

**PERFORMANCE AUDIT ON EDUCATIONAL DEVELOPMENT
OF SCHEDULED CASTES & SCHEDULED TRIBES**

(Ministry of Social Justice and Empowerment and Ministry of Tribal Affairs)

1. Introduction

1.1 As per the 2001 Census, the Scheduled Castes and Scheduled Tribes constituted 16.2 and 8.2 *per cent* of the country's population respectively. The literacy rate of Scheduled Castes and Scheduled Tribes was 55 and 47 *per cent* according to the same census against the overall national literacy rate of 65 *per cent*.

1.2 Various educational schemes are being implemented by the Union government for enabling the Scheduled Castes and Scheduled Tribes to upgrade their educational levels and skills. The objectives of these schemes also include increase in the enrolment and retention of Scheduled Castes and Scheduled Tribes in educational institutions, reduction in drop out rates and increase in their representation in jobs and in higher educational and professional institutions.

1.3 The Ministry of Social Justice and Empowerment (MoSJE) and Ministry of Tribal Affairs (MoTA) have launched the following Centrally Sponsored (CS) and Central Sector Schemes (CSS) for the benefit of Scheduled Castes and Scheduled Tribes:

Ministry of Social Justice and Empowerment

- Post-Matric Scholarships and Book Bank Scheme for Scheduled Castes (CSS)
- Upgradation of merit of Scheduled Caste students (CSS)
- Hostels for Scheduled Caste boys and girls (CSS)
- Coaching and Allied Scheme for weaker sections including Scheduled Castes, OBCs and minorities (CS)
- Grants-in-aid to Voluntary Organisations working for Scheduled Castes (projects relating to setting up residential/non-residential schools and hostels) (CS)
- Pre-Matric Scholarship for the children of those engaged in unclean occupations (CSS)

Ministry of Tribal Affairs

- Post-Matric Scholarships, Book Bank and Upgradation of merit of Scheduled Tribe students (CSS)
- Hostels for Scheduled Tribe Boys and Girls (CSS)
- Coaching and Allied Scheme for Scheduled Tribes (CS)
- Grants-in-aid to Voluntary Organisations working for Scheduled Tribes (projects relating to setting up residential/non-residential schools and hostels) (CS)
- Education Complex in Low-Literacy Pockets for development of women (CS)

- Scheme for the establishment of Ashram Schools in tribal sub-plan areas (CSS)

Income ceilings which are indexed to the consumer price index for industrial workers and revised once in every two years have been prescribed under various schemes for making Scheduled Caste and Scheduled Tribe beneficiaries eligible to receive scholarships, stipends, maintenance allowance, stay in hostels and other benefits etc. The last revision was made effective from 1.4.2003.

2. Organisational set-up

MoSJE and MoTA are the nodal Ministries for the overall development of Scheduled Castes and Scheduled Tribes respectively. Joint Secretary (SCD), MoSJE oversees the implementation of various educational schemes for Scheduled Castes. In MoTA, a Joint Secretary is in charge of the implementation of the schemes. The schemes are implemented by the States/UTs and Non Governmental Organisations (NGOs), which receive financial support from the respective governments.

3. Audit objectives

A performance audit of the various schemes for the educational development of Scheduled Castes and Scheduled Tribes was conducted during June-October 2006 to assess:

- allocation, release and utilisation of funds earmarked for various schemes,
- trends in Gross enrolment ratio(GER) and Gross dropout rate(GDR).
- the effectiveness of implementation of various programmes, and
- the efficiency and effectiveness of the monitoring systems at various levels.

4. Audit methodology

Before taking up the performance audit, entry conferences were held separately with the Secretary MoTA and the Joint Secretary MoSJE. The audit objectives, audit criteria and the scope of audit were explained during the meetings and the suggestions as well as perceptions of the Ministries about the strengths and weaknesses in the implementation of the schemes were discussed. The Accountants General of the states held similar entry conferences with senior functionaries of the respective state governments overseeing the implementation of the above schemes.

The audit findings were discussed with the Joint Secretary MoTA in an exit conference held on 13th April 2007. Their views as expressed in the meeting and additional replies given after the meeting have been appropriately reflected in the report. Replies of the MoSJE have also been reflected to the extent received.

5. Audit criteria

The audit criteria used for assessing the performance of the educational schemes were:

- Norms and conditions specified in the scheme guidelines,
- Trends in GER and GDR,
- Outcome of the monitoring mechanism and evaluation/internal audit at various levels.

6. Scope of audit

The performance audit covered the period 2001-02 to 2005-06 and was conducted through test check of records in the MoSJE and MoTA and implementing agencies in 35 States/UTs. In each State/UT, 25 *per cent* of the districts were selected based on PPSWR¹. In each sample district, one university (two for capital district), 6 colleges (2 for girls), two schools each from primary, middle and high schools, two senior secondary schools, one hostel each for Scheduled Caste boys and girls and one hostel each for Scheduled Tribe boys and girls and two non-government organisations were selected subject to availability of units on the basis of SRSWOR². **Annex I** gives the details of the methodology. **Annex II** is the list of districts selected in the 35 States/UTs.

7. Acknowledgement

Indian Audit and Accounts Department acknowledges the cooperation of the MoSJE and MoTA in providing willing assistance to the performance audit of educational schemes for SCs and STs. The inputs received from the senior officers of the Ministries at various stages of audit helped in enhancing the understanding of implementation of the schemes.

8. Audit findings

Audit findings cover the following areas:

- Allocation, release and utilisation of funds and implementation of various schemes.
- Implementation of scholarship schemes, establishment of Ashram Schools in tribal sub-plan areas, upgradation of merit of SCs and STs, book bank scheme, hostel facilities and coaching and allied schemes.
- Trends in GER and GDR.

¹ Probability Proportionate to Size with Replacement. This sampling method assigns higher inclusion probability for population units with higher size.

² Simple Random Sampling without Replacement. This sampling method ensures equal probability of selection of every unit in the population.

- Implementation of the scheme of Educational Complex and projects of Residential schools, Non-residential schools and hostels through NGOs
- Monitoring and evaluation systems at various levels

8.1 Allocation, release and utilisation of funds and implementation of various schemes

8.1.1 Financial arrangements

The details of the funding of the different centrally sponsored schemes and central sector schemes are given in **Annex III**. The central sector schemes are fully funded by the Union Government. The aggregates of budget estimates, revised estimates and central assistance released for the schemes during the period 2001-06 by the MoSJE and MoTA are indicated in Tables 1 and 2 respectively.

Table 1: Ministry of Social Justice & Empowerment

(Rupees in crore)

Name of the Scheme	BE	RE	Central Assistance released
Pre Matric Scholarship for the children of those engaged in unclean occupation	56.01	59.50	50.46
Post Matric Scholarship for SCs (inclusive of Book Bank Scheme)	1371.76	1287.93	1463.15
Hostels for SC Boys and Girls	174.02	222.07	229.85
Upgradation of merit of SC students	156.01	84.00	13.90
Coaching and Allied Scheme for weaker sections including SCs, OBCs and Minorities	39.14	32.18	18.95
Grants-in-aid to Voluntary Organisations working for SCs	128.50	128.50	130.71
Total	1925.44	1814.18	1907.02

Table 2: Ministry of Tribal Affairs

(Rupees in crore)

Name of the Scheme	BE	RE	Central Assistance released
Post Matric Scholarship for STs (inclusive of Book Bank Scheme)	480.95	413.01	497.82
Hostels for ST Boys and Girls	92.50	79.03	76.37
Upgradation of merit of ST students	4.27	4.11	3.42
Grants-in-aid to Voluntary Organisations working for STs including Coaching and Allied Scheme and Award for Exemplary Service	148.00	140.12	143.79
Education Complex in Low-Literacy Pockets for development of women	37.50	31.00	29.42
Scheme for the establishment of Ashram Schools in tribal sub-plan areas	54.50	36.50	37.45
Total	817.72	703.77	788.27

The funds were released to various States/UTs and other agencies based on the proposals received from them in prescribed formats. Generally funds were provided on

the basis of the anticipated number of beneficiaries proposed to be covered and adjustments were made on the basis of actual coverage and actual expenditure.

8.1.2 Observations common to the schemes

8.1.2.1 Utilisation of funds

The percentage utilisation of funds by way of releases to the state governments and NGOs with reference to BE during the period 2001-06 by MoSJE and MoTA are indicated in Tables 3 and 4 respectively.

Table 3: Ministry of Social Justice & Empowerment

Name of the Scheme	Percentage utilisation with reference to BE during 2001-06				
	2001-02	2002-03	2003-04	2004-05	2005-06
Pre Matric Scholarship for the children of those engaged in unclean occupation	91	35	101	62	68 (w.r.t RE)
Post Matric Scholarship for SCs (inclusive of Book Bank Scheme)	104	58	102	105	147
Hostels for SC Boys and Girls	98	98	130	85	-
Upgradation of merit of SC students	3	8	3	10	-
Coaching and Allied Scheme for weaker sections including SCs, OBCs and Minorities	20	37	62	62	-
Grants-in-aid to Voluntary Organisations working for SCs	100	100	100	102	104

Table 4: Ministry of Tribal Affairs

Name of the Scheme	Percentage utilisation with reference to BE during 2001-06				
	2001-02	2002-03	2003-04	2004-05	2005-06
Post Matric Scholarship for STs (inclusive of Book Bank Scheme)	106	78	120	157	92
Hostels for ST Boys and Girls	78	56	76	54	-
Upgradation of merit of ST students	113	93	78	39	100
Coaching & Allied Scheme for STs	21	27	0	39	76
Grant-in-aid to Voluntary Organisations working for STs	102	97	84	93	115
Education Complex in Low-Literacy Pockets for development of women	57	75	72	90	100
Scheme for the establishment of Ashram Schools in tribal sub-plan areas	80	68	45	39	-

Audit observations in respect of the considerable variation between BE and utilisation under schemes are as indicated in Table 5.

