had no available data for such targeted beneficiaries, it used list of 21.76 lakh farmers under Seed Direct Benefit Transfer scheme (SDBT) and 1.05 lakh sharecroppers under Paddy Procurement Automation System (PPAS) of Food Supply and Consumer Welfare Department for implementation of said two components of Scheme. The landholding data from Bhulekh could not be used as Bhulekh database did

<sup>11</sup> Government of Odisha, Department of Agriculture & Famers' Empowerment Notification No.22660/A&FE dated 30 November 2019

not have any common key like Aadhaar Number for use in KALIA. Besides, during January to May 2019 it also collected 96.43 lakh fresh applications from farmers using the KALIA portal making the beneficiary universe to 1.19 crore. Finally, Department selected 51.05 lakh beneficiaries for the KALIA first instalment phase stating that they had adopted exclusion criteria by using 14 databases for elimination of ineligible beneficiaries from the universe. Subsequently, the Department modified (June 2019) the target from 40.18 lakh to 75 lakhs so that no one who is eligible will be left out. Audit observed that the revised target of 75 lakh beneficiaries for component No.1 and 2 also could not be achieved, as the beneficiaries selected during third phase assistance (February 2021) *i.e.* after two years of implementation, were only 56.15 lakhs.

- **Delay in implementation of components:** As per scheme guidelines, assistance to the farmers was to be released in five crop seasons from *Rabi* 2018-19 to *Rabi* 2020-21 under Component No.1. However, Audit noticed that Department had released only three instalments *i.e.* *Rabi* 2018-19, *Kharif* 2019-20 and *Kharif* 2020-21.

Thus, there was lack of preparedness in planning in fixation of initial target and the Department did not ensure the feasibility of implementation of various components of the Scheme and Government had to drop two of its components<sup>12</sup> midway of implementation. Further, despite lapse of two years Department could not even commence implementation of two components as of March 2021. Even in the remaining two components, against target of five crop seasons from *Rabi* 2018, only three instalments were disbursed.

Agreeing to the fact, the Department stated (April 2022) that the first two components of the scheme achieved 56.67 lakh beneficiaries against the target of 75 lakh. The component No.4 could not be settled due to non-finalisation of premium between LIC authorities and Government of India. Proposal will be submitted to Government for deleting the component. Regarding Component No.6, the Department stated that the scheme was delayed as the Department of Higher Education of the State has developed a common portal for scholarship programme of all the Departments which is fully functional during 2021-22 and the said component have been integrated in this. The fact remained that the two components had not been started even after two years of implementation of the scheme as of March 2021.

### **2.2.2 Implementation of Scheme and payment of assistance to ineligible beneficiaries**

Under first component of KALIA the support was to be provided for cultivation to the small and marginal farmers by way of a grant of ₹5,000 per family per season (two instalments per year) for purchases of inputs and other instruments in the field of operation based on the farmers' choice for the crop season under the component "Support to cultivators for cultivation". This assistance was to be provided for five cropping seasons spanning 2018-19 to 2020-21. However, Government had disbursed only three installments as of February 2021.

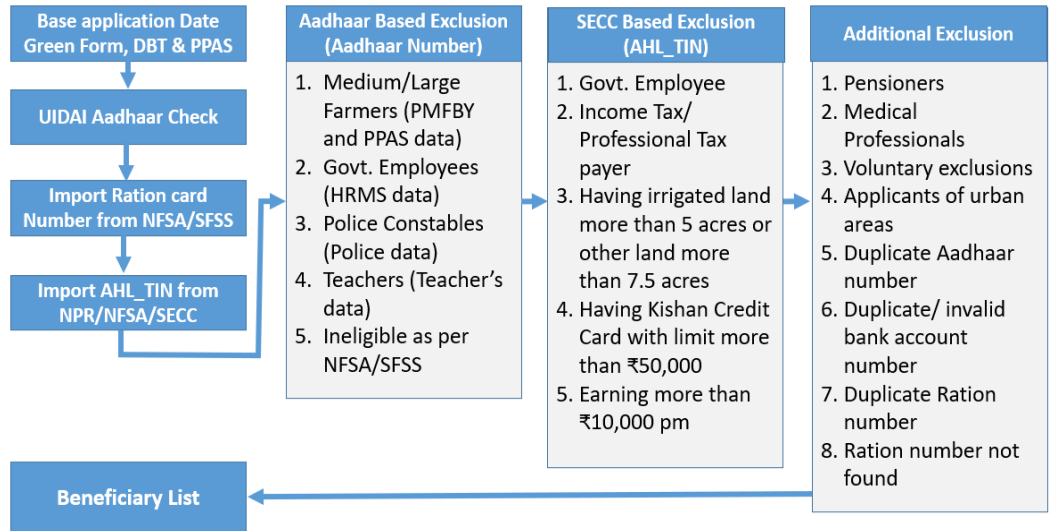
<sup>12</sup> (i) Financial assistance to vulnerable agricultural households (ii) Interest free crop loan



Under the second component "Livelihood Support for Land Less Agricultural Households", assistance of ₹12,500 for each landless agricultural household was to be provided to 10 lakh households<sup>13</sup> over the entire period of three years being ₹5,000 in the first year, ₹5,000 in the second year and ₹2,500 in the third year to enhance their income and overall well-being. All beneficiaries should have got three installments.

The Department selected beneficiaries after applying the exclusion criteria as depicted in the following chart.

**Chart-2: Process for selection of Beneficiary List**



Audit noticed that the exclusion criteria did not include the database of land records (Bhulekh), which was the basic record of land ownership. In the Scheme Implementation Committee meeting (January 2019) it was stated that the details of *Khata* number and plot number of farmers in the farmer list were not available.

On scrutiny, it was noticed that Department had provided KALIA benefit assistance to 65.64 lakh beneficiaries during 2019-2021 as given in **Table No. 2.3**.

**Due to improper planning, while implementing the scheme Government identified 9.76 lakh ineligible beneficiaries in different phases. Audit also analysed KALIA database and found 2.96 lakh ineligible beneficiaries in addition to 9.76 lakh ineligible beneficiaries identified by Government.**

**Department had paid ₹782.26 crore to ineligible beneficiaries in three phases which needs to be recovered at the earliest.**

<sup>13</sup> The target was revised in June 2019 to 25 lakh.

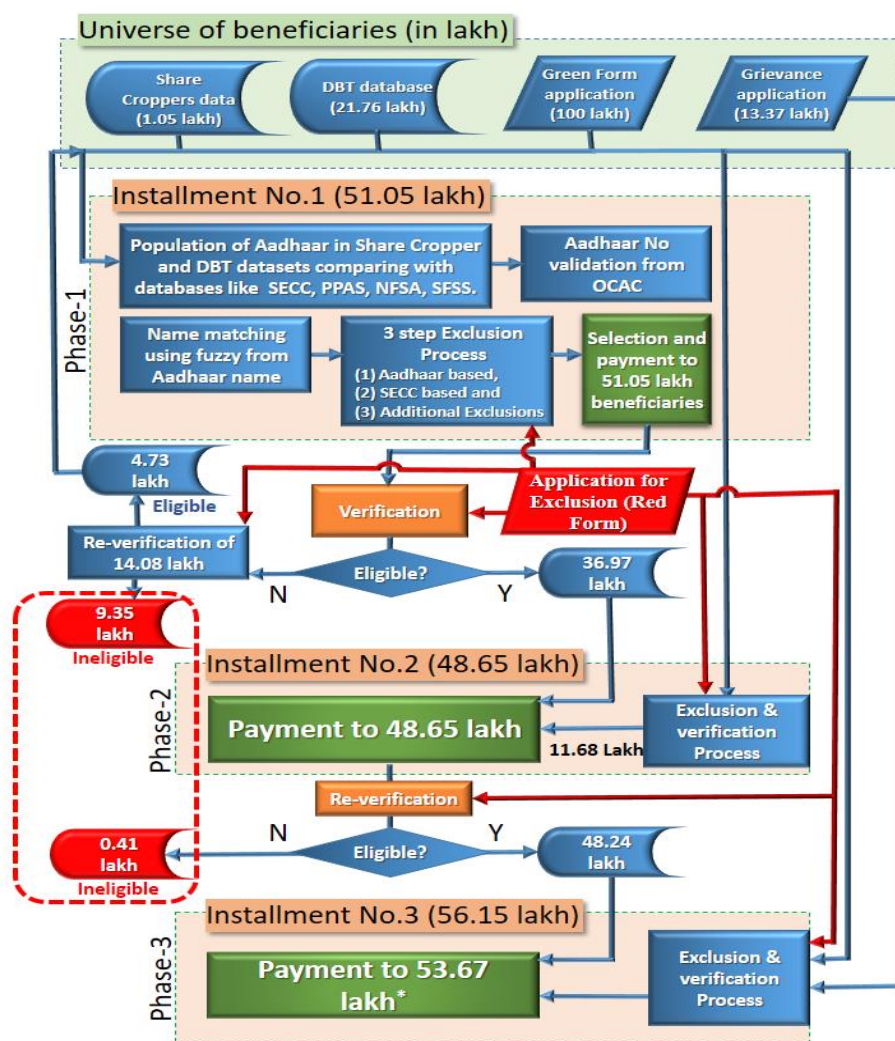
**Table No. 2.3: Statement showing instalment-wise beneficiaries benefitted**

Instalments paid <sup>14</sup>	Number of beneficiaries benefitted (in lakh)	Amount Paid (₹in crore)
Three instalments	41.64	5,053.46
Two instalments	8.09	659.49
One instalment	15.91	731.35
<b>Total</b>	<b>65.64</b>	<b>6,444.30</b>

(Source: KALIA database)

This non-uniform disbursement had happened due to implementation of scheme without verification of beneficiaries which resulted in identifying 9.76 lakh ineligible beneficiaries subsequently at different phases. The phase wise identification and selection of beneficiaries is given in the following Chart:

**Chart-3: Phase-wise identification and selection process of beneficiaries**



\* The release of instalment to the rest 2.48 lakh beneficiaries were kept pending for verification of bank details, Aadhaar seeding status and name matching with NFSA. Once verified the instalment was to be released to them.

