



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Report of the
Comptroller and Auditor General of India
for the year ended March 2024**

**Union Government
Report No. 36 of 2025
(Compliance Audit – Civil & Commercial)**

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Report was presented in the Parliament on:

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended March 2024 has been prepared for submission to the President under Article 151 of the Constitution of India. The Report contains the results of Compliance Audit of 29 Ministries (excluding Union Territories without Legislatures) and seven Constitutional bodies/secretariat of the Union Government and their field offices under the General and Social Services Sector.

The instances mentioned in this Report, pertaining to Compliance Audit, are those which came to notice in the course of test audit for the period 2023-24 as well as those which came to notice in earlier years but could not be reported in the previous Audit Reports. Matters relating to the period subsequent to 2023-24 have also been included, wherever necessary.

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

OVERVIEW

This Report contains significant audit findings arising out from the compliance audit of financial transactions under 56 grants relating to 29 Ministries (excluding Union Territories without Legislatures) and five Constitutional bodies/secretariat of the Union Government. The gross expenditure of these 29 Ministries and five Constitutional bodies/secretariat was ₹ 16,26,975.07 crore in 2023-24.

This Report contains 16 illustrative cases¹ of Compliance audit pertaining to seven Ministries/Departments and one Central Public Sector Enterprise. An overview of the main audit findings included in this Report is given below:

COMPLIANCE AUDIT OBSERVATIONS: UNION MINISTRIES

Ministry of Culture

Subject Specific Compliance Audit (SSCA) on Conservation and preservation of monuments and antiquities by ASI, Uttar Pradesh

The Archaeological Survey of India (ASI) is a Central Government agency that is responsible for protecting and maintaining monuments and archaeological sites that have been declared as of national importance. Audit scrutiny revealed that the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (AMASR Act) established “national importance” as the basis for notification but did not define its scope or provide standards for implementation. Notifications were incomplete and lacked vital information. About 86 *per cent* of the notifications lacked the detail of area/boundary covered by the Centrally Protected Monuments (CPMs). Audit further noticed that out of 487 CPMs across three major ASI circles in Uttar Pradesh, only 31 monuments (6.4 *per cent*) had proper ownership documentation through land record mutation. ASI was operating 456 CPMs (94 *per cent*) without legal title. As per the records of the ASI circles in UP, 31 CPMs remain untraceable. In 96 monuments, cases of encroachment were reported in respective circles of ASI in Uttar Pradesh. Instances of inappropriate conservation work, monuments in need of chemical conservation, structural alterations, and neglected monuments of national importance were noticed. Antiquities were stored in deteriorating conditions and only 20 *per cent* had been digitised so far.

(Paragraph No. 2.1)

¹ One case included under Para 1.5 Audit Planning, Conduct of Audit and Audit Findings (Appendix-III).

Ministry of External Affairs

Excess expenditure of ₹ 27.43 crore towards license fee for unutilised space

Retention of unutilised space at Akbar Bhawan by the Ministry of External Affairs for 15 months, without formalising *pro-rata* license fees with New Delhi Municipal Corporation for the space actually utilized, resulted in excess expenditure of ₹ 27.43 crore towards licence fee for unutilised space.

(Paragraph No. 2.2)

Embassy of India, Beijing, China

Property management in Embassy of India, Beijing, China

Despite having continuous Annual Maintenance Contracts and incurring significant expenditure on repairs, six out of sixteen residential units constructed in 2011 have become uninhabitable within a span of 10 to 13 years. Delay in carrying out the necessary comprehensive repairs/renovation of these six vacant units resulted in avoidable rental outgo of ₹ 3.22 crore (up to February 2025).

The redevelopment project of Old Chancery Premises (OCP), initially conceptualized in 2009 has been delayed due to indecisiveness and non-finalization of end use.

Continued payment of heating charges for the OCP despite it being not in use since 2014 resulted in wasteful expenditure of ₹ 74 lakh.

(Paragraph No. 2.3)

Embassy of India, Copenhagen, Denmark

Excess expenditure of ₹ 99.12 lakh

Non-adherence to the rental ceiling fixed by the Ministry of External Affairs for hiring of leased accommodation by the Embassy of India, Copenhagen resulted in an excess expenditure of ₹ 99.12 lakh.

(Paragraph No. 2.4)

Embassy of India, Tel Aviv, Israel

Unfruitful expenditure of ₹ 92.01 lakh

Delays by the Embassy of India, Tel Aviv in undertaking pre-acquisition activities and the Ministry of External Affairs in conveying administrative approval and financial sanction for acquisition of a property within the extended timeline set by the seller led

to termination of the deal and rendered an expenditure of ₹ 92.01 lakh for professional/legal services associated to pre-acquisition activities unfruitful.

(Paragraph No. 2.5)

Regional Passport Office, Mumbai, Pune and Goa

Irregular Payment of Electricity Duty and Tax of ₹ 1.47 crore

The Regional Passport Offices Mumbai, Pune and Goa did not claim exemption from Electricity duty and Tax as per Article 287 of the Constitution and Section 3(2) of the Maharashtra Electricity Act, 2016 and Section 3(2) (1) of the Goa, Daman and Diu Electricity Duty Act, 1986 resulting in an irregular payment of ₹ 1.47 crore.

(Paragraph No. 2.6)

Regional Passport Office, Mumbai

Inordinate delay in surrender of vacated RPO Thane premises

Despite vacating the leased premises in 2017, RPO Mumbai and the Ministry were unable to finalise the surrender or alternate use of the property for over seven years, leading to avoidable expenditure of ₹ 76 lakh and pending liabilities of ₹ 1.38 crore.

(Paragraph No. 2.7)

Ministry of Fisheries, Animal Husbandry and Dairying

Subject Specific Compliance Audit on Functioning of Fishery Survey of India

Fishery Survey of India (FSI) carried out 372 voyages against planned 586 voyages during the period 2018-19 to 2022-23 registering a 37 *per cent* shortfall. This resulted in shortfall in operational targets *viz.* 46 *per cent* in the number of days at sea, 53 *per cent* in number of fishing days leading to consequent shortfall of 61 *per cent* and 72 *per cent* in the sampling efforts measured in terms of number of hours and number of hooks respectively. Due to non- conducting of 214 planned surveys, the Institute had to forego 4,339 days of fishing and the subsequent sampling effort of 15,149 hours and 12.73 lakh hooks. Even in the 372 voyages conducted by the Institute, shortfall in the sampling effort was 37 *per cent* and 31 *per cent* in hours and numbers of hooks respectively.

FSI had no prescribed norms for minimum number of fishing days per survey in order to ensure collection of adequate data for stock assessment studies due to which

21 voyages with fishing days less than five days were noticed in Mumbai and Mormugao bases.

Audit noticed avoidable expenditure on berthing/ fuel charges due to delayed decision, idle expenditure on casual staff/other charges during the layoff period of vessels.

The Institute did not adhere to DoPT's instructions regarding the recruitment and remuneration of casual workers and incurred expenditure without the necessary administrative and financial approvals.

(Paragraph No. 2.8)

Ministry of Health and Family Welfare

Government Medical Store Depot, Mumbai

Avoidable and wasteful expenditure of ₹ 1.64 crore towards rent and security of unused Godown

Inability to take timely action to vacate and surrender the unused godown led to an avoidable and wasteful expenditure of ₹ 1.64 crore on rent and security for the unutilized premises.

(Paragraph No. 2.9)

Ministry of Home Affairs

Central Industrial Security Force

Blocking of funds amounting to ₹ 6.53 crore

Non-adherence by Central Industrial Security Force to the guidelines issued by the Ministry of Home Affairs for acquisition of land resulted in non-possession of land and blocking of funds amounting ₹ 6.53 crore for more than nine years.

(Paragraph No. 2.10)

Central Armed Police Forces

Non-deduction of Professional Tax by the CAPFs

Non-compliance to the provisions of Professional Tax Act applicable in States (Assam, Kerala, Madhya Pradesh, Punjab, Telangana and Tripura) by the Central Armed Police Force units resulted in non-deduction of professional tax amounting to ₹ 26.40 crore from the salary of the employees serving in CAPF.

(Paragraph No. 2.11)

Sashastra Seema Bal (SSB), 36 Battalion, Geyzing, Sikkim

Excess payment of Special Compensatory (Remote Locality) Allowance (SCRLA) of ₹ 3.18 crore

SSB 36 Battalion paid Special Compensatory (Remote Locality) Allowance (SCRLA) to its employees at higher rate in contravention of the provisions of the Ministry of Finance OM, resulting in excess payment of ₹ 3.18 crore.

(Paragraph No. 2.12)

Ministry of Social Justice and Empowerment

Pre-Matric and Post-Matric Scholarship Schemes for Students belonging to Scheduled Castes

During 2017-18 to 2023-24, Government of India and States/UTs spent ₹ 5,037.83 crore for awarding scholarship to 181.45 lakh Pre-Matric students and ₹ 47,840.58 crore for 348.09 lakh Post-Matric students belonging to Scheduled Castes. An audit of the implementation of these two scholarship schemes revealed various shortcomings and instances of deviations from scheme guidelines. Significant shortcomings were selection of beneficiaries without considering the income and caste criteria, payment of scholarship multiple times to beneficiaries, scholarships paid to students not enrolled in schools/institutions, etc.

While the Ministry has acknowledged the audit observations and initiated preliminary corrective measures, it remains imperative for the Ministry, given its role as the policy owner and nodal implementation agency, to establish a robust oversight mechanism to ensure strict adherence to the scheme guidelines.

(Paragraph No. 2.13)

Ministry of Tribal Affairs

Pre-Matric and Post-Matric Scholarship Schemes for Students belonging to Scheduled Tribes

During the period 2017-18 to 2023-2024, the Ministry spent ₹ 2,354.51 crore for awarding scholarship to 87.10 lakh Pre-Matric students and ₹ 13,695.74 crore to 151.66 lakh Post-Matric students belonging to Scheduled Tribes. An audit of the operations of these two scholarship schemes taken up for the period 2017-2021 revealed several systemic weaknesses in implementation. These included absence of defined timelines for processing of students' applications, lack of defined role prescribed for the nodal officers at institutes, district and states, ambiguities in scheme

guidelines relating to the funding pattern, a lack of structured mechanisms for the release of Central Assistance, and deficiencies in monitoring and grievance redressal.

Although the Ministry has acknowledged the audit observations and initiated preliminary corrective measures, it remains imperative for the Ministry given its role as the policy owner and nodal implementation agency to establish a robust oversight mechanism to ensure strict adherence to the scheme guidelines.

(Paragraph No. 2.14)

CENTRAL PUBLIC SECTOR ENTERPRISES

Ministry of Chemicals and Fertilizers

Rashtriya Chemicals and Fertilizers Limited

Encashment of Leave in deviation from DPE guidelines

Automatic encashment of earned leave and encashment of EL/HPL on 26 days' basis instead of 30 days' in deviation from DPE Guidelines resulted in irregular payment of ₹ 33.68 crore by the Company during 2015-16 to 2023-24.

(Paragraph No. 3.1)

CHAPTER-I

INTRODUCTION

1.1 Audit Mandate

The mandate of the Comptroller and Auditor General of India (C&AG) with regard to audit of Union and States, Government companies and corporations, bodies and authorities is derived from the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The C&AG is the sole authority prescribed in the Constitution entrusted with the responsibility of audit of accounts of the Union and of the States. Under Section 13 (read with Section 17) and Section 16 of the Act, it is the duty of the C&AG to audit all expenditure, all receipts and other transactions of the Governments of the Union, of each State and of each Union Territory. The mandate of the Comptroller and Auditor General, under the Constitution and under Section 14, 15, 19 and 20 of the Act, also covers audit of Bodies, Authorities, Government Companies and Corporations. The Audit Reports of the C&AG are placed before Parliament or the Legislature of the State or the Union Territory, as the case may be.

1.2 Types of Audit

C&AG broadly carries out three types of audit, *viz.* Financial Audit, Compliance Audit and Performance Audit.

Financial Audit deals with determining whether an entity's financial statements and information is properly prepared, complete in all respects and is presented with adequate disclosures in accordance with the prescribed financial reporting and regulatory framework.

Compliance Audit refers to examination of the transactions relating to expenditure, receipts, assets and liabilities of the Government to ascertain whether the provisions of the Constitution of India and applicable laws, rules, regulations, order and instructions issued by the competent authorities are being complied with and also to determine their legality, adequacy, transparency, propriety, prudence and effectiveness in terms of achievement of the intended objectives.

Performance Audit is concerned with the audit of economy, efficiency and effectiveness in receipt and application of public funds by the Government. The analysis in Performance Audit is distinct from, and goes beyond, compliance issues,

and seeks to provide new information, analysis or insights on the actual benefit of the activity undertaken by the entity.

Audits are conducted on the basis of C&AG's Auditing Standards and the Regulations on Audit and Accounts (Amendments) 2020. These standards and regulations prescribe the norms which the auditors are expected to follow in conduct of audit and require reporting on individual cases of non-compliance as well as on weaknesses that exist in systems of financial management and internal control of the entities audited.

The Auditing Standards adopted by the C&AG require that the materiality level for reporting be commensurate with the nature, volume and magnitude of transactions. The findings of Audit are expected to enable the Executive to take corrective actions and frame policies and procedures that will lead to improved financial management of the organisations and contribute to better governance.

1.3 Audit Universe

The Audit Universe covered in this report includes 29 Ministries (excluding Union Territories without Legislatures) under the general and social sectors of the Union Government and seven Constitutional Bodies/Secretariat (**Appendix-I**).

1.4 Budget and Expenditure of Civil Ministries/Departments

The position of Sanctioned Provision², Expenditure and Savings of 29 Ministries and five Constitutional Bodies/Secretariat covering 56 civil grants for FY 2022-23 and FY 2023-24 are shown in **Table 1.1**. The details are given in **Appendix-II**.

Table 1.1: Details of Sanctioned Provision, Expenditure and Savings

(₹ in crore)

Segment	2022-23 ³			2023-24		
	Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)	Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)
Revenue (Charged)	5,609.10	4,975.28	-633.82	6,481.69	5,340.74	-1,140.95
Revenue (Voted)	17,70,168.17	15,82,092.56	-1,88,075.61	16,29,880.11	15,66,599.08	-63,281.03
Capital (Charged)	185.16	181.18	-3.98	236.09	177.71	-58.38
Capital (Voted)	40,237.33	31,297.98	-8,939.35	68,867.75	54,857.54	-14,010.21
Total	18,16,199.76	16,18,547.00	-1,97,652.76	17,05,465.64	16,26,975.07	-78,490.57

Source: Union Government Appropriation Accounts (Civil) 2022-23 and 2023-24

² Sanctioned Provision = Budget Estimates + Supplementary provisions

³ Variation between figures, for the FY 2022-23, shown in this report and figures shown in CAG's Audit Report No. 8 of 2024 is due to inclusion of figures of Ministry of Statistics & Programme Implementation in this report.

1.5 Audit Planning, Conduct of Audit and Audit Findings

As per the Annual Audit Planning process, units for compliance audit are selected on the basis of risk assessment besides topicality, materiality, social relevance *etc.* Risk assessment includes appraisal of internal control systems of the units, past instances of defalcation, misappropriation, embezzlement, *etc.*, as well as findings of previous Audit Reports. Inspection Reports are issued to the heads of units after completion of audit. Based on the replies received, audit observations are settled with action for compliance advised, wherever necessary. Important audit findings are processed for inclusion in the Audit Report after seeking responses from the Ministry/Department concerned. Audit Reports are laid before the Parliament under Article 151 of the Constitution of India.

The accounts of Central Public Sector Enterprises (CPSEs) including Government Companies, Statutory Corporations and other Companies controlled by Government, are audited by the C&AG under Sections 143 (6) and 143 (7) of Companies Act, 2013 or respective Act of the Parliament forming Statutory Corporations. The Statutory Auditor(s) [Chartered Accountants(s)] are appointed by the C&AG to certify the accounts of CPSEs and the C&AG has the right to conduct supplementary audit of such audited accounts. Reports in relation to the CPSEs are submitted to the Government by the C&AG under the provisions of section 19A of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971.

Chapter II of this report contains significant observations arising out of compliance audit of 29 Ministries (excluding Union Territories without Legislatures) of social and general sector and seven Constitutional Bodies/Secretariat.

Chapter III contains observation arising out of compliance audit of CPSEs as a result of audit of transactions up to 2023-24.

Apart from the observations included in the respective Chapters, an amount aggregating ₹ 8.11 crore (**Appendix-III**) has also been recovered at the instance of audit.

On the recommendation of the Public Accounts Committee (PAC), the Ministry of Finance issued directions to all Ministries in June 1960 to send their responses to the draft paragraphs proposed for inclusion in the Report of the C&AG of India within six weeks of receipt of the paragraphs. Accordingly, the draft paragraphs are forwarded to Secretaries of the Ministries/Departments concerned drawing their attention to the audit findings and requesting them to send their response within six weeks.

Concerned Ministries/Departments did not send replies to 10 paragraphs out of 16 paragraphs (up to August 2025). The response of the concerned Ministries/Departments received in respect of the remaining six paragraphs has been suitably incorporated in the Report. In response to five audit observations, the concerned agencies have taken/initiated corrective measures, which have been incorporated in the report.

1.6 Significant Comments of the C&AG Issued as Supplement to the Statutory Auditors' Reports on CPSEs

Audit Universe for financial audits includes 86 CPSEs⁴ (**Appendix-IV**) under 15 Ministries of the Union Government. As per Section 143(6) of the Companies Act, 2013 the Comptroller and Auditor General of India conducts a supplementary audit of the financial statements of the companies and comment upon or supplement the audit report issued by the Statutory Auditors. Some of the significant comments issued on financial statements of Government Companies and Statutory Corporations are given in **Appendix-V**. The list of CPSEs in respect of whom NIL comments were issued is given in **Appendix-VI**.

1.7 Status of Pending ATNs

In its 105th Report (10th Lok Sabha-1995-96) presented to Parliament on 17 August 1995, the Public Accounts Committee had recommended that Action Taken Notes (ATNs) on all paragraphs of the Reports of the C&AG should be furnished to the Committee through the Ministry of Finance (Department of Expenditure) within a period of four months from the date of laying of the Audit Reports on the Table of the House starting from 31 March 1996 onwards. Subsequently, a Monitoring Cell was created under the Department of Expenditure which is entrusted with the task of coordination and collection of the ATNs from all Ministries/Departments concerned duly vetted by Audit and sending them to the Public Accounts Committee within the stipulated period of four months from the date of presentation of the Audit Report to the Parliament.

The Committee on Public Undertakings, in its 2nd Report (12th Lok Sabha-1998-99) has recommended the follow up action taken notes, duly vetted by audit, in respect of all reports of C&AG (Commercial) presented to Parliament, should be furnished to the Committee within six months from the date of presentation of the relevant audit reports.

⁴ Including four government controlled other companies.

As of 31 August 2025, out of 16 ATNs of Civil Ministries/Departments, including CPSEs, covered in this report, three ATNs were not received and 13 ATNs were under correspondence (**Appendix-VII**).

CHAPTER-II UNION MINISTRIES

This Chapter contains 14 audit paragraphs covering audit findings related to seven Union Ministries/Departments.

(I) Ministry of Culture

2.1 Subject Specific Compliance Audit (SSCA) on Conservation and preservation of monuments and antiquities by ASI, Uttar Pradesh

The Archaeological Survey of India (ASI) is a Central Government agency that is responsible for protecting and maintaining monuments and archaeological sites that have been declared of national importance. Its activities include carrying out surveys of antiquarian remains, exploration and excavation of archaeological sites, archaeological research, maintenance, conservation and preservation of protected monuments in the country. The ASI is divided into a total of 37 circles each headed by a Superintending Archaeologist (SA) out of that five are in Uttar Pradesh. The circles of ASI in Uttar Pradesh are Agra, Jhansi, Lucknow, Meerut and Sarnath. India's protected monument list has over 3,679 sites, out of which 741 Centrally Protected Monuments (CPMs) are in Uttar Pradesh (UP).

Audit revealed the following:

- The Ancient Monuments and Archaeological Sites and Remains Act, 1958 (AMASR Act) established "national importance" as the basis for notification but did not define its scope or provide standards for implementation.
- Notifications were incomplete and lacked vital information. About 86 per cent of the notifications lacked the detail of area/boundary covered by the CPMs.
- Audit noticed that out of 487 CPMs across three major ASI circles in Uttar Pradesh, only 31 monuments (6.4 per cent) had proper ownership documentation through land record mutation and the remaining 456 CPMs (94 per cent) were being operated by ASI without legal title.
- The Ministry had given an assurance to the Public Accounts Committee (PAC) for conducting a review of all CPMs. However, the circles did not conduct any reviews. At present, 31 CPMs remain untraceable as per the records of the ASI circles in UP.
- Despite recommendations of PAC, no guidelines or policy document on living monuments was prepared by ASI. Further, circles did not have the records/details of monuments where prayers/worships were started before/after issue of notification.

- In 96 monuments, cases of encroachment were reported in respective circles of ASI in Uttar Pradesh.
- 81 per cent of *Adarsh Smaraks* lacked cafeterias, 90 per cent lacked professional guides, and 86 per cent lacked Wi-Fi connectivity.
- The approved Annual Conservation Plans (ACPs) prepared by the circles (21 per cent) were not executed as planned, primarily due to shortage of funds and staff.
- Proper documentation of conservation activities in the form of log books and the inspection notes were not maintained by the circles.
- Instances of inappropriate conservation work, monuments in need of chemical conservation, structural alterations, and neglected monuments of national importance were noticed.
- Antiquities were stored in deteriorating conditions and only 20 per cent had been digitised so far.
- During 2021-22 to 2023-24, the ASI circles had incurred dismal expenditure on excavation and exploration ranging between 0.41 and 0.76 per cent of total expenditure in spite of assurance given to PAC to increase the expenditure on excavation up to five per cent.
- There was an acute shortage of staff - about 57 per cent in technical cadre, 41 per cent in the cadre of Monument Attendants and shortfall of 22 to 96 per cent in required number of security guards.

Audit recommends the following:

- *ASI needs to have a defined criteria for declaring the monuments of national importance. Notification process should be streamlined to include all interrelated structures, boundary and adjacent areas ensuring holistic protection of heritage complexes. A time frame for completion of such activity may be indicated.*
- *ASI Circles should have a long-time action plan for legally freezing the boundaries of these monuments by issuing revised notifications after taking into account revenue records. It may also be ensured that all the relevant columns related to the area covered are filled while processing new notifications.*
- *ASI circles need to invoke the provisions of Section 5 for acquisition, lease, gift, and guardianship to expand protection coverage. They need to proactively pursue to bring the CPMs under Government control or under the ownership of ASI.*
- *ASI should consider evolving clear guidelines on the use of protected living monuments and to ensure that proper Memoranda of Understanding*

(MoUs)/agreements are signed with the occupants/users as recommended by PAC.

- *ASI should constitute a coordination body with representatives of State Government at each circle to check incidents of encroachment with the cooperation of district and police authorities and initiate timely action for removal of all encroachments.*
- *Steps need to be taken to address the issue of staff shortage at the ASI circles especially the technical and security staff.*

2.1.1 Introduction

The Archaeological Survey of India (ASI) is a Central Government agency that is responsible for protecting and maintaining monuments and archaeological sites that have been declared of national importance. Its activities include carrying out surveys of antiquarian remains, exploration and excavation of archaeological sites, archaeological research, maintenance, conservation and preservation of protected monuments in the country. ASI was founded in 1861. It became a statutory body under the Ancient Monuments and Archaeological Sites and Remains (AMASR) Act, 1958 with administrative control of Ministry of Culture. ASI administers 3,679 ancient monuments, archaeological sites and remains of national importance.

The ASI is divided in 37 circles, each headed by a Superintending Archaeologist, of which five are in Uttar Pradesh (UP), namely Agra⁵, Lucknow⁶, Sarnath⁷, Meerut⁸ and Jhansi⁹.

2.1.1.1 Organizational structure of circles of ASI

The ASI is headed by the Director General (DG) who is supported by Additional and Joint Directors General. A Circle is headed by the Superintending Archaeologist (SA), responsible for the maintenance of the monuments, documentation and structural conservation with the assistance of Engineers and Conservators. The circles are further divided into the Sub Circles headed by Conservation Assistants who are directly responsible for the conservation activities carried out at the monuments. The ASI also includes science branch headed by the Superintending Archaeological Chemist who is responsible for chemical treatment of monuments with the assistance of Deputy/Assistant Superintending Archaeological Chemist.

⁵ Est. in 1885 with seven sub-circle covering 154 monuments/sites

⁶ Est. in 1985, with seven sub-circle covering 197 monuments/sites

⁷ Est. in 2013 with four sub-circle covering 136 monuments/sites

⁸ Est. in 2020, with five sub-circle covering 82 monuments/sites

⁹ Est. in 2020, with four sub-circles covering 172 monuments/sites

2.1.2 Audit Objectives

The Subject Specific Compliance Audit (SSCA) was taken up with objective to ascertain whether:

- (i) Proper institutional, monitoring and implementation mechanism existed for ensuring effective heritage conservation and preservation;
- (ii) There was effective financial management including adequacy of funds, utilisation of funds, revenue generation, remittance of revenue in Government account and accounting thereof;
- (iii) Adequate human resources were available; and
- (iv) Adequate follow-up action was taken by ASI circles in UP on the recommendations made by the Public Accounts Committee (PAC) in their 39th and 118th report of sixteenth Lok Sabha.

2.1.3 Audit Criteria

The audit criteria for SSCA were derived from:

- The Ancient Monuments Preservation Act 1904;
- The Ancient Monuments and Archaeological Sites and Remains (AMASR) Act 1958;
- The AMASR (Amendment and validation) Act 2010;
- Antiquities and Art Treasure Act, 1972;
- National Policy for Conservation (NPC)-AMASR, 2014, Orders, Regulations issued for the preservation and conservation of monuments, museums and antiquities by Government of India;
- General Financial Rule (GFR) 2017;
- ASI Work Code Manual;
- PAC recommendations and Action Taken Notes (ATN) on observations raised in C&AG's Report No. 18 of 2013 on this subject.

2.1.4 Audit Scope and Methodology

The SSCA covered the activities of five ASI circles in UP and Institute of Archaeology, Noida during 2021-22 to 2023-24. The field audit was conducted during July 2024 to November 2024. Audit methodology included scrutiny of records, obtaining information and joint physical inspection of selected monuments. The conservation and preservation works were audited by examining 100 *per cent* of ticketed monuments including *Adarsh* and UNESCO¹⁰ world heritage sites and a sample of five *per cent* of other Centrally Protected Monuments (CPM) in each circle

¹⁰ United Nations Educational, Scientific and Cultural Organization

taken up based on Simple Random Sampling without Replacement Method. List of the selected monuments is at **Annexure 2.1**. Audit commenced with an Entry conference with the Circles on 16 July 2024 wherein audit objectives, scope and methodology were explained. The audit findings were issued to the Ministry of Culture and the Director General, ASI in April 2025. Their replies were awaited.

2.1.5 Audit Findings

The Public Accounts Committee (PAC), in its 39th report (16th Lok Sabha laid in April 2016) and Action Taken Report (ATR) 118th report (16th Lok Sabha laid in December 2018) based on CAG's Performance Audit Report on Preservation and Conservation of Monuments and Antiquities (No. 18 of 2013), had made 25 recommendations for better management of Monuments and Antiquities. In the SSCA, Audit looked into the implementation and follow-up on 17 recommendations which were relevant and ascertainable in the circles of ASI in UP. The extent of compliance/action taken in the execution units on PAC's recommendations are discussed in succeeding paragraphs.

In addition, audit was conducted with a view to ascertain compliance with the existing Act, Rules and Regulations relating to identification, notification, conservation and preservation of monuments, sites, remains and objects under the custody of ASI circles in the State of UP. Deficiencies regarding these have been discussed in the succeeding paragraphs.

2.1.6 Identification, Notification and Documentation of Monuments

The process of monument identification and protection represents a fundamental component of heritage conservation that requires systematic and structured approach for bringing archaeological resources under formal protection. This process begins with the identification of structures, erections, caves, rock sculptures, forts, buildings, and sites that demonstrate unique archaeological styles and artistic significance combined with historical importance. Such identification occurs through systematic archaeological surveys and explorations conducted by qualified personnel. Following initial identification, the process requires comprehensive documentation of archaeological monuments. This documentation phase involves detailed recording of architectural features, historical significance, current condition and cultural context. Concurrent with archaeological documentation, the responsible authorities need to collect land details from the Revenue Department to establish clear legal foundations for protection measures. Upon review and approval, the Central Government declares monuments as "Centrally Protected" through Gazette Notification under Section 4 of the Ancient Monuments and Archaeological Sites and Remains Act, 1958. This

notification process creates the legal framework necessary for effective conservation by establishing formal protection status, defining protected boundaries, enabling conservation activities, restricting unauthorized alterations, and providing the Archaeological Survey of India with management authority.

The audit examination revealed several areas where current implementation practices do not fully align with the prescribed framework for monument identification, notification, and documentation. These findings indicate systematic challenges that may compromise the effectiveness of heritage protection efforts.

2.1.6.1 Follow up on Heritage Surveys

As per the definition of the Ancient Monuments, (AMASR Act, 1958) any structure, erection or monument, or any tumulus or places, which is of historical, archaeological or artistic interest and which has been in existence for not less than one hundred years are ancient monuments/remains.

Audit observed that during 2021-22 to 2023-24 village to village Survey in seven districts covering 245 villages had been undertaken, and a total of 66 evidences discovered; which included sites having antiquarian remain, evidences of temples, graves, mounds and few other objects. These surveys were conducted by Archaeologists of the circles concerned. Some of the evidences collected during these surveys were reported to belong to 19th century *i.e.*, more than 150 years old [Gomat temple, Shivala temple, Dharamauli (appears Gupta/Kushan period), remains at Bada Sureha (late Mughal Period), *etc.*].

Audit, however, observed that the survey results and findings were not found to have merit for further investigation and hence were not communicated to the DG, ASI. There were no prescribed provisions for protecting such ancient monuments as such these ancient monuments/sites remained prone to deterioration.

ASI Lucknow Circle stated that they collaborated with local authorities and others. ASI Agra circle stated that remains noticed through village to village survey were not found worthy of protection for monuments/site of national importance. It further stated that the State legislations also had provisions to protect them as monument or sites of State importance.

The fact remains that in absence of any follow up to protect these sites, these newly identified sites remained without interim safeguards, leaving them vulnerable to irreversible destruction from development activities.

Audit recommends that ASI should devise a mechanism for protecting ancient monuments/remains from further deterioration.

2.1.6.2 Lapses in Gazette Notifications regarding Boundary and Area Disclosure

Section 36 of AMASR Act provides that any clerical mistake, patent error or error arising from accidental slip or omission in the description of any ancient monument or archaeological site and remains declared to be of national importance by or under this Act, may, at any time, be corrected by the Central Government by notification in the Official Gazette. Gazette notifications serve as legal instruments that formally define what constitutes a protected site and where protection applies. Further, as per Gazette format (notification format-nine column) details of boundary, land area, location/coordinates, adjoining land details, man-made markers (rivers, roads), *etc.* are required to be filled in. Audit noted that out of 487 centrally protected monuments (CPM) across three major ASI circles in Uttar Pradesh, 418 (86 *per cent*) lacked basic boundary, land area, plot numbers and adjoining land details in revenue records, as these details were not integrated in their gazette notifications. Without alignment to the land records system, monuments exist outside formal ownership frameworks, exposing them to disputes and encroachments. Absence of periphery (*Chauhaddi*) details in majority of pre-independence notifications omitted natural or man-made markers such as rivers, roads, or coordinates. This allowed gradual encroachment and boundary erosion over decades as discussed in subsequent Paras 2.1.8.6, 2.1.8.7 and 2.1.8.8.

ASI constructed grills and gates at perimeter of 195 monuments without revising gazette records which being a proactive field action, remained legally unrecognized, leaving monuments exposed to litigation. Despite providing explicit authority for correcting errors “at any time”, provisions of this Act remained largely unused as legal tools for rectification.

In response, the ASI circles stated (August-November 2024) that notifications issued prior to independence were mostly lacking the *Chauhaddi* details and area of the land involved and further stated that revision in notification being policy matter, field offices were unable to comment. They further stated that in new notifications the same was addressed within the purview and provisions of AMASR Act. The reply was not tenable as the Department did not carry out rectification of any such errors and omissions by revising the notifications except in one case of *Chaukhandi Stupa* in Sarnath Circle where revised notification was issued.

Audit recommends that ASI Circles should have a long-term action plan for legally freezing the boundary and adjacent areas of these monuments by issuing revised

notifications after taking into account revenue records. It may also be ensured that all the relevant columns related to the area covered are filled while processing new notifications.

2.1.6.3 Rationalisation and review of notifications

As per Section 35 of AMASR Act, 1958, if the Central Government is of opinion that any ancient and historic monument or archaeological site and remains declared to be of national importance by or under this Act has ceased to be of national importance, it may by notification in the official Gazette, declare that the ancient and historic monument or archaeological site and remains, as the case may be, has ceased to be of national importance for the purpose of this Act. PAC in its recommendation had directed the Ministry to take necessary steps to notify rules to streamline notification/de-notification of monuments. It had also recommended that ASI should expedite the verification of physical condition and existence of the notified protected monuments. The Comptroller and Auditor General (C&AG) also highlighted this weakness in its Report No. 18 of 2013 and recommended comprehensive rationalisation.

The Ministry had given an assurance to the PAC for conducting a review of all CPMs.

India's protected monument list includes 3,679 sites, out of which 741 CPMs are in Uttar Pradesh. Audit noted that the ASI circles in UP did not undertake any activity to review the legacy monument list post-independence and after the enactment of AMASR Act 1958.

In the C&AG's Report No.18 of 2013, Audit had reported 26 CPMs in Uttar Pradesh as missing. During audit it was noted that out of 26 missing monuments, first phase preliminary de-notification of nine monuments had been published in March 2024, two had been traced and 12 were not traceable. In case of three monuments of Agra, it was stated that these are not untraceable, however, their exact similarity needs to be studied further to match with the context given in notification.

In the recent audit, additional 19 cases of untraceable monuments were noticed. In respect of these 19 monuments, proposal for de-notification of only one monument had been forwarded by the Lucknow Circle to the DG ASI. Thus, 31 CPMs remained untraceable as per the records of the ASI circles in UP (**Annexure-2.2**).

This indicated that sufficient efforts were not made either to trace the missing monuments or to take a decision to rationalise the number of monuments, even after lapse of 11 years since last reported.

2.1.6.4 Duplication of Notification

As mentioned above (Para 2.1.6.2), Section 36 provides explicit authority to the Central Government to rectify clerical mistakes, if any, in the process of notification.

Audit noticed that the CPM of *Kos Minar* at village Bhognipur, Kanpur Dehat was published twice in the Gazette notification of 1918. However, despite passage of so many decades, no action was taken by the Department to rectify this mistake.

ASI Circle Lucknow stated (November 2024) that this is a policy matter.

The reply of the circle may be viewed with respect to the fact that nothing prevents the ASI circles concerned to review any errors/mistakes in the notification of the monuments falling under the jurisdiction of that circle and take necessary orders of the competent authority to rectify the mistakes.

Audit recommends that ASI needs to carry out inventory correction regarding confirmed missing monuments along with a comprehensive root cause analysis to identify the causes for disappearance of these monuments. It may also streamline the process of de-notification of the monuments to rationalise the process.

2.1.6.5 Delay in the notification of monuments as CPMs

The notifications serve as the essential bridge linking archaeological significance with statutory safeguarding. Delay in the notification of significant archaeological discoveries to obtain legal protection highlights a structural gap within heritage governance system.

Audit noticed that Agra Circle identified four Prehistoric Rock-art Shelters and few other prehistoric sites at *Rasulpur, Pastal, Badrauli* and *Madanpura (Jajauli)* of *Kirawali Tehsil*, Agra. These paintings were reported by the circle as belonging to the terminal phase of Stone Age or Mesolithic period. Audit observed that though a notification proposal was sent to the DG, ASI in April 2023 for their protection, gazette notification was not issued as of November 2024. The process of issuance of the preliminary Gazette Notification had also not been initiated by ASI (November 2024).

ASI Circle Agra stated that the matter was referred to ASI Headquarters.

Audit recommends that ASI needs to prescribe timelines to streamline the process of notification at circle levels and at the ASI Headquarters.

2.1.7 Gaps in the notification process

Audit examination of the notification cases revealed absence of criteria for identification of monuments of ‘national importance’, instances of non-grouping of monuments in same complex, incomplete coverage of integral parts of monuments and jurisdictional overlap as reported in succeeding paragraphs.

2.1.7.1 Absence of criteria for identification of monuments of ‘National importance’

As per Section 4 of AMSAR Act, 1958, where the Central Government is of opinion that any ancient monument or archaeological site and remains not included in section 3 is of national importance, it may, by notification in the Official Gazette, give two months’ notice of its intention to declare such ancient monument or archaeological site and remains to be of national importance. Further, the Act defines ancient monument as any structure, erection or monument, or any tumulus or place of interment, or any cave, rock-sculpture, inscription or monolith, which is of historical, archaeological or artistic interest and which has been in existence for not less than one hundred years. Though the AMASR Act of 1958 established “national importance” as the basis for notification but did not define its scope or provide standards for implementation. PAC had also directed (2016) ASI to finalise guidelines for determination of national importance of monuments at the earliest.

Audit observed that ASI was yet to comply with the directions of PAC. Audit further noticed that in the absence of clear cut guidelines regarding the identification of the monuments of national importance, there was a gap in the identification and subsequent notification of the monuments as CPM. This resulted in inconsistent practices across ASI circles, a system marked by disorganised decisions and distorted monument counts. In the absence of well-defined criteria for determination of monuments of “national importance”, decisions rested on discretionary judgments of field officers.

Audit noted that there was no specific criteria for notifying multiple structures within one complex as a single monument or each structure within a complex as an independent monument. Audit scrutiny of records related to notifications and joint physical verification revealed that a varied approach was being adopted in this regard as reported below:

- 62 monuments spread across 20 complexes under four circles (**Annexure-2.3**) were each notified separately. However, at Fatehpur Sikri a group of 92 structures and at Taj Mahal a group of 15 structures were notified as two single monuments, respectively.

In contrast, distinct monuments located at different places, such as Mahaparinirvana Temple and Ramabhar Stupa, Kushinagar were merged under a single notification (Buddhist remains at Kasya), despite their independent historical significance. This practice prevents site-specific conservation and reduces recognition of distinct heritage values.

ASI Circles stated that the decision of review and amendment in the gazette notification were policy issues, and therefore, field office was unable to offer any comment. The reply is not acceptable, as the ASI Circle should initiate and suggest amendment to notifications, to the competent authority, which was not done.

The matter was communicated to the Ministry/ASI in April 2025, reply was awaited.

- The excavation of *Bir Chhabili Tila* (1999-2000) revealed a sixth-century cultural sequence. The findings were published in the *Indian Archaeology Review* and artefacts were placed in museum custody. Audit observed that a 300-meter long fence was built around *Bir Chhabili Tila*. However, this informal measure lacked statutory authority because no notification proposal was ever initiated assuming that the site was located within the periphery of Fatehpur Sikri group of monuments that consisted of 92 monuments being a UNESCO heritage site. The site was not added to the existing list of 92 monuments through notification.

The ASI Circle Agra responded (September 2024) that it was not separately notified as it fell within periphery of outer city and hence its preservation/protection was mandatory being a monument of UNESCO site.

The reply is not tenable due to the reason that though the monument is situated within periphery of the UNESCO heritage site, it is not listed in the 92 monuments within Fatehpur Sikri Group of Monuments, hence not covered/protected by the notification. Therefore, its protection depends on a separate notification.

- Unrecorded temple adjacent to *Chandi* CPM in Lalitpur - A significant temple structure discovered only meters away from existing protected monuments had never been surveyed or documented.
- Undocumented Ancillary Hall which is a large, culturally significant rectangular hall used for last rites and a part of British Cemetery Hamirpur (a CPM) was excluded from both gazette notifications and boundary protections.
- *Ganesh Bagh* Temple Complex is partially documented - only the Stone Temple was notified, while other integral elements such as *Sarovar*, *Bowli*, and connecting water systems were excluded.

These omissions left valuable heritage legally unprotected and vulnerable to irreversible loss. Partial coverage of temple complexes, exclusion of ancillary heritage, and incomplete boundaries undermine conservation effectiveness.

Case Study: New Notification for *Nakkar Khana* in the premises of *Imambara of Nawab Asf-ud-Daula*

In the ATN on the Audit Report no 18 of 2013, Ministry of Culture had stated that ASI was following the criteria for issuing only one notification for the entire complex other than having separate notification for each of the monument/structure located therein.

However, Audit noticed that in Lucknow, in the locality of *Quila Machchi Bazar Station, Azadari Marg Chowk*, three monuments viz. *Imambara of Nawab Asf-ud-Daula* (*Khasara* No. 8), *Rumi Darwaja* (*Khasara* No. 32) and *Masjid* connected with *Asaf-ud-Daula* (*Khasara* No. 24) all situated in one circular premises of 200 meter radius were already notified as separate monuments. Further, a proposal to declare a structure named '*Nakkar-Khana*', situated on one part of the same premises (*Khasara* No. 8), as a separate CPM was also initiated and preliminary notification for the same was published in the gazette of India (April 2023).

This reflects that the Ministry/ASI/circles were not following on the assurances given to the PAC in its ATN.

The Circle responded that it was a policy matter and to be dealt at ASI Hqrs only.

Audit recommends that ASI needs to have defined criteria for declaring the monuments of national importance. Notification process should be streamlined to include all interrelated structures, ensuring holistic protection of heritage complexes as well as define roles at all levels for initiation, processing and finalising proposal for declaring the monuments of national importance.

2.1.7.2 Dual Protection, Jurisdictional Overlap and Coordination Breakdown

Cases of notification and protection by both the ASI and the Uttar Pradesh State Archaeology Department were also noticed in audit for the monuments listed below:

- i. A part (lion statue) of the ASI protected monument 'Stone group of a gigantic lion standing on a small elephant (CPM)' of Sarnath Circle in Jaunpur, was also included in the protected list of State Archaeology Department, Uttar Pradesh. This was also pointed out in the CAG Audit report of 2013. However, no corrective action was taken by the respective circle.
- ii. A large and conspicuous mound called *Gohana Khera*, an old Buddhist establishment, at a short distance from the town at Sasni, District Hathras was notified by the ASI, Agra circle while State Department of Archaeology and Museums Uttar Pradesh notified it as "*Sasni Kila*".

- iii. ASI, Agra circle had notified monument “*Pillar with Sanskrit inscription dated samvat 1666 in the flanking tower at the Bhanakaur tank*”, Barsana, Mathura situated at one corner of tank while State Department of Archaeology and Museums Uttar Pradesh protected the tank as a part of protected monument named ‘*Brishbhan Kund*’.

These cases indicated lack of coordination with State Archaeology Department and made these CPMs prone to neglect due to uncertainty in the jurisdiction.

Both the Circles accepted the audit observation and Agra circle stated (September 2024) that necessary communication was being made to rectify the same.

These instances call for comprehensive review of notifications and coordination with the respective State authorities for rectification on case to case basis.

2.1.8 Monument Management

Audit noticed gaps in preparation of heritage bye-laws for regulating prohibited and regulated areas of CPMs, implementation of the directions of National Monument Authority (NMA) regarding categorization of the CPMs into specific categories, missing notified CPMs, ambiguity in the number of living monuments and cases of encroachment. The results of audit analysis on these issues are discussed in succeeding paragraphs.

2.1.8.1 Absence of legal ownership of the CPMs

The ownership and custody are the essential foundations upon which all conservation activities depend. Without undisputed legal title, the Archaeological Survey of India cannot enforce protection, defend against encroachment, or ensure long-term preservation. There are provisions for acquisition of rights in a protected monument and archaeological site in Section 5 of AMASR Act, which gives power to the DG, ASI who may, with the sanction of the Central Government, purchase, or take a lease of, or accept a gift or bequest of, any protected monument. Where a protected monument is without an owner, the DG may, by notification in the Official Gazette, assume the guardianship of the monument.

Section 13 of the AMASR Act has provision to ensure the safety by stipulating for acquisition if the Central Government apprehends that a protected monument is in danger of being destroyed, injured, misused, decay. It may acquire the protected monument under the provisions of the Land Acquisition Act, 1894 (1 of 1894), as if the maintenance of the protected monument were a public purpose within the meaning of that Act.

Audit noticed that out of 487 CPMs across three major ASI circles¹¹ in Uttar Pradesh, only 31 monuments (6.4 *per cent*) had proper ownership documentation through land record mutation. 456 CPMs (94 *per cent*) were being managed by ASI without legal title. Audit analysed the ownership data in respect of total 326 monuments pertaining to Agra and Jhansi circles, which revealed that:

- 121 (37 *per cent*) monuments were situated on government land.
- 82 (25 *per cent*) monuments were found without any ownership.
- 96 (29 *per cent*) monuments were under private ownership or under trusts.
- 11 monuments were reported altered or untraceable.

Audit noticed that the respective circles had not taken any action to bring all the CPMs under their ownership, as per the provisions of Section 5 of the AMASR Act, even those which are under the government ownership or without ownership and account for about 62 *per cent* of the total CPMs.

In their reply, the circles stated that the decision for mutation in favour of ASI was a policy issue and therefore the circle offices were unable to offer comments. Reply may be viewed in the light that the circle offices did not initiate and send any such proposal to the ASI HQ.

Audit recommends that ASI circles need to invoke the provisions of Section 5 and proactively pursue to bring the CPMs under Government control or without ownership under the ownership of ASI.

2.1.8.2 Non-execution of Maintenance Agreement

Section 6 of AMASR Act, 1958 contains provision to enter into an agreement between the owners of a protected monument and the Central Government within a specified period for the maintenance of the monument. The agreement under this section may provide an understanding for all or any of the matters *viz.* the custody of the monument and the duties of any person who may be employed to watch it; the restriction of the owner's right to destroy, remove, alter or deface the monument, or to charge any fee for entry into, or inspection of, the monument, to build on or near the site of the monument. PAC in its recommendation had directed the Ministry/ASI to consider evolving clear guidelines on the use of protected monuments and to ensure that proper MoUs are signed with users/occupants based on said guidelines for retaining integrity of the monuments.

¹¹ Agra, Lucknow and Sarnath circles

Audit found that:

- In respect of total 326 monuments pertaining to Agra and Jhansi circles, 96 monuments were either situated on land owned by private persons/trusts or land adjoining the monuments was under ownership of private persons or trusts. No agreement had been entered into by the ASI circles with these owners/trusts.
- Some of these monuments were mounds (Para 2.1.8.9). In absence of agreement, the ASI circles did not have authority to restrict the activities on these protected mounds.
- Audit also noticed cases of altering the aesthetic form of some religious monuments (Para 2.1.8.7).
- ASI circle Lucknow had no control/say on entry fee at *Bara Imambara* and collection of regular rent from allotted users running shops in premises at a number of other religious worship places.

The Department accepted the audit observation that no agreement had been entered into with any of the private owners/trusts.

Audit recommends that ASI circles should proactively explore the possibility of entering into agreements with private owners/ trusts to prevent these monuments from any damage in absence of proper professional conservation and protection under ASI custodianship.

2.1.8.3 Living Monument Management

According to John Marshall's Manual of Conservation, structures still in use for the purpose for which they were originally designed at the time of notification are living monuments. Section 6 of AMASR Act, 1958 also requires the Government to enter into an agreement with the owner of these living monuments for their maintenance and restriction on their destroying, removing, altering or defacing. The PAC, while considering the need for protection and conservation of these living monuments, felt the requirement of:

- evolving guidelines on the use of living monuments to ensure their safeguard and preservation;
- laid down policy for notification of sites with contested ownership or encroachments; and
- signing of MoUs with users/occupants based on the said guidelines for retaining integrity of the monument.

Audit observed from the information in records and joint physical verification that worship/prayer was in practice in 132¹² out of 741 monuments in Uttar Pradesh. However, exact number of the monuments declared as Living Monument was not ascertainable from the records available in the circle offices. No MoU/Agreement between ASI circles and owner/users/occupants of these monuments had been executed as per requirement of the AMASR Act. Despite recommendations of the PAC, no guidelines or policy document on living monuments was prepared by ASI even after lapse of eight years. Further, circles did not have the records/details of monuments where prayers/worships were started before/after issue of notification.

Audit recommends that ASI should evolve clear guidelines on the use of protected monuments, their recognition as living monuments and ensure that MoUs /agreements are signed with the occupants/ users as recommended by PAC.

2.1.8.4 Heritage Bye Law

As per Section 20(E) of AMSAR (Amendment and Validation Act), 2010, the Central Government shall prepare heritage bye-laws in respect of each protected monument and protected area, in consultation with expert heritage bodies. The Central Government may by rules specify the manner of preparation of detailed site plans in respect of each protected area or protected monument or prohibited area or regulated area, the time within which such heritage bye-laws shall be prepared and particulars to be included in each such heritage bye-laws.

The National Monuments Authority (NMA) was constituted (2011) as a statutory body to regulate the construction activities around the CPMs. Its basic objective is implementation of the statutory provisions of prohibited and regulated areas of CPM through Heritage-Bye-Laws (HBL). DG, ASI was to prepare bye-laws after considering detailed site-plans for each protected monument and NMA was to scrutinize and approve the bye-laws before being submitted to Parliament and to be hosted on the ASI/NMA website.

Audit observed that the heritage site plan in respect of 68 CPMs were prepared by two Circles¹³ and forwarded to the Regional Director, Central Region, Bhopal. However, no heritage site plan in respect of any CPMs were prepared by Agra, Meerut and Sarnath circles.

¹² Agra-12, Jhansi -38, Lucknow-54, Meerut -11, Sarnath-17

¹³ Jhansi - 13 and Lucknow - 55

2.1.8.5 Shortfall in categorisation of monuments

According to AMASR (Amendment and Validation) Act, 2010, the Central Government, on the recommendation of the National Monument Authority (NMA), was to classify all the monuments and archaeological sites under the jurisdiction of ASI in accordance with the prescribed eight¹⁴ categories described in Rule 6 of NMA Rules, 2011. This categorisation was to be done based on information provided to NMA by ASI which was to be exhibited on government website for general public.

In this regard, Ministry had intimated the PAC that categorisation of monuments was completed and handed over to NMA for their consideration and making recommendations to the Ministry. But Audit observed that Jhansi, Meerut and Lucknow circles had not initiated any action for categorization of monuments. Sarnath and Agra circles had submitted category wise list of CPM to NMA/DG ASI in August 2021 and October 2021 respectively. Audit noticed that the information relating to these two circles was not uploaded on the website by the NMA, even after lapse of four years.

Hence, the assurance given to the PAC remained largely unimplemented.

Audit recommends that Circles need to proactively categorise the CPMs as per Rule 6 and submit the necessary data to NMA for finalisation.

2.1.8.6 Legal Enforcement and Heritage Encroachment Management

The AMASR Rules, 1959 provided that within a protected monument, no person could indulge in any act which causes or is likely to cause damage or injury to any part of the monument. The Act further provided that no person, including the owner or occupier of a protected area, shall construct any building, within the protected area or carry on any mining, quarrying, excavating, blasting or any operation of a likely nature in such area, or utilise such area or any part thereof in any other manner without the permission of the Central Government. Thus, the occupation/any other unauthorised activity in the protected area was to be treated as an encroachment. PAC in their recommendation had directed that matter of encroachment should be taken up at the highest level. It recommended constitution of a co-ordination and monitoring

¹⁴ Category I: World Heritage Sites; Category II: Tentative list of World Heritage Sites; Category III: Identified for inclusion in the World Heritage tentative list; Category IV: Ticketed monuments (other than mentioned above), Category V: Identified for categorisation as ticketed monuments, Category VI: Living monuments which receive large number of visitors, Category VII: Other monuments located in urban/semi-urban limits, Category VIII: Other Category as the authority may deem fit.

mechanism to check the events of encroachments with the co-operation of District and Police authorities.

In 96 monuments¹⁵ cases of encroachment were reported in respective circles of ASI in Uttar Pradesh. Circle offices of ASI restricted their role to mere intimation of the event through an application to the Police Station concerned and issue of show cause notices in a set format to encroachers with endorsement to District Magistrate, DG of ASI *etc.* Neither eviction nor prosecution case was initiated under AMASR Rule despite over 96 recorded encroachments. Besides this, during joint physical verification, it was found by audit that nine monuments¹⁶ in addition to the recorded cases, were encroached. However, circle office had not initiated any action in these cases. Further, no practice of any co-ordination and monitoring mechanism existed in circle offices to check the incidents of encroachments, mining and removal of encroachment and unauthorized construction with the co-operation of District and Police authorities, as recommended by PAC.

Audit also noticed that in two cases under Jhansi circle, demolition orders were issued by the DG, ASI. One case was contested in the court, which was ruled in favour of ASI resulting in demolition of the encroachment. This indicates that proactive action can lead to removal of such encroachments.

Audit recommends that ASI must constitute a coordination body with representatives of State Government at each circle to check incidents of encroachment with the cooperation of district and police authorities and initiate timely action for removal of all encroachments and to protect the monuments from vandalism, theft, spoiling and disfigurement in accordance with law, as recommended by PAC.

2.1.8.7 Disputed rights and wilful intervention

PAC had recommended that the ASI/Ministry should consider evolving clear guidelines on the use of protected monuments and ensure that proper MoUs are signed with users/occupants based on said guidelines for retaining integrity of the monuments.

During audit, it was observed that some of the monuments were under possession of stakeholders¹⁷ other than the Government. Owners or custodians were not identifiable as any such details were not mentioned in the gazette notifications.

¹⁵ Agra-12, Jhansi-14, Lucknow-43, Meerut-18 and Sarnath-9

¹⁶ Agra-3, Meerut-3 and Sarnath-3

¹⁷ Sibtenabad Trust, Waqf Board *etc.*

During joint physical verification of four such CPMs, Audit observed that unauthorized interventions/activities were carried out by the occupants of these CPMs. Land area had not been demarcated in respect of these monuments. These occupiers carried out alteration; modification by using materials prohibited as per ASI standards. Residential and commercial use of premises along with religious activities were being done in these CPMs, by the occupants as well. No MoUs had been signed with these occupants in order to retain the integrity of these monuments, as recommended by PAC. These cases are given in **Table 2.1**.