Table 5: Utilisation of funds (releases by MoSJE and MoTA)

Sl. no.	Name of the scheme	Remarks
1.	Pre MS	In three out of five years, release of funds was far below that provided in the BE/RE. The Ministry stated (August 2006) that low utilisation of funds and non release of assistance to all State/UTs was due to non-receipt of adequate proposals from the State Governments and unutilised funds lying with the State/UT. The reply is not satisfactory. The Ministry should take pro-active steps with state governments.
2.	Post MS	Non-approval of the revision of the scheme by Expenditure Finance Committee and upward revision of fee structure in schools and colleges respectively led to the wide variation between budget estimate and actual expenditure during the year 2002-03 and 2005-06 under the Post Matric scholarship for Scheduled Castes. Under the Post Matric Scholarship Scheme for Scheduled Tribes, the reasons for variation during the year 2002-03 and 2004-05 were increase of committed liability/adjustment of unutilised grant with state governments and receipt of more viable projects/re-appropriation of funds from other major head to concerned functional head for incurring expenditure in North Eastern Region and Sikkim respectively. MoTA stated (April 2007) that lower release as compared to allocation in the year 2002-03 was due to non-receipt of complete proposals from States/UTs. During the year 2004-05 and 2005-06 under Post-Matric Scholarship scheme for Scheduled Castes and Scheduled Tribes, excess expenditure was met from supplementary grant and re-appropriation from other heads respectively.
3.	Book Bank for SC/ST	The MoSJE and MoTA have not furnished the details of allocation separately for the period 2003-04 to 2005-06 and the year 2005-06 respectively as the Book Bank scheme has been merged with the Post-Matric Scholarship scheme. Further, the MoSJE has not furnished the details of beneficiaries covered under this scheme during 2001-06. MoSJE stated (September 2006) that no central assistance was released to States/UTs during 2003-04 to 2005-06 after revision of the scheme. The reply of the Ministry is contradicted by the fact that the performance budget for the year 2004-05 showed that Rs. 1.85 crore was incurred during 2003-04. Due to the delay in taking a final decision regarding the financing of the book bank scheme after its merger with the Post-Matric Scholarship Scheme, the MoTA did not release central assistance to any States/UTs during 2004-05 though it had received proposals from six State Governments for central assistance under Book Bank component of the scheme of Post-Matric Scholarship.
4.	Ashram School and Hostel for ST	The utilisation of funds ranged from 39 to 80 <i>per cent.</i> The Ministry has not fixed any state-wise financial or physical targets. The trend of Central Assistance released indicated that budget estimates were prepared on adhoc basis. In respect of the Hostel scheme, utilisation ranged from 54 to 78 <i>per cent.</i> The reason cited for the low utilisation of funds was lower number of complete proposals from the States/UTs. The reply is not satisfactory. The matter should have been pursued actively with the state governments.

Sl. no.	Name of the scheme	Remarks
5.	Upgradation of Merit	Explaining the high variation between the budget estimates and actual utilisation, the MoSJE stated (June 2006) that due to moderate response from the States, revision of the scheme was contemplated during 2001-02. However, this could not be finalised and, therefore, the amounts remained unutilised. Thus, after a lapse of five years the Ministry has not been able to revise the scheme and ensure that the benefits contemplated under the scheme reach the target group. MoSJE further stated (April 2007) that the existing scheme will be replaced by the proposed scholarship scheme of "Top Class Education for SC students".
6.	Coaching and Allied scheme for SCs/OBCs/Minorities and STs	The utilisation of fund was poor and ranged between 20 and 62 percent for SCs and between 0 and 76 per cent for STs. The reason for poor utilisation was receipt of inadequate proposals from the implementing agencies.

8.1.2.2 Imbalances in release

Inter-state imbalances were observed in the release of funds as indicated in Table 6 below:

Table 6: Imbalances in release of funds to states

Sl. no.	Name of the scheme	Remarks
1.	Pre MS	During the years 2001-06, out of the 35 States/UTs, central assistance was released only to 13 to 17 States/UTs. Out of the total central assistance (Rs. 50.46 crore) released under this scheme during 2001-06, Rs. 15.32 crore, Rs. 13.13 crore and Rs. 5.75 crore were released to the Governments of Andhra Pradesh, Gujarat and Maharashtra respectively which accounted for 30, 26 and 11 per cent of the total central assistance released. Thus, 67 per cent of the total amount was released to three States alone. The Ministry stated (August 2006) that non-release of assistance to all State/UTs was due to non-receipt of adequate proposals from the State Governments and unutilised funds lying with the State/UT.
2.	Upgradation of Merit for SC/ST students	More than 75 per cent (Rs. 10.60 crore) and 74 per cent (Rs. 2.55 crore) of the funds released by the MoSJE (Rs. 13.90 crore) and MoTA (Rs. 3.42 crore) respectively were accounted for by four states (Andhra Pradesh, Madhya Pradesh, Orissa and Uttar Pradesh) in the case of Scheduled Caste and four states (Chhattisgarh, Madhya Pradesh, Orissa and Rajasthan) in the case of Scheduled Tribe. Further, the states accounted for a major portion of the total funds released by MoSJE and MoTA, in spite of poor utilisation of awards by the state of Uttar Pradesh (50 per cent) for Scheduled Castes and Orissa (70 per cent) and Rajasthan (35 per cent) for Scheduled Tribes. Poor coverage of the other States was attributed by both Ministries to non-receipt of adequate proposals.
3.	Coaching and allied scheme for STs	Funds were provided by MoTA to only three States/UTs in 2001-02, six in 2002-03 and seven each in 2004-05 and 2005-06. Of the total expenditure of Rs. 2.04 crore during 2001-06, Andhra Pradesh accounted for Rs. 51.57 lakh which was 25 per cent of the total expenditure, though the population of Scheduled Tribes in Andhra Pradesh as a percentage of Scheduled Tribe

Sl. no.	Name of the scheme	Remarks
		population in the country was only 5.96 per cent.
4.	Scheme of setting up educational complexes	Though Andhra Pradesh accounts for only 5.96 per cent of the total ST population in the country, out of the total expenditure of Rs. 29.42 crore, Rs. 14.01 crore (48 per cent) was released to Andhra Pradesh .
5.	Book Bank for SC/ST	During 2001-06, out of 32 States/UTs having Scheduled Caste population, and 28 States/UTs having Scheduled Tribe population, central assistance was released to only 7 and 15 States/UTs during 2001-03 in the case of Scheduled Castes and zero and 11 states in the case of Scheduled Tribes. Results of scrutiny of records at the state level are given in Annex IV .
6.	Hostel for SC/ST	Out of 32 States/UTs with Scheduled Caste population and 28 States/UTs with Scheduled Tribe population, central assistance was released to 9 to 14 States/UTs in the case of Scheduled Castes and 6 to 12 in the case of Scheduled Tribes during 2001-06.

MoTA stated (April 2007) that at the beginning of the financial year, state-wise allocation is done on the basis of tribal population and all the state governments/UT Administrations are requested to submit proposals. Funds are released on receipt of recommended proposals. When funds are left unutilised by any state, rather than surrendering the remaining amount, it is reallocated among other states/UT Administrations.

8.1.2.3 Failure to avail of central assistance

The following States/UTs did not avail of the central assistance for different schemes as indicated in Table 7.

Table 7: Non availment of central assistance

Sl. no.	Name of the scheme	Remarks
1.	Pre MS	The expenditure in the States of Haryana (2002-06), Punjab (2003-05), Karnataka (2002-06) and Kerala (2001-06) was below the committed liability of the States resulting in non-availing of central funds. In spite of two reminders in June and July 2004 from the MoSJE, the UT of Daman & Diu did not ask for allocation of funds under the scheme.
2.	Post MS	The expenditure in the State of Punjab (2001-05) and UT of Delhi (2002-06) under the scheme of Post-Matric Scholarship for Scheduled Castes was below the committed liability of the State resulting in non receipt of Central funds.
3.	Upgradation of merit-SC/ST	During 2001-06 Jharkhand, Bihar, Himachal Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Tamil Nadu, Uttranchal, Dadra & Nagar Haveli and Daman & Diu did not avail benefits of the scheme for both Scheduled Caste and Scheduled Tribe students. Arunachal Pradesh, Jammu & Kashmir, Punjab, Chandigarh, Delhi and Pondicherry did not avail benefits of the scheme for Scheduled Caste Students and Goa, Karnataka, Uttar Pradesh, Andaman & Nicobar Islands, Nagaland and Lakshadweep did not avail benefits of the scheme for Schedule Tribe Students during 2001-06. Further, 13 out of 16 States and 13 out of 14 States in the case of Scheduled Caste beneficiaries and Scheduled Tribe beneficiaries respectively did not fully utilise the scholarships awarded to

Sl. no.	Name of the scheme	Remarks
		them as per details given in Annex V.
4.	Coaching and allied scheme	The scheme was not implemented in the case of Jammu & Kashmir, Pondicherry and Kerala (for Scheduled Tribes) during the period 2001-06.

8.1.2.4 Delayed/non/short release of funds by Government of India (GOI) and state governments

Delayed release/non release/short-release of funds were observed in the following cases as indicated in Table 8.

Table 8: Delayed/Non/Short release of funds

Sl. no.	State	Scheme	Reasons
1.	Andhra Pradesh	Post MS (ST)	The GOI released funds at the end of the financial year or in the next financial year during 2002-03 (Rs. 14.11 crore), 2003-04 (Rs. 22.61 crore) and 2004-05 (Rs. 6.23 crore). The Government of Andhra Pradesh also delayed release of funds for the year 2004-05 by eight months (Rs. 18.00 crore) and 20 months (Rs. 2.61 crore).
		Book Bank-ST	The Central share of Rs. 30.29 lakh and Rs. 47.20 lakh relating to the years 2001-02 and 2002-03 released during March 2002 and March 2003 was given to the implementing agencies only in October 2003 and September/November 2003 respectively. The central share of Rs. 79.04 lakh relating to the year 2005-06 released in December 2005 was not given to the implementing agencies. The matching share of the State Government for the years 2001-02 and 2002-03 was released to Commissioner of Tribal Welfare during 2003-04 (January 2004).
2.	Assam	Book Bank-SC	State's share of Rs. 4.00 lakh under SC Component during 2005-06 was not released till September 2006.
		Ashram School	GOI released Rs. 25.20 lakh in 1998-99 for extension of existing school building. Out of this Rs. 5.60 lakh and the matching share of Rs. 25.20 lakh were yet to be released by the State Government.
		Coaching and allied	The Central share of Rs. 2.83 lakh released by the MoTA relating to the year 2004-05 and the State's matching share was yet to be released to one college imparting coaching (September 2006).
3.	Bihar	Post MS (SC)	There was no release of funds by GOI during 2001-04 due to disagreement over the quantum of committed liability.
4	Delhi	Book Bank-SC	The GOI released Rs. 24 lakh under this scheme during 2001-03 but the state government did not contribute its matching share as of June 2006.
5	Himachal Pradesh	Hostel-SC & ST	GOI released Rs. 23.12 crore and Rs. 1.78 crore during 2001-06 for construction of 33 and three hostels for SC and ST students respectively. There was short release of State share of Rs. 8.95 crore and Rs. 1.08 crore respectively. The Director, Social Justice & Empowerment stated (June 2006) that State share would be provided during 2006-07.

Sl. no.	State	Scheme	Reasons
6	Maharashtra	Hostel -SC	GOI released Rs. 1.15 crore (being 45 per cent share) during 2002-03 to NGOs for construction and expansion of 15 hostels for SC students. The State Government had not released its share of Rs. 1.15 crore as of September 2006.
7	Nagaland	Hostel-ST	During 2000-05, GOI released Rs. 4.31 crore for construction of six hostels for ST students. Matching share of the state government was not released till June 2006.
8	Orissa	Coaching & Allied Scheme	The State Government could not utilise GOI funds of Rs. 4.82 lakh for ST candidates for the year 2005-06 due to delay in the receipt of funds.
9.	Uttar Pradesh	Pre MS	During 2002-04 the State Government released Rs. 7.82 crore which was less than the committed liability by Rs. 24 lakh.
		Post MS (SC)	Annual committed liability of the State was Rs. 64.92 crore from 2002-03 onwards. However, the State Government provided only Rs. 58 crore <i>per annum</i> during 2002-05, resulting in short release of committed liability of Rs. 20.76 crore.
10	Uttaranchal	Coaching & Allied Scheme	No grants were received by All India Services Pre-Examination Training Centre (AISPETC) during 2003-04 (for SC) and 2001-02, 2002-03 and 2004-05 (for ST). Coaching courses were not conducted during this period.
11.	West Bengal	Coaching & Allied Scheme	GOI released only Rs. 2.68 lakh in 2001-02 out of the budget provisions of Rs. 33.00 lakh during 2001-06. Reasons for non-release of funds by GOI during 2002-06 were not on record.

