

CHAPTER - V

Implementation of Welfare Schemes

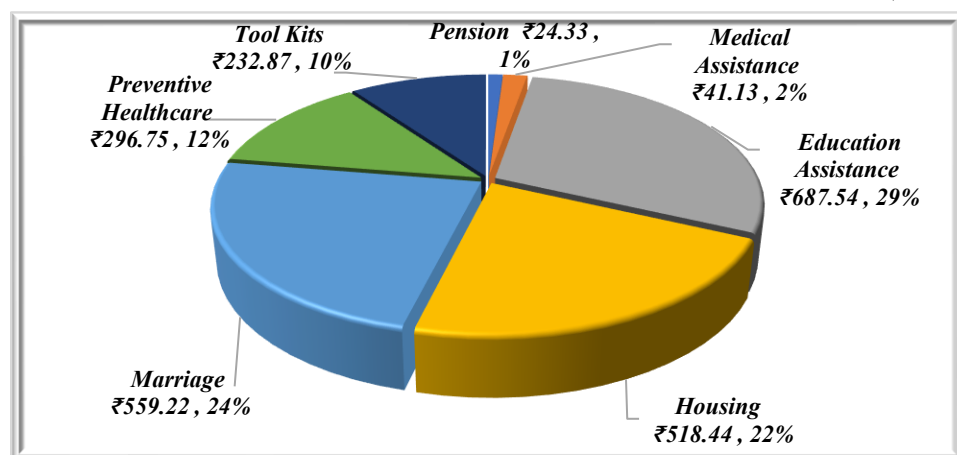
Chapter V: Implementation of Welfare Schemes

Abnormal delays in processing the pension payments deprived the beneficiaries from getting pension benefits. Instances of rejection of pension applications due to non-renewal of subscription during Covid lockdown were noticed. Toolkits were issued to the beneficiaries engaged in different occupations, other than building and construction works. The Board had not prescribed standard procedure for scrutinizing medical bills and significant deficiencies in the scrutiny/certification/settlement of these bills were observed. Instead of calling for tenders as per the KTPP Act and Rules, the Board split the works to circumvent the need for Cabinet approval, resulting in irregular expenditure of ₹258.80 crore in Preventive Health Care Training and Checkup scheme.

The Board implemented 25 welfare schemes which included superannuation pension, family pension, disability pension, medical assistance, educational assistance *etc.*, to the registered construction workers as per the eligibility for each scheme. Ten schemes¹⁸ implemented by the Board were selected on random sampling method for detailed analysis.

Exhibit 5.1: Kind of assistances distributed by the Board

(₹ in crore)



Source: Data furnished by the Board

5.1 Pension Scheme

As per Rule 39 of Building and other Construction Workers (Karnataka) Rules 2006, a building construction worker was eligible for superannuation pension of ₹3000¹⁹ per month after attaining the age of 60 years. The worker should have been a subscriber to the fund for a continuous period of at least three years before turning 60 years and should have paid the subscription fees of ₹50 per year until 60 years. As per Rule 49-C, the time limit for applying for pension is within six months after attaining the age of 60 years. Further, as per rule 21-A (2), if a beneficiary commits default in the payment of contribution

¹⁸ Superannuation Pension, Family Pension, Permanent Disability, Major Medical Assistance, Thayi Magu Sahaya Hasta, Educational Assistance, Tool kit Scheme, Preventive Health Checkup, Karmika Gruha Bhagya and Marriage Assistance.

¹⁹ Increased from ₹2,000 w.e.f. August 2022.

continuously for a period of one year, he/she shall cease to be a beneficiary of the fund. As per Rule 39-A, the spouse of the deceased registered building and other construction worker drawing pension is eligible for family pension which is 50 *per cent* of the pension.

The Board or the field offices could not provide the complete information regarding the number of beneficiaries under the scheme and there were differences/inconsistencies in the data furnished by them as commented in **Para 4.3.3 *supra***. In the absence of reliable data, Audit obtained the number of pension cases from the sampled ALC offices and analysed them by retrieving the applications from the Seva Sindhu portal. In all a total of 4,678 pension applications were furnished by the sampled ALC offices pertaining to the period 2018-23. The observations of Audit on the analysis of these applications are detailed in succeeding paragraphs.

The Government stated (August 2024) that the ALCs would be asked to explain the reasons for rejection of these cases.