Table 2.1: Disputed rights and wilful intervention of others

Name of the Monument / Site/ Notification	Whether land area defined and demarcated/ Ownership/ Custody	Unauthorised Interventions/ activities	Images
The Kos Minar, Mathura –Agra circle/ UP 1645-M/1133-M :20-12-1920	No/ Government of India	Fully encroached by local residents. A Mazar about 12 feet height and two small structures along with steel grills were constructed adjoining with Minar.	 <p>Kos Minar, Mathura in Agra Circle (14 September 2024)</p>
Juma Masjid Jaunpur - Sarnath circle/ 1348 M/367-66 : 21-12-1918	Area not defined. The pitch road around the CPM existed/ Waqf Board	Number of alterations colouring, plastering by using cement, constructing fountain of marble, running an institute of Religious Educations, prayer regularly. Minimal interference of ASI.	 <p>New construction at Juma Masjid Jaunpur (26 July 2024)</p>
Tomb Mausoleum Hermit Shah dana located in Bareilly district. –Meerut Circle/1645M/1133: 20-11-1920.	No area defined; boundary not demarcated/ Trustees	It is a living monument encroached by religious community where different commercial activities were being performed. Aesthetic character of CPM altered by using prohibited materials.	 <p>Commercial activity at Hermit Shah Dana in Bareilly (15 October 2024)</p>

Name of the Monument / Site/ Notification	Whether land area defined and demarcated/ Ownership/ Custody	Unauthorised Interventions/ activities	Images
Mausoleum of King Amjad Ali Shah the majestic Sibtainabad Imambada, Hazratganj,-Lucknow circle/ UP 1442-M/367 dated 27.11.1919	Area not defined, Demarcated, as road existed around the CPM/ Sibtenabad Trust	Several persons were using the premises of CPM for residential and commercial purposes. The ground under protected area of tomb was rented out by the trust for ceremonial purposes. The inner portion of the tomb totally defaced by distemper colouring, marble floorings and modern lighting.	 <p style="text-align: center;">Residential use at Amjad Ali Shah, Mausoleum Lucknow (05 November 2024)</p>

Agra circle stated that *Kos Minar* was under untraceable list till 2022-23 and steps were being initiated for the proper conservation and preservation of this monument. Sarnath circle replied that they did not have record of the ownership rights of *Juma Masjid*. Meerut circle replied that there was no record of ownership, which would be ascertained after demarcation. Lucknow circle stated that several persons were using the premises for residential and commercial activities and they were all allottees of Lucknow Development Authority. From time to time, matter had been reported to the district authorities for vacating the entire complex of monument and handing over to the ASI circle. Reply of the circles confirmed the audit observations.

2.1.8.8 Encroachment by Government Agencies

Audit noticed that Government Departments like hospitals, police stations, municipal offices, schools, and other departments had established permanent presence/offices within CPMs without legal transfer, acquisition agreements, or ASI authorization.

Few such cases are given below:

- Old *Rohilla* fort at Saharanpur Jail was totally under possession of district jail Saharanpur. No records regarding taking possession of monument were available with Circle office.



**Picture 1: Entrance of District Jail, Saharanpur at old Rohilla Fort
(17 October 2024)**

- Picture gallery *Hussainabad Baradari* was situated in a very dense population. No boundary was provided around the picture gallery. All type of the encroachers like *Nagar Nigam*, Electricity Department, *Jal Nigam* and private persons were residing inside the regulated and prohibited area.
- Sanskrit Inscription, at *Bhanakur Kund*: A small temple had been constructed. *Nagar Panchayat* Barsana had constructed structures and toilet blocks in prohibited and regulated areas and construction material was stored adjoining the pillar by the *Nagar Panchayat* contractor.



Picture 2: Construction activities by Nagar Panchayat, Barsana at Sanskrit inscription, Bhanakur Kund Mathura (14 September 2024)

- Ancient Mound at Tilmapur: Hand pump was installed by *Gram Sabha*, and a transformer was installed by the UPPCL on the mound.
- During joint physical verification of CPM *Rani Mahal*, Jhansi it was noticed that ASI itself was not complying with the provisions of the Act. The Circle office

of the ASI Jhansi was located in the CPM. They carried out changes to the structure of the monument viz. fitting air conditioners, electrical fittings, water pipes *etc.* Toilets were laid with ceramic tiles in the monuments. These changes were not consistent with the original character of these monuments.



Picture 3: ASI Circle Office Jhansi

This reflects the apathy of authorities concerned towards their professional responsibilities.

Audit recommends that ASI Circles need to take immediate measures to address and rectify such misuse of protected spaces.

2.1.8.9 Non-barricading of Heritage Sites leading to encroachment and illegal mining

Instances of encroachment, unauthorized construction and illegal mining were noticed at protected, prohibited and regulated archaeological sites, the vacant lands of the mounds, lakes *etc.* where adequate fencing or security guards were not available, as reported below.

- An ancient mound measuring 1200 feet long and 1000 feet wide located at the village Sarthal Khera, Meerut Circle was fully encroached by constructing residential houses. No portion of the land was in ownership and possession of ASI Meerut.



Picture 4: Sarthal Kheda Mound encroached by villagers at Meerut Circle (15 October 2024)

- Monument of *Major Robert Narain* at Rathbhanpur, mile 773 of Grand Trunk Road in Hathras district (Agra circle) was completely encroached and cultivation activities were being done by farmers.



Picture 5: Encroachment at monument of *Major Robert Narain*, Rathbhanpur at Agra Circle (04 September 2024)

- An ancient site/mound located at the *Kasba Khas Paschimi Nagar Panchayat Ghosi* at Mau district under Sarnath circle was fully encroached upon.



Picture 6: Ancient Mound at Ghosi, Mau (01 August 2024)

- Ancient site measuring 7 acres and 800 links in *Khasra No. 384* at Garhwa, Azamgarh under Sarnath circle was without any protection or barricading.



Picture 7: Agricultural Activities at Garhwa mound, Azamgarh in Sarnath Circle (01 August 2024)

- Large Mound of bricks ruins called *Asmanpur dih*, Kushinagar: PWD constructed (2015) a new pitch road across the protected site; Gram Panchayat constructed (2017) a *Chabutara*; and more than 10 houses were constructed (2019-2024) by villagers on and around the mound.
- *Qualich Khan Ka Maqbara*, Jaunpur: Encroachment/unauthorized construction and illegal mining was also found within the Prohibited Area and Regulated Area of this archaeological site. Individual encroachers, mining offenders were found in contravention of Rule 20(A)¹⁸ and 20(B)¹⁹ of AMASR (Revised) Act 2010. About 20 cases of unauthorized construction were reported between 2019-20 and 2023-24.
- Ancient Mound, Tilmapur, Varanasi: It is within the boundary of *Nagar Nigam* Varanasi. As many as 60-70 encroachment cases of unauthorized construction were reported which included cases of construction of RCC buildings.

ASI circles did not take any action except issuing a show cause notice to encroachers and formal intimation to district administration and police authorities. The main reasons of encroachment were indefinite ownership, lack of proper custody of the monument, lack of proper demarcation and non-fencing of the protected land. The State Administration was not interfering even after intimation of the incidents by ASI.

Audit recommends that ASI needs to proactively follow up the cases of these encroachments with the enforcement agencies to stop such unauthorised activities at these protected sites. The circle authorities concerned also need to secure priority sites with fencing, demarcation, and visible ASI presence to deter the encroachers.

2.1.8.10 Permission for events at the risk of Heritage Safety

ASI in its guidelines circulated *vide* OM dated 14 January 2005, for usage of specific areas of protected monuments stipulated that permission for organizing cultural programme in the protected area may be given if circle is fully satisfied that the function/event is unlikely to cause any damage to the Monument.

Superintending Archaeologist (SA), Agra Circle, after assessing the condition, asked DG, ASI (13 February 2023) to take suitable action for structural analysis by an expert agency and requested to close interior of *Diwan-e-Aam* situated at Agra Fort under Rule 4 of AMASR Rules 1959 for visitors and avoid hosting mega-events within monument premises. SA intimated that many cracks were noticed and also pointed out safety concerns of the visitors.

¹⁸ Rule for prohibited area

¹⁹ Rule for regulated area

Audit observed that even after adverse report, permission was granted for organizing a programme on the Chhatrapati Shivaji Maharaj birth anniversary (19 February 2023) in the background of *Diwan-e-Aam*. After this programme SA, Agra Circle again recommended (21 February 2023) for deletion of *Diwan-e-Aam* from the list of CPMs where cultural events could be permitted. The monument, however, remained in the list (September 2024) where permission for cultural events could be granted.

This indicated that events were held without paying attention to the safety concerns and leaving monuments more vulnerable to deterioration.

In reply, Agra circle responded (September, 2024) that permission for closure of interior of *Diwan-e-Aam* was awaited.

Audit recommends that such events may be held only after considering the professional inputs and permissions may be granted keeping in mind the preservation and safety of ancient monuments.

2.1.8.11 Deficiencies in providing public amenities at the CPMs

CPMs declared as *Adarsh Smarak* (March 2018) must have public amenities and facilities including clean and modern toilets, clean drinking water, facilities for *Divyangjans*, parking, Wi-Fi services, cafeteria, cloak rooms, interpretation centre *etc.* in and around their precincts for the convenience of visitors. These facilities should be in addition to basic requirements for each CPM *viz.* Monument attendant, Site maps, Cultural & Protection Signage and Security personnel.

Audit carried out joint physical inspection of 54²⁰ out of 57 selected monuments (including 21 *Adarsh Smaraks*) to assess the availability of basic requirements, public amenities and tourist facilities. The study revealed that basic requirements, public amenities and tourist facilities had not been provided at several CPMs as shown in **Table 2.2**.

Table 2.2: Public Amenities and Tourist Facilities

Facilities	No. of monuments where facilities were not available	Percentage of monuments where facilities were lacking
Basic requirements (required to be provided at 54 CPM)		
Monument attendant	14	26
Conservation Notice Board & Protection Notice Board	8	15

²⁰ Out of 57 monuments selected for physical verification two monuments were found missing and one monument could not be verified due to not granting permission by the Fort Authority.

Facilities	No. of monuments where facilities were not available	Percentage of monuments where facilities were lacking
Security Guard	29	54
Site Map	36	67
Public Amenities (required to be provided at 21 Adarsh CPMs)		
Drinking water	2	10
Toilet Blocks	1	5
Facilities for physically challenged	3	14
Tourist facilities (required to be provided at 21 Adarsh CPMs)		
Cloak room	9	43
Wi-Fi	18	86
Parking	6	29
Guide	19	90
Interpretation Centre	13	62
Cafeteria	17	81

As can be seen from the table above, 81 *per cent* of *Adarsh Smaraks* lacked cafeterias, 90 *per cent* lacked professional guides, and 86 *per cent* lacked Wi-Fi connectivity. Absence of interpretation centres left some *Adarsh Smaraks* without facility for delivering meaningful heritage learning experiences. These omissions meant that monuments offered visitors' experience far below the international tourism standards.

Further, staffing and safety are foundational, but 26 *per cent* monuments lacked monument attendants, 54 *per cent* lacked security guards and 67 *per cent* were without site maps meaning that visitors were entering the sites without any guidance, oversight, or protection. Without attendants, guards, and orientation tools, sites cannot be safely managed or meaningfully experienced.

Audit recommends that ASI circles should take measures for deployment of attendants, guards, and signage systems to create safe, navigable sites and phased development of basic amenities (cafeterias, Wi-Fi, public amenities, guides) to align with global standards. Establishment of interpretive systems will help to fulfil heritage's educational mission.

2.1.8.12 Non-displaying inventory of monuments on portal

As per the recommendation of PAC, the ASI was required to prepare inventory of all CPMs within a period of two years, which was to be updated every five years. This inventory, displaying various information about the monument such as geographic location, category, notification number, site plan, details of related structures, historical and cultural significance, encroachment details, etc., is to be made accessible

to public through a portal. These inventories are required to be updated from time to time so as to provide the latest and correct information.

Audit observed that most ASI circles had not prepared the inventory of CPMs. Agra, Lucknow, Meerut and Sarnath circles had not compiled the information on the inventory of CPMs under their jurisdiction. In Jhansi circle, out of 172 CPMs, details in respect of only 12 monuments²¹ was compiled. In respect of the remaining CPMs the information was not comprehensive and details relating to longitude/latitude, category, distance from nearest city/town, encroachment details *etc.*, were missing.

Thus, the Circles did not prepare and update a complete inventory of monuments under their jurisdiction, as recommendation by PAC.

Audit recommends that each circle should develop/ maintain robust data in standardized formats for monument inventories under its jurisdiction.

2.1.9 Deficiencies in conservation and preservation works

National Policy for Conservation of AMASR 2014 (NPC-AMASR 2014) provides a robust, evidence-based framework for modern conservation, long-term conservation planning and sets out professional standards. As per para 4.09 of the NPC 2014, the entire process of conservation should be documented before, during and after conservation in maps, drawings, photographs, digital records and field notes so as to create continuous records of interventions.

Audit findings indicated that planning and documentation was deficient, leaving conservation efforts fragmented and incomplete.

2.1.9.1 Deficiencies in the planning process

(a) As per point 4.03 of the NPC 2014, short term (upto two years), mid- term (two to five years) and long term (five years and above) plans should be developed and implemented to prevent any further deterioration of the structure that may warrant any unnecessary comprehensive conservation work later. Site Management Plans (SMPs) may also be prepared for monuments to address all relevant extrinsic and intrinsic issues. SMPs should be prepared by multidisciplinary team of professionals, in consultation with ASI's archaeological officers.

- Audit observed that the ASI circles in UP had not prepared any mid-term/long-term plan for conservation and preservation of monuments. Scientific cleaning/preservation and conservation work in respect of historical monuments was

²¹ Lalitpur-4, Jhansi-3, Banda-2, Hamirpur-1, Mahoba-1 and Chitrakoot-1.

being carried out by the Scientific and Engineering branches of the ASI circles separately in a disjointed manner.

- No SMPs were prepared by the circles for conservation of monuments.

(b) Annual Conservation Plans (ACPs) for forthcoming financial year prepared in respect of each CPM are the estimates for the conservation works including annual maintenance to be conducted at the monument. Annual Maintenance includes mainly hiring the services of semi-skilled and unskilled labours for cleaning, sweeping, removal of unwanted vegetation, watch and ward activities *etc.*

- Audit observed that the approved ACPs (21 *per cent*) were not executed as planned, primarily due to shortage of funds (Para 2.1.11.2).
- ACPs for the 71 CPMs under Sarnath Circle were either never prepared or not prepared on regular basis. The circle responded that maintenance and conservation works on the key monuments were carried out as per availability of budget.

Above shortcomings reflected lack of structured conservation plans for the monuments.

2.1.9.2 Gaps in the documentation process

Periodic field visits/inspections followed by detailed documentation are a pre-requisite for enabling early detection of risks, preventive interventions and long-term conservation planning. Absence of professional record keeping undermines the foundation of preventive conservation without which each intervention begins in a disjointed manner disconnected from past interventions.

(i) Non-maintenance of log books

As per para 4.09 of the NPC 2014, the entire process of conservation should be documented before, during and after conservation in maps, drawings, photographs, digital records and field notes so as to create continuous records of interventions. The documentation should capture various stages of intervention and all relevant details. This will be useful from the point of view of understanding all past and current interventions in the future. All information related to the past and on-going conservation works should be made available at the site office for the benefit of understanding all past interventions. For this purpose, the practice of maintaining a 'Log book' at sites should be mandatory.

Audit observed that the circle offices did not maintain complete documentation detailing the process of conservation works carried out in the Monuments under their control. In the absence of log books, information relating to the previous works

undertaken at the Monuments concerned was not readily available with the officials at the circle level. Absence of necessary documentation may result in insufficient and inadequate conservation planning. Further, the continuity in conservation techniques adopted earlier cannot be ensured which may result in change in the nature of the Monuments after conservation.

In response the circles stated that the maintenance of log book is not in practice and noted for future implementation.

(ii) Insufficient Inspection of the Monuments and non-maintenance of Inspection Notes

Conservation Manual of John Marshall provides that regular and systematic inspections of monuments were to be carried out annually or even more frequently. The provision of inspection of monuments has also been incorporated in para 4.05 of NPC 2014, which provides regular inspection must be undertaken by the archaeological officers to ensure routine visits to monuments, at least once a year, to examine the condition of a monument and to draw up inspection notes which will aid in the preparation of necessary conservation programme or plan.

Audit observed that visits of archaeological officers were not carried out as per the prescribed time interval. In case of occasional visit too, no inspection notes were found on record. However, it was noticed that Inspection Reports were prepared in cases where structural conservation was proposed to be conducted.

Audit recommends that Circle offices should maintain the logbooks as mandated by the NPC, 2014 and the inspection notes as mandated by manual.

2.1.9.3 Deficiencies in the execution of conservation/preservation works

Scientific division responsible for the preservation work and the circle authorities responsible for carrying out conservation activities, worked disjointedly independent of each other without any coordination for simultaneously taking up/executing the works on same monument. Conservation works were carried out without testing the composition of the stones in the lab. Modern building material was used in the conservation of monuments.

(i) Stone Conservation Laboratory Utilization

The Stone Conservation Laboratory, established at Agra Fort in 2006 with specialized equipment and trained personnel, was intended to provide comprehensive scientific services including mineralogical analysis, compressive strength testing, water absorption studies, and compatibility assessments. These services are critical for

ensuring that conservation materials are scientifically validated before large-scale application.

Agra circle, where lab was established, did not send any sample to the lab for analysis despite an expenditure of ₹ 3.82 crore on conservation works on account of conservation work of monuments, stone flooring, pathways *etc.* during 2021-22 to 2023-24. It was noticed that the quality of the stones used in these conservations was not checked in the Stone Conservation lab. This issue was also raised in previous performance audit (CAG Report No. 18 of 2013), but no follow up action was taken by the circle.

In response the Agra circle stated (October 2024) that since the quarry was well known and hence the stone was not checked in the stone conservation lab.

The reply is not tenable because knowing a quarry well is not a valid reason for not following testing procedures to ensure the stone used was as per required standard.

(ii) *Status of Monuments as per joint physical verification*

Conservation Principles of NPC-AMASR, 2014 (Para No. 3.08), provides that interventions such as restoration, consolidation, reproduction and retrofitting carried out within a monument should, as far as possible, be clearly discernible as a later alteration / repair / restoration, *etc.*, to be able to clearly identify them from the original fabric of the structure. Nonetheless, in certain cases, where a monument is being restored with the intention of merging [a new intervention] with the original fabric, for the sake of maintaining architectural integrity, work must be done very carefully by matching the original material / details in terms of form, colour and specification preferably through the use of same material and employing traditional skills as used in the original fabric. Such interventions should, as far as possible, be reversible in nature. The decision for achieving such objectives should be carefully recorded and documented for posterity.

A joint physical inspection of selected monuments revealed instances of inappropriate conservation work, monuments in need of chemical conservation, structural alterations, and neglected monuments of national importance. Examples of these improper conservation works are detailed in **Annexure-2.4**. Some instances are presented in **Table 2.3**.

Table 2.3: Inappropriate conservation work

Issue	Image
<p>Modern Material used Whitewash and painting at the wall of Juma Masjid, Jaunpur dated 26 July 2024.</p>	
<p>New Construction within CPM New construction of Stone fountain at Juma Masjid Jaunpur dated 26 July 2024.</p>	
<p>Modern material used in conservation work Modern cement used in Aman Mahal Palace, Kalinjar Fort, Banda dated 21 August 2024.</p>	
<p>Use of ceramic tiles in conservation work Use of ceramic tiles in Amjad Ali Shah's Mausoleum, Lucknow 05 November 2024.</p>	

Issue	Image
<p>Monuments in need of chemical conservation</p> <p>Black stains on Dhamekha Stupa at Sarnath as on 23 July 2024.</p>	 A photograph of the Dhamekha Stupa in Sarnath, India. The stupa is a large, cylindrical structure made of brick and stone. The upper portion is brick, and the lower portion is stone. There are several small arched openings near the base. The image shows significant black staining and discoloration on the stone base, particularly around the arches.
<p>Fallen roof of Jal Mahal, Tal Behat fort Lalitpur as on 10 August 2024.</p>	 A photograph of the Jal Mahal in Tal Behat fort, Lalitpur, Nepal. The building is a traditional stone structure with a dark, arched entrance. The roof is partially collapsed, and there is a large pile of rubble and debris in the foreground. The surrounding area is rocky and appears to be a natural cave or a fortified enclosure.
<p>Need of Chemical treatment at Lal Khan ka Tomb, Rajghat, Varanasi dated 30 July 2024.</p>	 A close-up photograph of the Lal Khan ka Tomb in Rajghat, Varanasi, India. The tomb is a circular structure with a flat top. The surface is heavily decorated with intricate carvings and patterns. There are several large, dark, circular stains on the surface, indicating significant deterioration and the need for chemical treatment.
<p>Dilapidated condition of the Ganesh temple Karvi, Chitrakoot dated 20 August 2024.</p>	 A photograph of the Ganesh temple in Karvi, Chitrakoot, India. The temple is a large, rectangular structure with a highly ornate facade. The facade is covered in intricate carvings and sculptures. The image shows significant damage and deterioration, particularly in the upper sections, where the carvings are missing or heavily eroded.

The use of incompatible modern materials represent the most urgent challenges. Unless reversed, these practices compromise authenticity, mislead scholarship, and weaken structural resilience.

Many monuments displayed visible deterioration from microbial infestation, weathering, salt deposition, and pollution, yet chemical conservation treatments remain sporadic or entirely absent.

Audit recommends that ASI should mandate the use of compatible traditional materials, ensuring clear differentiation between old and new work, and embedding these requirements into all conservation contracts.

(iii) Scientific preservation of CPM

The Science branch is established in Agra, Lucknow and Sarnath in Uttar Pradesh, whose jurisdiction is the scientific preservation work for CPM of Agra circle, Jhansi/Lucknow circle and Sarnath circle respectively.

Science Branches at these circles prepared a status report of 160 monuments²² after inspection in May 2022 as per the instructions of the DG, ASI. During inspection, 136 monuments²³ were identified, where scientific preservation was needed either in isolation or along with structural conservation. Scrutiny of records revealed that out of 136 monuments, chemical treatment and preservation works were completed in only 12 monuments²⁴ (nine *per cent* only), till date.

On being pointed out, the circles replied that the work was done as per the availability of funds and staff.

2.1.10 Antiquities and Site Museum Management

The ASI is one of the largest repositories of antiquities in India, entrusted to safeguard more than 26,000 cultural artefacts of immense historical and civilizational value. Antiquity includes any coin, sculpture, painting, epigraph or other work of art or craftsmanship; any article, object or thing detached from a building or cave which is of historical interest, or declared by the Central Government to be an antiquity. The ASI is responsible for the management, security and display of antiquities found during excavations. These are often displayed at the Site Museums. This includes efforts for restoration of stolen art objects.

2.1.10.1 Protection and Display of Antiquities

The ASI has five site museums in Uttar Pradesh, two under Agra circle- Taj Mahal and Fatehpur Sikri, two under Lucknow circle - 1857 Memorial Residency and Kapilvastu, Siddarth Nagar and one under Sarnath circle. Besides being displayed and stored at these site museums, large number of antiquities were displayed and stored in sculpture sheds like at Dasavatar temple, Deogarh, Lalitpur, inside the monuments like

²² Science Branch Agra: 58, Lucknow: 52 and Sarnath: 50

²³ Science Branch Agra: 56, Lucknow: 30 and Sarnath: 50

²⁴ Science Branch Agra: 04, Lucknow: 03 and Sarnath: 05

Rani Mahal, Jhansi, and Aman Mahal Palace, Kalinjar Fort, Banda of Jhansi circle, Ahichchhatra, Bareilly under Meerut circle.

Guidelines for ASI Museum (2013) (Annexure-Para-5) stipulate creation of a collection care plan for bi-monthly monitoring of objects on display and storage, include preventive conservation and constant monitoring to assess the impact of climate conditions, light, micro-biological growth, *etc.*, on objects particularly if they are fragile and vulnerable both on display and in the reserve collection. It further directs to develop clear and standardized directional and informative signage for the museums and site, using materials that are in sympathy with the site and display should be changed periodically and kept well maintained.

PAC in its 39th report (16th Lok Sabha) had recommended to evolve uniform standards for acquisition, preservation, documentation and custody of objects in possession of ASI. It had further recommended for systematic maintenance of Accession register and adoption of rotation policy for the display of antiquities.

Audit observed the following deficiencies in the compliance of these guidelines:

- There were 26,238 antiquities under custody of circles, out of them 3,530 (13 *per cent*) were displayed at site museums concerned, remaining 87 *per cent* were kept in stores. None of the site museums had implemented rotation policy for displaying the antique objects.
- During 2021-22 to 2023-24, physical verification of antiquities had not been conducted except at Residency Museum, Lucknow, in contravention of the ASI guidelines in this regard.
- Audit noted that Accession of 2,467 antiquities of Jhansi, Meerut and Sarnath Circle was yet to be done (November 2024).

These deficiencies were prevalent despite the assurance given by the Ministry to the PAC that it was considering to standardize and implement uniform procedures for acquisition, preservation, documentation and custody of objects.

Sarnath circle responded that due to fixed pedestals and limited space, it was not possible to rotate the antiquities in the same place. In case of Meerut, there was no plan for displaying antiquities to visitors due to limited manpower resources. Further, Lucknow circle stated specifically in case of Residency Museum that several showcases were required, and the renovation and uplift work was under process. Reply not only confirmed non-compliance with the provisions of museum guidelines but also indicated the inadequacy of infrastructure at the site to handle the antiquities.

During joint physical verification, it was observed that:

- 6,537 and 1,101 antiquities were kept in deplorable condition at Site Museum, Sarnath and Rani Mahal, Jhansi respectively. As storeroom of antiquities was more than 100 to 200 years old dilapidated building, and dust, sand and moisture had gathered over the sculpture. Air Conditioner, CCTV camera, fire-fighting system, smoke detector, fire alarm and data loggers were not installed. Some of the sculptures were found lying near the boundary wall and in closed store room at Site Museum Sarnath.



Antiquities at Sculpture Shed and near boundary wall of site museum Sarnath dated 19 July 2024



Antiquities dumped at Rani Mahal dated 07 August 2024

- All Site Museums lacked public amenities like wi-fi, interpretation center, smoke detector, data loggers, souvenir shop, guide facilities, ramps for *divyangjans* and disaster management plan.
- Some unserviceable items, electronic touch screen machine, split ACs, sign boards, almirahs, typewriter, electrical appliances and wheelchairs were dumped in office and *Naubat Khana* building at Taj Site Museum.



- The 1857 Memorial Museum Residency, Lucknow is located in two-storey ruined and dilapidated 200 years old building with ground floor and basement. Ground floor is open and basement closed for the visitors. Seepage was noticed in basement and needs to be repaired. At basement, most of the objects, cannon balls, musical instruments, paintings, swords, shields guns *etc.*, were stored which are directly related to freedom struggle era. The swords and shields were corroded and required chemical treatment to prevent erosion. The entity responded that renovation and uplift work was under process.



- In Meerut Circle, 58 antiquities were stolen. FIR had been lodged by Agra Circle and theft report handed over to Meerut Circle after creation of Circle (August 2020). Recovery was yet to be done (November 2024).
- In Sarnath Site Museum, signage board had not been installed at entrance gate. Two antiquities were stolen, recovery was yet to be done (November 2024).



The circle responded that signage/protection board was not required. The reply is not tenable, because the para 5.4 of Museum guidelines stipulates installation of signage board and due process for recovery need to be taken.

2.1.10.2 Digitisation of antiquities

National Mission on Monuments and Antiquities (NMMA) was launched by the Government in 2007, with the objective to prepare a national database of all monuments and antiquities. The PAC had asked the Ministry that a national register highlighting the details of each and every ancient monument, sites and remains both of National and State importance, including artefacts lying in museums, Government treasuries and/or in other Government and private possession spread over the country, may be prepared.

Audit observed that there were 26,238 antiquities under the custody of ASI in UP, out of these only 5,359 (20 *per cent*) antiquities were digitised at NMMA Portal. The circles responded that digitization works of rest of antiquities was under process.

Audit recommends that ASI Circles of UP should

- *complete digitization process of antiquities to be displayed on public portals, mandate transparent reporting, record all the antiquities in the accession register, complete physical verification and enforce theft-prevention protocols;*
- *upgrade storage capacity to climate-controlled, secure facilities, and address urgent corrosion/damage; and*
- *provide visitor amenities, inclusivity features, and standardized policies to democratize heritage access.*

2.1.11 Financial Management

India's cultural heritage is not only an important marker of its past but also provides an opportunity for generating employment and income through heritage tourism and local development. Funding is crucial for the conservation activities. The Ministry allocates funds to the ASI. ASI distributes funds to the circles, subordinate offices and site-museums for their establishment and expenses related to heritage conservation as per demands and availability. The National Culture Fund (NCF), a trust under the Ministry of Culture had been provided a corpus fund by the Ministry with the objective of encouraging participation of the corporate sector, NGOs, State Government, private/public sector *etc.* The funding made by the ASI headquarters to Circle offices in UP is discussed in succeeding paragraphs.

2.1.11.1 Budgetary Funding and Expenditure on Conservation Activities

The consolidated position of all the wings of ASI in UP depicting the budget allotment and expenditure incurred during the period of audit is given in **Table 2.4**:

Table 2.4: Budget estimates and expenditure

(₹ in crore)

Year	Budget Allotment	Overall expenditure	Expenditure on conservation, maintenance and public amenities etc.
2021-22	94.48	94.11	46.86
2022-23	136.92	135.94	69.09
2023-24	142.64	142.10	72.21

During the period 2021-22 to 2023-24, average expenditure on conservation, maintenance and public amenities related activities were around 50.56 *per cent* of its overall expenditure. Due to Covid pandemic budget allotment and expenditure during the year 2021-22 was much less.

There were no specific criteria or guidelines for demand of Budget from ASI headquarter. Generally, the Circle offices submitted their budget demands as per previous year's expenditure which included expenditure of recurring nature and unpaid bills of last financial year through Budget Estimate and Revised Estimates which was uploaded on ASI e-gov portal. The additional demands for payment of pending conservation/annual maintenance works, ongoing works and other special conservation works through Annual Conservation Plan (ACP) are raised work-wise, as per requirement which is approved by the ASI headquarter. However, the actual allocation is the sole discretion of ASI headquarters office as per priority and availability of funds.

2.1.11.2 Inadequate Funding

There is no separate budget allocation for conservation works, in the annual budgets of circles. Each Circle projects its requirement for conservation works through work-wise ACPs. Based on the approved ACPs, budget for conservation works is allotted to each circle.

Audit observed that budget allocation by the ASI was insufficient even against the approved ACPs, with shortfall ranging between 28 and 72 *per cent* of the approved ACPs as detailed in **Annexure-2.5**.

As a result, 565 ACPs relating to different conservation works could not be executed due to allocation of insufficient funds to the circles, despite the fact that these conservation works had been prioritised by the Circle offices.

On being pointed out, all the circles except Lucknow accepted that these ACPs could not be executed due to insufficient funds. Lucknow circle stated (January 2025) that conservation and preservation of these monuments were being done as per requirement within available resources. The reply should be viewed in the context that ACPs were being prepared as per the requirement and priority of the work by the respective circles.

2.1.11.3 Expenditure on Excavation and Exploration

Excavation of Archaeological remains is one of the primary responsibilities of ASI and exploration forms part of excavation activities. The ASI grants excavation licences, based on the proposals received from different agencies like ASI Circles, Branches, Universities and Research Institutions. The PAC, while discussing the excavation related issues, had asked the Ministry to draw an action plan under the exploration and excavation policy and ensure adequate allocation and effective utilisation of funds for these activities. The Ministry had assured the PAC that it was considering to increase the budget on exploration and excavation up to five *per cent* of the total budget in first phase.

Audit observed that during 2021-22 to 2023-24 the ASI had incurred dismal expenditure on excavation and exploration ranging from 0.41 to 0.76 *per cent* of total expenditure as given in **Table 2.5**.

Table 2.5: Expenditure on excavation and exploration

Particulars	(₹ in crore)		
	2021-22	2022-23	2023-24
Overall Expenditure	94.11	135.94	142.10
Expenditure on excavation and exploration	0.39	0.67	1.08
Percentage expenditure	0.41	0.49	0.76

Agra and Meerut circles responded that it was a policy matter and may be replied by ASI HQ, New Delhi. Sarnath and Jhansi circles replied that expenditure on excavation and exploration was on account of unavailability/shortage of technical strength. Lucknow circle replied that expenditure depends on budget allocation from ASI HQ.

Thus, fact remained that, assurance given to the PAC regarding increase in expenditure on excavation up to five *per cent* of the total expenditure was not fulfilled.

2.1.11.4 Non-maintenance of specific budget for creation of public amenities

ASI is not maintaining specific budget for activities related to awareness, interpretation and creation of public amenities at its monuments. Expenditure on these activities was incurred from the funds allocated for conservation activities. Thus, due to absence of specific budget head for public amenities, amount of actual expenditure on heritage conservation was not ascertainable. Also refer to para 2.1.8.11 on availability of amenities.

2.1.11.5 External Budgetary Funding for Heritage Conservation

The National Culture Fund (NCF) serves as a financing mechanism for enabling donor/sponsor institution to support Protection, Restoration, Conservation and Development of Monuments/ Cultural traditions directly as partners with the Government. NCF through these diverse initiatives, programs and ideas seeks to stimulate and spearhead the heritage awareness with special reference to preservation, conservation and maintenance of India's rich cultural property and is striving towards propagating knowledge and appreciation of the heritage of Indian order to achieve its objectives.

The PAC had recommended that co-ordination between ASI and NCF should be strengthened to rope in more corporate groups and individuals into funding conservation and visitor amenities at monument sites.

Audit observed that during the period 2021-22 to 2023-24, an amount of only ₹ 2.09 lakh was provided by NCF to Sarnath circle for enhancing the backup (storage) of Security cameras at Archaeological Museum under ASI-NCF-Sony Project. Besides this an MoU for 'preservation of important historic Buddhist sites to support for preservation of the *Dhamekh Stupa* in Sarnath and *Mahanparnirvan Temple* in Kushinagar' had been executed in 2008 between NCF and the Vong Group, Thailand. Project estimate had been submitted to NCF but approval of estimate was pending since 2008.

No proposals, other than those mentioned above, were sent by the ASI circles to the DG, ASI headquarters for conservation and up-gradation of visitor amenities for allocation of budget from NCF.

2.1.12 Manpower Management

Adequately trained, experienced and sufficient manpower is a pre-requisite for the functioning of any agency involved in Heritage conservation. Audit observed that the

ASI circles engaged in heritage conservation were facing acute shortage of technical and other manpower which are detailed as below.

2.1.12.1 Adequacy of manpower

Proper manpower planning and deployment is necessary for efficient functioning of the organisation and meet its objectives. The sanctioned and working strength of circles of ASI situated in UP in respect of Archaeologists, Engineers²⁵, Conservation Assistants comprising the technical staff and other supporting staff (Monument Attendants and Multi-Tasking Staff (MTS)) which was last revised in October 2021, as of November 2024 is given in **Table 2.6**.

Table 2.6: Sanctioned Strength & Vacancy position in ASI circles at UP

Name of the post	Sanctioned Strength	Persons-in-Position	Number of Vacant Posts	Percentage of Vacant Posts
Gr-A (SA, Dy. SA, Dy.SA Engineer)	23	09	14	60.87
Gr-B (Archaeologists-ASA & ASAE)	90	52	38	42.22
Conservation Assistant and Sr. Conservation Assistant	98	30	68	69.38
Total no. of technical posts	211	91	120	56.87
Gr-C (Clerks etc.)	Not defined in Sarnath Circle+241	255	--	--
MTS/Monument attendants	870	513	357	41.03

There was shortage of about 57 per cent in technical cadre which is mainly responsible for execution of conservation and preservation works. Shortfall in the cadre of Monument Attendants, who are responsible for watch and ward of these monuments was about 41 per cent. Absence of adequate manpower has adversely impacted the working efficiency of the Department which is evident from slow pace of exploration, inspection and documentation of monuments, insufficient maintenance of monuments and lack of timely action in case of encroachments.

²⁵ Superintending Archaeologist, Dy. SA, Assistant SA, Dy. Superintending Archaeological Engineer, Assistant Superintending Archaeological Engineer.

2.1.12.2 Shortage of Security Personnel/Guards

A committee was constituted by DG, ASI (March 2022) for assessment of the requirement of additional security guards at various CPMs/sites/museums of ASI. Monument wise inputs were to be collected from the circles. Accordingly the requirement for additional security guards was assessed by each circle and forwarded to ASI HQ, except Lucknow circle which did not submit any assessment. The details of the additional requirement of security guards submitted by four ASI circles are given in **Table 2.7**.

Table 2.7: Assessment of Security Guards

Sl. No.	Name of Circle (monuments)	Assessed Requirement of Security Guards	Actual deployment of Security Guards	Shortage of Security Guards (No. as per requirement)	Percentage shortage of Security Guards
1.	Jhansi (172)	148	38	110	74.32
2.	Agra (154)	233	181	52	22.31
3.	Meerut (82)	128	05	123	96.09
4.	Sarnath (136)	234	52	182	77.78
5.	Lucknow (197)	No assessment	44	--	No assessment
Total		743	320		

Against total requirement of 743 security guards in four ASI circles, only 276 were deployed at 544 monuments under these circles. Shortfall ranged from 22 to 96 per cent.

Shortfall in deployment of security guards left these monuments vulnerable to theft, vandalism and other security concerns.

The matter was referred to the Ministry of Culture in April 2025; its reply was awaited as of August 2025.

Audit recommends that urgent steps need to be taken to address the issue of staff shortage at the ASI circles especially the technical and security staff.

(II) Ministry of External Affairs**2.2 Excess expenditure of ₹ 27.43 crore towards license fee for unutilised space**

Retention of unutilised space at Akbar Bhawan by Ministry of External Affairs for 15 months, without formalising *pro-rata* license fees with New Delhi Municipal Corporation for the space actually utilized, resulted in excess expenditure of ₹ 27.43 crore towards licence fee for unutilised space.

General Financial Rules, 2017 stipulates that every officer incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety²⁶, including, that the expenditure should not be *prima-facie* more than what the occasion demands.

Akbar Bhawan²⁷ was initially leased (November 1970) by New Delhi Municipal Corporation (NDMC) to India Tourism Development Corporation (ITDC)²⁸ for a period of 30 years. The building was taken over (April 1986) by the Ministry of External Affairs (Ministry) from ITDC. After expiry of lease agreement (October 2000) between NDMC and ITDC, the terms and conditions for lease of the building were negotiated (2005-2006) and agreed²⁹ upon by the Ministry and NDMC, without executing any formal lease agreement. From 2012 to 2023, the Ministry used the building partly as temporary campus of South Asian University (SAU)³⁰ (up to eighth floor) and partly for hosting a few of its own Divisions (ninth and tenth floor).

After SAU shifted (January 2023) to its permanent campus³¹, the Ministry decided (January 2023) to retain the entire building and utilize the space vacated by SAU to decongest other buildings³² where its offices were located. As the vacated space required renovation³³, the Ministry made numerous correspondences³⁴ (February 2023

²⁶ Rule 21 of General Financial Rules, 2017.

²⁷ A building (Basements + Ground Floor + 1st to 10th floor) located in Chanakyapuri, New Delhi.

²⁸ A Public Sector Undertaking (PSU) under Ministry of Tourism.

²⁹ Payment of fair rent on the area occupied by Ministry as calculated by Central Public Works Department with eight *per cent* annual escalation.

³⁰ SAU is an international university sponsored by the eight Member States of the South Asian Association for Regional Cooperation (SAARC) including India. It is hosted by India under the South Asian University Act 2008 of the Parliament.

³¹ Maidan Garhi, New Delhi.

³² ISIL building, Sushma Swaraj Bhawan, C1 hutments, Patiala House and CGO Complex.

³³ Due to mushrooming of small plants on the façade, false ceiling breakages, water leakages, requirement for replacement of plumbing system, upgradation of firefighting system, replacement of pipelines and other works.

³⁴ Through letters dated 03 February 2023, 17 March 2023, 23 March 2023, 21 April 2023, 19 July 2023, 04 August 2023, 25 August 2023, 17 October 2023 and 20 November 2023 and several meetings with the officers of NDMC.

to January 2024) requesting NDMC to undertake urgent repairs and reduce the licence fee for the building on *pro-rata* basis to actual area to be utilized by the Ministry (ninth and tenth floors, *i.e.*, two out of ten floors), till the completion of repair and renovation works at the space vacated by SAU.

In response to Ministry's request (April 2023) for repairs, NDMC informed (May 2023) that Ministry may urgently handover possession of Ground floor to eighth floor to NDMC and isolate the services of ninth and tenth floor, themselves. However, Ministry without handing over the possession, continued to pursue NDMC for charging license fee on *pro-rata* basis, which was finally accepted by NDMC in December 2023 while conveying that, after renovation of building from ground floor to eighth floor, fresh license deed will be executed on first come first serve basis.

Thereafter, Ministry discontinued (December 2023) the payment of license fee and requested NDMC to adjust the overpaid license fee. However, no settlement/adjustment have been made by NDMC. Finally, the Ministry vacated the entire building and handed over (May 2024) the Akbar Bhawan to NDMC by shifting its Divisions to Sushma Swaraj Bhawan (owned by Ministry) with a request to give priority to the Ministry to sign fresh lease agreement after renovation of the building. This resulted in theoretical occupation of eight floors for 15 months (February 2023 to April 2024) without actually utilising the space.

Audit observed that the Ministry continued to occupy the building since 2000 without any formal lease agreement, delineating the terms and conditions for rent payable, repair/renovation and exit. Audit further observed that the Ministry paid license fee³⁵ for the entire building from February 2023 to November 2023, while utilising approximately 20 *per cent* (*i.e.*, two out of ten floors) of the space. This resulted in excess expenditure of ₹ 27.43 crore³⁶ (**Annexure-2.6**) towards licence fee for the space not actually utilised. Ministry's hasty³⁷ decision of retaining the space vacated by SAU without any proper analysis of its space requirement and firming up the terms and conditions (including *pro-rata* license fee for actual area available for use) for such retention, was not in consonance with canons of financial propriety outlined in GFRs.

³⁵ ₹ 3,72,60,974 per month for February 2023 and March 2023, ₹ 4,02,41,852 per month from April 2023 to November 2023 and ₹ 4,34,61,200 per month from April 2024 to May 2024 (upto 07 May 2024).

³⁶ License fees of building from February 2023 to November 2023 paid by the MEA: ₹ 39.65 crore Proportionate license fees of two floors from February 2023 to 07 May 2024: ₹ 12.21 crore.

³⁷ The file containing proposal for continued leasing of Akbar Bhawan by MEA was initiated on 14 January 2023 (*i.e.*, the month in which SAU was to vacate the premises) and was approved by the Foreign Secretary on 16 January 2023. The proposal approved by the Foreign Secretary did not indicate about poor condition of the building requiring handing over of eight floors to NDMC for repair.

In absence of a formal lease agreement, the Ministry was not able to obtain assurance from NDMC on allocation of ground to eighth floor to it after renovation and was finally forced to vacate the entire building.

The matter was referred to the Ministry of External Affairs in June 2025; its reply was awaited as of August 2025.

Audit recommends that the Ministry may undertake periodic review of its leased properties to ensure existence of formal lease agreements securing Government's interest and bring efficiency in public expenditure by leasing properties, only as exception, after proper need analysis.

Embassy of India, Beijing, China

2.3 Property management in Embassy of India, Beijing, China

Despite having continuous Annual Maintenance Contracts and incurring significant expenditure on repairs, six out of sixteen residential units constructed in 2011 have become uninhabitable within a span of 10 to 13 years. Delay in carrying out the necessary comprehensive repairs/renovation of these six vacant units resulted in avoidable rental outgo of ₹ 3.22 crore (up to February 2025).

The redevelopment project of Old Chancery Premises (OCP), initially conceptualised in 2009 has been delayed due to indecisiveness and non-finalization of end use.

Continued payment of heating charges for the OCP despite it being not in use since 2014 resulted in wasteful expenditure of ₹ 74 lakh.

After construction of a new Chancery complex, consisting of Chancery Building, Auditorium, four Guard Rooms, Visa Room and 16 Residential units, offices of the Embassy of India, Beijing (Mission) were shifted (January 2012) from the Old Chancery Premises (OCP³⁸) to New Chancery Premises (NCP³⁹). Thereafter, the OCP was available for alternative uses/re-development. Apart from OCP and NCP, the Mission properties include an Embassy Residence (ER⁴⁰) located on the plot adjacent to OCP. Audit observed the following issues in respect of management of these properties by the Mission:

³⁸ OCP is located at No. 1, Ri Tan Dong Lu, Beijing covering an area of 9351.14 sqm.

³⁹ NCP is located at No. 5, Liang Ma Qiao Bei Jie, Beijing.

⁴⁰ ER *i.e.*, Residence of the Head of Mission, is located at No. 13, Guang Hua Lu, Beijing covering an area of 11245.38 sqm.

1) Delay in undertaking comprehensive renovation of residential units located in New Chancery Premises

Construction of 16 residential units in the New Chancery Premises was completed in November 2011 and taken over by the Mission in December 2011. The new construction was under quality warranty period for five years *i.e.*, up to December 2016, during which repair and maintenance was undertaken by the construction company. Thereafter, the Mission entered into comprehensive Annual Maintenance Contracts (AMCs)⁴¹ from April 2017 onwards, to keep the technical systems in the building in working condition and undertake daily maintenance and minor repair works. Apart from this, Mission also undertook repair works amounting to ₹ 1.68 crore at these residential units during July 2021 to May 2025.

Audit observed that despite having continuous AMCs and incurring significant expenditure on repairs, due to multiple wear and tear issues, *viz.* erosion and bursting of water and heating pipelines, water leakages, requirement of waterproofing of roof, damages to the wooden floor and walls, and blockage of sewage and drainage pipes, these newly constructed residential units started becoming uninhabitable. Six⁴² units were vacant as of February 2025. The remaining 10 residential units are also stated to be in extremely dilapidated condition requiring comprehensive renovation. The Mission forwarded (August 2023) a proposal to the Ministry for complete renovation of all 16 residential units at a total cost of RMB⁴³ 15,000,000 (₹ 17.32 crore⁴⁴), which is still under consideration with the Ministry of External Affairs (Ministry) (January 2025). This delay in undertaking comprehensive repairs has resulted in estimated avoidable rental outgo amounting to ₹ 3.22 crore (up to February 2025) **(Annexure-2.7)** on account of hiring alternative accommodation in lieu of the six vacant units, with a likelihood of more rental outgo till execution of the repair and renovation works.

Mission stated (September 2024) that the units were declared uninhabitable subsequent to multiple wear and tear issues, which arose after expiry of quality warranty period of five years. Ministry stated (January 2025) that Mission's proposal for comprehensive renovation is under consideration and the visit of the Project Management Team (PMT) of the Ministry is expected very soon.

⁴¹ AMC was for the entire New Chancery Premises including Chancery Building, Auditorium, four Guard Rooms, Visa Room and 16 Residential units.

⁴² Units vacated – B1 (August 2021), A1 (May 2022), A2 (October 2022), C2 (December 2022), B3 (September 2024) and A4 (November 2024).

⁴³ Renminbi (RMB) is the Official currency of China.

⁴⁴ Based on the exchange rate of ₹1/0.0866 (11.5473) per RMB as per Official Rate of Exchange of August 2023.

The reply should be seen in the light of the fact that Mission's proposal for comprehensive renovation sent in August 2023 is still under consideration with the Ministry (January 2025) resulting in delay and avoidable rental outgo, with additional risk of the remaining 10 units also deteriorating and becoming uninhabitable.

2) *Old Chancery Premises*

(a) *Indecisiveness and non-finalization of end use resulting in inordinate delay in the redevelopment project*

The two properties, where OCP and ER are located, were given to the Government of India in March 1986 for a period of 90 years (extendable by another 90 years) on rent-free lease. The OCP is not in use since 2014 as the offices were shifted to NCP (January 2012) and it was declared uninhabitable in 2016. The chronology of efforts of the Mission towards redevelopment/renovation of OCP and ER are given in **Table 2.8**.

Table 2.8: Chronology of efforts for redevelopment of OCP and ER

March 2009	Mission proposed renovation of OCP and ER in consultation with Central Public Works Department (CPWD). However, no headway could be made in this regard.
May 2014	Mission constituted (March 2014) a committee and based on its recommendations requested the Ministry to approve the renovation of OCP and ER.
December 2016	The PMT of the Ministry visited Beijing and recommended amalgamation of both the plots (OCP and ER) for construction of residences for Head of Mission (HoM) and Representational Grade (RG) officers.
January 2017	Mission planned construction of a Diplomatic Residence Complex consisting of residences of HoM, RG officers and non-RG officers at the site.
April 2018	The Mission selected a firm ⁴⁵ (Architect) for providing consultancy/ architectural services for Diplomatic Residence Complex and an agreement in this regard was signed in June 2018.
August 2018	Mission decided to construct residences only for HoM and RG Officers at the site, which was approved by the Ministry.
January-June 2019	Ministry approved the preliminary designs ⁴⁶ prepared by the Architect and payment of USD 208,943 (₹ 1.47 crore ⁴⁷) was released to the Architect.

⁴⁵ Joint venture of M/s Chiasmus Partners Inc.; M/s China Highway Engineering Consulting Group Co. & M/s India Habitat Designs Consultants.

⁴⁶ For August 2018 plan for construction of residences for RG Officers.

⁴⁷ Based on the exchange rate of ₹ 70.4 per USD as per Official Rate of Exchange of June 2019.

October- November 2019	Mission awarded the works of tree mapping and soil investigation survey.
December 2019	Based on the tree mapping report, the Mission proposed a revised layout of the residential complex to reduce the number of trees required to be felled/relocated. The revised layout was approved by the Ministry.
December 2020	The revised preliminary design was approved by the Ministry. The schematic designs were forwarded to the Chinese authorities for approval.
March 2021	Mission forwarded the Preliminary Estimates (PE) of ₹ 362.93 crore for the project to the Ministry for approval.
February 2022	Due to certain omissions and duplications, the PE were revised to ₹ 604.13 crore and forwarded again to the Ministry for approval.

Audit observed inordinate delays as it took nearly eight years (March 2009 – January 2017) to finalize the proposals for renovation/redevelopment of OCP & ER and it took more than two years to approve the preliminary designs (December 2020) after signing of the agreement (June 2018) with architectural firm. Approval of revised PE, submitted to the Ministry in February 2022, was awaited as of February 2025.

Audit further noted that the Mission has continued to frequently change the plans/proposals and has not been able to freeze end use of OCP and ER as given below:

- **December 2016:** PMT recommended construction of residence of HoM and RG Officers.
- **January 2017:** Mission planned construction of Diplomatic Residential Complex having residences of HoM, RG Officers and non-RG Officers.
- **August 2018:** Plan changed to construct residence only for HoM and RG Officers.

Fresh proposals after sending an estimate of ₹ 604.13 crore in February 2022:

- **October 2022:** Mission proposed construction of Cultural Centre at OCP and renovation of existing ER
- **April 2023:** Mission proposed construction of an auditorium, business centre and some residence at OCP and renovation of existing ER.

Currently, since the proposal for construction of residential complex is at an advanced stage with schematic designs sent for the approval of the Chinese authorities and PE submitted to the Ministry, in case the latest proposal (April 2023) of the Mission is considered by the Ministry, it has a major change in end use *i.e.*, construction of an

auditorium, business centre *etc.*, in place of diplomatic residential complex, hence the current designs may have no utility, resulting in expenditure of ₹ 1.47 crore on the services of Architect for the current design being rendered wasteful.

The Ministry stated (January 2025) that there were significant delays due to several deliberations, revisions and COVID-19. Further, the necessary approvals have not been obtained from the host (Chinese) Government despite the matter being raised at all levels. The Architect have been paid only till the stages his services were rendered and expenditure on engagement of Architect may not be treated as wasteful as the project is still live and under consideration. Ministry further stated (February 2025) that Mission's latest proposal (April 2023) is under consideration with Ministry. A PMT visit is expected soon to assess all property related issues at the Mission.

Audit recommends that the Mission firm up on its requirements and expedite the process of obtaining approvals from the concerned authorities as the lack of decision and clarity has led to the land/property being out-of-use since 2014, resulting in continued rental outgo of ₹ 1.06 crore⁴⁸ per month. Also, delays may further lead to escalation in PE of ₹ 604.13 crore.

(b) Wasteful expenditure on heating charges

As per extant rules⁴⁹, Beijing is a station where heating facility is provided for official and residential buildings. As OCP and ER are located on adjacent plots, the heating services are provided by the Beijing Heating Company to both the properties through a common line and heating charges are billed for a total plinth area of 2,959 sqm pertaining to both the properties without any bifurcation.

Audit observed (October 2023) that though the embassy offices were shifted out of OCP in January 2012 and the premises were not being used for any active purpose/service since 2014, the Mission did not take effective action to get the heating supply to the vacant OCP discontinued and incurred an expenditure of ₹ 74 lakh⁵⁰ towards its heating charges during the period 2015-16 to 2024-25.

Mission informed (May 2025) that heating supply pipelines between ER and OCP have been disconnected and the same has been informed to the Beijing Heating Company with a request to update their records so that heating charges for OCP are not charged from next heating season.

⁴⁸ In respect of 28 residential units proposed (August 2018) to be constructed at the OCP.

⁴⁹ Clause 10(1) of Annexure X of Indian Foreign Service (Pay, Leave and Compensatory Allowances) Rules.

⁵⁰ The total plinth area of OCP and ER is 2959 sqm. The built-up area of the disconnected OCP is 1469.9 sqm. Thus, the proportionate amount of heating charges for OCP works out to ₹ 74 lakh (₹ 149 lakh x 1469.9/2959).

Corrective action taken by the Mission in April 2025, after the audit observation, is appreciated. However, the fact remains that lack of timely decision by the Mission resulted in wasteful expenditure of ₹ 74 lakh towards heating charges for a vacant property from 2015-16 to 2024-25.

Embassy of India, Copenhagen, Denmark

2.4 Excess expenditure of ₹ 99.12 lakh

Non-adherence to the rental ceiling fixed by the Ministry of External Affairs for hiring of leased accommodation by the Embassy of India, Copenhagen resulted in an excess expenditure of ₹ 99.12 lakh.

Indian Foreign Service (Pay, Leave, Compensatory Allowance and Other Conditions of Service) Rules, 1961 (IFS-PLCA) *inter-alia* stipulate that:

- a) A member of the Service serving outside India shall be provided with free furnished accommodation and the scale of accommodation, which is considered appropriate to the status or grade of any officer shall be as prescribed by the Government from time to time;
- b) The Government may further prescribe from time to time a rental ceiling in respect of particular stations within which the member of the Service may be permitted to rent suitable furnished accommodation; and
- c) The Missions for which rental ceilings have been prescribed should not exceed the rental ceilings without the prior approval of the Government.

In this regard, Ministry of External Affairs (Ministry) fixed (July 2017) the rental ceiling for leased accommodation for various grades of officers/officials posted in the Embassy of India, Copenhagen (Mission), for a minimum period of five years. The Ministry approved a rental ceiling of Danish Krone (DKK) 11,600 per month for ASO/PA/SSA/JSA⁵¹ level officials.