<sup>14</sup> The rate of payment of first instalment and second instalment was ₹5,000 each and in the third instalment the rate of payment was ₹2,000 each to SMF (component No.1) and ₹2,500 each to LL (component No. 2)

In this context, Audit noticed the following irregularities:

### First Phase of Scheme

#### 2.2.2.1 Payment of assistance to ineligible beneficiaries in the first phase

As per Office Memorandum of Finance Department<sup>15</sup> (January 2013) and Cabinet Memorandum of Department<sup>16</sup>, GoO (December 2018), the Administrative Department should specify the baseline data and the preparedness/ ability of panchayats for executing the Scheme for appraisal for getting approval from the Finance Department.

Department released ₹2,552.65 crore as first instalment to 51.05 lakh beneficiaries in five batches between January and May 2019 at ₹5,000 per beneficiary as listed in the **Table No.2.4**.

**Table No. 2.4: Batch-wise and date-wise release of funds to beneficiaries**

Batch No.	Source of data	Total records of beneficiaries considered	Date of release of funds	Selected no. of Small/ Marginal Farmers	Selected Landless Agricultural Households	Total beneficiaries selected
1	2	3	4	5	6	7
First	DBT	21,76,477	25 January 2019	12,45,490	-	16,13,696
	Sharecroppers	1,05,571	27 January 2019	57,614	-	
	Green Form <sup>17</sup>	65,45,039	15 February 2019	-	3,10,592	
Second	Green Form		21 February 2019	14,26,342	-	16,04,808
	Green Form	24 February 2019	-	1,78,466		
Third	Green Form	30,98,353	05 March 2019	3,48,462	1,35,018	4,83,480
Fourth	Green Form		12 April 2019	2,46,924	3,15,879	5,62,803
Fifth	Green Form		29 May 2019	3,09,878	5,30,625	8,40,503
<b>Total</b>		<b>1,19,25,440</b>		<b>36,34,710</b>	<b>14,70,580</b>	<b>51,05,290</b>

(Source: Data compiled from records of Department)

To detect the ineligible beneficiaries, Department conducted field level verification (August 2019) and found that out of 51.05 lakh, 14.08 lakh (27.58 per cent) ineligible beneficiaries were assisted with ₹611.91 crore during release of first instalment for which an amount of ₹704.08 crore was released to the designated Account maintained in State Bank of India.

Audit analysed the procedures (scripts or queries) for exclusion of applicants and KALIA data furnished by the Department using the Socio-Economic Caste Census (SECC) data (Rural) obtained from Ministry of Rural Development, Government of India (GoI), Human Resource Management System (HRMS) data from GoO, VAHAN data from Ministry of Road Transport and Highways, GoI and pensioners data from IFMS. Audit analysis revealed that there were 4.64 lakh ineligible beneficiaries that got benefited under the Scheme. Out of 4.64 lakh ineligible beneficiaries, Audit found that

<sup>15</sup> Office Memorandum No 1068/F dated 10/01/2013 of Finance Department, GoO

<sup>16</sup> Cabinet Memorandum No 23029 dated 21/12/2018 of Department of Agriculture and Farmers' Empowerment, GoO

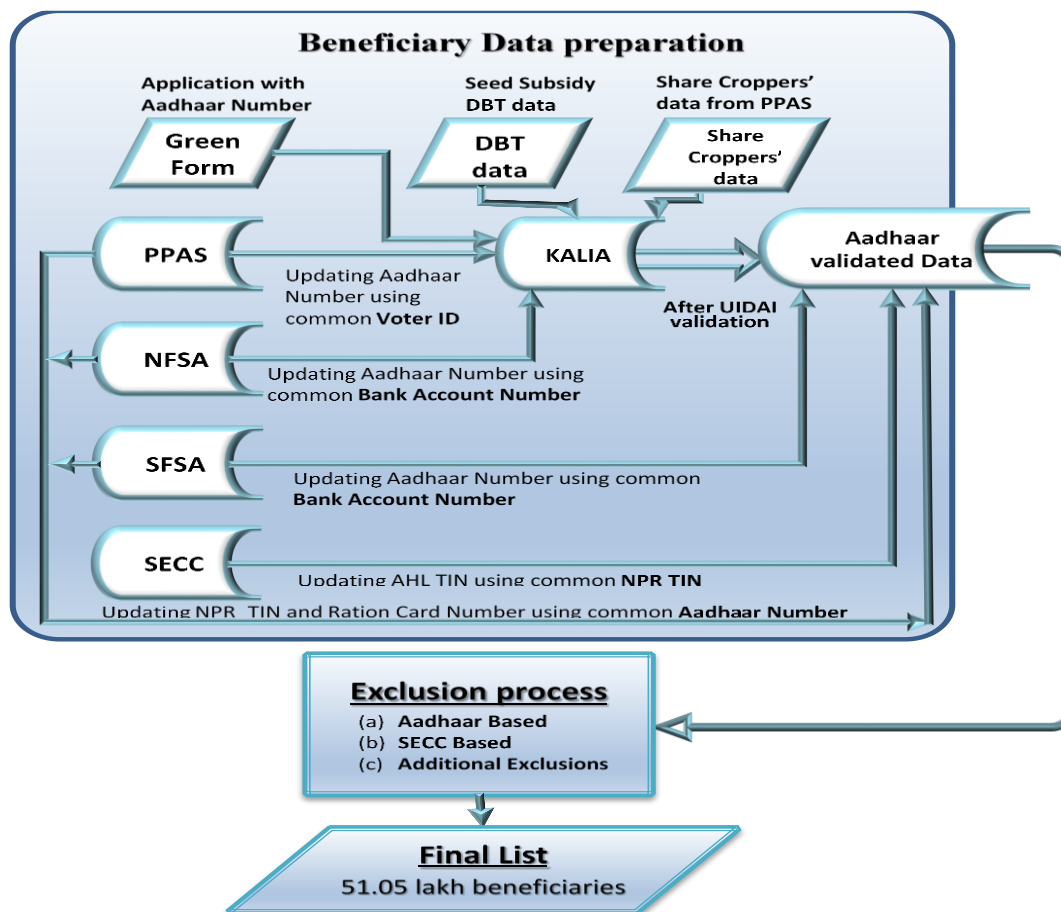
<sup>17</sup> Green Forms: Application forms from beneficiaries willing to be included in KALIA scheme

2.35 lakh ineligible beneficiaries were in addition to 14.08 lakh ineligible beneficiaries which were identified by the Department. Had Department provided the complete database along with all other 12 databases, Audit could have detected much more ineligible beneficiaries. The ineligible beneficiaries, who were not detected and excluded from the list by the Department before release of first instalment due to deficiencies in the logics/ processes of exclusion are detailed below:

**(i) Incomplete application of SECC exclusion criteria**

Department had used databases like the KALIA beneficiaries, the SECC, National Food Security Act (NFSA) and State Food Security Scheme (SFSS) for selection of beneficiaries as depicted in the following Chart.

**Chart-4: Beneficiaries data preparation using various databases in the first phase**



Abridged Household List-Temporary Identification Number (AHL TIN)<sup>18</sup> is common data field in KALIA database and SECC database. Thus, the Department used AHL TIN for applying the SECC Criteria of exclusion.

As Department failed to provide databases of NFSA, SFSS etc. despite several requests, therefore, Audit independently analysed the database with the help of

<sup>18</sup> AHL TIN identifies a member of a household which is of 29 characters. First 26 characters of the AHL TIN represents the household number as per SECC data. The last three digits denote the identification of members of the household.

SECC database only. Audit observed that there were AHL TIN against 30.14 lakh records out of 51.05 lakh beneficiaries. Thus, the Department could not filter the remaining beneficiary data of 20.91 lakh (40.95 per cent) against SECC exclusion criteria, as there was no data in the common field such as AHL TIN, for establishing the link with the SECC data.

The Government stated (April 2022) that SECC data was used at the initial phase with an aim to exclude ineligible beneficiaries, wherever TIN number matches. There are also different data sets used for exclusion purpose and the 20.91 lakh might have been taken care of by other data sets. The response of Department is based on the assumption that 20.91 lakh beneficiaries might have taken care by other data sets used by Department. However, the fact remained that despite several request by Audit, Department failed to provide 12 databases like NFSA, SFSS, PPAS *etc.* which indicated that selection process of beneficiaries was not transparent. Despite exclusion of 14.08 lakh ineligible beneficiaries by the Department, Audit analysis found additional 2.35 lakh ineligible beneficiaries which Department failed to detect. It is also pertinent to mention that Department failed to detect ineligible beneficiaries even in SECC as discussed in the following paragraphs:

**(ii) Non-exclusion of SECC based ineligible beneficiaries**

Audit analysed the KALIA database with SECC database having common AHL TIN (30.14 lakh) and observed that there were 35,983 ineligible beneficiaries under following five SECC exclusion criteria in the list of selected beneficiaries:

- **Government employee:** Under the Scheme, if the beneficiary or his/her family member is a Government employee *i.e.* under State Government (SG)/ Central Government (CG) or Public Sector Undertaking (PSU), that household is not eligible as beneficiaries for KALIA. Data analysis by Audit, however, revealed that 11,972 household members of Government employees were selected and released ₹5.99 crore.
- **Paying Professional tax/ Income Tax:** Any person or his/ her family member paying professional tax/ income tax is not eligible for KALIA. Data analysis by Audit revealed existence of 1,794 ineligible beneficiaries having household member paying profession tax/ income tax as per SECC, were not excluded from the beneficiary list and released ₹0.90 crore.
- **Beneficiary having Kisan Credit Card (KCC):** Any person having KCC with credit limit greater than or equal to ₹50,000 is not eligible for inclusion in the KALIA beneficiary list. Audit, however, noticed that there were 4,880 ineligible beneficiaries as per SECC having KCC not excluded from the KALIA beneficiary list for which ₹2.44 crore was released.

