CHAPTER III

POST MATRIC SCHOLARSHIP TO SCHEDULED CASTE STUDENTS

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In the eight sampled districts, an average of 39 *per cent* of the schools did not avail the PMS scheme for SC/ST students studying in their schools during 2019-22. The non-coverage of potentially eligible students was from 20 to 29 *per cent* during 2019-22. No special efforts or campaigns were launched to identify the poorest households for enrolment. GoTN is yet to commence issue of 'Freeship card' to the eligible students. Adequate steps were not taken by the Department or the Institutions to encourage the dropped-out students to re-join. Against existing guidelines, the Directorate of Adi Dravidar Welfare deposited ₹55.50 crore by splitting up into 35 Fixed Deposits. Income/community certificates were not found attached in 27 *per cent* of applications in sampled institutions. An amount of ₹41.95 crore was sanctioned and disbursed to 20,509 students, whose parental income exceeded the threshold limit. There was lack of transparency and arbitrariness/discretion in the admission process by the institutions in filling up the Management Quota seats. Scholarship amount of ₹38.04 crore was not disbursed to 5,801 students due to Controller of Examination's incorrect database and subsequent rejection by the Directorate of Technical Education. Comparison of scholarship paid to the beneficiaries for the years 2022-23 with that of 2021-22 revealed that 30,424 students received excess scholarship for an amount of ₹17.90 crore in the year 2022-23. A total of 160 students received 40 *per cent* state share of scholarship twice, the excess payment worked out to ₹13.50 lakh. There were instances of students receiving dual scholarships like both PMS-SC and PMS scholarship for Minorities; First Generation Graduate Tuition Fee Concession and PMS-SC scholarship. Non-availability of a robust IT framework, non-conduct of evaluation/social audit and physical inspections resulted in inadequate monitoring of the schemes.

3.1 Introduction

The 'Post Matric Scholarship to Schedule Caste Students Scheme' (PMS-SC), the flagship Scheme of MoSJE, is the single largest intervention by GoI for educational empowerment of SC students and is in operation since 1944. The objective of PMS-SC is to appreciably increase the GER of SC students in higher education with a focus on those from the poorest households, by providing financial assistance at post-matriculation or post-secondary stage to enable them to complete their education.

3.2 Salient features of the Scheme

The conditions of eligibility of students to avail PMS-SC and the salient features of the Scheme is given in **Table 3.1**.

Table 3.1: Conditions of eligibility and salient features of PMS-SC

<table>
<tr><th>Sl.No.</th><th>Features</th><th>Details</th></tr>
<tr><td>1</td><td>Scope</td><td>- Available for studies in India only.
- Awardees selected by the State Government to which the applicant actually belongs[1].</td></tr>
<tr><td>2</td><td>Awarded by</td><td>The Government of the State to which the applicant belongs, i.e., where he is domiciled.</td></tr>
<tr><td rowspan="5">3</td><td colspan="2">Conditions of eligibility of students</td></tr>
<tr><td>(a) Category of students</td><td>SC</td></tr>
<tr><td>(b) Annual income of Parent/Guardian</td><td>Not to exceed ₹2.50 lakh from all sources during the last FY[2].</td></tr>
<tr><td>(c) Dual scholarships</td><td>A scholarship holder under PMS-SC will not hold any other scholarship/stipend.</td></tr>
<tr><td>(d) Seats filled through arbitrary and non-transparent processes[3].</td><td>Not eligible for PMS-SC scholarship.</td></tr>
<tr><td rowspan="4">4</td><td colspan="2">Components of the Scholarship for the complete duration of the course.</td></tr>
<tr><td>(a) Compulsory non-refundable fees including Tuition fee.</td><td>As fixed by the State's Fee Fixation/Rationalisation Committee.</td></tr>
<tr><td colspan="2">(b) Yearly Academic allowance[4]:
<table>
<tr><th>Category of courses</th><th>Hostellers</th><th>Day Scholars</th></tr>
<tr><td>Group 1: UG/PG level Professional courses</td><td>₹13,500</td><td>₹7,000</td></tr>
<tr><td>Group 2: Other professional courses leading to Degree/Diploma/Certificate</td><td>₹9,500</td><td>₹6,500</td></tr>
<tr><td>Group 3: UG/PG courses not covered under Groups I & II</td><td>₹6,000</td><td>₹3,000</td></tr>
<tr><td>Group 4: All post-matriculation (Post Class X level) non-degree courses</td><td>₹4,000</td><td>₹2,500</td></tr>
</table></td></tr>
<tr><td>(c) Extra allowance for Divyang students</td><td>10 per cent extra allowances.</td></tr>
<tr><td>5</td><td>Funding pattern</td><td>60:40[5] sharing ratio between Centre and the States.</td></tr>
<tr><td>6</td><td>Payment mechanism of Scholarship to students</td><td>Through DBT[6].</td></tr>
</table>

(Source: PMS-SC Guidelines)

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1 The State in which permanently settled or domiciled, as per the terms of domicile decided by the State.

2 Income certificate is required to be taken once only *i.e.* at the time of admission only to courses which are continuing for more than one year. The income certificate shall be issued by the Authority as decided by the State Government.

3 Including management quota, NRI quota, spot admissions etc., without following the merit criteria as decided by the State Government.

4 Applicable from 2021-22.

5 Applicable from 2020-21. Prior to 2020-21, 100 *per cent* CA was released to State Governments for expenditure incurred by them over and above their respective committed liability.

6 From 2021-22. The central share is also released on DBT mode directly into the bank accounts of the students, after ensuring that the State Government has released its share.

3.3 Process flow

As per PMS-SC guidelines[7], an application for scholarship can be made online on scholarship portal by 30 November of the AY along with caste certificate and income certificate and one self-attested copy of certificates. Application complete in all respects shall be submitted to the Head of the Institution, being attended or last attended by the candidates. However, as per Paragraph 9 of PMS guidelines, 2020-26, the institutions shall ensure that all students apply on the IT portal for the scholarship on the same day as the date of admission into the institution[8].

The eligible SC students are sanctioned PMS-SC scholarships subject to the application of 'Means Test'[9] prescribed in the Scheme guidelines. Accordingly, the applicants have to attach/upload the requisite mark-sheets, caste and income certificates to prove their eligibility credentials.

The income certificate issued by the competent revenue authorities are verified at first level by the Institutions and at second level by the districts. The eligibility of the students is verified at two levels for PMS-SC beneficiaries in Government/Government aided institutions. For PMS-SC beneficiaries in self-financing institutions, it goes to a third level of scrutiny at administrative educational heads such as Directorate of Technical Education (DoTE), Directorate of Medical Education, Directorate of Collegiate Education, etc.