Audit observed that the Mission allotted leased accommodations with monthly rental outgo higher than the prescribed ceiling to an ASO level official for 58 months (October 2018- July 2023) and to a PA level official for 38 months (August 2018- September 2021), without obtaining any prior approval from the Ministry. The monthly rent paid for the leased accommodations ranged from DKK 18,684.12 to 22,685.53 (161 to 196 *per cent* of prescribed ceiling *i.e.*, DKK 11,600) and DKK 20,572 to 22,088.22 (177 to 190 *per cent* of prescribed ceiling *i.e.*, DKK 11,600) for

⁵¹ Assistant Section Officer (ASO)/ Personal Assistant (PA)/ Senior Secretariat Assistant (SSA)/ Junior Secretariat Assistant (JSA).

ASO and PA, respectively, during 2018-2023. This resulted in an excess expenditure of DKK 8,32,009 (₹ 99,11,607).

The Mission stated (May 2025) that no records were available with the Mission to justify the reason for providing accommodation beyond the rental ceiling, and that a generally followed practice of allotting the same leased accommodation which had been previously occupied by the predecessor (who had a higher rank) must have been followed. Mission, further stated that it was an inadvertent procedural lapse and *ex-post-facto* approval from the Ministry would be sought.

The reply of the Mission indicates that due diligence on part of Mission to adhere to approved rental ceiling was not conducted and this resulted in excess expenditure of ₹ 99.12 lakh.

The matter was referred to the Ministry of External Affairs; its reply was awaited as of July 2025.

Audit recommends that

- a. Ministry may ensure due diligence while approving the budget estimates of the Missions to ensure adherence to prescribed rental ceilings;***
- b. Ministry may institutionalize the process of periodic review of all its leased properties to ensure strict adherence to the prescribed rules/guidelines/practices.***

Embassy of India, Tel Aviv, Israel

2.5 Unfruitful expenditure of ₹ 92.01 lakh

Delays by the Embassy of India, Tel Aviv in undertaking pre-acquisition activities and the Ministry of External Affairs in conveying administrative approval and financial sanction for acquisition of a property within the extended timeline set by the seller led to termination of the deal and rendered an expenditure of ₹ 92.01 lakh for professional/ legal services associated to pre-acquisition activities unfruitful.

The Ministry of External Affairs (Ministry), following the recommendation of Parliamentary Committees, emphasized (November 2011)⁵² the need for swift action for identification as well as forwarding of suitable properties abroad for acquisition and consequent reduction of rental liability.

⁵² While conveying the Guidelines for acquisition of immovable properties abroad to all Missions/Posts vide MEA Letter No. Q/Proj./862/34/2011 dated 11 November 2011.

The Public Account Committee (PAC) noted (December 2015) in its report⁵³ that the deficiencies and delays in decision making have persisted despite assurance by the Ministry that steps had been taken to streamline and speed up the internal processes related to acquisition of the properties. Further, Ministry, in its Action Taken Report⁵⁴ (December 2016), reassured that Missions/Posts have been instructed to pursue the acquisition of properties aggressively.

Embassy of India, Tel Aviv (Mission) and the Indian Cultural Centre (ICC) are functioning in rented buildings since the year 2002 and 2020, respectively. With a view to reduce the rental expenses, the Mission shortlisted (March 2019) four properties for acquisition. The Property Team of the Ministry visited (August 2019) Tel Aviv and recommended acquisition of the property at 10 Kermintiski Street, Tel Aviv. The property team also cautioned that it was very difficult to find stand-alone properties for sale in Tel Aviv due to high rental returns and such properties remain on shelf for a very little time due to high demand from hotel industry.

After obtaining in-principle approval of the Ministry (November 2019), the Mission initiated the process of acquisition of the property with necessary clearance (January 2020) from the Government of Israel. The major stages in this process and the time taken at each stage are given in **Table 2.9**. While the processes were on going between the Mission and the Ministry, the seller extended⁵⁵ the deadlines from time to time, with the final deadline fixed was up to 1.00 p.m. on 17 January 2022 and also increased (November 2021) the asking price for the property from New Israeli Shekel (NIS) 76.50 million (plus taxes) to NIS 85.00 million (plus taxes)⁵⁶.

Table 2.9: Major stages in acquisition process and the time taken

March 2020 to September 2021	After the finalization (March 2020 ⁵⁷) of the Legal Due Diligence Report of the property, Mission took another one and a half years to complete (September 2021) the structural assessment and evaluation of the market price of the property. The delay was due to prevalent COVID-19 situation (April–November 2020) and non-finalization of tenders ⁵⁸ (December 2020 – July 2021) for engaging firms to undertake these activities.
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⁵³ 30th PAC Report of 16th Lok Sabha.

⁵⁴ 61st PAC Report of 16th Lok Sabha.

⁵⁵ The initial deadline for completing Sale Purchase Agreement was mid-September 2021, which was subsequently extended to 15 December 2021, 03 January 2022 and 13 January 2022. ₹ 205.31 crore.

⁵⁷ The Mission had engaged M/s APM & Co. for preparation of LDDR. Against the initial deadline of 31 January 2020, the final Legal Due Diligence Report was submitted on 18 March 2020.

⁵⁸ The first tender for selection of firm for undertaking structural assessment was floated on 03 December 2020 which failed as successful bidder was not ready to provide requisite bank guarantee. Tenders were again floated on 17 February 2021 and 25 May 2021 but no valid bid was received. Finally, Mission engaged the sole valid bidder of the first tender.

September 2021 to November 2021	The Mission proposed (03 September 2021) the appointment of a firm ⁵⁹ to the Ministry on single source nomination basis to examine and negotiate the SPA, on the grounds that calling for tenders would be time consuming and any delay beyond the deadline set by the owners (mid-September) may result in placement of the property by the seller on the market. Despite the urgency, the Ministry approved the proposal on 29 October 2021, <i>i.e.</i> , after 56 days, and an agreement was signed on 03 November 2021.
December 2021 to January 2022	The Mission sought (07 December 2021) the approval of the Ministry for revised asking price for the property, which was finally conveyed by the Ministry on 19 January 2022 <i>i.e.</i> , after 43 days, and beyond the set deadline (17 January 2022).

The seller did not accept the subsequent requests of the Mission and withdrew his offer.

Audit observed that despite being highlighted by the Property Team of the Ministry that stand-alone properties are in short supply in Tel Aviv and setting up of firm deadlines by the seller of the property, the Mission and the Ministry could not complete the acquisition process in a time bound manner, resulting in expenditure of ₹ 92.01 lakh⁶⁰ on pre-acquisition activities being unfruitful.

The Ministry stated (December 2024 and April 2025) that due to delay in internal proceedings, which were not avoidable, the approval of the competent authority could not be obtained before the deadline set by the owners, *i.e.*, 17 January 2022. There was no delay in processing the proposal on the part of the Ministry as steps involved in the advanced stage of acquisition were completed speedily, without any delays.

Audit acknowledges the efforts made by the Mission and the Ministry in undertaking myriad activities associated with the complex process of acquisition of properties in foreign country during pandemic. However, audit noted that there was room for a more tight and focused handling of the said acquisition, given the risk of seller withdrawing the offer, *e.g.*,

- a. No effort to reduce the time period between successive re-tenders (76 days between 1st & 2nd and 97 days between 2nd & 3rd) for selection of firms for

⁵⁹ M/s APM & Co., which is the same firm which had prepared the Legal Due Diligence Report of the property.

⁶⁰ (i) ₹ 4,93,646 (NIS 23,398.83) to M/s APM & Co. towards consultancy fees for legal due diligence. (ii) ₹ 34,07,901 (NIS 144,495) to M/s Yaron Offir Engineers Ltd. for carrying out structural evaluation of the property. (iii) ₹ 5,15,777 (NIS 22,230) to M/s Odles Keinan Ltd. for preparing market evaluation report. (iv) ₹ 47,83,521 (NIS 172,125 (plus VAT @ 17 per cent)) to M/s APM & Co. for legal services rendered during the process of acquisition of property.

undertaking structural assessment and evaluation of market price especially the considering loss of precious time due to COVID-19.

- b. The Ministry taking 56 days to convey approval on the Mission's effort to expedite the finalization of SPA by hiring a firm on single source nomination was rendered unfruitful.
- c. Lack of urgency and follow up in Ministry, despite the Ministry having regular updates by the Mission regarding the strict deadlines set by the owner (and extended thrice during this period), Ministry took 43 days to accord administrative approval and financial sanction on revised price of the property, including 12 days to obtain the concurrence of the Integrated Finance Division of the Ministry, thus, missing the deal by just two days.

This indicates that there was scope for a more committed and professional handling of the project.

Audit recommends concerted and targeted time bound efforts by the Mission and the Ministry to ensure strict compliance with the deadlines in the acquisition of the properties abroad, absence of which may not only result in higher acquisition costs in successive attempts but also continued rental outgo. In the instant case, not only that the property identified after efforts and visit of Property team could not be acquired but also ₹ 92.01 lakh spent on pre-acquisition activities was rendered unfruitful.

Regional Passport Office, Mumbai, Pune and Goa

2.6 Irregular Payment of Electricity Duty and Tax of ₹ 1.47 crore

The Regional Passport Offices Mumbai, Pune and Goa did not claim exemption from Electricity duty and Tax as per Article 287 of the Constitution and Section 3(2) of the Maharashtra Electricity Act, 2016 and Section 3(2) (1) of the Goa, Daman and Diu Electricity Duty Act, 1986 resulting in an irregular payment of ₹ 1.47 crore.

As per Article 287 of the Constitution, no tax shall be levied on the consumption or sale of electricity/energy consumed by the Central Government. In line with this provision, Section 3(2) of the Maharashtra Electricity Act, 2016 and Section 3(2) (1) of the Goa, Daman and Diu Electricity Duty Act, 1986 specify that no Electricity duty and or tax shall be imposed on the consumption or energy charges billed to the Central Government, excluding public undertakings.

During the audit (October 2023) of Regional Passport Office (RPO), Mumbai, it was observed that an Electricity duty of ₹ 96.68 lakh and Maharashtra Government Tax on

the sale of electricity amounting to ₹ 13.88 lakh was paid for electricity bills⁶¹ from July 2017 to September 2023 (**Annexure-2.8**). Similarly, RPO, Pune paid Electricity duty of ₹ 27.03 lakh and Tax on sale of ₹ 1.28 lakh for the period⁶² from January 2021 to May 2025 (**Annexure-2.9**) while RPO Goa paid Electricity duty of ₹ 8.28 lakh for the period from August 2018 to April 2025 (**Annexure-2.10**) respectively.

Although the RPO, Mumbai, Pune and Goa are Central Government Departments, they did not claim exemption from the payment of Electricity duty/Tax in accordance with Article 287 and Section 3(2) of the Maharashtra Electricity Act, 2016/Goa Electricity Act. This resulted in an irregular payment of ₹ 1.47 crore.

On being pointed out, RPO Mumbai responded (February 2025) that after the issue was raised during the audit, it was taken up with Maharashtra State Electricity Distribution Company Ltd.⁶³ and it has stopped charging the Electricity duty and Maharashtra Government tax from October 2023.

The matter was referred to the Ministry of External Affairs in March 2025. The Ministry stated (April 2025) that the matter was taken up with Government of Maharashtra which approved the refund and directed the concerned authorities to process the said refund.

Subsequently, an amount of ₹ 1.25 crore was credited (April 2025) by the Distribution Company to the 'Previous Outstanding' in the Electricity bill of RPO Mumbai, from which the electricity charges payable were being deducted. Replies from RPO, Pune and Goa were awaited.

Recovery of amount of electricity duty and Maharashtra Tax on electricity duty by RPO, Mumbai was at the instance of audit, however, the recovery of electricity duty in case of RPO, Pune and Goa remained pending (September 2025).

Audit recommends that the Ministry may consider a review/ issue of orders to all RPOs to check the electricity charges being paid in all its RPOs, and in case similar errors are found, the RPOs may be guided to take corrective measures to rectify the same.

⁶¹ Electricity bills for the months of October & December 2017 and of February, May and June 2018 were not furnished by the RPO, Mumbai.

⁶² Electricity bill for the month of March 2024 was not furnished by RPO, Pune.

⁶³ M/s Reliance Infrastructure Ltd. from the July 2017 to July 2018 and by Adani Electricity from August 2018 onwards.

Regional Passport Office, Mumbai

2.7 Inordinate delay in surrender of vacated RPO Thane premises

Despite vacating the leased premises in 2017, RPO Mumbai and the Ministry were unable to finalise the surrender or alternate use of the property for over seven years, leading to avoidable expenditure of ₹ 76 lakh and pending liabilities of ₹ 1.38 crore.

Regional Passport Office (RPO) Thane was merged with RPO Mumbai on 21 August 2017. Prior to the merger, the erstwhile RPO Thane operated from leased⁶⁴ premises owned by the Maharashtra Industrial Development Corporation (MIDC) in Vardhan Building, Thane. The lease agreement, executed in June 2007, contained a clause mandating prior approval of the lessor for any sale, assignment, or transfer of possession of the premises. Post-merger, Vardhan Building premises at Thane MIDC was vacated in August 2017 and RPO, Mumbai started exploring the possibilities of utilising the space. In August 2018, the Regional Provident Fund Commissioner expressed their interest in this regard, but the Ministry directed (October 2018) to surrender the property to MIDC instead of renting it out to any other organisation. RPO Mumbai initiated the process for surrendering the premises in July 2020. In response, MIDC, in September 2020, requested the original possession receipt and lease agreement, and proposed a refund of ₹ 3.43 crore after deducting ₹ 1.33 crore including maintenance charges of ₹ 79.26 lakh, from the total allotment cost of ₹ 4.76 crore.

Audit observed that despite vacating the premises in August 2017 and initiating the action for utilising/surrender formalities in 2018, the RPO and the Ministry were unable to take timely and conclusive action to either surrender or reutilise the property. This prolonged inaction reflects administrative apathy and a lack of due diligence. The matter remained unresolved even after several years and multiple correspondences⁶⁵ with MIDC from 2020 onwards, with no conclusive outcome as of April 2025. Furthermore, the issue of maintenance charges was escalated to the Ministry only belatedly in April 2022, accompanied by a request for a site visit by the GEM team, highlighting the lack of urgency in handling the matter.

This inordinate delay resulted in MIDC raising a cumulative demand of ₹ 1.72 crore⁶⁶ towards monthly maintenance, water, and housekeeping charges as of May 2023, in

⁶⁴ Premises of 1590.86 sq. mtrs at Thane was leased from MIDC for 95 years for outright premium of ₹4,75,94,269/- and at a nominal rent of ₹ one *per annum* with effect from 02 April 2007.

⁶⁵ Dated 29 July 2020; 07 September 2020; 27 March 2024; 03 July 2024; and 25 March 2025.

⁶⁶ Increased from ₹ 79.26 lakh demanded towards maintenance charges in September 2020.

addition to a special maintenance charge of ₹ 1.30 crore being demanded in March 2022 for structural repairs to the building. RPO Mumbai has paid ₹ 76 lakh in maintenance charges⁶⁷ till February 2025, while outstanding dues of ₹ 96 lakh remain unpaid, along with the special maintenance charge of ₹ 1.30 crore.

On being pointed out, RPO Mumbai stated (April 2025) that a proposal had been submitted to lease the premises to the Employees Provident Fund office. However, the GEM Division of the Ministry objected, citing Clause 2(r) of the lease agreement, which prohibits subletting or transfer of possession without prior consent from MIDC. The Ministry further reiterated that the property should only be surrendered back to MIDC and not sold or leased to third parties.

In August 2025, RPO Mumbai replied that they had explored various possibilities of utilizing the vacant premises. However, Ministry in December 2018 informed that it was not in favour of selling the property to third party. Accordingly, RPO Mumbai requested MIDC to convey the details of refund amount and the process of surrendering the premises. Subsequently, in May 2025 it was informed that the refund amount has been calculated to ₹ 4.37 crore. Later in July 2025, the Ministry conveyed in-principle approval for surrendering the premises to MIDC. It further stated that after reconciliation, arrears of maintenance charges have been reduced to ₹ 8.12 lakh.

The reply provided by RPO Mumbai may be viewed in light of the fact that both RPOs and the Ministry were fully aware of the lease restrictions but still could not take timely and effective steps to obtain the necessary approvals or conclude the surrender process. The continued inaction for over seven years after vacating the premises clearly indicates administrative negligence and poor inter-departmental coordination. This has resulted in avoidable expenditure of ₹ 76 lakh already incurred, along with an outstanding liability of ₹ 8.12 lakh in maintenance charges and ₹ 1.30 crore in special maintenance charges, reflecting a serious lapse in property management and fiscal prudence.

⁶⁷ Demand of Monthly maintenance charges of ₹ 1,71,65,499/- is up to May 2023 and charges, if any, due thereafter is not available.

(III) Ministry of Fisheries, Animal Husbandry and Dairying

2.8 Subject Specific Compliance Audit on Functioning of Fishery Survey of India

The Fishery Survey of India (FSI), the Nodal Fishery Institute under the administrative control of the Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying, maintains a widespread presence along India's coastline, with three operational bases on the East Coast Visakhapatnam, Chennai, and Port Blair and four on the West Coast Cochin, Mormugao, Mumbai, and Porbandar.

The Institute currently manages a fleet of 11 large vessels with the primary responsibility of survey and assessment of fishery resources in the Indian Exclusive Economic Zone (EEZ) and adjoining areas for promoting sustainable exploitation and management of the Marine Fishery resources.

The objective of these surveys is to identify inventory of species, estimation of abundance, distribution pattern, study of biological aspects⁶⁸ of the fish species recorded in the catches, environmental parameter including wind speed and direction, current speed and direction, depth of survey area, study of suitable mesh size for important species *etc.*

Based on the data collected during the surveys, the Institute prepares Annual Report of Fishery Survey of India highlighting results of survey-cum-research activities carried out during the year.

Fishery Survey of India (FSI) carried out 372 voyages against planned 586 voyages during the period 2018-19 to 2022-23 registering a shortfall of 37 per cent. This resulted in shortfall in operational targets *viz.* 46 per cent in number of days at sea, 53 per cent in number of fishing days and consequent shortfall of 61 per cent and 72 per cent in sampling efforts measured in terms of number of hours and number of hooks respectively. Due to non-conducting of 214 planned surveys, the Institute had to forego 4,339 days of fishing and the subsequent sampling effort of 15,149 hours and 12.73 lakh hooks. Even in the 372 voyages conducted by the Institute, shortfall in the sampling effort was 37 per cent and 31 per cent in hours and numbers of hooks respectively.

FSI had no prescribed norms for minimum number of fishing days per survey in order to ensure collection of adequate data for stock assessment studies due to which 21 voyages with fishing days less than five days were noticed in Mumbai and Mormugao bases.

Shortfall in the voyages was primarily due to inefficient planning and deployment of vessels in terms of prolonged and unplanned maintenance of vessels, improper preparation of dry docking repair list resulting in cost and time over-run, improper estimation of expenditure resulting in vessels

⁶⁸ Length-weight, sex and maturity studies, gut content analysis *etc.*

remaining idle due to non-supply of provisions like HSD oil, fresh water and non-payment of wages to casual staff.

Audit noticed avoidable expenditure on berthing/fuel charges due to delayed decision, idle expenditure on casual staff /other charges during the layoff period of vessels.

FSI had overall staff shortage of 59 per cent with significantly higher vacancy of 78 per cent in the floating staff.

The Institute did not adhere to DoPT's instructions regarding the recruitment and remuneration of casual workers and incurred expenditure without the necessary administrative and financial approvals.

Audit recommends that:

- *A systematic policy to guide the acquisition of new vessels, scrapping of outdated ones, and timely upgrading of onboard equipment may be developed. The Ministry should also define the standard useful life of vessels to ensure optimal performance and resource utilization.*
- *Comprehensive gap analysis and impact evaluation studies may be undertaken to identify areas for improvement and enhance the functional effectiveness of the Institute.*
- *A system for timely publication of reports using uniform reporting formats may be introduced to promote clarity and transparency.*
- *A robust internal control mechanism may be established to ensure adherence to relevant DoPT directives and provisions of GFR.*
- *Prompt action may be taken to fill vacancies in both technical and non-technical roles to support effective and uninterrupted operations.*

2.8.1 Background

The Fishery Survey of India (FSI) functions as Nodal Fishery Institute under the administrative control of the Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying, Government of India.

The Institute with Headquarter at Mumbai is headed by Director General and is assisted by Deputy Director General (Fishery) for survey and scientific works and Deputy Director General (Engineering) for fleet maintenance, operations and engineering matters. The Institute maintains a widespread presence along India's coastline, with three bases on the East Coast⁶⁹ and four on the West Coast⁷⁰. Each base is headed by a Zonal Director supported by Scientists, Floating staff⁷¹, Engineers and Administrative personnel for implementation of the Survey programme.

⁶⁹ Visakhapatnam, Chennai, and Port Blair.

⁷⁰ Cochin, Mormugao, Mumbai, and Porbandar.

⁷¹ Vessel-based staff including Chief engineer, Skipper and other deck hands are described as floating staff.

2.8.2 Objectives and mandate of the Fishery Survey of India

The FSI is responsible for (i) Conducting exploratory surveys, charting of fishing grounds, assessment of fish stocks in the Indian Exclusive Economic Zone (EEZ); (ii) Data collection and periodic re-validation of potential of fishery resources to provide advice on fishery management issues; (iii) Monitoring survey of Fishery resources in the exploited areas; (iv) Maintain data bank and disseminate information on fishery resources to the end-users and act as an interface between the State/UTs and the Ministry of Agriculture⁷², Government of India; (v) Assessment of suitability of fishing gear, accessories and equipment for the preservation of environment and ecology of marine habitat; (vi) Fish stock identification and biodiversity studies; (vii) Marine fisheries forecasting for the benefit of artisanal, mechanized and industrial sectors; and (viii) Human Resource Development through practical training of fishing operatives, fishermen, fisheries officers and students, *etc.*

2.8.3 Financial resources

Table 2.10: Year-wise Budget/Expenditure in respect of FSI

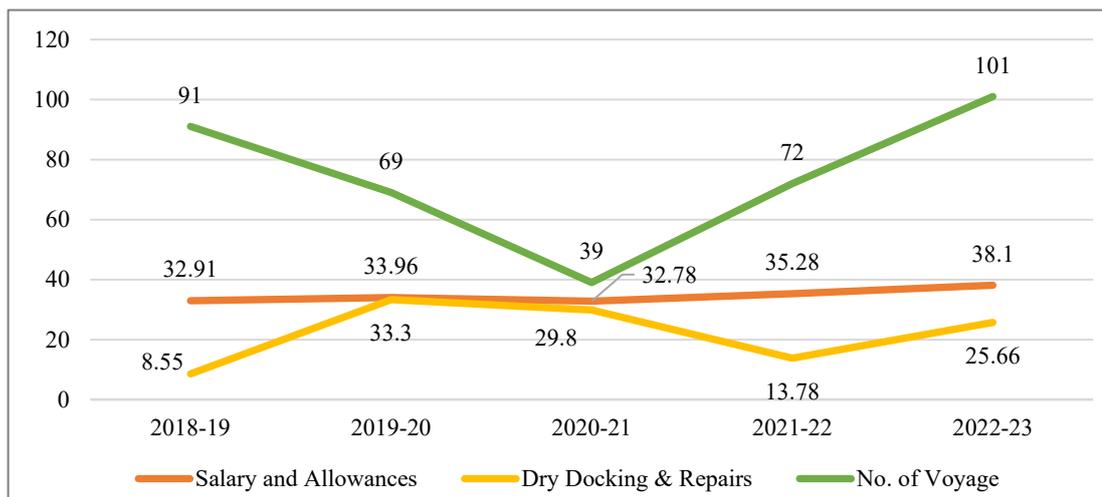
(₹ in crore)

Particulars of Head of Account	2018-19		2019-20		2020-21		2021-22		2022-23	
	Budget	Exp	Budget	Exp	Budget	Exp	Budget	Exp	Budget	Exp
Salary and Allowances	33.55	32.91	34.92	33.96	40.39	32.78	36.83	35.28	40.22	38.1
Administrative/ Office Expenses	2.23	2.35	2.87	2.73	3.24	2.25	2.86	2.76	3.71	3.49
Supply and Materials	10.27	10.24	13.46	12.17	9.5	7.61	15.6	14.66	25	22.78
Dry Docking & Repairs	8.69	8.55	33.64	33.3	29.93	29.8	14.06	13.78	28	25.66
Capital outlays	0.13	0.05	6.11	2.16	3.32	0.27	2	1.72	1.92	0.63
Total	54.87	54.1	91	84.32	86.38	72.71	71.35	68.2	98.85	90.66

Line chart in respect of expenditure incurred on salary and allowances, dry-docking repairs and the number of voyages carried out by the Institute during the period 2018-2023 is given below:

⁷² Since 2019, FSI is under the administrative control of Ministry of Fisheries, Animal Husbandry and Dairying.

(Expenditure ₹ in crore)



From the chart it is clear that the expenditure on salary and allowances had remained more or less linear whereas there was a direct co-relation between the expenditure on dry-docking repairs and the number of voyages carried out. In the years where expenditure on dry-docking repairs was more, the number of voyages carried out was less and *vice-versa*.

2.8.4 Audit objectives

The Subject Specific Compliance Audit (SSCA) was conducted to ascertain whether an efficient and effective planning was undertaken for the survey, assessment, and monitoring of fishery resources; adequate financial, human, and infrastructural resources were available and were utilized efficiently and effectively and data related to fishery resources was systematically collected, properly maintained and effectively disseminated to relevant stakeholders.

2.8.5 Audit criteria, scope, sampling and methodology

The audit criteria employed to evaluate the extent to which the audit objectives were achieved were drawn from the Fishery Resource Survey, Assessment and Research Programme (FRSARP); and directives, guidelines, instructions, and circulars issued by the Director General of Shipping.

The SSCA covered five-year period from 2018-19 to 2022-23. It focused on evaluating records maintained by the Office of the Director General, FSI as well as the offices of the Zonal Directors located in Mumbai and Goa.

The audit process commenced with an Entry Conference held on 22 December 2023 with the Director General, Fishery Survey of India. During this meeting, key aspects

of the audit including its objectives, scope, criteria, and methodology were discussed in detail.

Audit was conducted from January to March 2024 and from November 2024 to February 2025. The Exit Conference was held at the office of the Director General, FSI, Mumbai on 3 June 2025.

2.8.6 Audit findings

As mandated, FSI is primarily responsible for survey and assessment of the marine fishery resources in the Indian EEZ along the East and West coast of the country and adjoining areas including Lakshadweep and waters surrounding the Andaman and Nicobar Islands, for promoting their sustainable exploitation and management. In addition, the Institute conducts exploratory surveys to identify fish stocks and study marine biodiversity.

The Institute currently manages a fleet of 11 large vessels, operated by six zonal bases⁷³. Each vessel is manned by a crew of approximately 23 members, including scientists who conduct on-sea fishing operations aimed at surveying, assessing, and monitoring marine fishery resources.

The objective of these surveys is to collect data to identify inventory of species, estimation of abundance, distribution pattern, study of biological aspects⁷⁴ of the fish species recorded in the catches, environmental parameter including the wind speed and direction, current speed and direction, depth of survey area, study of suitable mesh size for important species *etc.*

Operational targets are prescribed per cruise in terms of (i) number of voyages, (ii) days at sea, (iii) fishing days, and (iv) sampling efforts⁷⁵. Sampling effort for each cruise is measured in terms of number of hauls/ number of hooks per set⁷⁶ and the duration of hauls are also specified in the FRSARP. The Fish resources data collected through exploratory surveys is disseminated in the form of Bulletins, Reports, Resources Information Series (RIS), Meena News, Charts, Atlas, Occasional papers, Scientific papers based on the specific findings and also through All India Radio (AIR), Doordarshan and FSI website from time to time. Hence, the Fish Stock data collected fulfils the data needs of the fishermen, fishing industry and other end users to plan their harvesting strategies more precisely and also render necessary support for fisheries

⁷³ Mumbai, Mormugao, Cochin, Chennai, Visakhapatnam and Port Blair.

⁷⁴ Length-weight, sex and maturity studies, gut content analysis *etc.*

⁷⁵ Sampling effort refers to the amount of time, gear, or activity used to collect data during a survey, such as the number of fishing days, hauls, or hooks deployed. It is essential for ensuring consistent, reliable, and comparable scientific results in fisheries research.

⁷⁶ Number of hooks attached to the net at one time.

development, management and conservation thereby supporting Government of India in National marine fishery resources management related policy decisions to meet the sustainability.

The survey activities are planned as per the annual FRSARP. This comprehensive programme envisages the details of the survey and research activities to be conducted to collect the Fishery Resources data on designated vessels during a voyage for 20 days per month. It outlines key operational details of projects related to deep-sea demersal resources, coastal pelagic resources, oceanic tuna resources, experimental projects and other activities sought to be achieved during a voyage/cruise.

Audit examination revealed that though the Institute prepared a detailed annual FRSARP, there were significant shortfalls in achievement of operational targets in terms of number of voyages undertaken, number of days at sea and number of fishing days and consequent shortfall in the sampling efforts planned for each survey and collection of data. There were no clearly defined Standard Operating Procedures (SoPs) to carry out its various activities in terms of number of fishing days, number of hauls, number of hooks, staff requirement during the lay-off period, given the specialized nature of work done by the Institute. Surveys were conducted without the presence of scientific staff, leading to shortfall in collection of scientific data. The audit findings are discussed in detail in the following paras.

2.8.7 Shortfall in survey and project deliverables

Of the 11 vessels that the Institute operates, seven are trawler vessels and four are longline vessels. These vessels were assigned survey projects broadly categorized into deep-sea demersal resources, coastal pelagic resources, oceanic tuna and allied resources, experimental projects. Institute also carries out operations for "Assessment of Suitability of Fishing Gear, Accessories and Equipment with special reference to the preservation of environment and ecology of marine habitat".

(i) The vessels use various fishing techniques such as demersal (bottom) trawling⁷⁷, mid-water trawling⁷⁸, purse seining⁷⁹, tuna longlining⁸⁰, and squid jigging⁸¹, with a focus on exploring deep-sea and oceanic fishery resources.

⁷⁷ **Demersal (bottom) trawling:** A fishing technique where a net is dragged along the sea floor to catch bottom-dwelling species.

⁷⁸ **Mid-water trawling:** A method where a net is towed at varying depths between the seabed and the surface to capture pelagic fish.

⁷⁹ **Purse seining:** A technique that uses a large wall of netting to encircle schools of fish near the surface; the bottom of the net is then drawn closed like a drawstring purse.

⁸⁰ **Tuna longlining:** A method that uses a long main fishing line with baited hooks spaced at intervals, deployed to target tuna and other large pelagic species.

⁸¹ **Squid jigging:** A specialized method that uses lines with lures (jigs) that are jerked vertically in the water to attract and catch squid, typically at night using lights.

Audit scrutiny revealed significant overall shortfalls in the total number of voyages carried out by the Institutes Survey vessels against the planned targets as documented in the annual FRSARP, across the period audited. As a result, there was shortfall in achieving the operational targets planned per vessel/cruise in terms of voyages, days at sea, and fishing days across its fleet of 11 vessels during the period 2018-19 to 2022-23 (**Annexure-2.11**). The aggregated shortfalls from targets for all 11 vessels are given in **Table 2.11**.

Table 2.11: Shortfall in survey/ project deliverables in respect of 11 vessels during 2018-19 to 2022-23

Measure	Planned	Achieved	Shortfall Per cent
Number of Voyages	586	372	37
Days at Sea	10,691	5,737	46
Fishing Days	8,263	3,924	53
Sampling effort (in hours/ number of hooks)	25,000 (hours)	9,851	61
	17,64,005 (number of hooks)	4,90,954	72

Audit observed that even in the case of 372 voyages (**Annexure-2.12**) undertaken by the vessels, there was a shortfall in achievement of operational targets as detailed below:

- Days at sea: 6350 days were planned, 5,737 were actually achieved, shortfall of 10 per cent.
- Fishing days: 4904 days were planned, 3,924 were actually achieved, shortfall of 20 per cent.
- Sampling Effort: Against a target of 15,632 hours and 7,13,171 hooks, 9,851 hours and 4,90,954 hooks were achieved respectively, shortfall of 37 per cent and 31 per cent.

In addition to above, 21 instances were noted at Mumbai and Mormugao bases, where fishing days were less than five days on a voyage. FSI did not have any norms/SoP in place prescribing minimum number of fishing days per survey in order to ensure collection of adequate data for stock assessment studies.

Audit further analysed the performance of two specific vessels operated from Mumbai and Mormugao bases *i.e.*, MFV *Matsya Nireekshani* and MFV *Sagarika* which were deployed to survey Demersal and Pelagic resources and MFV *Matsya Vrushti* and MFV *Matsya Yellow Fin* which were deployed for survey of tuna and allied resources from these two bases. **Table 2.12** shows the extent of shortages and the projects impacted by the same.

Table 2.12: Performance of vessels operated from Mumbai and Mormugao bases

Shortfall in percentage				
Vessels	Shortfall in voyages	Shortfall in Days at Sea	Shortfall in Fishing days	Shortfall in Sampling Efforts
Demersal and Pelagic Resources Sampling Efforts				
7 Vessels	33	43	49	61
MFV <i>Matsya Nireekshani</i>	86	93	95	96
MFV <i>Sagarika</i>	27	31	40	50
Tuna and Allied Resources Sampling Efforts				
4 Vessels	44	52	60	72
MFV <i>Matsya Vrushti</i>	49	64	72	80
MFV <i>Yellow Fin</i>	39	47	57	81

There was a shortfall of 61 *per cent* and 72 *per cent* in the sampling effort measured in terms of hours and number of hooks per set, as a consequence, the sampling size of the data collected was adversely affected and this reflects poorly on the accuracy of the data collected by the Institute and the subsequent usefulness of the data disseminated to the users.

In its response (July 2024), the Institute attributed the shortfall in vessel utilisation primarily to the age of its fleet, which ranges from 20 to 46 years. However, this justification does not fully withstand for several reasons. Firstly, the annual FRSARP is developed with full awareness of vessel availability, including planned dry docking and maintenance schedules. As such, age-related downtime should already be accounted for during the target-setting process. Secondly, audit analysis did not establish a direct correlation between vessel age and performance shortfalls. For example, MFV *Matsya Nireekshani*, the oldest vessel at 46 years, achieved only 14 *per cent* of its target, whereas MFV *Matsya Darshini*, at 44 years, achieved 89 *per cent* during 2018-2023. Similarly, MFV *Matsya Vrushti*, which was relatively newer at 19 years, achieved 51 *per cent*, while the older MFV *Matsya Yellow Fin*, at 35 years, recorded a higher achievement of 61 *per cent* during this period. These findings suggest that factors other than age may have had a more significant impact on vessel performance.

(ii) The Institute had planned experimental gear operation in respect of five vessels during 2018-19 to 2022-23 (**Annexure-2.13**). Audit observed that experimental gear operation was not conducted as planned in respect of following vessels (**Annexure-2.14**).

- MFV Blue Marlin⁸² did not carry out operation during 2022-23 as against the plan.
- MFV *Matsya Drushti* carried out operation for 2019-20 as against planned for two years (2018-19 and 2019-20).

In reply (July 2024), the Institute stated that the experimental gear operation and assessment were planned, and action plan was prepared after due consultation with the stakeholders, State Fisheries Department and were planned in the beginning of the year and in specified months. It was further stated that the experimental gear operation could be taken up if the vessels are deployed for survey. The vessels could not be deployed due to various reasons like dry docking repairs, want of LSA (Life Saving Appliances)/FFA (Fire Fighting Appliances) certificates and major repairs, malfunctioning of the equipment and machineries, engines *etc.*

Reply of the Institute indicated unrealistic planning by the Institute.

Audit findings discussed in subsequent sections indicate that prolonged maintenance periods, rather than the age of vessels alone, were the primary contributors to the underachievement of targets.

2.8.7.1 Shortfall in environmental data collection targets

As per the annual FRSARP for the period 2018-19 to 2022-23, in addition to catch and biological data, the collection of specific environmental parameters was mandated during each longline survey voyage. This requirement applied to four vessels: MFV *Yellow Fin*, MFV *Blue Marlin*, MFV *Matsya Vrushti*, and MFV *Matsya Drushti*. The environmental parameters included daily measurements of salinity, temperature, and depth (STD); sea surface temperature (SST) at specific times; and current direction and speed. The data are crucial for enhancing the accuracy of the fishery forecast system and identifying probable fishing grounds.

Audit scrutiny of cruise reports during the above period revealed significant shortfalls in environmental data collection by three of the four vessels⁸³ (**Annexure-2.15**).

- MFV *Yellow Fin* collected data during only 1 out of 30 voyages,
- MFV *Matsya Vrushti* during 5 out of 24 voyages, and
- MFV *Matsya Drushti* during 21 out of 43 voyages.

One of the primary reasons for this shortfall was the non-functional or obsolete condition of critical equipment such as CTD (Conductivity, Temperature, Depth)

⁸² The vessel underwent dry docking in 2020-21 and 2021-22 and was not deployed for surveys.

⁸³ MFV *Blue Marlin*-The vessel underwent dry docking in 2020-21 and 2021-22 and was not deployed for surveys.

/STD (Salinity, Temperature, Depth) meters and Secchi Disks onboard MFV *Yellow Fin* and MFV *Matsya Vrushti*. Despite repeated mentions of these issues by scientific staff in their cruise reports, necessary corrective measures were not taken.

In its response (July and October 2024), the Institute stated that the CTD/STD meters were originally procured with the vessels but had become non-functional due to wear and tear and the end of their operational lifespan. The lack of locally available spare parts and the absence of authorized service centres further prevented timely repairs. The Institute also informed that plans were underway to import the latest models of CTD/STD meters for all four longline vessels and assured that environmental data collection would be resumed post-procurement.

Audit recommends that a systematic policy to guide the acquisition of new vessels, scrapping of outdated ones, and timely upgrading of onboard equipment may be developed. The Ministry should also define the standard useful life of vessels to ensure optimal performance and resource utilization.

2.8.7.2 Surveys and assessments conducted without scientific staff onboard

Scientific staff plays a vital role in fishing cruises, being responsible for the collection of essential survey data. Their duties include fish species identification, conducting biological investigations for qualitative and quantitative stock assessments, preparing cruise plans and research programmes, estimating gear material requirements, and generating reports on survey vessel operations.

Audit observations revealed that out of 96 voyages planned as surveys with specific operational targets (in FRSARP), 29 voyages⁸⁴ were carried out without scientific staff onboard, which constitutes a deviation from deputation of scientist participant onboard the vessel to collect the Fishery Resources data.

In its response (July 2024), the Institute stated that the voyages identified by Audit, involving vessels attached to the Mumbai and Goa bases, were primarily undertaken for activities such as the *Sagar Parikrama* programme and trial runs, rather than for scientific surveys. It was requested that Audit may record these voyages as non-scientific in nature.

However, as per the FRSARP, all these voyages were planned as surveys with specific operational targets.

⁸⁴ At the Mumbai Base scientific staff participated in 23 out of 31 voyages conducted by two vessels between 2018-19 and 2022-23.

At the Goa Base, scientific staff were present in 44 out of 65 voyages during the same period.

Apart from the regular surveys/projects, FSI is also mandated to conduct experimental/exploratory fishing surveys to identify the resources of different species.

2.8.7.3 Non execution of squid jigging projects

An exploratory survey was undertaken using squid jigger by MV *Titanic* and MV *Vershini* during 2010-13 covering the oceanic water from 8⁰ N to 17⁰ N latitudes and 64⁰ E to 76⁰ E longitudes along the Eastern and Central Arabian Sea. As per the major findings of the surveys, the total biomass of squids was estimated as 2.52 million tonnes and the annual fishable biomass (MSY) was estimated as 0.63 million tonnes.

Audit observed that annual programme of the Institute for the year 2022-23, for survey assessment and monitoring of fish stock also included estimation of abundance of squids in Arabian sea using automated squid jigging machine. However, Audit noted that any plan for survey and assessment of oceanic squid was neither prepared nor executed during the period 2018-19 to 2021-22.

Institute replied (February 2024) that automatic squid jigging machines procured in 2003 had become very old and could not be repaired as machines were imported and operation manual which came along with machines were in Korean language. In spite of several attempts by Cochin Base of FSI, these machines remained unused for a long time.

Institute further replied (July 2024) that although the system was not working with 100 *per cent* efficacy, satisfactory results were obtained and the programme was included in the official survey programme of the vessel MFV *Matsya Varshini* and during the survey, attempts were made to operate three automatic squid jigging machines simultaneously which were partially repaired by procuring available local spares. Experimental project was attempted with fishing effort of 66.5 hours during 2022-23. It was also stated that the MFV *Lavanika* and MFV *Matsya Varshini* were awaiting dry docking repairs and once vessels were ready, the project would be taken up on regular basis. FSI was also planning to procure multi gear facility vessels in future wherein squid jigging would be included.

The reply confirmed that the project was yet to be executed, considering the estimated biomass of the squids.

Audit recommends that the Institute should take a conscious decision to plan the projects of significance and move towards creating the necessary infrastructure for carrying out such projects.

2.8.7.4 Shortfall in training for fishermen

The Institute is responsible for human resource development by offering practical training to fishing operatives, fishermen, fisheries officials, and students, onboard the vessels. However, Audit found that there was no defined schedule for providing training to the fishing community and students. At the Mormugao base, data from 2018-19 to 2022-23 showed that casual workers hired on a temporary basis were often reported as trainees. While 98 fishermen were reported as trained under 60 training sessions, only 47 unique fishermen were actually trained due to repeated participation by some trainees.

In its reply (January 2025), the Mormugao base acknowledged that there was no structured schedule for fishermen training and no financial provision for the same. Casual hands were engaged on vessels to fill vacant positions. This response was also inadequate, as this activity was part of the Institute's mandate and should be conducted systematically.

The Mumbai base did not provide any records regarding fishermen training.

The findings highlighted that the Institute did not effectively carry out its mandated function of human resource development through practical training. The absence of structured plans and schedules hindered the efficient training of fishermen, thereby negatively impacting their ability to utilize marine resources sustainably. This shortcoming affected not only the livelihoods of the fishermen but also the broader objectives of fisheries development, management, and conservation.

Audit recommends that comprehensive gap analysis and impact evaluation studies may be undertaken to identify areas for improvement and enhance the functional effectiveness of the Institute.

2.8.8 Adequacy and Utilisation of fleet and manpower resources

As can be seen from the Paras above, the key operational targets in the surveys/projects carried out by the Institute could not be achieved largely due to voyages not being undertaken as planned and non-availability of requisite key manpower *i.e.*, technical, scientific and deck hands.

The results of audit examination on the adequacy and utilization of infrastructure and manpower resources are discussed in the succeeding section.

2.8.8.1 Inefficient Planning and Deployment of fleet

A critical component of effective resource utilisation was the optimal deployment and operational utilization of the Institute's survey vessels. However, audit scrutiny

revealed multiple systemic inefficiencies in the estimation and execution of vessel-related operations, which not only resulted in unproductive expenditure but also severely constrained the Institute's ability to carry out its core mandate of fishery resource assessment.

(i) Prolonged and Unplanned Maintenance of Vessels

As per the directives issued by the Directorate General of Shipping and the Mercantile Marine Department (MMD), fishing vessels are required to undergo dry-docking twice within a five-year period, with a maximum allowable gap of three years between two consecutive dry-docking events. In line with this, the Institute prepares an Annual Maintenance and Dry-docking Schedule for its fleet.

Audit revealed following deviation from the maintenance and dry docking schedule leading to prolonged unavailability of vessels for operational voyages:

- The duration of dry-docking for eight of the 11 vessels significantly exceeded the planned timeframe, with extensions ranging between 150 *per cent* and 550 *per cent* of the scheduled duration (**Annexure-2.16**). Exceptions to this were MFV *Lavanika*, MFV *Matsya Darshini*, and MFV *Matsya Varshini*. Notably, MFV *Blue Marlin* required additional dry-docking from 2020-21 to 2021-22 for nearly two years due to a damaged propeller.
- Slot unavailability for dry-docking further delayed operations, with MFV *Lavanika*, MFV *Sagarika*, and MFV *Blue Marlin* being laid up for two months 10 days, five months, and four months, respectively.
- In addition to dry-docking, afloat repairs were also undertaken for MFV *Yellowfin* (271 days) and MFV *Sagarika* (157 days), further extending their downtime.
- There were also delays in planned surveys across all 11 vessels, aggregating to a total of 341 days, due to non-availability of HSD oil, during the audit period (2018-19 to 2022-23). For instance, MFV *Vrushti* alone remained non-operational for 64 days in 2018-19 due to single instance of HSD shortage.

These findings highlighted that repair and maintenance activities consistently took longer than scheduled, largely due to ineffective planning and logistical management. The inability to ensure timely maintenance and provisioning of essential resources led to significant vessel downtime, ultimately resulting in non-achievement of survey and assessment targets.

In its reply (July 2024), the Institute stated that the allocation of dry-docking slots by Government-owned Public Sector Shipyards was beyond its control. It added that

vessels were shifted to afloat repairs immediately after dry-docking to avoid incurring high dry-docking charges as these were three to four times higher than afloat berth charges. Since afloat repairs were a component of the overall repair process, the vessels could not be deployed without completing them. It also asserted (October 2024) that fishery survey vessels were accorded lower priority in comparison to defence and cargo vessels at shipyards. Regarding the HSD supply issue, it attributed the delays to budgetary restructuring and procedural amendments under the financial management system and again cited fund disbursement delays from the Department of Fisheries, GoI.

However, this explanation was not considered acceptable. The FRSARP is prepared with prior consideration of all planned dry-docking, repair, and maintenance activities. As such, it is the responsibility of the Institute to accurately assess, plan, and secure the necessary resources to implement its annual programs effectively and without delay. The Institute is expected to prepare budget estimates in advance, which form the basis for timely fund release through the Public Financial Management System (PFMS). The repeated deviations from the planned schedule, combined with recurring post-dry docking afloat repairs pointed to unrealistic planning and ineffective execution.

(ii) Improper preparation of dry docking repairs list resulting in significant delay and cost over-run

Whenever the dry docking of any vessel is due, the Institute directs the Skipper and Chief Engineer of the respective vessel to prepare a Dry-Docking Repair (DDR) list to facilitate the procurement of cost estimates from shipyards. This list needs to be elaborated properly mentioning the extent of the repairs in clear technical details to prevent the need for re-estimation during yard inspections and to avoid delays in securing administrative and financial approval prior to issuing work orders.

Audit observed that despite the institute's directive, the repair lists submitted were found to be incomplete. Key repair items were omitted, which compromised the ability of prospective bidders to provide accurate and fair estimates. Consequently, this limited the Institute's opportunity to obtain competitive pricing. The excluded items were later carried out as extra works, leading to significant cost and time overruns in comparison to the original work order estimates, as detailed in **Table 2.13**.

Table 2.13: Comparison of Estimated vs Actual Repair Time and Cost

Vessel	Dry docking commencement year	Estimated Period (days)	Actual Period (days)	Estimated cost (₹ in lakh)	Actual cost (₹ in lakh)	Per cent of time over run	Per cent of cost over run
<i>Matsya Nireekshani</i>	2020	75	664	172.53	385.28	785.33	123
<i>Matsya Vrushti</i>	2020	40	368	218.19	317.44	820	45.49
MFV <i>Yellow Fin</i>	2020	61*	536	237.11	649.49	778.69	173.92
MFV <i>Sagarika</i>	2019	90	473	280.55	660.19	425	135.32

*Estimated time was taken from the annual report in which drydocking was planned for 61 days as no clause for estimated time was there in the work order.

In its response (January 2025), the Mormugao Base explained that certain repair activities, such as hull plate renewals, could only be properly assessed after sandblasting was carried out at the shipyard and subsequent UT gauging under the supervision of Mercantile Marine Department (MMD) surveyor who would assess the scope of work. The base also noted that additional unforeseen repair needs often emerge as the repair work progresses. Similarly, in February 2025, the Mumbai Base stated that MFV *Matsya Nireekshani* was docked in March 2020, just before the COVID-19 lockdown was enforced, which caused considerable delays. Furthermore, inspections conducted by MMD surveyors during the repair period led to the identification of further essential repairs necessary for the safety and operational readiness of the vessel, contributing to significant increase in both cost and duration of the drydocking process.

These explanations are to be considered in light of the fact that the Institute had a dedicated Engineering Section tasked with the routine planning and oversight of dry-docking repairs. Repeated instances of huge difference between estimated expenditure vs the actual expenditure incurred on the repairs and days planned vs actual days required for dry docking, pointed to systemic deficiency in both planning and technical diligence. This shortcoming persisted regardless of external disruptions such as the pandemic.

(iii) Improper estimation of expenditure

According to Rule 44(ii) of GFR, budget shall contain estimates of all expenditure for each programme, scheme and project in that financial year. Contrary to this, the Institute could not anticipate essential inputs such as High-Speed Diesel (HSD) oil, wages for casual staff, and freshwater requirements, which were fundamental for vessel operation. As a result, key vessels remained idle for extended periods. For

instance, MFV *Matsya Vrushti* remained non-operational for nine months⁸⁵. Similarly, MFV *Matsya Nireekshani* was laid up for four months⁸⁶ in 2019. These periods of inactivity were primarily due to the non-availability of fuel, non-payment of wages, and lack of water supply. Such lapses in estimating and provisioning operational requirements resulted in delays in essential payments, which in turn impaired the deployment of vessels.

(iv) Avoidable expenditure on Berthing and fuel charges

Similar inefficiencies were noted with MFV Yellow Fin at the Mormugao base. In March 2018, the engine service provider, recommended major overhauls of the auxiliary engines on Yellow Fin. In response, the Mormugao base proposed to FSI to shift the vessel to the Marine Engineering Division (MED) Jetty in Kochi to facilitate economical repairs. However, no decision was taken for 15 months to relocate the vessel to the MED Jetty for undergoing repairs. Consequently, Yellow Fin embarked on a fishing voyage in May 2019 but had to return after two days due to a mechanical failure. Second engine of the vessel also failed in June 2019, rendering the vessel inoperative. The vessel remained laid up through July 2021. The delay in decision-making on the part of FSI Headquarters, resulted in avoidable expenditure of ₹ 122.54 lakh between June 2019 and February 2020 on berthing charges and fuel consumption. The repairs were eventually carried out locally.

(v) Idle expenditure on casual staff and other charges during lay-off period

Institute engaged casual crew against vacant sanctioned posts during the lay-off period of the vessels. Between 2018-19 and 2022-23⁸⁷, Institute incurred an expenditure of ₹ 322.03 lakh on remuneration of casual crew, including ₹ 179.34 lakh for MFV *Matsya Nireekshani*, ₹ 104.34 lakh for MFV Yellow Fin and ₹ 38.35 lakh for MFV *Sagarika*, during the lay off period of these vessels. Audit found that although multiple vessels remained non-operational for months at a time, floating staff was not scaled down to a minimum essential level. Since the vessels were not in active operation, the hiring of casual personnel added to unproductive expenditure and indicated a lack of adaptive financial controls and workforce management.

⁸⁵ December 2018, January 2019, September 2019, October 2019, May 2021, June 2021, July 2021, January 2022 and February 2022.

⁸⁶ January 2019, February 2019, March 2019 and May 2019.

⁸⁷ (i) *Nireekshani*-Laid off period-April 2018 to March 2023 except for October 2018, November 2018, April 2019, August 2022 and January 2023, (ii) *Yellow fin*-Laid off period- May 2019 to July 2021 and (iii) *Sagarika*-Laid off period-May 2019 to August 2020.

The Mormugao base justified (January 2025) these engagements by citing the need for crew presence during repairs. However, it further stated that it had stopped the posting of casuals onboard the vessels awaiting dry docking repairs, from July 2023 onwards.

Reply of the Institute needs to be considered in view of the fact that the Institute had not defined any SoP/criteria to ascertain the minimum number of personnel required on the vessel during the layoff period and the number of casual personnel should have been scaled down to essential number required during this period. Admission by the base that they had stopped posting the casual staff on these vessels from July 2023 onwards, further confirmed the audit observation.

Additionally, the Mumbai base spent ₹ 63.32 lakh on HSD oil, fresh water, port charges, and pilotage fees for MFV *Matsya Nireekshani* during 2020-21 and 2021-22, even though the vessel was not deployed for any fishing survey voyage during those years. This expenditure was deemed unfruitful, as it was unable to serve its intended purpose of supporting surveys/scientific voyages.

Collectively, these findings highlighted a pattern of inefficient financial management in vessel operations and maintenance. The Institute's inability to estimate operational needs with accuracy, act promptly on repair decisions, and rationalize staffing based on vessel readiness resulted in significant resource wastage. They outline the urgent need for improved forecasting, integrated financial planning, and real-time operational oversight to ensure that infrastructural investments and recurring expenditures contribute effectively to the Institute's core objectives.

Case Study: MFV *Matsya Nireekshani*

Deficiencies in the areas of voyages planned *vis-a-vis* executed, vessel remaining non-operational due to prolonged repair, incomplete assessment and preparation of repair list resulting in cost and time over-run and idle expenditure on casual staff during lay-off, have been elucidated below with reference to MFV *Matsya Nireekshani*:

- Despite an expenditure of ₹ 9.29 crore on dry docking and repair of this vessel during November 2017 and March 2020 to April 2022, the vessel completed only five fishing survey voyages out of a planned 51 during the period 2018-2023 and could achieve only 10 *per cent* of its voyage targets.
- In Annual Reports 2018-23, the voyages were shown as seven against the actual voyages of five.
- The original work order of dry docking repairs of March 2020 was issued at estimated cost ₹ 1.73 crore to be completed in 75 days. The repair lists prepared were incomplete and key repair items were omitted. The excluded items were later carried out as extra works, leading to significant cost and time overruns. The work was completed in 664 days at cost of ₹ 3.85 crore.
- Work on stability booklet which was not included in the original dry docking repair list done by M/s CSL in March 2020, was carried out with a delay of 31 days and cost over-run of ₹ 8.24 lakh as additional work.

- The vessel remained idle for four months from January 2019 to March 2019 and May 2019 due to non-availability of funds for HSD oil.
- Institute incurred an expenditure of ₹ 1.79 crore on casual staff during the lay-off period of the vessel between 2018–19 and 2022–23.

Audit recommends that the Institute should work towards optimal utilisation of the available resources at hand and plan accordingly.

2.8.8.2 Adequacy of Manpower Resources

Adequate manpower is vital to ensure the effective functioning of the Institute. The availability of qualified staff and efficient management of human resources play a key role in the timely execution of projects and the delivery of high-quality outcomes. Conversely, staff shortages can significantly hinder operational efficiency and affect the quality of results.

The status of staff across various categories within the Institute as on 31 March 2023 is provided in **Table 2.14**.

Table 2.14: Staff Strength versus Sanctioned Posts (as on 31 March 2023)

Name of Section/Wing	Sanctioned Strength	Person in Position	Vacancy	Vacancy per cent
Scientific (non-floating)	55	34	21	38
Technical (non-floating)	212	106	106	50
Floating	273	61	212	78
Administrative (non-floating)	173	91	82	47
Total	713	292	421	59

The table indicates that 59 *per cent* of the total sanctioned posts were vacant as of March 2023. Vacancies were particularly high in the Floating staff category (78 *per cent*), followed by Technical (50 *per cent*), Administrative (47 *per cent*), and Scientific (38 *per cent*) roles. The high number of vacancies across these essential categories had negatively impacted the timely execution of projects and the assurance of quality in outcomes.