- **Beneficiary earning more than ₹10,000 per month:** Any person earning more than ₹10,000 per month is ineligible for KALIA. But, analysis of KALIA beneficiaries' data with SECC data revealed that there were 11,902 beneficiaries with household member earning more than ₹10,000 per month included in the KALIA beneficiary list and released ₹5.95 crore to those ineligible beneficiaries.
- **Irrigated land more than five acres or other land more than seven acres for two more crop seasons:** Similarly, any farmer with more than or equal to five acres of irrigated land or more than seven acres of other land for two or more crop seasons is ineligible for the Scheme. Data analysis, however, revealed that there were 5435 farmers fulfilling the above condition were inappropriately included in the KALIA beneficiary list and ₹2.72 crore was released to them.

Thus, from the above it is evident that the Department failed to use SECC database effectively before releasing first instalment which resulted in payment of ₹18 crore to the ineligible beneficiaries. Out of 35,983 ineligible beneficiaries detected by Audit, Department could identify only 12,326<sup>19</sup> (34.26 per cent) and failed to detect remaining 23,657 ineligible beneficiaries.

In reply, the Government stated (April 2022) that conclusion of ineligibility only on the basis of exclusion parameter of SECC was not right as the SECC data was not used in second and subsequent phases of selection due to its vintage.

The reply is not acceptable since the methodology used by the Department for exclusion of ineligible beneficiaries was not correct. Therefore, the Department failed to identify cases of 23,657 ineligible beneficiaries who were Government employees, paying professional tax/ income tax and having Kisan Credit Card *etc.*

### (iii) **Ineligible beneficiaries as per HRMS, IFMS and VAHAN data**

Based on KALIA scheme exclusion criteria Government servant, Pensioners and persons having four wheeler vehicles/ heavy vehicles/ tractors should not be included in beneficiary list. Audit analysed these exclusion criteria and found the following deficiencies:

- **HRMS exclusion:** Under KALIA, the Government servants are not eligible for getting assistance. Towards providing assistance under KALIA, the Department had used HRMS<sup>20</sup> database for exclusion of ineligible beneficiaries. Audit received the HRMS database from General Administration Department. Audit analysis of the HRMS data linking to KALIA data on bank account number revealed that 872 Government officials who were wrongly selected and listed in the

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<sup>19</sup> 12,326 cases were included in 14.08 lakh ineligible beneficiaries detected by Department.

<sup>20</sup> Human Resource Management System data contains all State Government employees' data

KALIA beneficiary list and ₹43.63 lakh was released to them indicating selection of beneficiaries without application of appropriate logic by the Department.

Agreeing to the fact the Government stated (April 2022) that for the purpose of exclusion using HRMS database, aadhaar number was used and bank account number was not used. The fact remained that 872 Government employees who were ineligible for scheme were in the selected list for KALIA scheme, which could have been avoided.

- **Non-exclusion of pensioners:** Pensioners are not eligible for getting assistance under the Scheme. Audit analysis of IFMS<sup>21</sup> data linking to KALIA data on bank account number revealed that 1,074 pensioners were selected for KALIA benefit who should have been excluded from the beneficiary list and released ₹53.70 lakh.

This indicated that the Department did not use an appropriate database for detecting these ineligible beneficiaries.

In reply the Government stated (April 2022) that no such case exists in the pensioners' database available. Department had not used IFMS data for the purpose of exclusion of pensioners. However, the fact remained that the Department had not verified the pensioners' database of IFMS and failed to detect 1,074 pensioners in KALIA beneficiary list.

- **Non-exclusion of applicants having four-wheeler vehicles/heavy vehicles/tractors:** Government adopted NFSA ineligibility criteria for exclusion of beneficiaries. As per NFSA ineligibility criteria households having four wheelers/heavy vehicles/tractors were not eligible. Audit received the VAHAN data from the Ministry of Road Transport and Commerce, New Delhi. Audit analysis of VAHAN data linking it to KALIA data using applicant's name, father's name, and address as the link revealed that there were 5,145 applicants selected and listed in the KALIA beneficiary list who were having four-wheeler vehicles/heavy vehicles/tractors.

As such, those persons were to be excluded from the beneficiary list for providing assistance under KALIA. Since, the Department did not use the VAHAN database to detect such ineligible beneficiaries for exclusion, ₹2.57 crore was released to 5,145 ineligible beneficiaries.

In reply, the Government stated (April 2022) that VAHAN database does not have Unique Identification Number for linking with KALIA applicant for application of exclusion criteria. Matching the applicant name, father name and address may not be in the appropriate logic in view of absence of any particular unique identifier. The reply is not

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<sup>21</sup> Integrated Financial Management System (IFMS) data contains all Government transactions in which payment to pensioners is a part

acceptable as the Department had applied fuzzy logic for matching of names in other databases for exclusion of ineligible beneficiaries, which could have been used with VAHAN database also.

**(iv) Additional Exclusions**

**• Duplicate beneficiaries**

For establishing relationship between the KALIA database and the SECC database, Department first mapped the KALIA applicant database with NFSA and NPR databases to capture NPR TIN in applicant data. The captured NPR TIN was used as a common bridge to populate the AHL TIN in applicant database. For the records that could not be directly mapped using either of the identifiers, fuzzy logic using Applicant Name, Father Name and Village Name was used for populating the AHL TIN in the applicant database. Department used the AHL TIN of KALIA database to apply the SECC exclusion criteria from the SECC data as AHL TIN is the common field between the two datasets. Thus, there should not be any AHL TIN repeated in the KALIA data more than once. However, database analysis by audit revealed that there were 1925 duplicate and one triplicate AHL TINs involving 3,853 beneficiaries. These duplicate AHL TINs were attached to different beneficiaries resulting in incorrect application of SECC exclusion criteria. Admitting the fact, Government stated (April 2022) that out of 1926 number of duplicate beneficiaries, only 281 cases have been adjusted against eligible beneficiaries after verification. The fact remained that payment was made to 1645 ineligible beneficiaries. Moreover, Government failed to provide the required datasets or logics to audit for verification.

**• Doubtful beneficiaries**

The Department used the data field AHL TIN of KALIA database to apply the SECC exclusion criteria from the SECC data as AHL TIN is the common field between the two datasets. Hence, the name as per the KALIA data should be the same as appearing in SECC data. If the names differ, then there would be application of exclusion logic against wrong beneficiaries. Database analysis by Audit revealed that in case of 56,613 records there was mismatch in names of beneficiaries between these two data sets as illustrated in **Table No. 2.5** below:

**Table No. 2.5: Sample list showing difference in names between KALIA and SECC data**

AHL TIN	Name as per KALIA data	Name as per SECC data
15210100100020000000620028002	Golapi Bariha	Sabitri Das
23210100100030000000900081005	Manabodh Patel	Ranjit Malik
47210100100050000001300119002	Thabira Banchhor	Abir Bangir
37210100100570000009600088002	Raibari Parua	Malli Bhoi
55210100100290000005200098002	Santoshini Luhar	Jashobanti Mahanand
11210100100130000002500127008	Puspa Bariha	Bishakha Banchhor
43210100100790000012900115001	Nepala Bariha	Puja Bhoi
55210100100650000010900073001	Iswar Sahu	Bhasa Biswal



AHL TIN	Name as per KALIA data	Name as per SECC data
31210100200460000005610010003	Chandrika Yadab	Faguni Podh
13210100200200000000210052003	Chunilal Bhoi	Padmalaya Jal
59210100200200000000210050001	Tapananda Barge	Nishamani Dip
53210100200310000001500022002	Rasmita Patel	Khira Sahu
17210100300100000001000103002	Asha Chak	Sankar Bariha
21210100200770000009500054001	Gobinda Patel	Judhistira Baga
25210100300130000001400057002	Sashmita Rout	Rinky Barik
29210100200730000008700090001	Tejabati Nial	Kasturi Banchhor

(Source: Data as provided by DA&FE and SECC data)

The above findings indicated incorrect application of exclusion logic where identity of a beneficiary of KALIA data was compared with identity of a different beneficiary in SECC data. In such cases, the Department should have excluded those records from the list.

The Government without giving any specific reply, stated (April 2022) that no name matching has been done with the SECC database. Name matching was taken up from the responses of UIDAI and fuzzy logic with the NFSA database, which is more appropriate logic for the said purpose. The reply is not acceptable as Government could not detect name mismatch between KALIA and SECC data and failed in verification of such doubtful beneficiaries from beneficiary list.

- **More than one beneficiary in a household**

As per the selection criteria, head of the family of a household would get the benefit of KALIA assistance. However, analysis of the AHL TIN of the database revealed that the final list of beneficiaries contained selection of multiple members of one household in respect of 2.78 lakh households involving 5.72 lakh beneficiaries. Thus, there were 2.94 lakh (5.72 lakh *minus* 2.78 lakh) ineligible beneficiaries in the KALIA database as per SECC data.

