Chapter 4

Process Reengineering, Identification and Coverage of Beneficiaries

This Chapter deals with process reengineering carried out for accurate identification and coverage of beneficiaries under the schemes through DBT mode. Various aspects starting from identification to coverage of all potential beneficiaries and time taken for processing of the applications up to the payment level were analysed and the major audit observations emerged:

- The aim of DBT, to cover the intended beneficiaries, was not fully met, as it failed to undertake awareness measures through various media outfits.

- The SSD Department had not issued well-defined procedure for verification of institutes' physical infrastructure and human resources, prior to issue of User ID and password of scholarship portal. Bogus students, from non-existent institutes, were able to avail the benefits of PMS scholarships of ₹ 15.57 crore, due to negligence of the Department and its field officials.

- The suggestions of the SDC, such as integration with the NPCI mapper for bank account linkages, automation of workflow of the schemes *etc*., to plug scheme loopholes were neither implemented by the Departments nor ensured by SDC, during follow-up.

- The main aim of DBT *i.e.,* to make the delivery process simpler and ensure timely disbursal of benefits, remained unachieved, as there were excessive delays in the processing and disbursement of scholarships, due to lack of process re-engineering.

- The average time taken from the date of application to the date of disbursal of scholarships, continued to be high. Inordinate delays were witnessed at different stages, right from floating of advertisements to sanction of payments, leading to overall delays of 252 days in payment of PMS, and 11 to 387 days in the payment of Medhabruti scholarships to students.

- Due to non-validation of 13,975 Medhabruti scholarship applications by the Principals of various institutes, involving an amount of ₹ 7.17 crore, the scholarships were not considered for sanction and payment, which ultimately defeated the objectives of DBT.

4.1   Scheme Introduction: Post Matric Scholarship and Medhabruti

The extant audit of DBT covers two main scholarship schemes, the Post Matric Scholarship Scheme (PMS) and Medhabruti. The main features of these schemes, including eligibility conditions, fee structure, courses being covered, *etc.*, are detailed in the following paragraphs.

4.1.1   Post Matric Scholarship (PMS) scheme

The PMS scheme, for students of Scheduled Caste (SC), Scheduled Tribe (ST), Other Backward Classes (OBC) and Economically Backward Classes (EBC), is a centrally sponsored scheme of GoI, for educational empowerment of SC/ ST/ OBC/ EBC students, studying at the post-matriculation or post-secondary stage. The Post Matric Scholarship Scheme for SC and ST students is implemented by the Ministry of Social Justice and Empowerment (MoSJE) and Ministry of Tribal Affairs (MoTA), respectively. Subsequently, OBC and EBC category students were brought into the PMS fold, in 1998-99 and 2016, respectively.

The stakeholders involved in the PMS scheme are the aforementioned central ministries. The SSD Department at the State level, District Welfare Officers at the district level and institutions at micro level, are the prime stakeholders, besides other stakeholders at the State level, like the Directorate of Treasuries Inspection and State DBT Cell.

The objective of the scheme is to provide financial assistance to the aforesaid category of students, for pursuing their post matriculation/ secondary courses through recognised institutions. The software used to implement the PMS scheme was Post Matric Scholarship, Registration, Release and Network Automation (PRERANA). The software has been developed for effective management of processes related to application receipt, processing, sanction and disbursal. This software also aimed to facilitate faster and efficient disposal of scholarship applications and timely payment of scholarships to students, directly into their bank accounts. PRERANA is a web-based software developed by the National Informatics Centre, Madhya Pradesh, Bhopal, using Dot Net and C Sharp and backend in MS SQL. The data storage location is in NIC, Bhopal.

The broad features of the scheme are outlined in the table below:

Table 4.1: Features of Post-Matric Scholarship

Eligibility of student	- Students belonging to SC/ ST/ OBC/ EBC community and permanent residents of Odisha. - SC and ST: Students whose parents'/ guardians' income, from all sources, does not exceed ₹ 2.5 lakh per annum. - OBC: Students whose parents'/ guardians' income, from all sources, does not exceed ₹ 1 lakh per annum (up to August 2018), ₹ 1.5 lakh per annum (up to 2019-20) and ₹ 2.5 lakh per annum from 2020-21 onwards. - OBC students securing at least 50 *per cent* marks in their last examination. - EBC: Students pursuing studies in Government institutions only, whose parents'/ guardians' income, from all sources, does not exceed ₹ 1.00 lakh per

	annum (up to 2019-20) and ₹ 2.5 lakh per annum from 2020-21 onwards.
Eligibility of course and institute	All recognised post-matriculation or post-secondary courses[21] pursued in recognised institutions in India.
Scholarship components	Maintenance allowance, compulsory non-refundable fees, study tour charges, thesis typing, book allowance, book bank facility, additional allowance for students with disabilities.
Four Groups of courses that are eligible to be covered under PMS	**Group I** includes degree/ post-graduate degree level professional courses, such as engineering, medical, business, finance and computer sciences and higher level specialised courses, such as PhD, M.Phil., CA, ICWA, CS., PGDM and commercial pilot licensing.
	Group II includes graduate/ post graduate courses and other equivalent professional courses not included in Group-I, such as nursing, pharmacy and hotel management.
	Group III includes all other courses leading to a graduation degree not covered under Groups I & II.
	Group IV includes all post-matriculation level non-degree courses.

(*Source: PMS Guidelines*)

4.1.2 Medhabruti Scheme

Medhabruti is a hundred *per cent* State sponsored scheme that was introduced by the Higher Education Department of Government of Odisha. The scheme aims to provide scholarships to meritorious students of Odisha.

The prime stakeholders of the scheme are the Higher Education Department at the state level and institutions at the micro level. Besides, the Directorate of Treasury Inspection, Odisha Computer Application Centre and State DBT Cell, are the other stakeholders at the State level.

The e-Medhabruti software was developed by CSM Technology, using Dot Net 4.0 and SQL Server 2017 as the backend database, with the data storage being the IT Centre at the Secretariat, with the objective of processing applications for grant of scholarships under Medhabruti.

Detailed features of the Medhabruti scheme are outlined in the table below:

Table 4.2: Detailed features of the Medhabruti Scholarship

Eligibility of student	• The student must be a permanent resident of Odisha State. • The income of the parents of the students, from all sources, should not exceed ₹ 6 lakh per annum. • The student must have secured 60 *per cent* marks in the examination of different categories: • Jr Merit (+2 level) - Must have passed HSC with 60 *per cent* or more marks from an institution recognised by BSE Odisha/

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[21] Except training courses like Aircraft Maintenance Engineer's Courses and Private Pilot license Courses; Courses at Training – Ship Dufferin (Now Rajendra); Courses of training at the Military College, Dehradun; Courses at Pre-examination Training Centres of all India and State levels

- CBSE/ ICSE/ Equivalent boards and pursuing regular +2 courses of 10+2 pattern.
- Sr. Merit (+3 level) - Must have passed +2 of CHSE Odisha, Class XII or equivalent examination with 60 *per cent* or more marks from an institution recognised by CBSE/ ICSE and pursuing regular degree courses in any of the recognised colleges/ institutions/ Universities.
- Post-Graduation (P.G) Merit - Must have passed +3 degree or equivalent with 60 *per cent* or more marks from a recognised institute and pursuing regular courses in one of the disciplines (where a scholarship is offered) in any of the recognised colleges/ institutions/ Universities.
- Technical & Professional Merit (T&P) - Must have passed +2 of CHSE/ CBSE/ ICSE/ Equivalent exam or +3 Degree/ equivalent three-year course (only for MBA/ MCA/ MFC/ MSW) with 60 *per cent* or more marks and pursuing regular technical & professional courses in the colleges/ institutions recognised by respective regulatory authorities.
  Students shall apply for Medhabruti only in the year of joining (1st year of the course).