5.1.1 Rejection of pension applications for non-renewal of subscription during Covid Lockdown

Due to the nationwide lockdown during the first and second waves of the Covid-19 pandemic, the Government of Karnataka (GoK) waived the annual subscription fee. Additionally, the time limit for submitting applications for benefits was extended in phases from March 2020 to September 2021.

Audit test checked superannuation pension applications in two²⁰ ALCs for the years 2019-2023. Scrutiny of 57 superannuation pension applications rejected by the ALCs, revealed that 20 applications were rejected due to non-payment of subscription continuously.

It was also observed that the period of non-payment ranged from one month to 10 months. Considering the provisions of Rule 21-A (2) *ibid.*, and the relaxation for the COVID-19 period granted by GoK, the rejection of these applications was found to be not in order as the period of non-payment of subscription was less than a period of one year. This deprived the pension amount of ₹3,000 per month to these beneficiaries for their lifetime and family pension to the spouse. The amount of pension lost by these beneficiaries whose applications were rejected worked out to ₹23.10 lakh till December 2023.

In reply, ALC Mangaluru stated that the applications were processed as per the rules and instructions issued by the Board. The reply is not acceptable as the renewal can be made within one year after it is due, and the subscription was waived off by the GoK from 01 August 2020.

²⁰ ALC Mangaluru and ALC Belagavi.

5.1.2 Absence of time limits for sanction of pension

Application for superannuation pension was to be filed by the beneficiary within six months from the date of attaining 60 years. However, no time limit was specified for scrutiny and sanction of the pension. Audit observed that pension was paid from the date of sanction and not from the date of superannuation.

Test check of 77 pension applications in three offices revealed that in 36 cases time taken was 18 months in sanctioning the pension to the beneficiaries. Thus, the beneficiaries were deprived of the pension of ₹3,000 per month and total unpaid pension from the date of superannuation for these 36 beneficiaries works out to ₹8.76 lakh.

Further, denial of pension and opportunity for family pension lost due to delay in sanction was also noticed as detailed in the *Illustration* below:

Illustration:

A registered construction worker attained the age of 60 years on 23 January 2020 as per the details furnished at the time of registration. The beneficiary applied for superannuation pension vide Order No. KB802S210001345 dated 02 July 2021. The Labour Inspector, Kundapura while conducting spot verification on 06 May 2022, reported that the applicant expired on 27 December 2021. Based on the verification report the application was rejected on 17 August 2022 by the ALC, Mangaluru.

Due to delays in sanctioning, the beneficiary did not receive the ₹3,000 monthly pension to which he was entitled. Since superannuation pension was not approved, the beneficiary's spouse was also deprived of the family pension of ₹1,500 per month.

Audit observed that there was no provision in the rules to regulate the pension in such cases. Further, no specific instructions/ circulars were issued by the competent authority to regulate the pension sanction cases if the applicant was deceased before sanctioning the case.

In reply, ALC Mangaluru stated that the case was rejected as per the instructions of the Board. However, supporting documents in this regard were not provided and records made available revealed that LO conducted the inspection of the beneficiary with inordinate delay of six months from application for pension, which ultimately resulted in denial of pension/family pension to the deceased construction worker.

The Government stated (August 2024) that instructions would be issued to process pension applications on top priority and pay the pension/family pension from the date of superannuation or death of the spouse.

Recommendation 6: The State Government should direct the Board to ensure that pension is processed in a timely manner from the date of superannuation. The Board may also be directed to issue specific guidelines for regulating the pension in cases where applicant(s) are deceased before the finalisation of the pension.

5.2 Major Medical Assistance

As per the Central Government Health Scheme (CGHS), medical bills are verified through a process that involves beneficiaries, the wellness centre and the Beneficiary Claim Administrator (BCA). Once the beneficiary submits the claim in a wellness centre where they are registered, the wellness centre verifies the claims against a checklist and are submitted to the BCA for further review of the claims. The claims are then sent for approval and onward payment through the concerned Pay and Accounts Offices.

In Karnataka, though the Board had adopted CGHS rates for settlement of the medical claims, the process of verification of claims as per standardised checklist of CGHS had not been adopted. In Karnataka, a registered construction worker is eligible for assistance of medical expenses for treatment of major ailments. As per Rule 48, the Board shall grant an amount up to rupees two lakh subject to the rates prescribed under CGHS for every application or estimated cost of treatment/operation.