As per Scheme guidelines[10], the State, on or before 28 February of the preceding year, will prepare a State level Annual Plan for the PMS-SC scheme (AAP). The AAP is to give clearly the targets, eligibility, proposed coverage separately for poorest households, processes for identification, identification of courses having employment potential, systems for monitoring etc. The AAPs would be appraised at the Centre and the outlay for each State would be finalised before 15 April, of every year as per the annual increase indicated under the funding pattern.

The organisational structure for implementation of PMS-SC in the State is given in **Exhibit 3.1**.

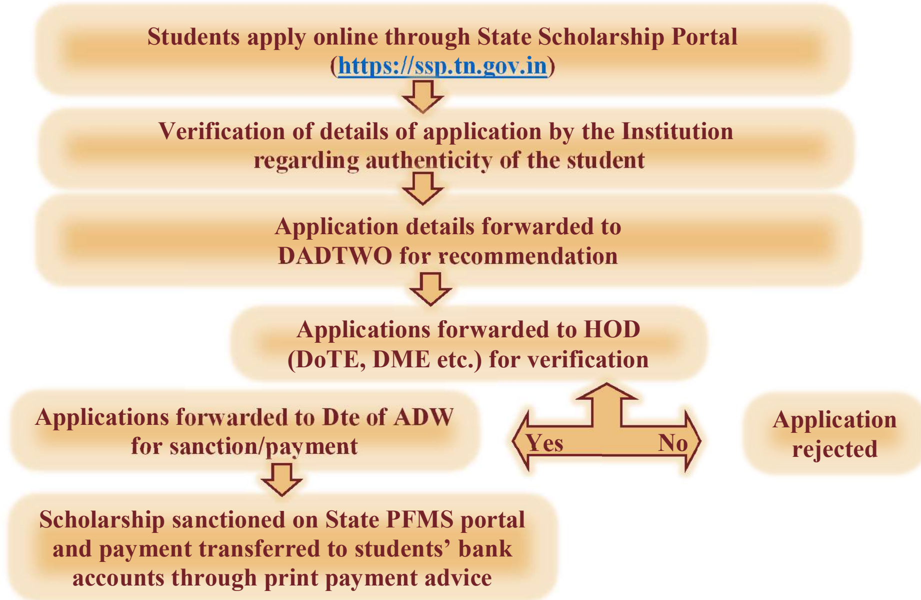
7 Paragraph 13 of PMS-SC guidelines, 2018.

8 In case of renewal students, the student shall be auto-renewed based on the attendance and confirmation from the institution of the student having been promoted to the next class and having joined back the same course as hosteller/day scholar, as the case may be.

9 A method for determining whether someone qualifies for financial assistance.

10 Paragraph 14 of PMS-SC guidelines, 2020-26.

Exhibit 3.1: Organisational structure for implementation of PMS-SC



3.4 Coverage of beneficiaries

As per Scheme guidelines[11], the State Government will announce in May-June, the details of the Scheme and invite applications by issuing an advertisement in the leading newspapers of the State and through their respective websites/scholarship portals and other mode of media. Although the State carries out various awareness campaigns about the Scheme and publishing advertisements through newspapers, Audit observed that all the potentially eligible SC students were not being covered under the Scheme, as commented in **Paragraphs 3.4.1** to **3.4.3**.

3.4.1 Non-participation of schools in Post Matric Schemes in sampled districts

The total number of schools in the eight sampled districts, as per EMIS data[12], was compared to the number of schools actually availing both PMS-SC and PMS-ST scholarships (Classes XI and XII only) as per Scholarship data of AD&TW Department.

Audit analysis revealed that an average of 39 *per cent* of the schools in the eight sampled districts did not avail the PMS-SC and PMS-ST scholarships for SC/ST students during the period 2019-22 **(Appendix 2.1)**.

Audit observes that the non-participation of the schools could be due to inadequate publicity and awareness about the Scheme leading to possible deprivation of eligible SC/ST students from availing the scholarship.

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11 Para XII of PMS-SC Guidelines, 2018.

12 EMIS data is available from 2019-20 only. Earlier, the data was maintained in manual mode.

During the Exit Conference, the Secretary and the DADW requested for the relevant data from Audit so that the Department can look into the same. The action taken by the Department in this regard is awaited (August 2024).

3.4.2 Non-coverage of potentially eligible SC students

In order to ascertain the approximate number of potential SC beneficiaries, the number of potentially eligible Class XI students for availing PMS-SC as per EMIS was compared with the actual number of fresh applicants during the period 2019-23[13] to ascertain the gap between the potential and actual beneficiaries **(Table 3.2)**.

Table 3.2: Non-coverage of potentially eligible students (Class XI)

Academic year	Potential beneficiaries as per EMIS data	Number of fresh applicants as per AD&TW database	Non-coverage of potentially eligible students	
			Numbers	Percentage
2019-20	1,80,209	1,27,124	53,085	*29*
2020-21	1,85,276	1,48,384	36,892	*20*
2021-22	2,03,416	1,55,110	48,306	*24*
2022-23	1,73,642	NA	-	-

(Source: EMIS data furnished by SE Department and data analysis of scholarship data furnished by AD&TW Department)

As seen from **Table 3.2**, the non-coverage of potentially eligible Class XI students for availing PMS-SC ranged from 20 to 29 *per cent* during 2019-22. In the absence of adequate pro-active identification of eligible beneficiaries, the Schemes are at present only catering to students who are aware and are actually applying for the scholarships.

GoTN replied (July 2024) that the introduction of the State Scholarship Portal with effect from 2023-24 aims to provide a robust one stop facility with API integration of all databases across all departments. The reply further added that by utilising the EMIS and UMIS put in place from the year 2023-24, the Department would be able to get the universal potential beneficiary data and reach out to them.

3.4.3 Non-identification of students from poorest eligible households

The PMS-SC Guidelines[14] stipulate that the State Government will make special efforts to identify the poorest households from various sources and enrol the eligible students under the scheme in a mission mode. Such students include those from SC households with three or more deprivations as per SECC-2011, where one or both the parents are illiterate and those who have passed Class X from a State Government/Municipality/Local Body school. Further, GoI, while setting ‘State wise tentative targets under PMS-SC’ for the AY 2021-22, had set an overall target of 7,71,162 beneficiary students out of which a target of 2,57,054 was set for identifying poorest students.

[13] EMIS data is available from 2019-20 only. Earlier, the data was maintained in manual mode.