Scholarship components: Medhabruti comprises four components, based on level of courses, as detailed in the table:	Type of scholarship	No. of scholarships				Amount per beneficiary (₹)
		2017-18	2018-19	2019-20	2020-21	
	Junior Merit	10000	10000	Nil	Nil	3000
	Senior Merit	3000	3000	3000	6000	5000
	PG Merit	1500	1500	1500	2500	10000
	T & P Merit	10000	10000	10000	6000	10000

(*Source: Medhabruti Guidelines*)

4.2   Scheme workflow of PMS

To sanction and disburse PMS to eligible ST/ SC, OBC and EBC students, the SSD Department introduced an online e-scholarship portal *viz.*, Post-matric Scholarship Registration Release and Network Automation (PRERANA), from 2011-12, which was designed and developed by the National Informatics Centre (NIC), Bhopal. In order to manage all types of scholarships given to students by different departments of the State, through a single platform, the Odisha State Scholarship Portal (OSSP) came into being from 2020-21. The SSD Department switched over to this new portal of OSSP from 2020-21, for processing of PMS. The workflow mechanism of PRERANA and OSSP are shown in *Figure 4.1* below:

Figure 4.1: Process flow of PRERANA & OSSP[22]
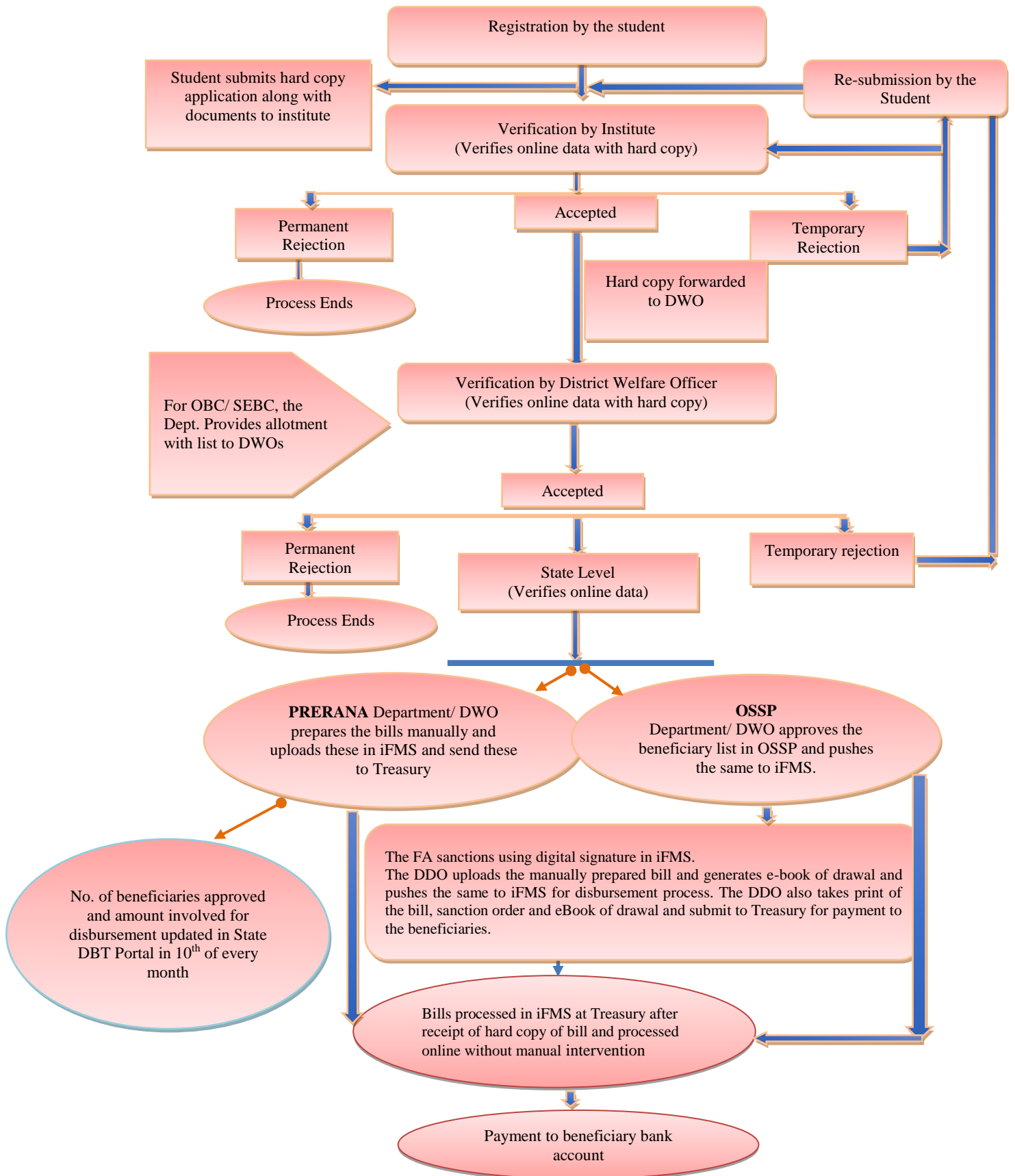
4.3   Scheme workflow of Medhabruti

The 'Medhabruti' scheme was introduced by the Higher Education Department, Government of Odisha (GoO), to provide scholarships to those meritorious students of the State, whose parental income does not exceed ₹ 6 lakh per annum. For the management of this scholarship scheme, e-Medhabruti software was developed and designed by a private vendor (M/s CSM Technologies) and is being used by the Higher Education Department since 2016-17.

Besides this, the Odisha Government also has a separate online system called the Student Academic Management System (SAMS), which is used for admission to Higher secondary (*i.e.*, +2) and Undergraduate (UG) level courses. Therefore, details of students who have got admitted to +2 and UG level general courses, are readily available in SAMS. This database available in SAMS is used in the e-Medhabruti application system[23] for ascertaining the number of students eligible for the Medhabruti scholarship, as well as for scholarship management. The workflow mechanism of the e-Medhabruti software, including its interface with SAMS, is shown in the figure below:

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[23]   From 2020-21, Government used OSSP as a common scholarship portal

Figure 4.2: Process flow of e-Medhabruti

Students enrolled in SAMS college with >=60 *per cent* marks placed in Principals' login for validation by CSM Technologies

Fresh applications by Non-SAMS college students online

Hard copy along with documents sent to the institute

Principal verifies the applications online and validates the uploaded documents/ documents available in college (SAMS students) for processing

Online submission of validated data to OCAC

OCAC downloads and categorises the Principal's validated data into "Fresh and Renewal" and submits the data to the HED in excel format by CD/ email

HED approves the beneficiary list and prepares the bill manually and uploads the same in iFMS along with beneficiary list in excel format

HED presents the manual bill along with required annexures to the Treasury for payment

Treasury processes the online bill after receipt of manual bill and approves for payment to the beneficiary

Payment to the beneficiary's bank account

The OSSP is a web-based software, developed by CSM Technologies, using Angular 8.3, PHP 7.1 and PHP Laravel, with backend tool of MY SQL. The storage location of the OSSP data is the Odisha State Data Centre. The technical workflow of OSSP is shown below.

Figure 4.3 Process flow of OSSP
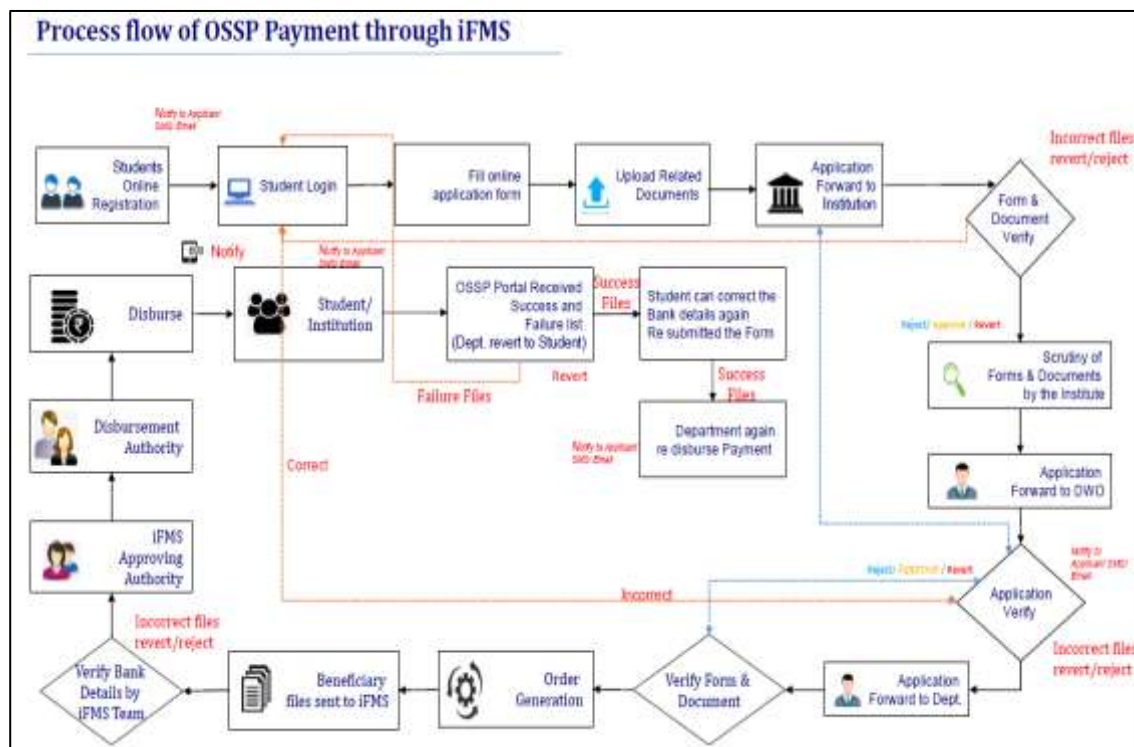
4.4 Identification and coverage of beneficiaries

Correct identification of beneficiaries is an important criterion for the effective implementation of any DBT scheme, including scholarship schemes like PMS and Medhabruti. Creating adequate awareness about Government sponsored scholarship schemes and addressing problems faced by students while applying for such scholarships, are vital for proper identification and full coverage of eligible beneficiaries. In case of the present scholarship schemes, the eligible beneficiaries included students belonging to the underprivileged sections of society, like SC, ST, OBCs and economically weaker income groups.