8.1.2.5 Excess release of Central assistance

Central assistance was released in excess of requirement in the following cases indicated in Table 9.

Table 9: Excess release of central assistance released

Sl. no.	Name of the scheme	Remarks
1.	Pre MS	There was excess release of central assistance of Rs. 1.19 crore to Andhra Pradesh during 2001-06 due to discrepancy in the figures relating to the amount of committed liability. The Ministry stated that this would be adjusted from the amount released during 2006-07.
2.	Post MS for ST	Excess release of funds to Maharashtra (Rs. 0.12 crore) Kerala (Rs. 1.43 crore) and Sikkim (Rs. 0.17 crore) were made during the period 2001-06 due to consideration of erroneous figure in respect of committed liability/acceptance of incorrect figures furnished by the Welfare Department of the States to MoTA.

8.1.2.6 Unspent balances

Rs. 50.56 crore was lying unspent with 20 States/UTs and field institutions as per details given at **Annex VI**. MoSJE stated (April 2007) that unspent balances lying with the State Governments/UT Administrations are adjusted while releasing the grants.

8.1.2.7 Diversion of funds

Rs. 6.02 crore were diverted from various educational schemes for meeting expenditure not authorised under the schemes in four states as indicated in Table 10.

Table 10: Diversion of funds

(Rupees in lakh)

State	Scheme	Amount	Remarks
Andhra Pradesh	Book Bank – SC	3.38	DDSW, Hyderabad diverted the amount for meeting office expenses.
	Pre-MS	439.38	The Utilisation Certificate (UC) furnished by the Secretary, Andhra Pradesh Social Welfare Residential Educational Institutions Society (APSWREIS) showed that Rs. 245.41 lakh released to Commissioner Social Welfare (CSW) under this scheme during March 2003 was utilised for maintenance charges of 18182 students, rent of building and salaries of staff. Further, Rs. 193.97 lakh released under this scheme during 2005-06 was diverted for payment of honorarium to tutors in SW hostels in 11 districts.
	Up gradation- ST	12.60	The amount released was diverted towards diet charges.
Himachal Pradesh	Coaching & Allied scheme	17.19	Out of the assistance of Rs. 23.08 lakh received by Himachal Pradesh University during 2001-04, Rs. 17.19 lakh was diverted towards salary of staff and other office expenses.
Karnataka	Book Bank-SC	123.00	This amount was utilised for post matric scholarship scheme.
Mizoram	Coaching & Allied scheme – ST	6.09	The funds received by an NGO were used for payment of salary of faculty and other purposes. MoTA stated (April 2007) that the organisation is permitted to meet expenses for imparting coaching including payment of honorarium to faculty, etc. The Ministry's reply does not address the issue of payment of pay/allowances of the officers/staff engaged by it for which the Central Government has no liability.
Total		601.64	

8.1.2.8 Awareness about the schemes

The guidelines of the schemes of Pre Matric Scholarship to the children of those engaged in unclean occupations, Post Matric Scholarship and Book Bank required the State/UT governments to generate awareness regarding the schemes among target population/institutions to maximise the coverage. The States/UTs were required to announce the details of the scheme and invite applications by issuing advertisements in leading newspapers of the State/UT and through other media outfits. Test check of records revealed that adequate publicity was not given in 14 States/UTs as listed in **Annex VII**. MoTA stated (April 2007) that it is advising all States/UT administrations to give wide publicity to the schemes.

Recommendations

- **Both Ministries should take further steps to ensure better utilisation of funds by adequate liaison with the state governments.**
- **Inter-state imbalances in the release of funds should be examined and remedial action should be taken. The lack of initiative on the part of the state governments to avail of assistance under different schemes should be addressed appropriately.**
- **Financial management and control in terms of timely release of funds and timely utilisation for the intended purpose should be strengthened.**
- **Focussed publicity should be given to the schemes to enable the target population to avail of the benefits.**

8.1.3 Scholarship Schemes

Scheme for Pre-Matric Scholarship for the children of those engaged in unclean occupations and Post Matric Scholarship for Scheduled Castes & Scheduled Tribes

8.1.3.1 The objective of the scheme of Pre-Matric Scholarship for the children of those engaged in unclean occupations is to provide financial assistance at the approved rates to enable the children of parents traditionally engaged in unclean occupations like scavengers of dry-latrines, tanners, flayers and sweepers having traditional links with scavenging, to pursue pre-matric education. The assistance includes payment of scholarship every month and annual adhoc grant to the students. There is no income ceiling for award of scholarships under the scheme. The scholarship is admissible only in such institutions and for such courses up to matriculation stage, which have been duly recognised by the concerned State Government and UT Administration. The State-wise position of beneficiaries covered and central assistance released during 2001-06 is given in **Annex VIII**. The Post-Matric Scholarship scheme has been in operation since 1944-45. Under this centrally sponsored scheme, financial assistance is provided to Scheduled Castes and Scheduled Tribes for pursuing studies beyond matriculation in recognised institutions. The assistance includes maintenance allowance, reimbursement of compulsory non-refundable fees charged by the institutions, thesis typing/printing charges, study tour charges in case of professional courses, book allowance for students pursuing correspondence courses and additional allowances for students with disabilities. The Scholarship is disbursed through respective State Governments and Union Territory Administrations. With effect from 1st April 2003, the scheme was open to all Scheduled Caste and Scheduled Tribe students whose parents'/guardians' income from all sources did not exceed Rs. 1.00 lakh *per annum*. The details of beneficiaries covered under the scheme of post matric scholarship for Scheduled Castes and Scheduled Tribes during 2001-06 is given in **Annex IX and X**. Audit observations on both the schemes are given in paragraph 8.1.3.2 to 8.1.3.14.

8.1.3.2 Non-revision of income ceiling

The scheme of post-matric scholarship for Scheduled Caste and Scheduled Tribe students envisaged that income ceiling would be revised once every two years linking it with Consumer Price Index (CPI) for industrial workers for the month of October of the

year preceding the year of revision and will be made effective from April. The income ceiling was due for revision in October 2004. It had not been revised as of September 2006. MoTA stated (April 2007) that the revision of the income limit was under consideration.

8.1.3.3 Short coverage of eligible beneficiaries

There was short coverage of beneficiaries in nine States/UTs under the Pre-Matric Scholarship and 15 States/UTs under the Post-Matric Scholarship scheme respectively due to non/short release of funds, non-allotment of budget and shortage of funds etc. Details are given in **Annex XI**.

8.1.3.4 Scholarships paid to ineligible beneficiaries

Scholarships aggregating to Rs. 9.08 crore were disbursed to ineligible students in five States/UTs under Pre-Matric Scholarship and in seven States/UTs under Post Matric Scholarship schemes. Details are given in **Annex XII**.

8.1.3.5 Deficiencies in the system of selection of beneficiaries

Under the scheme of Post-Matric Scholarship, beneficiaries were to be selected on the basis of criteria prescribed. The prescribed criteria were not followed as indicated in Table 11.

Table 11: Deficiencies in the system of selection of beneficiaries

Sl. no.	State	Scheme	Remarks
1.	Chhattisgarh	Post MS (ST)	In three offices of Assistant Commissioner Tribal Development (ACTD), out of 180 scholarships sanctioned, 155 were on the basis of temporary caste certificate, 25 cases were not supported by permanent caste certificates and in another ACTD, in respect of 13 cases, no caste certificate was enclosed during 2003-06.
2.	Daman & Diu	Post MS (SC/ST)	Out of 153 applications sanctioned scholarship during 2003-06, in 10 cases the declaration of income was not shown, in 11 cases income certificate was not obtained in the prescribed form and in 18 cases, HRA/CCA/DA were not mentioned in the income certificate.
3.	Jharkhand	Post MS (SC/ST)	Selection committee was not constituted at any level.
4.	Meghalaya	Post MS (SC/ST)	Scholarship was paid by the department on the basis of income certificate furnished by the local MLA or Member of district council.

8.1.3.6 Delayed payment of scholarship

Timely disbursement of scholarship is essential for effective implementation of the scheme. The scholarships were not disbursed on time in four and 16 States/UTs under the Pre-Matric Scholarship and Post-Matric Scholarship schemes respectively due to non release of required funds or release of funds at the fag end of the year. Details are given in **Annex XIII**.

8.1.3.7 Scholarship partially disbursed/not disbursed

The scholarships were partially disbursed/not disbursed in seven and nine States under the Pre-Matric Scholarship and Post-Matric Scholarship schemes due to late release of funds, incorrect classification of courses and delay in issuing government orders. The details are given in **Annex XIV**.

8.1.3.8 Excess payment of scholarship

Under the Pre-Matric Scholarship scheme, excess payment of Rs. 3.44 lakh during 2001-06 to 703 beneficiaries was found in Ranchi district of **Jharkhand** due to non-adherence to the prescribed ceiling.

As per the Post-Matric Scholarship scheme, scholarships were to be paid at rates prescribed from time to time for 10 months in an academic year and scholars who were entitled to free boarding and/or lodging were to be paid maintenance charges at 1/3rd of Hostellers' rate. Scrutiny of records of test checked districts/institutions revealed that in nine States/UTs, scholarship/maintenance charges aggregating Rs. 40.13 crore were paid in excess as per details given in **Annex XV**.

8.1.3.9 Receipt of scholarship from two sources

The eligibility criteria of scholarship schemes stipulated that the beneficiaries should not receive any other scholarship/stipend.

In two districts of **Maharashtra**, the girl students covered under the Pre-Matric Scholarship scheme were also paid financial assistance of Rs. 2.07 lakh under the Savitribai Phule scholarship scheme of the State resulting in overlap of benefits.

Likewise, in **Pondicherry**, 84 Scheduled Caste students of an institute availing the benefit of Post-Matric Scholarship were also in receipt of stipend from other sources during October 2004 to February 2006 resulting in excess payment of Rs. 5.96 lakh. In **Meghalaya**, 337 Scheduled Tribe students of one college were paid Post-Matric Scholarship as well as Border Area Scholarship scheme amounting to Rs. 1.91 lakh during 2001-04.

8.1.3.10 Sanction of scholarship without the approval of competent authority

During test check of records of four ACTDs in **Chhattisgarh**, it was found that scholarships amounting to Rs. 1.03 crore were sanctioned to Scheduled Caste and Scheduled Tribe students without the approval of ACTD during 2001-06 under Pre-Matric Scholarship and Post-Matric Scholarship Scheme respectively. Likewise, maintenance allowance under Post-Matric Scholarship to Scheduled Caste and Scheduled Tribe hostellers amounting to Rs. 72.75 lakh was paid without sanction from ACTD, Raipur during 2003-06. ACTDs replied that action would be taken after obtaining 'guidance' from the Government.