[14] Paragraphs 6.2 and 6.3 of PMS-SC Guidelines, 2020-26.

Audit, however, observed that GoTN did not make special efforts or launch special campaigns to carry out identification of poor households. Further, against GoI's target of 7.71 lakh students for 2021-22, only 6.95 lakh students benefited from the Scheme resulting in a shortfall[15] of 10 *per cent*.

GoTN, while forwarding[16] the AAPs for the years 2021-22 to 2024-25 for PMS-SC to GoI, stated that the data regarding poorest households will be captured along with the scholarship data. It was further stated that the SECC survey taken by Rural Development department of the State would be used to identify the poorest of SC households in order to enrol them under the scheme.

Audit, however, observed that although GoTN had committed to capture the data regarding poorest households in its AAPs since 2021-22, no adequate efforts were taken or awareness programmes held. Further, the details of usage of Rural Development department's survey for identification of poorest SC households were not produced to Audit.

Thus, inadequate publicity, non-usage of the available data to ascertain the potential beneficiaries and shortcomings in the identification of students from the poorest households by the Government resulted in depriving a considerable number of eligible SC/ST beneficiaries for award of scholarships.

Recommendation 1:

The Government should intensify the publicity measures and pro-actively identify the eligible SC/ST students from the poorest eligible households so as to enroll them under the centrally sponsored schemes.

3.4.4 Issue of Freeship Card

As per PMS-SC guidelines, 2021, a 'Freeship card' is to be issued by the State Government to enable all eligible students to take admission in the institutions without pre-payment of tuition fees and hostel fees as per the Scheme Guidelines on the condition that as and when amount is released to the student's account, the institution would be intimated to collect the same from the student.

Audit observed that the GoTN is yet to commence issue of the 'Freeship card' to the eligible students.

During Exit Conference, the DADW stated that there were some issues to be addressed in issuance of Freeship card and added that the Department is planning to offer it initially to Pre MS-SC students who are transitioning to PMS-SC stage, which will be rolled out this year.

Audit, however, observes that non-issue of the Freeship card, even after three years of the issue of the guidelines, have deprived the eligible students to take admissions in the institutions without pre-payment of tuition fees and hostel fees.

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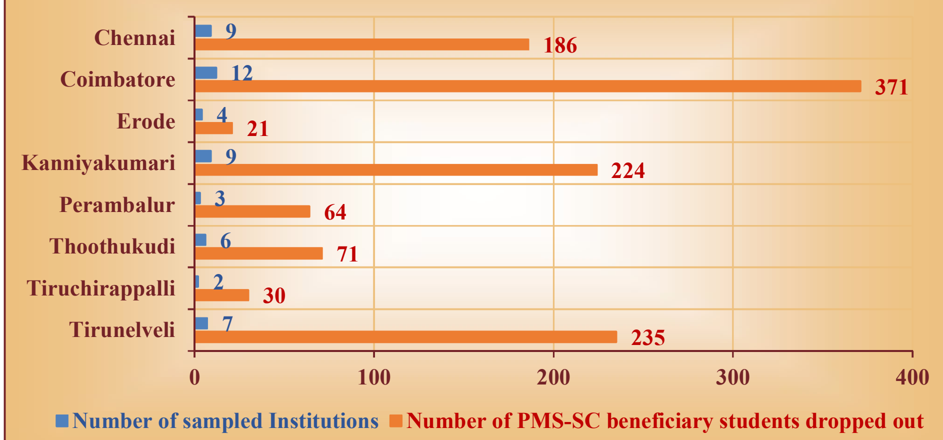
15 (7.71 - 6.95)/7.71 x 100.

16 AAP 2021-22 (November 2021); AAP 2022-23 (April 2022); AAP 2023-24 (April 2023) and AAP 2024-25 (July 2024).

3.4.5 Drop out/exclusion of PMS-SC beneficiaries

In 52 sampled institutions, 1,202 students dropped out/were excluded in the eight districts during 2017-22, as shown in **Exhibit 3.2.**

Exhibit 3.2: Details of beneficiary students dropped out in sampled institutions



(Source: Data analysis of the scholarship database provided by the Department)

Further analysis of the PMS-SC beneficiaries' database, wherein the students' scholarship ID was taken as a unique identifier for checking for his/her renewal of scholarship during the subsequent year, revealed that at the State level, 37,553 students dropped out/were excluded in the following year (**Appendix 2.2**).

As per PMS-SC Guidelines[17], the States are required to take up identification of the students for fresh enrolment by taking up systematic drive covering all the higher secondary schools and encouraging the pupils who have dropped out after Class XII to come back to higher education.

Audit, however, observed that adequate steps were not taken by the Department or the Institutions to encourage the dropped-out students to re-join, defeating the very purpose of PMS-SC scholarships.

During the Exit Conference, the DADW stated that the Department will analyse the data furnished by Audit. The action taken by the Department in this regard is awaited (June 2024).

3.5 Planning and Financial management

The PMS-SC Scheme, till 2019-20, was implemented by the State Governments, which receive 100 *per cent* CA from GoI for the total expenditure under the schemes, over and above their respective committed liability. The funding pattern has been revised during 2020- 21 from the concept of committed liability to a fixed pattern of 60:40 sharing ratio between the Centre and States.

The Central share in PMS-SC, from the AY 2021-22, is being released on DBT mode directly into the bank accounts of the students after ensuring that the concerned State Government has released their share. Except for funds required

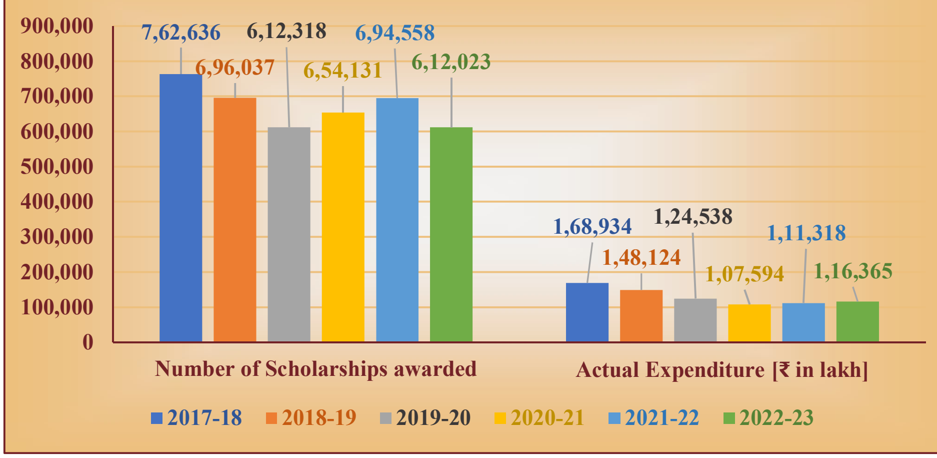
[17] Paragraph 6.5 of PMS Guidelines, 2020-26.

for administrative grant, no central funds would be transferred to the State Governments under the scheme.