On examination of records, Audit found the following deficiencies on both the fronts.

4.4.1 Inadequate coverage under PMS

Accurate targeting and identification of eligible beneficiaries is one of the prerequisites of successful scheme execution under DBT. The State DBT Cell was entrusted with the responsibility of developing linkages with the Socio

Economic and Caste Census[24] (SECC) based social registry, for coverage of eligible population under such schemes and to ensure formation of Nodal Cells in DBT implementing departments.

Year-wise and category-wise numbers of students covered under PMS, during 2017-21, are as follows:

Table 4.3: Trend of coverage of beneficiaries under PMS during 2017-21

Year	2017-18	2018-19	2019-20	2020-21
SC	1,84,883	2,27,412	1,66,400	1,67,702
ST	1,86,061	2,10,866	1,68,449	1,67,241
OBC	1,79,794	1,38,030	1,14,935	1,07,925
EBC	97	923	1,153	3,702
Total	**5,50,835**	**5,77,231**	**4,50,937**	**4,46,570**

(Source: SSD Department)

It would be observed from the above table that the total number of students covered under PMS decreased by 19 *per cent,* from 5.51 lakh in 2017-18, to 4.47 lakh in 2020-21. Except in the EBC category, the coverage of beneficiaries from other categories registered a decline between 2017-18 and 2020-21.

Audit noted that neither the DBT Cell nor the SSD Department had taken steps to analyse the SECC data for identification of all eligible beneficiaries. Data submitted through applications was the only source of collection of data of beneficiaries. Even the data available in SAMS was not used to compare with number of students applied for PMS vis-à-vis number of eligible students.

Hence, in absence of any survey or a database of the eligible students available in the State, the Department was not in a position to ascertain the actual coverage of eligible ST and SC students under PMS.

As noted in **Paragraph 4.3** above, details of students who took admission in +2 courses in the State were available in the SAMS system. A comparative picture of the number of SC/ ST category students, who were admitted to +2 courses and the number of such category students who applied for PMS during 2017-21, is given in the table below:

Table 4.4: Admissions vis-à-vis applications for PMS, by SC/ ST students, during 2017-21

Year	Admission in +2		Applied for PMS		Taken admission but not applied for PMS		Percentage of admitted students applied	
	SC	ST	SC	ST	SC	ST	SC	ST
	1	*2*	*3*	*4*	*5 (1-3)*	*6 (2-4)*	*7 (3/1%)*	*8 (4/2%)*
2017-18	73,515	79,163	42,624	52,693	30,891	26,470	58	67
2018-19	63,990	71,756	40,751	47,212	23,239	24,544	64	66
2019-20	56,586	65,233	31,233	39,913	25,353	25,320	55	61
2020-21	60,736	69,634	30,774	41,010	29,962	28,624	51	59
Total	**2,54,827**	**2,85,786**	**1,45,382**	**1,80,828**	**1,09,445**	**1,04,958**	**57**	**63**

(Source: Data taken from SAMS, PRERANA and OSSP databases)

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[24] Ministry of Rural Development GoI, conducted the Socio Economic and Caste Census (SECC) 2011, in June 2011 through a comprehensive door to door enumeration across the country to generate information on a large number of social and economic indicators relating to household in the country

Audit noted that:

- In the SC category, out of 2.55 lakh students who took admission in +2 courses during 2017-21, only 1.45 lakh students (57 *per cent*) applied for PMS. The year-wise percentage (2017-21) of admitted SC students, who applied for PMS, ranged from 51 to 64 *per cent* only.

- In case of the ST category, the percentage of students who applied for PMS during the same period was relatively higher at 63 *per cent,* as 1.80 lakh out of 2.86 lakh students, who were admitted at +2 level, applied for PMS. The annual percentage of ST students in the years 2017-21, who applied for PMS, ranged from 59 to 67 *per cent* only.

- The number of students from SC category who applied for PMS registered a decreasing trend since 2018-19. While 58 *per cent* of admitted students of SC category applied for PMS in 2017-18, the same reduced to 51 in 2020-21. Similarly, the percentage of ST students applying for PMS reduced from 67 *per cent* in 2017-18 to 59 *per cent* in 2020-21.

Audit observed that there were no efforts by the SSD Department to identify eligible SC and ST students, from the data available in SECC or by survey or from SAMS database, to ensure that all eligible students are covered under PMS.

The SSD Department stated (March 2021) that the coverage had gone down due to mandatory use of Aadhaar for submission of scholarship applications from 2019-20 onwards. The reason attributed by the Department is not convincing, as the decline in number of students at +2 level, applying for PMS, began in 2018-19, *i.e.,* before the Aadhaar rule came into force. Moreover, even if we attribute Aadhaar becoming mandatory as a cause of declining coverage of PMS, it parallelly also highlights the lack of preparatory measures on the part of the Department, particularly, the steps necessary to be taken to encourage targeted beneficiaries to enrol for Aadhaar, for a successful implementation of DBT.

Recommendation: 4.1

The SSD Department may build appropriate mechanism to assess the number of potential beneficiaries and compare the same with the applications received for identifying the students, not applying for PMS. Efforts should be made to reach out the left-out students to assist them in availing PMS.

4.4.2 *Lack of adequate steps for coverage of entire eligible beneficiaries for Medhabruti*

The Higher Education Department (HED) awarded Medhabruti for different grades of students under four different categories, *viz*., Jr. Merit, Sr. Merit, PG Merit and T&P Merit. The number of new students (*i.e*., Fresh), to be given scholarships under each category, are fixed annually. A student, once covered under a scholarship, is entitled to the same in subsequent years *(i.e*., Renewal),

if he/ she continues in the course. Hence, no target is fixed for renewal of scholarships.

The year-wise number of students to be covered under each component of Medhabruti, as well as the actual coverage under both 'Fresh' and 'Renewal' categories, during 2017-20, are shown in the table below. Award of the Jr. Merit scholarship was stopped since 2019-20. In case of 2020-21, although HED had fixed the number of scholarships to be awarded[25], no applications were invited in April 2021 and no payments had been made till December 2021. Therefore, transactions relating to the year 2020-21, could not be analysed in Audit.

Table 4.5: Year-wise target vis-à-vis coverage under Medhabruti

Year	Particulars	Jr. Merit	Sr. Merit	PG Merit	T&P Merit
2017-18	*Target*	*10,000*	*3,000*	*1,500*	*10000*
	Fresh	*3,065*	*2,877*	*64*	*141*
	Renewal	7,832	7,830	1,693	11,646
2018-19	*Target*	*10,000*	*3,000*	*1,500*	*10,000*
	Fresh	*9,987*	*2,998*	*1,500*	*2,018*
	Renewal	1,986	1,044	47	6,122
2019-20	*Target*	*Stopped*	*3,000*	*1,500*	*10,000*
	Fresh	*0*	*3,000*	*1,500*	*1,783*
	Renewal	5,577	10,208	2,583	4,983
Total	**Target**	20,000	9,000	4,500	30,000
	Fresh	13,052	8,875	3,064	3,942
	Renewal	15,395	19,082	4,323	22,751
Percentage of achievement (Fresh:Target)		*65*	*99*	*68*	*13*

(Source: Information furnished by HED)

Audit noted that coverage under Sr. Merit scholarship was as per the target during 2016-19, whereas, in the remaining three scholarship categories, the percentage of coverage ranged from 13 (T&P Merit) to 68 (PG Merit) only. Reasons for such reduction had, however, not been analysed by the Department. Non-validation of applications by the Principals of their respective institutes and delays in verification and non-validations of applications, discouraging students from applying for the scholarships could be some of the reasons for such decline in coverage, as discussed in *Paragraph 4.6.1* and *Paragraph 4.6.2,* respectively.

In reply, the Higher Education Department stated (September 2022) that they had decided to incorporate new valid courses in all categories of merit, to enhance the coverage of disbursal of scholarship apart from forming a scholarship committee at the institution level, to make them more responsible for validating the applications.