8.1.3.11 Non-compliance by State Government with GOI policy

As per the instructions of GOI, States/UTs/institutions were not required to collect special fees and other compulsory non-refundable fees from Scheduled Caste and

Scheduled Tribe students but obtain the amount from Government directly. In **Pondicherry and Tamil Nadu**, educational institutes collected non-refundable fees from Scheduled Caste students and reimbursed it to them only after the sanction of Post-Matric Scholarship. In **Jharkhand**, test check of records revealed that the DWO, Chaibasa did not reimburse fees amounting to Rs. 25.50 lakh pertaining to the period 2001-02 to 2005-06 to three colleges as of August 2006.

8.1.3.12 Irregular deposit of scholarship into state revenue

The undisbursed amount of scholarships were required to be remitted under the same expenditure head of account from which they were drawn and shown as reduction of expenditure. In the following states, the undisbursed/recovered amount of scholarships were remitted into 'State Receipt Head' as indicated in Table 12.

Table 12: Deposit of scholarship in State Revenue

(Rupees in lakh)

Sl. no.	State	Scheme	Amount	Remarks
1.	Assam	Post MS (SC & ST)	10.67	Four Integrated Tribal Development Projects (ITDP) and one institution remitted unclaimed scholarship into State revenue during 2001-06
2.	Haryana	Post MS (SC)	10.87	Rs. 10.87 lakh pertaining to 2001-06 was deposited in State receipt heads.
3.	Tamil Nadu	Post MS (ST)	25.64	In two districts, undisbursed amount of Rs. 25.64 lakh was deposited in receipt heads.
4.	Uttar Pradesh	Post MS (SC)	282.69	This amount refunded by institutions of 17 test-checked districts was credited to departmental receipt heads.
Total			329.87	

8.1.3.13 Non maintenance of basic records

In **Chhattisgarh**, Rs. 2.87 crore in respect of the Pre-Matric Scholarship drawn by 5 ACTDs during 2001-06 was deposited in the nodal bank by endorsing the bills without exhibiting them in the cash book.

In respect of the Post-Matric Scholarship scheme for SC and ST, in **Meghalaya** during 2001-06 the Department did not maintain records such as cash book, bank accounts, cheques/bank draft receipts and issue register, register of deposit of funds in banker's cheques, register of deposit of refund and scholarship amount by different institutions etc. In **Chhattisgarh**, Rs. 44.76 crore drawn by 5 ACTDs during 2001-06 were deposited in the nodal bank by endorsing the bills without exhibiting them in the cash book. In one ACTD, Rs. 3.13 crore drawn from the treasury and deposited in the nodal bank was shown as final expenditure in the cash book before actual payment. In **Maharashtra**, in the test checked districts, in the registers relating to grants received from Union government the adjustments of ad-hoc grants were not recorded due to which recovery/adjustment of ad-hoc grants of Rs. 6.07 crore paid during 2001-02 to 2005-06 could not be verified in audit. Further, due to incomplete records, the district authorities were unable to track the colleges which had failed to submit the final accounts for adjustment. Consequently, the district officials were unable to monitor proper utilisation of grants and recovery of unspent balance in time.

8.1.3.14 Non receipt of acquittance rolls

Acquittance rolls/bank scrolls, which are proof of payment of scholarship to students were awaited from the institutions/banks as indicated in Table 13.

Table 13: Non-receipt of acquittance rolls

Sl. no.	State	Scheme	Remarks
1.	Andhra Pradesh	Post MS (ST)	In District Tribal Welfare Office (DTWO), Visakhapatnam Rs. 6.00 crore was released under PMS during 2001-06, UCs/acquittance rolls for Rs. 5.18 crore were not received as of June 2006. DTWO stated that special drive will be taken through ATWO concerned for obtaining acquittance for these years.
2.	Chhattisgarh	Pre MS and Post MS (SC/ST)	Bank scrolls amounting to Rs. 22.23 crore for the period from 2001-06 were neither obtained from nodal banks nor forwarded to the Accountant General for adjustment as of March 2006.
3.	Jammu & Kashmir	Pre MS and Post MS (SC/ST)	Acquittance rolls in support of payment of Rs. 12.87 lakh under Pre Matric Scholarship scheme in one district and Rs. 66.40 lakh under Post Matric Scholarship Scheme for SC/ST in 4 districts were awaited as of September 2006.
4.	Madhya Pradesh	Post MS (ST)	In two ACTDs bank scrolls for Rs. 6.27 crore for the period from 2001-06 were not obtained from nodal banks as of March 2006.
5.	Orissa	Pre-MS	In DWO, Ganjam Rs. 1.72 lakh was stated to have been disbursed during 2003-04. However, acquittance rolls for Rs. 0.01 lakh only were shown to audit. In one school, signatures of 59 out of 68 hostellers were available in the acquittance rolls but the amount actually disbursed to each hosteller was not indicated.
6.	Pondicherry	Post MS (SC)	Despite the matter having been pointed out in the Report of the Comptroller and Auditor General of India for the year ended March 2004, the Department failed to obtain acquittance rolls. As of March 2006, acquittance rolls for Rs. 98.92 lakh (1999-2005) were pending from 426 institutions.

In the absence of proof of payment, the possibility of fraudulent disbursement and/or non-payment by banks/institutions cannot be ruled out.

Recommendations

- **The income ceiling should be revised without any further delay to enable more students to benefit from the scheme.**
- **Scholarship should be disbursed in a timely manner and in full.**
- **System deficiencies in selection of beneficiaries such as absence of caste certificate, declaration of income etc. should be rectified to avoid excess payments and payments to ineligible beneficiaries.**

8.1.4 Scheme for the establishment of Ashram Schools in tribal sub-plan areas

8.1.4.1 The scheme covers all Tribal Sub Plan areas spread over 21 States and 2 Union Territories. The objective of the scheme is to promote and extend educational facilities in the tribal areas on the pattern of the old gurukul type of education. Funds are provided under the scheme for construction of school buildings from the primary to the senior

secondary stage, upgradation of the existing primary level ashram schools and construction of student hostels and staff quarters. The State Government has to provide land for Ashram schools free of cost. The location of the Ashram schools and the admission policy is to be decided in such a manner that priority is given to ST girls and children of primitive tribal groups, migrant STs, labour and nomadic tribes. The expenditure on running and maintenance of the schools is to be borne by the concerned State/UT.

8.1.4.2 In the following six States, out of the total number of 333 Ashram Schools sanctioned during 1998-2006, 24 were yet to be started and 189 were under progress as indicated in Table 14.

Table 14: Status of construction of Ashram Schools

(Rupees in lakh)

Sl. No	Name of the State	No. of schools sanctioned	Period	Amount released by GOI	Ashram Schools			Remarks
					Completed	Under progress	Yet to start	
1.	Gujarat	81	2001-06	343.79	37	35	9	Construction of nine schools was not started due to non-allotment of land. After incurring expenditure of Rs. 3.66 crore as of September 2006 in respect of 35 schools, Construction was not completed.
2.	Karnataka	24	2001-05	386.19	8	6	10	Work has not commenced in 10 cases, as the tender process has not been completed.
3.	Madhya Pradesh	130	2002-06	1329.47	7	123	-	The reason cited was delay in receipt of central share.
4	Maharashtra	92	1998-05	293.38	68	24	-	Construction of 24 hostels some of which commenced in 1998-99 was in progress.
5.	Tamil Nadu	5	1998-99	53.75	-	-	5	Construction work is yet to be started due to non-selection of site.

(Rupees in lakh)

Sl. No	Name of the State	No. of schools sanctioned	Period	Amount released by GOI	Ashram Schools			Remarks
					Completed	Under progress	Yet to start	
6.	Tripura	1	2001-06	100.00	-	1	-	There was delay of one to three and a half years in release of funds to the implementing agencies.
Total		333		2518.11	120	189	24	

8.1.4.3 Test check of records in the States revealed the following: -

- Assam** During 1998-99, the GOI released Rs. 25.20 lakh for extension of building of one school. Out of this, State Government released Rs. 19.60 lakh in 2002-03. No records were produced to audit regarding the utilisation of Rs. 19.60 lakh.
- Gujarat** In Vadodara, a building constructed under the scheme at a cost of Rs. 3 lakh was utilised by an NGO for running a B. Ed. college. The school at Zarpan in Surat was sanctioned a grant of Rs. 13 lakh for construction of a building and was paid Rs. 8.10 lakh. Subsequently, the sanction was cancelled but the amount of Rs. 8.10 lakh was not recovered.
- Kerala** A school in Palakkad meant for Primitive Tribal Groups, started in 2000-01 did not have hostel facility for staff. Out of four schools in the State, only one is recognised under the State rules.
- Madhya Pradesh** In Madhya Pradesh, central assistance of Rs. 4.76 crore was drawn by the Commissioner Tribal Development (CTD) but only 50 per cent of this amount was utilised for construction of schools. The balance amount remained unutilised for three years and eventually stood credited to the receipts of the state government. Thus, Central assistance of Rs. 2.38 crore was not utilised for the intended purpose.
- Uttar Pradesh** At present nine Ashram Schools are functioning in six districts. The students accommodated in the schools at Shravasti, Bijnor and Maharajganj ranged between 32 and 77, 8 and 56, 16 and 34 per cent respectively of the intended capacity. One school at Sohna, Lakhimpur Kheri was constructed at a cost of Rs. 2.50 crore in March 2005 and was handed over to District Social Welfare Officer (DSWO), Lakhimpur Kheri in June 2005 but could not be made functional due to non sanctioning of posts. Further, test check of four Ashram schools revealed that poor maintenance of schools buildings, unhygienic conditions, inadequate number of teachers and insufficient medical facilities also affected the running of these schools.

MoTA stated (April 2007) that maintenance of schools is the responsibility of the state governments/UTs

Recommendations

- **Construction of Ashram schools should be expedited.**
- **The guidelines of the scheme should be amended to ensure that the state governments give priority to upgrading the condition of schools, providing facilities and sanctioning of posts.**

8.1.5 Upgradation of merit of SCs and STs

8.1.5.1 The objective of the scheme is to upgrade the merit of Scheduled Caste and Scheduled Tribe students by providing them remedial and special coaching in classes IX to XII. While remedial coaching aims at removing deficiencies in various subjects, special coaching is provided with a view to preparing students for competitive examinations for seeking entry into professional courses like engineering and medicine. The scheme provides a package grant of Rs. 15000/- per student per year which includes Rs. 5000/- for board and lodging charges, Rs. 1000/- for pocket money, Rs. 2000/- for books & stationary and Rs. 7000/- per year per student for honorarium to principal, expert and other incidental charges. The MoSJE implemented the scheme upto 1999-2000. During 2000-01, the Scheduled Tribe component was transferred to the MoTA. Under the scheme, 1415 awards (1045 for Scheduled Castes and 370 for Scheduled Tribes) each for class IX to XII have been sanctioned to various States/UTs during 2000-01. The coaching starts from class IX in identified schools and continues till the awardees complete class XII. For ST students, this scheme was merged with the Post-Matric Scholarship and Book Bank schemes from the 10th Five Year Plan.