(i) ***Shortage of Floating Staff at Mumbai and Mormugao Bases of FSI***

The Mumbai base operates two vessels – MFV *Matsya Nireekshani* and MFV *Matsya Vrushti*, while the Mormugao base operates MFV *Yellow Fin* and MFV *Sagarika*. Each base has a sanctioned strength of floating staff required for the operation and maintenance of these vessels. The status of floating staff at both bases as of 31 March 2023 is presented in **Table 2.15**.

Table 2.15: Vacancy position at Mumbai and Mormugao Bases

Name of Base	Sanctioned Strength	Existing Strength	Vacancy	Vacancy Per cent
Mumbai	65	5	60	92.31
Mormugao	36	8	28	77.77

The table clearly indicates a severe shortage of floating staff at both locations, with Mumbai base facing 92 *per cent* shortfall and Mormugao base facing 78 *per cent* shortfall.

Audit observed that casual hands were deployed at both bases to cope with this critical gap. The temporary personnel also included, Chief Engineer responsible for upkeep of the vessel and Skipper, responsible for navigating the vessel. These temporary personnel were even engaged in key tasks such as preparing repair lists for dry docking activities. Audit observed that shortage of floating staff had adversely impacted the key functions of the Institute in terms of preparation of drydocking list of repairs (Para No. 2.8.8.1(ii)).

Maintaining an adequate number of regular floating staff is crucial for conducting fishing survey voyages, as these roles require specific technical expertise. The persistent non-filling of these vacancies had a detrimental effect on the timeliness, efficiency, and technical quality of executing approved survey missions.

Response from the Institute was awaited.

(ii) Shortage of Non-Floating Staff at FSI Headquarters, Mumbai Base, and Mormugao Base

As per the directives issued by the Department of Expenditure (DoE) through Office Memorandum dated 12 April 2017, and subsequent reminders on 21 January 2020 and 03 June 2021, all Ministries and Departments, including their attached and subordinate offices, were instructed to take prompt and time-bound action to fill existing vacancies.

However, audit observations revealed significant shortfall in non-floating staff at the FSI Headquarters, Mumbai Base, and Mormugao Base. The extent of shortage is presented in **Table 2.16**.

Table 2.16: Staffing Position of Non-Floating Staff

Name of Unit	Sanctioned Strength	Existing Strength	Vacancy	Vacancy Per cent
FSI, HQ	60	38	22	36.66
Mumbai base	49	28	21	42.85
Mormugao base	50	26	24	48.00
Total	159	92	67	42.14

This substantial vacancy rate, averaging 42 *per cent* across the three units, has had a detrimental impact on the effective functioning of key operational areas (Para No. 2.8.7.2) and day to day functioning of the Institute.

In its reply (April 2024), the Institute attributed the staff shortages to several factors, including a ban on direct recruitment between 2001 and 2009, delays in receipt of amended Recruitment Rules, and the absence of a regular Director General from October 2013 to June 2021, which resulted in the stalling of Departmental Promotion Committee (DPC) meetings. Additionally, the non-acceptance of job offers by selected candidates further contributed to the shortage. The Institute also stated that proposals to fill the vacant posts had been forwarded to the Ministry, the Staff Selection Commission (SSC), and the Employment Exchange.

Given the impact on core functions, particularly in scientific and technical areas, the Institute is urged to proactively pursue recruitment measures to overcome these persistent staffing challenges. In a follow-up reply (October 2024), the Institute acknowledged the audit observations and assured that necessary compliance would be ensured.

Audit recommends that prompt action may be taken to fill vacancies in both technical and non-technical roles to support effective and uninterrupted operations.

2.8.9 In-effective Dissemination of Data

The Institute is entrusted with maintaining a comprehensive Data Bank and disseminating information related to fishery resources to end users. It also functions as a liaison between the State/Union Territories and the Ministry of Fisheries, Animal Husbandry and Dairying, Government of India, with regard to marine fish production and associated aspects. The data gathered is periodically re-validated to assess fishery resource potential and to provide informed advice on fishery management.

Effective dissemination of such information is crucial for enhancing the knowledge of fishermen, the fishing community, and other stakeholders about the availability of resources and suitable harvesting methods using appropriate technologies. A key aim of this initiative is to promote the sustainable exploitation of marine resources for the benefit of the fishing community, industry, and other end users.

The collected data is typically shared through various publications, including the *Resources Information Series (RIS)*, *Meena News*, charts, atlases, special publications, occasional papers, and bulletins. It is also disseminated *via* broadcasts on Akashwani (All India Radio) and telecasts on Doordarshan to cater to a broad audience of data users.

The RIS and *Meena News* were scheduled to be released quarterly. However, Audit noted that *Meena News* was not published at all during 2021-22 and 2022-23, and the RIS was published irregularly between 2018-19 and 2022-23 as tabulated in **Table 2.17**.

Table 2.17: Quarterly Publication of Reports

Sl. No.	Base Station	Numbers of RIS published					
		2018	2019	2020	2021	2022	2023
1.	Mumbai	0	0	0	0	0	0
2.	Mormugao	3	1	2	3	4	1
3.	Chennai	4	4	4	1	4	4
4.	Vishakhapatnam	3	4	2	4	4	4
5.	Port Blair	0	0	0	0	2	1
6.	Cochin	1	3	1	3	3	4
7.	Porbandar	0	0	0	0	0	0

Additionally, the Mumbai base did not release any RIS publications during this period. Consequently, critical information did not reach end users such as fishermen, fishing boat operators, and others engaged in fishing and related activities, hindering the efficient exploitation of fish stocks.

In response (July 2024), the Institute claimed that it had published reports regularly except in exceptional cases like vessel non-operation and disruptions caused by the COVID-19 pandemic. It also attributed the delay in *Meena News* publication at Headquarters to reliance on the Government press. The Institute stated that it was exploring the option of using a GeM-enrolled printing press to facilitate timely publication. It further mentioned that dissemination also took place *via* social media platforms like Twitter, Instagram, and Facebook.

However, the Institute's response is not fully acceptable. Despite the explanations, the core issues remained *viz.* data was not disseminated regularly, undermining efforts in the development, management, and conservation of fisheries. Furthermore, the claim about using social media for dissemination could not be verified due to the absence of details regarding the specific accounts used.

Audit recommends that a system for timely publication of reports including publication on website using accurate data by adopting uniform reporting formats may be introduced to promote clarity and transparency.

2.8.10 Deficiencies in financial management

There were significant lapses in adherence to the provisions of the General Financial Rules (GFR), directives issued by the Department of Personnel and Training (DoPT),

and specific conditions attached to project sanctions. These deficiencies in compliance had a direct and adverse impact on the Institute's financial governance. The irregular utilisation of allocated funds, incurrence of expenditures which did not deliver the intended outcomes, and the build-up of unavoidable outstanding payments collectively point to systemic inefficiencies. Moreover, delays in the disbursement of funds further compounded these issues. These financial mismanagement practices had operational consequences, including prolonged periods when vessels were idle or laid up, hampering the Institute's ability to execute its core responsibilities effectively, as elucidated below:

2.8.10.1 Irregular Expenditures and Sanction Violations

(i) Irregular Engagement and Compensation of Casual Workers without Sanction

(a) DoPT through its Office Memorandum dated 07 June 1988, clearly stipulated that casual workers and daily wage earners should not be engaged for work of a regular nature. Such appointments were to be limited to tasks that are casual, seasonal, intermittent, or of such a nature that they do not justify the creation of a regular post. Any deviation from these guidelines requires prior approval from both the Ministry of Finance and the DoPT. These instructions were reiterated in the Office Memoranda dated 13 February 2020 and 04 September 2019, emphasizing strict compliance with the provisions for engaging casual staff.

Audit scrutiny revealed that, in contravention of these guidelines, the Institute persistently engaged casual workers from the open market to man vessels in roles such as Skipper, Mate, Chief Engineer Grade I/II, Bosun, Oil Man, and Deckhand - positions which were regular in nature and should have been filled through sanctioned posts. This engagement of casual staff without requisite approvals was deemed irregular.

From 2018-19 to 2022-23, the Institute incurred substantial expenditures toward the wages of these casual workers - ₹ 4.42 crore at the Mumbai base and ₹ 4.63 crore at the Mormugao base, totalling ₹ 9.05 crore. A portion of this expenditure, amounting to ₹ 4.28 crore, was specifically incurred during the period April 2018 to October 2020 without obtaining administrative and financial sanction from the competent authority, as required under Rule 139(iii) of GFR. No evidence of *ex-post-facto* approval for these payments was provided for audit scrutiny, rendering the entire amount of ₹ 4.28 crore irregular.

The Mormugao base stated (January 2025) that expenditure details related to casual staff for the financial years 2020-21 and 2021-22 had been submitted to the Institute Headquarters for onward transmission to the Ministry. It also referred to a meeting held

on 11 November 2020 at the Institute Headquarters with the Chief Controller of Accounts (CCA), New Delhi, where it was advised to obtain proper financial and administrative approvals for manpower outsourcing. The base (Mormugao) stated that approvals were obtained since that meeting (from November 2020 onwards), however, no reply was furnished by the Mumbai base. The fact remained the same that no approval for the period from April 2018 to October 2020 was obtained from the Ministry.

(b) As per the DoPT OM dated 04 September 2019, casual workers performing duties comparable to regular employees may be compensated at 1/30th of the pay at the minimum of the relevant pay scale *plus* dearness allowance for a full day's work, but the payment of messing allowance is not permitted.

Audit findings revealed that an amount of ₹ 92.86 lakh was irregularly paid to casual workers onboard vessels as messing allowance, despite no provision for such payments under the DoPT guidelines. Of this, ₹ 77.08 lakh was paid by the Mormugao base between 2018-19 and 2022-23, and ₹ 15.78 lakh was paid by the Mumbai base between April 2018 and February 2020. Notably, records for the period from March 2020 to March 2023 at the Mumbai base were not made available to Audit. Hence, the total expenditure of ₹ 92.86 lakh on messing allowance was irregular.

The engagement of casual workers for regular duties, payment of wages without proper sanction, and irregular grant of messing allowance reflect serious lapses in administrative oversight and financial governance. Response from the Institute on the audit observations was awaited.

(ii) *Expenditure of ₹ 1.05 crore on Drydocking of Matsya Nireekshani without proper sanction*

The drydocking contract for the vessel *Matsya Nireekshani* was awarded to Cochin Shipyard Ltd (CSL) in February 2020. The work order clearly stipulated that any additional tasks identified during the surveyor's inspection or execution of the original repair list would require approval from FSI, Mumbai.

Audit scrutiny revealed that the Mumbai base made final payment of ₹ 3.85 crore for dry docking repairs. This amount included ₹ 1.05 crore for additional work, as quoted in CSL's quotation No. 100705 AC Rev dated 27 July 2020. However, no record of approval by the competent authority, for this additional expenditure, was made available to Audit. CSL had also flagged this issue to FSI, yet the payment was made regardless.

Therefore, the payment of ₹ 1.05 crore to CSL was irregular and made without approval of the competent authority.

Reply from the Institute was awaited.

2.8.11 Procedural lapses in procurement and execution

2.8.11.1 Non-adherence with Government e-Marketplace (GeM) procurement requirements

The Government e-Marketplace (GeM) was established as the National Public Procurement Portal under Rule 149 of GFR 2017, mandating all Ministries and Departments to procure common-use goods and services through this platform to ensure transparency, efficiency, and cost-effectiveness.

(i) Despite this clear directive, audit scrutiny revealed that both the Mumbai and Mormugao bases of the Institute procured dry docking services for their vessels amounting to ₹ 29.86 crore during the financial years 2018-19 to 2022-23, without utilizing the GeM platform. This direct procurement bypassed the mandatory process, constituting a clear violation of Rule 149.

(ii) Rules 201(ii) of the GFR 2017 provides that when the estimated value of non-consulting services exceeds ₹ 10 lakh, the procurement must be advertised on both the GeM and Central Public Procurement Portal (CPPP). Further, Rule 204 permits direct engagement in exceptional circumstances only when fully justified in writing and approved by the Competent Authority in consultation with the Financial Adviser. However, Audit found that casual staff services, including onboard vessel personnel, security staff, and housekeeping personnel, were engaged by both bases without following the procedures laid down in GFR. Moreover, no formal appointment orders were available on record detailing the contractual terms such as eligibility criteria, selection process, duration, remuneration, leave entitlements, or termination clauses. In its response (January 2025), the Mormugao base stated that suitable staff were not available through the open market, outsourcing agencies, or on the GeM platform during the relevant period. It also mentioned that, since both vessels were idle and awaiting dry docking repairs, casual onboard staff deployment had been discontinued from July 2023. The Mumbai base did not furnish the reply.

However, this justification is not acceptable in view of the fact that the Mumbai base had called for bids through GeM (August 2023) and received a very positive response.

These findings highlighted a systemic disregard for established procurement protocols, undermining transparency and financial accountability in service-acquisition. The inability to use GeM and to document exceptional circumstances appropriately not only

violated statutory rules but also raised concerns about the integrity of the procurement process and the efficiency of resource utilization within the Institute.

Audit recommends that a robust internal control mechanism may be established to ensure adherence to relevant DoPT directives and provisions of GFR.

2.8.11.2 Non-Functioning of the Porbandar Base Station

The Institute operates four bases on the West Coast - Cochin, Goa, Mumbai, and Porbandar.

Audit scrutiny revealed that the Porbandar base had not been assigned any vessel, and consequently, no surveys or operational activities were conducted from this station. As per the Institute's survey plans, the Gujarat coastline was being covered by the Mumbai base. Despite its non-operational status, an expenditure of ₹ 60.57 lakh was incurred during 2018-19 to 2022-23, primarily towards lease rent and employee-related costs.

In the Annual Review of Operational and Scientific Activities held on 24 July 2020, a committee recommended that the Porbandar base should either be strengthened to make it operational or be closed down. The current scenario, where the Institute is incurring significant expenses merely to safeguard assets of minimal value, is not considered to be in the public interest. However, a final decision on the matter remained pending.

In its replies (July 2024 and October 2024), the Institute stated that the Porbandar base had ceased functioning due to several administrative constraints, including inadequate staffing and insufficient local logistical support. It confirmed that no activities were currently being carried out at the base, with only one Multi-Tasking Staff (MTS) assigned to oversee the security of office documents and Government property. The Institute also informed the Ministry about the base's status and, in its later response, acknowledged the audit observation and assured that necessary compliance actions would be undertaken.

2.8.11.3 Furnishing of incorrect utilization certificates

The Ministry of Fisheries, Animal Husbandry and Dairying, through its letter dated 21 June 2022, granted administrative approval for the implementation of the project titled 'Marine Mammal Stock Assessment in India (MMSAI)'. The project was to be executed by the Institute in collaboration with the ICAR-Central Institute of Fishing Technology (ICAR-CIFT) and the Marine Products Export Development Authority-Network for Fish Quality Management and Sustainable Fishing (MPEDA-NETFISH),

under the Central Sector Scheme component of the Pradhan Mantri Matsya Sampada Yojana (PMMSY).

Subsequently, *via* letter dated 25 July 2022, the Ministry accorded an expenditure sanction amounting to ₹ 2.07 crore for the financial year 2022-23. The Institute was entrusted with the responsibility of utilizing the sanctioned funds in strict adherence to the terms and conditions laid out in the sanction. Audit noted a case of mis-reporting of utilisation certificate, discussed below:

(i) Misreporting in Utilization Certificate (UC) under MMSAI Scheme

An examination of the UCs submitted by FSI to the Ministry indicated discrepancies in fund usage reporting under the MMSAI scheme. As per the records, the collaborating institutions had utilized only ₹ 71.09 lakh out of the ₹ 114 lakh received. The remaining balance of ₹ 42.91 lakh was retained as cash in hand or held in bank accounts.

In accordance with the terms and conditions of the sanctioned order, any unspent balance was required to be returned to the Government account. However, the collaborating institutes did not comply and instead retained the unutilized funds. Despite this, FSI reported the entire ₹ 114 lakh as fully utilized, which constituted an irregularity.

In its response (February 2025), FSI stated that the collaborating agencies maintain dedicated project accounts where such balances are held.

This explanation is not tenable. The retention of ₹ 42.91 lakh by the collaborating agencies, despite not utilizing it within the sanctioned period, and the inability to refund the amount to the Government account is a violation of the financial terms of the sanction. Thus, the action of reporting the unspent funds as utilized is irregular.

The matter was referred to the Ministry of Fisheries, Animal Husbandry and Dairying in July 2024 and May 2025; its reply was awaited as of August 2025.

(IV) Ministry of Health and Family Welfare

Government Medical Store Depot, Mumbai

2.9 Avoidable and wasteful expenditure of ₹ 1.64 crore towards rent and security of unused Godown

Inability to take timely action to vacate and surrender the unused godown led to an avoidable and wasteful expenditure of ₹ 1.64 crore on rent and security for the unutilized premises.

As per Rule 26 (iv) of General Financial Rules 2017, the duties and responsibilities of a controlling officer in respect of funds placed at his disposal are to ensure that

adequate control mechanism is functioning in his Department for prevention, detection of errors and irregularities in the financial proceedings of his subordinate offices and to guard against waste and loss of public money.

The Government Medical Store Depot (GMSD) in Mumbai entered into a warehousing contract⁸⁸ with M/s DVB Warehousing Company in 1957, for a godown⁸⁹ intended to store medical supplies. In May 2012, GMSD raised concerns regarding the deteriorating and unsafe condition of the godown, requesting immediate repairs but M/s DVB Warehousing declined to undertake the repairs due to financial constraints. In August 2017, M/s DVB Warehousing issued a legal notice requesting for the vacation of the warehouse. The godown was used for the storage of old, damaged stores only since 2016-17, by GMSD. GMSD continued to deploy three security guards there till December 2024, though the goods stored in the godown were disposed of in December 2021⁹⁰. This was despite the fact that in 2017-18 GMSD had leased one godown at the State warehouse in Palghar and another godown at CWC, Navi Mumbai in 2020-21 for storing medical supplies.

As a result, there was an avoidable expenditure of ₹ 0.25 crore on rent for the unused godown from April 2017 to February 2019, and ₹ 1.39 crore on security staff salaries from April 2017 to December 2024, amounting to a total of ₹ 1.64 crore in wasteful expenditure. Further, GMSD is liable to pay ₹ 0.79 crore in rent for the period from March 2019 to December 2024.

On being pointed out, GMSD stated (January 2025) that the Medical store Organisation (MSO) in New Delhi decided in January 2025 that the Reay Road godown would be surrendered after obtaining legal opinions, statutory clearances from Government entities, and settling all dues (rent, taxes, *etc.*) to avoid future litigation.

In March 2025, GMSD stated that

- Regarding the expenditure incurred on rent from April 2016 to February 2019, the godown remained fully operational until 2021 for the storage of various public health commodities such as DDT, milk powder, bleaching power, syringes, cold chain equipment, spare parts, *etc.*, which were utilized during health emergencies such as plague, cholera and natural disasters including earthquakes, cyclones across India.

⁸⁸ Warehousing contract was entered into in April 1957 at ₹ 300 per day, with reimbursement for any increase in municipal taxes. The ground rent was revised by a Supreme Court judgment in January 2004: ₹ 6.33 per sq. mtr (Oct 1982-Mar 1994), ₹ 8.49 per sq. mtr from April 1, 1994, with four *per cent* annual increase thereafter.

⁸⁹ At Reay Road with a surface area of 42,000 sqft.

⁹⁰ Goods were disposed of for a nominal amount of ₹ 37 lakh.

- DVB had not raised any invoice for the use of the godown⁹¹, consequently, therefore the payment obligation of ₹ 0.79 crore did not exist.
- With regard to security expenses, GMSD referred to directions from Kalachauki Police Station (December 2023) mandating the deployment of security personnel to prevent mishaps or crimes at the site.
- Additionally, GMSD cited a meeting held in June 2024 with CPWD and the advisor, MSO, in which a decision was made to demolish the old warehouse and construct a new facility. However, the preliminary estimate of ₹ 96.82 crore for the new construction was rejected, and subsequent instructions in January 2025 directed the surrender of the said godown.

In April 2025, GMSD stated that the godown was fully in use till 2021 and as the Reay Road godown was dilapidated, State Godown in Palghar and CWC godown at Navi Mumbai were hired in 2017-18 and 2020-21 respectively. In addition, GMSD stated that it plays vital role in pandemic and biological disaster like situations, parting with such facility needs to be considered keeping in view of all the relevant factors and background of facts to handle the unforeseen biological disasters/situations, which took time for taking decision.

The reply furnished by GMSD is not tenable. The claim that the godown was fully functional until 2021 is contradicted by GMSD's own letter dated 04 January 2022 to MSO, New Delhi, informing that the warehouse was unfit for use due to severe structural damage (a collapsed roof and overall dangerous condition), and stating that the facility had not been in use since 2016-17. Additionally, while DVB may not have issued an invoice for the unpaid rent, GMSD remains contractually bound to fulfil its financial obligations as per the tenement agreement. The delay in the decision regarding vacation of the godown led to unnecessary expenditure of ₹ 1.64 crore on wages and security. Moreover, the State warehouse was operational since 2017-18 and CWC godown since 2020-21, hence the citing of a June 2024 meeting for new construction by GMSD at site of a rented godown does not stand to reason.

In conclusion, the unjustified delay in vacating the non-functional godown has resulted in avoidable and wasteful expenditure of ₹ 1.64 crore and a liability of ₹ 0.79 crore.

⁹¹ The Bombay Port Trust (BPT) had leased the land plot to DVB, which constructed a warehouse on that plot. DVB signed a warehousing contract with GMSD in 1957. However, as informed by GMSD in its reply (March 2025), BPT had withdrawn DVB's tenement agreement.

(V) Ministry of Home Affairs

Central Industrial Security Force

2.10 Blocking of funds amounting to ₹ 6.53 crore

Non-adherence by Central Industrial Security Force to the guidelines issued by Ministry of Home Affairs for acquisition of land resulted in non-possession of land and blocking of funds amounting ₹ 6.53 crore for more than nine years.

Guidelines issued⁹² by the Ministry of Home Affairs (Ministry) for acquisition of land by Central Armed Police Forces (CAPFs)⁹³ stipulates that the suitability of the land offered/ identified should be assessed by a Board of Officers (Board) headed by, at least, an Inspector General (IG) level Officer and having representation from concerned CAPF's Engineering Wing. The Board is required to ensure that the land is free from encumbrance and encroachment, and there is no dispute regarding ownership, in order to avoid unnecessary litigation and delays in land acquisition. Also, a boundary wall is to be constructed after taking possession of the land.

In August 2012, Central Industrial Security Force (CISF) requested the Ministry of Housing and Urban Affairs (MoHUA)⁹⁴ to allot 48 acres of land to meet the training and other infrastructural requirements of the CISF units/personnel deployed for the security of Delhi Metro Rail Corporation (DMRC) and *Samadhi Sthals*. MoHUA allotted (February 2016) 25 acres of land⁹⁵ at a cost of ₹ 6.53 crore to CISF. After CISF released (March 2016) ₹ 6.53 crore to MoHUA, the land was handed over (November 2016) to CISF after taking over the possession of land from Central Public Works Department (CPWD). Subsequently, the Ministry sanctioned (February 2020) ₹ 261.24 crore⁹⁶ for construction of infrastructure on that land for which CPWD was nominated as executing agency.

In July 2020, CPWD started the work of demarcation of land which was stopped due to obstructions by local villagers. CISF/CPWD took up the matter with State authorities⁹⁷ and during a meeting (May 2022) with District Magistrate (DM),

⁹² March 2009 and June 2015.

⁹³ CISF, CRPF, NSG, ITBP, Assam Rifles, SSB and BSF under administrative control of Ministry of Home Affairs.

⁹⁴ Then Ministry of Urban Development (MoUD).

⁹⁵ Kamla Nehru Nagar, Ghaziabad.

⁹⁶ ₹ 131.28 crore for non-residential infrastructure (Administrative Block, Mess, Barrack and 20 bedded hospitals and other relevant infrastructure) and ₹ 129.96 crore for residential infrastructure (construction of 610 Staff quarters).

⁹⁷ CISF took up the matter with State authorities including DGP UP (IGP range, Meerut and meetings with District magistrate and SSP Ghaziabad) to take necessary action against the erring persons and provide security to CPWD and maintain law and order on the said piece of land so that work can be carried out peacefully and swiftly *vide* its letters dated December 2020, May 2021 and August 2021.

Ghaziabad and representatives of local villagers, it came to the notice of CISF that the allotted land is under litigation as the villagers had filed (1992) a case in the High Court for enhanced compensation in respect of 957.60 acres of land of which the 25 acre allotted to CISF is a part. As various meetings with the local villagers did not bear any fruit, DM, Ghaziabad advised CPWD/CISF to wait for the disposal/finalisation of the court case. As this would result in delay, on the behest of CISF, Ministry took up (August 2022) the matter of allotment of alternate land in National Capital Region (NCR) in lieu of said 25 acres. An alternate land measuring 16.53 acres in Faridabad, was found suitable by CISF and the process of acquiring the same from MoHUA was under way (May 2025).

Audit observed that:

- a) CISF did not adhere to Ministry's guidelines on acquisition of land as there is no record of assessment of the said land, by a Board of Officers, prior to its acquisition. Such assessment was, *inter-alia*, meant to ensure that the land was free from encumbrance, encroachment and legal dispute regarding ownership of the land.
- b) CISF Headquarters had advised (March 2016) its concerned Unit to ensure the production of a non-encumbrance certificate⁹⁸ while taking possession of the land. Though the Unit requested (November 2016) MoHUA to provide a non-encumbrance certificate, however, it was intimated (December 2024 and May 2025) to the Audit that non-encumbrance certificate was not available as per the records of the Unit.
- c) CISF took possession (November 2016) of the land from MoHUA and CPWD on "as is where is basis". The handing over note mentions that all corners of the land demarcated by CPWD have been shown to the allottee (*i.e.*, CISF). On the other hand, Audit noted that CPWD started demarcation of land only in July 2020, which was subsequently stopped. Further, there was no record with CISF that measurement of land and construction of boundary wall (as per Guidelines) was ever undertaken.
- d) It was only in May 2022, after a lapse of nearly six years from allotment, it came to the notice of CISF that the land was under litigation since 1992.

Lack of due diligence and non-adherence to the guidelines for acquisition of land by CISF resulted in non-possession of land and blocking of funds amounting to ₹ 6.53 crore. Thus, the intended objective of providing necessary infrastructure to CISF personnel remains unfulfilled even after lapse of nine years from acquisition of land.

⁹⁸ A non-encumbrance certificate is a legal document that verifies a property is free of any legal or financial liabilities, such as mortgages, loans, or disputes.

CISF stated (March 2024 & May 2025) that MoHUA in spite of knowing about the court case, never intimated the same to CISF and handed over the land by concealing the fact. The suitability of land was not assessed by Board of Officers as the decision (of allotment of land) was taken during meeting (December 2015) under the Chairmanship of Additional Secretary (Urban Development). The process for identifying another suitable land was underway and the amount would be adjusted in the cost of the new land.

Audit acknowledges that non-disclosure of the encumbrance status of the land by MoHUA while allotting and handing over the same to CISF may have resulted in its non-possession. However, CISF's position on non-requirement of suitability assessment of the said land by a Board is not in spirit of the *ibid* guidelines. Incurring expenditure without due diligence and taking over land without measurement, demarcation of boundaries, and securing non-encumbrance certificate indicates weak internal controls in CISF's land acquisition process.

The matter was referred to the Ministry of Home Affairs in April 2025; its reply was awaited as of August 2025.

Audit recommends that the guidelines for acquisition of land issued by Ministry of Home Affairs should be scrupulously followed to avoid acquisition of land under litigation and other types of encumbrances, and consequential delays in use of the land for the intended purpose.

Central Armed Police Forces

2.11 Non-deduction of Professional Tax by the CAPFs

Non-compliance to the provisions of Professional Tax Act applicable in States (Assam, Kerala, Madhya Pradesh, Punjab, Telangana and Tripura) by the Central Armed Police Force units resulted in non-deduction of professional tax amounting to ₹ 26.40 crore from the salary of the employees serving in CAPF.

Article 276 of the Constitution of India stated that:

Notwithstanding anything in Article 246, no law of the Legislature of a State relating to taxes for benefit of the State or of a Municipality, District Board, Local Board, or other Local Authority, therein in respect of professions, trades, callings or employments shall be invalid on the ground that it relates to a tax on income. The total amount payable in respect of any one person to the State or to any one municipality, district board, local board or other local authority in the State by way of taxes on professions, trades, callings and employments shall not exceed two thousand and five

hundred rupees per annum. The power of the Legislature of a State to make laws as aforesaid with respect to taxes on professions, trades, callings and employments shall not be construed as limiting in any way the power of Parliament to make laws with respect to taxes on income accruing from or arising out of professions, trades, callings and employments.

Audit noted that in six states, the Professional Tax Acts⁹⁹, provided that the professional tax should be deducted by the employer as per the rule and applicable rates from the salary of the employees serving in the respective States or Union Territory and also required it to be deposited in the exchequer of the respective State Government.

Audit further noted that the Central Armed Police Force (CAPF) units *i.e.*, Border Security Force (BSF), Indo Tibetan Border Police (ITBP), Central Reserve Police Force (CRPF), Rapid Action Force (RAF), Sashastra Seema Bal (SSB) and Central Industrial Security Force (CISF) did not deduct Professional Tax from the salary of its personnel's serving in the State of Madhya Pradesh, Assam, Tripura, Telangana, Punjab and Kerala, wherein Professional Tax was applicable. Thus, there was violation of legislative provisions related to respective Acts applicable in the respective States and resulted in non- deduction of Professional Tax amounting to ₹ 26.40 crore for periods ranging from April 2017 to March 2025 (**Annexure-2.17**).

On being pointed out, replies of the CAPF's units to the Audit observations are summarized below:

- BSF, ITBP and CRPF units located in Madhya Pradesh stated that the issue had already been taken up with the Government of Madhya Pradesh to look into the matter and get the Central Armed Police Force (CAPF) personnel's serving in the State of M.P to be exempted from paying Professional Tax. Further, it was also stated that till date no intimation with regard to exemption of Professional Tax has been received in their office and any outcome on the subject matter from the authority concerned would be intimated to Audit.
- CISF units located in Kerala stated that the no notice from the relevant authority imposing tax was received. Also stated that the Professional Tax was not deducted from the salaries of CISF personnel, however, the same would be

⁹⁹ Section 3 and 4 of the Madhya Pradesh Professional Tax Act, 1995; Section 245 and 251 (4) & (8) of the Kerala Municipality Act, 1994; Section 3 and 9 of the Assam Professions, Trade, Callings and Employments Taxation Act, 1947; Section 3 and 4 of the Tripura Professions, Trade, Callings and Employments Taxation Act, 1997; Section 4 and 5 of the Telangana Tax on Professions, Trade, Callings and Employments Act, 1987; and Section 4(3) of Punjab State Development Tax Act, 2018 .

deducted from the salaries from the next financial year on the receipt of instructions from higher authority.

- BSF units located in Tripura, stated that the Chapter-II of Gazette of India issued from Ministry of Law, GoI dated 02 September 1968, which establishes the BSF as an armed force of the Union responsible for securing India's borders. The battalion contended that since BSF personnel in Tripura are engaged in national security duties, they should be exempt from Professional Tax.
- SSB unit located in Assam stated that the Section 5 (A) of the Assam Professions, Trades, Callings and Employment Taxations Act, 1947, which states that the provisions of Professional Tax shall not apply to a member of the Armed Forces. The reply of SSB is not acceptable, as the Assam Government's circular (September 2016) clearly stated that the BSF, SSB and other CAPFs personnel posted in Assam are paramilitary forces and as there is no exemption given to such personnel by way of notification, therefore they are liable to pay Professional Tax under the Assam Act 1947.
- CRPF units located in Telangana stated that the case was already taken up with the State of Telangana and erstwhile Andhra Pradesh to get the CRPF personnel's deployed in the State of Telangana to be exempted from paying Professional Tax. They were, however, yet to receive such exemption as of October 2024.
- BSF units located in Punjab stated that the Professional Tax is not being deducted and deposited from the BSF personnel, however, the matter regarding deduction of development tax the case will be moved to BSF Headquarters to approach to the appropriate authorities of Government to exempt BSF troops from such tax.

The replies/justification provided by the CAPF units are not acceptable, as there are legislative provisions related to Professional Tax applicable in the States of Assam, Kerala, Madhya Pradesh, Punjab, Telangana and Tripura which mandates payment of Professional Tax by the personnel serving in the respective States. There is neither exemption in the legislation in respect of the CAPF personnel of the units nor any specific instruction issued by the State Governments for exempting the levying of Professional Tax, as issued by the Maharashtra and Karnataka State Government.

The para was issued to the Ministry of Home Affairs in July 2025, its reply was awaited as of October 2025.

Audit recommends that the Ministry of Home Affairs may undertake a review in all CAPFs to ensure that Professional Tax is either being deducted from the salary of employees, wherever, there is a provision or take up the matter of exemption with the respective State Governments.

Sashastra Seema Bal (SSB), 36 Battalion, Geyzing, Sikkim**2.12 Excess payment of Special Compensatory (Remote Locality) Allowance (SCRLA) of ₹ 3.18 crore**

SSB 36 BN paid Special Compensatory (Remote Locality) Allowance (SCRLA) to its employees at higher rate in contravention of the provisions of Ministry of Finance OM, resulting in excess payment of ₹ 3.18 crore.

The Ministry of Finance, Department of Expenditure *vide* Office Memorandum (OM)¹⁰⁰ dated 29 August 2008 prescribed rates of Special Compensatory (Remote Locality) Allowance (SCRLA) for Central Government employees serving in different states and Union Territories based on recommendations of 6th Central Pay Commission (CPC). The admissible rates of SCRLA were listed under Part A, B, C and D of this OM. The rates of this allowance were to increase automatically by 25 *per cent* whenever the Dearness Allowance (DA) on revised pay structure went up by 50 *per cent*.

Further, as per recommendations of 7th Central Pay Commission, the Ministry issued separate orders for grant of Special Duty Allowance (SDA) and SCRLA *vide* OM¹⁰¹ dated 18 July 2017 and 19 July 2017 respectively for the Central Government employees serving in the North Eastern Region and Ladakh. As the Allowance of SCRLA was subsumed in Tough Location Allowance (TLA), it was prescribed that Tough Location Allowance shall not be admissible along with SDA. However, employees were given the option for continuing SCRLA at the old rates of 6th CPC, wherever it was admissible, along with SDA at the revised rate of 10 *per cent* of Basic Pay.

36 Battalion, Sashastra Seema Bal (SSB), Geyzing, Sikkim, a Central Government organisation under the administrative control of the Ministry of Home Affairs, is located in the Northeast Region, *i.e.*, Geyzing, Sikkim¹⁰². Hence, as per the orders dated 18 July 2017 and 19 July 2017, the employees of this Battalion are eligible for grant of Special Compensatory (Remote Locality) Allowance (SCRLA) at old rates of 6th CPC along with Special Duty Allowance at revised rate of 10 *per cent* of Basic pay.

However, scrutiny of pay bill data along with related records for the period from March 2019 to February 2024 revealed that the employees of this Battalion were paid Special Compensatory (Remote Locality) Allowance at rate of ₹ 4,875/- per month for

¹⁰⁰ No. 3(1)/2008-E II(B) dated 29 August 2008.

¹⁰¹ No. 11/1/2017-E II(B) dated 18 July 2017 and No. 3/1/2017-E II(B) dated 19 July 2017.

¹⁰² Areas of Sikkim are included in Part 'A' as per Department of Expenditure' OMs, for grant of SCLRA.

employees in Level-09 and above and at ₹ 3,750/- per month for employees in Level-08 & below along with SDA at revised rate of 10 per cent of Basic Pay.

As per para 4.6.5 of the Report of the Committee on Allowances dated 27 April 2017, employees of the Battalion were entitled to get SCLRA at old rates of 6th CPC only i.e., ₹ 3900/- per month¹⁰³ for Level-9 and above and ₹ 3000/- per month¹⁰⁴ for Level-08 & below along with SDA at revised rate of 10 per cent of Basic Pay.

36 Battalion, SSB in its reply (February 2025) stated that they have accepted the observation and reduced SCRLA to ₹ 3,900/- per month for level-9 and above and ₹ 3000/- per month for level 08 w. e. f. April 2024.

Thus, granting of SCRLA at higher rates than the admissible rates led to excess payment of ₹ 3.18 crore as detailed in the **Annexure-2.18**.

The audit observation was issued to the Ministry of Home Affairs in February 2025; its reply was awaited as of August 2025.

Audit recommends that the Ministry may carry out a comprehensive review of such irregular payments and take corrective action.

(VI) Ministry of Social Justice and Empowerment

2.13 Pre-Matric and Post-Matric Scholarship Schemes for Students belonging to Scheduled Castes

The Pre-Matric and Post-Matric Scholarship Schemes for students belonging to Scheduled Castes are Centrally Sponsored Schemes being implemented by the Ministry of Social Justice and Empowerment to provide financial support to parents of SC students to address social and economic inequalities and to promote educational inclusion. During 2017-18 to 2023-24, Government of India and States/UTs spent ₹ 5,037.83 crore for awarding scholarship to 181.45 lakh Pre-Matric students and ₹ 47,840.58 crore for 348.09 lakh Post-Matric students.

An audit of the implementation of these scholarship schemes revealed various shortcomings and instances of deviations from guidelines in implementation such as:

- Delay in disbursement and non-disbursement of scholarships due to operational constraints; (Para 2.13.4.1 and 2.13.4.2)

¹⁰³ As per circular dated 01 September 2008, rate of SCLRA for G.Os=2600+650+650 (25 per cent increase as DA crossed 50 per cent on 01 January 2011 and 100 per cent on 01 July 2014).

¹⁰⁴ As per circular dated 01 September 2008, rate of SCLRA for G.Os = 2000+500+500 (25 per cent increase as DA crossed 50 per cent on 01 January 2011 and 100 per cent on 01 July 2014).

- Selection of beneficiaries without considering the income and caste criteria, payment of scholarship multiple times to beneficiaries, scholarships paid to students not enrolled in schools/institutions, *etc.* (Para 2.13.4.3, 2.13.4.4, 2.13.4.5, and 2.13.4.6)
- Excess payment of scholarship to beneficiaries, payment of maintenance allowance at higher rate, irregular scholarship benefits to management quota students. (Para 2.13.4.9, 2.13.4.10, 2.13.4.11)

After issue of initial audit observations during the field audit and draft report to the Ministry, the Ministry (February 2025) stated that it has taken measures to improve the efficiency of implementation of the schemes by using DBT mode with Aadhaar Payment Bridge System (APBS) effective from 2021-22 in case of Post-Matric Scholarship Scheme and from 2022-23 in case of Pre-Matric Scholarship Scheme for release of central share, prescribing timelines for verification and processing of applications, integration with databases such as NSP, PFMS, UIDAI and NPCI to ensure proper checks, *etc.*

While the Ministry has acknowledged the audit observations and initiated preliminary corrective measures, it remains imperative for the Ministry, given its role as the policy owner and nodal implementation agency, to establish a robust oversight mechanism to ensure strict adherence to the revised scheme guidelines. In addition, sustained and systematic monitoring of the performance and compliance of state-level functionaries is essential to ensure effective implementation and accountability.

2.13.1 Introduction

Article 46 of the Constitution of India enjoins the State to promote educational and economic interests of Scheduled Castes, Scheduled Tribes and Weaker Sections. This entails special care of the educational and economic interests of the weaker sections of the society, including the Scheduled Castes (SCs).

The Ministry of Social Justice & Empowerment (Ministry) implements the Pre-Matric and Post-Matric Scholarship Schemes with the objective to support parents of SC children studying in classes IX and X and to provide financial assistance to the students studying at Post-matriculation or Post-Secondary stage, respectively. The scholarships cover tuition fees, hostel fees, books and other educational expenses. The salient features of the Scheme Guidelines¹⁰⁵ of Pre & Post-Matric Scholarship have been given in **Annexure-2.19**. The schemes being Centrally Sponsored Schemes, the Ministry is the nodal agency for the overall policy, planning and coordination of these

¹⁰⁵ Audit referred to the scheme guidelines of July 2012, September 2017 and September 2019 for Pre-Matric Scholarship Scheme, and the scheme guidelines for the years April 2018, December 2020 for Post-Matric Scholarship Schemes.

schemes while the implementation of these schemes lies with the States/Union Territories (UTs).

During 2017-18 to 2023-24, GoI and the states/UTs spent ₹ 5,037.83 crore¹⁰⁶ for scholarship to 181.45 lakh Pre-Matric students and ₹ 47,840.58 crore¹⁰⁷ for scholarships to 348.09 lakh Post-Matric students, the details of which are given in **Annexure-2.20 (A) and (B)**.

2.13.2 Audit of Pre-Matric and Post-Matric Scholarship Schemes

Audit has been conducted in stages. Initially, relevant scheme data for the years 2017-18 to 2019-20 was obtained from the Ministry and analysed. The findings of the data analysis were shared with the Ministry *vide* Management Letter (June 2021). Subsequently, field audit was conducted to verify red-flagged areas identified during data analysis. The field audit covered the period from 2017-18 to 2020-21 in 24 States and five UTs. Figures available at the level of the Ministry have been updated till 2023-24, and incorporated in this report.

A sample was selected for detailed field audit after factoring findings of data analysis and giving weightage of SC population as a size measure in the sample. The sample was drawn from 24 States and five UTs¹⁰⁸. For the purpose of auditing Pre-Matric Scholarship Scheme, 27,461 applications in 1,602 institutes/schools were selected. Similarly, 29,680 applications in 1,657 institutes/colleges were examined in audit for Post-Matric Scholarship Scheme.

Audit focused on areas of planning, financial management and implementation of these schemes in accordance with the scheme guidelines and adherence to General Financial Rules. Audit scope, methodology and sampling method was shared with the Ministry during entry meeting (21 October 2021). Summary of major audit findings were discussed with the Ministry in exit meeting held on 27 April 2023. The replies from the Ministry and the states/UTs (May 2023, October 2023 and February 2025) have been suitably incorporated in the audit observations.

2.13.3 Measures taken by the Ministry

The Ministry (February 2025) stated that it has taken measures to improve the efficiency of implementation of the schemes as summarised below:

- Central Share is now being released through DBT mode with Aadhaar Payment Bridge System (APBS) effective from 2021-22 in case of Post-Matric

¹⁰⁶ The amounts included ₹ 2325.79 crore of as Central Government contribution to the schemes.

¹⁰⁷ The amounts included ₹ 27908.71 crore of Post-Matric as Central Government contribution to the schemes.

¹⁰⁸ 155 districts under Pre-Matric and 159 districts under Post-Matric Scholarship Scheme.

Scholarship Scheme and from 2022-23 in case of Pre-Matric Scholarship Scheme.

- Timelines for verification and processing of applications have been incorporated in the revised Scheme Guidelines¹⁰⁹.
- Central Share under both the Schemes is now released after receiving the finally verified State share paid data on the National Scholarship Portal (NSP).
- State Government portals are integrated with databases such as NSP, PFMS, UIDAI and NPCI to ensure that proper checks are available for identification of eligible beneficiaries. Regular checks in the form of de-duplication *etc.*, are performed to ensure that no duplication takes place.
- State Governments/UTs have been advised to integrate with portals such as DigiLocker, API Setu to ensure timely document verification.

Further, states/UTs have also taken corrective measures to streamline the scheme implementation processes, development of portals & integration thereof with NSP, recovery of irregularly claimed scholarship, *etc.*

2.13.4 Audit findings

During the field audit, records related to both the schemes at test-checked schools, institutes, districts, and States/UTs (as detailed in **Annexure-2.21**) were examined and as result, audit came across various irregularities in the implementation of the scheme. The major findings along with action taken by the Department concerned on the audit observations (wherever available), are presented in the succeeding paragraphs.

2.13.4.1 Delay in disbursement of scholarship

Since the primary objective of the schemes is to provide financial assistance to the students of SC community whose parents may not be able to pay fee for their education, it was necessary that the application processing was completed in a time bound manner and payment of scholarship made expeditiously within the academic year.

On test check of records, Audit noticed that 10.87 lakh beneficiaries pertaining to 12 States/UTs¹¹⁰ under Pre-Matric Scholarship Scheme were disbursed scholarship after the completion of the academic year, with a delay ranging from one to 48 months.

¹⁰⁹ The Scheme Guidelines of Pre-Matric Scholarship Scheme was revised in March 2022 and made applicable from 2021-22 to 2025-26. In the revised Guidelines, several issues *viz.* timelines for verification of application and disbursement of scholarship, development of State Portal, grievance redressal system, monitoring & evaluation, *etc.*, identified during audit have been addressed.

¹¹⁰ Bihar, Himachal Pradesh, Maharashtra, Manipur, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Chandigarh, Delhi, Jammu & Kashmir, Puducherry.

Similarly, 29.88 lakh beneficiaries under Post-Matric Scholarship Scheme were paid scholarship with a delay ranging from one to 89 months after the academic year in 14 States/UTs¹¹¹. Details have been given in **Annexure-2.22 (A)** and **(B)**.

The reasons for the time gap/delay, as stated by the Ministry and the States/UTs are as follows:

- The educational calendar and timely availability of budget varies from state to state. A common reason for delay in verification and processing of applications has been due to non-alignment of academic year with the financial year that led to spill-over of cases to the subsequent years. In addition, the portal opening and closing dates vary across different NSP non-boarded states and NSP on-boarded States/UTs.
- Defects in applications submitted by the students as well as delay in receipt of application at the district offices (Gujarat, Jammu & Kashmir).
- Checking of applications and payment of scholarship was a time taking process (Gujarat).
- Delay in checking and verification of applications by Administrative Departments (Delhi).
- Delay in release of funds to the implementing offices at various levels due to non-release of relevant central share by State Finance Department (Maharashtra).
- Non-availability of central assistance (Chandigarh, Jammu & Kashmir).

Ministry (February 2025) stated that in the last revision of the Scheme Guidelines¹¹², specific timelines have been prescribed and States are being requested to adhere to them. Further, States/UTs have stated that efforts/measures were being taken for timely payment of scholarship to the students.

However, Audit noted the delays continued even after the corrective measures taken by the Ministry. As per the Information provided by the Ministry, only 59 per cent of the total sanctioned students for the year 2023-24 were paid scholarships during that year. Similarly, in respect of the Post-Matric Scholarship, only 48.8 per cent the total sanctioned students for the year 2023-24 were paid scholarships during that year¹¹³ indicating that the time gap/delay persists. Hence, there is a need to devise a mechanism to ensure timely disbursement of scholarships.

¹¹¹ Andhra Pradesh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Manipur, Odisha, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Chandigarh, Delhi, Jammu & Kashmir.

¹¹² March 2022 for Pre-Matric Scholarship Scheme and March 2021 for Post-Matric Scholarship Scheme.

¹¹³ Pre- Matric: During 2023-24, out of 21,29,540 students sanctioned, only 12,56,506 students were paid scholarships. In respect of Post-Matric, out of 47,38,578 students sanctioned, only 23,12,760 students were paid scholarships.

2.13.4.2 Non-disbursal of scholarship to Students

As per the Schemes Guidelines, State Governments/UT Administrations were required to ensure timely and regular disbursal of scholarships to students through Bank/Post office accounts. In order to ensure timely and regular, preferably monthly basis, disbursal of the scholarship by the State/UT, Ministry too was required to release Central assistance in time to the States/UTs and avoid arrear payment in general course.

Audit observed that in 11 States/UT¹¹⁴, scholarship of ₹ 33.29 crore to 2.52 lakh students were not disbursed under Pre-Matric Scholarship Schemes and under Post-Matric Scholarship Scheme, scholarship amounting to ₹ 54.79 crore was not disbursed to 1.06 lakh beneficiaries in nine States/UTs¹¹⁵. The major reasons for non-disbursal of scholarships were attributed to delay in verification of applications on National Scholarship Portal (NSP), non-generation of token on NSP, parking of funds in the bank accounts of executing Department, non-provisioning of sufficient budget by the State Government, non-release State/Central share, transaction failures, issues faced by staff while using PFMS/ EBT portals, etc. Details are discussed in **Annexure-2.23 (A) and (B)**.

Audit recommends that the Ministry needs to set up a robust oversight mechanism to ensure strict adherence to the revised scheme guidelines. This will enhance overall financial management and, in turn, improve the effectiveness of the scholarship schemes, in achieving their objectives.

2.13.4.3 Selection of beneficiaries without scrutiny of income eligibility

As per Scheme Guidelines, scholarship was to be paid to such students who belong to Scheduled Castes category and the income of parents/guardian of the students should not exceed ₹ 2.50 lakh per annum. Employed parents/guardians should obtain consolidated certificate from Revenue Officer for any additional source of income.

Audit observed that in 2,928 cases of 14 States/UTs¹¹⁶ under Pre-Matric and in 2,707 cases of 11 States/UTs¹¹⁷ under Post-Matric Scholarship Scheme, instances of parents' income exceeding the eligible criteria viz. ₹ 2.50 lakh per annum, Income Certificates

¹¹⁴ Andhra Pradesh, Bihar, Himachal Pradesh, Jammu & Kashmir, Kerala, Manipur, Odisha, Punjab, Tamil Nadu, Tripura and West Bengal.

¹¹⁵ Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Manipur, Odisha, Punjab and West Bengal.

¹¹⁶ Bihar, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Chandigarh, Delhi, Jammu & Kashmir, Puducherry.

¹¹⁷ Bihar, Gujarat, Himachal Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Tripura, Chandigarh, Jammu & Kashmir.

not issued by the competent authorities, documents related to income not submitted, parents being Government Servants or employees of Public Sector Undertakings (PSUs), parents having higher income as verified from ITR return etc., were noticed. Details have been given in **Annexure-2.24**.

- *In reply, in Gujarat, the Department concerned stated (May 2024) that recovery of scholarship would be made if the students were found ineligible.*
- *In Tamil Nadu, the Department concerned stated (August 2022) that scholarship had been sanctioned based on the income certificate provided by the Revenue Department. However, it will take appropriate action to recover the scholarship claimed by providing incorrect certificate.*
- *In Maharashtra, the Department concerned stated (July 2024) that Pre-Matric scholarship disbursed to one student having income exceeding the limit had been recovered in January 2023, while in respect of other cases where scholarship was disbursed without income certificate or invalid income certificate, Block Level Education Officers/ Taluka Mulshis are taking action to verify the income certificates. With respect to Post-Matric Scholarship, the Department informed (January 2023) that the issue would be checked.*
- *In Uttar Pradesh, the Department concerned stated (May 2024) that reports have been sought from the concerned districts. It also stated that currently income and caste matching were being done through e-district portal.*

2.13.4.4 Selection of beneficiaries without scrutiny of caste criteria

Audit observed that in 6,089 cases of eight States/UTs under Pre-Matric Scholarship Scheme and 190 cases pertaining to six states/UTs of Post-Matric Scholarship Scheme, either the requisite caste certificates were not submitted/attached or scholarships were disbursed to non-SC category students without verifying the caste certificates. The following table has the details in **Table 2.18**.

Table 2.18: Deficiencies noticed in Caste Certificates

State	No of cases (Pre-Matric)	No of cases (Post-Matric)	Audit Observation and Remarks/Reply of the State
Bihar	29	49	The cases related to non-SC students being granted scholarships. The Department concerned stated that report will be sought from the concerned district authorities.
Gujarat	445	05	Audit found that the certificates were not found attached with the applications. The Department concerned informed (May 2024) that the

State	No of cases (Pre-Matric)	No of cases (Post-Matric)	Audit Observation and Remarks/Reply of the State
			applications would be reviewed, and recovery of scholarship would be made if the students were found ineligible. Furthermore, with effect from 2021-22, uploading of caste certificate along with the scholarship application has been made mandatory.
Himachal Pradesh	03	--	Audit found that the caste certificates were not found attached with the applications. The Department stated that the students have been asked to supply the caste certificates.
Jammu & Kashmir	5461	--	Audit found that in case of 5,452 students, payment of ₹ 1.26 crore was made without obtaining requisite documents for caste/income, and in case of 9 cases, students belonging to General and OBC category were paid ₹ 0.21 lakh. The Department concerned stated that it sanctioned scholarships to the students on the basis of list forwarded and recommended by the concerned Zonal Education Officers/ Chief Education Officers without stressing for Income Certificates/Caste Certificates as it is difficult to get the required certificated issued from the concerned Tehsildars.
Kerala	34	--	Audit found that caste certificates were not attached to the applications. The Department stated (May 2024) that beneficiaries are now being selected after verifying income certificate and caste certificates, and they are being validated through Aadhaar authentication.
Madhya Pradesh	--	41	The cases related to payment of scholarships to students belonging to other than SC categories.
Maharashtra	03	--	The cases related to payment to students belonging to non-SC category. The State Government informed (July 2024) that the school has deposited the amount paid to ineligible students.
Odisha	29	29	Audit found that required documents were not attached to the students' applications.
Punjab	85	--	The required documents were not attached. The State Government stated that instructions have

State	No of cases (Pre-Matric)	No of cases (Post-Matric)	Audit Observation and Remarks/Reply of the State
			been issued to all the District Education Officers to take care of the audit objection in future.
Uttar Pradesh	--	64	In 60 cases ¹¹⁸ , a single caste certificate was used by two or more applicants for availing scholarships. Four students used another person's caste certificate. The Department stated (May 2024) that reports have been sought from the concerned districts, and, currently, income and caste matching are done through e-district portal.
Chandigarh	--	02	Caste Certificates were not issued by competent authorities. The UT stated (May 2024) that in future, requisite certificate signed by the competent authority will be considered for availing of the benefit under this scheme.
Total	6,089	190	

The State Governments also informed that they have now been using online portals¹¹⁹ for the implementation of scholarship schemes, which would eliminate the lacunae noticed in offline implementation. These portals would integrate income certificates, caste certificates, board results, caste validity etc.

The Ministry stated (February 2025) that instructions had been issued to the State Governments/UTs to ensure integration of their portals with AISHE/UDISE¹²⁰ to ensure appropriate verifications instantaneously. Further, in several meetings of Ministry of Electronics & IT, DBT Mission, State Governments/UTs have been advised to bring integration with portals such as DigiLocker, API setu to ensure seamless verification of documents of beneficiaries in a time bound manner. The central share is disbursed through DBT through Aadhaar Payment Bridge System (APBS). This has resulted in weeding out ineligible/dummy/incomplete forms of beneficiaries over the years. The protocols as prescribed by PFMS, NSP, NPCI, etc., are being followed by the State Governments/UTs in the implementation of the scheme guidelines. Due to online processes, the systems have stabilized over the years and the number of dummy applications/incomplete applications has been controlled.

¹¹⁸ Ambedkar Nagar, Barabanki, Jaunpur and Meerut.