Audit observed significant deficiencies in scrutiny and certifying of medical bills as detailed below:

- **Geographical discrepancies:** In LO-Mysuru, 93 bills amounting to ₹0.20 crore sanctioned during 2018-19 were sent to a doctor 25 km away working in Primary Health Center at Nanjangud, while in LO-Davanagere, 734 bills amounting to ₹2.19 crore sanctioned during 2018-19 to 2022-23 were scrutinized by an agency in Bengaluru which is 250 km away. This raises a concern about the feasibility and efficiency of the verification process given the significant distances involved.
- **Inappropriate certification:** In Davangere the bills for allopathy treatment were certified by an Ayurvedic (BAMS) Doctor which is not appropriate and undermines the validity of the certifications.
- **Non-compliance with documentation:** In LO-Mysuru and LO-Davanagere, it was observed that in 17 out of 72 test checked cases, an amount of ₹4.74 lakh (**Appendix 5.1**) was sanctioned without certificate from the treating Doctor.
- **Delayed settlement of claims:** In three LO²¹, out of 1,233 cases, 851 claims were sanctioned within six months from the date of application and 382 claims were delayed by more than six months. In 283 cases, transfer of the amount to the beneficiary account took more than three months after sanction. Thus, delay in payment of assistance for the

²¹ LO-1 Bengaluru, LO Mysuru an LO Davanagere.

medical expenditure incurred by the beneficiaries affected the objective of the scheme in providing timely assistance.

Non-compliance with mandatory documentation requirements and significant delays in claim settlements further put the beneficiaries at a disadvantage. The verification process adopted as shown in the above examples was irregular.

The Government stated (August 2024) that the observations would be circulated to all the offices to avoid such lapses in future and for speedy settlement of the claims.

5.3 Karmika Gruha Bhagya Yojane

Rule 42 of the Building and Other Construction Workers' Rules, Karnataka 2006, stipulates that a registered construction worker who is at least 45 years old and has rendered 15 years of service is eligible to apply for an advance on their entire beneficiary contribution, up to a ceiling of rupees two lakh. In August 2022, the age criteria were amended to allow workers between the ages of 21 and 50 years to apply. The advance is paid directly to the Government agency implementing housing schemes. The Board is to recover the advance in equal annual instalments over a period of 20 years.

5.3.1 Release of ₹509.80 crore KSDB without obtaining beneficiary list:

Karnataka Slum Development Board (KSDB) sought funds from the Board for construction of houses under Pradhan Mantri Awas Yojana (PMAY) implemented for slum rehabilitation. Under PMAY, houses for rehabilitation of slum dwellers were to be constructed with Central share, State share and beneficiary share. KSDB stated that the amount would be utilized towards beneficiary share for those units which are allotted to the beneficiaries of the Board. Accordingly, the Board released (November 2019) ₹76 crore to KSDB through the Housing Department for implementation of scheme. The KSDB submitted (July 2020) the list of 5,128 beneficiaries to the Board along with utilization certificate for ₹76 crore. It further sought an amount of ₹433.80 crore for the scheme for other districts and the Board released the amount in two instalments during August and September 2022²².

Records revealed that the Board released ₹433.80 crore to KSDB without obtaining the beneficiary list. The Board issued directions (July 2023) to the Labour Officers to verify and ascertain the genuineness of the beneficiaries selected by KSDB. As of December 2023, the Labour Officers had not submitted verification report to the Board.

The Government stated (August 2024) that meetings were conducted with officers of KSDB to obtain further information and the verification reports from the Labour Officers were expected shortly.

²²21,690 beneficiaries (at the rate of ₹2,00,000 per beneficiary).

5.3.2 Irregular selection of beneficiaries

Audit scrutinized 480 cases out of 5,624 beneficiaries furnished by KSDB in test checked Labour Offices and observed that, the Board irregularly granted benefits to 53 under-aged or over-aged beneficiaries, contravening the prescribed guidelines. Further, following discrepancies were observed in the test checked labour offices.

- The Labour cards verified by LO-Davanagere revealed that the details of nine beneficiaries and their family members were not matching with the names of the allottees by the KSDB.
- The details of the agreement signed with the beneficiaries for advance payment and the details of recovery were not available with the Board or with the LO in any of the test checked districts.
- Beneficiary survey conducted at the LO, Davangere office, revealed that a beneficiary received no assistance despite his name appearing in the Board's records and being included by KSDB under the KGB scheme with a registration number.
- In LO-Bidar, out of 1,097 beneficiaries identified by the Board, the Labour Officer (LO) confirmed that only 688 houses were sanctioned, out of which, only 169 houses were handed over to beneficiaries. Further, four beneficiaries were engaged in tailor, clerks, weavers and not in building and other construction works.