4.5 Process re-engineering for minimising the intermediary level for timely transfer of benefit

DBT envisages a switchover to transfer of benefits *via* Aadhaar seeded bank accounts, which requires a significant amount of business process re-engineering. The scheme implementing departments, with the assistance of the DBT Cells, are responsible for this process reengineering, that aims to

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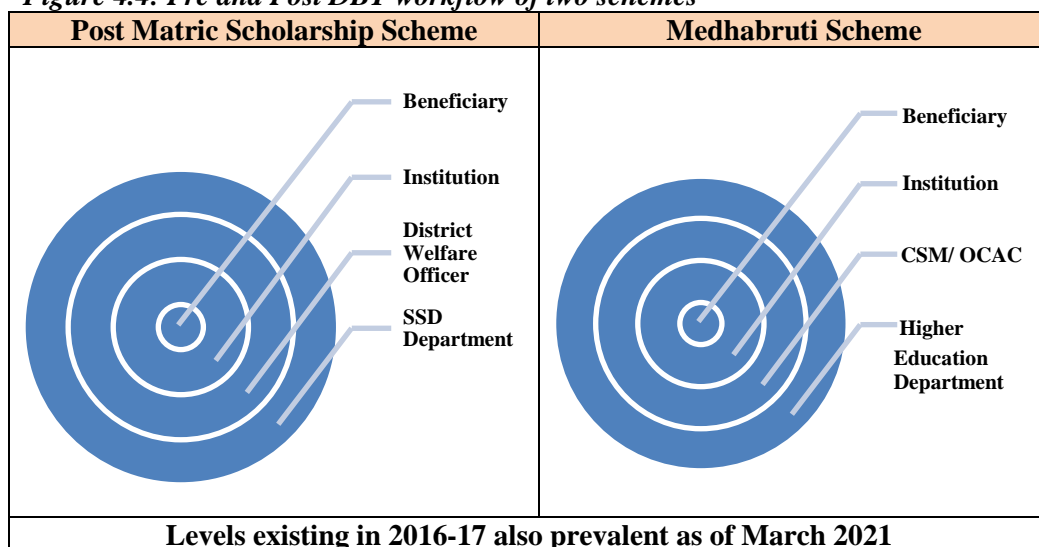[25] Sr. Merit: 6,000, PG Merit: 2,500 and T&P Merit: 6,000

minimise intermediary levels, for transfer of benefits and ensuring timely receipt.

4.5.1   *Absence of process re-engineering*

It was decided (2015-16), by the SSD Department, that the DWO would be the sanctioning authority for PMS for SC/ ST/ OBC/ EBC students in their respective districts, while disbursement of scholarships for SC and ST students would be made by the SSD Department and, in case of OBC and EBC, the disbursement would be done by the DWO.

Audit, however, noticed that the process of application and approval of PMS and Medhabruti scholarships in the PRERANA and e-Medhabruti software involved various intermediary levels before final disbursal of the scholarship amount, as is illustrated in *Figure 4.4*.

Figure 4.4: Pre and Post DBT workflow of two schemes

Post Matric Scholarship Scheme	Medhabruti Scheme

Beneficiary
Institution
District Welfare Officer
SSD Department

Beneficiary
Institution
CSM/ OCAC
Higher Education Department

Levels existing in 2016-17 also prevalent as of March 2021

(Source: Records of SSD and HED and databases)

As illustrated in *Figure 4.4*, the process of PMS starts with the submission of applications by the students, through the PRERANA/ OSSP portal. Thereafter, it is the responsibility of the concerned Principals to verify the students' credentials and push the applications forward, to the concerned DWOs for verification and sanction. The DWO is the sanctioning authority for all scholarships but, due to lack of mapping of business rules and de-duplication, the Scholarship Management Unit at the State Level verifies the applications once again, for payment to SC and ST beneficiaries, from the Department, through iFMS. The SSD Department releases the allotment to the DWO, for payment of OBC and EBC beneficiaries.

Audit noticed that, in case of OBC and EBC students, the SSD Department continued to retain authority over sanctioning of PMS, as it still conducted verification of applications and forwarded only the final selected list, along with allotments, to the DWOs, for payment. As per the revised guidelines of 2015-16, this process of verification, as well as sanction, was to be carried out by the DWO, in case of SC and ST students. As such, there was no reduction in intermediary levels in sanctioning of PMS.

Thus, the intermediary levels involved in pre and post DBT phases remained the same. In pre DBT period (2015-16), the time taken from bill date to

voucher date ranged from 02 to120 days where as in the post DBT period (2016-21) the time taken rather increased in comparison to the pre DBT period which ranged from 01 to 272 days as detailed in the table below:

Table 4.6: Time between the bill date and the voucher date, during 2015-21

Year	DBT period	Time taken from bill date to voucher date (days)
2015-16	Pre DBT	02-120
2016-17	Post DBT	10-125
2017-18	Post DBT	01-267
2018-19	Post DBT	01-272
2019-20	Post DBT	01-250
2020-21	Post DBT	01-255

(Source: Analysis of iFMS data)

The process involved from submission of application to disbursement of scholarship to the beneficiaries in the Medhabruti scheme, has been discussed in *Paragraph 4.6*.

Audit observed that a study conducted by the State DBT Cell, had also pointed out lacunae in the overall implementation of the PRERANA and Medhabruti schemes and suggested remedial measures, such as on-boarding of all scholarship schemes onto PFMS, integration with NPCI mapper to enable bank account linkage, automation of workflow of the schemes, *etc*. However, the same were neither carried out by the Departments, nor was any follow-up done by the DBT Cell, on their Report. These lacunae are discussed in detail in *Paragraphs 5.1.1* to *Paragraphs 5.1.3* and *Paragraphs 5.2.1, 5.2.2* and *5.2.3.*

The SSD Department replied (September 2022) that the existing layers in the process flow are needed for scrutiny and proper management of scholarship programme and are, therefore, being continued. The reply is not tenable, as the software system is to be made robust, to avoid manual intervention in the scrutiny process, to avoid delay.

> *Recommendation 4.2:*
> *The Odisha State Scholarship Portal, developed for smooth management of scholarship schemes, should be used optimally by rationalising existing multiple administrative layers for faster process of applications and timely payment of scholarships.*

4.5.2   Defective procedure for issue of user IDs to Institutes

The PRERANA User Manual stipulates that DWO would register the institutes and issue User IDs and passwords to the institutes, after receipt of applications from the concerned institutes for processing PMS applications. These IDs and passwords were to be issued to the institutes only after necessary verifications of the details of registration, affiliation, recognition and courses being offered at the time of registration in PRERANA.

On verification of records, it was noticed that, during the period 2016-19, DWO, Mayurbhanj, registered 13 institutes and DWO, Balasore, registered 11 institutes, under PRERANA and issued User IDs and passwords to them, for

processing of PMS applications. However, in contravention of the guidelines, DWO of Mayurbhanj verified only two[26] out of the 13 institutes, before issue of User IDs and passwords. The issue was compounded by the fact that no complete Master Table of approved bodies, responsible for granting affiliation to the institutes, which could be used to cross-check the veracity of these institutes, was available in the relevant database.

Audit conducted (September and October 2021) a joint physical inspection (JPI) of 16 registered institutes[27] in two sample districts (Mayurbhanj: 11[28] and Balasore: 5[29]) during September and October 2021. Audit did not find eight institutes[30] in existence and the remaining eight institutes had deficient infrastructure. Despite non-existence of institutes as well as deficient infrastructure in some others, raising doubt on genuineness of enrolment of students and impart of education therein, 12 of these institutes (Mayurbhanj: 11 and Balasore: 1) had been paid PMS amounting to ₹ 15.57 crore fraudulently. Details of the same are laid out in ***Paragraph 6.1.1***.

Audit observed that SSD Department had not issued a well-defined procedure/ instructions/ checklist to be adopted by the DWOs for conducting verification of an institute *e.g.,* its physical existence, availability of infrastructure facilities, including hostel availability, other amenities *etc*., prior to issue of User IDs and passwords. As a result, bogus students, from non-existent institutes, were paid, due to the negligence of the Department and its field officials.

The SSD Department accepted the observations and stated (September 2022) that, in the new portal, OSSP, necessary provisions had been made to ensure that the institutions, which were duly recognised and authorised by the controlling department, were added to the portal.