¹¹⁹ Maharashtra: Unified Maha DBT portal; Punjab: NSP; Tamil Nadu: Unified Scholarship Portal, West Bengal: Aadhaar based e-KYC system, Jammu & Kashmir: NSP.

¹²⁰ AISHE: All India Survey on Higher Education); UDISE: Unified District Information System for Educations.

While the Ministry's efforts are commendable, strengthening verification mechanisms through regular inspections and evaluations is essential to identify and rectify discrepancies.

2.13.4.5 Beneficiaries availed scholarship multiple times

It was observed that 8,562 beneficiaries pertaining to six States/UTs¹²¹ under Pre-Matric Scholarship Scheme and 5,347 beneficiaries pertaining to nine States/UT¹²² under Post-Matric Scholarship Scheme availed scholarship benefit of ₹ 203.28 lakh and ₹ 586.94 lakh respectively, within the scheme or other schemes multiple times in violation of the Scheme Guidelines. These multiple scholarships claims fell in the categories of (i) multiple claims within the same scheme, (ii) claims under multiple central schemes and (iii) claims made under both Central and State Government schemes. Details are given in **Annexure-2.25 (A)** and **(B)**.

Ministry replied (February 2025) that an ecosystem has been evolved by National Scholarship Portal (NSP) in conjunction with PFMS, DBT Mission, NPCI, UIDAI for technical integration of all scholarship databases. The processes have been stabilized in such a way that there is end-to-end automatic transmission of information. Regular checks/ de-duplication are performed to ensure that no duplication takes place.

2.13.4.6 Payments made to students not enrolled in schools/institutions

Audit observed that in 71 beneficiaries of Pre-Matric Scholarship Scheme were paid scholarships of ₹ 1.88 lakh and 4,396 beneficiaries of Post-Matric Scholarship Scheme, scholarships of ₹ 29.98 crore were disbursed to students who were not enrolled in schools/institutions. Details are as given in **Table 2.19**.

Table 2.19: Payments made to students not enrolled in schools/institutions

Name of State	No. of Students	Amount involved (₹ in lakh)	Remarks
Pre-Matric Scholarship			
Assam	17	1.06	Students did not belong to the schools/institutions, as informed/confirmed from the school authorities. State Government stated that an enquiry was conducted and the students have been asked to refund the amount.

¹²¹ Chhattisgarh, Gujarat, Kerala, Madhya Pradesh, Odisha, and Jammu & Kashmir.

¹²² Chhattisgarh, Himachal Pradesh, Haryana, Jammu & Kashmir, Odisha, Puducherry, Rajasthan, Uttar Pradesh, and West Bengal.

Name of State	No. of Students	Amount involved (₹ in lakh)	Remarks
Bihar	51	0.74	Beneficiaries who were not enrolled in 11 schools/institutions in six districts were paid scholarships.
Odisha	03	0.08	In Angul District, check of records of Panchayat High School Badasada revealed that three students who were not on the rolls of the school were paid scholarship.
Total	71	1.88	
Post-Matric Scholarship			
Bihar	29	2.02	Check of records in six institutes of five districts revealed that 29 students who were not enrolled in the institutions were paid scholarships. However, the institution as well as the District Nodal Office verified/approved these applications without due diligence.
Haryana	1690	1380.00	Name and Aadhaar number of beneficiaries in the records of the Department concerned did not match with the beneficiaries' name and Aadhaar number in the bank payment records.
	759	-	Payments of scholarship were made to students whose Aadhaar numbers were not matching with the beneficiaries' Aadhaar number.
	170	199.00	In DWO, Fatehabad, payments were made to students of an University in Amroha, Uttar Pradesh in respect of Veterinary and Livestock Development Assistant course, without verifying the availability of such course at the University. On checking with the University, the Registrar of the University stated to the Audit (July 2022) that no such students were registered with the University.
Himachal Pradesh	50	28.12	Payments were made to beneficiaries who were ineligible due to non-continuance of course, submitting forged mark sheets, and re-claiming already passed course, <i>etc.</i>
Madhya Pradesh	20	38.77	While making the payment of scholarship during July 2016 and August 2020, the list of payees attached with bills for payment of scholarship amount was fudged by the concerned officials of the office of Assistance Commissioner, Tribal Welfare (ACTW), Bhopal by increasing the total number of students and correspondingly increasing the total payable scholarship amount. Subsequently, in the e-payment list uploaded on Integrated Financial Management and Information System (IFMIS),

Name of State	No. of Students	Amount involved (₹ in lakh)	Remarks
			<p>new/imaginary names with corresponding amounts and other details were added.</p> <p><i>The State Government informed (September 2024) that ₹ 38.77 lakh has been recovered and deposited in Government Account and First Information Report (FIR) has been registered against the concerned officials.</i></p>
Odisha	1,007	1100.25	<p>In Angul and Ganjam districts, there were two¹²³ cases where payment of scholarship to students who were not even enrolled with the institute, was made.</p> <p>Further, in Angul, Jajpur and Khurdha districts, 990 beneficiaries were paid scholarship of ₹ 10.98 crore using 477 bank account numbers. The same bank account was being used by more than one beneficiaries. But the beneficiaries' names varied across the years and payment was made to the same bank account despite the beneficiaries reported as belonging to same or different institutes. Physical verification of one bank account¹²⁴ of Jajpur district was done and it was found that the account holder was one particular student, but the payments of ₹ 1.20 lakh was made to two different students.</p> <p>In an Institute of Industrial Training in Jajpur district, as against five students registered for the ITI course during 2020-21, 20 students were paid scholarships for the year. Thus, there was irregular payment of ₹ 2.25 lakh to 15 beneficiaries who were claimed to have been students.</p>
Telangana	11	1.10	<p>Scholarships were transferred to the bank accounts that were not in the name of beneficiaries. This was done by altering bank account numbers and names, Aadhaar details <i>etc.</i> In two cases, the bank account was operated in the name of the Institution. The State Government informed (May 2024) that the issue has been inquired and the College Management had remitted the amount of ₹ 99,600 in respect of nine students.</p>
West Bengal	660	248.87	<p>(i) 83 beneficiaries pertaining to two institutions were paid scholarship of ₹ 14.87 lakh, however,</p>

¹²³ Basanta Ku Benera of Science degree college, Hinjiliput, Ganjam district and Dukhbandhu Naik of Winners' College of Management, Angul.

¹²⁴ Bank Account No.50100083270717 and IFSC Code: HDFC0000706, HDFC Chorda Branch, Jajpur.

Name of State	No. of Students	Amount involved (₹ in lakh)	Remarks
			scrutiny of the institutes' records revealed that the students were not enrolled in the institutions, as also confirmed by the institute authorities. <i>The concerned District Authority informed (May 2022) that notices have been issued to the concerned institutions.</i> (ii) During 2017-18 to 2020-21, Post-Matric scholarship was given to students for B.Tech and BE (IT) Engineering degree courses although they were shown studying in institutions which were not offering such courses. This resulted in inadmissible award of scholarship to 577 beneficiaries involving ₹ 2.34 crore pertaining to 135 Institutions. <i>The State Government stated (June 2024) that suitable steps have been taken by the concerned Project Officers.</i>
Total	4,396	2998.13	

2.13.4.7 Scholarship disbursed to students of non-recognized institutes under Post Matric Scholarship Scheme

As per the Scheme Guidelines, scholarships will be given for study of all recognized Post-Matriculation or Post-Secondary Courses (Intermediate/Senior Secondary, Diploma, Graduate, Post Graduates Courses, etc.) pursued in recognized Institutes, Universities and College having AISHE/ UDISE code.

Test-check during field audit revealed a few instances of disbursement of Post-Matric scholarship to the students belonging to non-recognized institutes/colleges, as indicated in **Table 2.20**.

Table 2.20: Scholarship disbursed to students of non-recognized Institutes

State	Institute concerned	No. of beneficiaries	Scholarship amount (₹ in lakh)	Nature of deficiency in the Institution
Haryana	Shri Bhagat Singh College of Education for Women, Radaur	04	1.90	No AISHE code
Himachal Pradesh	NIELIT Centre, Chamba	164	50.15	Non-recognized institute
Jharkhand	Satyanand Bhokta Inter College, Unta	03	0.24	Blacklisted institute
Jammu & Kashmir	Narsing Dev Institute of Medical Sciences, Udhampur	17	2.87	No AISHE code
Maharashtra	Akola College of Journalism & Social Work, Akola	27	2.87	Students belonged to non-affiliated courses
Total		215	58.03	

2.13.4.8 Short payment of scholarship to beneficiaries

Audit observed that short payment of scholarship aggregating ₹ 7.62 crore was made to 3.95 lakh beneficiaries of Pre-Matric Scholarship Scheme at lesser rates in four States/UT and short payment of ₹ 17.76 lakh to 377 beneficiaries under Post-Matric Scheme in two States were made as detailed in **Annexure-2.26**.

2.13.4.9 Excess payment of scholarship to beneficiaries

The Pre-Matric Scholarship amounting to ₹ 2.78 lakh was disbursed to 224 beneficiaries of two States in excess of the admissible rates. Similarly, under Post-Matric Scholarship Scheme, excess payment of ₹ 19.98 crore was made to 1.30 lakh beneficiaries of eight States. Details have been given in **Annexure-2.27**.

Case Studies

Haryana: Department of Medical Education and Research (DMER) fixed fee for General Nursing and Midwifery (GNM) and Auxiliary Nursing Midwifery (ANM) courses at ₹ 0.63 lakh for first year and ₹ 0.46 lakh for second and third year (July 2013). However, Audit noted that no system was evolved to restrict the fee in the second and third years as fixed by DMER, and as a result, an excess payment of ₹ 46.72 lakh was made to 334 students of these courses of different Institutes of Fatehabad District during 2015-18.

Jharkhand: An analysis of e-Kalyan database of Post-Matric Scholarship for the period 2017-18 to 2019-20 showed that scholarship of ₹ 1.02 crore was paid to 2,486 students in excess of fee prescribed by the State Government. The irregularity was verified during field audit, wherein 20 cases in seven institutes in four test-checked districts received excess scholarship amounting to ₹ 0.37 lakh.

Odisha: An analysis of the PRERANA and OSSP database of Post-Matric Scholarship, and payment details submitted by the Departments and DWOs in test checked districts revealed that 339 students of 25 sampled institutes left their courses midway during 2017-21 without completing their course. However, these students were paid scholarship aggregating ₹ 1.42 crore even after discontinuing of courses.

2.13.4.10 Disbursement of maintenance allowance at higher rates to day scholars (Post-Matric Scholarship)

As per the scheme guidelines of Post-Matric Scholarship Scheme, the value of scholarship, including maintenance allowance, is higher for hostellers when compared to the day scholars.

Test check revealed that in six States/UT maintenance allowance was paid at higher rate, on account of day scholars being paid at rates for hostellers, payment of 12 months instead of 10 months, payments made to students at rates for hostellers despite

unavailability of hostels, etc. This resulted in excess payment of ₹ 8.00 crore to 1.66 lakh beneficiaries, as detailed in **Annexure-2.28**.

2.13.4.11 Irregular scholarship benefits to management quota students (Post-Matric Scholarship)

As per Scheme Guidelines 2018, the fees claimed against management quota seats, spot admission seat in any Institution/University will not be reimbursed.

Test check during field audit revealed the following instances of extending scholarship benefits to SC students getting admission under management quota:

- **Gujarat:** One management quota student of an Ayurvedic College at Rajkot during the academic year 2018-19 was paid scholarship of ₹ 8.79 lakh.
- **Himachal Pradesh:** The Department reimbursed fee of ₹ 2.89 lakh under the management quota for two beneficiaries of Himalayan Institute of Nursing, Ambala, Haryana. Further, during 2018-20 Himalayan Nursing School claimed and got reimbursement of scholarship fees in respect of nine beneficiaries of General Nursing and Midwifery (GNM) course selected under management quota seats aggregating ₹ 5.60 lakh.

The above cited cases highlight the irregularities in implementation of the schemes on account of deficient control environments and as a result, the performance of the schemes are sub-optimal, depriving the genuine beneficiaries.

Audit recommends that the Ministry may request the states/UTs to establish a systematic monitoring of state-level functionaries to ensure effective implementation and accountability. It may also put in use digital verification systems to cross-verify student data with educational institutions and income/caste certificates. Further, the Ministry may address the irregularities pointed out in the Audit and ensure accountability.

(VII) Ministry of Tribal Affairs

2.14 Pre-Matric and Post-Matric Scholarship Schemes for Students belonging to Scheduled Tribes

Pre-Matric and Post-Matric Scholarship schemes for students belonging to Scheduled Tribes are Centrally Sponsored Schemes implemented by the Ministry of Tribal Affairs, aimed at providing financial assistance to low-income families to support their children's education. During the period 2017-2024, the Ministry spent ₹ 2,354.51 crore for awarding scholarship to 87.10 lakh Pre-Matric students and ₹ 13,695.74 crore to 151.66 lakh Post-Matric students belonging to Scheduled Tribes.

An audit of the operations of these scholarship schemes taken up for the period 2017–2021 revealed several systemic weaknesses in implementation. These included absence of defined timelines for processing of students' applications, lack of defined role prescribed for the nodal officers at institutes, district and states, ambiguities in scheme guidelines relating to the funding pattern, a lack of structured mechanisms for the release of Central Assistance, and deficiencies in monitoring and grievance redressal.

Following the communication of initial audit observations during November 2021 to March 2022, the Ministry revised the scheme guidelines to incorporate specific provisions aimed at mitigating the risks identified during the audit. These were: roles prescribed for stakeholders, defined timelines for processing of applications, defined procedures for claiming and release of central assistance, monitoring and grievance redressal. The Ministry has also communicated the audit recommendations to all implementing States and Union Territories, directing them to ensure compliance accordingly.

The remedial actions proposed by the Ministry to improve the efficiency of disbursement of scholarships are noteworthy. However, certain issues remain unresolved and continue to warrant further attention.

This para discusses the key audit concerns identified, and the actions taken by the Ministry and the States/UTs in response to these concerns, and the residual matters requiring further action, which are as follows:

(i) Planning and Financial Management:

- Ministry is yet to revise annual parental income ceiling to reflect inflation, resulting in a potential mismatch between eligibility criteria and current economic trends under Post-Matric Scholarship Scheme (Para 2.14.3.1).
- While the schemes are intended to provide timely, regular, and preferably monthly financial support to low-income students, audit findings revealed instances of delayed disbursements and scholarships being released as arrears. The problem continued despite the implementation of the Single Nodal Account (SNA) mechanism, which had been proposed by the Ministry as a remedial measure (Para 2.14.3.2).
- Funds released for the implementation of the schemes remained unutilized for extended periods due to operational shortcomings, such as unrealistic initial demand projections by States, poor inter-departmental coordination at the state level, implementation challenges, and the Ministry's inability to effectively identify and address these issues. Audit also noticed case where the interest earned on scheme funds was not remitted into Consolidated Fund of India. (Para 2.14.3.3).

(ii) Implementation Issues: Audit also came across several instances where scholarships were disbursed to ineligible beneficiaries or calculated

incorrectly, primarily due to inadequate scrutiny by field-level functionaries. Some of the key irregularities included:

- Award of scholarships to students whose parental income exceeded the prescribed threshold limit. (Para 2.14.4.1);
- Selection of students without valid income certificates (Para 2.14.4.2);
- Acceptance of applications with inconsistencies in Scheduled Tribe (ST) certificates (Para 2.14.4.3);
- Granting of benefits multiple times for the same class/ course (Para 2.14.4.4);
- Disbursement of scholarships at the hosteller's rate to day scholars and vice versa (Para 2.14.4.5);
- Payment of fees at rates differing from the approved fee structure under Post-Matric Scholarship Scheme (Para 2.14.4.6);
- Incorrect computation of Maintenance Allowance under the Post-Matric Scholarship Scheme (Para 2.14.4.7).

Although the Ministry has acknowledged the audit observations and initiated preliminary corrective measures, it remains imperative for the Ministry given its role as the policy owner and nodal implementation agency to establish a robust oversight mechanism to ensure strict adherence to the revised scheme guidelines. In addition, sustained and systematic monitoring of the performance and compliance of state-level functionaries is essential to ensure effective implementation and accountability.

2.14.1 Background

The Pre-Matric and Post-Matric Scholarship Schemes for students belonging to Scheduled Tribes (ST) are Centrally Sponsored Schemes implemented by Ministry of Tribal Affairs (hereinafter referred to as Ministry) to grant scholarship to eligible ST students. These schemes primarily function with the objective of supporting students belonging to Scheduled Tribes to provide them with better chance of progressing in education.

The expenditure on the Schemes is shared between the Central Government and the State Governments/UTs¹²⁵. The broad framework for implementation of these schemes at State level are provided in the implementation guidelines¹²⁶ issued by the Ministry. Salient features of these guidelines are given in **Annexure-2.29**.

¹²⁵ In the ratio of 75:25 between Centre and States/UTs with legislature, 90:10 for the North-Eastern States and Hilly States it is shared in 100 *per cent* Central Grant for UTs without legislature.

¹²⁶ Scheme implementation guidelines were issued in 2012 for Pre-Matric Scholarship Scheme and in 2010 for Post-Matric Scholarship Scheme. The revised guidelines of the Ministry for Pre-Matric Scholarship Scheme was effective for the period 2021-26 and for the Post-Matric Scholarship Scheme was effective from 01-04-2022.

The Ministry oversees the implementation of these Schemes and various State Departments such as Social Welfare, Tribal Welfare and Education Department at the State level are responsible for implementation of the Schemes.

2.14.2 Audit of Pre-Matric and Post-Matric scholarship schemes

During the period 2017-24, Government of India spent ₹ 2,354.51 crore for awarding scholarship to 87.10 lakh Pre-Matric students and ₹ 13,695.74 crore for awarding scholarship to 151.66 lakh Post-Matric students belonging to Scheduled Tribes (Detailed in **Annexure-2.30**). The Audit of the Schemes was taken up to assess the performance of the Schemes and focussed on the areas of planning, financial management, and implementation of these schemes.

To identify scheme implementation risks, relevant Scheme data for the years 2017-18 to 2019-20 obtained from the Ministry and all implementing States/UTs was analysed and red-flagged areas emerging from this were shared with the Ministry *vide* Management Letter (July 2021). Sample¹²⁷ for field audit was drawn after duly factoring red-flagged areas identified during data analysis (State-wide sampling details are given in **Annexure-2.31**). Audit scope, Audit methodology and sampling methodology was shared with the Ministry during Entry Conference held on 26 October 2021. Major audit findings were discussed with the Ministry during the Exit Conference held on 09 May 2023. Financial and performance data, and the status of action taken on the audit observations has been updated till 2023-24, to the extent possible.

The audit findings along with Ministry's reply (March 2025) and action taken by the concerned states on the audit observations, wherever available, are detailed in succeeding paragraphs. Also, the major amendments made in the revised guidelines vis-à-vis the earlier guideline are mapped in **Annexure-2.32**.

Audit Findings

2.14.3 Shortcomings in Planning and Financial Management

During test-check of records, Audit came across several issues in planning and financial aspects, such as non-revision of annual parental income ceiling, delay in release of funds, underutilization of funds, and non-compliance with guidelines, which hindered the smooth running of the schemes, as discussed below:

¹²⁷ Pre-Matric Scholarship Scheme (sample of 26,529 applications in 1,419 institutes was drawn from 143 districts in 24 States and five UTs). For Post-Matric Scholarship Scheme (sample of 30,867 applications in 1,522 institutes was drawn from 152 districts in 25 States and five UTs).

2.14.3.1 Non-revision of annual parental income ceiling under Post-Matric Scholarship Scheme

The ceiling on annual parental income for eligibility under Post-Matric Scholarship Scheme was revised from ₹ 2.00 lakh to ₹ 2.50 lakh (w.e.f. the academic session 2013-14, to be effective from 01 April 2013). Revision order *inter-alia* envisaged that income ceiling should be revised once in every two years by linking it with the Consumer Price Index for industrial workers (CPI – IW).

Audit noted that the annual parental income ceiling was not revised after April 2013. Analysis of CPI – IW index revealed that value of CPI – IW index was 226 as on 01.04.2013, (effective date for last revision) which increased to 338 on August 2020 (as per base year 2001 = 100), *i.e.*, about 50 *per cent* increase. Though the effect of inflation on eligibility criteria was recognized by the Ministry, action to timely revise the income ceiling was not taken.

The Ministry stated (May, 2023) that group of Ministers has been constituted to examine the matter for the rationalization of Schemes and income limits under Pre-Matric and Post-Matric Scholarship Schemes.

However, the revision in income limits is yet to be made, as of March 2025.

2.14.3.2 Delay in release of funds

As per Para 16.2 of the Pre-Matric Scheme guideline, States are expected to ensure timely and regular, preferably on a monthly basis, disbursement of scholarship to students. Pending release of Central assistance, the scholarship would be expected to be paid out of the State budget, against which reimbursement could be claimed. In order to ensure this by the States/UTs, Ministry too was required to release Central assistance in a timely manner and avoid arrears payment.

However, an analysis of sanction orders issued by the Ministry revealed that during 2017-21, a significant portion of year-wise funds released under Pre-Matric Scholarship Scheme (49-97 *per cent*, averaging 73 *per cent*) and under Post-Matric Scholarship Scheme (59-70 *per cent*, averaging 66 *per cent*) comprised of arrears from previous years as detailed in **Annexure-2.33**.

In response, the Ministry stated (April/May, 2023) that a new procedure of release of funds under Centrally Sponsored Schemes through Single Nodal Account (SNA) is now being followed¹²⁸ as per instructions of Department of Expenditure (DoE) which enables monitoring of the fund released. However, during a check of the compliance

¹²⁸ Since April 2022.

of the above response, it was seen that the arrears continued to be 57 *per cent* in case of Pre-Matric Scheme 61 *per cent* in case of Post-Matric Scheme of the funds released during the year 2023-24.

2.14.3.3 Unutilised Funds and non-remission of interest earned on Grant into CFI

GFR provisions related to grants-in-aid for Centrally Sponsored Schemes require that before releasing funds, Ministry should ensure that the State have the capacity to actually spend the balance from the previous years and the releases during the current year.

Besides, all interests or other earnings on grants-in-aid or advances (other than reimbursement) released to any grantee institution should be mandatorily remitted to the Consolidated Fund of India (CFI) immediately after finalization of the accounts¹²⁹. Such advances should not be allowed to be adjusted against future releases.

Audit came across instances of funds remaining unutilised for long periods due to various operational reasons *viz.* mis-assessment of Ministry about funds utilisation capacity of States/UTs while making releases, lack of co-ordination between State Departments, inability to release funds due to procedural delays. There were also instances of non-remission of interest earned into CFI on grants-in-aid and funds lying unutilised for long periods with implementing the Departments/agencies, as detailed in the succeeding paragraphs:

- (i) **Andaman & Nicobar Islands:** Out of ₹ 12.33 lakh received in August 2020 for the Pre-Matric Scholarship Scheme, ₹ 8.37 lakh remained unspent and was utilised only in January 2022, after a delay of 18 months. The implementing authorities attributed the delay to inability to link or on boarding the PFMS (Public Financial Management System) software.

During the period 01 February 2021 to 30 April 2022, ₹ 0.34 lakh was earned as interest. The Department concerned stated (May 2024) that the interest has been deposited in the Government Account.

Similarly, Audit noted that ₹ 13.29 lakh received in August 2020 for Post-Matric scholarship scheme was lying in the bank account till January 2022 as the funds could not be disbursed due to inability of the Department concerned to integrate NSP with PFMS.

¹²⁹ Rule 230 (8) of GFR 2017.

Additionally, interest earnings amounting to ₹ 0.35 lakh accrued during the period from 25 March 2021 to 30 April 2022 were not deposited into the Consolidated Fund of India (CFI). Upon being pointed out, the Department concerned stated (May 2024) that the interest amount has since been deposited into the Government Account.

- (ii) **Arunachal Pradesh:** Audit noted that ₹ 2.18 crore released in October 2013 for Pre-Matric Scholarship Scheme remained unutilised for a long period, due to lack of oversight and coordination within the State Departments. As of June 2021, the State had an unutilized balance of ₹ 1.17 crore.

On being pointed out, the Ministry stated (August 2022) that they are constantly trying to improve the implementation of Scheme by regular follow-up with the State.

Further, it was observed that ₹ 0.94 lakh accrued as interest from unspent fund during March 2021 to June 2022, was lying in the scheme account and was not remitted to the CFI. The Department concerned in its reply (August 2022) assured to deposit the money into the CFI.

- (iii) **Assam:** Out of ₹ 3.21 crore released in March 2017 for the year 2016-17 for Pre-Matric scholarship scheme, ₹ 2.03 crore was spent during 2017-18, no expenditure was incurred during 2018-19 due to problems faced in migration to online payment through NSP. This resulted in the balance of ₹ 1.18 crore remaining unutilized for 24 months. Since the unspent balance was drawn from the treasury and kept in State nodal account, interest was not earned on central assistance/unspent fund.

Bihar: Audit observed that SC and ST welfare Department of Bihar received ₹ 71.31 crore as Central Assistance during the year 2019-20 for **Pre-Matric Scholarship Scheme** for ST beneficiaries. However, it released ₹ 7.05 crore for 2019-20, ₹ 8.05 crore for 2020-21 to the implementing Department *i.e.*, Education Department and ₹ 56.21 crore remained unutilized.

On this being pointed out, the Department stated (December 2022) that ₹ 48.16 crore has been deposited in CFI after releasing ₹ 8.05 crore for 2021-22. This shows that initial demand was based on unrealistic projections resulting in funds remaining idle for long.

Further, it was observed that Education Department was having a single account for Pre-Matric scholarship schemes of both ST and SC students where unspent fund of ₹ 126.18 crore including interest amount of ₹ 8.90 crore was lying since November, 2019. The interest earned was not segregated for the concerned scheme and not transferred to the CFI.

On this being pointed out, the Education Department stated that action would be taken for transfer of the interest amount into concerned head

Similarly, in case of **Post-Matric Scholarship Scheme**, Audit observed that out of ₹ 5.00 crore received by the implementing Agency, BEPC, Patna in May 2018 for disbursing Scholarship to ST students for the year 2018-19, ₹ 4.72 crore was disbursed and balance ₹ 0.28 crore was lying unspent.

The Department concerned stated (July 2022) that BEPC has been directed to transfer the balance amount in designated account for Post-Matric Scholarship Scheme.

Moreover, the State kept the funds pertaining to both Post-Matric for SCs and for STs in a single bank account jointly, leading to difficulty in segregation of funds.

On this being pointed out, the Department concerned stated that action would be taken for transfer of the interest amount into concerned head on *pro-rata* basis.

- (iv) **Himachal Pradesh:** In case of Post-Matric Scholarship Scheme, the Department had unspent balance ₹ 35.29 crore at the close of year 2020-21. The unspent balance was due to non-verification/finalization of scholarship claims received in the portal.

The Department concerned stated that amount was released on the basis of estimated proposal which was more than actual requirement. Further, very less number of students applied due to new portal NSP and COVID.

It was further noted that a single account for Centrally Sponsored and State Sponsored Scholarship Schemes was being operated during the period 2017-18. Details of interest accrued on each scheme were not available separately with the Department. As a result, the share of interest (Central and State wise) of respective scheme could not be ascertained.

Even after opening of separate accounts for each scheme during 2018-19, Central Share of interest earned was not separated by the Department. The total interest of ₹ 1.86 lakh (Pre-Matric Scholarship Scheme) and ₹ 7.15 crore (Post-Matric Scholarship Scheme) accrued on the total fund (Central and State share) was deposited into State Treasury and not into CFI.

The Department stated (August 2024) that no such instruction was received from the Ministry for depositing interest on central portion into CFI. However, with the provision of SNA from the year 2021-22 onwards, interest earned on central share is regularly deposited into CFI.

- (v) **Jammu & Kashmir:** The Department had unspent balance ₹ 9.12 Crore in respect of Post-Matric Scholarship Scheme during 2017-21. On being pointed

out, the Department stated that funds could not be utilized either due to shortfall in receipt of applications or mismatch in banking details resulting in accumulation of huge unspent balance.

A separate account was maintained by the Department for scholarship schemes and ₹ 1.34 crore was earned as interest during the period 2017-21. The Department concerned stated (May 2024) that unspent balance including interest of ₹ 5.05 crore was transferred to SNA of the administrative Department in February 2023.

- (vi) Ladakh:** In Post-Matric Scholarship Scheme, unutilized funds of state share were surrendered at the end of the year but unspent balance of central share at the end of the year was got revalidated from the administrative Department for utilization in the next financial year.

Due to invalid account numbers of the student during 2017-19 and non-clearance of student's applications at NSP level from 2019-20 onwards, the payment files could not be generated for disbursement of scholarship amount in favour of the eligible students, as a result funds remained unspent during these years. At the end of 2020-21, unutilised amount was ₹ 7.38 crore. The same was utilized in the subsequent year. Further, it was noted that ₹ 0.80 lakh earned as interest during the period 2020-21 was not remitted to CFI.

- (vii) Maharashtra:** ₹ 2.51 crore received in February 2013 for Pre-Matric Scholarship Scheme remained unutilized for over nine years. The State Government was running its own scheme for Pre-Matric scholarship, and not implemented the central scheme.

After being pointed out by Audit, State Government surrendered the fund in September 2022. It was further noted that no interest was accounted for the unspent fund.

- (viii) Nagaland:** Significant unspent balances persisted for years. Central share of ₹ 8.51 crore under Pre-Matric Scholarship Scheme was released to the State in December 2015 for the year 2015-16. The unspent balances (including state share) of ₹ 9.46 crore at the end of 2015-16, ₹ 5.24 crore at the end of 2016-17 and ₹ 2.82 crore at the end of 2017-18 remained unutilised. These funds could be fully utilised only by the end of 2018-19.

Ministry acknowledged that the first release of ₹ 8.51 crore was based on higher projected number of beneficiaries.

Further, it was seen that the Department maintained Current Account during 2017-18 and 2018-19. The fund for the year 2019-20 and 2020-21 was released in the SNA in 2021-22. An amount of ₹ 0.26 lakh had accrued as interest.

The Department stated (May 2024) that it had remitted interest earned till date.

(ix) **Sikkim:** In Pre-Matric Scholarship Scheme, unspent balance ranging between ₹ 7.34 lakh and ₹ 10.47 lakh were lying with Department in Saving bank Accounts.

Interest amounting to ₹ 1.09 lakh was accumulated for the period from 2017-21. However, same were not remitted to the CFI.

The Department stated (November 2022) that the interest earned has been later utilized for the disbursement of scholarship to the student when the Central and State did not provide the funds.

Interest amounting to ₹ 20.15 lakh was accumulated for the period from 2017-21 in the saving bank accounts maintained by the Department for disbursement of Post-Matric scholarship, However, same was not remitted to the CFI.

Further, it was noticed that the Departments concerned in **Karnataka** and **Meghalaya** kept funds in Current accounts, and thus, no interest was earned during implementation process.

In **Tamil Nadu**, funds were kept in common account for both Pre-Matric and Post-Matric Scholarship Scheme, and interest of ₹ 1.06 crore was remitted to the State Government. The portion of the accrued interest attributable to central share was not remitted to CFI.

On being pointed out, the State replied that necessary steps will be taken to obtain separate head of account for payment of interest accrued through Central Government funds.

Ministry stated (April/May 2023) that after adoption of new procedure for release of funds under CSS, the interest amount accrued on the SNA will be transferred to the CFI by the States/UTs, and therefore, there will be no loss of interest.

While it is agreed that the new procedure help in smooth flow of funds, however, the underlying factors for funds remaining unutilised, such as improper projection of annual demands by the states, technical glitches in NSP and online portals, delays in processing of applications and lack of coordination between Central and State

Governments need to be recognised and remedial actions be taken for better effectiveness of the scheme.

2.14.3.4 Submission of Utilisation Certificates

GFR provisions¹³⁰ mandate submission of Utilization Certificates (UCs) within twelve months of the closure of the financial year for non-recurring grants, and subsequent year grants for recurring grants require UCs of grants for the previous year. Exceptions exist for reimbursement-based grants supported by audited accounts. Audit found instances of submission of incorrect UCs by several states:

- (i) **Himachal Pradesh** submitted UCs of ₹ 47.89 crore for Post-Matric Scholarship Scheme, but actual spending as per state records was ₹ 36.29 crore.

State authorities stated that delays in verification led to funds not being disbursed in time. To avoid lapse of budget, funds were drawn and UCs were submitted to meet requirements for next year's funding.

- (ii) **Meghalaya** submitted UCs of ₹ 37.50 lakh against actual disbursement of ₹ 19.41 lakh under Pre-Matric Scholarship Scheme and UCs of ₹ 58.64 crore against actual disbursement of ₹ 28.13 crore under Post-Matric Scholarship Scheme.

State authorities stated that UCs were submitted treating the entire received fund as expenditure to ensure timely sanction for the following year.

- (iii) In **Bihar**, Audit observed that the Department concerned had sent UCs for ₹ 173.14 lakh and UCs for ₹ 53.25 lakh, in respect of Pre-Matric and Post-Matric Scholarship Scheme respectively, to the Ministry without obtaining the actual expenditure of fund from the Education Department/implementing agencies.

On this being pointed out, the Department stated that grants were considered as utilized when they are sanctioned by the Department and accordingly UCs were prepared and sent to the Ministry.

The above instances highlight deficiencies in the reporting of fund utilisation, which hinder the presentation of a true and fair view of actual expenditure. Incorrect reporting of UCs may lead to misuse or non-utilization of funds, ultimately impacting the effective delivery of benefits to the intended beneficiaries.

¹³⁰ Rule 238 (1), (2) & (3)

2.14.3.5 Diversion of funds in Madhya Pradesh under Post-Matric Scholarship Scheme

As per Rule 239 of GFR 2017, grants-in-aid to State Governments must be used only for their sanctioned purpose. Further, the Scheme guidelines prohibits the utilization of financial assistance for any purpose other than the one intended.

The audit revealed diversion of funds allocated for the Post Matric Scholarship Scheme for STs in **Madhya Pradesh**. In Alirajpur district, ₹ 1.27 crore and in Mandla district, ₹ 29.05 lakh meant for the Scheme was diverted to other programmes like *Awas Sahayta Yojna*, and scholarships for SC students (2017-21).

On being pointed out, Government authorities in **Madhya Pradesh** stated (September 2024) that the payments for SC scholarships and Awas Sahayta Yojna for ST students were made from the Scholarship Scheme for ST funds due to budget shortages.

The above systemic issues with respect to release and utilization of funds not only goes against the objective of providing timely support to parents of needy tribal students, but also burdens exchequer due to parking of funds.

Ministry stated (March 2025) that taking into account the audit observations, the guidelines have been revised and instructions have been issued for strict compliance. The revised guidelines contain annual implementation timelines and procedures to be followed by the States for release of central assistance.

Audit recommends that the Ministry needs to strengthen financial management of the Scholarship Schemes by leveraging technology tools for real-time monitoring. The Ministry also need to instruct the States/UTs to take remedial action on all cases pointed out by the Audit.

2.14.4 Shortcomings in implementation of the Schemes

During test-check of 26,529 applications of Pre-Matric Scholarship Scheme and 30,867 applications of Post-Matric Scholarship Scheme and the database maintained by the Nodal Agencies at different levels, Audit came across several discrepancies in the implementation of the scheme. State wise details are given in **Annexure-2.31**. The findings of the sample are indicated in the subsequent paras.

2.14.4.1 Award of scholarships to students whose parental income exceeded the prescribed threshold limit

Audit findings revealed that scholarships were granted to students whose parents'/guardians' income exceeded the prescribed threshold limit¹³¹.

131 (₹2.00 lakh till 2019-20, later ₹ 2.50 lakh *per annum* in respect of Pre-Matric Scholarship and ₹ 2.50 lakh *per annum* in respect of Post-Matric Scholarship).

During the analysis of overall scholarship data in **Chhattisgarh** revealed that in case of 589 students pertaining to Post-Matric Scholarship, ₹ 45.02 lakh was granted despite their parents' income being above the threshold. Further test checks of records revealed that, under the Pre-Matric Scholarship Scheme in **Tripura**, six beneficiaries received an amount of ₹ 0.20 lakh though their parental income exceeded the prescribed limit. For the Post-Matric Scholarship Scheme, similar cases were noticed in **Arunachal Pradesh** (22 students, ₹ 6.00 lakh), **Odisha** (three students, ₹ 0.76 lakh) and **Tripura** (three students, ₹ 0.63 lakh).

In reply, Government authorities in **Chhattisgarh** stated that it has initiated recoveries from ineligible students. **Tripura** and **Odisha** Governments stated that measures to ensure stricter compliance will be initiated. **Arunachal Pradesh** attributed issues to technical glitches in NSP application and stated that it has conveyed the Ministry for necessary action in this regard.

Non-compliance to the basic eligibility requirement goes against objective of providing financial assistance to needy ST students.

2.14.4.2 Selection of students without valid income certificate

As per the guidelines for both the Pre-Matric and Post-Matric Scholarship Schemes, scholarship applications must include; (i) An income declaration by the self-employed parents/guardians, stating definite income from all sources by way of an affidavit on non-judicial stamp paper or (ii) Employed parents/guardians are required to obtain income certificate from their employer and for any additional income from other sources, they would furnish declaration by way of an affidavit on non-judicial stamp paper.

Field audit findings revealed that 3,267 students across seven States/UTs¹³² received scholarship under the Pre-Matric Scholarship Scheme, though their applications were not supported by income certificates or income -proof. Similarly, for the Post-Matric Scholarship Scheme, scholarship was awarded to 1,126 students across six States/UTs¹³³ without the necessary income documentation.

In reply, Government authorities in the States of **Jammu & Kashmir, Ladakh, and Uttarakhand** stated that matter will be examined. In **Tripura**, the State Government stated that institutions will be instructed to verify the authenticity of students'

¹³² Jammu & Kashmir (633 Students), Kerala (421 Students), Madhya Pradesh (934 Students), Odisha (73 Students), Tamil Nadu (1160 Students), Tripura (6 Students) and Uttarakhand (40 Students).

¹³³ Jammu & Kashmir (343 Students), Ladakh (15 Students), Odisha (26 Students), Tamil Nadu (723 Students), Tripura (3 Students) and Uttarakhand (16 Students).

documents and retain them for future inspections. In **Kerala**, the State Government stated that it has issued strict directives for district officers to upload income certificates of scholarship applicants on the e-grantz portal. The State Government of **Odisha** stated that it has relaxed rules for Pre-Matric students to submit BPL/Antodaya/Annapurna cards instead of income certificates and for Post-Matric scholarships, a detailed SOP was introduced for verification, with additional measures planned to improve the system. In **Tamil Nadu**, the State Government stated that self-financing institutions upload income certificates, while Government institutions rely on these certificates during admission. Instructions will be issued to institutions to collect relevant documents for scholarship support.

2.14.4.3 Acceptance of applications with inconsistencies in ST certificate

As per Para 12 (c) of the Pre-Matric Scholarship Scheme guideline and Para XI (d) of the Post-Matric Scholarship Scheme guideline, an application for scholarship should comprise certificate (in original) of Scheduled Tribe duly signed by an authorized Revenue Officer not below the rank of Tehsildar.

It was observed during test check of applications that under the Pre-Matric Scholarship Scheme in **Bihar**, ₹ 0.36 lakh was granted to 20 students who were from SC or OBC instead of ST community. Similarly, under the Post-Matric Scholarship Scheme, ₹ 3.91 lakh was disbursed to 34 SC and OBC students in **Madhya Pradesh** and ₹ 0.30 lakh to one SC student in **Himachal Pradesh**.

In case of Pre-Matric Scholarship Scheme, during examination of applications and attached records, it was observed that Scheduled Tribes certificate was not attached in 1,560 applications in six States/UTs¹³⁴ for which scholarship was awarded. Similarly, in Post-Matric Scholarship Scheme, Audit noted that Scheduled Tribes certificate was not found attached in 532 cases in six States/UTs¹³⁵ whom scholarship was awarded.

States have replied that the matter will be examined and corrective measures like fixing responsibility will be taken.

2.14.4.4 Grant of benefits more than once for same class/course

As per Pre-Matric Scholarship Scheme guidelines¹³⁶, Scholarship for studying in any class will be available for only one year. Similarly, Post-Matric Scholarship Scheme

¹³⁴ Gujarat (418 Students), Jammu & Kashmir (488 Students), Ladakh (14 Students), Tamil Nadu (617 Students), Tripura (6 Students) and Uttarakhand (17 Students).

¹³⁵ Jammu & Kashmir (141 Students), Ladakh (40 Students), Odisha (8 Students), Tamil Nadu (301 Students), Tripura (3 Students) and Uttarakhand (39 Students).

¹³⁶ Para 4 (v) of Pre-Matric Scholarship Scheme Guidelines.

guidelines¹³⁷ *inter-alia* require that, (i) a scholarship holder under this scheme will not hold any other scholarship/stipend, (ii) the award once made will be tenable from the stage at which it is given to the completion of course, and (iii) candidates who, after passing one stage of education, are studying in the same stage of education in a different course in other subject will not be eligible for the scholarship.

It was observed during test check of applications, examination of scholarship payment and scholarship portal that in six States, 1,048 beneficiaries received Pre-Matric scholarship more than once for studying in a same class/scheme/course, resulting in excess payment of ₹ 27.88 lakh. Similarly, in 84 instances in five states, Post-Matric scholarship was extended more than once to beneficiaries studying in the same course, resulting in excess payment of ₹ 7.77 lakh. The details of scholarships more than once for same class/course are given in **Table 2.21**.

Table 2.21: Disbursement of scholarship twice or more for same class/course

(₹ in lakh)

Sl. No.	Name of the State	Pre-Matric Scheme		Post-Matric Scheme	
		Beneficiaries	Amount	Beneficiaries	Amount
1.	Bihar	3	0.05	-	-
2.	Gujarat	180	4.99	-	-
3.	Himachal Pradesh	-	-	6	1.80
4.	Jammu & Kashmir	92	2.07	11	0.59
5.	Madhya Pradesh	639	16.35	24	1.00
6.	Manipur	27	1.08	33	3.76
7.	Meghalaya	-	-	10	0.62
8.	Odisha	107	3.34	-	-
Total		1048	27.88	84	7.77

In responses to audit observations, states replied that necessary action will be taken. **Madhya Pradesh** stated that it has recovered ₹ 0.25 lakh from six students for Post-Matric Scholarship Scheme; remaining recoveries are in progress.

2.14.4.5 Scholarships to day scholars at hosteller's rate and vice-versa

Audit noticed during examination of records, that in three States, 1,212 day-scholars were extended benefits admissible to hostellers resulting in excess payment of ₹ 32.13 lakh for Pre-Matric Scholarship Scheme. Similarly, in case of Post-Matric Scholarship Scheme, scholarship was awarded to 253 day-scholars in two states at the

¹³⁷ Para III (xii), Para VII (i), and Para III(iv) of Post-Matric Scholarship Scheme Guidelines.

Hosteller's rate, resulting in excess payment of ₹ 18.59 lakh. The details are given in **Table 2.22**.

Table 2.22: Granting of benefit admissible to day scholars at hosteller's rate

(₹ in lakh)

Sl. No.	Name of the State	Pre- Matric Scheme		Post- Matric Scheme	
		No. of cases	Amount	No. of cases	Amount
1.	Gujarat	23	0.51	-	-
2.	Odisha	36	0.96	242	17.87
3.	Sikkim	-	-	11	0.72
4.	Tripura	1153	30.66	-	-
Total		1212	32.13	253	18.59

In reply, Government authorities in **Gujarat** stated that the students were staying in the hostel and accordingly payment of scholarship was made. The reply is factually incorrect as audit checked hostel registers and found that these students were not staying in the hostel.

Government authorities in **Odisha**, in case of Pre-Matric Scholarship Scheme, stated that the system of manual entry and shortage of manpower have been addressed after on-boarding of the scheme on Odisha State Scholarship Portal (OSSP) from 2021-22. In case of Post-Matric Scholarship Scheme, SOP has been issued for proper verification of claim as hosteller by institutions concerned.

In case of **Tripura**, it was stated that Institute will be instructed to confirm verification of a student being a Hosteller or Day Scholar and that liability will be fixed upon them in case of discrepancies.

2.14.4.6 Payment of fee at rates deviating from the approved fee structure under Post-Matric Scholarship Scheme

As per Post-Matric Scheme guideline, scholars are entitled to reimbursement of enrolment/registration, tuition, games, union, library, magazine, medical examination and such other fees compulsorily payable by them to the Institution or University/ Board as per the fee structure approved by the competent State/Central Government authority. Audit noted that in following three States, fee was reimbursed to the institutes, on behalf of the students, in excess compared to the fee structure approved by the competent State authority:

(a) Andhra Pradesh: There was excess payment of tuition fee of ₹ 7.54 lakh on behalf of 63 students as compared to fee structure approved by the State Government authority.

(b) Himachal Pradesh: During the period 2018-20, Himalayan Nursing School Kala Amb, Sirmour claimed reimbursement of fee in respect of three students in excess of as approved by the State Government¹³⁸ under respective quotas resulting in overpayment of ₹ 0.99 lakh.

The Department concerned in its reply stated that the payments to the beneficiaries were made during the period due to lags in verification process. The Department will look into the matter and will initiate steps to recover the same wherever possible.

(c) Maharashtra: The fees fixed by Fee Regulatory Authority¹³⁹ (FRA) for Unaided Private Professional Educational Institutions *inter-alia* include tuition fee, library fee, gymkhana fee, examination fee, development fee or amount payable for any curricular or co-curricular activities, laboratory fee, information brochure fee and any other amount collected from the students. Thus, as the fee fixed by FRA was all inclusive, no other fees were payable separately.

Analysis of MahaDBT portal data revealed that the unaided private institutions were paid 'other fees' during 2018-21 over and above the fee fixed by the FRA. The excess payment of other fees during last three years was as given in the **Table 2.23**.

Table 2.23: Excess payment of 'other fees'

(₹ in lakh)

Type of institutions	2018-19		2019-20		2020-21		Grand Total	
	Number of students	Excess payment						
Unaided Medical and Nursing Colleges	558	1.24	188	5.30	104	2.93	850	9.47
Unaided Engineering Colleges	6632	47.84	6460	69.26	3149	47.55	16,241	164.65
Total	7,190	49.08	6,648	74.56	3,253	50.48	17,091	174.12

In reply, the Department stated that the Fee Regulatory authority would be requested to provide bifurcation of fee details.

¹³⁸ Government of Himachal Pradesh, Department of Medical Education & Research in pursuance of section 3 and 7 of Himachal Pradesh Private Medical Educational Institutions (Regulation of Admission and Fixation of Fee) Act, 2006 notified (August 2011) fee for students selected under state and management quota for the academic year commencing from 2011-12.

¹³⁹ Constituted *vide* The Maharashtra Unaided Private Professional Educational Institutions (Regulation of Admission and Fees) Act, 2015.

2.14.4.7 Incorrect calculation of Maintenance Allowance under Post-Matric Scholarship Scheme

Post-Matric Scholarship Scheme guidelines, provide criteria, periodicity for payment of maintenance allowance admissible to day-scholars and hostellers at specified rates for different types of courses (Group-I to IV)¹⁴⁰.

Examination of scholarship applications and institute records during Audit revealed that in respect of 238 students in five States, admissible maintenance allowance to day-scholars and hostellers was worked out incorrectly resulting in excess payment of ₹ 4.84 lakh and short payment of ₹ 15.30 lakh in case of 269 students in **Andhra Pradesh**, as detailed in the **Table 2.24**.

Table 2.24: Incorrect calculation of Maintenance Allowance

(₹ in lakh)

Sl. No.	Name of the State	No. of students	Amount	Remarks
Excess payment due to incorrect calculation of Maintenance Allowance				
1.	Andhra Pradesh	89	0.53	Maintenance allowances were paid in excess compared to applicable rates notified by the State.
2.	Manipur	36	1.47	Maintenance allowances were paid at full rate to the students availing free boarding or lodging facility under Eklavya Model Residential School (EMRS) instead of one third of the rate applicable for hostellers.
3.	Odisha	27	0.79	Maintenance allowance paid for excess number of months instead of calculating from the date of admission as per the Scheme Guidelines.
4.	Sikkim	20	1.18	Maintenance allowances were paid in excess compared to applicable rates in the Scheme Guidelines.
5.	Telangana	66	0.87	Maintenance allowances were paid for excess number of months instead of calculating from the date of admission as stipulated in the Scheme Guidelines.
Total		238	4.84	
Short payment due to incorrect calculation of Maintenance Allowance				
Andhra Pradesh		269	15.30	Maintenance allowances were paid less compared to applicable rates notified by the State.

¹⁴⁰ Para V of Post-Matric Scholarship Scheme guidelines.

Manipur and **Sikkim** stated that audit observation has been noted for future compliance. **Telangana** replied that action would be taken to address the issue by enabling EDIT option in the e-Pass portal (for enabling part payments). In **Odisha**, the Department concerned stated that the payment of scholarship was made based on the number of months entered by the concerned institution in the PRERANA portal. The Department has issued instructions for inspection of institutions and payment to be made based on inspection report.

2.14.4.8 Scholarship not paid to eligible students

- (i) Audit noted that scholarship could not be disbursed to 3,830 eligible students of four States under Pre-Matric Scholarship Scheme and 19,588 eligible students of six States/UTs under Post-Matric Scholarship Scheme due to various reasons as given in **Table 2.25**.

Table 2.25: Non-disbursement of scholarship to eligible students

Sl. No.	Name of the State/UT	Pre- Matric Scheme		Post-Matric Scheme		Remarks
		No. of Students	Year	No of students	Year	
1.	Andaman & Nicobar Islands	-	-	472	2017-20	As per the Department concerned, funds could not be utilised as they were not on-boarded with PFMS in 2017-18, affecting 308 students. During 2018-2020, 164 students were affected due to shortage of funds. The Department stated that since 2019-20, offline method adopted for registration and the payment was made through DBT mode, and it is difficult to make arrear payment to the students as the GoI does not allow to make payment without using NSP/PFMS.
2.	Andhra Pradesh	136	2017-18 and 2018-19	-	-	Reasons for non-disbursement could not be identified by the State Government Tribal Welfare Department due to non-availability of old data.
3.	Bihar	2371	2018-19	-		Due to short release of funds by Central and State Government to the Department concerned.
		-		49	2017-18	Due to non-receipt of physical verification report.

Sl. No.	Name of the State/UT	Pre- Matric Scheme		Post-Matric Scheme		Remarks
		No. of Students	Year	No of students	Year	
						State Department stated that report has been sought from DWO.
		173	2017-18 to 2020-21	209	2019-20 and 2020-21	Due to non-processing of applications at various stages of approval hierarchy. The Department stated that report has been sought from the concerned DPO.
4.	Daman & Diu and Dadra & Nagar Haveli	-	-	616	2019-20 and 2020-21	The UT Administration attributed non-release of Central grant for the non-disbursement.
5.	Gujarat	183	2017-18 and 2019-20	-		State Department stated that the payment of scholarship could not be made to 105 students due to occurrence of some technical glitch in Digital Gujarat Portal. In the rest of 78 cases, applications for scholarship were not processed by the School/Institute.
		-	-	463	2019-20 and 2020-21	The Department concerned stated that the disbursement of scholarship is under process as the students are pursuing their study outside the State.
6.	Jammu & Kashmir	-	-	757	2019-20	Applications pertaining to academic year 2019-20 were pending for verification as on March 2022. The Department concerned confirmed delay due to pending verification, however, it added that the Department always made timely payments of scholarship to students who had submitted their documents properly and timely.
7.	Kerala	967	2017-18 to 2020-21	-	-	In reply it was stated that due to non-availability of information relating to account/aadhar number of the students, applications of eligible students could not be uploaded in E-Grant portal, resulting into non-disbursal of scholarship.
8.	Telangana	-		17,022	2017-18 to 2020-21	Beneficiaries relating to the period 2017-18 to 2020-21 were not sanctioned and paid due to

Sl. No.	Name of the State/UT	Pre- Matric Scheme		Post-Matric Scheme		Remarks
		No. of Students	Year	No of students	Year	
						non-submission of bar-coded hard copies by the institutions, pending Aadhaar Authentication, lapse of fund <i>etc.</i> The Department concerned replied (June 2024) that district wise application status sought were yet to be received.
Total		3,830		19,588		

- (ii) State of **Telangana** did not enhance parental income eligibility ceiling to ₹ 2.50 lakh in consonance with Ministry guidelines for Post-Matric Scholarship Scheme. Hence, students whose parents' income was between ₹ 2.00 and ₹ 2.50 lakh and were otherwise eligible to apply and receive scholarship were deprived of this benefit.

The Department concerned stated (June 2024) that proposal has been submitted to the Government of Telangana to increase the income ceiling from ₹ 2.00 lakh to ₹ 2.50 lakh.

- (iii) Audit also noted that scholarship could not be disbursed to 13,090 students of eight States/UTs under Pre-Matric Scholarship Scheme and 16,045 students of eight States/UTs under Post-Matric Scholarship Scheme during the years 2017-21 due to reasons associated with student's bank account such as blocking/freezing of bank account, or account closed, or no such account. The State-wise details are given in **Table 2.26**.

Table 2.26: Non-disbursement of scholarship due to bank account related issues

Sl. No.	Name of the State/UT	Pre- Matric Scheme	Post-Matric Scheme
1.	Arunachal Pradesh	1680	1932
2.	Bihar	259	-
3.	Jammu & Kashmir	2,958	185
4.	Karnataka	4,364	5,096
5.	Ladakh	40	198
6.	Manipur	328	3,391
7.	Puducherry	-	3
8.	Tamil Nadu	2,285	2,150
9.	West Bengal	1,176	3,090
Total		13,090	16,045

State Government authorities replied that they have undertaken various measures to address scholarship-related issues. These include correcting account details (**Bihar, Puducherry**), creating awareness for Aadhaar-linked bank accounts (**Karnataka**), requesting students to update failed transaction details (**Manipur**), and sensitizing institutional nodal teachers to verify documents meticulously (**West Bengal**). Government authorities in **Ladakh** stated in the case of Pre-Matric Scholarship scheme that they have noted the audit observation for future compliance, in case of Post-Matric Scholarship Scheme, they had remitted the undisbursed amounts to the treasury after poor response from the students of notices given in print media in this regard.

2.14.4.9 Award of scholarships on wrong credentials

As per Pre-Matric Scholarship Scheme guidelines¹⁴¹, scholarship is to be awarded to regular, full-time student, studying in IX or X class at Government school or recognized school. Similarly, Post-Matric Scholarship Scheme guidelines¹⁴² required that scholarship will be given for the study of all recognized post-matriculation for post-secondary courses pursued in recognized institutions.

Examination of applications and related records, revealed that 25 beneficiaries in **Jammu & Kashmir** were awarded benefits for Pre-Matric Scholarship Scheme, though records showed that they were studying in class VIII.

The Department concerned stated (May, 2024) that the matter has been taken up with the Chief Education Officer for rectification.