Incomplete house under KGBY in Davanagere.

- Joint Physical verification revealed that none of the houses were completed (December 2023). However, as per the KSDB list, these houses were reported to have been completed.

- A scrutiny of Labour cards of the beneficiaries who availed assistance of loan and advances for construction of house under the KGB scheme in the LO-1, Hubballi, LO Davangere and LO Mysuru revealed that in 72 out of 409 cases, the assistance was provided by KSDB in the names of the family members of the registered construction workers instead of the actual registered construction worker.

These findings indicate systemic weaknesses in the verification, monitoring, record-keeping processes and delays in house construction.

The Government stated (August 2024) that it was the responsibility of KSDB to select eligible beneficiaries and obtain the loan documents for recovery of the amount in instalments.

The reply is not acceptable as Board had to ensure that the Board's funds were being utilised for the welfare of its beneficiaries before releasing the amount to KSDB.

5.3.3 Release of ₹8.74 crore to M/s. Rajiv Gandhi Housing Corporation Ltd., without beneficiary details.

The Board released ₹8.74 crore (September 2022) to M/s Rajiv Gandhi Housing Corporation Ltd. (RGHCL) for implementing the Scheme in three²³ Taluks of Haveri District for 437 beneficiaries. However, the Board did not obtain critical information, such as the details of the beneficiaries, the amount recovered, and the construction status of the houses.

In the absence of beneficiary details, Audit could not verify whether the funds have reached the intended recipients. Without information on the construction status, the Board cannot ensure that the housing projects are being completed as planned. This gap makes it difficult to monitor the effectiveness and efficiency of the scheme. Further, the Board's documents did not clearly outline the method for recovering the advances. There is a fundamental flaw in the functioning of the Board wherein the Board gives funds to organisations without any details as to whom the benefits are reaching.

During Exit Meeting Principal Secretary assured to resolve the issue by arranging a meeting with RGHCL.

The Government stated (August 2024) that it is the responsibility of RGHCL to select beneficiaries and recover the instalments from them. It was also stated that the details called for in Audit were not readily available.

The reply is not acceptable as it was imperative for the Board to collect the relevant information about the beneficiaries before releasing the amount to RGHCL.

Recommendation 7: The State Government should direct the Board to verify the eligibility of the allottees/beneficiaries of the housing scheme after all planning and due process is done and also before release of funds to the implementing agencies.

²³Shiggaon, Bankapura and Savanur.

5.4 Preventive Health Care Training and Checkup for the Building & Other Construction Workers in Karnataka

The Board proposed to conduct a Preventive Health Training and Checkup for five lakh registered building construction workers. The proposal was included in the Budget for the year 2020-21 and ₹150 crore was earmarked for this scheme.

5.4.1 Unauthorised expenditure of ₹258.80 crore

The Board sent proposal (July 2020) of Preventive Health Training and Checkup for five lakh registered building construction workers for Cabinet nod as the work cost exceeded ₹10 crore. The proposal was returned by the Finance Department (FD) with direction to prepare a detailed proposal with guidelines for the scheme.

Again, Board proposed (December 2020) to entrust the scheme to three²⁴ agencies directly without following the tender procedure quoting under 4 (g)²⁵ of (KTPP) Act. The proposal was rejected by the Finance Department which sought recorded justification for bypassing the tender process. The Secretary, Labour Department instructed (March 2021) the Board to follow the provisions of KTPP Act for tendering.

The Secretary of the Board (12 April 2021) instead of furnishing detailed justification for 4(g) exemption, sent a fresh proposal to Labour Department to call for tender to empanel the agencies for one year and sought administrative approval to implement the scheme in Dharwad Circle on pilot basis for ₹8.86 crore.

Instead of calling for tenders as per the KTPP Act and Rules and as directed by the Finance Department, the Board decided to split the work into 30 individual projects to circumvent the need for Cabinet approval and called for quotations. The Board approved these projects post facto in June 2022, by quoting the exemption order under Section 4(a)²⁶ provided during the first and second waves of COVID-19 for the supply of food and ration kits to labourers and proceeded to award the split works, thereby avoiding Cabinet approval.