8.1.5.2 Test check of records of States revealed the following

Andhra Pradesh	While the CSW stated that the scheme was fully implemented and furnished UCs of Rs. 1.99 crore to Government of India for the period 2001-06, the DDs/SW in all the test checked districts that received funds under the scheme stated (July 2006) that the scheme was not implemented for want of instructions from the CSW. As per the records of CSW, Rs. 15.34 lakh was released to six test checked districts but as per the records maintained in the districts, three districts did not receive any funds and the rest received only Rs. 5.40 lakh.
Arunachal Pradesh	Government of India sanctioned Rs. 6.45 lakh after adjusting unspent balance of Rs. 0.30 lakh in 2003-04 for 45 students whereas the Department's record showed that only 22 students were covered. Thus, against the actual requirement of Rs. 3.30 lakh, Rs. 6.45 lakh was released which resulted in excess sanction of Rs. 3.45 lakh.
Karnataka	The guidelines provide for scholarship to students of classes IX to XII based on their performance in class VIII and subsequently. However, students of class VIII were also included under the scheme on the plea that the high school session commences from Class VIII.
Kerala	The Project Officer, ITDP Wayanad did not utilise Rs. 0.30 lakh during 2003-04 and refunded the money as the students selected under

the scheme during 2000-01 had completed their secondary education before 2003-04. As a result, no Scheduled Tribe students in this district could avail of the benefits under the scheme. Rs. 0.75 lakh for five Scheduled Caste students was released at the fag end of the year in March 2005 and could be utilised only in the next year. Honorarium was paid only in one school out of two during 2004-06. The other school utilised the amount for board and lodging expenses. In three schools, 13 students who were given awards during 2001-02 were not given further scholarship.

- Orissa** Syllabus for special coaching was not prepared nor were any experts engaged for imparting coaching. The classes were taken after college hours for 1½ hours for one subject only once in a week whereas the scheme specifies 10-12 hours per week per teacher. Funds were not used as per the norms fixed by Government of India in two test checked colleges.
- Rajasthan** Against the total target of 67 (40 SC+27 ST) students *per annum*, the number of beneficiaries ranged between 16 to 35 during 2001-06.
- Tamil Nadu** The scheme was not implemented during the period 1994-95 to 2002-03. Out of the unspent balance of Rs. 20.93 lakh pertaining to the period prior to 1995-96, an amount of Rs. 11.53 lakh was utilised on coaching and Rs. 9.40 lakh remained unutilised as of March 2006. The Government issued orders reviving the scheme in October 2002. Coaching was provided during the year 2003-04 to 29 students in one school (26 SC and 3 ST) and 24 students in another school. The coaching envisaged was for four batches of 53 students but only one batch of students was coached each year. This resulted in possible under coverage of 477 students during the last three years. The amount utilised for expenses towards coaching, boarding etc. was below the norms prescribed by the Government of India. No girl/disabled students were selected for special coaching.
- Uttar Pradesh** No disabled and girl students were selected during 2001-06 as the department did not identify any girls/co-education residential college for this scheme. In four districts, honorarium was disbursed among 6 to 22 teachers and the principal instead of five teachers and the principal as per the provisions of the scheme. The coaching centre at Government Inter college, Allahabad did not impart coaching during 2000-02 but the students were paid coaching grant of Rs. 3.36 lakh.
- West Bengal** Against the norm of Rs. 15000 per student *per annum*, on an average Rs. 9261 per student was spent for 1072 students during 2001-06. In Purulia district, no coaching centre was set up due to non selection of school and grant of Rs. 6.84 lakh (Schedule Castes-Rs. 5.40 lakh, Schedule Tribes-Rs. 1.44 Lakh) allotted during 2002-04 was surrendered by DWO. Accordingly, no funds were allotted for this district during 2004-06. In Birbhum, the Project Officer paid Rs. 19.25 lakh for providing coaching to 98 Scheduled Caste and 43 Scheduled Tribe girl students during 2002-06 without providing

coaching facilities to them and thus the very purpose of the scheme was not achieved. In Jalpaiguri district, 45 Scheduled Caste and 13 Scheduled Tribe students of only one school were selected for providing coaching during 2002-06. In Cooch Behar district, 61 Scheduled Caste and Scheduled Tribe students were paid hostel charges of Rs. 2.45 lakh during 2002-06 although these students were not lodged in any hostel. In three districts, no data regarding the success rate of Scheduled Caste and Scheduled Tribe students in class XII was maintained.

8.1.6 Book Bank Scheme

8.1.6.1 The objective of the scheme is to provide Scheduled Caste and Scheduled Tribe students access to the latest books and to reduce the dropout ratio of Scheduled Caste and Scheduled Tribe students from professional and technical courses. The scheme is open to all Scheduled Caste and Scheduled Tribe students studying medical, engineering, agriculture, veterinary, polytechnic, law, chartered accountancy, business management and bio-science courses who have been receiving Post-Matric Scholarships. The purchase of books for the "Book Banks" is to be restricted to prescribed textbooks only. One set of books was to be purchased for two students of all professional courses except in respect of post-graduate courses and chartered accountancy where one set was to be purchased for each student. In the tenth five year plan, the scheme has been merged with the Post-Matric Scholarship Scheme.

Test check of records in the States/UTs revealed the following:

8.1.6.2 Non establishment of Book Banks

The Book Bank scheme provides that book banks are to be set up in all the Medical, Engineering, Agriculture, Law and Veterinary Degree Colleges and Institutes imparting Chartered Accountancy, MBA and other management courses and Polytechnics where Scheduled Caste and Scheduled Tribe students are in receipt of Post-Matric Scholarship. Test check of records of the States/UTs revealed that in the following States, book banks were not established in recognised colleges/institutes as detailed below:-

Andhra Pradesh	Book Banks not set up in the case of Scheduled Castes and Scheduled Tribes ranged from 16 to 31 <i>per cent</i> and 21 and 32 <i>per cent</i> of the colleges during 2001-06.
Assam	While 3166 (1470 SC & 1696 ST) students were covered in PMS of Government of India in Group-I, only 650 (396 SC & 254 ST) were getting the benefit of book bank facilities.
Chhattisgarh	Out of 39 recognised colleges in the state, book banks for ST students were established only in 13 colleges during 2002-03 and 19 colleges during 2003-04.

Delhi	No funds were either sought by or released to eight polytechnic and two medical colleges although those institutes were covered under Post Matric Scholarship scheme during 2001-03.
Jammu & Kashmir	Out of 14 districts, the scheme was implemented in Srinagar and Jammu districts only. The entire grant of Rs. 5.00 lakh (2005-06) was not utilised in Srinagar district.
Manipur	No Book Bank was set up in the Manipur University though professional courses are being offered by the University. Prior to merger of the scheme with PMS, the university did not apply for the scheme.
Tamil Nadu	Though the institutions/colleges were estimated to be around 520, only 250 Book Banks have been created till June 2006.

8.1.6.3 Deficiencies noticed in purchase and issue of books

Test check of the records of the States/UTs revealed the following shortcomings in the purchase and issue of books during 2001-06.

Andhra Pradesh	Books worth Rs. 3.44 lakh not related to the courses of study were supplied by the District Tribal Welfare Officer (DTWO) in Kurnool district. In Jawaharlal Nehru Technological University, 1570 outdated books were supplied by Deputy Director Social Welfare (DDSW) and DTWO. In Warangal district during 2003-04, Rs. 2.24 lakh was spent for books not related to professional courses. Supply of books towards the end of the academic year or even after the end of the academic year was noticed in all test checked districts.
Bihar	Test check of records in five districts revealed that against the available fund of Rs. 32 lakh, only Rs. 11 lakh was spent on books. Further, books were not purchased in sets as required under the scheme guidelines and consequently were not made available to beneficiaries in sets. In Darbhanga, funds lapsed during 2001-04 due to late receipt of allotment.
Chhattisgarh	Books worth Rs. 1.43 lakh procured by ACTD Bastar during 2002-03 did not pertain to the prescribed syllabus. Books worth Rs. 1.15 lakh were purchased by Assistant Project Administrator Bastar without constituting an expert group and without assessing the number of beneficiaries and number of sets required. Against 258 sets of books required, 342 sets were purchased by Government Polytechnic College, Raipur. During 2001-05, ACTD Raigarh provided school level text books worth Rs. 1.18 lakh to 39 schools and five Block Education Offices.
Goa	In two institutions there was no indication in the Issue Register that the books purchased had been issued to the targetted group.
Gujarat	In Vadodara district, 6666 books costing Rs. 2.43 lakh issued to Scheduled Caste students were not returned by the beneficiaries. Out

of 82 books purchased for Scheduled Tribe students, only 22 books were recorded in the register.

- Himachal Pradesh** 47 students (SC:32 and ST:15) were enrolled in National Institute of Technology, Hamirpur during 2001-02 for which 24 sets of books were required. Though Rs. 1 lakh was released to this institute, only eight sets of books were purchased.
- Jharkhand** Two district offices (Dhanbad and Ranchi) spent Rs. 2.61 crore towards purchase of books for two institutes during 2001-06 without considering the actual number of SC/ST students enrolled in the institutes. The Welfare Department released Rs. 31.60 lakh to DWO, Singhbhum (Rs. 18.60 lakh for SC and Rs. 13 lakh for ST) without any requirement.
- Kerala** Test check of the records of four institutes in selected districts revealed that purchase of books was delayed by six to twelve months. The State Expert Committee did not include representatives from all the Universities. During 2001-04, many of the experts did not attend the meeting. The committee did not meet in 2004-06.
- Maharashtra** Test check of 10 colleges in eight districts revealed that proposals were submitted by college authorities to district authorities with delays of three to eight months, resulting in further delays in sanction and disbursement of grants by the district offices. Consequently, books were made available to students only during the next academic year. In one district Rs. 2.50 lakh remained unutilised as cheques were not delivered to college authorities.
- Manipur** The scrutiny of records in the nodal directorate and five Book Banks revealed that there was wide variation between the number of books shown as issued by the directorate and those actually received by the Book Banks.
- Orissa** In DWO Khurda Internal Audit detected misappropriation of Rs. 3.55 lakh (March 2001) out of the book bank fund using forged acknowledgment receipts from two institutions. No money was recovered as of March 2007. The DWO Khurda, drew an amount Rs. 4.41 lakh (March/August 2004) but released it to nine colleges after a delay of 19 months.
- Punjab** Books were purchased by three institutions with a delay of nine to 24 months from the month of release of funds. Books were issued to 23 Scheduled Caste students who had not been covered under PMS by two institutions during 2001-06.