In addition to the above, the Department also populated Ration Card Numbers from the NFSA database against each beneficiary. The Ration Card Number, which identifies one family, should not be repeated in the database. However, data analytics revealed that same ration card was used multiple times and there were 0.54 lakh Ration Card Numbers in the database against 1.09 lakh beneficiary records, which means 0.55 lakh ineligible beneficiaries were selected for KALIA.

Thus, Department failed to exclude the 2.94 lakh extra members of a family based on SECC database using AHL TIN and 0.55 lakh ineligible beneficiaries based on Ration Card Number. Thus, 3.49 lakh ineligible/doubtful beneficiaries were not excluded in the first phase and were released assistance of ₹174.40 crore under KALIA.

Accepting the fact, the Government stated (April 2022) that in the initial period, there were duplicate ration records erroneously included in the

beneficiaries list due to non-seeding of Aadhaar number resulting in multiple beneficiaries in a household. Out of 3.20 lakh duplicate ration card holders, 2.13 lakh cases have been adjusted during subsequent payment. However, the fact remained that recovery from 1.07 lakh ineligible beneficiaries is still pending.

- **Duplicate Bank account numbers**

As per the Scheme guidelines, the amount was to be transferred online directly to the bank account of the Head of the farmer's family and therefore, the beneficiaries with duplicate account numbers were to be excluded from the selected list. Analysis of the database by Audit, however, revealed that 6,477 bank account numbers were captured in the datasheet more than once involving 13,578 beneficiaries. Accordingly, Department released ₹6.79 crore as first installment to those beneficiaries. In this context, one example is given below in which Audit found that the account number provided in green form (farmer's application) was different from the beneficiary list.

**Table No. 2.6: Data as per Green Form table**

Sl. No.	Applicant Name	Father's Name	IFSC	Account No.	Farmer type	Green form Source
5061314	Asili Dhibar	Bakuli Dhibar	CBIN0281623	3539635755	LL	Phase 1
2463735	Asili Dhibar	Dara Dhibar	CBIN0281623	3328650242	SM	Phase 1
978970	Asili Dhibar	Bakuli Dhibar	CBIN0281623	3539635755	LL	Phase 2

(Source: Data as provided by DA&FE)

**Table No. 2.7: Data as per beneficiary selected table**

Sl. No.	Applicant Name	Father Name	IFSC	Account No.	Farmer type
5061314	Asili Dhibar	--	CBIN0281623	3328650242	LL
2463735	Asili Dhibar	Dara Dhibar	CBIN0281623	3328650242	SM

(Source: Data as provided by DA&FE)

Audit could not analyse the reasons for such abnormal updation of bank account numbers due to non-production of the complete data and source code. Audit noticed that the Department had released ₹3.55 crore to 7,101 account numbers which did not belong to the beneficiaries as same account number entered against different persons.

In reply, the Government stated (April 2022) that every KALIA applicant might not have their own bank account. It was possible that an applicant can provide the account details of some of his friends or relatives. To ward off such issues, Aadhaar Bridge system has been introduced. The reply was not acceptable, as during physical verification of nine duplicate account numbers audit noticed that in only two cases beneficiaries have mentioned wrong account number inadvertently, out of the remaining seven, in five cases there were wrong data entry by Department and in two cases the account numbers were changed due to software flaw. Further, the reply that an applicant can provide the account details of some of his friends or relatives is contrary to the guidelines for releasing payment to the bank account of the Head of family.

Thus, from the above audit analysis using only two of 14 databases<sup>22</sup> along with VAHAN and IFMS database revealed that 4.64 lakh beneficiaries were ineligible as per exclusion criteria. Department had released ₹231.92 crore to the bank accounts of those beneficiaries of which ₹216.76 crore was successfully credited to their respective bank accounts. This indicates that the Department had failed to detect ineligible beneficiary and hastily released (January - May 2019) first instalment of ₹2,552.65 crores to 51.05 lakh beneficiaries.

In reply, the Government stated (April 2022) that there was quick implementation of the scheme and not hasty implementation. The fact remains that out of 51.05 lakh beneficiaries, identification of 14.08 lakh (27.58 per cent) ineligible beneficiaries by Department itself indicates lack of preparedness before releasing first instalment which resulted in payment of ₹611.91 crore to ineligible beneficiaries.

### Second Phase of Scheme

#### 2.2.2.2 Ineligible beneficiaries in the second phase

Towards providing second phase assistance under KALIA, the Department conducted field level verification and applied exclusion criteria for selection of eligible beneficiaries during May 2019 to September 2019. Accordingly, the Department finalised 48.65 lakh beneficiaries for the scheme. These included 36.97 lakh eligible beneficiaries already selected in the first phase and 11.68 lakh new beneficiaries. Department then released (November 2019 to April 2020) ₹2,693.18 crore to 48.65 lakh beneficiaries.

In order to derive an assurance regarding the selection process, Audit analysed the database by applying SECC exclusion criteria and observed that there were still 1.43 lakh ineligible/doubtful beneficiaries in the list. The details of which are given in **Table 2.8**.

**Table No. 2.8: List showing criteria-wise number of ineligible/ doubtful beneficiaries in the list of second instalment**

Exclusion criteria	Beneficiaries found eligible for second instalment from initial list of 51.05 lakh	New applications considered for payment of KALIA	Total
1	2	3	4
<b>Number of beneficiaries</b>	36,97,122 <sup>23</sup>	11,67,931	48,65,053
<b>A. Incorrect selection</b>			
1. Duplicate AHL TIN	1,940	-	1,940
2. Doubtful beneficiaries as names were different in KALIA and SECC data	37,432	-	37,432

<sup>22</sup> 1. National Food Security Act (NFSA), 2. National Population Register (NPR), 3. Socio Economic Caste Census (SECC) 4. Unique Identification Authority of India (UIDAI), 5. Pradhan Mantri Fasal BimaYojana (PMFBY), 6. State Food Security Scheme (SFSS), 7. Sharecropper, 8. Paddy Procurement Automation System (PPAS), 9. Human Resource Management System (HRMS), 10. Police Constable database, 11. Teachers' database, 12. Pensioners' database, 13. Medical Professionals' database, and 14. Bankers database

<sup>23</sup> 51.05 lakh (1<sup>st</sup> phase selected) – 14.08 lakh (ineligible) = 36.97 lakh

Exclusion criteria	Beneficiaries found eligible for second instalment from initial list of 51.05 lakh	New applications considered for payment of KALIA	Total
<b>B. SECC exclusion criteria</b>			
i. Government Employee	6,999	3,233	10,232
ii. Paying Income/Professional Tax	1,266	1,352	2,618
iii. Beneficiary having Kisan Credit Card (KCC)	3,329	8,497	11,826
iv. Beneficiary earning more than ₹10,000 per month	8,002	2,377	10,379
v. Irrigated land more than five acres or other irrigated land more than seven acres cultivated for two or more crop seasons	4,068	1,035	5,103
<b>C. Additional Exclusions</b>			
3. Duplicate members in a households as per SECC	58,059	2,030	60,089
4. Employee as per HRMS	88	23	111
5. Pensioner as per IFMS	102	37	139
6. Owner of four wheeler vehicle/heavy motor vehicle/tractor	1,973	470	2,443
7. Duplicate Bank Accounts	313	2	315
8. Red form <sup>24</sup> Excludable persons	323	0	323
<b>Total Ineligible Persons</b>	<b>1,23,894</b>	<b>19,056</b>	<b>1,42,950</b>
<b>Amount Released (₹ in crore)</b>	<b>59.11</b>	<b>17.69</b>	<b>76.80</b>
<b>Amount transferred (₹ in crore)</b>	<b>58.47</b>	<b>17.59</b>	<b>76.06</b>

(Source: Database furnished by the Department, SECC, HRMS and VAHAN data)

As such, despite exclusion of 14.08 lakh beneficiaries, the data was not properly sanitised and Audit found that 1.24 lakh ineligible beneficiaries continued to be in the list of second phase. Data of new applicants was also not properly analysed resulting in further addition of 19,056 ineligible beneficiaries in second phase. Due to this Department released ₹76.80 crore to 1.43 lakh ineligible beneficiaries.

Besides, as the Department did not furnish data like NFSA, SFSS, PPAS etc. to Audit due to which Audit could not use these databases to identify the ineligible beneficiaries. Therefore, during second phase, assistance to higher number of ineligible persons could not be ruled out.

On this being pointed out, the Government stated (April 2022) that from the second phase onwards they did not use SECC data. Further, IFMS and VAHAN were not used for identification of beneficiaries. On the issue of release of payment to duplicate bank accounts, the Government stated that the duplicate account holder had different Aadhaar Numbers. The Department admitted the presence of 65 ineligible beneficiaries on the ground of exclusion through red form.

The reply is not acceptable as the Department had not applied appropriate logic for exclusion in the first phase for which ineligible beneficiaries as per

<sup>24</sup> Red forms are the application forms for objection/self exclusion.

SECC criteria were still present in the second phase selection. Department failed to use IFMS and VAHAN data to detect the ineligible beneficiaries. Therefore, Government employees and pensioners are still included in the KALIA beneficiary list, which could have been detected as ineligible beneficiaries had IFMS data used. Had Department used VAHAN database, it was possible to detect the 2,443 ineligible beneficiaries as owner of four-wheeler vehicles/ heavy motor vehicles/tractors.

### **2.2.2.3 Role of DBT Cell in implementation of KALIA scheme**

The GoI guidelines for DBT in the States envisaged the setting up of a State DBT Cell (SDC), under the guidance of a State level DBT Advisory Committee. The role of the SDC is to act as a nodal point for all activities and issues related to DBT operations in the State.

As DBT operates in an environment that involves multiple stakeholders, the SDC's primary function is to coordinate and liaise with government departments and various stakeholders, for seamless transitioning of schemes to the DBT mode. Further, GoI guidelines also required the setting up of a State Level Advisory Committee, to provide the DBT Cell's executive body with holistic, well-rounded advisory and consulting inputs.