Thus, award of contracts from September 2021 to May 2022 in contravention to the Act/Rules resulted in irregular expenditure of ₹258.80 crore.

The Government stated (August 2024) that the work was entrusted directly as 4(a) exemption was accorded by Government and that there was no contravention of Act / Rules in implementing the scheme.

²⁴ M/s. PCMH, M/s. Hindustan Latex Ltd., (HLL) and M/s. Apollo Clinic.

²⁵ This clause applies for specific procurements as may be notified by the Government from time to time for entrusting works without following open tendering process.

²⁶ This section of KTPP Act grants exemption from calling open tenders for procurement of goods and services during natural calamity or emergency.

The reply is not acceptable, as the exemption under Section 4(a) was granted specifically to address the COVID-19 emergency. The Finance Department had previously returned the proposal for this scheme with instructions to comply with the KTPP Act. Despite this, the scheme was later implemented with the approval of the Labour Department by splitting the work into 30 sub-works of ₹10 crore each, thereby circumventing the need for Cabinet approval.

5.4.2 Lack of transparency in awarding the work

Audit observed several lapses in awarding the work of preventive healthcare scheme to labourers. The instances are brought out below:

- Notifications were placed on different dates for each district on the notice boards of the offices under the Labour Department, calling for quotations allowing seven days to respond. However, the notice was not published in any newspaper or through the e-procurement portal, thereby failing to attract competitive rates.
- The qualification criteria (like NABL accreditation, experience, previous year's turnover *etc.*), for the agencies eligible for participation, EMD *etc.*, were not prescribed in the Notification calling for quotations.
- Exactly three quotations were received for each district. Despite the limited publicity of the notice, quotations were received from agencies based in New Delhi and Mumbai within three days. The quotes were also received from equipment suppliers and agencies without any address or contact details mentioned in their submissions.
- Two unsigned quotations were also taken into consideration for evaluation purposes and two quotations were received even before the date of Notification. The Board, instead of rejecting these invalid quotations, accepted them for comparison and entrusted the work.
- The number of persons to be tested under each Labour Office was fixed at 26,500 or 33,500 to ensure that the total cost of the work remained below ₹10 crore, to avoid Cabinet approval.
- Security Deposit or Earnest Money Deposit, which could be forfeited in the event of failure to start the work after entrustment, was not obtained from the agencies.
- Though there was no provision for advance payments, at the request of the agencies, 50 *per cent* of tender amount was paid as advance (December 2021) without obtaining Bank Guarantee/ security thereby extending undue favour to them.
- In eight cases, the advance amount was disbursed even before the signing of the agreement. Further, the utilization of the advance for the purchase of equipment necessary for the implementation of the scheme was not ensured, as vouchers or other supporting documents were not obtained.

A total of 8,49,084 beneficiaries and their dependents were given preventive health checkup and training and an expenditure of ₹258.79 crore (December 2023) was incurred. Details of beneficiaries who underwent Preventive Health Checkup and Training in 25 Labour Offices were furnished to Audit. Details

of Labour Offices at Koppal, Yadagiri, Shivamogga and Hubballi were not furnished despite repeated reminders.

The Government stated (August 2024) that information about the works were shared with certain organisations working in the health sector, to obtain the rates as per 4(a) exemption and the rates quoted by the agencies could not be verified in detail due to oversight as the work had to be implemented urgently. It was also stated that advance amount was released as per the request of the agencies, with due approval of the Chairman of the Board.

The reply is not acceptable, as the claimed exemption under Section 4(a) does not apply to this scheme. The Finance Department had previously rejected the Board's proposal for a 4(g) exemption and instructed compliance with the KTPP Act. Despite the claimed urgency, the Board took eight months, from August 2021 to March 2022, to issue work orders for all Divisions. The process lacked transparency in awarding these works.

On scrutiny of further records at the Boards headquarters and Labour Offices, Audit observed significant discrepancies as detailed below:

A. Payment for Tests conducted more than once for same person

Audit observed that claims were made by the agencies by showing that the tests were conducted multiple times for the same person using the same name and Labour ID. One individual was reported to have been tested up to 29 times. The total number of duplicate entries found in the list was 1,27,635. The Labour Officers countersigned and forwarded the claims without verifying the details. The amount paid for these duplicate entries works out to ₹37.65 crore (1,27,635 x ₹2,950). The lack of any verification process and the large number of duplicate entries is suggestive of fraud test results.