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[26] Kalinga Fire & Safety Techniques (KFST) and Global Institute of Safety & Training (GIST)

[27] Selected on judgmental basis

[28] IVET Vocational Training Centre; Ashutosh Vocational Training Centre; SAI Vocational Training Centre, Puruna Baripada; ITET Vocational Training Centre; SAI Safety Training Institute; Mayurbhanj Safety Training Institute; Baripada Safety Training Institute; Odisha Safety Training Institute; Kalinga Institute of Safety & Training; Global Institute of Safety & Training; Purusottam Institute of Fire & Safety Techniques

[29] Indian Vocational Training Centre, Januganj; Odisha Institute of Fire & Safety, Dumuda; Odisha Institute of Health Science, Kuruda; Odisha Vocational Training Centre, Kuruda and Odisha Vocational Training Centre, Dumuda

[30] Mayurbhanj: Baripada Safety Training Institute; Kalinga Institute of Safety & Training and Purusottam Institute of Fire & Safety Techniques
Balasore: Odisha Institute of Fire Safety; Odisha Vocational Training Centre; Indian Vocational Training Centre; Odisha Institute of Health Science and Odisha Vocational Training Centre

> *Recommendation 4.3:*
>
> *The SSD Department may issue a detailed checklist, to the district level functionaries, outlining the process of verification to be followed before issue of user IDs and passwords to institutes, to filter out fraudulent and ineligible beneficiaries.*

4.5.3 *Arbitrary rejection of applications for PMS*

As per the PRERANA workflow and user manual, the institutes and the DWOs have the right to reject incorrect/ invalid applications of students, temporarily or permanently, citing reasons. However, no guidelines had been framed, fixing the criteria or basis for such temporary or permanent rejections.

Audit analysis of the PRERANA and OSSP databases revealed that out of 14,22,413 applications, received during the period 2017-21, 1,20,918 applications had been rejected (8.50 *per cent)* by DWOs/ institutes, of which, 1,11,793 applications for scholarships were temporarily rejected and 9,125 applications were permanently rejected.

It was noted that institutes/ DWOs had rejected the applications permanently, on the grounds of duplication, late submission, not being under the proper category, submission of false statement/ document/ certificate, ineligibility as per last year's percentage of marks, *etc.* Further, temporary rejection was carried out due to reasons such as incomplete applications, absence of hard copies of required documents, wrong bank account details, incorrect Aadhaar number, *etc*.

In this regard, Audit observed the following:

- *Irregular permanent rejection of applications*: The permanently rejected applications (9,125) in 28 districts included 1,117 applications (12 *per cent*) that had been rejected on the grounds which would ordinarily have warranted only temporary rejections, as per the practice followed by the DWOs and institutes concerned. The nature of these rejections are summarised below:

Table 4.7: Permanent rejection on the grounds of temporary rejection

Nature of rejection	No. of cases temporarily rejected	No. of cases permanently rejected
Course Completed / TC taken	1,132	14
Incomplete Application	37,867	702
Invalid Aadhaar Number	2,602	8
Hard Copy Not Submitted	13,903	129
Required Document Not Attached	12,451	91
Wrong Bank Account Particulars	13,939	173
Grand Total	**81,894**	**1,117**

(Source: Analysis of PRERANA database)

Thus, in the absence of clear guidelines from the Department, there was lack of uniformity on the part of DWOs and institutes, while dealing with applications from students. While some institutes and district authorities, only temporarily rejected scholarship applications on the basis of above-mentioned

criteria, others enforced permanent rejections, leading to denial of scholarship support to potential beneficiaries.

- *Irregular temporary rejection of applications:* Temporarily rejected applications included 991 applications (1 *per cent*) that were rejected on such grounds which, as per the practice followed by other institutes/ DWOs, deserved permanent rejection. Of this, 18 applications had been accepted subsequently and payment of ₹ 6 lakh had been made, as summarised in the table below:

Table 4.8: Applications rejected temporarily, having grounds for permanent rejection

Nature of Rejection	Number of applications	Number of cases where payment made	Amount (in ₹)
Annual Income Exceeding the Limit	47	6	42,651
Availing Scholarship Under Another Scheme	36	-	-
Change in Branch of Course Without Permission	2	-	-
Course Duration Exceeding the Normal Period	1	-	-
Duplicate Application	465	11	4,91,020
Late Submission of Application	27	-	-
Non-Eligible as Per Last Year Percentage	64	-	-
Not Under Proper Category	58	1	66,220
Repeating Course in Same Professional Line	1	-	-
Repeating Study in Same Stage of Education	3	-	-
Second / Subsequent Failure in Same Year	3	-	-
Submission of False Statement/Document/Certificate	234	-	-
Two Children Already Receiving Scholarship	2	-	-
Unsatisfactory Progress / Misconduct of Scholar	48	-	-
Total	**991**	**18**	**5,99,891**

(Source: Analysis of PRERANA database)

- *Rejection of applications without any reason:* The temporary and permanent rejection of applications also included 224 applications, in respect of which no specific grounds for rejection had been assigned.

Thus, due to failure on the part of the SSD Department in laying down clear cut criteria for permanent or temporary rejection and incorporating such provisions in PRERANA, rejection/ acceptance of applications was not free from arbitrariness, leading to denial of scholarships to potential eligible beneficiaries.

Audit noted that the Principals of two sampled institutions[31] in the Nayagarh district had not scrutinised 181 applications, received during 2020-21, for PMS scholarships. These applications had also not been forwarded by the institutes to the concerned DWO for sanction. It was ascertained from the institutes that the reason for this non-processing of applications were issues related to User ID/ password assigned, due to which the institutes could not access the OSSP portal, which had been introduced from 2020-21 onwards, for scholarship processing. Although these issues were raised before the DWO, by the institutes, telephonically, no action had been taken to resolve the

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[31]   Rajsunakhala Degree college, Nayagarh: 92 students and Rajsunakhala Higher Secondary School, Nayagarh: 89 students

same (as of July 2021). The SSD Department had also not taken any action on this issue, despite the fact that this pendency in processing was clearly visible in the dashboard of the software, leading to denial of benefits to potential beneficiaries in this district.

In reply, the SSD Department stated (September 2022) that it was left to the prudence and judgement of verifying and sanctioning authority, to decide whether the application needs to be permanently rejected. The reply is not acceptable, as the department had not laid down any clear and definite principles for permanent/ temporary rejection of applications, which is fundamental to judge eligibility of applicants for the purpose of accurate targeting of beneficiaries.

4.5.4 Irregularities in disbursement of Maintenance Allowance

DBT envisages business process reengineering, to reduce intermediary levels, for transfer of benefits directly to the beneficiaries' accounts, in a timely manner.

The SSD Department decided (August 2019) to transfer the Maintenance Allowance (MA) component of the PMS, to the bank account of the Higher Secondary Schools run by the SSD Department, for smooth management of mess at the school level. This decision of the SSD Department was only for the schools run by the Government Departments. Therefore, the MA component, in respect of students of private institutes, was to be transferred to the bank accounts of the students only. The Department transferred PMS, amounting to ₹ 31.44 crore, in regard to 54,642 beneficiaries, to the bank accounts of 165 institutes (including two private institutes), during 2017-21, as given in the table below.

Table 4.9: Transfer of MA component of PMS to the accounts of institutes during 2017-21

Year	No. of Institutions	No. of students	Amount paid (₹ in crore)
2017-18	64	8,398	5.88
2018-19	138	18,734	10.04
2019-20	134	13,381	8.26
2020-21	125	14,129	7.26
Total		**54,642**	**31.44**

(Source: Information furnished by SSD Department)

Audit noticed the following deficiencies in disbursement of MA:

- *Irregular release of MA to private institutes:* In respect of 276 ST/ SC students of the two privately managed institutes, an amount of ₹ 1.37 crore was transferred to the bank accounts of their respective institutes, during 2018-20, instead of the bank accounts of the students concerned, which was irregular. Thus, in respect of the two private institutes, direct transfer of scholarship had not happened, contrary to the objectives of DBT.

- *Delay in disbursement:* Out of 11 sampled Higher Secondary Schools (HSS), run by the SSD Department, in case of six HSSs (55 *per cent*), MA, amounting to ₹ 69.68 lakh for 699 students had been transferred to the bank accounts of schools concerned and thereafter, the school

authorities had transferred the amount to the bank accounts of the students, after intervals of 36 to 403 days, during 2019-21.

- *Non-disbursement:* The Principals of three HSS of the SSD Department retained the MA component of the scholarship, amounting to ₹ 13.70 lakh, in the school accounts, without disbursing it to 138 students, during 2018-21, even though the messes are being managed by the students themselves.

- *Disbursement through manual acquittance:* The Principal of the HSS of the SSD at Mathili, disbursed MA of ₹ 4,97,700, to 40 students, during the year 2018-20, in cash, through manual acquittance, although all the beneficiaries had existing bank accounts in their name. This violated the prime objective of DBT and had risks of manipulation of fund by the institute associated with such practice.

- *Excess payment:* As per the guidelines and SSD Department's order, the Maintenance Allowance (MA) shall be paid for a maximum of 10 months in a year. The beneficiaries of Higher Secondary Schools (HSS) are entitled for ₹ 1,000 per month.