As regards the operational part of SDC, the GoI guidelines<sup>25</sup> envisaged that the Cell incorporate an implementation support layer of the three main categories of Coordinators (Technical, Non-Technical, Financial and Administrative), who would be responsible for carrying out support activities for the SDC.

The State DBT Cell had been set up (October 2016) in Finance Department with the Principal Secretary, Finance as the State DBT Coordinator. A state DBT portal was also developed (June 2018) for aggregating and displaying the beneficiary payments pertaining to the on-boarded schemes. KALIA scheme was on-boarded in the DBT portal from February 2021. As per this SoP, the responsibilities of the SDC were as follows:

- Onboarding of schemes on the DBT portal.
- Collecting data from various departments and technical support team on factors, such as Aadhaar enrollment, number of beneficiaries, number of active bank accounts, number of Aadhaar seeding *etc.*
- Establishing user database for all Departments to link Aadhaar numbers with the NPCI server.
- Facilitating all kinds of IT support for implementing DBT in different schemes.
- Collecting and analyzing data for the State, Department and scheme.
- Training and capacity building of State officials on DBT.

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<sup>25</sup> DBT is included in the State Protocol Document (June 2017)

The Department had linked Aadhaar with the beneficiary data during the 1<sup>st</sup> phase of the scheme. However, Aadhaar Payment Bridge System was not adopted for payment in 1<sup>st</sup> and 2<sup>nd</sup> phases of KALIA scheme.

Non-validation of bank account of beneficiaries by the bank is pointed out in para 2.2.3. Therefore, Phase-I and Phase-II payments (January 2019 to April 2020) were not available in the State DBT Portal.

Aadhaar Bridge Payment System (ABPS) was adopted during third phase of payment (February 2021) which is incorporated in report under Para 2.2.2.4. The total payments from February-2021 to April 2023 were captured in the State DBT portal.

The KALIA beneficiaries' payments were made through provision in the State Budget. The DA&FE draws the funds from State treasury and deposits in a designated account maintained in State Bank of India. The payments to the beneficiaries were directly released from this account to the beneficiaries' accounts.

### Third Phase of Scheme

#### 2.2.2.4 Ineligible beneficiaries in the third phase

During May 2020 to February 2021, the Department scrutinised the grievance applications received through online portal and verified the existing beneficiaries for selection of eligible beneficiaries for assistance of third phase KALIA scheme. Accordingly, the Department finalised 56.15 lakh beneficiaries, out of which 44.48 lakh (79.22 per cent) were Aadhaar seeded for the third phase in order to implement Aadhaar Bridged Payment System (ABPS). These 56.15 lakh beneficiaries included 52.01 lakh beneficiaries from the first and second phase selection list and rest 4.13 lakh beneficiaries from application through grievance redressal mechanism. Department then released (February 2021) ₹1,272.19 crore to 53.56 lakh beneficiaries (42.46 lakh through ABPS and 11.10 lakh through account based system) and adjusted instalment against member of same family in case of 11,130 beneficiaries. The rest 2.48 lakh applications were pending for verification of Bank details and Aadhaar seeding status from National Payment Corporation of India (NPCI) and adopted the method of name matching with NFSA data.

Audit analysis of the selected beneficiaries for the third phase for exclusion criteria like Government servants, pensioners, persons having four-wheeler vehicles/heavy vehicles/tractors revealed the following:

- HRMS data linking to KALIA data on bank account number revealed that 125 Government servants were selected and listed in the KALIA beneficiary list.
- IFMS data linking to KALIA data on bank account number revealed that 186 pensioners were selected for KALIA benefit who should have been excluded from the beneficiary list.

- VAHAN data linking to KALIA data using applicant's name, father's name, and address as the link revealed that there were 3,162 applicants having four-wheeler vehicles/ heavy vehicles/ tractors were selected and listed in the KALIA beneficiary list.
- There were also 502 applicants, who were approved for exclusion through red forms were listed in the KALIA beneficiaries list

Thus, after several verifications for two years from January 2019 to January 2021 using 14 databases, there were still 3975<sup>26</sup> ineligible beneficiaries in KALIA eligible beneficiary list. Department had not taken action (February 2021) to stop further release of assistance to the ineligible beneficiaries and to recover the already paid amounts to them.

In reply, the Government stated (April 2022) that VAHAN and IFMS data was not used for exclusion of beneficiaries. There were 67 red form excludable persons, which was rectified subsequently. Further, No aadhaar matched Government employee as per HRMS data was found. The reply is not acceptable as the Government did not use VAHAN and IFMS to identify ineligible beneficiaries which resulted in presence of Government employees, pensioner and persons having four wheelers in the beneficiary list of KALIA.

Further, out of total 65.91 lakh<sup>27</sup> beneficiaries selected during 2018-19 to 2020-21, there were 56.15 lakh eligible beneficiaries as on 31 March 2021, as selected in the third phase, leaving 9.76 lakh ineligible beneficiaries eliminated during different phases of assistance. Department had released an amount of ₹507.11 crore to those 9.76 lakh ineligible beneficiaries out of which ₹457.88 crore was successfully transferred to their accounts. As sanitisation process is still underway, chances of recovery are remote. In addition to 9.76 lakh ineligible beneficiaries, audit also noticed presence of 2.96 lakh ineligible beneficiaries after data analysis of KALIA data along with other databases like SECC, VAHAN, IFMS, and HRMS. An amount of ₹324.38 crore was also transferred to these bank accounts.

Thus, Department had paid ₹782.26 crore to 12.72 lakh ineligible beneficiaries in three phases with very little chance of recovery. The detailed analysis of instalment-wise release of payments to ineligible beneficiaries is as in the **Table 2.9** below.

**Table No. 2.9: Instalment-wise release of payments to ineligible beneficiaries**

Instalments paid	Number of ineligible beneficiaries (Number in lakhs)	Amount credited in beneficiary Bank Account (₹ in crore)
Once	8.57	427.19
Twice	1.01	89.44
Thrice	2.17	265.63
Failed payments	0.97	0.00
<b>Total</b>	<b>12.72</b>	<b>782.26</b>

<sup>26</sup> 125 (Government employee) plus 186 (Pensioners) plus 3,162 (Having four wheelers/ heavy vehicles) plus 502 (Red form) is equal to 3,975

<sup>27</sup> 51.05 lakh in first phase, 11.68 lakh in second phase and 3.18 lakh in third phase

In reply, the Government stated (April 2022) that as on date 1.01 lakh ineligible beneficiaries were found. Besides, there were 3.33 lakh multiple members of same family, 0.86 lakh beneficiaries had no ration card, IT payers and death cases. Further, 0.28 lakh had applied for grievance redressal and 3.55 lakh beneficiaries were under the process of field verification in view of incomplete details. However, the exact number may further change in view of adoption of Ration card data sets which are of dynamic in nature.

### **2.2.3 Payment to bank accounts other than the bank accounts of the intended beneficiaries**

As per the Scheme, the beneficiaries were to be paid instalments to their respective bank accounts under Direct Benefit Transfer. As such, the name of the beneficiary should be the same as the name of the account holder of the bank to ensure the transfer of benefits to the actual beneficiaries. To address this, the State Level Committee (SLC) on KALIA chaired by Chief Secretary decided (January 2019) that:

- The banker *i.e.* State Bank of India (SBI) was to perform a validation check to verify the bank accounts of the beneficiaries.
- As 40 *per cent* of the beneficiaries were having bank accounts with SBI, it would validate account holders from their own systems.
- For non-SBI account holders, SBI would ensure validation against genuineness of Bank Account details of beneficiaries by way of crediting of ₹ one to each.

Accordingly, SBI validated (23 January 2019) only 6.71 lakh non-SBI account holders, of which 0.07 lakh accounts failed validation due to dormant bank accounts, incorrect Indian Financial System (IFS) Code, closed bank accounts, *etc.* Audit observed that thereafter SBI did not perform any further validation check for both SBI and non-SBI account holders but released payment to 51.05 lakh beneficiaries during 25 January 2019 and 29 May 2019.

Audit analysed the Database<sup>28</sup> comparing the names of beneficiaries with the corresponding names of account holders and found that payment of ₹107.64 crore was released to 1.28 lakh account holders in which the names of account holders were different from names of the beneficiaries, but despite this ₹104.08 crore<sup>29</sup> was transferred to those accounts indicating payment to persons having different name than beneficiaries. Audit also found that ₹14.15 lakh was transferred to 152 institutional accounts due to non-validation of bank accounts.

In reply the Government stated (April 2022) that the KALIA assistance reached to the self-reported account of the intended beneficiaries due to lack of bank accounts available at their end. All the beneficiaries with mismatched names got their KALIA assistance through Aadhaar Payment Bridge System

<sup>28</sup> The SBI provided the payment scroll to the Department and the Department imported the same in KALIA Database which was captured in a beneficiary master table.

<sup>29</sup> One instalment to 29,143 beneficiaries, two instalments to 88,529 beneficiaries and three instalments to 846 beneficiaries was successfully transferred.



(APBS) and the amount was successfully credited to the account seeded with their respective aadhaar number.

The reply is not acceptable as the payment to the cases where names were different from account holder names should have been verified before payment. However, the Department was silent about validation check of accounts before transfer of benefit indicating hasty implementation of the scheme.

#### **2.2.4 Assistance to Income Tax payers under KALIA**

Income tax payers were ineligible for getting assistance under KALIA. The Department was to get the KALIA data verified against income tax data of Department of Income Tax. But Department did not get KALIA data verified against the income tax data.