The Government stated (August 2024) that the possibility of the same person being tested multiple times could be attributed to data entry errors or system glitches.

The reply is not acceptable as the Board made payments for these duplicate entries without proper verification / data validation checks.

B. Unwarranted tests on minors without medical advice

According to the terms and conditions of the agreement tests must be conducted for registered workers and their dependents who are 18 years and older. However, it observed that tests were conducted for 79,280 minors. Neither the LO nor the Board verified that claims for persons under 18 years of age are not payable. The amount thus paid works out to ₹23.38 crore (79,280 persons x ₹2,950 per test).

The Government stated (August 2024) that though the observation was in order, in the interest of social justice, the tests were conducted for ineligible dependents.

The reply is not acceptable, as both the terms of the agreement and the BOCW Act clearly stipulate that the Board's funds must be used exclusively for the benefit of registered beneficiaries and their dependents.

C. Payment of ₹12.71 lakh to ineligible beneficiaries

The data pertaining to the beneficiaries and their dependents from 25 Labour Offices were analysed by adopting a random sample of 8,770 cases (one *per cent*) and Audit observed that the medical team conducted tests on the people who were neither card holders nor their dependents. The Labour Officers did not verify these basic details and payments were made to the agencies. This has resulted in loss to the Board which works out to ₹12.71 lakh (431 cases at ₹2,950 per test).

The Government stated (August 2024) that the documents produced by the workers could not be verified due to rush and to maintain social distancing. It was also stated that the agencies were asked to conduct tests for 300 more workers to compensate the shortfall.

The reply is not acceptable as the tests were stated to have been conducted for the eligible beneficiaries and payments made without verifying the documents furnished.

5.5 Toolkit and Training Scheme

As per Rule 41 of the Building & Other construction workers Rules, Karnataka 2006, a construction worker²⁷ who having registered as a beneficiary is eligible for tool kit not exceeding ₹ 20,000 once during his membership. The Board procured 5,18,867 toolkits of different trades like masonry, painting, plumbing, bar bending, carpentry *etc.*, during the years 2018-19 to 2021-22 and the same were delivered directly to the Labour Offices for onward distribution to the beneficiaries.

A beneficiary should furnish an application in Form XV for receiving the tool kit. The Board did not prescribe any procedure for selection of beneficiaries to receive the tool kits when the number of applications is in excess of the number of tool kits supplied. Applications received in Form XV were not available in the test checked offices.

Scrutiny of records also revealed that out of 62,674 toolkits received in test checked districts 20,771 toolkits²⁸ were issued directly to trade unions and through public representatives instead of issuing to registered beneficiaries. Details of the beneficiaries to whom the kits were issued were not obtained, raising concerns about whether the kits reached eligible recipients.

In LO-2, Belagavi, four out of 20 test-checked beneficiaries were found to be engaged in different occupations, such as agriculture and private company employment, instead of building and construction works. This indicates a failure to properly verify eligibility criteria for receiving benefits.

In LO-Bidar more than one tool kit was issued in 226 cases and in one case even five times. Further, in nine cases beneficiaries were issued toolkits for

²⁷ Masonry, plumbing, carpentry, bar bending and scaffolding, painting, tile laying, electrician, welding, steel fabricating *etc.*

²⁸ LO-1, Bengaluru, Hubli, LO-Mysuru, and LO-2 Belagavi.

different trades²⁹ multiple times by using different Aadhaar numbers. In one instance, a beneficiary with the same Labour card number received toolkits for three different trades by providing different Aadhaar numbers for each case.

The flouting of guidelines in distribution of toolkits is indicative of the complete negligence of the Labour Officers in ensuring that only genuine beneficiaries are the recipients.

The Government stated (August 2024) that the discrepancies would be brought to the notice of the field offices for verification and further action. Due care would be taken to avoid such lapses in future. It was also stated that to ease the supply and delivery of tool kits, the Board decided to float tenders' division wise.

Recommendation 8: The State Government should direct the Board to issue toolkits directly to registered workers and as per the trade registered.

5.6 Marriage assistance scheme

Rule 49 of the Building and Other Construction workers' Karnataka envisage assistance for the First marriage of the registered building or construction worker or his/her dependent children (limited to 2 children). The competent authority shall on an application in Form XXIII submitted by the registered construction worker, sanction a sum of ₹50,000 as an assistance to meet the marriage expenses of the worker or his/her two dependent children.