  On verification of records, Audit noticed that the Principal, SSD HSS, Badampahar and SSD HSS, Bankati, of Mayurbhanj district, disbursed advance MA of ₹ 1,92,000 @ ₹ 800 per student per month, to 80 students, for three months and ₹ 84,000 @ ₹ 1000 per student per month, to 28 students, for three months, respectively, for the year 2019-20. It was, however, noticed that, 43 out of the 80 students and 16 out of 28 students, had already been paid MA for 2019-20 @ ₹ 10,000 per student per year. This resulted in excess payment of ₹ 1,51,200, towards advance.

Audit observed that despite introduction of DBT, components of PMS continued to be disbursed through the concerned institutes. In addition, the payments were neither timely nor accurate, besides non-payment to many students. As such, disciplines to be adhered to in DBT, like direct and timely transfer of amount as well as exact amount to be paid, had not been adhered to. This is indicative of the absence of required process reengineering to this effect. Thus, objectives of both DBT and PMS were defeated in terms of timely and accurate amount of payment to beneficiaries.

The SSD Department replied (September 2022) that, as per the decision of the Government, the course/ other fee components of PMS, for students of Government ITI and Diploma Institutions, as well as the maintenance allowance component, in regard to boarder students of SSD run schools, were disbursed to the accounts of institutions. The reply is not tenable, as the decision of Government violated the principles of DBT, as scholarship was not transferred directly to the bank accounts of beneficiaries.

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Recommendation 4.4:

The SSD Department should ensure that scholarship amounts are credited directly and timely to the bank accounts of the eligible students, eliminating the intermediaries, by carrying out required process reengineering.

4.5.5 Delay in processing PMS applications

The SOP for DBT stipulates that the delivery of benefits to beneficiaries will be made in a timely and effective manner by reengineering the existing process. Audit noted the cumulative delay of 252 days[32], starting from advertisement to payment to the beneficiaries, during 2017-18 to 2020-21, as shown in the *Chart* below.

Chart 4.1:   Delay (in days) at different stages of processing PMS applications
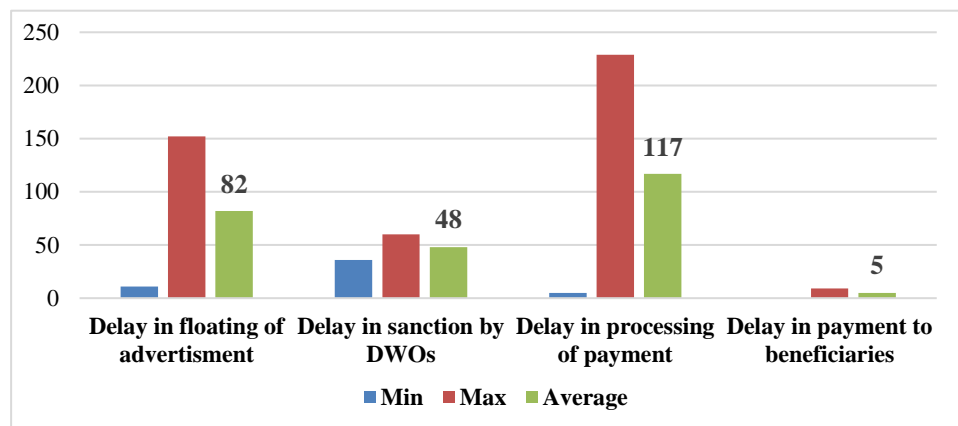
(Source: Records of SSD Department and iFMS database)

The delay at each stage has been discussed in the succeeding points.

- *Delay in floating of advertisement:* Although the PMS Guidelines stipulate floating of advertisement during the months of May and June, the same were advertised by the Department after the beginning of the academic session (July), *i.e.*, in the month of September (2017-18), July (2018-19), November (2019-20) and November (2020-21). This resulted in an average delay of 82 days between the start of the academic session and the date of publishing of advertisement, leading to a cascading effect on the entire process of payment of scholarship.

- *Delay in preparation of bill:* Audit examined 420 bills in the SSD Department and noticed that in respect of 35 bills (8 *per cent*), bills of a particular year were being prepared in subsequent years, after the entire year of academic session was over, as summarised in the table below:

Table 4.10: Preparation of PMS bills in subsequent years

Year of PMS	Category	No. of bills	Date of preparation of bills	Amount of the bills (₹ in crore)
2017-18	SC	8	April to June 2018	53.11
	ST	5	April to June 2018	24.80
2018-19	SC	15	June to November 2019	10.15
	ST	5	May to November 2019	7.65
2019-20	SC	2	July 2020	7.61
Total		**35**		**103.32**

(Source: Records of SSD Department)

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[32]   82+48+117+5

- *Delay in sanction by the DWOs:* The Department fixed cut-off dates for verification of PMS application at each level *i.e.*, at the institute level, for verification of applications, at the DWO level, for scrutiny of applications and sanction, *etc*. During 2018-21, the DWOs kept the applications pending till the cut-off dates and later processed the applications in bulk, with delays ranging between 36-60 days, from the cut-off date, stipulated by the Department. Apart from delay, bulk sanctioning of applications carries the risk of deficient scrutiny and payments to ineligible beneficiaries, as well as delay in sanction of bills. The table below exhibits summarised details of delays in verification of PMS applications during 2018-21.
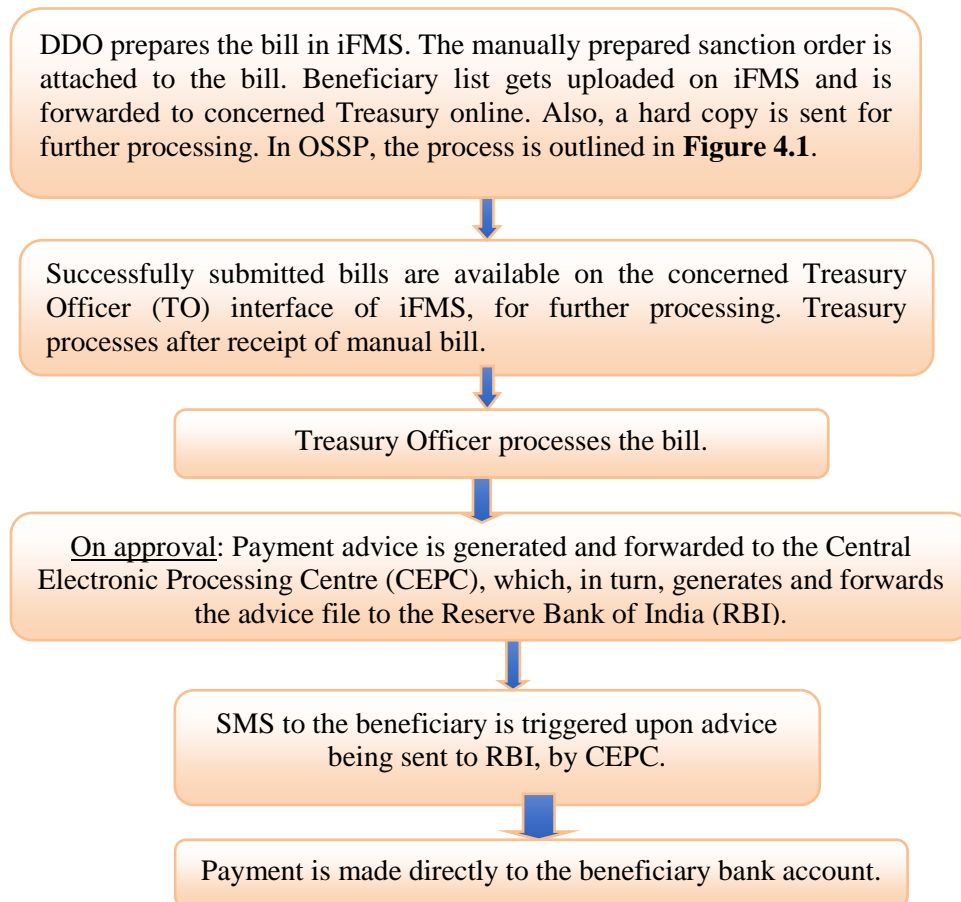
Table 4.11: Delay in sanction of PMS by DWOs

Year	Category	Date of application	Schedule date of sanction by DWO	Actual date of sanction by the DWO	Delay in days of sanction by the DWO
2018-19	SC	31-12-2018	31-01-2019	01-04-2019	60
2018-19	ST	31-12-2018	31-01-2019	01-04-2019	60
2019-20	SC	30-11-2019	31-01-2020	15-03-2020	43
2019-20	ST	30-11-2019	31-01-2020	15-03-2020	43
2020-21	SC	15-02-2021	15-02-2021	23-03-2021	37
2020-21	ST	15-02-2021	15-02-2021	22-03-2021	36

(Source: Records of SSD Department)

Thus, timelines for verification of PMS applications were not being adhered to by the DWOs, leading to delay in payments to eligible beneficiaries.