- Rajasthan** Of Rs. 6.25 lakh received during 2001-06, only Rs. 1.46 lakh was utilised by three colleges while in two colleges though the number of books were sufficient, books were not issued to 199 SC and 54 ST students during 2002-06. Further, against the target of 28417 students during 2001-06, only 20564 students were covered under the scheme and 7853 students (3319 SC & 4534 ST) remained uncovered.
- Tamil Nadu** The coverage of students under the book bank scheme was meagre ranging from eight to 10 *per cent*. In Namakkal district, out of 24 colleges, only nine were covered. In Karur district, there were two engineering colleges and none were covered. In Thoothukudi district, against 379 sets of books required for 754 students (750 SC + 4 ST), only 117 sets were purchased.
- Tripura** Textbooks were purchased individually instead of in sets irrespective of their requirement for each course in the prescribed ratio. Procedure of invitation of tender or quotations was not adopted. Books were issued to faculty members who retained them for two years.
- Uttaranchal** Records of two selected units revealed that there were delays of four to 12 months during 2001-06 in purchase and distribution of books.
- Uttar Pradesh** The required procedure of selection of books by the committee was not adhered to. The DSWOs Lucknow, Allahabad, Varanasi and Azamgarh purchased and supplied books without ensuring actual demand from the institutions. This led to issue of 672 extra sets of books to three institutes. The DSWO, Lucknow supplied 2142 books related to LLB and Bio-Science worth Rs. 3 lakh each during 2004-05 to Jai Narayan PG College, Lucknow, which was not aware of the scheme. Consequently the college kept these books alongwith other books. The books relating to Bio-Science were not related to the prevailing syllabi of the subject and LLB books were not issued in sets to SC students but were issued for a month only to those students who were members of the library. The Shilbi National PG College, Azamgarh collected cost of books as security deposit prior to issue of books and irregularly deducted 20 *per cent* of the deposit at the time of return of the issued books.

Recommendations

- **The suspected misappropriation of funds in DWO, Khurda should be followed up.**
- **The issues of short establishment of book banks, purchase of outdated/irrelevant books, purchases inconsistent with norms, delays in purchase of books, non utilisation of funds for book bank, poor coverage of students etc, need to be addressed.**

8.1.7 Hostels for SC/ST community students

8.1.7.1 The schemes provides for hostel facilities to Scheduled Caste and Scheduled Tribe girls and boys to enable them to pursue their studies in middle schools, higher secondary schools, colleges and universities.

8.1.7.2 The cost of construction of hostels is worked out on the basis of State PWD/CPWD schedule of rates. The expenditure on maintenance of these hostels is to be borne by the respective States/UTs/Universities/NGOs from their own funds. The use of hostels is regulated by the State Governments.

8.1.7.3 The States/UTs are required to complete the construction of hostels within a period of five years from the date of release of central assistance. Voluntary Organisations are required to complete the construction of hostels within two years. Test check of records revealed that out of 1543 hostels sanctioned for Scheduled Castes and Scheduled Tribe for which central assistance aggregating Rs. 182.64 crore was released, only 686 hostels were completed, 622 hostels were under construction, 167 were yet to be started and details in respect of 68 hostels was not provided as per details given in **Annex-XVI**. MoSJE stated (April 2007) that it has been emphasizing the need for early completion of hostels sanctioned under the scheme and commitment of matching share by the State Governments and others is always taken. The reply does not address the specific comments made by audit.

Test check of records in the States/UTs revealed the following:

8.1.7.4 Irregular recovery of hostel fees

One of the conditions governing grants under the scheme of hostels for Scheduled Caste and Scheduled Tribe boys and girls was that no capitation or other similar fee would be charged from Scheduled Caste and Scheduled Tribe students. Two universities (Guru Nanak Dev University, Amritsar and Punjabi University, Patiala) in **Punjab** and three universities (Kurukshetra University, MDU Rohtak and CDLU Sirsa) in **Haryana** charged Rs. 5.29 lakh and Rs. 7.05 lakh from 188 and 235 Scheduled Caste students respectively.

8.1.7.5 Inflated estimates

Punjab University received grant of Rs. 265.60 lakh from GOI as central assistance for construction of two Scheduled Caste hostels. The buildings were completed at a cost of Rs. 253.97 lakh. The matching share to the extent of Rs. 139.68 lakh (55 *per cent* of the cost) was not borne by the university and the State. The university did not refund the unspent balance of Rs. 11.63 lakh to the Union Government. Thus, Rs. 151.31 lakh was unauthorisedly retained and not refunded to the Union Government.

Similarly, for construction of one Scheduled Caste girls' hostel with 100 inmates, the GOI released Rs. 2.14 crore, which was 90 *per cent* of the estimated total cost of Rs. 2.38 crore, during 1999-04 to Assam University, Silchar. The building was completed in April 2004 at a total cost of Rs. 2.13 crore. The building was completed

within the available central share. However, the matching share to the extent of Rs. 21.29 lakh (10 per cent of the cost) was not borne by the university. The university was required to refund to the Union Government Rs. 34.24 lakh (representing unspent balance of Rs. 1.42 lakh from the central assistance, matching share of Rs. 21.29 lakh and interest earned on central assistance kept in fixed deposits during 1999-2002). MoSJE has accepted the facts.

8.1.7.6 Lack of facilities

In the following cases, basic facilities were not available.

Table 15: Lack of facilities

Sl. no.	Name of the State	Remarks
1.	Andhra Pradesh	Of 24 hostels test checked, no toilet was provided in one hostel. Inadequate number of toilets without water facility were found in four hostels. One hostel did not have drinking water facility. In five test checked districts, the posts of warden were vacant in 32 out of 95 hostels.
2.	Manipur	No warden was posted in 3 hostels for SC/ST in selected districts.
3.	Orissa	In Khurda district, five residential schools did not have hostels. The classrooms were being used as hostel-cum-classrooms for 600 hostellers. These schools did not have required facilities like water and power supply and adequate bathrooms and toilet facilities.
4.	Tamil Nadu	Out of 1102 hostels (SC hostel 1076 and ST hostel 26) functioning under the Adi Dravidar Welfare Department for SC/ST students, 31 hostels (SC-26, ST-5) with a strength of 2642 students were functioning in dilapidated buildings without basic infrastructure facilities like water, toilets, drainage etc.
5.	Uttar Pradesh	Out of 41 hostels for which funds were allotted, 27 hostels were constructed for SC boys and girls during 2001-06. Of these only 10 were functional. In eight of these 10 hostels, furniture was not provided and post of warden and staff were not sanctioned.
6.	West Bengal	13 hostels with a total capacity of 874 students had no regular staff.

8.1.7.7 Overcrowding in hostels

Test check of records in the States/UTs revealed that in certain hostels, the number of students accommodated during 2001-06 was much more than the actual capacity. Some instances are indicated in Table 16.

Table 16: Over crowding in hostels

Sl. no.	Name of the State	Name of the Hostel	Capacity	Occupancy
1.	Haryana	Kurukshetra University (Girls' SC Hostel)	100	116
		CDLU, Sirsa (Boys' SC Hostel)	100	131-136
2.	Jharkhand	Women College, Chaibasa (ST Girls' Hostel)	100	344

		Dumka ST residential Middle School	NA	The school was run in the rooms of the hostel building and 88 students were accommodated in one room and verandah
		Dumka and Jama (2 ST schools)	NA	88 students were residing in each school building in 3 and 4 rooms respectively.
3.	Tamil Nadu	Girl Hostel, Valavanthinadu	61	165

8.1.7.8 Irregular utilisation of hostels

Hostels were irregularly utilised in seven States as indicated in Table 17.

Table 17: Irregular utilisation of hostels

Sl. no.	Name of the State	Remarks
1.	Assam	Six hostels (ST Boys-1, ST Girls-4 and SC Girls-1) constructed at a cost of Rs. 5.80 lakh during 1992-2003 were used as staff quarters, class rooms and staff common room.
2.	Haryana	In three institutions, in both boys and girls hostels for SC, 67 to 97 <i>per cent</i> of the residents were non SCs.
3.	Jharkhand	In three districts (Dhanbad, Dumka and Ranchi), three hostels for STs and one hostel for SCs constructed during 2001-04 for 400 SC/ST students were occupied by police officials and to run a KG school.
4.	Manipur	Five hostels constructed during 2001-02 to 2005-06 in four districts for colleges and schools had been converted into and used as college/school buildings.
5.	Tamil Nadu	In the departmental review meeting conducted in June 2005 by the Secretary, Adi Dravidar Welfare (ADW) Department, it was informed that many students were residing in hostels even after completion of their study at ADW hostels/schools, as they were in search of job/admission for higher education. (July 2006).
6.	Uttar Pradesh	One girls' hostel for 50 students at Varanasi was used as a beggars' home and one boys' hostel for 50 students constructed at a cost of Rs. 18.71 lakh at Machhra (Meerut) was being used by J. Sons Merchant Navy Institute.
7.	West Bengal	Two hostels constructed at a cost of Rs. 31.26 lakh having capacity of 140 students (one for ST and one for SC) at Chanchal in Malda district and at Aranghata in Nadia district were being utilised for accommodating the Offices of the Sub-Divisional Officer and Sub Divisional Police Officer and also for residential purpose for local police personnel since 2001.

8.1.7.9 Non-utilisation of hostel facility

Test check of records in the States/UTs disclosed that hostels had been completed but were not put to use as indicated in Table 18.

Table 18: Non-utilisation of facilities

(Rupees in lakh)

Name of the State	Category	Period	No. of hostels	Cost	Remarks
Jharkhand	SC	2001-06	11	263.92	Lying vacant
	ST	-do-	9	515.19	-do-
Rajasthan		March 2001 to March 2005	3	57.00	Non-availability of infrastructure, sub-standard construction, no electricity connection.
Himachal Pradesh	SC	August 2001	1	103.00	Non-availability of electricity supply, non-provision of basic amenities, utensils and furniture.
	ST	Feb.2001	3	231.00	
Kerala	SC	December 2001 to 2004	1	NA	Want of basic amenities.
	ST		2	NA	Want of water supply.
Daman & Diu	ST	1996-97	1	80	Non-availability of students.
Uttar Pradesh	SC	Constructed upto 2005-06	69	NA	Non-sanction of posts, non-availability of girl students, location of hostels in remote and unsafe localities and unhygienic conditions.
West Bengal	SC/ST	December 1997 to August 2005	6 (SC) & 3 (ST)	NA	Want of basic amenities, absence of Superintendent / Matron/other staff, furniture and non completion of electrification, sanitation and plumbing.

8.1.7.10 Short utilisation of hostels

(i) Audit observed that the capacities of hostels meant for Scheduled Caste and Scheduled Tribe were not utilised fully in three States as indicated in Table 19.

Table 19: Short utilisation of hostels

Name of the State	No. of hostels	Category	Period	Actual capacity	Utilisation	Percentage short utilisation
Jharkhand	78	SC	2001-06	4300	1954	55
	106	ST	2001-06	5150	1408	73
Punjab	1	SC	2001-06	84	16	81
Tripura	2	ST	2001-06	100	52	48

Recommendations

- The Ministries should take further steps to monitor timely completion of construction of hostels through effective monitoring and ensure that state governments bear their share for maintenance.
- The guidelines of the scheme should be amended to ensure that the state governments pay attention to availability of basic facilities such as toilets, drinking water, power supply, furniture etc. and post adequate staff in the hostels. Action should be taken to improve utilisation of hostels.
- Irregular utilisation of hostels should be investigated and remedial action taken.