The Government Order (February 2018) stipulated that 50 *per cent* of the amount shall be in the form of Fixed deposit or Bond (Gruha Lakshmi Bond) for a minimum of three years in the name of the bride and remaining 50 *per cent* through RTGS in the name of the Beneficiary. This condition was amended in May 2020 with a revision to Rule 49(f), which now states that the entire amount shall be transferred to the bank account of the bride.

Audit observed in test checked LOs that out of 1,013 marriage bonds which were issued during 2018-20 under the Marriage Assistance Scheme in 624 cases, the Marriage Bonds were still with the LO, even though they were within the three-year lock in period. Additionally in 45 cases Matured Bonds were not handed over to the beneficiaries and remained with the LOs, thereby depriving financial support to the beneficiaries.

Further, Audit observed that 18 beneficiaries, though engaged in different occupations like business, agriculture and private sector employees *etc.*, were paid marriage assistance, in violation of the rules.

These significant administrative lapses undermine the scheme's effectiveness and compromise the integrity and objective of the scheme.

²⁹ Masonry, Painting, Plumbing, Bar bending, Carpentry.

While accepting the observation during the Exit Meeting Principal Secretary stated that instructions would be issued to Labour Officers for proper implementation of scheme and to recover inadmissible and excess payments if any from the concerned.

The Government stated (August 2024) that the observations would be brought to the notice of the field offices for recovery of the irregularly sanctioned amount.

5.7 Mobile Clinics for urban construction workers

To provide health care facilities to the construction workers and their families working in urban areas, the Chief Minister announced establishment of 10 (2020-21) and 25 (2021-22) mobile clinic units (MCU) at selected workplaces. The short-term tenders were invited (April 2021) for starting three mobile clinics in Belagavi region and clinics commenced operations (December 2021). Quotations were obtained for other four³⁰ regions (December 2021) and the work was entrusted to the agencies³¹ from July 2022.

In respect of 25 clinics announced for the year 2021-22, short term tenders were invited (January 2022) for starting seven mobile clinics in Kalaburagi region and quotations were obtained for other four³² regions and the works were entrusted to the agencies from July 2022.

Scrutiny of records pertaining to tendering and operation of mobile clinics revealed the following:

- The pre-qualification criteria, such as annual turnover and operating at least 10 mobile clinics for any State or Central Government departments in the last three years, were set for agencies participating in the e-Tender. However, these criteria were not applied to agencies shortlisted through quotations. Further, the notice calling for quotations was not widely publicized in any newspaper but was only placed on the notice Boards of the offices.
- As per the terms of agreement, the route of the MCU should be informed in advance to the concerned officials of KBOCW. The details of the number of trips per month, locations visited *etc.*, are to be submitted every month to the monitoring committee headed by DLC. Audit visited the location of the MCU at Bidar, Belagavi and Mangaluru during field visits and observed that the route map of the MCU was not shared with the concerned officials and they were not aware of the location of the MCU.
- The details of the patients along with the labour card details were not entered in the Register.

³⁰ Kalaburagi – 1 clinic; Hassan -2 clinics; Bengaluru Region-I – 2 clinics; Bengaluru Region-II -2 clinics.

³¹ M/s. SCODWES, United Social Welfare Association. Belagavi, Udbhav, Blossom Charitable Trust.

³² Belagavi – 7; Hassan - 4; Bengaluru Region 1-3; Bengaluru Region-II - 4

- The entries in the Patient Register were left blank besides the labour card details of the patient not being entered. Audit team called the mobile numbers entered against the patients in the Register and found that the mobile numbers did not belong to a patient but some unconnected individual.
- As per the objectives of the scheme, the routes were to be decided so that places with more construction activity and clusters having more labour population are covered. However, the routes were decided by the agencies themselves and were approved by the LO. The Mobile Units were visiting only a few villages routinely instead of covering the whole taluk as intended. The MCU were stationed in a common place of the village and not near any construction sites as stipulated in the agreement.
- Audit sought the GPS tracing details of the vehicles as of 29 December 2023 and observed that out of 32 vehicles, five could not be traced due to the GPS login details being unavailable to the Board. According to the work order, eight persons were to be present in each MCU; however, upon verification, one MCU had seven persons, 13 MCUs had six persons, and eight MCUs had five persons. The number of persons in 10 MCUs could not be verified as their contact details were not available with the Board. The logbooks of the vehicles were not obtained and scrutinised by the LO.
- In three MCUs, the Doctor was not present. According to the agreement, if a person is on leave, the agency shall provide a replacement for the clinic. However, in Chikkaballapura MCU, the Doctor was absent for more than 10 days without any replacement being provided. In Mangaluru, the service provider had provided an Ayurvedic doctor instead of an MBBS Doctor.