GoI has implemented (December 2018) PM KISAN scheme in line with the KALIA scheme in which there is an exclusion criterion that the income tax payers should not be included as beneficiaries under PM KISAN. To avail the benefit under PM KISAN, the GoI has selected small and marginal farmers from the KALIA beneficiary list for consideration. GoI intimated that there were 9,643 farmers, whose names were sent for PM KISAN scheme out of KALIA beneficiaries, were income tax payers. Therefore, these 9643 beneficiaries of KALIA database were ineligible for the scheme. Hence, an amount of ₹4.82 crore<sup>30</sup> was released to these ineligible beneficiaries.

Agreeing to the fact, the Government stated (April 2022) that 4,479 numbers of SF/ MF identified as IT payer by PM KISAN have been excluded from KALIA beneficiary list.

#### **2.2.5 Imparting training under the component for 'Livelihood support to landless agricultural households' of KALIA scheme**

The second component of KALIA scheme *i.e.*, 'Livelihood support to landless agricultural households for livestock and horticultural crop based activities'<sup>31</sup> was aimed to further accelerate agricultural prosperity. Under this component, support was to be provided for Small Goat Rearing Unit/Mini Layer Unit/Dual Purpose Low-input Technology Birds/ Duckery Unit/ Fishery Kit/Bee-keeping and Mushroom cultivation *etc.* to the landless households by way of grant of ₹12,500 per family, based on the choice of activity selected by the household. Under the scheme, ₹5,000 to each was to be transferred to the bank accounts of landless beneficiaries on selection. Then orientation training was to be given by the Department to these beneficiaries for understanding the household preference of the activities. Based on the households' choice, capacity building and training was to be imparted to each household within six months followed by release of second instalment of ₹5,000 each. The third and final instalment of ₹2,500 each was to be released after grounding and verification of assets by the Department.

<sup>30</sup> ₹5,000 x 9,643

<sup>31</sup> (i) Small goat rearing unit, (2) Mini layer Unit, (3) Dual purpose low input technology birds, (4) Duckery unit, (5) Fishery kit, (6) Bee keeping, (7) Mushroom cultivation, and (8) Dairy Development

Scrutiny of records revealed that ₹2,007.67 crore were released in three instalments to the 18 lakh beneficiaries as of March 2021 without undertaking capacity building and training. Audit noticed that ₹4.89 crore only was released (February 2019) to the Director, Horticulture (DH) to conduct orientation training programme for 4.89 lakh beneficiaries. DH could cover 3.96 lakh beneficiaries under the orientation training programme till March 2021 with shortfall of orientation training programme for 0.93 lakh beneficiaries. Audit also observed that Department failed to capture the choice of activity to support the livelihood of these beneficiaries.

Thus, non-imparting of necessary training to 14.04 lakh beneficiaries and releasing the amount of ₹1,755 crore (14,04,000 beneficiaries X ₹ 12,500) towards assistance to these vulnerable and needy groups, defeated the scheme objectives to some extent. The Department did not capture the status of household preference of the activities, grounding, and verification of assets. Therefore, audit could not evaluate the achievement of the objective of the desired benefits reaching the targeted beneficiaries and thereby augmenting the income and to accelerate agricultural prosperity.

Agreeing to the fact, the Government stated that all field activities were held up due to outbreak of COVID-19 pandemic. After normalisation of COVID-19, ₹13.11 crore has been released to complete the orientation training programme.

However, the fact remained that the amount of assistance was released without imparting necessary training which defeated the scheme objectives.

## 2.2.6 Development of IT system

Government developed an IT System named KALIA Portal for managing and monitoring the scheme implementation. The system was developed in Window 2016 server with Internet Information Service (IIS) as web server, ASP.net as application platform and MSSQL Server 2012 as database server. The application is hosted in Odisha State Data Centre. The development process was fraught with deficiencies, as stated in the aforesaid paragraphs, for which ineligible beneficiaries were included and eligible beneficiaries were excluded to get the intended benefits under KALIA. The deficiencies in the IT system noticed in Audit are as follows:

**The KALIA portal was developed with deficient Software Requirement Specification (SRS) and having inadequate application controls, lack of input and validation control. This resulted in incorrect data processing and duplication of records.**

**Audit analysis revealed that after the transactions were completed and recorded, the vital data were again manually updated without any log or audit trail.**

### 2.2.6.1 Deficient planning in development of the system

A software requirement Specifications (SRS) document describes the intended purpose, requirement and nature of software/ system to be developed. This

ensures proper design and implementation of an IT System. However, on scrutiny following irregularities were noticed:

- **System Development:** As per Paragraph 6.2 of guidelines for engagement of consultants and outsourcing of services (November 2018), for every work or service with estimated cost above ₹10 lakh, there should be open advertisement for selection of consultants. The Department engaged (March 2019) M/s CSM Technology Private Limited (CSM) as System Support Team (SST) of KALIA scheme through IDCOL Software Ltd (ISL)<sup>32</sup> for Development of KALIA web portal and beneficiary for data management. The work was awarded at a cost of ₹ one crore without inviting tender, considering it as an enhancement of contract /agreement of Food Supplies and Consumer Welfare (FS&CW). No agreement was also executed with the firm for execution of such work. Data analysis by Audit revealed that CSM was working for KALIA Scheme since January 2019 *i.e.*, before approval of Government and placement of work order. This indicated that the Department had extended an undue favour by engaging CSM informally for the work without inviting tender.

In reply, the Government stated (April 2022) that the engagement of CSM Technologies has been done through ISL observing all codal formalities. However, the fact remained that ISL awarded (March 2019) the work to CSM without tender while CSM had already started (January 2019) the work.

- **Approval of deficient SRS after implementation of the system:** The SRS should have been prepared and approved before implementation of the project. Audit noticed that the CSM did not submit any SRS document to the Department before implementation of the project. Though the Department did not issue any reminder for timely submission of SRS document, it accepted (November 2019) SRS document after completion of the project and User Acceptance Test (31 August 2019).

As such, Audit scrutiny revealed that the Grievance Redressal System, a part of SRS document, submitted by CSM was irrelevant since many fields denote 'booking of Kalyan Mandap' or 'Booking of Townhall' and 'escalation details of scheme of BeMC with complaint category Sanitation and Public Health' *etc.* which did not relate to KALIA. The details of deficiencies in the SRS were given in **Appendix - II**. Subsequently, the Department modified (November 2019) the module of "Grievance and Redressal" altogether. Since the SRS document was received after implementation of the project, the intended beneficiaries were deprived of the opportunity to put forth their grievances for inclusion during the said period. This indicated hasty development of system without proper system study and requirement assessment for which deficiencies in implementation were noticed by Audit as detailed in subsequent paragraphs.

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<sup>32</sup> IDCOL Software Ltd (ISL) is a Public Sector Undertaking of GoO

Government stated (April 2022) that SRS document was formulated in due period, but some fine-tuning/ modifications were done in SRS by discussion during implementation of the project. The reply was not specific to the Audit comment on irrelevant SRS submitted by CSM.

### 2.2.6.2 Development of a disintegrated and inconsistent farmer database

As per industry's best practice, there should not be any change in the data of a master table after it is created. However, if required, the changes made in the master data are to be properly logged to preserve the history of changes. Department provided two sets of data (one in September 2020 and one in April 2021) to audit. Audit analysed these two data sets against changes in master data and found critical inconsistencies in the database. Audit also noticed non-maintenance of logs and audit trails of transactions leading to loss of integrity of data. The inconsistencies noticed by Audit are as mentioned below:

- **Changes in applicant master:** Under KALIA, the Department received one crore applications from the citizens of the State for inclusion in the beneficiary list in three phases<sup>33</sup>. Data given in the applications were captured in separate phase-wise tables. By consolidation and verification of those tables, separate beneficiary tables were created which were the master tables of beneficiaries for payment of the benefits. Therefore, the names in the master table must be the same as given in the applications. However, Audit analysis revealed that there were changes in names of 295 beneficiaries in the beneficiary master table resulting in doubtful selection of beneficiaries. The sample of changes in names of beneficiaries' master table to that of applications was as below:

**Table No. 2.10: Sample showing names with same Aadhaar number in 'Applicant Master' and 'Beneficiary table' of KALIA database**

Sl. No.	Name as per Beneficiary Data	Name as per Application Data
1	2	3
1	Bishnu Sunani	Natha Harijan
2	T.Fakir	T.Tulasama
3	Panchu Thela	Gura Mahar
4	Umakanta Biswal	Dipti Swain
5	Himirika Nuka	Amalu Kadraka
6	Sk Kasimuddin	Samirun Bibi
7	Riyajuddin Khan	Sofia Bano
8	Tulasi Bag	Ramchandra Bag
9	Namita Mali	Ritarani Ray
10	Akash Chandra Naik	Pinki Naik
11	Sarat Kumar Sethi	Trilochan Sethy
12	Subotha Kumar Bhadra	Nalini Priyadrashni Bhdra
13	Gouriprasad Majhi	Puspanjali Naik
14	Ghanasyam Gouda	Dilip Kumar Gouda

<sup>33</sup> 1<sup>st</sup> Phase – 14 Jan 2019 to 9 February 2019 – 65.77 lakh  
 2<sup>nd</sup> Phase – 14 February 2019 to 11 March 2019 – 30.98 lakh  
 3<sup>rd</sup> Phase – 6 August 2019 to 4 September 2019 – 3.37 lakh

Sl. No.	Name as per Beneficiary Data	Name as per Application Data
15	Bidika Sibani	Shibaji Bidika
16	Hemabatee Raul	Purnachandra Roul
17	Rashik Sa	Dola Ram Sahu
18	Satyananda Sahu	Sushil Sahu
19	Aruna Kumar Sahoo	Gajendra Sahu
20	Mahadev Naek	Nirupama Naik

(Source: Data furnished by the Department)

Similarly, Audit analysed the critical fields like bank account numbers, farmer type in the application master table for the first phase payment and observed that account numbers of 1,480 beneficiaries were changed in beneficiary master table as unwanted characters like 'OTHER' were removed from the bank account field without any audit trail/log. This indicated that there was no input validation while capturing the bank account field in the application master table. In addition to above, Audit also pointed out presence of duplicate bank accounts as discussed in **Paragraph 2.2.3.**

Data analysis revealed that while 162 farmers had applied under landless (LL) category to be eligible for getting ₹12,500 in three phases, their category was changed to small/marginal farmers (SMF) for payment of ₹25,000 in the beneficiary master table for release of instalments in five phases. Similarly, 253 farmers applied under SMF were also shown as LL for the payment purpose. There were also other 56,876 cases of change of farmer category in the beneficiary master table like "OTHER" changed to SMF, "OTHER" changed to LL "SELECT" changed to SMF etc. The above changes did not have any log for fixing accountability rendering the database unreliable apart from non-maintenance of equity and fairness in selection and payment process.