3.5.1 Coverage of students and actual expenditure incurred

The details of the number of scholarships awarded and the actual expenditure incurred during 2017-23 is given in **Exhibit 3.3**.

Exhibit 3.3: Scholarships awarded and expenditure during 2017-23



(Source: AAPs for the years 2021-25)

3.5.2 Fund availability and disbursement of scholarship

The fund availability and disbursement of PMS-SC scholarship during the period 2017-23 is tabulated in **Table 3.3**.

Table 3.3: Receipt and expenditure of funds during 2017-23

(₹ in crore)

Year		Opening Balance	Fund demanded/ Annual demand	Commit-ted liability/ Average Demand	Fund received		Total available fund	Total expendi-ture	Closing balance
					Central Share	State Share			
(1)		(2)	(3)	(4)	(5)	(6)	(7) = (5)+(6)+(2)	(8)	(9) = (7)-(8)
2017-18		(-) 1,841.70	1,689.33	1,526.46	434.48	1,526.46	119.26	1,689.33	(-) 1,570.10
2018-19		(-) 1,570.10	1,431.24	1,526.46	1,407.38	1,431.24	1,268.55	1,431.24	(-) 162.69
2019-20		(-) 162.69	1,245.38	1,526.46	925.60	1,245.38	2,008.29	1,245.38	762.91
2020-21		762.91	1,089.15	435.60	120.23	435.60	1,318.74	1,089.15	229.70
2021-22	Central	229.70	608.66	-	-	-	-	-	-
	State	-	441.58	441.58	-	513.02	513.02	441.58	71.44
2022-23	Central	-	-	-	-	-	-	-	-
	State	71.44	461.42	461.42	-	461.63	533.07	472.01	61.06

(Source: Details furnished by the Dte of ADW)

- From 2021-22, the State and Central shares are being paid separately at different points of time and the Central share is not released on the PFMS portal. Audit observed that the State, being the implementing agency, does not have the details of the actual central share paid to the beneficiaries and to ascertain whether all the beneficiaries has been paid the same.

3.5.3 Diversion of funds

The Single Nodal Agency (SNA) shall ensure that the interest earned from the funds released are mandatorily remitted to the respective Consolidated Funds on pro-rata basis in terms of Rule 230 (8) of GFR, 2017. However, Audit observed that entire accrued interest was being credited to the State government account without apportioning it to the Central government as well.

As per GoI guidelines[18], SNAs will keep all the funds received in the SNA Account only and shall not divert the same to Fixed Deposits/ Flexi-Account/Multi-Option Deposit Account/Corporate Liquid Term Deposit (CLTD) Account etc[19]. Audit, however, observed that the Dte of ADW had withdrawn an amount of ₹55.50 crore from its SB Account on various dates between 15 March 2022 to 31 March 2022 and had deposited in the IDBI bank by splitting up into 35 Fixed Deposits[20] for 91 days at the fag end of the FY 2021-22, which was against the existing guidelines.

During the Exit Conference, the Secretary/DADW agreed that diversion of funds to FDs was a violation. GoTN replied (July 2024) that all the FD accounts have been closed and the accrued interest duly remitted to the Government. The reply further added that as the scholarship funds are being maintained in SNA account from 2021-22 onwards, there is no possibility of transfer of funds to FDs anymore.

3.6 Application for scholarship and verification

As per Scheme Guidelines[21], the institutions shall ensure that all students admitted to their institution apply on the IT portal for the scholarship on the same day as the date of admission into the institution. In case of renewal students, the student shall be auto-renewed based on the attendance and confirmation from the institution of the student having been promoted to the next class and having joined back the same course as hosteller/day scholar, as the case may be.

3.6.1 Absence of timelines to process applications at various levels

During 2017-23, there was delay in opening of the online portal i.e., the opening was between the months of December and January of the subsequent year during that AY. The delayed opening of the online portal subsequently led to delayed sanction of scholarships by the Dte of ADW and delayed disbursal of scholarships to students, as commented in **Paragraph 3.7.1**.

GoTN replied (July 2024) that adherence of different academic calendars for various courses and streams make it difficult for the Department to maintain definitive timelines for receiving and processing the applications. The Department ensures that all the eligible applications are processed and disbursed

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18 Ministry of Finance, Department of Expenditure (PFMS Division) Office Memorandum dated 23-03-2021.

19 The funds shall not be transferred to any other bank account, except for actual payments under the Scheme.

20 ₹1.5 crore × 34; ₹0.5 crore × 1.

21 Paragraph 9 of PMS-SC guidelines, 2020-26.

within the AY. The reply further stated that since, 2022-23, the AD&TW scholarship portal has moved to the unified State Scholarship Portal and since the scholarship has come under the sharing pattern (60:40) with disbursement through DBT, the timelines are broadly aligned to GoI's National Scholarship portal.

Audit, however, observes that as per Scheme guidelines, the process of students' applying on the IT portal and the verification of the student by the institution on the scholarship portal, shall be carried out on the same day as the date of admission into the institution.

3.6.2 Inadequate scrutiny of scholarship applications

The scholarship applications are subjected to scrutiny at the institution level, district level (DADTWO) and by the administrative heads of Departments[22] before sanction by the Dte of ADW. However, physical scrutiny of scholarship applications and data analysis of scholarship data revealed the following:

- In respect of 2,766 applications in the sampled institutions/schools, income/community certificates were not found attached in 758 applications[23] (27 *per cent*).
- As per PMS-SC Guidelines[24], Aadhaar is the identity document for all scholarship schemes from 16 February 2017. Analysis of scholarship database for the year 2020-21 revealed that 165 beneficiaries[25] had given invalid Aadhaar numbers.
- Comparison of the Department's scholarship beneficiary database with various other databases[26] revealed that the parental income of 20,509 SC students exceeded the threshold limit of ₹2.50 lakh per annum resulting in an inadmissible amount of ₹41.95 crore paid during 2017-23 **(Appendix 2.4)**.

GoTN replied (July 2024) that:

- The institutions have been requested (June 2024) to provide the Aadhaar details of students having invalid Aadhaar numbers and present educational status in respect of students with supporting documents. Recovery action has been initiated wherever necessary based on the response received from the institutions.