It was observed that eight students of **Bihar** and six students of **Jharkhand** got scholarship amounting to ₹ 0.14 lakh and ₹ 0.13 lakh respectively under Pre-Matric Scholarship Scheme. However, on checking with school records, it was found that they were not studying in these schools.

Similarly, for Post-Matric Scholarship Scheme, 949 students in seven States received ₹ 3.30 crore as scholarship in contravention of scheme guidelines as detailed in **Table 2.27**.

¹⁴¹ Para 4(iv) of Pre-Matric Scholarship Guidelines

¹⁴² Para III (ii) of Post Matric Scholarship Guidelines

Table 2.27: Post-Matric Scholarship claimed from the ineligible institutions

Sl. No.	Name of the State/UT	Number of students	Amount (₹ in lakh)	Remarks
1	Himachal Pradesh	5	1.50	During 2017-18, scholarship disbursed to students from NIELIT Centre, Nahan, however, it was found that these students were enrolled as regular students in Government College, Rampur. The Department stated (August 2024) that NIELIT Centre has been directed to deposit the fraudulent admission claim.
2	Jammu & Kashmir	74	31.78	Multiple claims were made for scholarships by beneficiaries belonging to some Computer Institutes were settled and payment was made towards fee and maintenance allowance during 2017-18. Audit noted that these computer institutes managed documents from the students who were on rolls of the Government Colleges/Institutions and did not attend these institutes. In reply, the Department stated that there was no mechanism to identify ghost beneficiaries/fraudsters, bogus students claiming scholarship more than once. At present the Scheme is onboard on NSP with least chance of availing scholarship by fake identities.
3	Ladakh	105	28.08	On analysis of data, it was found that, students, in Kargil district, received scholarship during 2017-21 by registering themselves simultaneously both in Private Computer Institutes as well as Government Degree College. The Department concerned stated that there was no mechanism at that time to identify the ghost beneficiaries/fraudsters. At present the Scheme is on-boarded on NSP and there is least chance of claiming scholarship more than once in the new online mode.
4	Mizoram	53	4.07	Applicants were not <i>bona-fide</i> students of the Institutions as institute authorities claimed that they do not belong to their institute during test-check.
5	Odisha	14	3.65	Scholarship payment was made during 2018-19 for the period 2016-17 but the students' names were not available in the admission register of the college for the year 2016-17.
		49	16.64	Scholarship availed from two different institutions by providing false bank account number or otherwise.
6	Uttarakhand	76	2.29	Instances of extension of scholarship benefit was noticed where the beneficiaries were not enrolled in the institutes they claimed in the application form. <ul style="list-style-type: none"> In U.S Nagar district, ₹ 1.31 lakh was paid to 57 beneficiaries for year 2017-18.

Sl. No.	Name of the State/UT	Number of students	Amount (₹ in lakh)	Remarks
				<ul style="list-style-type: none"> In Chamoli district, ₹ 0.94 lakh was paid for the year 2017-18 to 17 beneficiaries. In Dehradun district, ₹ 4,600 was paid to two beneficiaries related to year 2017-18
7	West Bengal	573	241.86	On analysis of the OASIS data received from Diligent Tech in consultation with the Tribal Department and Backward Classes Welfare Department, it was found that scholarship payment were released to student pursuing B.Tech/B.E courses in Institutions and Degree Colleges which did not offer these courses. The Department stated (July 2024) that Project Officers has been asked to prevent recurrence of such incidents in future.
Total		949	329.87	

2.14.4.10 Payment of scholarship in other than applicant's bank accounts

Pre-Matric Scholarship Scheme guidelines¹⁴³, *inter-alia* require payment of scholarship through applicants' accounts in post offices/banks. Besides, all the State Governments and UTs Administrations were required to create a beneficiary database which may be integrated with UIDAI by (a) embedding Aadhaar numbers (UID numbers) in it, (b) using the UIDAI enabled bank account (UEBA) for crediting the scholarships, and (c) using the UIDAI authentication services for beneficiary identification.

For Post-Matric Scholarship Scheme, Ministry's letter (May 2013) requires the States to ensure that all beneficiaries have Aadhaar number for Aadhaar seeding of the bank accounts so that payment of scholarship could be made in bank account through the Aadhaar Payment Bridge (APB).

Audit observed instances of payment of scholarship to third party bank account, *i.e.*, of persons other than the beneficiaries or their parents.

In **Madhya Pradesh**, analysis of Shiksha Portal data of selected districts for 2017-21 revealed that in 475 cases, Pre-Matric Scholarship of ₹ 13.90 lakh was paid through 25 bank accounts which were not in the name of students or their parents. Further, Audit noticed that same accounts were repeated two to 87 times. On verification, these bank accounts were found to be in the name of other people. Authorities concerned are yet to reply on the issue, even after repeated reminders.

¹⁴³ Para 13 of Pre-Matric Scholarship Scheme guidelines.

The above discrepancies in the implementation of the schemes, which are aimed at providing financial assistance to deserving students, have the potential to undermine its performance and effectiveness.

Audit recommends that the Ministry needs to improve verification mechanisms by using technology to cross-check applications against databases like school enrolment records and income certificates; conduct periodic audits to identify and address discrepancies; and conduct regular third-party evaluations to assess the effectiveness of the schemes.

CHAPTER-III

CENTRAL PUBLIC SECTOR ENTERPRISES

This Chapter contains one audit paragraph covering audit findings related to a Central Public Sector Enterprise (CPSE).

(I) Ministry of Chemicals and Fertilizers

Rashtriya Chemicals and Fertilizers Limited

3.1 Encashment of Leave in deviation from DPE guidelines

Automatic encashment of earned leave and encashment of EL/HPL on 26-day month basis instead of 30-day month in deviation from the DPE guidelines resulted in irregular payment of ₹ 33.68 crore by the Company during 2015-16 to 2023-24.

As per the guidelines issued by the Department of Public Enterprises (DPE) in April 1987 and subsequent clarifications dated 17 July 2012 and 07 February 2014, Central Public Sector Enterprises (CPSEs) are permitted to frame their own leave policies within the broad parameters set by the Government of India. Specifically:

- Earned Leave (EL) and Half Pay Leave (HPL) can be considered for encashment on superannuation, subject to an overall ceiling of 300 days.
- For uniformity, DPE instructed all CPSEs *vide* Office Memorandum (OM) dated 11 December 2008 to adopt a 30-day month for calculating leave encashment.
- As per the DPE guidelines dated 08 April 1991, any deviation from issued policies must be approved by the CPSE's Board with reasons recorded in writing and communicated to the Administrative Ministry and the DPE.

Rashtriya Chemicals and Fertilizers Limited (RCFL) adopted a leave encashment policy that:

- Provided for automatic encashment of 33 days of Earned Leave when accumulation crossed 297 days and paid in the salary of concerned employee, as per RCF Circular No. 840 dated 13 May 2017.
- Calculation of EL/HPL encashment on retirement based on 26-day month for leave accumulated up to 11 December 2008, and 30-day month for leave accumulated after 11 December 2008, as per Board approval in March 2009.

Audit observed that the automatic encashment of 33 days of EL when the balance crosses 297 days violates the DPE guidelines, which limit the encashment ceiling to

300 days. Audit noted that this policy was approved by the CMD on 05 May 2017 but neither placed before the Board nor communicated to the Administrative Ministry or the DPE although required by DPE instructions of 08 April 1991.

Between 2017-18 and 2023-24, RCFL disbursed ₹ 23.77 crore towards such automatic encashment in excess of the 300 days limit as detailed in the **Table 3.1**.

Table 3.1: Encashment of Leave

Year	No. of cases	Amount paid (₹ in crore)
2017-18	238	2.52
2018-19	209	2.31
2019-20	254	2.96
2020-21	314	3.65
2021-22	306	3.68
2022-23	332	4.04
2023-24	360	4.61
Total		23.77

Audit further observed that although DPE instructions of December 2008 provide for adoption of 30-day month for the purpose of calculating leave encashment, RCFL adopted 30-day month only in case of leave accumulated after 11 December 2008 and continued to adopt 26-day month for leave accumulated up to 11 December 2008. As the DPE instructions have not provided for bifurcating the leave, the violation resulted in excess payment of ₹ 9.91 crore, worked out based on data furnished by the company as detailed in the **Annexure-3.1**.

RCFL management stated that:

- As per DPE's OM dated 03 August 2017, CPSEs are allowed to devise their own leave policies based on operational requirements, subject to the 300-day cap at retirement.
- Due to RCF's 24x7 operations, automatic EL encashment was introduced as a tool to discourage availing of leave and ensure uninterrupted plant functioning.
- The decision to apply different day-month formulas (26 Vs 30 days) was to avoid discrimination between employees who retired before and after 11 December 2008.

The reply is not acceptable as automatic encashment of EL before actual retirement, resulting in exceeding the 300-day limit, is contrary to DPE's explicit cap. The splitting of leave balances into pre/post-December 2008 categories for applying different calculation methods has no basis in DPE instructions. The 30-day formula was to ensure uniformity, and deviation from this practice led to irregular excess payments. Further,

the absence of Board approval and non-intimation to the DPE or the Administrative Ministry contravenes DPE's 1991 guidelines on deviations.

The reply of the Ministry was awaited.

Thus, in violation of the DPE guidelines, the company allowed encashment of leave beyond the ceiling of 300 days, besides payment of leave encashment by adopting 26 days month instead of 30 days month, resulting in excess payment of ₹ 33.68 crore.

Audit recommends that the Ministry may consider issuing a clarification to all fertilizer CPSEs to uphold uniformity and ensure compliance with DPE instructions to prevent similar deviations, as similar issue has earlier been pointed out in case of Madras Fertilizer Limited in CAG's Report No. 24 of 2022 (Para 4.1) of Union Government (Civil-Compliance Audit Observations).

New Delhi
Dated: 19 January 2026


(SAURAV KUMAR JAIPURIYAR)
Director General of Audit
(Central Expenditure)

Countersigned

New Delhi
Dated: 02 February 2026


(K SANJAY MURTHY)
Comptroller and Auditor General of India

Appendices

Appendix-I

(Referred to in Overview and Paragraph no. 1.3)

Details of Civil Ministries/Departments under General and Social Sector

Sl. No.	Ministry/Department
Ministry of Agriculture & Farmers Welfare	
1.	Department of Agricultural Research and Education
2.	Department of Agriculture and Farmers Welfare
Ministry of Ayush	
3.	Ministry of Ayush
Ministry of Chemicals and Fertilizers	
4.	Department of Fertilizers
5.	Department of Pharmaceuticals
Ministry of Consumer Affairs, Food and Public Distribution	
6.	Department of Consumer Affairs
7.	Department of Food and Public Distribution
Ministry of Cooperation	
8.	Ministry of Cooperation
Ministry of Culture	
9.	Ministry of Culture
Ministry of Development of North Eastern Region	
10.	Ministry of Development of North Eastern Region
Ministry of Education	
11.	Department of Higher Education
12.	Department of School Education and Literacy
Ministry of External Affairs	
13.	Ministry of External Affairs
Ministry of Fisheries, Animal Husbandry and Dairying	
14.	Department of Animal Husbandry and Dairying
15.	Department of Fisheries
Ministry of Food Processing Industries	
16.	Ministry of Food Processing Industries
Ministry of Health and Family Welfare	
17.	Department of Health and Family Welfare
18.	Department of Health Research

Sl. No.	Ministry/Department
Ministry of Home Affairs	
19.	Andaman and Nicobar Islands
20.	Cabinet
21.	Chandigarh
22.	Dadra & Nagar Haveli and Daman & Diu
23.	Ladakh
24.	Lakshadweep
25.	Ministry of Home Affairs
26.	Police
27.	Transfers to Delhi
28.	Transfers to Jammu and Kashmir
29.	Transfers to Puducherry
Ministry of Information and Broadcasting	
30.	Ministry of Information and Broadcasting
Ministry of Jal Shakti	
31.	Department of Drinking Water and Sanitation
32.	Department of Water Resources, River Development and Ganga Rejuvenation
Ministry of Labour and Employment	
33.	Ministry of Labour and Employment
Ministry of Law and Justice	
34.	Election Commission
35.	Law and Justice
36.	Supreme Court of India
Ministry of Minority Affairs	
37.	Ministry of Minority Affairs
Ministry of Panchayati Raj	
38.	Ministry of Panchayati Raj
Ministry of Parliamentary Affairs	
Ministry of Personnel, Public Grievances and Pensions	
39.	Central Vigilance Commission
40.	Ministry of Parliamentary Affairs
41.	Ministry of Personnel, Public Grievances and Pensions

Sl. No.	Ministry/Department
Ministry of Planning	
42.	Ministry of Planning
Ministry of Rural Development	
43.	Department of Land Resources
44.	Department of Rural Development
Ministry of Skill Development and Entrepreneurship	
45.	Ministry of Skill Development and Entrepreneurship
Ministry of Social Justice and Empowerment	
46.	Department of Empowerment of Persons with Disabilities
47.	Department of Social Justice and Empowerment
Ministry of Statistics and Programme Implementation	
48.	Ministry of Statistics and Programme Implementation
Ministry of Tribal Affairs	
49.	Ministry of Tribal Affairs
Ministry of Women and Child Development	
50.	Ministry of Women and Child Development
Ministry of Youth Affairs and Sports	
51.	Ministry of Youth Affairs and Sports
Constitutional Bodies and Secretariats	
52.	Lok Sabha
53.	Rajya Sabha
54.	Secretariat of the Vice-President
55.	Staff, Household and Allowances of the President
56.	Union Public Service Commission
57.	National Commission of Scheduled Castes
58.	National Commission of Scheduled Tribes

Appendix-II

(Referred to in Overview and Paragraph no. 1.4)

Details of Sanctioned Provision, Expenditure and Savings during 2022-23 and 2023-24

Sl. No.	Name of Ministry/Department	2022-23			2023-24			Savings (-)/ Excess(+)
		Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)	Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)	
Ministry of Agriculture and Farmers Welfare								
1.	Department of Agricultural Research and Education	8,658.91	8,578.15	-80.76	9,877.06	9,804.39	-72.67	
2.	Department of Agriculture and Farmers Welfare	1,24,000.08	1,01,572.54	-22,427.54	2,16,445.62	2,03,290.33	-13,155.29	
Ministry of Ayush								
3.	Ministry of Ayush	3,050.02	2,663.30	-386.72	3,647.54	2,916.31	-731.23	
Ministry of Chemicals and Fertilizers								
4.	Department of Fertilizers	2,54,856.54	2,54,841.43	-15.11	1,95,479.31	1,95,466.72	-12.59	
5.	Department of Pharmaceuticals	2,270.36	2,050.10	-220.26	3,224.33	2,432.45	-791.88	
Ministry of Consumer Affairs, Food and Public Distribution								
6.	Department of Consumer Affairs	1,769.15	249.72	-1,519.43	346.26	311.58	-34.68	
7.	Department of Food and Public Distribution	3,06,311.10	2,93,774.96	-12,536.14	2,46,944.39	2,44,330.83	-2,613.56	

Sl. No.	Name of Ministry/Department	2022-23			2023-24		
		Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)	Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)
Ministry of Cooperation							
8.	Ministry of Cooperation	2,056.04	1,636.52	-419.52	1,150.92	688.88	-462.04
Ministry of Culture							
9.	Ministry of Culture	3,363.10	3,284.12	-78.98	3,695.53	3,406.90	-288.63
Ministry of Development of North Eastern Region							
10.	Ministry of Development of North Eastern Region	2,924.78	1,118.71	-1,806.07	5,892.03	1,976.76	-3,915.27
Ministry of Education							
11.	Department of Higher Education	55,091.06	53,244.90	-1,846.16	63,244.50	61,941.11	-1,303.39
12.	Department of School Education and Literacy	1,11,549.40	96,890.12	-14,659.28	1,08,473.87	1,03,325.47	-5,148.40
Ministry of External Affairs							
13.	Ministry of External Affairs	17,706.62	16,684.78	-1,021.84	38,184.92	37,196.04	-988.88
Ministry of Fisheries, Animal Husbandry and Dairying							
14.	Department of Animal Husbandry and Dairying	4,319.99	2,660.83	-1,659.16	4,835.21	3,485.50	-1,349.71
15.	Department of Fisheries	2,118.50	1,360.56	-757.94	2,248.79	1,333.29	-915.50
Ministry of Food Processing Industries							
16.	Ministry of Food Processing Industries	2,942.02	1,455.13	-1,486.89	4,032.69	2,944.52	-1,088.18

Sl. No.	Name of Ministry/Department	2022-23			2023-24		
		Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)	Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)
Ministry of Health and Family Welfare							
17.	Department of Health and Family Welfare	1,13,458.10	98,985.70	-14,472.40	1,04,683.17	95,561.01	-9,122.16
18.	Department of Health Research	3,200.67	2,432.11	-768.56	2,980.02	2,857.48	-122.54
Ministry of Home Affairs							
19.	Ministry of Home Affairs	7,621.08	4,287.64	-3,333.44	6,152.81	5,119.54	-1,033.27
20.	Cabinet	1,711.05	1,057.14	-653.91	1,803.01	1,048.86	-754.15
21.	Police	1,22,016.86	1,16,509.67	-5,507.19	1,30,072.36	1,26,010.49	-4,061.87
22.	Andaman and Nicobar Islands	5,763.97	5,558.69	-205.28	6,100.38	5,927.56	-172.82
23.	Chandigarh	5,846.07	5,778.80	-67.27	6,777.54	6,639.27	-138.27
24.	Dadra & Nagar Haveli and Daman & Diu	3,882.12	2,493.42	-1,388.70	2,543.82	2,527.15	-16.67
25.	Ladakh	5,958.22	4,179.88	-1,778.34	5,968.41	4,355.70	-1,612.71
26.	Lakshadweep	1,457.46	1,283.37	-174.09	1,628.95	1,579.11	-49.84
27.	Transfers to Delhi	1,168.01	960.49	-207.52	1,168.01	951.00	-217.01
28.	Transfers to Jammu and Kashmir	44,696.13	44,696.13	0.00	41,751.44	41,604.44	-147.00
29.	Transfers to Puducherry	3,129.79	3,129.77	-0.02	3,388.77	3,388.75	-0.02
Ministry of Information and Broadcasting							
30.	Ministry of Information and Broadcasting	4,182.01	4,024.13	-157.88	4,700.05	4,314.23	-385.82
Ministry of Jal Shakti							

Sl. No.	Name of Ministry/Department	2022-23				2023-24			
		Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)	Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)		
31.	Department of Water Resources, River Development and Ganga Rejuvenation	19,047.06	12,201.48	-6,845.58	24,034.62	23,387.51	-647.11		
32.	Department of Drinking Water and Sanitation	1,34,413.14	59,790.44	-74,622.70	77,224.43	76,826.75	-397.68		
Ministry of Labour and Employment									
33.	Ministry of Labour and Employment	16,893.69	14,800.61	-2,093.08	13,221.75	11,539.62	-1,682.13		
Ministry of Law and Justice									
34.	Election Commission	327.25	320.23	-7.02	466.04	439.10	-26.94		
35.	Law And Justice	6,789.22	6,323.31	-465.91	8,690.29	8,493.40	-196.89		
36.	Supreme Court of India	405.47	392.78	-12.69	517.28	514.00	-3.28		
Ministry of Minority Affairs									
37.	Ministry of Minority Affairs	5,020.50	837.68	-4,182.82	3,097.60	1,032.65	-2,064.96		
Ministry of Panchayati Raj									
38.	Ministry of Panchayati Raj	905.78	901.18	-4.60	1,016.42	980.49	-35.93		
Ministry of Parliamentary Affairs									
39.	Ministry of Parliamentary Affairs	66.40	52.20	-14.20	65.07	58.70	-6.37		
Ministry of Personnel, Public Grievances and Pensions									
40.	Ministry of Personnel, Public Grievances and Pensions	2,502.68	2,280.59	-222.09	2,533.83	2,358.31	-175.52		

Sl. No.	Name of Ministry/Department	2022-23				2023-24			
		Sanctioned Provision	Total Expenditure	Savings (-)/Excess(+)	Sanctioned Provision	Total Expenditure	Savings (-)/Excess(+)		
41.	Central Vigilance Commission	43.46	43.16	-0.30	47.73	44.60	-3.13		
Ministry of Planning									
42.	Ministry of Planning	960.30	849.11	-111.19	824.39	290.82	533.57		
Constitutional bodies and Secretariats									
43.	Staff, Household and Allowances of the President	84.80	80.38	-4.42	97.69	94.24	-3.45		
44.	Lok Sabha	800.02	666.57	-133.45	822.01	711.64	-110.37		
45.	Rajya Sabha	431.71	383.52	-48.19	484.41	401.69	-82.72		
46.	Secretariat of the Vice-President	8.64	8.31	-0.33	9.96	9.21	-0.75		
47.	Union Public Service Commission	370.00	369.99	-0.01	426.24	421.48	-4.76		
Ministry of Rural Development									
48.	Department of Rural Development	3,37,943.79	3,31,820.80	-6,122.99	2,74,069.46	2,65,376.51	-8,692.95		
49.	Department of Land Resources	2,269.62	1,259.13	-1,010.49	3,637.62	3,497.38	-140.24		

Sl. No.	Name of Ministry/Department	2022-23				2023-24			
		Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)	Sanctioned Provision	Total Expenditure	Savings (-)/ Excess(+)		
Ministry of Skill Development and Entrepreneurship									
50.	Ministry of Skill Development and Entrepreneurship	2,999.01	1,387.85	-1,611.16	4,993.54	4,480.26	-513.28		
Ministry of Social Justice and Empowerment									
51.	Department of Social Justice and Empowerment	13,030.68	7,769.89	-5,260.79	13,257.17	9,579.97	-3,677.20		
52.	Department of Empowerment of Persons with Disabilities	1,212.43	989.35	-223.08	1,225.17	1,143.89	-81.28		
Ministry of Statistics and Programme Implementation									
53.	Ministry of Statistics and Programme Implementation	5,398.09	3,716.30	-1,681.79	5,443.41	2,469.48	-2,973.93		
Ministry of Tribal Affairs									
54.	Ministry of Tribal Affairs	8,461.88	7,278.77	-1,183.11	12,461.94	7,545.23	-4,916.71		
Ministry of Women and Child Development									
55.	Ministry of Women and Child Development	25,672.30	24,012.07	-1,660.23	25,954.82	25,518.46	-436.36		
Ministry of Youth Affairs and Sports									
56.	Ministry of Youth Affairs and Sports	3,062.63	2,568.49	-494.14	3,401.04	3,024.04	-377.01		

Source: Union Government Appropriation Accounts (Civil) 2022-23 and 2023-24

Appendix-III

(Referred to in Paragraph no. 1.5)

Details of recovery at the instance of Audit

(₹ in crore)

Sl. No.	Department/ Ministry	Audit observations	Amount recovered
1.	Department of Justice, Ministry of Law and Justice	Absence of time bound targets under the scheme for <i>Assistance to State Governments for establishing and operating Gram Nyayalayas</i> (GNs) resulted in blocking of central grant amounting to ₹ 12.16 crore for three to 13 years in five States and non-operationalization of 102 out of 107 GNs notified in these States. After being pointed out by Audit (December 2022, March 2024), the Department asked (April 2024) the States to refund the unutilized balance along with interest. During June 2024 to August 2024, four States (Haryana, Jharkhand, Karnataka and Telangana) refunded unutilized balance amounting to ₹ 7.79 crore for deposit in Consolidated Fund of India. In addition, Telangana refunded interest amounting to ₹ 32.24 lakh. Andhra Pradesh, which has not utilized central grant of ₹ 4.37 crore released in June 2020 for setting up 42 GNs, has filed (September 2024) an affidavit in Hon'ble Supreme Court seeking more time for establishing GNs.	8.11

Appendix-IV
(Referred to in Paragraph no. 1.6)

CPSEs/PSUs under General and Social Sector

Sl. No.	Name of the CPSE
Ministry of Agriculture and Farmers Welfare	
1.	Agrinovate India Limited
2.	Gangavati Sugars Limited ¹⁴⁴
3.	Innovation and Entrepreneurship Federation of CCS NIAM
4.	Karnataka Meat and Poultry Marketing Corporation Limited ¹⁴⁵
5.	National Seeds Corporation Limited
Ministry of Ayush	
6.	Indian Medicines & Pharmaceutical Corporation Limited
Ministry of Chemicals and Fertilizers	
Department of Fertilizers	
7.	Brahmaputra Valley Fertilizer Corporation Limited
8.	FACT-RCF Building Products Limited ¹⁴⁶
9.	Fertilizer Corporation of India Limited
10.	Hindustan Fertilizers Corporation Limited
11.	Hindustan Urvarak and Rasayan Limited
12.	Madras Fertilizers Limited
13.	National Fertilizers Limited
14.	Projects and Development India Limited
15.	Ramagundam Fertilizers and Chemicals Limited
16.	Rashtriya Chemicals and Fertilizers Limited
17.	Talcher Fertilizer Limited
18.	The FCI Aravali Gypsum and Minerals India Limited
19.	The Fertilisers and Chemicals Travancore Limited
20.	Urvarak Videsh Limited

¹⁴⁴ Company Under liquidation

¹⁴⁵ Company wound up

¹⁴⁶ Under insolvency proceeding under IBC Code w.e.f. 11.01.2024

Sl. No.	Name of the CPSE
Department of Pharmaceuticals	
21.	Bengal Chemicals & Pharmaceuticals Limited
22.	Bengal Immunity Limited ¹⁴⁷
23.	Bihar Drugs and Organic Chemicals Limited
24.	Hindustan Antibiotics Limited
25.	IDPL (Tamil Nadu) Limited
26.	Indian Drugs & Pharmaceuticals Limited (IDPL)
27.	Karnataka Antibiotics and Pharmaceuticals Limited
28.	Maharashtra Antibiotics & Pharmaceuticals Limited
29.	Manipur State Drugs & Pharmaceuticals Limited
30.	Orissa Drugs & Chemicals Limited
31.	Rajasthan Drugs and Pharmaceuticals Limited
32.	Smith Stanistreet Pharmaceuticals Limited ¹⁴⁸
Ministry of Consumer Affairs, Food and Public Distribution	
33.	Central Warehousing Corporation
34.	Food Corporation of India
35.	Hindustan Vegetable Oils Corporation Limited
Ministry of Cooperation	
36.	National Cooperative Development Corporation
Ministry of Development of North Eastern Region	
37.	NEDFi Trustee Limited (Subsidiary of NEDFi)
38.	NEDFi Venture Capital Limited (Subsidiary of NEDFi)
39.	North Eastern Development Finance Corporation Limited (NEDFi)
40.	North Eastern Handicrafts and Handlooms Development Corporation Limited
41.	North Eastern Regional Agricultural Marketing Corporation Limited
Ministry of Education	
42.	EdCIL
43.	EdCIL Vidhyanjali Foundation

¹⁴⁷ Company under liquidation

¹⁴⁸ Company under liquidation

Sl. No.	Name of the CPSE
44.	Higher Education Financing Agency
Ministry of Health and Family Welfare	
45.	Goa Antibiotics & Pharmaceuticals Limited
46.	HLL Biotech Limited
47.	HLL Infra Tech Services Limited
48.	HLL Lifecare Limited
49.	HLL Medipark Limited
50.	HLL Mother and Child Care Hospitals Limited
Ministry of Home Affairs	
51.	AIC RRU Incubation Foundation
52.	Andaman and Nicobar Islands Integrated Development Corporation
53.	Andaman Fisheries Limited
54.	Chandigarh Child and Women Development Corporation
55.	Chandigarh Industrial and Tourism Development Corporation Limited
56.	Chandigarh SC, BC & Minorities Financial & Development Corporation Limited
57.	Chandigarh Smart City Limited
58.	Dadra & Nagar Haveli Daman Diu SC, ST, OBC and Minorities Financial & Development Corporation Limited
59.	Delhi Police Housing Corporation Limited
60.	Diu Smart City Limited
61.	DNH and DD Power Corporation Limited
62.	Kavaratti Smart City Limited
63.	Lakshadweep Development Corporation Limited
64.	Lakshadweep Tourism Development Corporation Limited
65.	New Delhi Municipal Council Smart City Limited
66.	Omnibus Industrial Development Corporation of Daman & Diu and Dadra & Nagar Haveli Limited
67.	Port Blair Smart Projects Limited
68.	Security and Scientific Technical Research Association
69.	Silvassa Smart City Limited

Sl. No.	Name of the CPSE
Ministry of Information and Broadcasting	
70.	Broadcast Engineering Consultants India Limited
71.	National Film Development Corporation Limited
Ministry of Jal Shakti	
72.	National Projects Construction Corporation Limited
73.	WAPCOS Limited
Ministry of Minority Affairs	
74.	National Minorities Development and Finance Corporation
75.	National Waqf Development Corporation Limited
Ministry of Personnel, Public Grievances and Pensions	
Department of Personnel and Training	
76.	Karmayogi Bharat
Ministry of Social Justice and Empowerment	
Department of Empowerment of Persons with Disabilities	
77.	Artificial Limbs Manufacturing Corporation of India
78.	National Divyangjan Finance and Development Corporation
Department of Social Justice and Empowerment	
79.	National Backward Classes Finance and Development Corporation
80.	National Safai Karamcharis Finance and Development Corporation
81.	National Scheduled Caste Finance and Development Corporation
Ministry of Tribal Affairs	
82.	National Scheduled Tribes Finance and Development Corporation
Government Control other Companies	
83.	AFC India Limited
84.	NABARD Consultancy Limited
85.	NABKISAN Finance Limited
86.	Nalanda Ceramics and Industries Limited ¹⁴⁹

¹⁴⁹ Company under liquidation

Appendix-V

(Referred to in Paragraph no. 1.6)

(A) Significant comments under Supplementary Audit of CPSEs

Sl. No.	Name of the Company	Comments
1.	Broadcast Engineering Consultants India Limited	<p>Employee Benefit Expenses: ₹ 13.25 crore</p> <p>This includes provision amounting to ₹ 84.67 lakh for Performance Related Pay (PRP). As per Department of Public Enterprises guidelines, PRP is applicable for CPSEs signing the Memorandum of Understanding and have a Remuneration Committee in place to decide on the payment of PRP within the prescribed limit and guidelines.</p> <p>Since no MoU for the financial year 2023-24 signed with the Ministry of Information and Broadcasting, PRP is not applicable for the Company. As such, provisioning for PRP is not correct and resulted in overstatement of Employee Benefit Expense and understatement of Profit for the year by ₹ 84.67 lakh.</p>
2.	WAPCOS Limited (Standalone)	<p>Provision for Trade Receivables and Retention Money- ₹ 53.77 crore</p> <p>The Company's accounting policy no. 1.9 provides for impairment of financial assets-including trade receivables, security deposits (SD), and earnest money deposits (EMDs). Till the Financial Year 2022-23, the Company was using internal grade matrix to calculate Expected Credit Loss (ECL) on financial assets. In the current Financial Year (2023-24), the company transitioned from using a methodology of internal - grade matrix to an actuarial-based valuation for calculating ECL by appointing an Actuary to provide the estimation of expected credit loss for receivables portfolio in accordance with requirements under Ind AS. The Company treated this change as a change in an accounting policy and retrospectively applied this method to prior periods, leading to adjustments in previously reported financial statements.</p> <p>As per Ind AS 8 (Para 32, 32 A, 35), the change in estimation technique for measurement of ECL in respect of financial assets is a change in accounting estimate and therefore, the impact should have been applied prospectively as provided in Para 36 of Ind AS 8 instead of retrospectively as done by the Company.</p> <p>The total provision which was required to be charged during the year works out to ₹ 186.53 crore (₹ 164.22 crore being the difference of provision as per actuarial method and ₹ 22.31 crore for additional provision and amount written off for receivables</p>

Sl. No.	Name of the Company	Comments
		<p>of more than 10 years as per accounting policy). But the Company only charged ₹ 54.41 crore during the year whereas ₹ 132.12 crore incorrectly charged as previous year expenses (Note-49).</p> <p>The incorrect accounting treatment has resulted in understatement of other expenses with consequent overstatement of Profit for the year by ₹ 132.12 crore.</p>
3.	WAPCOS Limited (Consolidated)	<p>Provision for Trade Receivables and Retention Money- ₹ 77.83 crore</p> <p>The Company's accounting policy no. 1.7 provides for impairment of financial assets - including trade receivables, security deposits (SD), and earnest money deposits (EMDs). Till Financial Year 2022-23, the Company was using internal grade matrix to calculate Expected Credit Loss (ECL) on the financial assets. In current Financial Year (2023-24), the company transitioned from using a methodology of internal-grade matrix to an actuarial-based valuation for calculating ECL by appointing an Actuary to provide the estimation of expected credit loss for receivables portfolio in accordance with requirements under Ind AS. The Company treated this change as a change in an accounting policy and retrospectively applied this method to prior periods, leading to adjustments in previously reported financial statements.</p> <p>As per Ind AS 8 (Para 32, 32 A, 35), the change in estimation technique for measurement of ECL in respect of financial assets is a change in accounting estimate and therefore, the impact should have been applied prospectively as provided in Para 36 of Ind AS 8 instead of retrospectively as done by the Company.</p> <p>The total provision which was required to be charged during the year works out to ₹ 280.96 crore (₹ 258.65 crore being the difference of provision as per actuarial method and ₹ 22.31 crore for additional provision and amount written off for receivables of more than 10 years as per accounting policy). But the Company only charged ₹ 78.47 crore during the year whereas ₹ 202.48 crore incorrectly charged as previous year expenses (Note-49).</p> <p>The incorrect accounting treatment has resulted in understatement of other expenses with consequent overstatement of Profit for the year by ₹ 202.48 crore.</p>
4.	National Projects Construction Corporation Limited	<p>Other Expenses- ₹ 38.98 crore (Note 26)</p> <p>The Company's accounting policy no. 1.9 provides for impairment of financial assets, including trade receivables,</p>

Sl. No.	Name of the Company	Comments
		<p>security deposits (SD), and earnest money deposits (EMDs). Till Financial Year 2022-23, NPCC was using internal grade matrix to calculate Expected Credit Loss (ECL) on the financial assets. In current Financial Year (2023-24), the company transitioned from using a methodology of internal -grade matrix to an actuarial-based valuation for calculating ECL by appointing an Actuary to provide the estimation of expected credit loss for receivables portfolio in accordance with requirements under Ind AS. The Company treated this change as a change in an accounting policy and retrospectively applied this method to prior periods, leading to adjustments in previously reported financial statements.</p> <p>As per Ind AS 8 (Para 32, 32 A, 35), the change in estimation technique for measurement of ECL in respect of financial assets is a change in accounting estimate and therefore, the impact should have been applied prospectively as provided in Para 36 of Ind AS 8 instead of retrospectively as done by the Company. The Company charged ₹ 24.06 crore during the year out of total ECL provision of ₹ 94.42 crore (accumulated provision of ₹ 169.94 crore worked out on the basis of actuarial valuation minus accumulated provision of ₹ 75.51 crore up to 2022-23) whereas entire amount of ₹ 94.42 crore was to be charged during the year as the change was a change in an accounting estimate.</p> <p>The incorrect accounting treatment has resulted in understatement of other expenses (Provision for Bad and Doubtful Debts-Financial Asset) with consequent overstatement of Profit for the year by ₹ 70.36 crore.</p>
Comments on Financial Position		
1.	Hindustan Urvarak and Rasayan Limited	<p>Provision (Note 20) – ₹ 30.13 crore</p> <p>The above does not include provision towards short payment of custom duty of ₹ 71.64 crore payable for project import of equipment/ materials and mandatory spares imported for Gorakhpur plant as per demand raised by Customs Authorities.</p> <p>The Company imported goods (Equipment and Material and Mandatory Spare) of ₹ 1155.86 crore on which the Custom Department clarified (19.04.2022) that concessional rate of Basic Customs duty @ five per cent (only) has been wrongly availed since the mandatory condition (value of spare parts need to be 10 per cent or less of value of main equipment) has not been complied with and as such HURL was not eligible for concessional rate of duty.</p>

Sl. No.	Name of the Company	Comments
		<p>Thus, provision for differential amount of duty ₹ 71.64 crore (total duty of ₹ 75.01 crore <i>minus</i> amount of ₹ 3.37 crore paid) was required to be made which was not done. This has resulted in understatement of Provisions with consequent overstatement of profit for the year by ₹ 71.64 crore.</p> <p>Contingent liability is also overstated on this account.</p>
Comments on Auditor's Report		
1.	National Film Development Corporation	<p>The impact of audit comment, on the profits of ₹ 10.91 crore as depicted in the Statement of Profit and Loss of the Company, works out to 23.10 <i>per cent</i>. Hence, the financial statements of the Company do not represent "true and fair view" and it was not proper on the part of the Independent Auditor to have provided the assurance that the financial statements presented a "true and fair view".</p>
2.	National Projects Construction Corporation Limited	<p>The impact of audit comments, on the profits of ₹ 74.79 crore as depicted in the Statement of Profit and Loss of the Company, works out to 126.15 <i>per cent</i> and impact of audit comments would lead to loss amounting to ₹ 19.56 crore.</p> <p>Hence, the financial statements of the Company do not represent 'True and Fair view' and it was not proper on the part of the Independent Auditor to have provided the assurance that the financial statements presented a 'True and Fair view'.</p>
3.	WAPCOS Limited (Standalone)	<p>Independent Auditor's Report</p> <p>The impact of above comments on the profits of ₹ 59.30 crore as depicted in the Statement of Profit and Loss of the Company, works out to 222.80 <i>per cent</i> and impact of above comments would lead to loss amounting to ₹ 72.82 crore.</p> <p>Hence, the financial statements of the Company do not represent 'True and Fair view' and it was not proper on the part of the Independent Auditor to have provided the assurance that the financial statements presented a 'True and Fair view'.</p>
4.	WAPCOS Limited (Consolidated)	<p>Independent Auditor's Report</p> <p>The impact of above comments on the profits of ₹ 120.23 crore as depicted in the Statement of Profit and Loss of the Company, works out to 194.85 <i>per cent</i> and impact of above comments would lead to loss amounting to ₹ 114.04 crore.</p> <p>Hence, the financial statements of the Company do not represent 'True and Fair view' and it was not proper on the part of the Independent Auditor to have provided the assurance that the financial statements presented a 'True and Fair view'.</p>

(B) Significant comments under Separate Audit Report of Statutory Corporations

Sl. No.	Name of the Corporation	Comments
Comments on Balance Sheet		
1.	Food Corporation of India	<p>Other Current Liabilities (Note-6)- ₹ 3,391.85 crore</p> <p>The above does not include amount of ₹ 64.10 crore (excluding applicable GST) on account of Audit Fee payable to Comptroller & Auditor General of India for the year 2017-18 to 2023-24 in terms of Section 34 (2) of Food Corporations Act, 1964.</p> <p>This has resulted in the “understatement of Other Current Liabilities (Note-6) by ₹ 64.10 crore with consequent understatement of Other Expenses- Audit fees and loss for the year by ₹ 9.70 crore (current year amount is calculated on estimated basis taking bill amount of previous year as bill for the year is still to be raised) and understatement of Expenses pertaining to previous year by ₹ 54.40 crore.</p> <p>Further, note below Note-K (Other Expenses) is factually incorrect audit fee is not disputed and on a request made by FCI through DFPD, Department of Expenditure, Ministry of Finance has clarified (April 2023) that audit fee is a statutory obligation and therefore the department may continue paying audit fee till the time any change in statute.</p> <p><i>No corrective action was taken in spite of pointing it out on the accounts of previous years.</i></p>
2.	Food Corporation of India	<p>Trade Receivables (Note 11)- ₹ (-) 4,171.99 crore</p> <p>Central Govt. Ministries/Departments</p> <p>For Food Subsidy & Carrying cost of Buffer Stock-</p> <p>₹ (-) 6,257.80 crore</p> <p>The above figure represents subsidy received (₹ 1,39,602.42 crore) in excess of claim (₹ 1,33,344.62 crore). But instead of showing it as payable to DFPD as per Generally Accepted Accounting Principles, it has been shown as negative (credit) balance of ₹ 6,257.80 crore. Due to incorrect depiction of this amount, Trade Receivables shown on the face of Balance Sheet is incorrect as trade receivables stood at ₹ 2,085.81 crore without netting off the minus figure.</p> <p>This has resulted in understatement of Trade Receivables and liabilities both by ₹ 6,257.80 crore.</p>
Comments on Profit and Loss Account/Income and Expenditure Account		
1.	National Cooperative	<p>Provision for Doubtful Debts- ₹ 414.87 crore</p> <p>An attention is invited to the Serial no. 4 of the Significant Accounting Policy regarding provisioning of Non-Performing Assets. It inter alia</p>

Sl. No.	Name of the Corporation	Comments																																																															
	Development Corporation	<p>states Provisioning in respect of NPAs is made at the rates not less than the rates indicated as follows:</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Prudential Classification</th> <th>% of provision</th> </tr> </thead> <tbody> <tr> <td>i)</td> <td>Sub Substandard Assets</td> <td>15 %</td> </tr> <tr> <td>ii)</td> <td>Doubtful Assets</td> <td></td> </tr> <tr> <td></td> <td>Doubtful up to 1 year</td> <td>25 %</td> </tr> <tr> <td></td> <td>Doubtful up to 1 to 3 years</td> <td>40 %</td> </tr> <tr> <td></td> <td>Doubtful for more than 3 years</td> <td>100 %</td> </tr> <tr> <td>iii)</td> <td>Loss Assets</td> <td>100 %</td> </tr> </tbody> </table> <p>The Corporation instead of following the stated accounting policy, made 100 <i>per cent</i> provision in respect of all categories of non-performing assets. This has resulted in excess provision to the extent of ₹ 142.86 crore as detailed below:</p> <p style="text-align: right;"><i>Amount ₹ in lakh</i></p> <table border="1"> <thead> <tr> <th>Prudential Classification</th> <th>% of provision</th> <th>Outstanding amount as on 31.03.2024</th> <th>Provision of NPA should be made</th> <th>Provision as on 31.03.2024</th> <th>Excess provision made</th> </tr> </thead> <tbody> <tr> <td>Sub substandard Assets</td> <td>15%</td> <td>10301.255</td> <td>1545.18825</td> <td>10301.255</td> <td>8756.06675</td> </tr> <tr> <td>Doubtful upto 1 year</td> <td>25%</td> <td>9.92277</td> <td>2.4806925</td> <td>9.92277</td> <td>7.4420775</td> </tr> <tr> <td>Doubtful upto 1 to 3 years</td> <td>40%</td> <td>9203.84631</td> <td>3681.53852</td> <td>9203.8463</td> <td>5522.30779</td> </tr> <tr> <td>Doubtful for more than 3 years</td> <td>100%</td> <td>21304.67502</td> <td>21304.675</td> <td>21304.675</td> <td>0</td> </tr> <tr> <td>Loss Assets</td> <td>100%</td> <td>667.44</td> <td>667.44</td> <td>667.44</td> <td>0</td> </tr> <tr> <td>Total</td> <td></td> <td>41487.139</td> <td>27201.3225</td> <td>41487.139</td> <td>14285.8166</td> </tr> </tbody> </table> <p>This has resulted in overstatement of Current Liabilities and Provision for Doubtful Debts with consequent understatement of Excess of Income over Expenditure by ₹ 142.86 crore over and above the minimum norms for provisioning mentioned in the significant accounting policies.</p>	Sl. No.	Prudential Classification	% of provision	i)	Sub Substandard Assets	15 %	ii)	Doubtful Assets			Doubtful up to 1 year	25 %		Doubtful up to 1 to 3 years	40 %		Doubtful for more than 3 years	100 %	iii)	Loss Assets	100 %	Prudential Classification	% of provision	Outstanding amount as on 31.03.2024	Provision of NPA should be made	Provision as on 31.03.2024	Excess provision made	Sub substandard Assets	15%	10301.255	1545.18825	10301.255	8756.06675	Doubtful upto 1 year	25%	9.92277	2.4806925	9.92277	7.4420775	Doubtful upto 1 to 3 years	40%	9203.84631	3681.53852	9203.8463	5522.30779	Doubtful for more than 3 years	100%	21304.67502	21304.675	21304.675	0	Loss Assets	100%	667.44	667.44	667.44	0	Total		41487.139	27201.3225	41487.139	14285.8166
Sl. No.	Prudential Classification	% of provision																																																															
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2.	Food Corporation of India	<p>Subsidy on Foodgrains (Note-B) ₹ 1,32,744.17 crore</p> <p>(a) The above includes subsidy of ₹ 7,262.50 crore pertaining to Open Market sales (Domestic) to the extent of ₹ 5558.88 crore and sale of rice to oil marketing companies for conversion into ethanol to the extent of ₹ 1703.62 crore. These operations are not foodgrains operations under central operations done by FCI within the ambit of GoI circular dated 31 January 1979 and 25 April, 1980. Further, there is no mandate made available to audit from which it can be ascertained that cost differential will be treated as food subsidy. Therefore, this should have been shown separately in the Accounts.</p>																																																															

Sl. No.	Name of the Corporation	Comments
		<p>(b) The subsidy also includes ₹ 2,454.03 crore received on account of SGRY claims on Ministry of Rural Development which was written off during the year and reimbursed (March 2024) by DFPD. This is not the amount pertaining to normal business activity as this has been paid by DFPD since no payment was received from the Ministry of Rural Development. Therefore, this should have been treated as extraordinary item and shown in the Accounts as such.</p>
3.	Food Corporation of India	<p>Purchases (Note-F) ₹ 1,63,971.75 crore</p> <p>Purchases are overstated by ₹ 1859.14 crore due to inclusion of the Carry over charges paid to state agencies for non-lifting of stock from them up to 30th June. The inclusion of carrying charges is not correct as carrying cost is part of cost of buffer stock in pursuance of GoI instructions dated 9 July 2002. This resulted in the overstatement of Purchases and understatement of other operation expenses by ₹ 1859.14 crore.</p>
4.	Food Corporation of India	<p>Storage Cost (Note-H) ₹ 2,472.63 crore</p> <p>The above storage charges do not include ₹ 1,167.50 crore due to non-inclusion of Employee remuneration relating to godowns (₹ 988.73 crore), Depreciation (₹ 111.25 crore) and supervision charges for freight and handling (₹ 67.52 crore). These expenditure form part of godowns/ storage charges as per GoI circular dated 25 April 1980 (on guiding principles for claiming the food subsidy), according to which Godowns charges includes hire charges for rented godowns, depreciation, repair, maintenance, stores & spares and godowns establishment charges for its own godowns.</p> <p>Thus, Storage charges are understated by ₹ 1,167.50 crore with consequent overstatement of Employee remuneration by ₹ 988.73 crore, Depreciation by ₹ 111.25 crore, Freight by ₹ 20.85 crore and Handling charges by ₹ 46.67 crore.</p>
5.	Food Corporation of India	<p>Employees Remuneration & Benefits (Note J)- ₹ 3,226.42 crore</p> <p>As per accounting policy, the Corporation is accounting for gratuity and leave encashment on cash basis. The Accounting policy is not in compliance with Para-61 of AS-15 which inter alia states that an enterprise should recognize the retirement benefit cost in the Statement of Profit and Loss. Further out of three major considerations given in AS-1 for selection of an accounting policy- Prudence, substance over form and materiality, the accounting policy adopted by the Corporation is not correct in view of materiality.</p>

Sl. No.	Name of the Corporation	Comments
		<p>The total liability as disclosed in Note 16 (3) stood at ₹ 3,370.22 crore (₹ 2353.53 crore for gratuity and ₹ 1,016.69 crore for leave encashment). The disclosure made in the Notes to Accounts is not sufficient as according to Para 23 of AS-1, disclosure of accounting policies or of changes therein cannot remedy a wrong or inappropriate treatment of the item in the accounts.' The incorrect accounting has resulted in understatement of expenditure and loss for the year both by ₹ 737.89 crore with consequent understatement of liabilities by ₹ 3,370.22 crore and previous year expenditure by ₹ 2632.33 crore.</p> <p>No corrective action was taken in spite of pointing it out on the accounts of previous years.</p>

Appendix-VI

(Referred to in Paragraph no. 1.6)

List of CPSEs having Nil comments on audit of accounts of FY 2023-24

Sl. No.	Name of CPSE
1.	AFC India Limited
2.	Agrinnovate India Limited
3.	Andaman and Nicobar Islands Integrated Development Corporation
4.	Artificial Limbs Manufacturing Corporation of India
5.	Brahmaputra Valley Fertilizer Corporation Limited
6.	Central Warehousing Corporation
7.	DNH and DD Power Corporation Limited
8.	EdCIL
9.	EdCIL Vidhyanjali Foundation
10.	FACT-RCF Building Product Limited
11.	Higher Education Financing Agency
12.	Hindustan Antibiotics Limited
13.	Hindustan Fertilizers Corporation Limited
14.	HLL Biotech Ltd
15.	HLL Lifecare Ltd
16.	Innovation and Entrepreneurship Federation of CCS NIAM
17.	Karamyogi Bharat
18.	Madras Fertilizers Limited
19.	National Backward Classes Finance and Development Corporation
20.	National Divyangjan Finance and Development Corporation
21.	National Fertilizers Limited
22.	National Minorities Development and Finance Corporation
23.	National Safai Karamcharis Finance and Development Corporation
24.	National Scheduled Caste Finance and Development Corporation
25.	National Scheduled Tribes Finance and Development Corporation
26.	National Seeds Corporation Limited
27.	Projects and Development India Limited
28.	Ramagundam Fertilizers and Chemicals Limited
29.	Rashtriya Chemicals and Fertilizers Limited
30.	Talcher Fertilizer Limited
31.	The FCI Aravali Gypsum and Minerals India Limited
32.	The Fertilisers and Chemicals Travancore Limited
33.	Urvarak Videsh Limited

Appendix-VII
(Referred to in Paragraph no. 1.7)

**Details of Action Taken Notes awaited/under correspondence
(as of 31 August 2025) from various Ministries/Departments**

Sl. No.	Name of the Ministry/ Department	Report for the year ended March	Due	Not received	Under correspondence
1.	Culture	2021	1	0	1
2.	Consumer Affairs, Food and Public Distribution	2022	1	1	0
3.	Development of North Eastern Region	2014	1	0	1
4.	Education	2022	1	0	1
5.	Fertilizers	2022	1	1	0
6.	Home Affairs	2009	3	0	3
7.	Information and Broadcasting	2022	1	0	1
8.	Jal Shakti	2017	1	1	0
		2023	1	0	1
9.	Minority Affairs	2011	1	0	1
10.	Personnel, Public Grievances and Pensions	2022	1	0	1
11.	Skill Development and Entrepreneurship	2022	1	0	1
12.	Social Justice and Empowerment	2011	1	0	1
13.	Tribal Affairs	2022	1	0	1
		Total	16	03	13

Annexure

Annexure-2.1
(Referred to in Paragraph no. 2.1.4)
List of Monuments selected in audit

Sl. No.	Name of the Monument	Locality	Circle
Ticketed/Adarsh/WHS			
1.	Agra Fort	Agra fort, Agra	Agra Circle
2.	Akbar's Tomb, gateway and walls round the ground.	Sikandara, Agra	-do-
3.	Fatehpur Sikri Group of monuments	Fatehpur Sikri, Tehsil Kirwali, Agra	-do-
4.	Itimad-ud-Daula's Tomb.		-do-
5.	Mariam's Tomb on Mathura Road.	Sikandara, Agra	-do-
6.	Mehtab Bagh on the river bank, facing the Taj.	Opposite Taj, Agra	-do-
7.	Ram Bagh Gateways adjoining the Zohra Bagh.	Near Chini ka rauja, Agra	-do-
8.	Taj Group of Monuments	Taj Ganj, Agra	-do-
9.	The Fort of Kalanjar	Kalinjar, Banda	Jhansi Circle
10.	Rani Lakshmi Bai Mahal	Jhansi	-do-
11.	Jhansi Fort.	Jhansi	-do-
12.	Gupta Temple.	Deogarh, Lalitpur	-do-
13.	The Residency Buildings.	Residency, Lucknow	Lucknow Circle
14.	The site of the Stupa and monastery of the Sakyas at Piprahwa	Piprahwa Tehsil-Naugarh Siddarth Nagar	-do-
15.	The site of Sahet-Mahet in parganas Ikauna and Balrampur	Srawasti & Balrampur	-do-
16.	Lord Cornwallis tomb, Ghazipur	Ghazipur	Sarnath Circle
17.	Jaunpur Fort, Jaunpur	Jaunpur	-do-
18.	Ancient Buddhist site known as Chaukhandi stupa	Sarnath Varansi	-do-
19.	Ancient Buddhist site of Sarnath including Dhamekh stupa	Sarnath Varansi	-do-
20.	Tomb of Lal Khan	Rajghat Varanasi	-do-
21.	Observatory of Man Singh	Varanasi	-do-
Non-Ticketed Monument			
22.	Idgah	Rapri, Firozabad	Agra Circle
23.	Kanch Mahal	Sikandara, Agra	-do-
24.	Kos Minar on the circular road	Mathura	-do-
25.	Monument in memory of the brave men who fell at the hour of victory at Gangiri.	Gangiri, Aligarh	-do-
26.	Monument of Major Robert Nairn at Rathbanpur	Pipalgaon, Hathras	-do-
27.	Pillar with Sanskrit inscription dated samvat 1666 in the flanking tower at the Bhanakaur tank	Barsana, Mathura	-do-

Sl. No.	Name of the Monument	Locality	Circle
28.	Remains of an old Hindu temple inside the Dayaram's fort	Hathras	-do-
29.	A Large slab of the seven Mothers with Ganesha lying on the bed of the valley below the temple Chandi.	Daulatpur, Lalitpur	Jhansi Circle
30.	Chandel temple at Sakrar village	Sakrar Tehsil-Mauranipur, Jhansi	-do-
31.	Closed British Cemetery.	Kaitha, Hamirpur	-do-
32.	Jain temples.	Dudhai, Tehsil-Pali Lalitpur	-do-
33.	Ruins of a large Linga temple of the Chandella type	Hatovar, Chitrakut	-do-
34.	Stone temple.	Karvi, Chitrakut	-do-
35.	Talbehat Fort.	Talbehat, Lalitpur	-do-
36.	The Lake of Madan Sagar	Madan Sagar, Mahoba	-do-
37.	Amjad Ali Shah's Mausoleum.	Hazratganj, Lucknow	Lucknow Circle
38.	Bibiapur House	Cantonment, Lucknow	-do-
39.	Cemetery	Hussainabad, Lucknow	-do-
40.	Kaisar Bagh Gates.	Kaiser Bagh Lucknow	-do-
41.	Rumi Darwaza.	Bara Imambara, Lucknow	-do-
42.	Sikandar Bagh Buildings.	Sikandarbagh, Lucknow	-do-
43.	Tomb of Nawab Rashid Khan	Rashidabad, Farukhabad	-do-
44.	Two ancient brick temples	Khurda Tehsil Ghatampur, Kanpur Nagar	-do-
45.	Two Cemeteries.	Lucknow	-do-
46.	Two Cemeteries.	At mile 4, Faizabad Road Lucknow	-do-
47.	Mound.	Sarthal Khera, Moradabad	Meerut Circle
48.	Old Rohilla Fort	Saharanpur	-do-
49.	Roman Catholic Church	Sardhana	-do-
50.	Tomb or Mausoleum of Hermit Shah Dana	Shyamgahnj, Bareilly	-do-
51.	Ancient site measuring 7 acres and 800 links in Khesra No.384	Garhwa Azamgarh	Sarnath Circle
52.	Ancient Site,Ghosi	Mau	-do-
53.	Asokan Stone Pillar & Zanana palace at Allahabad Fort	Allahabad	-do-
54.	Circular shaped mound and the remains of a stupa	Chhetion, Kushinagar	-do-
55.	Hammam or Turkish bath in the old fort	Jaunpur	-do-
56.	Juma Masjid	Jaunpur	-do-
57.	Standing figure identified by Fuehrer as Buddha Asvaghosha (4.5 feet high) with a five-headed snake canopy Deora near Bhita Bara Tehsil	Allahabad	-do-