- *Delay in processing of payment:* After the bills are uploaded in the iFMS by the DDO, the system generates token numbers automatically for each bill. Thereafter, the bills are processed online by different officials of Treasury and passed by the Treasury Officer, for payment to the accounts of beneficiaries, as detailed in *Figure 4.5.*

Figure 4.5: Workflow of payment in iFMS

DDO prepares the bill in iFMS. The manually prepared sanction order is attached to the bill. Beneficiary list gets uploaded on iFMS and is forwarded to concerned Treasury online. Also, a hard copy is sent for further processing. In OSSP, the process is outlined in **Figure 4.1**.

Successfully submitted bills are available on the concerned Treasury Officer (TO) interface of iFMS, for further processing. Treasury processes after receipt of manual bill.

Treasury Officer processes the bill.

On approval: Payment advice is generated and forwarded to the Central Electronic Processing Centre (CEPC), which, in turn, generates and forwards the advice file to the Reserve Bank of India (RBI).

SMS to the beneficiary is triggered upon advice being sent to RBI, by CEPC.

Payment is made directly to the beneficiary bank account.

Analysis of the iFMS database, for the period 2017-21, revealed that there was inordinate delay, at the level of the SSD Department, in uploading bills for payment of scholarship in the iFMS system, resulting in delay in token generation.

Audit test-checked 80 bills of PMS for OBC/ EBC students, in the eight sampled districts and found that, in respect of 49 bills (61 *per cent*), there were delays in the process of sanction and payment. The time taken from bill date to credit to the beneficiaries' bank accounts at the district level, is shown in the table below.

Table 4.12: Time taken at different stages for payment to OBC/ EBC students

Sl. No.	District	No. of bills checked	No. of bills processed with delay	Time taken from bill date to credit to students' account (days)	Median time taken from the bill date to the payment date
1	Bolangir	9	9	9-343	71
2	Gajapati	10	7	1-135	93
3	Jharsuguda	7	7	4-238	12
4	Kalahandi	11	8	2-28	23
5	Malkangiri	8	1	4-164	10
6	Mayurbhanj	13	8	3-254	7
7	Nayagarh	11	5	3-71	7
8	Sundargarh	11	4	4-34	21
	Total	**80**	**49**	--	--

(Source: Records of DWOs of sampled districts)

As such, inordinate delays at different stages in processing of bills, added to the overall delay in the payment of scholarship to students, which ultimately defeated the objective of DBT in regard to timely payment of benefits.

In case of failure of transactions, the amounts are deposited as receipts in Treasury Suspense Major Head 8658 and the beneficiary-wise failed details are made available at the DDO login of iFMS. The DDO rectifies the failed account details of the beneficiary and saves them in the iFMS system. Thereafter, the Treasury Officer, as DDO, prepares the refund bill in iFMS. On approval, payment advice is generated and forwarded to the Central Electronic Processing Centre (CEPC), which, in turn, generates and forwards the advice file to the Reserve Bank of India (RBI). SMS to the beneficiary is triggered upon the advice being sent to RBI by CEPC and payment being made directly to the beneficiary's bank account.

The SSD Department, while accepting the observations of Audit, stated (September 2022) that some delay had occurred due to the requirement of necessary modifications in the portal and compliance thereof. For this purpose, meeting was held with NIC for modification and updation of software and some modifications were still pending.

4.5.6 Delay in payment of arrears of PMS

Due to delay in different stages, such as floating of advertisement, scrutiny at intermediary levels, preparation of bills at the Department level, delay in payment at the treasury level, non-validation of failed transactions, *etc.*, there was delay in disbursement of PMS to students. Audit noted that arrears of PMS, amounting to ₹ 150.97 crore, were released to 70,037 students, after delays of 365 to 1,460 days, as shown in the table below.

Table 4.13: Arrear payments of scholarship under PMS

Year of disbursement	Period of PMS	Category-wise number of students and amount of PMS		
		Category	Number	Amount (₹ in crore)
2017-18	2012-13 to 2016-17	SC	3,737[33]	11.46
		ST	2,583[34]	6.43
2018-19	2014-15 to 2017-18	SC	24,313[35]	58.86
		ST	14,258[36]	28.19
2019-20	2015-16 to 2018-19	SC	1,774	4.51
		ST	1,253	3.28
2020-21	2016-17 to 2019-20	SC	11,681[37]	23.97
		ST	10,438[38]	14.27
Total			**70,037**	**150.97**

(*Source: Records of the SSD Department*)

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[33] SC Beneficiaries: 2012-13: 01; 2014-15: 56; 2014-15 & 2015-16: 02; 2015-16: 82; 2015-16 & 2016-17: 05 and 2016-17: 3,591

[34] ST Beneficiaries: 2012-13: 22; 2013-14: 36; 2015-16: 92; 2015-16: 48; 2015-16 and 2016-17: 01 and 2016-17: 2,379

[35] SC Beneficiaries: 2014-15: 03; 2014-15 & 2015-16: 01; 2015-16: 03; 2016-17: 631 and 2017-18: 23,675

[36] ST Beneficiaries: 2015-16: 01; 2016-17: 3,454 and 2017-18: 10,803

[37] SC Beneficiaries: 2016-17: 04; 2017-18: 29; 2018-19: 434 and 2019-20: 11,214

[38] ST Beneficiaries: 2016-17 & 2017-18: 01; 2017-18: 20; 2018-19: 163 and 2019-20: 10,254

The objective of PMS is to support needy students in meeting their educational expenses in a timely manner. Therefore, disbursement of PMS after such inordinate delays and, in fact, even after the expiry of the academic session, defeated the very purpose of the scheme. It also discouraged potential beneficiaries of the scheme from applying for these scholarships in future. Thus, introduction of DBT in payment of scholarships to ensure timely payment, had remained largely unachieved.

The SSD Department, accepting the Audit observation, stated (September 2022) that the applications had been sanctioned at the fag end of the last quarter of a particular year and could not be processed for payment within the timelines.

4.6 Inadequate process re-engineering for Medhabruti

Applications for grant of the Medhabruti scholarship are invited once in a year and the notice in this regard is published in the print media, on the e-Medhabruti portal and on the website of the Higher Education Department. Although no timeline was fixed in the Guidelines for publishing of advertisement, the cut-off date for validation of applications at the institute level and submission of validated list, by OCAC, to Government, was stipulated for each year. Further, as per the guidelines, only verified online applications are considered for sanction and physical applications are not accepted.
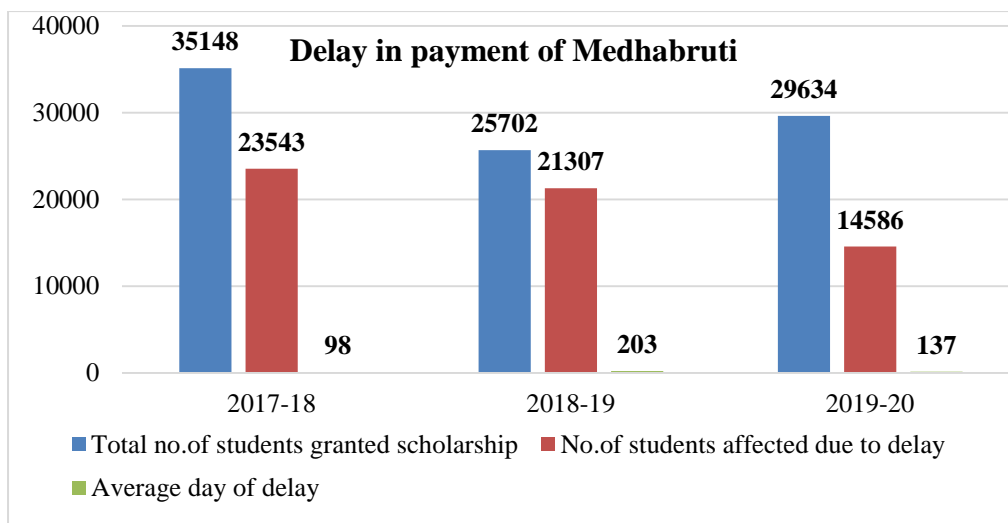
Audit observed that even after Medhabruti was adopted as a DBT scheme, the Department neither attempted to reduce intermediary levels, by carrying out necessary process re-engineering of the e-Medhabruti software, nor did it manage to eliminate the delays in release of scholarships to eligible students.

The Higher Education Department (HED) stated (September 2022) that the Government had introduced a new portal (OSSP) from April 2021, to reduce the intermediary level. The reply is not tenable, as there was also delay in scrutiny of applications and disbursement of scholarships to students' bank accounts.