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22 Director of Collegiate Education, DoTE, Director of Medical Education etc.

23 Income and community certificates were not found attached in 708 and 638 applications respectively. The total number of ineligible applications have been arrived at after adjusting overlapped applications.

24 Paragraphs 11.15 and 11.6 of PMS-SC Guidelines, 2020-26.

25 One beneficiary's Aadhaar commenced with ' (apostrophe), One Student's Aadhaar commenced with '0', two beneficiaries' Aadhaar commenced with '1', 153 beneficiaries' Aadhaar shown as Error, one beneficiary had only four digits Aadhaar number, six beneficiaries had only 11 digits Aadhaar number and one Aadhaar shown as '999999999999'.

26 Income Tax return of beneficiaries' parents, Pension data obtained from PAG (A&E), Tamil Nadu, Income certificate data from TNeGA, EMIS database etc.

- Scholarship has been sanctioned based on the income certificate provided by the Revenue department. However, recovery has been initiated (June 2024) wherever necessary.

3.6.3 Ineligible sanction of scholarship to students admitted under Management quota in self-finance institutions

As per PMS-SC guidelines[27], all seats filled through arbitrary and non-transparent processes (including management quota, NRI quota, spot admissions etc.) without following the merit criteria as decided by the State Government are not eligible for PMS-SC scholarships and the fees claimed will not be reimbursed.

In Tamil Nadu, a Committee[28] grants permission to various[29] Consortiums/Associations to carry out the admission process for their member colleges under the management quota and to prepare the rank list. The admissions shall begin immediately after the Committee approves the rank list and is published.

Test check of seven[30] institutions in two[31] sampled districts revealed that the colleges admit students under management quota by carrying out their own admission process and subsequently the list of admitted students was submitted to the Consortium for approval/ratification.

Further scrutiny of database of Dte of ADW and records[32] at the sampled institutions revealed that 8,119 students were admitted under management quota before the date of publication of Rank list during 2017-23, thereby violating the Committee's directions. However, the applications were processed for scholarship and a sum of ₹95.80 crore was paid to 8,119 students, as given in **Appendix 3.1**.

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27 Note under Paragraph VI iii (a) of PMS-SC guidelines, 2018 and Paragraph 5.9 of PMS-SC guidelines, 2020-26. However, if there is no arbitrariness/discretion in the admission process and the fee for the course is fixed by the Fee Fixation/Fee Rationalisation committee set up by the competent authority, the said seats may not be considered as the Management Quota Seats. This was also clarified by GoI to GoTN in December 2019.

28 Committee to regulate - monitor the admissions of students to professional courses by Self-financing professional Arts and Science Colleges and various professional courses in self-financing institutions.

29 (a) Consortium of self-financing professional, Arts & Science colleges in Tamil Nadu, Chennai; (b) Association of Management of Coimbatore Anna University affiliated colleges, Coimbatore; (c) Tirunelveli Anna University of Technology Self-financing Engineering colleges Management Association, Tirunelveli and (d) Association of Self-financing Arts, Science and Management Colleges of Tamil Nadu, Coimbatore.

30 (a) Coimbatore (i) Hindusthan College of Engineering and Technology, Coimbatore; (ii) Pollachi Institute of Engineering and Technology, Pollachi; (iii) PSG Institute of Technology and Applied Research, Coimbatore; (iv) RVS Polytechnic College, Coimbatore; (v) RVS Technical Campus - Coimbatore, Kannampalayam; (vi) Sri Ranganathar Institute of Engineering and Technology, Athipalayam, Coimbatore and (b) Tirunelveli - PSN College of Engineering and Technology, Palayamkottai.

31 Coimbatore and Tirunelveli.

32 List of students admitted Form-I.

As the above process lacks transparency and indicates arbitrariness/discretion in the admission process by the institutions, the said seats were considered as Management Quota Seats, as per PMS-SC guidelines, and were not eligible for scholarship.

To a specific audit enquiry to the Special Officer of the Committee and DoTE to furnish the Rank lists published by Consortiums/Associations, DoTE replied (September 2023) that action will be taken to produce Rank list after its receipt from the Selection Committee.

GoTN replied (July 2024) that the admission under management quota are regulated/monitored by the Committee and the consortium is publishing the merit list. Further, the list of students admitted by the institutions are approved by the competent authority, i.e., DoTE based on the merit list published. Therefore, this cannot be considered as ineligible sanctions of scholarships.

The reply is not tenable since instead of preparation of rank list by the Consortiums and approval by the Committee, the colleges submit the admission list under management quota to the Committee for subsequent approval thereby violating the PMS-SC guidelines for sanction of scholarship.

During the Exit Conference, the Commissioner of DoTE stated that the rank list will be obtained from the Consortiums and furnished to Audit. However, the list is yet to be furnished (August 2024).

Recommendation 2:

The Government should ensure that the admissions under the management quota are done in a transparent manner without any arbitrariness in the admission process by the institutions, before sanctioning of scholarships to the SC/ST students.

3.7 Disbursal of scholarship amount

3.7.1 Delayed disbursement of scholarship

The State Government is to ensure timely and regular disbursal of scholarships and the Union Ministry too was required to release CA timely to the States and arrear payment should be avoided in general course. In no case, should the disbursal of scholarship to students be held up due to any delay in the release of CA.

Audit analysis of PMS-SC scholarship paid for the period 2017-23 revealed that:

- In the sampled districts, payment was delayed in 26,767 instances wherein an amount of ₹1.06 crore was paid to beneficiaries in 67 sampled institutions, the delay ranging from one month to more than one year **(Appendix 2.5)**.

- At the State level, payment was delayed in 19,52,306 instances wherein an amount of ₹1,068.29 crore was paid, the delay ranging from one month to more than one year **(Appendix 2.5)**.

GoTN replied (July 2024) that the reason for delay in disbursement during 2017-20 is attributed to inadequate release of CA leading to spill over of scholarship disbursement in the subsequent years. The reply further stated that the delay during 2021-23 was due to continuous modification of scholarship portal as per GoI's stipulations and sizable number of students not seeding their Aadhaar in their bank accounts.

Audit, however, observes that as per Scheme guidelines, the State Government can release the scholarship to students after making due provision in its budget and claim reimbursement of the same from GoI.

3.7.2 Undisbursed scholarship amount due to incorrect bank account details of beneficiaries

In the eight sampled districts, Audit observed that an amount of ₹76.71 lakh was not credited to bank accounts of 1,193 students in 61 institutions for various reasons[33], as given in **Appendix 2.6**. Out of this, an amount of ₹18.54 lakh for the period 2017-20, pertaining to 319 students in 37 sampled institutions, was remitted back to the Government.