Agreeing to the fact, the Government stated (April 2022) that application forms were collected from farmers in Green Form through offline mode for which the applicant details in application master table was not 100 per cent correct. The discrepancies were verified by the field officials and have modified the beneficiaries' details. Further, without providing the related data for verification, Government stated that logs have been maintained. The reply is not acceptable as the verified data should have been saved separately with proper logs to preserve the integrity of the system.

- **Lack of input control/validation led to duplicate data:** The beneficiaries of KALIA scheme were identified through Aadhaar number and amount of benefit was transferred to beneficiaries in Direct Benefit Transfer (DBT) to their bank account. The bank account number and Aadhaar number given by the respective authorities are unique. Hence, each beneficiary should give a bank account number and Aadhaar number of its own in the application form so that the benefit would reach the intended beneficiary. In order to check duplicity in bank account number and Aadhaar number given by the applicants, duplicate check validation during data entry should have been conducted to ensure that no duplicate Aadhaar Number

or Bank Account Number was entered into the database. Further, there should be a data validation in those fields to prevent unintended junk characters during data entry.

Audit analysed one crore application forms for inclusion in beneficiary list and noticed that 4.17 lakh Aadhaar numbers were duplicated ranging two to three times involving 8.33 lakh applications. Similarly, 4.50 lakh Bank Account numbers were entered repeatedly in the application database ranging from two to 168 times involving 9.15 lakh applications. In addition, there was also presence of 2,984 applications where account numbers mentioned as 'OTHER'.

Thus, it is evident that there was no input or validation control in the data entry form to prevent such duplicities and junk entries which not only resulted in an inconsistent and unreliable farmer database, but also the benefit of KALIA did not reach the intended beneficiaries in those cases.

Agreeing to the fact, the Government stated (April 2022) that during the initial period of collection of KALIA application, there were no input control or input validation process was adopted to prevent any entry or duplicate Aadhaar number or duplicate bank account number in KALIA System.

- **Excludable beneficiaries received KALIA benefit:** Department initially selected 21.76 lakh farmers registered under Direct Benefit Transfer (DBT) data of DA&FE and 1.05 lakh Sharecroppers registered under Paddy Procurement Automation System (P-PAS) data of Food Supply and Consumer Welfare (FS & CW) Department as beneficiaries of KALIA. The list of beneficiaries was then displayed at GP level for allowing general public to identify ineligible beneficiaries and apply for exclusions in 'Red Forms'. The Village Agriculture Workers (VAW)/Gram Panchayat Nodal Officers (GPNOs) were also instructed (January 2019) to suo-moto add exclusions after verification of field reality. The 'Red Form' data along with reason for exclusion was captured in a separate table.

Database analysis revealed a total 2.47 lakh red<sup>34</sup> forms were captured in the table which included 1.04 lakh suo-moto initiations and 1.43 lakh applications for exclusion. Out of these 2.47 lakh applications, 1.30 lakh applications were accepted for exclusion after verification. However, Audit analysed the data using the logic applied by the Department and found that Department had released payment to 3,357 excludable persons appeared in the list of 1.30 lakh applications accepted for exclusion and paid ₹1.68 crore to them as shown in the following **Table No.2.11**.

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<sup>34</sup> Red Forms are the application forms for objection/ self exclusion

**Table No.2.11: Details of Exclusion forms accepted for exclusion and payment released to these excludable applicants**

Sl. No.	Reasons	Direct applications	Suo-moto initiation	Total number of applications accepted for exclusion	Number of excludable applicants to whom payment was successful	Amount (₹ in lakh)
1	2	3	4	5	6	7
1	Large Farmer	2	1	3	0	0.00
2	Big Farmer	902	10,047	10,949	215	10.75
3	Death case	3,638	13,973	17,611	292	14.60
4	Govt./PSU employee	9,748	29,750	39,498	356	17.80
5	Multiple Entry for same family	3,015	18,825	21,840	1,803	90.15
6	Other	1,404	8,404	9,808	440	22.00
7	Retired Govt. Employee	7,086	21,491	28,577	226	11.30
8	Income Tax payer	509	1,312	1,821	25	1.25
<b>Grand Total</b>		<b>26,304</b>	<b>1,03,803</b>	<b>1,30,107</b>	<b>3,357</b>	<b>167.85</b>

(Source: compiled by Audit from the data furnished by the Department)

As per SRS, the "reason" column was to be captured using a dropdown list having first visible row was "Select Reason". The applicant while applying has to select the appropriate reason. Data analysis of balance 1.17 lakh exclusion applications revealed that instead of entering a valid reason in the "reason" column, "Select Reason" was entered due to lack of validation in the input field, which was a software flaw. Out of these, payment of ₹36.60 crore was released to 0.73 lakh beneficiaries without excluding them from the beneficiary list which raised question on selection of doubtful beneficiaries. This indicated that the Department had not applied appropriate logic<sup>35</sup> in the exclusion process.

Similarly, Department also invited applications (January-February 2019) for exclusion of the names from the draft beneficiary list selected out of direct applications from public. Department received 4.09 lakh applications for exclusion. District level Nodal Officers (DNOs) approved 3.48 lakh applications which should have been excluded from the beneficiary list. Database analysis however, revealed that 1,062 applicants, approved by DNO as ineligible, were not excluded from the beneficiary list but payment of first instalment amounting to ₹0.53 crore was made to them.

Thus, due to system deficiency of process control in handling the exclusion data, the Department released ₹2.21 crore (₹1.68 crore plus ₹0.53 crore) to 4,419 ineligible or doubtful beneficiaries.

<sup>35</sup> Department had not provided the source code to audit for analysis

Agreeing to the fact, the Government stated (April 2022) that the Department had taken immediate steps to identify these beneficiaries as ineligible and issue refund notice to them.

- **Inconsistent workflow – unauthorised approvals of BNOs and GPNOs:** As per table design and the workflow in the submission of application for exclusion from the beneficiary list, the process of approval for exclusion was as follows:-
  - GPNO will verify and approve the applications received and submit them to Block Level Nodal Officer (BNO).
  - The BNO will submit the applications to District level Nodal Officer (DNO) for approval.
  - After approval of the DNO, the applications will be marked for exclusion from the beneficiary list.

Hence, the approvals of GPNO, BNO and DNO were strictly chronological. As such, there should not be any acceptance by GPNO after approval of an exclusion by BNO or acceptance by BNO after approval of DNO. However, data analysis of exclusion form revealed that there were instances of breach of this hierarchy in 6,556 cases against the designed chronology, making the system inconsistent and unreliable.

**Table No.2.12: Details of inconsistent workflow in 2<sup>nd</sup> phase exclusion process**

Sl. No.	Description	Number of cases
1	2	3
1.	GPNO had approved the exclusion application form one to seven days after approval of BNO	6,523
2.	BNO had approved the exclusion applications from two to six days after approval of DNO	28
3.	Date of exclusion was updated one to two days before the DNO had approved the exclusion form.	5
	<b>Total</b>	<b>6,556</b>

(Source: Compiled by Audit from the Databases maintained by Department)

Further, Audit verified the exclusion table and found that in the Phase -2 exclusion process, 21,647 Aadhaar numbers were repeated in 48,590 records ranged between 2 to 2,185 times. To cite an example, the pseudo number<sup>36</sup> in place of Aadhaar number with value ‘159984352500280’ had been entered 2,185 times against different names in the database. Further, name and Aadhaar number taking together, there were 21,833 duplicates which were repeated two to 67 times. Aadhaar number with pseudo value ‘159984697700897’ and name ‘SULAVA CHANDRA RAUL’ had been

<sup>36</sup> The Department did not provide the Aadhaar number in the database. However, in place of each Aadhaar number, they provided another unique encoded number.



entered 67 times. This happened due to technical errors or a back-end interference.

Thus, the database of KALIA had become inconsistent and lacked reliability.

The Government agreed (April 2022) to the fact and stated that due to exercise of incorrect logic by the SST, the date of verification was wrongly updated against the chronology. Owing to this, no financial irregularities happened. The fact remained that this activity made the system inconsistent and un-reliable. The source code was not furnished to audit for verification.

- **Deficient system design – manual updation in Account numbers in payment table without log:** After payment was disbursed to beneficiaries, the response of bank denoting KALIA ID, account number, date of payment, Unique Transaction number of Bank, status of payment was captured in a payment transaction table. In case of failure of a payment due to invalid bank account number, incorrect IFSC or any other reason, the Department made necessary corrections and re-submitted to the bank for payment. In this case, a separate record for the payment transaction needed to be added with appropriate audit trail/audit log in the payment table.