8.1.8 Coaching and allied scheme for Scheduled Tribe and for weaker sections including Scheduled Castes, OBCs and Minorities

8.1.8.1 The objective of the scheme is to provide pre-examination coaching (PEC) to students belonging to SCs/STs/OBCs/Minority communities for improving their representation and standard of performance in the competitive examinations for various posts and services held by the UPSC, State Public Service Commissions, SSC, recruitment boards, public sector undertakings and other central government agencies. This scheme is open to only such Scheduled Caste students whose family income is less than Rs. 1 lakh and for those Scheduled Tribe students whose family income is less than Rs. 44,500/-per annum.

8.1.8.2 Test check of records of PETCs of various State/UTs revealed the following:

- Andaman & Nicobar** MoTA released Rs. 2.79 lakh during 2001-02 under the scheme for one PETC. No payment was made from this fund and it lapsed. Only 40 students were enrolled during 2001-02. The PETC remained defunct since 2002-03. The A&N Administration did not furnish any reasons for non-utilisation of Rs. 2.79 lakh.
- Chhattisgarh** All India Pre Examination Training Centre (AIPETC) provided training till December 2002. It was replaced by Chhattisgarh State Study Circle from January 2003, which was closed in 2004. The 100 seater boys' hostel under AIPETC was taken over for use as office building of CTD Raipur from January 2003. Test check of records of PETC, Bastar revealed that no training was imparted by the centre during 2001-06 though expenditure of Rs. 31.42 lakh was incurred on pay and allowances of the staff. In PETC, Bilaspur only six sessions and one session of training were imparted for State Public Service Commission Examination and SSC examination respectively during 2001-06 against the prescribed 10 sessions.
- Delhi** Test check of one PETC revealed that the system of maintaining cards giving the full bio-data of each candidate was not followed. Consequently the impact of the coaching could not be assessed by contacting the students later. Coaching classes were not conducted by the PETC during the last one year as of August 2006. Basic facilities like library, computers etc were either not available or were not in working condition during 2001-06. Out of 1009 students, 704 students attended less than 75 per cent of the classes. Test check of 118 cases revealed that the signatures of 32 recipients did not tally with their respective signatures given in the application forms. Stipends had not been paid as of September 2006 to 94 students (SC) who attended the coaching classes during April 2005 to August 2005. In two other private coaching centers, full records of each student and their progress etc. were not maintained. Stipend was not paid to students for the year 2004-05 in two private institutions. Department released the full fee in respect of two candidates to private institutions although their attendance was three per cent and eleven per cent respectively.

Gujarat	PETC (ST) Valsad had no infrastructural facilities like chairs, tables, benches and blackboard. None of the 351 candidates from this PETC was successful in any competitive examination during 2001-06.
Haryana	Out of 22 cases in three institutions, in eight cases only basic pay was shown in the income certificates, in eight cases, affidavits were accepted instead of income certificates, in two cases income exceeded the limit of Rs. 1 lakh and in four cases no income certificates were furnished. Selection of students for the period 2002-06 was not approved by the Selection Committee in two institutions. In 19 cases of two institutions, signatures on the application form and on the actual payee receipt did not tally casting doubt on the payment of Rs. 0.11 lakh to these students. Daily attendance of the students was not marked/authenticated. The application forms were not even signed by the applicants. Payment of Rs. 5.23 lakh was shown in respect of outsourced science faculty during 2002-06 for coaching 155 students but actual payees' receipts and other records pertaining thereto were not produced to audit.
Himachal Pradesh	Records of the MoTA showed that Rs. 8.58 lakh was released to Himachal Pradesh University during 2005-06 for providing coaching to ST students. The Honorary Director of the PETC of the university intimated (September 2006) that this amount had not been received. MoTA replied (April 2007) that the matter is being look into.
Jharkhand	Out of the total allotment of Rs. 2.08 crore (Rs. 86.57 lakh by Government of India and Rs. 121.66 lakh by State Government), the Department spent only Rs. 66.29 lakh during 2001-06.
Orissa	No training was imparted to the SC candidates during 2003-06 and to ST candidates during 2003-05 as no funds were received from the Government of India. Although, unspent balance of Rs. 4.73 lakh including interest of 0.08 lakh earned on unspent balance was lying with the PETC Utkal University, no training was imparted after May 2005 by this PETC. MoTA replied (April 2007) that the matter is being look into.
Punjab	No mention was made in admission notices regarding coverage of 30 per cent women and 3 per cent disabled candidates till 2004-05.
Rajasthan	The MoSJE (September 2001) informed the State Government that the proposal for coaching for PET, PMT and IIT entrance examination etc. were to be considered under the amended CSS scheme, but the Social Welfare Department (SWD) allotted Rs. 4.37 crore during 2001-06 under Special Central Assistance against which expenditure incurred was Rs. 3.18 lakh in the year 2001-02. The remaining amount of Rs. 4.34 crore was not refunded. The State Government did not send proposals to the Government of India but requested them to continue the award of funds under SCA. As a result no training was arranged during 2001-06.

Uttar Pradesh	Four of the coaching centres out of seven were closed in 2001-02. The scheme could not benefit the targetted students as the remaining three centres could not be utilised to their full capacity due to lack of response from the candidates because of inadequate publicity.
West Bengal	The Department runs two coaching centres at Salt Lake City and Jalpaiguri. Against the target of 862 candidates during 2001-06, 646 candidates (75 per cent) were provided coaching at the above two centres. The district Project Officer, Kolkata stated (July 2006) that poor rate of monthly stipend for local candidates, delay in payment of stipend, lack of hostel facility for outstation candidates at Salt Lake and inadequate library facility were the main reasons for non-achievement of targets. Out of 646 candidates provided pre-examination coaching during 2001-06, 123 (19 per cent) were selected for different categories of services.

Recommendation

- **Concerned Ministries and the state government should address the shortcomings such as activating of defunct PETCs, timely clearance of payments, inadequate number of sessions, poor record maintenance, non-availability of basic facilities, non-payment of stipend and under-utilisation of funds.**

8.2 Trends in Gross Enrolment Ratio and Gross Drop Out Rate

Gross Enrolment Ratio (GER) and Gross Dropout Rate (GDR) are important indicators of the impact of the programmes. Analysis of data pertaining to GER and GDR revealed the following:

- **GER**

Gross enrolment ratio is the percentage of the estimated child population in the age group 6 to 14 years enrolled in classes I-VIII. Since the enrolment in these stages may also include underage and overage children, the total percentage may be more than 100 per cent in some cases. The GER of Scheduled Caste boys and girls in 2002-03 and 2003-04 decreased with reference to 2001-02 in 19 States and 18 States respectively. The decrease ranged from 0.35 to 21.64 per cent and 0.01 to 37.32 per cent respectively. **Annex XVII (a)** gives the details. Similarly the GER of Scheduled Tribe boys and girls decreased in 2002-03 and 2003-04 with reference to 2001-02 in 18 and 17 states. The decrease ranged from 1.98 to 38.46 per cent and 0.97 to 30.72 per cent respectively. **Annex XVII (b)** gives the details.

- **GDR**

Gross dropout rate represents the percentage of student who drop out from a given grade or cycle or level of education in a given cycle/school year. Details of drop out ratio of Scheduled Caste students in class I-X during 2002-03 and 2003-

04 are given in **Annex XVIII (a)**. The drop out rate in respect of Scheduled Caste boys & girls increased in 2002-03 and 2003-04 with reference to 2001-02 in 14 and 19 states. The increase ranged from 0.30 to 2.99 *per cent* in 2002-03 and 0.04 to 28.98 *per cent* in 2003-04 respectively. Similarly, the drop out rate for Scheduled Tribes boys & girls as given in **Annex XVIII (b)**, also increased in 2002-03 in 13 states and in 2003-04 in 11 states with reference to 2001-02. The increase ranged from 0.15 to 56.86 *per cent* and 0.06 to 62.16 *per cent*. The gap between general candidates and Scheduled Caste and Scheduled Tribe was 6.7 *per cent* and 15.1 *per cent* in 2001-02 and rose to 10.4 and 16.6 in 2003-04 respectively.

Recommendation

- **Both Ministries should take urgent steps to enhance the effectiveness of various schemes in view of deteriorating GER and increase in GDR.**

8.3 Educational Complex and projects of residential schools, non-residential schools and hostels through NGOs

8.3.1 Scheme for grants in aid to voluntary organisations working for the welfare of SC/ST (projects relating to setting up of residential/non-residential schools and hostels)

8.3.1.1 Grants for the projects for residential schools/non residential schools and hostels are provided to voluntary organisations for meeting expenditure on procurement of cooking utensils, furniture, bedding material, laboratory equipment, school bus, generators, honorarium for various teaching and non-teaching staff, diet charges, uniforms, medicines, books and stationery, rent for hired buildings and for meeting contingent expenditure on running of the schools/hostels as per prescribed norms. A minimum of 75 beneficiaries are required for commencement of a project and thereafter the organisation has to reach the figure of 100 students within a period of one year. The number of beneficiaries in each organisation should not be less than 60. Funds are provided as per norms of the MoSJE and MoTA.

8.3.1.2 The MoSJE and MoTA released funds aggregating Rs. 50.02³ lakh and Rs. 40.51 lakh during 2001-06 to seven and five NGOs respectively. Subsequently all these NGOs were blacklisted but action was not taken to recover the amounts released. In addition, funds released to six and one NGOs who were also blacklisted, but in respect of whom details of amounts released were not furnished by the Ministries, were also not recovered. MoSJE stated (April 2007) that out of 13 blacklisted NGOs, in one case, blacklisting has been revoked and two cases are under examination. In respect of the remaining 10 NGOs, the matter has been taken up with the state governments for recovery of grant. MoTA stated (April 2007) that recovery from one NGO has already been completed and for other NGOs, the matter will be taken up with respective state governments.

³ Amounts pertain to 7 NGOs and 5 NGOs only in the case of SC and ST respectively and detail of amount of remaining NGOs not available.

8.3.1.3 In order to bring in transparency and accountability and ensure even spread of projects in tribal dominated areas, the MoTA instructed (June 2005) all state governments to constitute a 'State Committee for supporting volunteers efforts'. Till 2006-07, **Uttar Pradesh** and **Bihar** had not formed such Committees.

8.3.1.4 The project screening committee of the MoTA in its meeting held on 8th November 2004 did not recommend continuation of residential/non-residential hostels of 52 NGOs on various grounds. These NGOs had been sanctioned grant-in-aid of Rs. 7.54 crore during the period 2002-05. The MoTA stated (April 2007) that out of 52 discontinued projects, 26 have been recommended by the State Committees for continuation. Action to take over assets was being taken in the remaining 26 cases.