The detailed GoTN's reply (July 2024) pertaining to the above such cases for Pre MS-SC, PMS-SC and PMS-SCC schemes is given in **Paragraph 2.6.2**.

Thus, delays in disbursement of scholarships and non-disbursement resulted in causing financial hardships to the needy SC students in order to complete their education.

3.7.3 Non-payment of scholarship to eligible students due to incorrect data of the Controller of Examination, Anna University

The applications and connected documents[34] for Post Matric Scholarships from SC/ST/SCC students are uploaded in the AD&TW web portal by the Principals of the respective institutions for verification by the DADWOs. For engineering students, the DoTE verifies certain additional details[35] and approves the eligible students in the same web portal for sanction of PMS scholarship. One of these additional details verified by DoTE include verifying whether the candidate's name is there in the Anna University, Chennai Controller of Examination's (CoE) database[36].

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33 Account blocked or frozen, Account closed or transferred, Account under litigation, Invalid account, Account inactive, Miscellaneous, No such account etc.

34 Photocopies of community and income certificates.

35 Whether (a) the candidate has obtained admission approval from DoTE? (b) the candidate is admitted under Government or Management quota? (c) the name of the candidate is there in the Anna University, Chennai Controller of Examination's database? (d) First Generation Graduate scholarship was availed? and (e) the course has obtained NBA accreditation?

36 CoE has to submit the name of the students who had 75 *per cent* attendance during the year and eligible to appear for the examination to the DoTE based on which the DoTE used to forward the claim of the Scholarship to the ADW Department for further process before sanction.

Scrutiny of the Department's scholarship database revealed that DoTE had rejected the scholarship claims of 5,801 SC students during the period 2017-22 stating that the students' name was not found in CoE's data. However, sample check of such cases in the sampled institutions revealed that the name of the students, not found in the CoE record, were available in the Institution record showing that students had appeared in the examination. This had resulted in non-disbursement of scholarship worth ₹38.04 crore to 5,801 students due to CoE's incorrect database and subsequent rejection by DoTE.

In four[37] sampled districts, 59 SC students of 10 sampled institutions were not sanctioned scholarship amount of ₹40.61 lakh in time.

GoTN replied (July 2024) that the Department disburses scholarship to those students after due verification by the respective Head of the Department. Hence, for the students' scholarship applications originally not recommended by DoTE based on CoE's database, the institution resubmits the documents in support of scholarship claim in respect of students. After verification of the students' scholarship related documents, DoTE re-sanctions and recommends to the Department for disbursement manually.

The reply further added that from AY 2021-22, scholarship in respect of a beneficiary is disbursed directly and separately by State and Centre as per the sharing pattern of 40:60 respectively and the Education Directorates are verifying the scholarship applications scrupulously at the first instance itself without giving room for any re-sanction.

Audit, however, could not verify the time delay for disbursement (whether disbursed in the same or subsequent AY) after re-sanction of scholarship by DoTE.

3.8 Ineligible/excess payment of scholarship

3.8.1 Disbursement of scholarship before completion of verification of applications

In February 2023, GoI addressed GoTN stating that the verification process of applications for the AY 2022-23 is very slow and the State has not yet started the process of sharing its data with GoI. It was also requested that officials concerned be directed to hasten the process so that the entire scholarship for the FY 2022-23 can be released to the students within the FY.

Audit scrutiny of TNeGA's scholarship data for the AY 2022-23 revealed that scholarship was paid to 3,28,090 PMS-SC applicants in spite of their scholarship applications pending at various stages[38]. Audit observed that sanction/payment of scholarship amount before ensuring the correctness and eligibility of the applications was not in order.

[37] Coimbatore, Kanniyakumari, Perambalur and Tirunelveli.
[38] At the Institution, District, HoD and the Directorate level.

The DADW replied (March 2024) that although the newly developed scholarship portal[39] was opened on 30 January 2023 to receive applications from the students, the login for Institution, District and HoD level was still being developed by TNeGA. In order to adhere to GoI's instructions (February 2023) to hasten the process so that the entire scholarship for the FY 2022-23 can be released to the students within the FY, it was decided on 27 February 2023 that scholarship applications be verified by sending the student details directly to the HoDs concerned for disbursement of State share after which the State share was disbursed.

Audit, however, observed that this had resulted in by-passing the stipulated process given in the Scheme guidelines. This is also fraught with the possibility of ineligible students being sanctioned the scholarship due to incomplete verification process. Further, the lack of timelines for online verification of online applications at the Institution, District, HoD and the Directorate level also resulted in the delay in processing of the applications.

3.8.2 Payment of Post Matric Scholarship based on unreliable attendance data

As per PMS-SC guidelines, the award once made will be payable from the stage at which it is given to the completion of course, subject to good conduct and attendance of 75 *per cent* in every AY.

Scrutiny of TNeGA database for the year and correlation with PMS-SC scholarship database for the year 2022-23 revealed that attendance of 7,559 students[40] was ranging from 0 to 74 *per cent*. However, 40 *per cent* of State share has been credited to student's bank account.

During verification of correctness of the attendance details in the database in five[41] sampled colleges, Audit noticed that 57 students who were shown as having less than 75 *per cent* of attendance, were in fact having more than 75 *per cent* attendance in the college records. As Audit could not ascertain the veracity of the database, the payment of scholarship based on unreliable attendance data was not in order.

GoTN replied (July 2024) that random checking of attendance data revealed that the students had the requisite attendance percentage and have passed successfully. However, recovery action has been initiated (June 2024), wherever necessary, to remit the amount to Government account in cases of incorrect payment due to less attendance.

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39 After incorporating aspects relating to (i) Aadhaar authentication of the student and nodal officer of the institution; (ii) Verification of income and community certificate details through online without manual intervention and (iii) Disbursement of scholarship through PFMS.

40 Zero *per cent*: 7,534 students; Between 45 and 74 *per cent*: 25 students.

41 (a) Ethiraj College for Women, Chennai (35); (b) JKK Muniraja College of Technology, Erode (3); (c) Loyola College, Chennai (2); (d) PIE Tech, Pollachi (8) and (e) PSN College of Engineering & Technology, Tirunelveli (9).

3.8.3 Excess payment of PMS-SC scholarship due to lack of validation controls in TNeGA software

As per PMS-SC guidelines, 2021, the entire scholarship amount - both from the State and Central Government - will be paid directly into the account of the students only through DBT[42]. With effect from 2022-23, students themselves apply for scholarship in the scholarship portal through TNeGA with scanned copies of mandatory certificates.