Audit analysed the data furnished during September 2020 and April 2021 comparing each payment table of both the years and found that in 2,09,659 records payment status were updated in 4,19,512 occasions<sup>37</sup> (UTR Number, Account Number) without any trail or log. This showed that after the transactions were completed and recorded, the vital data were again manually updated without any log or audit trail. As a result, the database had become unreliable with no integrity. Government noted (April 2022) the audit observation for rectification.

- **Inconsistent payment transactions table:** The beneficiary master table stores details of the eligible beneficiaries of the scheme (both Landless and Small and marginal farmers). The table contained various fields like beneficiary name, father's name, address, category (whether LL or SMF), amount of assistance *etc.* along with number of the last instalment paid. After payment of assistance through this beneficiary master table, the beneficiary particulars of the payment transaction should be captured in the beneficiary master table and must match with those of the last transaction fields of the payment table.

Audit noticed that:-

- ✓ There were 2,19,885 beneficiaries' records having same instalment number successfully paid twice.
- ✓ The instalment mentioned against the beneficiary was not matching with the instalment paid in the payment data in 19,919 cases.

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<sup>37</sup> Changes in Account number – 3,224; Bank name – 3,425; failure reason – 10,519; IFSC – 3,222; status – 2,06,220; UTR No. – 1,92,892

- ✓ The instalment number and amount were not shown to the beneficiaries in the track application status screen (<https://kaliportal.odisha.gov.in/TrackToken.aspx>).

This indicated that there was deficiency in designing the database system and the data were manipulated manually with loss of transparency.

The Government agreed (April 2022) to the fact and stated that due to delay in receipt of success/failure bank response, the actual status of some beneficiaries has not been updated in time. Some new applicants selected as beneficiaries by grievance application were paid their assistance in prospective manner and the instalment number and amount were not shown to the beneficiaries in the track application status screen.

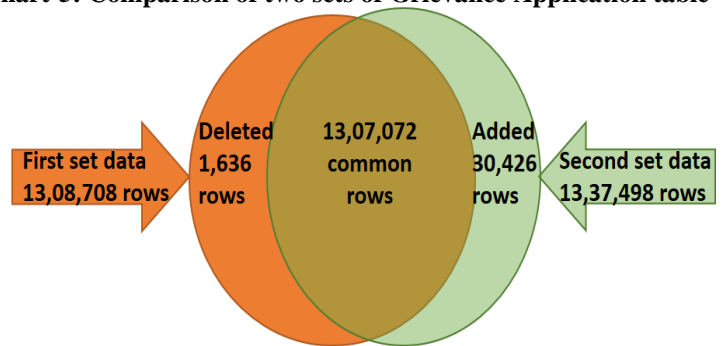
- **Inequitable selection of beneficiaries through grievance process:** As per the workflow in the Grievance Redressal process, the DNO was the final field level authority to approve the beneficiaries. Database analysis revealed that the DNO approved 4,30,370 eligible beneficiaries from 13.37 lakh applications received through grievance portal. However, in the beneficiary master table, only 4,23,120 beneficiaries were included. Remaining 7,250 beneficiaries were excluded in beneficiary list arbitrarily, thereby depriving assistance to them from the KALIA scheme. Thus, making these beneficiaries ineligible after selection was irregular. Government stated (April 2022) that after field verification of all the farmers' data or application State Level verification or sanitization were done linking other databases and the State excluded 7,250 number of field verified eligible applicant. The reply is not acceptable as physical field verification was more reliable than verification through third party database comparison and the former should have been considered.
- **Non-payment to eligible beneficiaries:** Out of the 4,23,120 beneficiaries included in the beneficiary list selected through Grievance process, the Department released payment to 3,86,067 beneficiaries. The remaining 37,053 beneficiaries had not received any assistance yet since March 2020 *i.e.* the date of their eligibility. This indicated that there was inequitable and arbitrary payment of instalments. Government agreed (April 2022) to audit point and stated that due to non-confirmation of accounts either by NPCI or by the banks, some beneficiaries had not received their assistance. However, Government failed to expedite the verification process and released payment to the eligible beneficiaries.
- **Repeated payment of instalment without success of previous instalment:** As a general practice, the second instalment should be released to a beneficiary after successful transfer of first instalment. The subsequent instalment should not be released, if there was failure in transaction of first instalment.

Audit analysis of payment transaction table revealed that there were failed payment of first instalment against 5,01,357 beneficiaries. Subsequently, payment of instalment in respect of 3,91,309 beneficiaries were made after rectification of their account details. The Department released subsequent instalments to 5,006 of the remaining 1,10,048 beneficiaries without ensuring the success of payment of previous instalment. This indicated that even after repeated verification of data of beneficiaries, there were still errors in bank account numbers owing to which the genuine beneficiaries were deprived of getting the benefit of the scheme. In reply Government stated (April 2022) that if Aadhaar seeding was correctly captured, the payment was pushed for subsequent instalment payments ignoring previous failure payment instances. The reply is not acceptable as Government should have ensured payment of instalments to the beneficiaries in cases, where payments failed.

**2.2.6.3 Database security and integrity**

After release of first instalment (January 2019 to May 2019), the Department realised that there were ineligible beneficiaries present in the selected list. So, it conducted field level verification along with State level verification with various datasets during August-September 2019 *i.e.* before release of second instalment and found 14.08 lakh ineligible beneficiaries. In

**Chart-5: Comparison of two sets of Grievance Application table**



order to verify their credentials, those beneficiaries were allowed to apply again through grievance process. On receipt of the grievance, their grievance applications were captured in a grievance application master table and from the master table, a separate transaction table was created which captured the step wise verification process at field level.

**Deletion of records:** Analysis of two sets of data provided to audit during September 2020 and April 2021 revealed that 1,636 grievance applications were deleted from the data provided during April 2021. Thus, the database had become unreliable losing its integrity.

**Updation of historical transaction data without log:** There was difference in month wise record counts in 13,556 records of grievance applications data provided during September 2020 and April 2021. The critical attributes like names of account holders, account numbers *etc.* were changed in 13,06,940 records in grievance application master table without any provision of audit trail or log. Similarly, 1,22,439 records in the grievance application verification table were also changed.

**Inconsistent workflow:** As per the workflow in the Grievance Redressal process, after the applicant submitted the form, the DNO would approve the beneficiary after receipt of the approval from GPNO and BNO. The hierarchy in such approval process must be automated. Audit noticed that sequence of record creation in 3,747 records relating to date of creation of record, date of creation by GPNO, date of approval by GPNO, date of approval by BNO and date of Approval by DNO of grievance applications was done in a disorderly manner indicating serious inconsistency in the workflow. Thus, the database had become unreliable losing its integrity.

The Government agreed (April 2022) and stated that there was difference in month wise record occurred due to “reapply” option. As some beneficiaries applied again in KALIA web portal resulting in mismatch of grievance application during the period September 2020 to April 2021 dataset. Due to wrong handling of information by the farmers, the GPNO and BNO were compelled to edit the status of the form of the application. The reply is not acceptable as critical application data were changed without any log creating risk of manipulation.

### **2.2.7 Conclusion**

The Government introduced the scheme Krushak Assistance for Livelihood and Income Augmentation (KALIA) having six components without proper planning. Government could implement only two out of the six components. Two components of the scheme were dropped, and two other components were yet to be started as of March 2021. As Government had no foolproof farmers’ database as well as a proper plan, the initial implementation of the two components targeting 40.18 lakh beneficiaries got riddled with errors. The increase in number of beneficiaries during identification and selection process was the biggest fault in the planning process.

The department had provided KALIA benefit assistance to 65.64 lakh beneficiaries during 2019-2021 and released instalments thrice to 41.64 lakh beneficiaries, twice to 8.09 lakh beneficiaries and only once to 15.91 lakh beneficiaries. This happened due to identification of 9.76 lakh ineligible beneficiaries by the Department subsequently.

Audit noticed that there were 12.72 lakh ineligible beneficiaries, to whom Department had transferred ₹782.26 crore with remote chances of recovery.

Further, ₹107.64 crore was released to 1.28 lakh account holders in which the names of account holders were different from names of the beneficiaries indicating non-payment of instalment to the genuine beneficiaries.

As per scheme guidelines second instalment for landless Agricultural Labourers was to be released after conducting orientation training. Audit observed that capacity building and training was conducted for 3.96 lakh beneficiaries only out of 18 lakh beneficiaries, till March 2021 defeating the scheme objective. Hence, the entire amount of ₹2,007.67 crore assistance released to them became unfruitful.

There was hasty development of the IT system for KALIA without proper system study and requirement assessment for which deficiencies in implementation occurred. Audit also noticed non-maintenance of logs and audit trails of transactions leading to loss of integrity of data. Audit analysis revealed that there were changes in names of 295 beneficiaries in the beneficiary master table resulting in doubtful selection of beneficiaries. There was no input control or validation in the data entry form to prevent duplicities and junk entries resulting an inconsistent and unreliable farmer database. Audit analysis revealed that after the transactions were completed and recorded, the vital data were again manually updated without any log or audit trail. As a result, database had become unreliable with no integrity.

### **2.2.8 Recommendations**

**The Government may:**

- develop a robust mechanism to provide KALIA scheme assistance to only eligible farmers after proper identification.
- ensure development of IT application based on approved User Requirement and System Requirement Specifications. The IT Application should have appropriate IT controls to ensure confidentiality, integrity and availability of data and does not allow any modification without audit trail.
- ensure all DBT payments based on Aadhaar Payment Bridge System and validate the bank accounts of eligible beneficiaries before release of payments.
- take necessary steps for prompt recovery of payments from ineligible beneficiaries under KALIA scheme who have been paid assistance incorrectly.