4.6.1 Delay in processing of Medhabruti scholarship applications

During 2017-18 to 2019-20, 90,484 students were granted Medhabruti scholarship, amounting to ₹ 73.40 crore. Audit analysis revealed that 59,436 students (66 *per cent)* were disbursed scholarships with average delays (median value) ranging from 98 to 203 days, as shown in *Chart 4.2*.

Chart 4.2: Delay in payment of Medhabruti

Delay in payment of Medhabruti

- Total no.of students granted scholarship
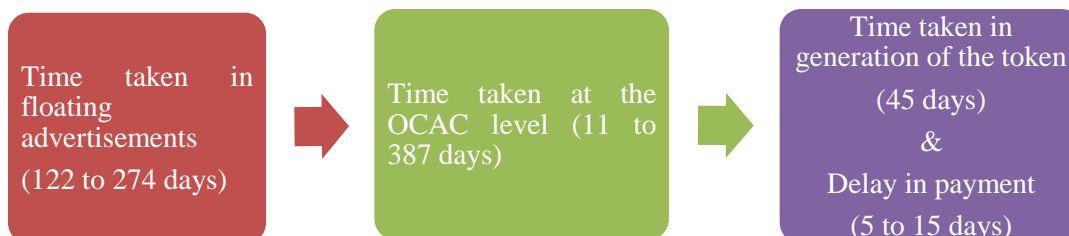- No.of students affected due to delay
- Average day of delay

Audit noticed that the scheme workflow of Medhabruti involves different levels (*Figure 4.2*) for processing of scholarship applications of Medhabruti, before final disbursement. It was found that there were delays at different levels, as summarised in *Appendix 4.1.* In this regard, Audit noted the following:

- *Delay in publication of advertisement:* Advertisements for 2018-19, 2019-20 and 2020-21, were floated by the Department in December 2018, October 2019 and April 2021, respectively, whereas no advertisements were published for the academic year 2017-18. Thus, the time taken in publishing advertisements, from the start of the academic session (July), for soliciting applications, ranged between 122 and 274 days. These delays had a trickle-down effect on the entire chain of subsequent steps of processing and sanctioning of applications, leading to substantial time lag between a student applying for the Medhabruti scholarship and actually receiving it.

  Delays occurring at different levels of the Medhabruti scholarship scheme, are exhibited in the figure given below.

  Figure 4.6: Time taken at different stages in processing Medhabruti applications

Time taken in floating advertisements (122 to 274 days) → Time taken at the OCAC level (11 to 387 days) → Time taken in generation of the token (45 days) & Delay in payment (5 to 15 days)

- *Delay by OCAC:* Stipulated dates were provided for the students to apply for the scholarship and also for the institutes to complete the validation process. After validation at the level of the institutes, the applications are forwarded to the Odisha Computer Application Centre

(OCAC)[39], whose role is to submit the list of applicants, under the 'Fresh' as well as 'Renewal' categories, after due verification, in terms of the guidelines. Although the guidelines for Medhabruti allowed seven days' time to OCAC, for submitting the data, however, OCAC took 11 to 387 days in forwarding the validated data to the HE Department. This ultimately delayed the process of sanction of scholarships. Audit noted that OCAC only downloaded the applicants' data, validated by Principals from the eMedhabruti portal and categorised them under the 'Fresh' and 'Renewal' categories. The data was arranged in Excel files and sent to the HE Department, through mail, CD, *etc*., for final selection. OCAC, despite being the IT Directorate of GoO, did not analyse the applications, to filter out ineligible applicants, including cases of multiple applications, applications submitted after the due date, *etc*. Audit analysis of the eMedhabruti database, revealed that the system had accepted multiple applications from the same applicant, granted scholarships for period beyond the course duration, *etc*., as discussed in ***Paragraphs 5.1.2*** and ***5.2.3.***

- ***Delay in payment of Medhabruti***: As per the mechanism followed in iFMS, soon after the DDO submits the bill in iFMS, a token number with date is generated automatically, which indicates that the payment file has been received in the system. Audit examined 53 scholarship bills of 59,436 students for the period 2017-18 to 2019-20 in the HE Department and noticed that, even after submission of the bills in iFMS, the treasuries took 3 to 45 days for generation of the token in case of all the 53 bills (the date on which iFMS accepts the bill). Thus, in all the test-checked cases, the treasuries concerned had committed delays in generating tokens.

The HED stated (September 2022) that delay in advertisement was due to delay in the admission process and, in 2020-21, due to outbreak of Covid. Further, introduction of OSSP also did not require involvement of OCAC.

> *Recommendation 4.5:*
>
> *Higher Education Department should ensure timely publication of advertisements seeking applications for Medhabruti, and OCAC as well as the treasuries, should process the applications and generate tokens for payments, respectively, without delays.*

4.6.2 *Non-validation of Medhabruti applications by the Principals*

Applications for Medhabruti scholarships, relating to first year of the course period, are termed as 'Fresh', while applications for the second and subsequent years of the course period, are termed as' Renewal'. The Principals

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[39] OCAC is the Technical Directorate of IT Department of GoO, set up in March 1985, functioning as IT consultant to Government.

of the institutes validate the applications, *i.e.,* verify the documents of the students to assess their eligibility and then forward them to HED, for necessary sanction and payment.

The number of 'Fresh' applications, submitted in case of Medhabruti scholarships, under various categories, such as Jr. Merit, Sr. Merit and PG Merit, as against the targets set by the Department during 2017-20, were as follows:

Table 4.14: Category-wise targets, applications and sanctions of Medhabruti

Category	2017-18			2018-19			2019-20		
	Target	Applied	Sanctioned	Target	Applied	Sanctioned	Target	Applied	Sanctioned
Jr. Merit	10,000	51,626	3,065	10,000	1,30,355	9,987	*Stopped*		
Sr. Merit	3,000	10,292	2,877	3,000	44,731	2,998	3,000	42,714	3,000
PG Merit	1,500	2,553	64	1,500	3,756	1,500	1,500	3,150	1,500
T&P Merit	10,000	5,251	141	10,000	3,605	2,018	10,000	2,462	1,783
Total	**24,500**	**69,722**	**6,147**	**24,500**	**1,82,447**	**16,503**	**14,500**	**48,326**	**6,283**

(Source: Guidelines and data furnished by HED and OCAC)

While in case of Jr. Merit, Sr. Merit and PG Merit, the number of applications were 210 to 1086 *per cent* of the targets set by the HE Department during 2017-20, the same were only 38 *per cent* in case of T&P Merit.

Audit noticed that despite fixation of cut-off dates for validation of applications, in case of 'Fresh' applications of 85,814 students, who had secured the minimum prescribed marks, their applications had not been validated by the Principals concerned **(Appendix 4.2)**. The HED had neither monitored the issue of non-validation, nor initiated any action against the defaulting Principals. Thus, the prime objective of delivery of benefits, through accurate identification and targeting of beneficiaries, as envisaged under DBT, was defeated, to a large extent. Similarly, in respect of 63,517 applications for 'Renewal' of scholarship, 13,975 applications had not been validated by the Principals of the concerned institutes. Year-wise number of applications under both 'Fresh' and 'Renewal' categories, that were not validated by the Principals, during 2017-18 to 2019-20, are shown in the table below:

Table 4.15: No. of applications, not validated for Medhabruti

Year	No. of applications		Total
	Fresh	**Renewal**	
2017-18	6,897	0	**6,897**
2018-19	47,147	6,190	**53,337**
2019-20	31,770	7,785	**39,555**
Total	**85,814**	**13,975**	**99,789**

(Source: Records and data of Higher Education Department)

In the absence of validation, their applications were not considered for sanction and payment of Medhabruti scholarships, although they were eligible for such benefit, amounting to ₹ 7.17 crore (**Appendix 4.3**)**.**

Audit observed that the HED, despite fixing cut off dates for timely disposal of applications, neither monitored the progress of validation of applications nor initiated any action against the defaulting Principals. Also, there was no dashboard in the e-Medhabruti software, for viewing the details of

applications received, validated and pending, at the institute level, for appropriate monitoring by the HED.

Thus, the Higher Education Department had failed to streamline the processes involved through system reengineering of the Medhabruti scholarship cycle, so as to reduce delays and intermediary levels, as envisaged under DBT objectives.

The HED accepted (September 2022) the Audit observation and stated that the department had decided to form a scholarship committee, at the level of institutions, to address the issue.

> *Recommendation 4.6:*
>
> *The Higher Education Department may take concrete steps to ensure that applications are processed by Principals in a time bound manner to ensure that no eligible applicants are deprived of the benefits of the scheme. Also, the Principals concerned should be made accountable for delay as well as for non-processing of applications.*