On analysis of PMS-SC Scholarship paid to the beneficiaries for the year 2022-23 by comparing it with the year 2021-22, it was noticed that 30,424 students received excess scholarship for an amount of ₹17.90 crore in the year 2022-23 compared to 2021-22, as given in **Table 3.4**.

Table 3.4: Excess payment of scholarship

Excess amount range (in ₹)	Number of Students	2021-22 claim	2022-23 claim	Excess amount sanctioned
		(₹ in lakh)		
More than 7 lakh[43]	8	0.33	64.45	64.12
5 lakh - 7 lakh	1	0.62	5.32	4.70
4 lakh - 5 lakh	1	2.51	6.07	3.56
3 lakh - 4 lakh	10	3.34	27.27	23.93
1 lakh - 3 lakh	20	16.96	41.80	24.84
50,000 - 1 lakh	252	43.36	196.34	152.98
25,000 - 49,999	1,122	351.14	717.25	366.11
20,000 - 24,999	822	362.51	550.17	187.66
15,000 - 19,999	537	157.80	251.80	94.00
10,000 - 14,999	647	166.13	244.23	78.10
5,000 - 9,999	4,225	1,522.84	1,795.52	272.68
1,000 - 4,999	22,779	6,364.02	6,881.21	517.19
Total	**30,424**	**8,991.56**	**10,781.43**	**1,789.87**

(Source: Data provided by the Department)

On a test check of sampled institutions in Coimbatore district where students have been paid excess amount in 2022-23, the Principals of three[44] institutions replied (December 2023) that students had indeed received excess payments.

In addition to the above, Audit also observed that 160 students have received 40 *per cent* State share twice, the excess payment of scholarship worked out to ₹13.50 lakh.

[42] The Central share in the scheme would also be released on DBT mode directly into the bank accounts of the students, after ensuring that the concerned State Government has released their share.

[43] These eight students are from one institution, *viz*., Thanthai Periyar Government Arts and Science College (Autonomous), Tiruchirappalli.

[44] (a) Hindusthan College of Engineering and Technology, Coimbatore (four students); (b) RVS Technical Campus-Coimbatore, Kannampalayam (68 students) and (c) Sri Ranganathar Institute of Engineering and Technology, Athipalayam, Coimbatore (66 students).

Thus, inadequate validation in the scholarship portal led to excess payment of scholarship amounting to ₹18.03 crore[45].

GoTN replied (July 2024) that:

- The variations in the scholarship component may be due to variation in the fee component based on the year of study, maintenance allowance for Day scholar/Hosteller etc. The reply further stated that recovery has been initiated wherever necessary.
- The Department had instructed (August 2023) the concerned Head of the institutions to recover the excess paid scholarship amount from the 160 students and to remit the same into the Government Head of account and is under progress.

Audit, however, observes that lack of adequate validation controls in TNeGA software resulted in the excess payment.

3.8.4 Non-compliance of Government order leading to inadmissible recurring expenditure to the Government

As per GoTN's orders (January 2012), SC/ST/SCC students studying in free/paid seats in recognised self-financing educational institutions will be paid all compulsory and non-refundable fees[46] charged by such institutions with effect from the AY 2011-12 under the Centrally sponsored Post Matric schemes. While the amount payable was as per the fees as fixed by the Government constituted Committee, GoTN subsequently (August 2017) restricted the management quota fees to the extent of Government quota fees as fixed by the fixation committee.

Meanwhile, GoTN issued (October 2021) orders[47] that students admitted in self-finance institutions can enrol in the course as per their choice and the institutions should fill in the Government quota seats first (*65 per cent*), and then the Management quota seats (35 *per cent*) and claim the fee fixed by the Fee Fixation Committee (FFC) for management quota. In case the Government quota seats are still vacant after counselling, then the SC/ST/SCC students have to be admitted in the available seats under the Government quota and the remaining to be admitted under the Management quota. The claim of fees are also to be carried out accordingly - at the rates fixed for either Government or Management quota.

As DoTE carries out approval of admissions under Management quota and also the second level scrutiny for grant of PMS-SC, the scholarship should have been sanctioned after ascertaining the adherence of the stipulated conditions laid out in the GoTN's order of October 2021.

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45 ₹1,789.87 lakh (+) ₹13.50 lakh.

46 Fees collected for Enrolment/Registration, Tuition, Games, Union, Library magazine, Medical examination and such other fee compulsorily payable by the scholar to the Institution or University/Board.

47 G.O. (Ms) No. 72 AD&TW Department dated 15-10-2021.

Audit analysis of the PMS-SC scholarship data for the period 2021-23 revealed that 507 self-finance institutions had admitted 9,728 students under Management quota and had claimed course fee of ₹85,000 for the above students, which was paid. The Dte of ADW, without ascertaining whether the Government quota seats were fully filled, granted the course fees resulting in an incorrect grant of ₹82.59 crore **(Table 3.5)**. Out of 9,728 students, 103 students of seven sampled institutions in three[48] sampled districts were paid an amount of ₹95.33 lakh.

Table 3.5: Inadmissible recurring expenditure

Academic Year	Number of Institutions	Number of students	Inadmissible amount claimed (₹ in crore)
2021-22	249	4,101	36.07
2022-23	258	5,627	46.52
Total	**507**	**9,728**	**82.59**

(Source: Audit analysis of PMS-SC Scholarship data)

GoTN replied (July 2024) that the scholarship has been paid to the students studying under Management quota seats in Self Financing colleges based on the approval received from DoTE.

During the Exit Conference, the Secretary stated that there were challenges in ascertaining whether the management seats are filled only after filling the Government seats. However, the DADW stated that reply will be furnished after checking the database and recovery, if needed, will also be initiated. The details of action taken by the Department in this regard is still awaited (August 2024).

3.9 Students holding more than one Scholarship

As per PMS-SC guidelines, a scholarship holder under PMS-SC scheme will not hold any other scholarship/stipend. If awarded any other scholarship/stipend, the student can exercise his/her option for either of the two scholarships/stipends, whichever is more beneficial to him/her and should inform the awarding authority through the Head of the Institution about the option made. No scholarship will be paid to the students under this Scheme from the date he/she accepts another scholarship/stipend.

3.9.1 Availment of PMS-SC and Minorities Scholarship

During the scrutiny of data of scholarship awarded to SC students during the year 2019-20, it was noticed that 137 students had received both PMS-SC and PMS scholarship for Minorities[49]. Failure of the students to exercise option for either of the two scholarships and inform the awarding authority through the Head of the Institution and non-existence of a proper mechanism to rule out

[48] Coimbatore, Kanniyakumari and Tirunelveli.