Annexure-2.2
(Referred to in Paragraph no. 2.1.6.3)
Status of Missing Monuments

Sl. No.	Name of CPM reported Missing	Status
1.	Site of Aonla railway station, Bareilly.	Missing
2.	Tomb of Lt. Col. John Guthrie, in mud fort, Farrukhabad	TRACED
3.	Ancient sculpture, carving, images, basreliefs, inscriptions, stones and like objects, Mathura.	Not untraceable, however, their exact similarity need to be studied further to match with the context given in notification and further added that it need to be amended.
4.	Portion of Katra Mound which are not in the possession of Nazul Tenants on which formerly stood a temple of Keshav Dev which was dismantled and the site utilised for the mosque of Aurangzeb, Mathura.	Not untraceable, however, their exact similarity need to be studied further to match with the context given in notification and further added that it need to be amended.
5.	Monument of Kila Chandpur Fort, Bijnor.	Missing
6.	Monument near Kila railway station, Hathras.	Not untraceable, however, their exact similarity need to be studied further to match with the context given in notification and further added that it need to be amended.
7.	Old British cemertery, Bijnor	Missing
8.	Remains of large temple, Ram Nagar, Chitrakoot	Missing
9.	Closed Cemetery, Katra Naka, Banda	S.N. 11 of Gazette 08.03.2024
10.	Large ruined site called Sandi Khera, Pali, Shahabad, Hardoi	TRACED
11.	Cemetery, Jalaun (Bus Stand), Jalaun	Missing
12.	Gunner Burkill's Tomb, Rangaon, Mehroni, Lalitpur	S.N. 12 of Gazette 08.03.2024
13.	<u>Imambara Amin-ud-Daula, Lucknow</u>	Missing
14.	Three Tombs, Lucknow-Faizabad Road at miles 3, 4 & 5, Lucknow	S.N. 15 of Gazette 08.03.2024
15.	Cemeteries at miles 6 & 7, Jahraila Road, Lucknow	S.N. 14 of Gazette 08.03.2024
16.	Cemetery at Gaughat, Lucknow	<u>S.N. 13 of Gazette 08.03.2024</u>
17.	Ruins of three small linga temple circle 1000 AD, Ahugi Mirzapur	S.N. 16 of Gazette 08.03.2024
18.	Three sites with megaliths on the western and north eastern toes of the hill, Chandauli	Missing
19.	Tablet on treasury building, Varanasi	S.N. 18 of Gazette 08.03.2024
20.	Telia Nala Buddhist ruins, Varanasi	S.N. 17 of Gazette 08.03.2024
21.	A Banyan grove containing traces of ancient building, Amavey, Ballia	S.N. 10 of Gazette 08.03.2024
22.	Dih or mound of ruins called Surika-Raj, Ghazipur	Missing
23.	Mound of brick ruins, Sahiya Kushinagar	Missing
24.	A series of enormous mound, Gorakhpur	Missing
25.	Large Dih or mound at Chetion, Kasia, Kushinagar	Missing
26.	Mound of ruins called Sareya, Kushinagar	Missing

Sl. No.	Name of CPM reported Missing	Status
27.	Sikcha wali Kothi, Old High Court Lucknow	Sent for De-notification
28.	Two Cemeteries Lucknow (Physical Verification)	Missing
29.	Cemetery at Mile-6, Lucknow-Raebareli Road Lucknow	Missing
30.	Cemetery at Mile-13, Lucknow-Kanpur Road Lucknow	Missing
31.	Kos Minar, Bhognipur Kanpur Dehat	Missing
32.	Kos Minar, Bhognipur Kanpur Dehat	Missing
33.	Kos Minar, Chaparghata Kanpur Dehat	Missing
34.	Kos Minar, Raigawan Kanpur Dehat	Missing
35.	Kos Minar, Khalaspur Kanpur Dehat	Missing
36.	Kos Minar, Deosar Kanpur Dehat	Missing
37.	Kos Minar, Halia Ghatampur Kanpur Nagar	Missing
38.	The collection of miscellaneous antiquities from different parts of the District, grouped round the Asni Pillar of Mahipaldeva, Fatehpur	Missing
39.	Remains of an old Chandela temple, Banda	Missing
40.	Temple, Jhansi	Missing
41.	A Sikhara roofed temple known as Kathohiya Mariha, Lalit pur	Missing
42.	Two temples and several relics, Lalitpur	Missing
43.	Jain group of temples, Lalitpur	Missing
44.	Mudianior a medieval rearrangement of columns Lalitpur	Missing
45.	A small temple with three figures of Vishnu, Lalitpur	Missing

Annexure-2.3
(Referred to in Paragraph no. 2.1.7.1)
Multiple notification in single premises

Circle	Monuments/Complex	Number of Monuments
Agra	Akbar's Tomb, Sikandara, Agra	2
	Idgarh Rapri, Firozabad	3
Jhansi	A Large slab of the seven Mothers with Ganesha lying on the bed of the valley below the temple Chandi.", Daulatpur, Pali, Lalitpur	2
	Fort of Kalanjar, Banda	3
	Jain temple, Dudhai, Lalitpur	12
	Madan Sagar Lake, Mahoba	5
	A small temple with a sanctum and a flat roof situated outside the cave no. 212, Barha Kotra	2
	Remains of an old fort, Rasin Tehsil Karvi	3
Lucknow	Sikandar Bagh Buildings, Lucknow	2
	Bara Imambara	2
	Municipal Garden complex attached to town hall, Fatehpur	2
	Old Fort, Nahar Khor, Fatehpur	3
	Makhdum Jahanian, Kannauj	3
	Piparahawa Siddharth Nagar	2
	Dilkusha Palace, Lucknow	3
	Bagh Badshahi, Fatehpur	2
	Nandan Mahal, Lucknow	2
	Bala Peer Tomb, Kannauj	5
Sarnath	Jaunpur Fort, Jaunpur	2
	Jama Masjid, Jaunpur	2

Annexure-2.4
(Referred to in Paragraph no. 2.1.9.3 (ii))
Improper conservation of Monuments

Photographs and its descriptions	
Sarnath Circle	
	A large crack in the monument Lord Cornwallis tomb, Ghazipur dated 24.07.24
Agra Circle	
	Defaced false ceiling of Akbar's Tomb, Sikandara, Agra dated 10.09.24
	Need of Chemical treatment at Jodha Bai Mahal, Fatehpur Sikri, Agra dated 29.08.24
	Ruined condition of Mehtab Bagh, Agra dated 26.09.24
	Dilapidated Inlay work at Moti Masjid Taj, Agra dated 24.09.24

Meerut Circle



Different colouration of Roman Catholic Church, Meerut dated 16.10.24

Lucknow Circle



Signage Board scattered in Kothi Bibiapur, Cantt, Lucknow dated 05.11.24

Annexure-2.5

(Referred to in Paragraph no. 2.1.11.2)

Statement of Annual Conservations Plans

(₹ in crore)

Year	Circle	ACPs Approved	Amount	Budget Allotment	Less allotment (%)	Approved ACPs not executed
2021-22	Agra	260	28.32	20.29	8.03 (28)	54
2022-23		316	34.48	22.57	11.91 (35)	84
2023-24		275	40.53	24.43	16.10 (40)	74
2021-22	Jhansi	111	14.46	4.15	10.31 (71)	20
2022-23		121	17.23	7.12	10.11 (59)	6
2023-24		129	20.33	6.05	14.28 (70)	0
2021-22	Lucknow	239	23.08	10.88	12.20 (53)	68
2022-23		259	29.14	19.06	10.08 (35)	96
2023-24		190	35.69	17.32	18.38 (51)	34
2021-22	Meerut	68	10.23	2.89	7.34 (72)	4
2022-23		81	14.29	6.69	7.60 (53)	10
2023-24		73	17.91	9.73	8.18 (46)	11
2021-22	Sarnath	143	18.58	7.89	10.69 (58)	21
2022-23		165	22.21	11.63	10.58 (48)	30
2023-24		163	26.29	13.30	12.99 (49)	53
Total		2593	352.77	184.00	168.70	565

Annexure-2.6

(Referred to in Paragraph no. 2.2)

Excess expenditure of ₹ 27.43 crore towards license fee for unutilised space

Sl. No.	Month	Monthly rent of entire building	Proportionate monthly rent of two floors	Rent actually paid by Ministry	Excess/ short payment of rent
		(Value in ₹)			
1.	Feb-23	3,72,60,974	74,52,195	3,72,60,974	2,98,08,779
2.	Mar-23	3,72,60,974	74,52,195	3,72,60,974	2,98,08,779
3.	Apr-23	4,02,41,852	80,48,370	4,02,41,852	3,21,93,482
4.	May-23	4,02,41,852	80,48,370	4,02,41,852	3,21,93,482
5.	Jun-23	4,02,41,852	80,48,370	4,02,41,852	3,21,93,482
6.	Jul-23	4,02,41,852	80,48,370	4,02,41,852	3,21,93,482
7.	Aug-23	4,02,41,852	80,48,370	4,02,41,852	3,21,93,482
8.	Sep-23	4,02,41,852	80,48,370	4,02,41,852	3,21,93,482
9.	Oct-23	4,02,41,852	80,48,370	4,02,41,852	3,21,93,482
10.	Nov-23	4,02,41,852	80,48,370	4,02,41,852	3,21,93,482
11.	Dec-23	4,02,41,852	80,48,370	0	-80,48,370
12.	Jan-24	4,02,41,852	80,48,370	0	-80,48,370
13.	Feb-24	4,02,41,852	80,48,370	0	-80,48,370
14.	Mar-24	4,02,41,852	80,48,370	0	-80,48,370
15.	Apr-24	4,34,61,200	86,92,240	0	-86,92,240
16.	May-24 (Up to 07.05.24)	98,13,819	19,62,764	0	-19,62,764
Total			12,21,39,838	39,64,56,764	27,43,16,926

Annexure-2.7

(Referred to in Paragraph no. 2.3)

Rental Outgo in respect of six residential units

Sl. No.	Unit No.	Month of vacation	Period of vacancy (till Feb. 2025) in months	Monthly rent being paid by the Mission in lieu of vacated units (RMB)	Rental outgo for the period of vacancy (RMB)
1.	A1	May 2022	34	27,000	9,18,000
2.	A2	October 2022	29	19,000	5,51,000
3.	A4	November 2024	4	19,000	76,000
4.	B1	August 2021	43	18,000	7,74,000
5.	B3	September 2024	6	18,000	1,08,000
6.	C2	December 2022	27	10,000	2,70,000
Total (in RMB)					2,69,7000
Official Rate of Exchange of February 2025, 1 RMB = 11.9474 INR					
Total in ₹					3,22,22,138 (3.22 crore)

Annexure-2.8

(Referred to in Paragraph no. 2.6)

Electricity Duty and Tax paid by RPO, Mumbai

(Amount in ₹)

Year	Month	Electricity Duty	Tax on sale
2017	July	96124.65	8665.94
2017	August	165739.04	16702.99
2017	September	147745.1	14778.83
2017	November	150847.71	14262.45
2018	January	133852.37	12338.29
2018	March	151672.74	14248.03
2018	April	163096.22	15921.21
2018	July	154870.94	14816.33
2018	August	154842.85	15211.55
2018	September	139881.38	13855.69
2018	October	160515.32	17034.74
2018	November	144705.62	14210.52
2018	December	118943.79	11493.04
2019	January	116145.57	15804.09
2019	February	121081.38	16645.56
2019	March	136930.34	19280.26
2019	April	159097.99	21608.59
2019	May	191270.33	26698.25
2019	June	177772.07	24557.82
2019	July	179892.78	24868.26
2019	August	160132.07	21759.73
2019	September	152164.34	20509.78
2019	October	165700.77	22662.47
2019	November	160292.6	21776.07
2019	December	146602.57	19627.46
2020	January	141628.22	18835.01
2020	February	137553.5	18185.53
2020	March	101716.4	16290.18
2020	April	54240.48	11679.12
2020	May	48934.37	9961.47
2020	June	94504.17	14750.55
2020	July	114645.01	19329.95
2020	August	109086.02	17439.37
2020	September	117229.3	19023.59
2020	October	113968.02	18477.59

Year	Month	Electricity Duty	Tax on sale
2020	November	110885.25	17222.88
2020	December	104887.52	16856.95
2021	January	103771.01	16082.54
2021	February	98740.79	15618.57
2021	March	117030.55	19982.5
2021	April	122307.73	20429.11
2021	May	130825.3	22095.36
2021	June	142639.26	24397.15
2021	July	141581.12	24704.19
2021	August	132899.04	22680.5
2021	September	131814.83	22498.74
2021	October	138293.35	23367.1
2021	November	135839.14	23776.26
2021	December	118608.42	19972.97
2022	January	106573.45	17127.57
2022	February	115361.42	18374.11
2022	March	144961.57	25283.55
2022	April	148042.65	25927.25
2022	May	157760.4	28197.71
2022	June	157422.09	28090.49
2022	July	154319.84	23922.29
2022	August	148341.02	22606.99
2022	September	152472.05	23451.18
2022	October	159056.81	24569.73
2022	November	144157.19	21843.81
2022	December	155254.13	23914.46
2023	January	127812.21	18146.72
2023	February	137450.46	19770.43
2023	March	158741.18	23689.46
2023	April	154300.51	22889.86
2023	May	174559.77	26488.91
2023	June	162411.23	24444.8
2023	July	167358.24	25905.12
2023	August	177038.42	27833.15
2023	September	151313.2	22172.98
Total		9668257.18	1387645.7

Annexure-2.9

(Referred to in Paragraph no. 2.6)

Electricity Duty and Tax of RPO, Pune

Year	Month	Electricity Duty	Tax
2021	January	41499.11	2192.46
	February	38125.1	1911.81
	March	46207.96	2676.83
	April	47163.42	2730.53
	May	46100.35	2609.62
	June	43260.4	2330.5
	July	42546.1	2195.69
	August	41482.36	2090.02
	September	40778.49	2037.47
	October	43035.29	2259.48
	November	40367.73	2030.43
	December	38760.28	1797.95
2022	January	38032.11	1691.13
	February	37042.3	1688.47
	March	38621.12	1916.19
	April	38534.54	1808.8
	May	40173.52	1969.69
	June	43634.46	1932.56
	July	43758.22	1900.95
	August	47769.67	2179.7
	September	49115.56	2301.75
	October	49739.27	2318.12
	November	48409.13	2232.25
	December	50121.84	2375.81
2023	January	50798.59	2432.74
	February	46711.26	2127.91
	March	53163.84	2652.08
	April	59227.92	3045.07
	May	65311.91	3552.86
	June	65891.11	3575.14
	July	59641.93	3018.41
	August	60524.63	3099.33
	September	61424.27	3108.09
	October	63835.13	3311.25
	November	55836.56	2564.69
	December	54372.41	2373.34

Year	Month	Electricity Duty	Tax
2024	January	55306.06	2493.48
	February	54227.51	2450.45
	April	80797.37	4084.84
	May	81217.4	4089.41
	June	71821.36	3352.32
	July	67212.38	2964.34
	August	68068.27	3041.45
	September	65072.09	2819.44
	October	68131.77	3046.02
	November	59784.73	2387.81
	December	45404.76	1437.14
2025	January	46016.29	1473.51
	February	48780.18	1711.12
	March	58453.6	2454.26
	April	50109.27	1989.11
	May	52033.47	2068.51
Total		2703454.4	127902.33

Annexure-2.10
(Referred to in Paragraph no. 2.6)
Electricity Duty of RPO, Goa

Year	Month	Electricity Duty
2018	August	11112.5
	September	10675
	October	12817
	November	11231.5
	December	10619
2019	January	7444.5
	February	6405
	March	9915.5
	April	12743.5
	May	14322
	June	11301.5
	July	12791.1
	August	12791.1
	September	12791.1
	October	12791.1
	November	12791.1
	December	12791.1
2020	January	12791.1
	February	12791.1
	March	12791.1
	April	12791.1
	May	12791.1
	June	12791.1
	July	12241.6
	August	12176.5
	September	11928.7
	October	11528.3
	November	8181.6
	December	8652.7
2021	January	8756.3
	February	7460.6
	March	10166.8
	April	9797.2
	May	10222.1
	June	8159.9
	July	7264.6
	August	7268.8

Year	Month	Electricity Duty
	September	7351.4
	October	8352.4
	November	7926.8
	December	7575.4
2022	January	6741.7
	February	7210.7
	March	10453.1
	April	10451.6
	May	11121.6
	June	9459.8
	July	5807.9
	August	9033.5
	September	9368.1
	October	9363.2
	November	9840.6
	December	10165.4
2023	January	8082.2
	February	10022.6
	March	10712.1
	April	10951.5
	May	12039.3
	June	11512.9
	July	8600.9
	August	10776.1
	September	9493.4
	October	11940.6
	November	10794
	December	11601.1
2024	January	10585.4
	February	10494.4
	March	10875.9
	April	12451.6
	May	13428.8
	June	9737
	July	9284.8
	August	8853.6
	September	9232.3
	October	9653
	November	7967.4
	December	15466.5

Year	Month	Electricity Duty
2025	January	1374
	February	7602
	March	9023.7
	April	9666.3
Total		828332.5

Annexure-2.11
(Referred to in Paragraph no. 2.8.7 (i))
Shortfall in Survey and Project Deliverables

Vessels	Project	Target						Achievement						% Achievement						% Shortfall					
		Voyage	Days out at Sea	Fishing Days	Sampling efforts	Voyage	Days out at Sea	Fishing Days	Sampling efforts	Voyage %	At Sea %	Fishing %	% Sampling efforts	Voyage %	At Sea %	Fishing %	% Sampling efforts	Voyage %	At Sea %	Fishing %	% Sampling efforts				
MFV Matsya Darshini	Bottom/Mid water trawling	47	940	752	3228	42	752	590	2314.1	89	80	78	71.68	11	20	22	28.32								
MFV Matsya Shikari	Bottom trawling	49	960	758	3505	39	654	433	1625.4	80	68	57	46.37	20	32	43	53.63								
MFV Matsya Sagarika	Bottom trawling	48	950	760	3562.5	35	654	456	1765.16	73	69	60	49.55	27	31	40	50.45								
MFV Matsya Samudrika	Bottom trawling	48	960	768	3600	27	480	378	1666	62	50	49.22	46.28	43.75	50	53.78	53.72								
MFV Matsya Lavanika	Bottom trawling	97	971	776	3642	83	738	540	1535.73	86	76	70	42.17	14	24	30	57.83								
MFV Matsya Varshini	Bottom trawling	49	980	784	3675	29	508	337	791.47	59	52	43	21.54	41	48	57	78.46								
MFV Matsya Nireekshani	Bottom trawling	51	1010	808	3787.5	7	73	38	153.55	14	7	5	4.05	86	93	95	95.95								
TOTAL (A)		389	6771	5406	25000	262	3859	2772	9851.41	67.35	56.99	51.28	39.41	32.65	43.01	48.72	60.59								
MFV Matsya Blue Marlin	Tuna Long line	51	1000	755	471875	13	198	103	41882	33	20	14	8.87	68	80	86	91.13								
MFV Matsya Druшти	Tuna Long line	50	1000	676	424920	43	823	542	278825	86	82	80	65.62	14	18	20	34.38								
MFV Matsya Yellow Fin	Tuna Long line	49	980	734	431250	30	515	313	81200	61	53	43	18.83	39	47	57	81.17								
MFV Matsya Vrushti	Tuna Long line	47	940	692	435960	24	342	194	89047	51	36	28	20.43	49	64	72	79.57								
TOTAL (B)		197	3920	2857	1764005	110	1878	1152	490954	55.84	47.91	40.32	27.83	44.16	52.09	59.68	72.17								
TOTAL (A+B)		586	10691	8263		372	5737	3924		63.48	53.66	47.49		36.52	46.34	52.51									

Annexure-2.12
(Referred to in Paragraph no. 2.8.7 (i))
Target and Achievement of Voyages Performed

Vessel	Target				Achievement				% Achievement				% Shortfall			
	Voyage	Days out at Sea	Fishing Days	Sampling efforts	Voyage	Days out at Sea	Fishing Days	Sampling efforts	Voyage %	At Sea %	Fishing %	%Sampling efforts	Voyage %	At Sea %	Fishing %	%Sampling efforts
MFV Matsya Darshini	42	780	624	2694	42	752	590	2314.1	100.00	96.41	94.55	85.90	0.00	3.59	5.45	14.10
MFV Matsya Shikari	39	760	600	2850	39	654	433	1625.4	100.00	86.05	72.17	57.03	0.00	13.95	27.83	42.97
MFV Matsya Sagarika	35	650	520	2437.5	35	654	456	1765.16	100.00	100.00	87.69	72.42	0.00	0.00	12.31	27.58
MFV Matsya Samudrika	27	520	416	1950	27	480	378	1666	100.00	92.31	90.87	85.44	0.00	7.69	9.13	14.56
MFV Matsya Lavanika	83	820	656	3075	83	738	540	1535.73	100.00	90.00	82.32	49.94	0.00	10.00	17.68	50.06
MFV Matsya Varshini	29	560	448	2100	29	508	337	791.47	100.00	90.71	75.22	37.69	0.00	9.29	24.78	62.31
MFV Matsya Nireekshani	7	140	112	525	7	73	38	153.55	100.00	52.14	33.93	29.25	0.00	47.86	66.07	70.75
TOTAL (A)	262	4230	3376	15631.5	262	3859	2772	9851.41	100.00	91.23	82.11	63.02	0.00	8.77	17.89	36.98
MFV Matsya Blue Marlin	13	260	196.22	105000	13	198	103	41882	100.00	76.15	52.49	39.89	0.00	23.85	47.51	60.11
MFV Matsya Drushti	43	800	542.74	307201.1	43	823	542	278825	100.00	100.00	99.86	90.76	0.00	0.00	0.14	9.24
MFV Matsya Yellow Fin	30	580	434.22	178750	30	515	313	81200	100.00	88.79	72.08	45.43	0.00	11.21	27.92	54.57
MFV Matsya Vrushti	24	480	354.63	122220	24	342	194	89047	100.00	71.25	54.70	72.86	0.00	28.75	45.30	27.14
TOTAL (B)	110	2120	1527.81	713171.1	110	1878	1152	490954	100.00	88.58	75.40	68.84	0.00	11.42	24.60	31.16
GRAND TOTAL (A+B)	372	6350	4903.81	728802.6	372	5737	3924		100.00	90.35	80.02		0.00	9.65	19.98	

Annexure-2.13

(Referred to in Paragraph no. 2.8.7 (ii))

Shortfall of target in implementation of Gear operation

Name of Base	Vessel	Experimental gear operation				
		2018-19	2019-20	2020-21	2021-22	2022-23
Mumbai	MFV Matsya Vrushhti	--	--	--	--	--
	MFV Matsya Nireekshani	--	--	--	--	--
	MFV Yellowfin	--	--	--	--	RTL - 56,250 hooks DGN- 176 hrs. BSVLL 18,750 hooks
Mormugao	MFV Sagarika	--	--	--	--	--
	MFV Matsya Varshini	--	-	--	-	--
	MFV Lavanika	--	--	--	-	-
Chennai	MFV Matsya Drushhti	BSVLL -9,600 hooks.	BSVLL - 9,600 hooks.		--	--
	MFV Matsya Samudrika	--	--	--	--	--
	MFV Matsya Shikari	*Acoustic survey- Andaman water.	--	--	--	--
Visakhapatnam	MFV Matsya Darshini	*Acoustic survey	*Acoustic survey	*Acoustic survey	*Acoustic survey	*Acoustic survey
	MFV Blue Marlin	BSLL- 18,750 hooks DLL- 10,000 hooks BSVLL- 18,750 hooks.	BSLL-28,750 hooks, DLL-8,750 hooks, BSVLL- 18,750 hooks.	BSLL-18,750 hooks, DLL- 18750 hooks BSVLL- 18750 hooks.	BSLL- 18,750 hooks DLL - 14,375 hooks BSVLL - 28,750 hooks.	RTL-47,500 hooks MDLL- 18,750 hooks DL- 18,750 hooks BSVLL- 18,750 hooks

Annexure-2.14
(Referred to in Paragraph no. 2.8.7 (ii))

Shortfall of target in implementation of Gear operation

Name of Base	Vessel	Experimental gear operation				
		2018-19	2019-20	2020-21	2021-22	2022-23
Mumbai	MFV Matsya Vrushti	--	--	--	--	--
	MFV Matsya Nireekshani	--	--	--	--	--
Mormugao	MFV Yellowfin	--	--	--	--	BSVLL -5185 efforts
	MFV Sagarika	--	--	--	--	--
Cochin	MFV Matsya Varshini	--	HL+VLL+BSPLL+BSVLL 2076 hooks	--	Squid jigging- 45 hrs.	--
	MFV Lavanika	--	--	--	HL/BSL -320.5 hrs Squid Jigging – 23.3 hrs	BSL 9.3hrs Squid jigging - 19.1hrs
Chennai	MFV Matsya Drushti	--	BSVLL-2820 Efforts	--	--	--
	MFV Samudrika	--	--	--	--	--
Visakhapatnam	MFV Matsya Shikari	--	--	--	--	--
	MFV Matsya Darshini	--	--	--	--	--
Port Blair	MFV Blue Marlin	BSVLL- 7407 efforts	BSVLL- 475 efforts	--	--	--

(a) SVLL- Bottom Set Vertical Longline, (b) BSLL- Bottom Set Line, (c) BSPLL- Bottom Set Perch Longline, (d) DGN-Drift Gill Net, (e) DLL-Drift Longline, (f) HL- Handline, (g) MDLL-Modified Drift Longline, (h) RTL-Regular Tune Longline, (i) VLL- Vertical Longline.

Annexure-2.15

(Referred to in Paragraph no. 2.8.7.1)

Achievement of collection of environmental data

Vessels	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	Total
MFV Yellow fin	Conducted	11	2	0	6	11	30
	Data collected	0	0	0	0	1	1
MFV Matsya Vrushti	Conducted	7	3	3	4	7	24
	Data collected	1	2	1	1	0	5
MFV Matsya Drushti	Conducted	9	12	4	6	12	43
	Data collected	6	6	3	3	3	21

Annexure-2.16

(Referred to in Paragraph no. 2.8.8.1 (i))

Prolonged and unplanned maintenance of vessel

Sl. No.	Vessels/Age	Year	Planning of drydocking (in Months)	Time taken in drydocking (in month)	Time Taken in drydocking (% of Plan)	Supply/Non availability of HSD (Days)
1.	MFV Matsya Nireekshani 46 years	2018-19	-	6		60
		2019-20	2	5		27
		2020-21	2	8		-
		2021-22	-	-		-
		2022-23	-	3		-
	Total		4	22	550	87
2.	MFV Matsya Shikari 45 years	2018-19	-	-		21
		2019-20	2	6		-
		2020-21	-	-		-
		2021-22	-	-		26
		2022-23	2	4		-
	Total		4	10	250	47
3.	MFV Matsya Darshini 44 years	2018-19	1*	-		-
		2019-20	2	-		-
		2020-21	2	-		-
		2021-22	2	4		20
		2022-23	-	-		-
	Total		7	4	100	20
4.	MFV Matsya Varshini 44 years	2018-19	2	2		-
		2019-20	-	-		-
		2020-21	2	3		-
		2021-22	-	-		-
		2022-23	-	-		-
	Total		4	5	125	0
5.	MFV Blue Marlin ¹⁵⁰ 35 years	2018-19	2	9		-
		2019-20	-	4.8		-
		2020-21	2	-		-
		2021-22	1	-		-
		2022-23	-	-		12
	Total		5	13.8	276	12
6.	MFV Yellow Fin	2018-19	-	1		9
		2019-20	2	4		-

¹⁵⁰ MPV Blue Marlin-The vessel underwent dry docking/repair of damaged propeller in 2020-21 and 2021-22 and was not deployed for surveys.

Sl. No.	Vessels/Age	Year	Planning of drydocking (in Months)	Time taken in drydocking (in month)	Time Taken in drydocking (% of Plan)	Supply/Non availability of HSD (Days)
	35 years	2020-21	2	10		-
		2021-22	-	3		20
		2022-23	-	1		1
	Total		4	19	475	30
7.	MFV Matsya Samudrika 30 years	2018-19	-	-		-
		2019-20	2	6		-
		2020-21	2	-		-
		2021-22	-	-		-
		2022-23	2	3		-
	Total		6	9	150	0
8.	MFV Sagarika 30 years	2018-19	2	-		-
		2019-20	2	11		-
		2020-21	2	6		-
		2021-22	-	-		24
		2022-23	2	5		7
	Total		8	22	275	31
9.	MFV Lavanika 29 years	2018-19	-	-		-
		2019-20	2	-		-
		2020-21	3	4		-
		2021-22	-	-		-
		2022-23	2	2.5		-
	Total		7	6.5	92.85	0.00
10.	MFV Matsya Drushti 19 years	2018-19	1*	2		-
		2019-20	-	-		-
		2020-21	2	3		-
		2021-22	1	4		10
		2022-23	-	-		-
	Total		4	9	225	10
11.	MFV Matsya Vrushti 19 years	2018-19	-	1		64
		2019-20	2	3		-
		2020-21	2	4		-
		2021-22	-	-		40
		2022-23	-	-		-
	Total		4	8	200	104

Annexure-2.17

(Referred to in Paragraph no. 2.11)

Details of Professional Tax not deducted by CAPF units

Sl. No.	Name of State	Unit Name	Non deduction of Professional Tax	
			Period	Amount (₹ in lakh)
1.	Madhya Pradesh	1. BSF, Academy, Takenpur, Gwalior	04/2017 to 09/2023	245.18
		2. BSF, CSMT, Takenpur, Gwalior	04/2017 to 09/2023	41.19
		3. BSF, NTCD, Gwalior	04/2017 to 03/2024	35.15
		4. BSF, Composite Hospital, Gwalior	04/2017 to 03/2024	17.40
		5. BSF, STC, Takenpur, Gwalior	04/2017 to 03/2024	71.23
		6. BSF, TSU, Takenpur, Gwalior	11/2018 to 03/2022	25.77
		7. CRPF, Composite Hospital, Neemuch	04/2017 to 03/2025	10.75
		8. CRPF, CTC, Neemuch	04/2017 to 03/2018	7.73
		9. CRPF, GC, Neemuch	04/2017 to 04/2023	98.75
		10. ITBP, SPT Bn, Shivpuri	04/2017 to 03/2018	8.53
		11. ITBP, CF Hqrs, Bhopal	04/2017 to 03/2025	47.40
		12. ITBP, STS, Shivpuri	04/2017 to 03/2018	2.53
		13. ITBP, RTC, Shivpuri	04/2017 to 09/2024	49.95
(A) Total				661.56
2.	Telangana	1. CRPF, Southern Sector, Jubilee Hills, Hyderabad	04/2017 to 07/2024	18.36
		2. CRPF, GC, Hyderabad,	04/2017 to 07/2024	146.98
		3. RAF, GC, Campus, Rangareddy	04/2017 to 09/2024	185.44
		4. CRPF, Composite Hospital, GC, Campus, Hyderabad	04/2017 to 09/2024	13.50
		5. CRPF, GC, Chandrayangutta, Rangareddy	04/2017 to 09/2024	134.85
		6. CRPF, Range Hqrs- Hyderabad	04/2017 to 07/2024	7.51
		7. CRPF, 2 nd Battalion, Chandrayangutta, Hyderabad	04/2017 to 07/2024	424.76
		8. CRPF, Spl DG South Zone, GC Campus, Hyderabad	04/2017 to 07/2024	06.46
(B) Total				937.86
3.	Assam	1. SSB, 37 Bn, Mangaldoi	03/2020 to 03/2024	103.68
(C) Total				103.68
4.	Tripura	1. BSF, 96 Bn, Bagafa,	04/2021 to 03/2024	76.28
		2. BSF, 199 Bn, Panisagar,	04/2021 to 03/2024	79.44
(D) Total				155.72
5.	Punjab	1. BSF, 183 Bn, Amritsar	08/2021 to 03/2024	37.15
		2. BSF, Composite Hospital, Jalandhar	04/2018 to 03/2025	7.64
		3. BSF, Sector Headquarter, Gurudaspur	04/2018 to 03/2025	43.08

Sl. No.	Name of State	Unit Name	Non deduction of Professional Tax	
			Period	Amount (₹ in lakh)
		(E) Total		87.87
6.	Kerala	1. CISF, Group HQ, Kochi	04/2017 to 03/2024	21.06
		2. CISF, BPCL-KR, Kochi	08/2017 to 02/2024	49.93
		3. CISF, CIAL, Kochi	08/2017 to 02/2024	157.95
		4. CISF, FACT, Kochi	08/2017 to 02/2024	57.75
		5. CISF, VSSC, Thumba, Trivandrum	08/2017 to 02/2024	104.64
		6. CISF, LPSC, Valiamala, Trivandrum	08/2017 to 02/2024	24.19
		7. ITBP, Nooranad, Allpujha	08/2017 to 02/2024	224.94
		8. CISF, International Airport, Kalicut	08/2017 to 02/2024	53.06
		(F) Total		693.52
Grand Total (A)+(B)+(C)+(D)+(E)+(F)				2640.21

Annexure-2.18

(Referred to in Paragraph no. 2.12)

Excess payment

Sl. No.	Months	Total No. of GOs	Rate of SCA Drawn- GO	Eligible Rate of SCA- GO	Total Excess Claim GO	Total No. of NGO	Rate of SCA Drawn- NGO	Eligible Rate of SCA- NGO	Total Excess Claim NGO
		(a)	(b)	(c)	d= (b-c) *a	(e)	(f)	(g)	(h) = (f-g)*e
1.	Mar-19	7	4875	3900	6825	606	3750	3000	454500
2.	Apr-19	6	4875	3900	5850	612	3750	3000	459000
3.	May-19	6	4875	3900	5850	480	3750	3000	360000
4.	Jun-19	6	4875	3900	5850	620	3750	3000	465000
5.	Jul-19	6	4875	3900	5850	610	3750	3000	457500
6.	Aug-19	4	4875	3900	3900	632	3750	3000	474000
7.	Sep-19	5	4875	3900	4875	560	3750	3000	420000
8.	Oct-19	4	4875	3900	3900	500	3750	3000	375000
9.	Nov-19	4	4875	3900	3900	552	3750	3000	414000
10.	Dec-19	6	4875	3900	5850	615	3750	3000	461250
11.	Jan-20	6	4875	3900	5850	630	3750	3000	472500
12.	Feb-20	7	4875	3900	6825	641	3750	3000	480750
13.	Mar-20	7	4875	3900	6825	619	3750	3000	464250
14.	Apr-20	7	4875	3900	6825	593	3750	3000	444750
15.	May-20	3	4875	3900	2925	497	3750	3000	372750
16.	Jun-20	4	4875	3900	3900	513	3750	3000	384750
17.	Jul-20	9	4875	3900	8775	583	3750	3000	437250
18.	Aug-20	9	4875	3900	8775	485	3750	3000	363750
19.	Sep-20	8	4875	3900	7800	489	3750	3000	366750
20.	Oct-20	8	4875	3900	7800	553	3750	3000	414750
21.	Nov-20	7	4875	3900	6825	612	3750	3000	459000
22.	Dec-20	7	4875	3900	6825	646	3750	3000	484500
23.	Jan-21	9	4875	3900	8775	600	3750	3000	450000
24.	Feb-21	8	4875	3900	7800	642	3750	3000	481500
25.	Mar-21	9	4875	3900	8775	611	3750	3000	458250
26.	Apr-21	8	4875	3900	7800	664	3750	3000	498000
27.	May-21	6	4875	3900	5850	548	3750	3000	411000
28.	Jun-21	9	4875	3900	8775	628	3750	3000	471000
29.	Jul-21	10	4875	3900	9750	750	3750	3000	562500
30.	Aug-21	9	4875	3900	8775	797	3750	3000	597750
31.	Sep-21	10	4875	3900	9750	808	3750	3000	606000
32.	Oct-21	9	4875	3900	8775	811	3750	3000	608250
33.	Nov-21	8	4875	3900	7800	714	3750	3000	535500
34.	Dec-21	10	4875	3900	9750	699	3750	3000	524250
35.	Jan-22	9	4875	3900	8775	710	3750	3000	532500
36.	Feb-22	9	4875	3900	8775	717	3750	3000	537750
37.	Mar-22	9	4875	3900	8775	543	3750	3000	407250
38.	Apr-22	9	4875	3900	8775	726	3750	3000	544500

Sl. No.	Months	Total No. of GOs	Rate of SCA Drawn- GO	Eligible Rate of SCA- GO	Total Excess Claim GO	Total No. of NGO	Rate of SCA Drawn- NGO	Eligible Rate of SCA- NGO	Total Excess Claim NGO	
		(a)	(b)	(c)	d= (b-c) *a	(e)	(f)	(g)	(h) = (f-g)*e	
39.	May-22	7	4875	3900	6825	652	3750	3000	489000	
40.	Jun-22	5	4875	3900	4875	635	3750	3000	476250	
41.	Jul-22	6	4875	3900	5850	768	3750	3000	576000	
42.	Aug-22	6	4875	3900	5850	789	3750	3000	591750	
43.	Sep-22	7	4875	3900	6825	896	3750	3000	672000	
44.	Oct-22	10	4875	3900	9750	739	3750	3000	554250	
45.	Nov-22	10	4875	3900	9750	849	3750	3000	636750	
46.	Dec-22	10	4875	3900	9750	854	3750	3000	640500	
47.	Jan-23	9	4875	3900	8775	871	3750	3000	653250	
48.	Feb-23	10	4875	3900	9750	857	3750	3000	642750	
49.	Mar-23	10	4875	3900	9750	831	3750	3000	623250	
50.	Apr-23	12	4875	3900	11700	879	3750	3000	659250	
51.	May-23	11	4875	3900	10725	889	3750	3000	666750	
52.	Jun-23	11	4875	3900	10725	869	3750	3000	651750	
53.	Jul-23	10	4875	3900	9750	779	3750	3000	584250	
54.	Aug-23	10	4875	3900	9750	784	3750	3000	588000	
55.	Sep-23	10	4875	3900	9750	773	3750	3000	579750	
56.	Oct-23	9	4875	3900	8775	685	3750	3000	513750	
57.	Nov-23	9	4875	3900	8775	781	3750	3000	585750	
58.	Dec-23	11	4875	3900	10725	989	3750	3000	741750	
59.	Jan-24	12	4875	3900	11700	998	3750	3000	748500	
60.	Feb-24	14	4875	3900	13650	1008	3750	3000	756000	
		Total			473850		Total			31343250
		Grand Total (GO & NGO)		(₹)	31817100					

Annexure-2.19

(Referred to in Paragraph no. 2.13.1)

(A) Salient features of Pre-Matric Scholarship Scheme Guidelines

Condition for grant of scholarship	<ul style="list-style-type: none"> • Student should belong to a Scheduled Caste. • Her/his Parents/Guardian's income should not exceed ₹2.00 lakh per annum as per the original programme. However, this was raised to ₹2.50 lakh per annum on 19 September 2017. • She/he should not be getting any other Centrally funded Pre-Matric Scholarship for studying in class IX and X. • She/he should be a regular, full-time student studying in a Government school or in a school recognized by Government or a Central/State Board of Secondary Education. • Scholarship for studying in any class will be available for only one year. If a student has to repeat a class, she/he would not get scholarship for that class for a second (or subsequent) year. 																					
Rate of Scholarship	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Scholarship and other grants upto 18 September 2017:</th> </tr> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">Day Scholar</th> <th style="text-align: center;">Hostellers</th> </tr> </thead> <tbody> <tr> <td>Scholarship for 10 months (₹ per month)</td> <td style="text-align: center;">150</td> <td style="text-align: center;">350</td> </tr> <tr> <td>Books and Ad hoc Grant (₹ per annum)</td> <td style="text-align: center;">750</td> <td style="text-align: center;">1000</td> </tr> <tr> <td colspan="3" style="text-align: center;">Scholarship and other grants <i>w.e.f.</i> 19 September 2017</td> </tr> <tr> <td>Scholarship for 10 months (₹ per month)</td> <td style="text-align: center;">225</td> <td style="text-align: center;">525</td> </tr> <tr> <td>Books and Ad hoc Grant (₹ per annum)</td> <td style="text-align: center;">750</td> <td style="text-align: center;">1000</td> </tr> </tbody> </table>	Scholarship and other grants upto 18 September 2017:			Particulars	Day Scholar	Hostellers	Scholarship for 10 months (₹ per month)	150	350	Books and Ad hoc Grant (₹ per annum)	750	1000	Scholarship and other grants <i>w.e.f.</i> 19 September 2017			Scholarship for 10 months (₹ per month)	225	525	Books and Ad hoc Grant (₹ per annum)	750	1000
Scholarship and other grants upto 18 September 2017:																						
Particulars	Day Scholar	Hostellers																				
Scholarship for 10 months (₹ per month)	150	350																				
Books and Ad hoc Grant (₹ per annum)	750	1000																				
Scholarship and other grants <i>w.e.f.</i> 19 September 2017																						
Scholarship for 10 months (₹ per month)	225	525																				
Books and Ad hoc Grant (₹ per annum)	750	1000																				
Duration and Renewal of Awards	<ul style="list-style-type: none"> • The scholarship will be payable for 10 months in an academic year. • The award once made will continue subject to good conduct and regularity in attendance. It will be renewed for class X after the student passes class IX. 																					

(B) Salient features of Post-Matric Scholarship Scheme Guidelines

Condition for grant of scholarship	<ul style="list-style-type: none"> • Student should belong to a Scheduled Caste. • Available for studies in India only, to candidates permanently settled or domiciled in a particular State studying at Post-Matriculation or Post-Secondary stage. • Will be given for the study of all recognized Post-Matriculation or Post-Secondary courses pursued in recognized Institutions/Universities/Colleges (both Government and Private). • The Institutions shall submit all the details of the applicants while submitting scholarship applications • Her/his Parents/Guardian's income should not exceed ₹2.50 lakh per annum. • Procedure for submission of application is either online/offline, along with requisite documents like Education Certificate, Caste Certificate, Income Certificate, <i>etc.</i> • The conditions stipulated in the Ministry's notification no. 428 dated 16.02.2017 relating to provisions contained in section 7 of the Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act 2016 are to be followed with further clarification that if for any reason the authentication of Aadhaar fails the individual concerned should be permitted to establish his/ her identity by any other means. (This has been added in the instructions issued on 6 September 2019).
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<p>Rate of Scholarship</p>	<ul style="list-style-type: none"> • Scholarship includes maintenance allowance, compulsory non-refundable fees, study tour charges, thesis typing charges, book allowance, book bank facility and additional allowance for SC students with disabilities. • Rate of Maintenance Allowance (in ₹ per month) for 10 months/duration of course Group I Courses¹⁵¹ - ₹1200 for Hostellers and ₹550 for Day Scholars Group II Courses¹⁵²- ₹820 for Hostellers and ₹530 for Day Scholars Group III Courses¹⁵³- ₹570 for Hostellers and ₹300 for Day Scholars Group IV Courses¹⁵⁴- ₹380 for Hostellers and ₹230 for Day Scholars • Compulsory non-refundable fees like enrolment/registration, tuition, games, union, library, magazine, <i>etc.</i>, as per fee recommended by Fee Fixation Committee/Fee Rationalization Committee constituted by States/UTs • Study Tour Charges- upto ₹1,600 <i>per annum</i> • Thesis typing / printing charges- upto ₹1,600 <i>per annum</i> • Book allowance for correspondence/distance education course- ₹1,200 • Book Banks- ₹ 2,400 to ₹7,500 depending upon admissible courses
<p>Duration and Renewal of Awards</p>	<ul style="list-style-type: none"> • Maintenance Allowance shall be payable for 10 months/duration of the course. • Award once made will continue subject to good conduct and attendance of 75 <i>per cent</i> in every academic year

¹⁵¹ Degree and Post Graduate in Medicine, Engineering, Technology, Agriculture, Business Administration, *etc.*, Post Graduate Diploma in various branches of Management & Medicine, M. Phil, Ph. D, LLB, LLM, *etc.*

¹⁵² Professional courses leading to Degree, Diploma, Certificate courses, *etc.*

¹⁵³ Graduate and Post Graduate courses not covered under Group I & Group II *viz.* B.A/B.Sc/B.Com/ M.A./M.Sc/M. Com, *etc.*

¹⁵⁴ All Post-Matriculation level non-degree courses for which entrance qualification is High School.

Annexure-2.20 (A)

(Referred to in Paragraph no. 2.13.1)

State/Year-wise expenditure (Central and State share) and number of Beneficiaries of Pre-Matric Scholarship Scheme for Scheduled Castes

(Expenditure in ₹ crore and Beneficiaries in lakh)

Sl. No.	State/ UT	2017-18		2018-19		2019-20		2020-21		2021-22		2022-23		2023-24	
		Expen- diture	Benefi- ciaries												
1.	Andhra Pradesh	19.74	0	88.03	0.04	81.74	2.24	84.81	2.36	98.20	2.46	0.00	0.00	93.56	2.21
2.	Assam	0.75	0	0.02	0	0.05	0.01	0.11	0.01	0.00	0.00	0.00	0.00	0.01	^0.00
3.	Bihar	0.00	4.92	86.48	4.80	91.12	3.07	95.67	5.32	125.57	4.73	24.49	1.32	26.26	1.47
4.	Chhattisgarh	32.02	0	20.24	0.85	17.12	0.88	22.71	0.76	0.00	0.00	0.00	0.00	14.81	0.41
5.	Goa	0.02	0	0.03	0	0.03	0	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Gujarat	20.29	0	22.47	0.74	18.42	0.61	16.93	0.57	90.63	2.70	27.38	0.77	95.98	2.73
7.	Haryana	0.00	1.47	0.00	0	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00
8.	Himachal Pradesh	6.71	0.27	0.00	0.24	0.00	0.21	2.78	0.15	6.23	0.17	0.00	0.00	12.83	0.24
9.	Jharkhand	9.40	0.41	10.73	0.46	10.05	0.44	8.57	0.38	7.00	0.58	0.00	0.00	0.00	0.00
10.	Karnataka	36.82	0	58.25	2.23	59.26	2.61	58.05	3.23	127.63	2.72	70.03	2.00	82.01	2.36
11.	Kerala	16.49	0.76	12.82	0.42	15.82	0.76	15.81	0.59	18.20	0.62	14.85	0.42	4.26	0.12
12.	Madhya Pradesh	79.12	0	110.11	3.46	106.29	3.24	97.45	3.19	78.95	3.55	0.00	0.00	0.00	0.00
13.	Maharashtra	0.00	0	0.00	0	23.32	0.67	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00
14.	Manipur	0.36	0.01	0.00	0.01	0.00	0.01	0.17	0.00	0.42	0.01	0.00	0.00	0.43	0.01
15.	Odisha	56.41	2.18	60.29	1.83	54.35	1.71	48.49	1.53	47.93	0.92	10.75	0.29	11.80	0.31
16.	Punjab	0.00	2.06	0.00	2.29	0.00	1.82	0.46	2.18	59.18	1.97	32.50	0.93	36.09	1.03
17.	Rajasthan	16.63	0	59.25	2.34	50.42	1.68	47.42	1.83	61.22	2.41	0.00	0.00	47.05	1.35
18.	Sikkim	0.06	0.00	0.04	0.00	0.05	0.00	0.03	0.00	0.02	0.00	0.00	0.00	^0.00	^0.00
19.	Tamil Nadu	77.72	2.84	77.81	2.57	78.31	2.58	79.40	2.79	101.07	3.41	36.87	1.04	117.60	3.36

Sl. No.	State/ UT	2017-18		2018-19		2019-20		2020-21		2021-22		2022-23		2023-24	
		Expenditure	Beneficiaries												
20.	Telangana	8.47	0.41	3.98	0.18	3.77	0.15	2.67	0.09	3.68	0.26	0.00	0.00	0.00	0.00
21.	Tripura	0.00	0.14	0.00	0.16	1.07	0.04	1.38	0.05	0.33	0.10	2.15	0.04	1.11	0.02
22.	Uttarakhand	9.61	0	7.13	0.31	5.99	0.22	4.34	0.27	7.82	0.14	0.00	0.00	5.20	0.10
23.	Uttar Pradesh	88.49	4.21	142.15	5.32	149.26	5.32	89.42	3.63	62.20	3.20	101.37	3.74	132.76	3.83
24.	West Bengal	16.53	3.02	135.10	2.68	87.24	2.84	64.49	2.10	39.62	2.23	27.07	0.77	60.60	1.69
25.	Chandigarh	0.42	0.03	0.12	0.02	0.21	0.02	0.00	0.01	0.36	0.02	0.45	0.01	0.64	0.01
26.	Daman & Diu	0.00	0.00	0.00	0	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	^0.00	^0.00
27.	Delhi	0.00	0.00	0.00	0.00	4.34	0.17	0	0.17	11.65	0.04	0.17	0.01	0.26	0.01
28.	Jammu & Kashmir	0.47	0	0.25	0.01	0.53	0.05	0.25	0.01	0.38	0.13	0.00	0.00	0.90	0.03
29.	Puducherry	1.02	0.09	1.09	0.03	0.96	0.03	0.57	0.02	1.37	0.01	0.00	0.00	0.25	0.01
	Total	497.55	22.82	896.39	30.99	859.72	31.38	742.02	31.24	949.66	32.38	348.08	11.34	744.41	21.30

Annexure-2.20 (B)

(Referred to in Paragraph no. 2.13.1)

State/Year-wise expenditure (Central and State share) and number of Beneficiaries of Post-Matric Scholarship Scheme for Scheduled Castes

Sl. No.	State/ UT	2017-18		2018-19		2019-20		2020-21		2021-22		2022-23		2023-24	
		Expen- diture	Benefi- ciaries												
1.	Andhra Pradesh	629.59	6.59	613.10	6.60	642.17	3.69	443.97	4.10	298.55	2.44	620.98	2.39	333.83	1.95
2.	Assam	14.55	0.24	7.36	0.08	7.63	0.07	6.81	0.08	0.00	0.00	10.22	0.11	15.46	0.08
3.	Bihar	40.31	0.89	79.90	0.96	0.00	1.10	0.00	0.78	0.00	0.00	62.57	1.36	35.33	0.69
4.	Chhattisgarh	51.67	0.96	54.99	1.05	55.32	0.96	54.41	1.02	29.00	0.87	75.02	0.96	60.38	0.79
5.	Goa	0.49	0.00	0.31	0.00	0.14	0	0.28	0	0.00	0.00	0.01	0.00	0.07	^0.00
6.	Gujarat	280.97	1.31	304.37	1.27	324.61	1.31	249.31	1.45	102.58	0.98	367.10	1.14	637.86	1.79
7.	Haryana	110.22	1.23	153.95	1.23	30.29	0.91	110.31	0.68	0.00	0.00	219.30	0.88	200.58	0.70
8.	Himachal Pradesh	37.91	0.33	15.50	0.25	17.27	0.21	4.83	0.16	0.00	0.00	29.33	0.22	37.44	0.24
9.	Jharkhand	21.98	0.20	23.10	0.23	23.31	0.24	20.69	0.31	4.12	0.08	30.30	0.34	52.46	0.45
10.	Karnataka	361.20	3.23	425.10	3.02	425.16	3.30	175.28	3.18	65.42	1.31	570.00	4.59	702.81	4.04
11.	Kerala	130.39	1.32	137.47	1.47	142.03	1.40	127.80	1.26	45.78	0.91	94.70	0.43	199.13	1.55
12.	Madhya Pradesh	314.07	3.61	374.86	3.61	445.63	3.40	439.54	4.76	8.28	0.48	558.42	4.45	597.05	3.46
13.	Maharashtra	883.48	5.41	871.62	4.27	1053.35	3.26	372.08	3.92	63.01	0.69	599.03	1.49	2565.55	7.49
14.	Manipur	7.50	0.07	5.37	0.06	5.13	0.08	5.94	0.06	0.00	0.00	8.15	0.09	2.16	0.02
15.	Odisha	300.17	2.02	323.78	2.03	315.60	1.70	311.40	1.73	78.22	0.76	563.88	2.99	212.66	1.44
16.	Punjab	119.76	2.75	388.18	2.01	303.92	0	369.29	1.76	209.76	1.52	104.68	0.41	475.13	2.00
17.	Rajasthan	287.41	1.91	425.78	3.39	518.42	4.58	237.09	3.66	95.67	2.17	402.30	3.03	259.66	1.52
18.	Sikkim	0.99	0.00	0.95	0.00	0.92	0.00	0.93	0.00	0.00	0.00	0.84	0.00	0.58	^0.00
19.	Tamil Nadu	1689.34	7.61	1481.24	7.61	1245.38	6.11	1075.94	6.54	278.88	4.42	1210.42	5.44	1184.65	6.44

Sl. No.	State/ UT	2017-18		2018-19		2019-20		2020-21		2021-22		2022-23		2023-24	
		Expen- diture	Benefi- ciaries												
20.	Telangana	426.44	2.13	434.70	2.72	433.18	2.20	246.37	2.24	0.00	0.00	0.00	0.00	0.00	0.00
21.	Tripura	20.48	0.15	27.05	0.17	33.77	0.18	30.50	0.15	0.00	0.00	43.24	0.22	45.51	0.17
22.	Uttarakhand	29.68	0.70	25.69	0.74	22.59	0.38	16.02	0.31	0.00	0.00	20.98	0.28	21.53	0.24
23.	Uttar Pradesh	1931.37	12.38	1594.11	12.75	1745.50	13.60	1089.16	8.03	537.28	8.69	1543.33	12.70	1118.28	9.50
24.	West Bengal	364.17	3.83	206.29	4.50	239.32	5.19	155.26	3.62	112.26	4.93	105.60	2.74	104.39	2.68
25.	Chandigarh	6.40	0.02	4.08	0.01	3.42	0	1.37	0.01	1.54	0.01	4.03	0.01	0.99	^0.00
26.	Daman & Diu	0.00	0	0.00	0	0.00	0	0.13	0	0.00	0.00	0.33	0.00	0.00	0.00
27.	Delhi	3.32	0.20	15.42	0.14	14.38	0.20	0.00	0.21	0.00	0.00	22.78	0.08	16.65	0.03
28.	Jammu & Kashmir	10.61	0.11	9.12	0.07	5.63	0.12	9.07	0.10	0.03	0.00	9.05	0.10	7.82	0.07
29.	Puducherry	12.02	0.06	13.52	0.06	14.66	0.06	8.95	0.04	0.00	0.00	6.02	0.04	4.77	0.03
	Total	8086.49	59.26	8016.91	60.30	8068.73	54.25	5562.73	50.16	1930.38	30.26	7282.61	46.49	8892.73	47.37