Despite expenditure of ₹21.26 crore, the Board could not ensure effective functioning of the scheme due to non-monitoring the effectiveness of mobile units.

The Government stated (August 2024) that the details of treatment given to patients were maintained in systems and only minimum details were entered in the Registers for want of sufficient time. GPS would not have worked on account of repair and action had been taken in this regard. The reply also mentioned that the Standard Operating Procedure (SOP) for efficient working of Mobile Clinic Units would be prepared and sent to field offices.

5.8 Mission Mode Project

In July 2020, GoI launched Mission Mode Project (MMP) so that all the construction workers who are registered as beneficiaries avail the entitled benefits without any hassles. The MMP envisages achieving the objectives by State Welfare Boards within three months' time-period. MMP comprised three components, viz., (i) Registration of left-out construction workers, (ii) Renewal and Portability and (iii) Universalisation of Social Security. The component-wise compliance by the Board and Audit observations thereon are given in **Table 5.1**.

Table 5.1: Components of MMP and status of achievement

Sl. No.	Components of MMP	Audit observations
1	Registration of left-out construction workers: Special drive shall be conducted to enroll workers with the help of LBs, NGOs, and Volunteers.	As on March 2022, 42.28 lakh workers were registered with KBOCWWB. But no progress was noticed in registration of inter-State migrant workers.
2	(a) Portability: State Welfare Board shall issue online migration certificate (MC) to the workers migrating to other States.	Not implemented by KBOCWWB.
3	Universalisation of Social Security	
	(a) Health Insurance	Health insurance scheme was not launched as of March 2023.
	(b) Life and Disability Cover	Life and disability assistance is provided to registered workers of KBOCWWB.
	(c) Life-long Pension	GoK adopts its own pension scheme of ₹3,000 per month.
	(d) Subsistence allowance	The Board provided DBT cash assistance of ₹5,000 per person to the registered construction workers during COVID-19 first wave and ₹3,000 per person during second COVID-19 wave. No other subsistence allowance was provided by the Board.

Source: Information furnished by the Board

The budget provision under the Pradhan Mantri Shram Yogi Maandhan (PMSYM), Ayushman Bharat and PMJJBY was made during the period 2018-19 to 2022-23 as detailed in **Table 5.2** below:

Table 5.2: Budget provision under the PMSYM

Name of Scheme	Budget Estimates year wise (₹ in lakh)				
	2018-19	2019-20	2020-21	2021-22	2022-23
PMSYM	0	300	5,400	5,400	500
Ayushman Bharath	0	0	0	500	500
PMJJBY	0	0	5,000	5,000	100

Source: Information furnished by the Board

However, no expenditure was incurred under the above heads until December 2023.

Thus, Audit observed partial implementation of the components of MMP. The Board also did not formulate any specific schemes for overall achievement of the desired objectives as envisaged in the MMP.

The Board accepted the Audit observation and stated (January 2024) that action was being initiated to include the data of migrated workers in the software portal of the GoI. It was also stated that action is now being taken to bring the construction workers under PMSYM, PMJAY and PMJJBY schemes.

Recommendation 9: The State Government should expedite the implementation of the Mission Mode Project to develop more welfare schemes for construction workers and streamline the execution of existing programs.

Conclusion

The Board faced issues with pension applications, including rejections due to non-renewal of subscriptions during the COVID lockdown and a lack of a defined timeline for processing claims. It disbursed huge sums under the Karmika Gruha Bhagya Scheme without obtaining beneficiary list. Toolkits were improperly distributed to beneficiaries in non-construction occupations. The Board further bypassed the KTPP Act by splitting contracts, leading to irregular expenditures.

The Board did not establish a standard procedure for scrutinizing medical bills, leading to significant deficiencies in the review and certification of these bills. Further the Board did not formulate any specific schemes for overall achievement of the desired objectives as envisaged in the MMP.