[49] Implemented/funded by Union Ministry of Minority Affairs through the State Governments, wherein scholarships are awarded to meritorious students belonging to economically weaker sections of minority communities and whose parents/guardians annual income does not exceed ₹2 lakh.

students availing more than one scholarship led to incorrect grant of more than one scholarship to the tune of ₹23.20 lakh, as given in **Table 3.6**.

Table 3.6: Availment of PMS-SC and PMS-Minorities scholarship

Number of students	PMS-SC Scholarship (In ₹)			PMS - Minorities Scholarship (In ₹)
	Maintenance Allowance	Course Fee	Total	
137	5,87,510	17,32,200	23,19,710	8,92,662

(Source: Data analysis of PMS-SC scholarship and PMS-Minorities scholarship data collected by Centre for Data Management and Analytics, CAG Headquarters)

GoTN replied (July 2024) that the two scholarship schemes are implemented through two different systems at two different points of time. Moreover, there is no integration between National Scholarship Portal and TN scholarship portal as of now. Therefore, this overlapping beneficiary check is possible only after integration of the two systems. Based on audit objection, GoI would be addressed to share the beneficiaries' details so as to prevent disbursing multiple scholarship to the same beneficiary. The reply further added that recovery action has been initiated (June 2024) wherever necessary.

3.9.2 Availment of PMS-SC and First-Generation Graduate Tuition Fee Concession

Scrutiny of scholarship records and other connected files at DADTWOs revealed that 1,143 SC students of three[50] institutions had availed two concessions i.e., First Generation Graduate Tuition Fee Concession[51] (FGG concession) and PMS-SC Scholarship.

GoTN replied (June 2024) that the FGG concession scheme is being implemented and verified by Higher Education (HE) Department. Now, Tamil Nadu State Scholarship Portal has put in place to avoid multiple scholarships from various departments by implementing all the scholarship schemes in single portal. If they avail multiple scholarships, then necessary action will be taken to remit any one of the scholarships from the student.

During the Exit Conference, the DADW stated that with the launch of a common portal for all scholarships, these issues will be weeded out. Audit suggested that the inadmissible amount may be recovered wherever possible and steps may be taken for writing-off the remaining amount.

3.9.3 Availment of PMS-SC and Ph.D. incentive

During 2013-14, GoTN introduced the scheme of providing incentives to full time Ph.D. scholars who belong to SC/ST/SCC, which aims to provide opportunities to these students to undertake advanced studies and research in the fields of Science, Humanities, Social Science, Commerce and Law streams

50 (i) Coimbatore Institute of Engineering, Coimbatore; (ii) PSG College of Technology, Coimbatore and (iii) Thiagarajar College of Engineering, Madurai.

51 A State sponsored scheme, implemented by the HE Department since 2010-11, to 'First Generation Graduate' students admitted in Engineering Colleges in the State through Single Window Counselling.

in State Universities/Government/Government Aided Colleges in Tamil Nadu. The income limit was that the family income shall be less than ₹8 lakh[52] per annum. The incentive paid was ₹1 lakh[53] per annum.

Scrutiny of records at Dte of ADW relating to payment of incentives awarded to Ph.D. scholars for the period from 2017-23 revealed that 708 students received both Ph.D. Incentive and PMS-SC (**Appendix 3.2**).

GoTN replied (July 2024) that the duplication of claims was noticed and recovery orders issued and the entire list has been de-duplicated.

Scrutiny of the Scheme guidelines, however, revealed that the very nomenclature 'incentive' is something which is paid additionally to limited persons based on their achieving a desired degree of performance. However, one of the conditions stipulated in the guidelines is that the scholar should not receive any other scholarship.

Audit observes that it is incorrect to equate incentive with scholarship in this case as the eligibility conditions like annual income limit, aggregate qualifying marks, etc., are different for the award of Ph.D. incentive when compared with the PMS-SC scholarship. Further, while PMS for SC/ST students is given to all eligible SC/ST/SCC students, Ph.D. incentive is given only for a limited number of scholars that too after meeting certain conditions to a desired level to attain the incentive.

Thus, the GoTN's order equating the scholarship with that of incentive is incorrect and the eligible Ph.D. scholar should be entitled to avail both the scholarship as well as incentive if he had achieved or fulfilled the criteria prescribed. The Department have also not taken this issue which resulted in the beneficiaries deprived of vital incentive or scholarship needed to them for pursuing higher studies.

During the Exit Conference, it was assured that the Scheme will be reviewed.

3.10 Monitoring and Evaluation of PMS-SC

As per Scheme guidelines[54], the State Government shall have robust monitoring systems, including field inspections, social audits, data analytics etc. so that timely payments are made to eligible beneficiaries. Further, the Guidelines[55] stipulate that the schemes shall be run on an online platform with robust cyber security measures that would assure transparency, accountability, efficiency, and timely delivery of the assistance without any delays.

Audit observed the following:

52 Up to 2020-21: ₹2.50 lakh.
53 Up to 2020-21: ₹50,000 per annum.
54 Paragraphs 6.9 and 18 of PMS-SC Guidelines, 2020-26.
55 Paragraph 13.1 of the PMS-SC guidelines, 2020-26.

- Auto-verification of all the data[56] submitted by the student by linking databases through digilocker or any such mechanism, was not being done.
- A performance module to monitor the progress of student as well as performance of the institution has not yet been suitably designed and incorporated.
- A complete database of the beneficiaries under various other scholarship schemes to ensure de-duplication of the beneficiaries is yet to be maintained.
- Social audit was not conducted at regular intervals to evaluate the outcomes of the Scheme.
- Physical verifications at various levels *viz*. Block/District/State levels covering at least 10 *per cent* of the institutions/students, chosen randomly through an algorithm, were not carried out.

GoTN replied (July 2024) that as the new scholarship portal has been launched, the above shortcomings will be taken care of in the coming FY. The reply further stated that through the portal dashboard, monitoring will be effectively undertaken.

During the Exit Conference, the DADW stated that physical verification of at least 10 *per cent* of the institutions/students by district level officers will be conducted.

Thus, the functioning of an efficient IT system with validation checks and conduct of social/evaluation audit and physical inspections would ensure that the objectives of the Scheme are met in the manner intended.

Recommendation 3:

The Government should establish a robust IT based real time monitoring and grievance redressal system at the earliest so as to further streamline and strengthen the effective implementation of the scholarship Schemes.

56 Regarding domicile, eligibility, caste status, Aadhaar identification and bank account details.