Annexure-2.21

(Referred to in Paragraph no. 2.13.4)

Audit Sample for Pre and Post-Matric Scholarship Scheme for SC Students

Sl. No.	State/UT	Pre-Matric Scholarship Scheme						Post-Matric Scholarship Scheme					
		Total No. of District	No. of selected District	No. of selected institutes	No. of Applications audited	No. of Beneficiaries surveyed	Total No. of District	No. of selected District	No. of selected institutes	No. of Applications audited	No. of Beneficiaries surveyed		
1.	Andhra Pradesh	13	4	40	800	451	13	4	40	800	381		
2.	Assam	33	8	64	437	309	33	8	79	1127	711		
3.	Bihar	38	10	100	2031	1125	38	10	100	1802	1006		
4.	Chhattisgarh	27	7	70	1400	700	27	7	70	1400	277		
5.	Goa	2	2	95	199	105	2	2	90	400	173		
6.	Gujarat	33	7	68	1400	700	33	7	70	737	376		
7.	Haryana	22	0	0	0	0	22	5	50 ¹⁵⁵	908	302		
8.	Himachal Pradesh	12	3	30	600	391	12	3	30	600	310		
9.	Jharkhand	24	6	60	1200	509	24	6	57	1200	318		
10.	Karnataka	30	8	80	1600	800	30	8	80	1600	800		
11.	Kerala	14	4	40	800	400	14	4	40	803	400		
12.	Madhya Pradesh	52	10	96	1831	1041	52	10	100	1821	939		
13.	Maharashtra	36	9	90	1386	819	36	9	90	2059	1067		
14.	Manipur	16	3	26	227	88	16	2	20	389	91		
15.	Odisha	30	8	80	1513	790	30	8	80	1561	796		
16.	Punjab	23	6	60	1190	1007	23	6	60	1181	801		
17.	Rajasthan	33	8	80	1520	985	33	8	80	1367	802		
18.	Sikkim	4	2	20	151	6	4	2	20	400	10		
19.	Tamil Nadu	32	8	80	1805	806	32	8	80	2063	801		

155 Six (out of 50) institutes had no beneficiaries

Sl. No.	State/UT	Pre-Matric Scholarship Scheme						Post-Matric Scholarship Scheme					
		Total No. of District	No. of selected District	No. of selected institutes	No. of Applications audited	No. of Beneficiaries surveyed	Total No. of District	No. of selected District	No. of selected institutes	No. of Applications audited	No. of Beneficiaries surveyed		
20.	Telangana	33	8	80	1600	800	33	8	80	1600	800		
21.	Tripura	8	2	20	428	328	8	2	20	408	248		
22.	Uttar Pradesh	75	10	100	2500	718	75	10	100	2500	819		
23.	Uttarakhand	13	3	30	600	302	13	3	30	600	294		
24.	West Bengal	23	6	60	77	489	23	6	60	46	412		
25.	Chandigarh	1	1	10	200	100	1	1	10	200	100		
26.	Dadra and Nagar Haveli and Daman and Diu	3	2	18	184	115	3	2	20	256	146		
27.	Delhi	10	3	30	390	258	10	3	30	353	219		
28.	Jammu & Kashmir	20	5	50	980	491	20	5	50	1000	500		
29.	Puducherry	2	2	25	412	257	2	2	21	499	209		
Total		662	155	1,602	27,461	14,890	662	159	1,657	29,680	14,108		

Annexure-2.22 (A)

(Referred to in Paragraph no. 2.13.4.1)

Pre-Matric: Delay in disbursement of Scholarship

Sl. No.	State/UT	Beneficiaries	Audit Observation
1.	Bihar	82	One school namely, UHS Paghari, Darbhanga received ₹ 1.48 lakh from the district authority for payment of scholarship in April 2019 for the year 2018-19, but the school had not disbursed the scholarship to 82 beneficiaries till June 2020 even after delay of 14 months.
2.	Chandigarh	3592	Scholarship to 3592 beneficiaries was disbursed to SCs students with a delay ranging between one month to 25 months during 2017-18 to 2019-20
3.	Delhi	53843	There was a delay of 12 months in each year in payment of ₹1605.45 lakh to 53, 843 beneficiaries for the years 2017-18 to 2020-21.
4.	Jammu & Kashmir	1012	In two selected districts, payment of scholarship to 353 students amounting to ₹8.35 lakh, was delayed and carried over to next financial year despite availability of funds resulting in delay in payment of scholarship ranging from 2 to 2½ months. Further, in three selected districts, payment of scholarship to 659 students amounting to ₹19.75 lakh was delayed and carried over to next financial year for want of funds resulting in delay in payment of scholarship to the students.
5.	Puducherry	314	In Karaikal, the Department obtained sanction orders of the District Collector for the release of scholarship of ₹ 9.42 lakh pertaining to 2020-21 in respect of 314 students in February 2022. This resulted in delayed payment of scholarship to these eligible students for more than one year though unspent balance was available under the scheme.
6.	Himachal Pradesh	26346	The Department disbursed scholarship amounting to ₹ 671.96 lakh to 26,346 beneficiaries with a delay ranging from one to 30 months during 2017-21.
7.	Maharashtra	13247	In selected districts (Kolhapur, Mumbai suburban, Osmanabad, Solapur, Aurangabad), Scholarship pertaining to the year 2017-20 was disbursed beyond the academic year with delay ranging from one to 47 months.
8.	Manipur	1852	Absence of specific timeline for inviting of application from students and processing of applications at various levels, resulted in delay in disbursement of scholarship to 1367 students in 2016-17 & 485 in 2020-21 up to 10 months after end of the academic year.
9.	Rajasthan	387057	Scholarship was disbursed in the same year to only 51,523 (22.24 per cent) out of 2,31,664 beneficiaries in 2018-19, 1,02,525 (62.19 per cent) out of 1,64,863 in 2019-20 and 38,832 (21.17 per cent) out of 1,83,410 in 2020-21.
10.	Tamil Nadu	468061	4,68,061 students received scholarships after close of the academic year with time lag ranging between one to nine months during 2017-18 to 2020-21.
11.	Telangana	48095	38 per cent (30,021 students), out of 78,116 students were sanctioned and disbursed scholarships during the same academic year during the period from 2017-18 to 2020-21 and balance 62 per cent (48,095 students), out of 78,116 were paid scholarships with a delay ranging from one month to 48 months.
12.	Uttar Pradesh	83588	Disbursement of scholarships was made to 23,450 beneficiaries after one year, and 60,138 beneficiaries after two years during the year 2020-21.
Total		10,87,089	

Annexure-2.22 (B)

(Referred to in Paragraph no. 2.13.4.1)

Post-Matric: Delay in disbursement of Scholarship

Sl. No.	State/UT	No. Beneficiaries	Audit Observation
1.	Andhra Pradesh	305	In 305 cases of test checked districts, delay in payment of scholarships of ₹ 5.06 lakh to the accounts of beneficiaries ranged between one to 22 months during the years 2017-21.
2.	Chandigarh	4125	4,125 beneficiaries were disbursed scholarship with a delay ranging between 12 months and 36 months, during the academic session 2017-18 to 2019-20.
3.	Delhi	24657	Out of 51,729 beneficiaries, 24,657 received scholarship with a delay ranging from 12 to 24 months during 2017-18 to 2020-21.
4.	Gujarat	11837	In selected Ahmedabad, Banaskantha, Bhavnagar and Mehsana districts, in 11,837 cases, time taken in verification of scholarship applications by the district authorities ranged from 181 days to 702 days.
5.	Haryana	102274	2.35 lakh students received scholarships. Out of which, 1.02 lakh received scholarship with a delay ranging from one months to 89 months.
6.	Himachal Pradesh	79444	Scholarship of ₹ 10872.95 lakh was disbursed to 79,444 beneficiaries pertaining to 2015-16 to 2018-19 between February 2018 to March 2021. The delay in disbursement ranged from 3 to 45 months during 2017-2021.
7.	Jammu & Kashmir	1501	Records at Directorate level revealed delay in disbursement of scholarship worth ₹166.09 lakh to 1501 students ranging from 180 to 992 days (6 to 33 months) during 2017-18 to 2019-20.
8.	Jharkhand	3264	Scholarships are being disbursed once in an academic year in the State. However, during 2018-21, 3264 students were provided scholarships in next academic year.
9.	Manipur	17718	Scholarships of ₹219.91 lakh were disbursed to 17,718 beneficiaries with a delay ranging from two to 19 months during 2016-17 to 2020-21.
10.	Odisha	5567	In Jajpur district, analysis of the payment file revealed that that 5567 students pertaining to 2015-20 were paid ₹ 6.20 crore after one/two years and even after completion of the course.
11.	Rajasthan	1214	Out of selected 1,367 applications, in 1,214 cases, scholarship was disbursed with a delay ranging from three to 49 months, beyond two months from the date of apply for scholarship.
12.	Tamil Nadu	1646679	12,57,191 students received scholarships after close of the academic year with delays ranging between one to nine months.
13.	Telangana	547845	Out of 8,27,823 students who applied for the scholarships, 5,47,845 were not paid scholarships during the same Academic Year during the period from 2017-18 to 2020-21. Delay in payment of scholarships ranged from one to more than 48 months.
14.	Uttar Pradesh	541170	Scholarship benefits were disbursed to 4,47,068 beneficiaries after one year, 36798 beneficiaries after two years, 57,098 beneficiaries after three years, and 206 beneficiaries after four years during the year 2017-21. Thus, the Department disbursed scholarship benefits to 5,41,170 beneficiaries with inordinate delay.
Total		29,87,600	

Annexure-2.23 (A)

(Referred to in Paragraph no. 2.13.4.2)

Pre-Matric Scheme: Non- disbursal of Scholarship to students

Sl. No.	State	Audit observation	Fund involved (₹ in crore)	No. of beneficiaries
1.	Andhra Pradesh	Out of 1.80 lakh registered applications, 1.65 lakh applications were verified including 1919 rejected applications for 2017-19. Thus, 14,826 applications were not verified. However, as against 1.63 lakh (164879-1919) applications verified, the Department sanctioned scholarships to 1.54 lakh students and released scholarship to 82,321 students leaving 72,155. Due to non-sanction of applications, scholarship was not released to 72,155 students.	--	72,155
2.	Bihar	During 2019-20 and 2020-21, transactions for payment of scholarship were rejected by the bank involving 1,999 students and scholarships amounting to ₹35.98 lakh due to account closed, non-existence of bank account, <i>etc.</i> , in the <i>Medhasoft</i> portal report. Audit enquired about the repayment of rejected/failed applications, but DBT cell could not clarify on the status of reprocessing of these applications.	0.36	1,999
3.	Himachal Pradesh	₹4.28 crore was lying unspent and 59,952 eligible beneficiaries did not receive scholarship (March 2021). The Directorate stated (September 2022) that the amount could not be disbursed due to delay in verification on NSP and non-receipt of State share for FY 2020-21.	4.28	59,952
4.	Jammu & Kashmir	In five selected districts, scholarship aggregating ₹3.07 lakh to 123 students was not disbursed due to invalid/inactive/dormant accounts and the amount was reversed into the bank accounts of respective District Social Welfare Officers (DSWO). No action was taken by the Department to trace out the students for necessary correction of account numbers so that the amount could be credited to the accounts of the beneficiaries concerned. It was further noted that in two selected Districts (Jammu & Udhampur), out of 8120 eligible beneficiaries recommended for payment of scholarship, 6566 ¹⁵⁶ SC students (81 <i>per cent</i>) were not paid scholarship amounting to ₹ 196.98 lakh ¹⁵⁷ during 2018-21. DSWO Jammu stated (April-May 2022) that no funds were received from higher authorities under the scheme.	2.00	6,689
5.	Kerala	Scholarships were not disbursed to 22,274 eligible beneficiaries during 2017-21 despite having funds of ₹16.39 crore (31 March 2021) due to lack of technical awareness among the staff about using the PFMS/EBT Portal.	16.39	22,274

¹⁵⁶ Udhampur-1659 students, Jammu-4907 students.

¹⁵⁷ Udhampur- ₹49.77 lakh and Jammu- ₹147.21 lakh.

Sl. No.	State	Audit observation	Fund involved (₹ in crore)	No. of beneficiaries
6.	Manipur	Fund requirement for the year 2017-18 and 2018-19 worked out to ₹ 90.44 lakh for disbursement to 2589 approved eligible students. However, due to failure of the State to provide its share (Committed liability), 2589 approved eligible students did not receive scholarship.	0.90	2,589
7.	Odisha	In two selected districts (Sundergarh and Angul), ₹24.48 lakh to 734 beneficiaries remained undisbursed due to wrong and invalid account numbers of the students. State Government stated (May 2023) that corrective steps were being taken to disburse the scholarship to the students concerned.	0.24	734
8.	Punjab	Scholarship was not disbursed to 2,72,363 beneficiaries (54,634 beneficiaries for 2019-20 and 2,17,729 beneficiaries for 2020-21) despite available fund of ₹ 6.14 crore at the end of March 2021. During 2021-22, 1,87,453 beneficiaries (all for the year 2020-21) were paid scholarship leaving 84,910 beneficiaries (54,634 beneficiaries for 2019-20 and 30,276 beneficiaries for 2020-21) as unpaid at the end of March 2022. The Director General of School Education, Government of Punjab stated (May 2024) that scholarship had been disbursed to eligible students for 2020-21 and 2021-22 whereas pendency of scholarship on account of shortage of fund for 2019-20 had been taken up with the Finance Department. It was also noted that 43 SC students belonging to States other than Punjab were not considered for applying for scholarship in contravention of the scheme guidelines. Now, the Dept has stated (May 2024) that they have migrated to NSP Portal from the session 2023-24, and there is a provision for the eligible beneficiaries of the other states.	--	54,677
9.	Tamil Nadu	During 2017-18 to 2020-21 scholarships amounting to ₹ 7.24 crore were not credited to the bank accounts of 24,588 beneficiaries due to failed/ incomplete transactions.	7.24	24,588
10.	Tripura	451 beneficiaries pertaining to 2019-20 and 2020-21 were not extended benefit of scholarship of ₹ 12.34 lakh despite availability of funds of ₹ 126.18 lakh. The reasons for not extending scholarship to the beneficiaries was not available on the records.	0.12	451

Sl. No.	State	Audit observation	Fund involved (₹ in crore)	No. of beneficiaries
11.	West Bengal	In six selected District ¹⁵⁸ , there were instances of “failed transactions” leading to non-disbursement of scholarship of ₹1.76 crore to 6,005 beneficiaries during the period 2017-18 to 2020-21. The Department stated (June 2024) that during last academic year, district authorities were requested to take suitable steps to collect Aadhaar and necessary documents from the beneficiaries in mission mode. The Department further added that Aadhaar based e-KYC system was being prepared for verification of beneficiaries to avoid occurrence of failed transactions in future.	1.76	6,005
Total			33.29	2,52,113

¹⁵⁸ North 24 Parganas, South 24 Parganas, PaschimMedinipur, PurbaMedinipur, Uttar Dinajpur and Jalpaiguri.

Annexure-2.23 (B)

(Referred to in Paragraph no. 2.13.4.2)

Post Matric- Non- disbursal of Scholarship to students

Sl. No.	State	Audit observation	Fund involved (₹ in crore)	No. of beneficiaries
1.	Bihar	The Education Department nominated Bihar Education Project Council (BEPC) as Nodal Agency for execution of the Scheme for the year 2018-19. ₹53.00 crore was released to BEPC (May 2018) for payment to beneficiaries. BEPC, however, started its work after September 2019 for the academic year 2018-19 and disbursed scholarship of ₹42.71 crore to 87,023 beneficiaries. The balance of ₹10.29 crore remained unspent and the remaining 20274 beneficiaries remained deprived from benefits of scholarship (June 2022). The Department stated (December 2022) that due to non-generation of token on NSP, the payment of scholarship was not made.	10.29	20274
2.	Chhattisgarh	In 2019-20, ₹ 10.90 crore was allotted by the SC & ST Department to the DPI for disbursement of scholarship to 43,464 registered beneficiaries. But scholarship of ₹0.40 crore was disbursed to 1,471 beneficiaries only and the balance amount of ₹10.50 crore remained parked in the Department's bank account. This led to non-payment of scholarships to 41,993 eligible students despite availability of funds.	10.50	41993
3.	Haryana	31,815 beneficiaries ¹⁵⁹ for the year 2018-19 to 2020-21 remained unpaid of scholarship at the end of 2020-21. The Central share of ₹12.66 crore (against fund released till 2018-19) remained unspent till May 2022.	12.66	31815
4.	Himachal Pradesh	APG University, Shimla found 104 applications of Post-Matric Scholarship defective during 2019-20 mainly due to non-printing of father's name on the Detailed Marks Cards (DMCs). Due to Covid pandemic and opening of offices in the last week of May 2020, the Department did not intimate APG University timely to re-verify the applications, which resulted in non-payment of scholarship to the beneficiaries. It was also observed that there were cases of non-payment of ₹ 23.95 lakh to 107 beneficiaries during 2017-21 due to failure of bank transactions.	0.24	211
5.	Jammu & Kashmir	Scholarship of ₹ 0.29 crore was not disbursed to 417 beneficiaries for 2020-21 in spite of having unspent balance of ₹ 3.37 crore (CA of ₹ 2.04 crore and State share of ₹ 1.33 crore) at the close of the FY 2020-21. Out of the unspent fund, State share of ₹ 1.33 crore got lapsed at the close of FY 2020-21.	0.29	417
6.	Manipur	The Department withdrew (November 2018) ₹ 6.78 crore from treasury for scholarship payment to 6,512 students ¹⁶⁰ and disbursed scholarship of ₹ 6.32 crore to	0.46	479

¹⁵⁹ 6468 students for 2018-19, 4840 students for 2019-20 and 20507 students for 2020-21¹⁶⁰ 15 students of 2016-17 and 6497 students of 2017-18.

Sl. No.	State	Audit observation	Fund involved (₹ in crore)	No. of beneficiaries
		6,033 students ¹⁶¹ . scholarship amount of ₹ 46.55 lakh (₹ 678.20-₹ 631.65) No records were found showing payment of scholarship to the remaining 479 students. The Department stated (June 2024) that scholarship disbursements for 178 students were unsuccessful due to transaction issues.		
7.	Odisha	In three test-checked districts (Khordha, Deogarh and Jajpur), Scholarship of ₹ 4.95 crore to 1,190 beneficiaries had failed. Out of this, ₹ 3.96 crore to 870 beneficiaries were settled. Remaining ₹ 99.37 lakh to 320 beneficiaries remained unsettled.	0.99	320
8.	Punjab	In spite of having unspent balance of ₹ 330.32 crore at the end of FY 2020-21, scholarship of ₹ 231.48 crore for the year 2020-21 remained undisbursed to beneficiaries. Out of this, scholarship of ₹ 217.85 crore was disbursed during 2021-22 and the remaining scholarship of ₹ 13.63 crore remained undisbursed at the close of FY 2021-22.	13.63	-
9.	West Bengal	In six selected District ¹⁶² , there were instances of “failed transactions” leading to non-disbursement of scholarship of ₹ 5.73 crore to 11,391 beneficiaries during the period 2017-18 to 2020-21. The Department stated (September 2022) that due care would be taken to address the issue of failed transactions in future.	5.73	11391
Total			54.79	1,06,900

¹⁶¹ Five students of 2016-17 and 6028 students of 2017-18.

¹⁶² North 24 Parganas, South 24 Parganas, Paschim Medinipur, Purba Medinipur, Uttar Dinajpur and Jalpaiguri.

Annexure-2.24

(Referred to in Paragraph no. 2.13.4.3)

Beneficiaries selected without scrutiny of income eligibility

Sl. No.	State/ UTs	Pre-Matric Scholarship Scheme			Post-Matric Scholarship Scheme		
		Without Income Certificate	Invalid income Certificate	Parents' income exceeding threshold/ Govt. Servant	Without Income Certificate	Invalid Income Certificate	Parents' income exceeding threshold/ Govt. Servant
1.	Bihar	239	--	03	--	37	07
2.	Gujarat	260	35	13	24	01	1178
3.	Himachal Pradesh	--	--	--	03	01	--
4.	Kerala	31	--	03	--	--	--
5.	Madhya Pradesh	--	--	04	--	--	--
6.	Maharashtra	20	--	01	01	--	--
7.	Odisha	123	04	01	27	23	07
8.	Punjab	95	439	--		109	
9.	Rajasthan	11	15	05	--	--	22
10.	Tamil Nadu	1125	--	--	647		449
11.	Tripura	--	--	--	--	--	04
12.	Uttar Pradesh	--	139	--	--	--	--
13.	Chandigarh	102	46	--	29	101	--
14.	Delhi	27	155	--		-	
15.	Jammu & Kashmir	08	--	23	37	--	--
16.	Puducherry	--	01	--	--	--	--
Total		2041	834	53	768	272	1667

Annexure-2.25 (A)

(Referred to in Paragraph no. 2.13.4.5)

Details of beneficiaries availed scholarship benefit multiple times in Pre-Matric Scholarship Scheme

Sl. No.	States/UTs	No. of beneficiaries	Amount (₹ in lakh)	Audit Observations
(i) Multiple Claims within the same scheme				
1.	Kerala	824	24.92	562 students from Sasthamcotta block and 262 students of Chittumala block in Kollam district were given the benefit of scholarships twice within the same scheme for the year 2019-20. These irregularities were later found out and measures were initiated to recover the excess paid amount.
2.	Gujarat	164	-	In the test checked districts, 164 students claimed scholarships for the same class again in a different year within the same scheme.
3.	Jammu & Kashmir	78	1.77	In Udhampur, Kishtwar, Jammu and Reasi, 78 students claimed scholarship of ₹1.77 lakh twice within the same scheme in the same academic year during 2017-21. After being pointed out, DSWOs concerned stated (April-May 2022) that matter shall be taken up with the higher authorities.
4.	Madhya Pradesh	872	26.53	872 students were paid scholarship twice/thrice for studying in the same class in the subsequent years within the same scheme which led to excess payment of scholarship of ₹26.53 lakh during 2017-21.
(II) Claims under multiple schemes				
5.	Madhya Pradesh	439	13.74	439 students who had been provided SC scholarship amounting to ₹ 13.74 lakh were also paid ST scholarship in some other years.
(iii) Claims made under both Central and State Schemes				
6.	Chhattisgarh	6,154	136.32	6,130 students received two or more scholarships in different state schemes along-with benefits received under this scheme from two or more different Institutions aggregating ₹ 1.36 crore during 2017-18 to 2020-21. Similarly, 24 students received scholarships twice from two different Institutions within the same scheme. The amount of scholarships involved in these cases was ₹ 32,400.
7.	Odisha	31	-	In selected districts, scholarships were paid to 31 students who had also availed scholarship under the State <i>Banishree</i> scheme.
Total		8,562	203.28	

Annexure-2.25 (B)

(Referred to in Paragraph no. 2.13.4.5)

Details of beneficiaries availed scholarship benefit multiple times in Post-Matric Scholarship Scheme

Sl. No.	States/UTs	No. of beneficiaries	Amount (₹ in lakh)	Audit Observations
(i) Multiple Claims within the same scheme				
1.	Himachal Pradesh	77	22.01	Three Institutes ¹⁶³ did not verify previous claims of scholarship by the beneficiaries which was made earlier for the same course. This led to inadmissible payment of ₹16.35 lakh to 53 beneficiaries during the year 2017-18. It was also noted that Skill Development Private ITI, Badukhar, Kangra forwarded the scholarship claims of 24 beneficiaries during 2017-18. These beneficiaries had falsely declared by affidavit that they had not attended any Institute during the gap period. Audit found that these beneficiaries had studied and claimed scholarship from different Institutes during 2014-16. Thus, non-verification of their record on the portal resulted in payment of irregular claims of ₹ 5.66 lakh.
2.	Haryana	805	87.88	658 students took admission in different courses of various Private and Government ITIs repeatedly two or more times. The Skill Development and Industrial Training Department paid scholarship of ₹ 64.74 lakh for subsequent courses of same stage to these students. It was also noted that 142 students took admission in different courses in same Private ITIs repeatedly two or more times after completion of one course and scholarship of ₹ 21.11 lakh was paid to these students. Further, in Sonipat district, ₹ 2.03 lakh was disbursed twice to five SC students during 2014-19.
3.	Jammu & Kashmir	26	4.58	17 students had submitted identical Post-Matric scholarship claims twice in the same academic year using the same credentials, but with different application numbers. The irregularity remained undetected during verification at INO as well as Directorate level, which resulted in excess payment of ₹3.04 lakh. Additionally, ₹ 1.54 lakh was wrongly disbursed to nine students pursuing courses at the same level but in different years, violating the scheme's guidelines.
4.	Odisha	331	179.11	In six selected districts viz. Angul, Balasore, Dhenkanal, Ganjam, Jajpur and Khurda, 331 beneficiaries were paid scholarship of ₹ 179.11 lakh for the courses by indicating enrolment under two or more institutes within the same scheme.

¹⁶³ NIELIT Centre, Chamba, NIELIT Centre, Nahan and NIELIT Centre, Una.

Sl. No.	States/UTs	No. of beneficiaries	Amount (₹ in lakh)	Audit Observations
5.	Puducherry	01	0.21	One student was paid scholarship of ₹ 21,300 twice with two different application IDs in an institute during the year 2020-21 under same course (XII Science) within the same scheme.
6.	Uttar Pradesh	459	53.98	In five selected districts (Ambedkar Nagar, Barabanki, Jaunpur, Jhansi and Meerut), 100 students took re-admission in the same level of course in the subsequent years even after passing B.A, B.Com, etc., and irregularly availed scholarship amounting to ₹ 16.27 lakh. It was also noted that 206 students of above districts took admission in same courses/same class from different/same Institutes in different academic years and got scholarship of ₹ 24.70 lakh. Further, 153 students in Jhansi district took admission in a course and availed scholarship. However, they discontinued the course and got re-admission in other courses and irregularly availed scholarship of ₹ 13.01.
(ii) Claims under multiple schemes				
7.	Chhattisgarh	1204	36.37	1,204 students received two or more scholarships of different schemes valuing ₹ 36.37 lakh from two or more different institutions.
(iii) Claims made under both Central and State Schemes				
8.	Odisha	2373	192.49	In Angul, Balasore, Ganjam, Jajpur and Subranpur, 2,351 students were granted both PMS (₹ 1.89 crore) with <i>Medhabruti</i> (₹ 1.02 crore) scholarship. Similarly, 16 students were granted PMS (₹ 0.74 lakh) paid with <i>Banishree</i> scholarship (₹ 0.61 lakh) contrary to the guidelines of both the scholarship schemes. Further, in Ganjam district, although four nursing girls students got scholarship under National Health Mission amounting to ₹1.01 lakh, they were also paid PMS of ₹ 2.68 lakh during 2019-21. Similarly, two students got scholarship under National Means cum Merit Scholarship managed through the National Scholarship Portal for ₹ 0.12 lakh and from PMS ₹ 0.07 lakh during the same period-2018-19. The Ministry stated (May 2023) that to obviate this problem, State Government has developed an integrated scholarship portal i.e; Odisha State Scholarship Portal (OSSP) to check such type of multiple scholarships.
9.	Rajasthan	13	1.12	13 beneficiaries were paid SC Post-Matric Scholarship as well as Chief Minister Higher Education Scholarship in the same academic year in one selected institute (<i>Prena Girls College Sahawa</i> in Churu district).
10.	West Bengal	58	9.19	58 beneficiaries involving 37 institutions had availed the benefits of Central and State Scholarship Schemes involving ₹ 9.19 lakh which was inadmissible under the Schemes' guidelines.
Total		5347	586.94	

Annexure-2.26

(Referred to in Paragraph no. 2.13.4.8)

Short payment of scholarship to beneficiaries

Sl. No.	Name of State/UT	Pre-Matric Scholarship Scheme		Post-Matric Scholarship Scheme	
		No. of Beneficiaries	Short payment (₹ in lakh)	No. of Beneficiaries	Short payment (₹ in lakh)
1.	Andhra Pradesh	--	--	308	16.63
2.	Chhattisgarh	312095	248.70	--	--
3.	Himachal Pradesh	--	--	69	1.13
4.	Madhya Pradesh	60571	359.58	--	--
5.	Maharashtra	17198	130.00	--	--
6.	Jammu & Kashmir	4869	23.36	--	--
Total		3,94,733	761.64	377	17.76

Annexure-2.27

(Referred to in Paragraph no. 2.13.4.9)

Excess payment of scholarship to beneficiaries

Sl. No.	Name of State/UT	Pre-Matric Scholarship Scheme		Post-Matric Scholarship Scheme	
		No. of Beneficiaries	Excess payment (₹ in lakh)	No. of Beneficiaries	Excess payment (₹ in lakh)
1.	Bihar	--	--	2095	14.60
2.	Chhattisgarh	--	--	19728	239.00
3.	Haryana	--	--	09	0.23
4.	Himachal Pradesh	153	0.47	171	12.24
5.	Jammu & Kashmir	--	--	16	1.44
6.	Madhya Pradesh ¹⁶⁴	--	--	37	12.36
7.	Maharashtra	--	--	1,05,227	1037.00
8.	Odisha	71	2.31	2471	681.00
Total		224	2.78	129754	1997.87

¹⁶⁴ On being pointed by audit ₹11.90 lakh was recovered from 32 beneficiaries.

Annexure-2.28

(Referred to in Paragraph no. 2.13.4.10)

Disbursement of maintenance allowance at higher rates

State	No. of Beneficiaries	Amount (₹ in lakh)	Audit Observation
Bihar	02	0.21	In Buddha Institute of Technology, Bodhgaya and Gandhi High School, Konch of Gaya Districts, two day-scholar students were paid scholarship of ₹ 0.21 lakh as Hosteller.
Gujarat	1,65,355	749.00	In 1,65,355 cases, maintenance allowance was paid for more than 10 months, in contravention of the guidelines. This resulted in overpayment of ₹ 7.49 crore. In reply it was stated (May 2024) that maintenance allowance was paid based on duration of course. It was further stated that Guidelines for Post-Matric Scholarship have been revised from 2021-22 and as per the new Guidelines, fixed annual maintenance allowances are payable.
Himachal Pradesh	57	1.20	The Department reimbursed maintenance allowance according to the Group-II ¹⁶⁵ instead of Group-III ¹⁶⁶ resulting in excess payment of maintenance allowance of ₹ 1.20 lakh in respect of 57 students studying in seven Institutes.
Odisha	538	38.26	In Angul, Balasore, Ganjam and Subrapure districts, names of 27 students of five Institutions were not found in the hostel registers of the Institutes concerned during 2017-21. However, they were paid maintenance allowance at rates applicable for hostellers resulted in excess payment of ₹1.72 lakh. Further, in Deogarh, Ganjam and Jajpur, 511 students of eight Institutions were paid maintenance allowance to the tune of ₹ 36.54 lakh as hostellers during 2017-21 although no hostel facility was available in the said Institutions. The Ministry stated (May 2023) that State Government had initiated action on the above.
Uttar Pradesh	59	11.26	In the office of the District Social Welfare Officer (DSWO), Jhansi, Audit noted that in compliance with the order of the District Magistrate, four Private Industrial Training Institutes (ITIs) were inspected by the District Program Officer, Jhansi, who reported that one of the ITIs viz. Sant Umar Pvt. ITI, Jhansi was not found at the registered address. ₹ 11.26 lakh was disbursed to 59 students of the Institute as tuition fees during 2017-2021. The non-existence of ITI was reported to DSWO in the month of February 2019, but no action was taken till date.

¹⁶⁵ Professional courses leading to Degree, Diploma, Certificate courses, etc.

¹⁶⁶ Graduate and Post Graduate courses not covered under Group I and Group II viz. B.A./B.Sc/B.Com/ M.A./M.Sc/M. Com, etc.

State	No. of Beneficiaries	Amount (₹ in lakh)	Audit Observation
			The DSWO stated (July 2022) that the Institute was in existence and a physical verification of the Institute would again be carried out. The reply of the DSWO was not justifiable as the Institute was not found during the physical verification and non-existence of said ITI was already reported in February 2019 but the Department did not take action regarding the physical verification even after lapse of three years. The Government in its latest reply stated (May 2024) that reports have been sought from the districts concerned.
Puducherry	16	0.48	During 2017-18 to 2019-20, higher maintenance allowance at the rate of ₹ 530 per month was given to 16 students and ₹0.48 lakh was paid to them in excess of admissibility. The Department stated (May 2024) that technical issues leading to the lapses pointed out by audit could not be identified/sorted out by the Department.
Total	1,66,027	800.41	

Annexure-2.29

(Referred to in Paragraph no. 2.14.1)

Salient features of Pre-Matric and Post-Matric scholarship scheme guidelines

Pre-Matric Scholarship Scheme			
Objectives	<ul style="list-style-type: none"> To support parents of children belonging to Scheduled Tribes for education of their wards studying in classes IX and X so that the incidence of drop-out, especially in the transition from the Elementary to the Secondary stage, is minimized. To improve participation of ST children in classes IX and X of the Pre-Matric stage, so that they perform better and have a better chance of progressing to the Post-Matric stage of education. 		
Condition for grant of scholarship	<ul style="list-style-type: none"> Parents'/Guardian's income should not exceed ₹ 2.50 lakh <i>per annum</i> (₹ 2.00 lakh prior to Academic Year 2020-21). Student should not be getting any other Centrally funded Pre-Matric Scholarship for studying in classes IX and X. Student should be a regular, full-time student studying in a Government School or in a School recognized by Government or a Central/State Board of Secondary Education. Scholarship for studying in any class will be available for only one year. If a student has to repeat a class, she/he would not get scholarship for that class for a second (or subsequent) year. 		
Rate of Scholarship	Particulars	Day Scholars	Hostellers
	Scholarship for 10 months (per month)	₹ 150, increased to ₹ 225 since December 2019	₹ 350, increased to ₹ 525 since December 2019
	Books and Ad-hoc Grant (<i>per annum</i>)	₹ 750	₹ 1000
Duration and Renewal of Awards	<ul style="list-style-type: none"> The scholarship will be payable for 10 months in an academic year. The award once made will continue subject to good conduct and regularity in attendance. It will be renewed for class X after the student passes class IX. 		
Post-Matric Scholarship Scheme			
Objective	To provide/supplement financial assistance to support parents of children belonging to Scheduled Tribes for education of their wards studying at post-matriculation stage to enable them to complete their education.		
Conditions for grant of scholarship	<ul style="list-style-type: none"> Parents'/Guardian's income should not exceed ₹2.50 lakh per annum. The scholarship will be given for the study of all recognised post-matriculation for post-secondary courses pursued in recognised institutions. Only those candidates who belong to Scheduled Tribes so specified in relation to the State/Union Territory to which the applicant actually belongs (i.e. permanently settled). Candidates who after passing one stage of education are studying in the same stage of education in a different stream, e.g., I.Sc. after doing I.A. or B.Com after B.A. or M.A. in other subject will not be eligible. 		

	<ul style="list-style-type: none"> Students who after failing or passing the undergraduate/post-graduate examinations in Arts/Science/Commerce join any recognised professional or technical certificate/diploma/degree courses will be awarded scholarships if otherwise eligible. No subsequent failure will be condoned except courses in Group 'I', and no further change in the course will be allowed. A scholarship holder under this Scheme will not hold any other scholarship/stipend and continue to receive scholarship on satisfactory progress and conduct. 			
Rate of Scholarship				
<i>Maintenance Allowance</i>	<i>(in ₹ per month)</i>			
	Groups	Courses	Hostellers	Day Scholars
	I	Degree and Post Graduate level courses	1200	550
	II	Graduate/Post Graduate courses leading to Degree, Diploma, Certificate	820	530
	III	All other courses leading to a Graduate degree not covered under Group I & II	570	300
IV	All post-matriculation level non-degree courses for which entrance qualification is High School (class X)	380	230	
<i>Allowances for students with disabilities</i>	Students with disabilities are entitled for other allowances in addition to maintenance allowances, such as Reader Allowance, Transport Allowance (for students not residing in hostel), Escort Allowance (for severally handicapped day scholar students with low extremity disability), etc.			
<i>Fees</i>	Reimbursement of compulsory non-refundable fees, like enrolment/registration, tuition, games, union, library, magazine, etc.		As per the recommendations of the Fee Fixation Committee constituted by States	

Annexure-2.30

(Referred to in Paragraph no. 2.14.2)

Actual Expenditure and Scholarships sanctioned by the Ministry

(₹ in crore)

Year	Pre-Matric				Post-Matric			
	Budget Estimates (B.E.)	Revised Estimates (R.E.)	Actual Expenditure (Figures in bracket shows percentage of Expenditure over R.E.)	No. of Scholarships Sanctioned (in lakh)	Budget Estimates (B.E.)	Revised Estimates (R.E.)	Actual Expenditure (Figures in bracket shows percentage of Expenditure over R.E.)	No. of Scholarships Sanctioned (in lakh)
2017-18	265.00	318.00	294.08 (92)	14.31	1347.07	1436.00	1463.87 (102)	19.33
2018-19	350.00	310.00	311.50 (100)	14.49	1586.00	1643.03	1647.53 (100)	19.67
2019-20	340.00	440.00	439.99 (100)	13.86	1613.50	1826.39	1862.65 (102)	18.61
2020-21	400.00	250.00	248.90 (100)	13.45	1900.00	1833.00	1830.14 (100)	18.69
2021-22	400.00	400.00	394.14 (99)	12.94	1993.00	2257.72	2257.72 (100)	22.33
2022-23	419.00	357.30	357.30 (100)	9.10	1965.00	1965.00	1965.00 (100)	21.07
2023-24	411.63	411.63	308.60 (75)	8.95	1970.77	2371.01	2668.83 (112)	31.96
Total	2585.63	2486.93	2354.51	87.10	12375.34	13332.15	13695.74	151.66

(Source: Information provided by the Ministry, Annual Report of the Ministry and Budget document)

Annexure-2.31

(Referred to in Paragraph no. 2.14.2 and 2.14.4)

Audit Sample for Pre-Matric and Post-Matric Scholarship Scheme for ST Students

States/UTs	Pre-Matric Scheme			Post-Matric Scheme		
	Selected districts	Selected Schools	Audited Applications	Selected districts	Selected Institutes	Audited Applications
1. Andhra Pradesh	4	40	800	4	40	800
2. Arunachal Pradesh	6	47	1040	6	52	1385
3. Assam	8	80	1621	8	80	1600
4. Bihar	10	100	1758	10	100	1121
5. Chhattisgarh	7	70	1400	7	70	1400
6. Goa	2	20	400	2	20	400
7. Gujarat	7	70	1400	7	70	1400
8. Himachal Pradesh	3	30	600	3	30	600
9. Jharkhand	6	59	1200	6	52	1200
10. Karnataka	8	80	1600	8	80	1600
11. Kerala	4	40	801	4	40	861
12. Madhya Pradesh	10	100	1892	10	96	1863
13. Maharashtra	Scheme was not implemented in the State			9	90	1659
14. Manipur	3	27	437	3	30	600
15. Meghalaya	3	30	352	3	30	546
16. Mizoram	2	20	888	2	20	1000
17. Nagaland	3	30	349	3	30	507
18. Odisha	8	80	1461	8	80	1589
19. Rajasthan	8	80	1415	8	80	1530
20. Sikkim	2	20	248	2	20	843
21. Tamil Nadu	8	80	1618	8	80	1603
22. Telangana	8	80	1600	8	80	1600
23. Tripura	2	20	797	2	20	902
24. Uttarakhand	3	30	600	3	30	600
25. West Bengal	6	60	247	6	60	1512
26. UT of Andaman & Nicobar Islands	2	16	320	2	14	327
27. UT of DNH & DD	2	20	398	2	20	341
28. UT of J&K	5	50	1004	5	50	1001
29. UT of Ladakh	2	20	208	2	20	400
30. UT of Puducherry	1	20	75	1	38	77
Total	143	1419	26,529	152	1522	30,867

Annexure-2.32

(Referred to in Paragraph no. 2.14.2)

Major changes in revised guidelines of Pre-Matric and Post-Matric Scholarship Schemes

Sl. No.	Parameters Effective from	Old guidelines	Revised guidelines
		01.07.2012 for Pre-Matric Scheme and 01.07.2010 for Post-Matric Scheme	Academic session 2021 for Pre-Matric Scheme and 01.04.2022 for Post-Matric Scheme)
1.	Role of Stakeholders (Both Pre – Matric and Post – Matric Scheme)	No prescribed roles	<p>Roles prescribed for Institute Nodal Officer (INO) and district/State Nodal Officer (DNO/SNO)</p> <p>Role of INO</p> <ul style="list-style-type: none"> To conduct the first level of verification of the applications at portal. To verify the correctness of details in the application form and uploaded documents To maintain physical copies of supporting documents To either verify, reject or make the application defective. In case she/he chooses to reject or defect the application, the reasons for rejection or defect must be provided, so that the same can be displayed to the student/applicant. <p>Role of DNO/SNO</p> <ul style="list-style-type: none"> To verify the documents at 2nd/3rd Level. To verify the correctness of details in the application form and uploaded documents. To either verify the application, make the application defective or reject the application giving reason. To monitor overall pendency of applications at Institute Level. To ensure that the applications are scrutinized well-in-time by the Institute, thus avoiding the last-minute rush to verify the applications.
2.	Fee component (for Post – Matric Scheme only)	Compulsory non-refundable fees charged by recognized Institution against free and paid seats of recognized courses are reimbursed as per the fee structure approved by the competent Central/State Government authority.	<p>The fee component will be decided by the State Level Fee Fixation Committee of the State.</p> <p>In case of students studying in Private Sector Institutes, there will be a ceiling of ₹2.50 lakh <i>per annum</i> per student for Engineering Courses and ₹6.00 lakh <i>per annum</i> for MBBS/MS/MD courses and ₹1.00 lakh <i>per annum</i> for other courses as far as support of Government of India (GoI) is concerned.</p> <p>However, the State Government/UT Administration concerned is free to provide scholarship over and above the limit specified above to students studying in Private Sector Institutes.</p>

Sl. No.	Parameters Effective from	Old guidelines	Revised guidelines																
3.	<p>Timelines for release of Central assistance, processing of application and disbursement of scholarship at State level.</p>	<p>01.07.2012 for Pre-Matric Scheme and 01.07.2010 for Post-Matric Scheme</p> <p>Pre-Matric Scheme First instalment of Central Assistance would be released on <i>ad-hoc</i> basis, as far as possible, during the second quarter of the year (April-June) subject to satisfactory utilization of Central Assistance, released in the past, if any. State Governments/UT Administrations will be expected to submit their complete proposals for Central Assistance under the Scheme by 30 September each year which would be released to them, subject to fulfilment of all the conditions, by 31 December.</p> <p>State Governments/UT Administrations will be expected to ensure timely and regular disbursement of scholarships, preferably on monthly basis.</p> <p>Post-Matric Scheme All the State Governments will announce in May-June, the details of the Scheme and invite applications. The applicant should submit the complete application to the prescribed authority before the last date prescribed for receipt of applications.</p>	<p>Academic session 2021 for Pre-Matric Scheme and 01.04.2022 for Post-Matric Scheme)</p> <p>Pre-Matric Scheme State Governments/UT Administration will make all efforts to open the portal for inviting applications by 01 April. The applicant should submit/upload the completed application to the prescribed authority before the last date prescribed for receipt of applications. The following timeline is suggested for opening, closing of portal, verification of student and Institute and disbursement of scholarship.</p> <table border="1" data-bbox="288 712 411 1077"> <tr> <td>Registration for Students</td> <td>01 April-31 July</td> </tr> <tr> <td>Completion of verification of Institutes</td> <td>31 August</td> </tr> <tr> <td>Completion of verification by Institute/State</td> <td>30 September</td> </tr> <tr> <td>Disbursement of scholarship</td> <td>31 October</td> </tr> </table> <p>Post-Matric Scheme State Governments/UT Administration will make all efforts to open the portal for inviting applications by 01 May. The State will be responsible for proper advertisement of the date of opening and closing of portal. The applicant should submit/upload the completed application to the prescribed authority before the last date prescribed for receipt of applications. The following timeline is suggested for opening, closing of portal, verification of students and Institute and disbursement of scholarship.</p> <table border="1" data-bbox="288 1077 411 1944"> <tr> <td>Registration for Students</td> <td>01 April-30 September</td> </tr> <tr> <td>Completion of verification of Institutes</td> <td>30 October</td> </tr> <tr> <td>Completion of verification by Institute/State</td> <td>15 November for Fresh applications and 30 October for Renewal applications</td> </tr> <tr> <td>Disbursement of scholarship</td> <td>31 December for Fresh applications and 15 November for Renewal applications</td> </tr> </table> <p>The contribution from GoI would be 75 per cent and the State contribution would be 25 per cent. In respect of North Eastern States and hilly States, the contribution from the GoI would be 90 per cent and the State contribution would be 10 per cent. In case of UTs like Andaman & Nicobar Islands without Legislative Assembly and own grants, GoI contribution will be 100 per cent.</p>	Registration for Students	01 April-31 July	Completion of verification of Institutes	31 August	Completion of verification by Institute/State	30 September	Disbursement of scholarship	31 October	Registration for Students	01 April-30 September	Completion of verification of Institutes	30 October	Completion of verification by Institute/State	15 November for Fresh applications and 30 October for Renewal applications	Disbursement of scholarship	31 December for Fresh applications and 15 November for Renewal applications
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Completion of verification by Institute/State	15 November for Fresh applications and 30 October for Renewal applications																		
Disbursement of scholarship	31 December for Fresh applications and 15 November for Renewal applications																		
4.	<p>Funding Pattern (Both Pre – Matric and Post – Matric Scheme)</p>	<p>The State/UT will receive 100 per cent Central assistance from the GoI for expenditure under the Scheme, over and above their Committed Liability.</p>	<p>The contribution from GoI would be 75 per cent and the State contribution would be 25 per cent. In respect of North Eastern States and hilly States, the contribution from the GoI would be 90 per cent and the State contribution would be 10 per cent. In case of UTs like Andaman & Nicobar Islands without Legislative Assembly and own grants, GoI contribution will be 100 per cent.</p>																

Sl. No.	Parameters Effective from	Old guidelines	Revised guidelines
5.	Procedure for Claiming and Release of Central Assistance	<p>01.07.2012 for Pre-Matric Scheme and 01.07.2010 for Post-Matric Scheme</p> <p>Pre-Matric Scheme Central Assistance will be released to the States/UTs, in two instalments. First instalment would be released on ad-hoc basis, subject to satisfactory utilization of Central Assistance, released in the past. State/UT will be expected to submit their complete proposals for Central Assistance by 30 September each year which would be released to them, subject to fulfillment of all the conditions, by 31 December. Next year's claim will have to be accompanied with a UC along with Audited Statements for the previous year's Central Assistance. Unspent or unaccounted for balance from the previous year's grant will be adjusted, while releasing the next year's grant.</p> <p>Post-Matric Scheme No provision</p>	<p>Academic session 2021 for Pre-Matric Scheme and 01.04.2022 for Post-Matric Scheme)</p> <p>Both Pre-Matric and Post – Matric Scheme Central Assistance will be released to the States/UTs, in two or more instalments depending on availability of funds and compliance of GFR by the State/UT. Central Assistance would be released as per the guidelines issued by the Department of Expenditure from time to time. The States will be required to comply with the following conditions: a) The State has utilised the amount given in previous year and has submitted UC. b) The amount has been disbursed to beneficiaries and the expenditure is reflected in PFMS. c) The State has also contributed their share in previous year corresponding to Central Share. d) The State has submitted SoE of previous year, amount actually utilised supported by UC. e) The State has opened the portal for inviting online applications. f) The State has submitted estimated expenditure based on the actual expenditure of previous year.</p>
6.	Domicile criteria (Both Pre – Matric and Post – Matric Scheme)	No separate requirement for domicile certificate	Requirement of domicile certificate
7.	Ineligibility to avail other Scheme scholarship	<p>Pre – Matric Scheme She/he should not be getting any other Centrally-funded Pre-Matric Scholarship.</p> <p>Post-Matric Scheme A scholarship holder under this Scheme will not hold any other scholarship/stipend. Students who have already received coaching in any of the pre-examination training centres with financial assistance from the Government will not be eligible.</p>	<p>Both Pre-Matric and Post – Matric Scheme The student should not be getting any other scholarship.</p>
8.	Monitoring, Internal Control and Evaluation	<p>Pre – Matric and/or Post – Matric Scheme State/UT implementing the Scheme will: i. Furnish data of beneficiaries and expenditure</p>	<p>Both Pre – Matric and Post – Matric Scheme The purpose of Monitoring and Evaluation is to improve current and future management of outputs, outcomes and impact.</p>

Sl. No.	Parameters Effective from	Old guidelines	Revised guidelines
		<p>01.07.2012 for Pre-Matric Scheme and 01.07.2010 for Post-Matric Scheme</p> <p>under the Scheme, to Government of India, regularly in the Quarterly Progress Reports.</p> <p>ii. Financial assistance given under the Scheme shall not be utilised for any other purpose.</p> <p>iii. Make beneficiaries database which may be integrated with UIDAI by (a) embedding Aadhaar numbers (UID numbers) in it, (b) using the UIDAI enabled bank account (UEBA) for crediting the scholarships, and, (c) using the UIDAI authentication services for beneficiary identification.</p> <p>iv. Ensure that an Institution-wise list of awardees, with necessary particulars, for award of scholarships is displayed on the web-site of NIC at district level.</p>	<p>Academic session 2021 for Pre-Matric Scheme and 01.04.2022 for Post-Matric Scheme)</p> <p>In this regard, DBT Mission has framed guidelines which have the following important components:</p> <ul style="list-style-type: none"> • IT based system to ensure transparency for inviting application, verification and disbursement of funds. • Data should capture beneficiary information, including Aadhaar Number and integrate with Aadhaar CIDR. • The States/UTs should follow Local Government Directory (LGD) standard. • Institutions should use DISE/AISHE code. • Bank account should be linked with Aadhar and Integrated with PFMS/State Treasury • Ministry to develop their own Scheme MIS. • The States/UTs to share beneficiary data in uniform data exchange format. <p>In case any fraudulent use of funds is detected, it would be the responsibility of the State/UT to get an enquiry conducted within a specific time limit.</p> <p>The State/UT will share the outcome of the enquiry to the Ministry.</p> <p>The State will provide necessary support including provision of data, beneficiary details to monitoring Agency engaged by Evaluation and Monitoring Division of the Ministry/Development, Monitoring and Evaluation Office (DMEO) Division of NITI Aayog or any other Central Agency required to review Output-Outcome or performance of the Scheme.</p> <p>The Ministry will devise a mechanism to have periodic evaluation of the Scheme through a specialized agency in coordination with State Government.</p>
9.	<p>Grievance Redressal system (Both Pre – Matric and Post – Matric Scheme)</p>	<p>Designated Grievance Redressal Officers (GROs) at the State and district levels to redress students' scholarship-related grievances.</p>	<p>All States/UTs are required to establish a dedicated Helpdesk/Grievance redressal mechanism to address the students' query. The primary role of the Helpdesk at State/UT level is to provide first level assistance to the users at various level of portal. The States/UTs shall:</p> <ul style="list-style-type: none"> • Assist the student(s)/applicant(s) for filling the registration and application forms, and provide technical support for query like fee, Institution details <i>etc.</i> • Escalate the critical issues to State/NSP team, as and when required.

Annexure-2.33

(Referred to in Paragraph no. 2.14.3.2)

Details of grant released for arrear of previous years during 2017-24

Year during which grant released	Pre-Matric Scholarship			Pre-Matric Scholarship			Total amount of grant released	Pre-Matric Scholarship		
	Total amount of grant released	Grant pertaining to (Figure in bracket shows percentage)		Total amount of grant released	Grant pertaining to (Figure in bracket shows percentage)			Current Year	Arrear of Previous years	Previous years up to which grant was released
		Current Year	Arrear of Previous years		Previous years up to which grant was released	Current Year				
2017-18	294.09	9.55 (3)	284.54 (97)	1463.91	601.44 (41)	862.47 (59)	1463.91	601.44 (41)	862.47 (59)	2016-17
2018-19	311.50	61.35 (20)	250.15 (80)	1646.98	533.74 (32)	1113.24 (68)	1646.98	533.74 (32)	1113.24 (68)	2017-18
2019-20	439.99	146.61 (33)	293.38 (67)	1862.65	574.07 (31)	1288.58 (69)	1862.65	574.07 (31)	1288.58 (69)	2017-18, 2018-19
2020-21	248.47	127.88 (51)	120.59 (49)	1821.72	542.36 (30)	1279.36 (70)	1821.72	542.36 (30)	1279.36 (70)	2017-18 to 2019-20
2021-22	391.34	196.96 (50)	194.38 (50)	2234.67	1152.02 (52)	1082.65 (48)	2234.67	1152.02 (52)	1082.65 (48)	2016-17 to 2020-21
2022-23	357.30	232.55 (65)	124.75 (35)	1964.65	1033.06 (53)	931.59 (47)	1964.65	1033.06 (53)	931.59 (47)	2020-21 and 2021-22
2023-24	308.59	132.87 (43)	175.73 (57)	2650.68	1042.64 (39)	1626.04 (61)	2650.68	1042.64 (39)	1626.04 (61)	2020-21 to 2022-23

(Source – Sanction orders)

Annexure-3.1

(Referred to in Paragraph no. 3.1)

Payment of excess encashment due to adoption of '26 days' month basis'

(₹ in crore)

Year	No. of cases	Amount paid at retirement on 26 days month basis	Encashment payable on retirement on 30 days month basis	Excess Amount paid on leave encashment
Encashment of Earned Leave				
2015-16	30	0.21	0.18	0.03
2016-17	28	0.23	0.20	0.03
2017-18	18	0.28	0.24	0.04
2018-19	19	0.16	0.14	0.02
2019-20	29	0.36	0.31	0.05
2020-21	18	0.19	0.17	0.03
2021-22	16	0.25	0.21	0.03
2022-23	13	0.19	0.16	0.02
2023-24	16	0.29	0.26	0.04
Total		2.16	1.87	0.29
Encashment of Half Pay Leave				
2015-16	164	4.60	3.98	0.61
2016-17	200	5.83	5.05	0.78
2017-18	162	5.95	5.16	0.79
2018-19	220	8.31	7.20	1.11
2019-20	248	10.06	8.72	1.34
2020-21	244	10.21	8.85	1.36
2021-22	211	9.49	8.23	1.27
2022-23	202	9.43	8.17	1.26
2023-24	164	8.27	7.17	1.10
Total		72.15	62.53	9.62
Grand Total		74.31	64.40	9.91

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