8.3.1.5 Test check of records of NGOs in the states revealed the following:-

Andhra Pradesh Government of India sanctioned Rs. 17.92 lakh which include 12 lakh for uniform and diet charges during 2003-05 for a residential primary school for SCs to **Sudar Educational Society, Hyderabad District** with sanctioned strength of 100 students. Out of Rs. 12 lakh, only Rs. 3.24 lakh was spent for SC children on uniform and diet charges in primary classes during 2003-04 and 2004-05 and the balance amount of Rs. 8.76 lakh was spent on uniform and diet charges for children not covered by the grant. Copies of sanction orders prior to 2003-04 were not furnished to audit. The MoSJE stated (April 2007) that in 2003-04, 55 students were admitted in class I to V and 45 students in class VI to X. During 2004-05, 51 students were admitted in class I to V and 49 students in classes VI to X. The reply is not tenable as the grant released by the Ministry was for a primary school.

Delhi The MoSJE released funds to SC & ST Welfare Development Society, Palam at the rate of Rs. five per student per day for 250 days for 100 students towards mid-day meals during 2001-06. Mid day meals were distributed to the students only for periods ranging between 182 to 213 days. This resulted in excess release of Rs. 1.05 lakh during the period 2001-06. The MoSJE stated (April 2007) that the organisation submitted UC for the expenditure on mid day meal. The reply does not address the fact that mid day meals were distributed for 182 to 213 days instead of 250 days.

Jammu & Kashmir Audit scrutiny of records maintained by two NGOs working for Scheduled Tribes revealed that separate accounts were not maintained in respect of the grants released by the Union Government in the absence of which audit could not verify whether the grants were utilised for the purpose for which they were released.

- Manipur** Test check of the records of five NGOs financed under the scheme for students belonging to Scheduled Tribes revealed that grants-in-aid were not released sufficiently/regularly by the Ministry as a result of which the number of beneficiaries had to be reduced and facilities had to be minimised. One complex had to be closed. As per records of the MoTA, grants- in-aid amounting to Rs. 11.64 lakh was released during 2004-05 to Onnuri Mission Society, Imphal for a residential school for Scheduled Tribe. The NGO, however, denied having received the grant. MoTA replied (April 2007) that Rs. 11.64 lakh sanctioned during 2004-05 was for the previous year i.e. 2003-04. The reply does not address the issue raised by audit.
- Maharashtra** The MoTA released grant of Rs. 6.77 lakh to an NGO 'Dagadu Naik Shaikshanik and Samajik Sanstha' during 2002-03 for running a residential school for 100 ST students. Physical verification revealed that it was being run in temporary bamboo sheds and facilities like toilet, bathroom, and electricity had not been provided. This indicated that the verification of basic amenities was not done.
- West Bengal** MoTA released grants of Rs. 75.10 lakh to six NGOs during 2001-06 for running six hostels of which five had a capacity of 50 students and one of 64 students only against the norm of a minimum of 75 beneficiaries.

Recommendations

- **The Ministry should take further steps to recover funds from blacklisted NGOs and for taking over of the assets created out of government funds, where continuation of the projects have not been sanctioned.**
- **Cases of usage of funds by NGOs for purposes not sanctioned, lesser number of beneficiaries supported, non-maintenance of separate accounts in respect of grants- in- aid released etc. should be addressed for remedial action.**

8.3.2 Scheme of setting-up of educational complexes in low literacy pockets for the development of women's literacy

8.3.2.1 The scheme was started in 1993-94 with the objective of promotion of education among tribal girls in 136 districts of the country with less than 10 *per cent* literacy rate among Scheduled Tribe women and to improve the socio-economic status of the poor and illiterate tribal population through education of women. The scheme is implemented through NGOs, institutions set up by the government as autonomous bodies and registered co-operative societies.

8.3.2.2 The Project Screening Committee of the MoTA in its meeting held on 8th November 2004 did not recommend continuation of 15 projects of education complexes in seven States⁴ on various grounds. This was accepted by the MoTA. These NGOs had been sanctioned grants-in-aid of Rs. 1.39 crore during 2002-05. The Ministry did not provide response to the audit enquiry about the taking over of assets created out of government grant by NGOs and alternative arrangements for beneficiaries who were

⁴ Andhra Pradesh, Arunachal Pradesh, Maharashtra, Orissa, Tamil Nadu, UP and West Bengal

served by these projects. The MoTA, however, stated (April 2007) that the matter was reconsidered and it was decided that these cases may also be reconsidered by the state level committees for supporting efforts on merit and performance.

8.3.2.3 Educational complexes were established in 16 districts of nine states though they were not among the 136 identified districts. Table 20 gives the details.

Table 20: Education complexes in unidentified districts

Sl. no.	Name of State	Name of district
1.	Arunachal Pradesh	West Kamang
2.	Gujarat	Valsad, Surat
3.	Himachal Pradesh	Solan
4.	Jharkhand	West Singhbhun
5.	Madhya Pradesh	Bhopal
6.	Maharashtra	Thane, Buldana, Nanded, Yavatmal
7.	Orissa	Navrangpur, Raiguda, Malkangiri, Angul
8.	Uttar Pradesh	Balrampur
9.	West Bengal	Midnapur

MoTA stated (January 2007) that from 2000-01 onwards, three new states were created and many new districts have also been created out of the old districts in many States e.g. Orissa. Therefore, educational complexes in some new districts and states are also being funded. As regards, Balrampur in Uttar Pradesh, projects are not being funded since 2005-06 and Ministry has already taken action to revamp the existing scheme. The reply of the MoTA was not tenable as only **Jharkhand** and **Madhya Pradesh** are two of the new states which cover the same geographical area with new names most of which had been identified. The MoTA further stated (April 2007) that as per the scheme, education complexes can also be set up for Primitive Tribal Groups in districts other than the identified districts. The reply of MoTA is inconsistent with the scheme guidelines, which clearly specify 136 districts where the scheme is to be implemented.

8.3.2.4 As per the scheme guidelines, the Ministry is to release non-recurring grant of Rs. 1000/- per student as a one-time grant for five years for providing cots, mattresses utensils and other items. Non-recurring grant was not released to four educational complexes in Mehboobnagar (Andhra Pradesh).

8.3.2.5 The Aravali Volunteers' Society, Kherwara (Udaipur), Rajasthan was functioning upto 2003-04 with sufficient number of students during 2001-04. Due to non-receipt of grant from the Government of India, the complex was closed from the year 2004-05 onwards. The MoTA stated (April 2007) that grant was not released for want of requisite documents.

8.3.2.6 Test check of records of NGOs in the states revealed the following:-

Andhra Pradesh & Chhattisgarh (i) The scheme envisages teaching students from class I to III in tribal dialect of the area for which women teachers with proficiency in tribal dialect are to be engaged. Each complex is to have one headmistress, one teacher for each class, one music/arts/crafts teacher per 100 students, one part time doctor besides a cook, one helper, one aya, one watchman and one part time sweeper. The students are provided with two sets of uniforms and one set of books every year during their stay in the educational complex. The parents are paid incentive of Rs. 50 per month for sending their girls to school. Sufficient staff, infrastructure, incentive to the parents of ST girls was not provided/paid by NGOs in Andhra Pradesh and Chhattisgarh. Table 21 gives the details.

Table 21: Deficiencies in educational complexes

Name of Districts/ State	No. of complexes audited	Deficiencies noticed
Warangal/Andhra Pradesh	1	<ul style="list-style-type: none"> ➤ Four teachers were engaged instead of five for five classes. ➤ Music/Craft/Art teacher was not engaged. ➤ There was a single hall in which toilets and bathroom were without roof and door. ➤ There was no record of payment of incentive to parents of ST girls. ➤ Only 35 students were present whereas the NGO marked attendance for 94 students.
Mehboobnagar/ Andhra Pradesh	4	<ul style="list-style-type: none"> ➤ No art and craft teacher and women teachers proficient in tribal dialect were engaged. ➤ The building containing five rooms was utilised for dormitory and class room.
Vishakhapatnam/ Andhra Pradesh	3	<ul style="list-style-type: none"> ➤ No art and craft teacher, part time doctor and women teachers proficient in tribal dialect were engaged. ➤ The complex did not have sufficient accommodation and toilet facilities for beneficiaries. ➤ Incentive to parents of each ST girl at the rate of Rs. 50 per month was not paid.
Kurnool/Andhra Pradesh	1	<ul style="list-style-type: none"> ➤ No art and craft teacher and women teachers proficient in tribal dialect were engaged.
Bastar/Chhattisgarh	1	<ul style="list-style-type: none"> ➤ No music/craft/art teacher was appointed. ➤ During 2001-03, 115 sets of books were provided to students against the requirement of 194 sets. During 2001-06 against 530 enrolled students, 732 sets of uniforms were purchased against the requirement of 1060 sets. ➤ All the teachers working in the institutions alongwith the Headmistress did not possess the educational qualifications prescribed by the Ministry. ➤ Separate bank account for the grant received from Government of India was not maintained.

- (ii) As per the scheme guidelines, each class will have 30 girls. Audit scrutiny revealed that the occupancy of the five complexes in **Andhra Pradesh** ranged from 40 to 138 during 2005-06 against the sanctioned strength of 150. The department made no attempts to investigate the reasons for the under utilisation of capacity.
- Gujarat One educational complex, Uttam Gram Vikas Seva Trust, Ambeli in Valsad district was found to be fictitious as it did not exist. However the Government paid grant of Rs. 0.30 lakh in 2002-03 and Rs. 1.59 lakh in 2003-04. One educational complex, Zarpan Nasarpur Vibhag Kelavani Mandal at Vadi in Surat district was closed after the incident of abduction of a girl student due to the negligence of the staff and inadequate facilities in the school building.

MoTA stated (April 2007) that the concerned state governments are being requested to look into the matter and also stated that it has taken corrective steps to monitor the functioning of the organisations through State Level Committees.

Recommendations

- **The Ministry should investigate the reasons for releasing grants in respect of the educational complexes in non-identified districts.**
- **Steps should be taken to improve capacity utilisation in the educational complexes.**

8.4 Monitoring and evaluation systems

8.4.1 Effectiveness of monitoring and evaluation system

8.4.1.1 Monitoring of financial and physical progress of each scheme is important to ensure that resources provided to the implementing agencies have been utilised for the intended purposes.

- The guidelines of the scheme of Pre-Matric Scholarship, Post-Matric Scholarship for Scheduled Castes and Scheduled Tribes and Book Bank for Scheduled Castes and Scheduled Tribes did not stipulate any monitoring mechanism.
- Guidelines of the other schemes have provisions for submission of periodical reports and returns to the concerned Ministry. Neither MoSJE nor MoTA maintained centralised records to watch the receipt of the prescribed reports and returns on time. The MoTA stated (July 2006) that data was called for from the States/UTs or implementing agencies before considering proposals for grant of financial assistance and the reports were placed in individual files. In the absence of centralised records, it could not be verified whether

the states had sent prescribed reports and returns on time or whether follow-up action had been taken on these reports.

- In respect of the Pre Matric Scholarship Scheme for the children of those engaged in unclean occupations and Post Matric Scholarship Scheme for Scheduled Castes and Scheduled Tribe, audit observed that no data on the number of beneficiaries who had actually completed the courses of study was maintained by the Ministries. Consequently, continuation of scholarship could occur despite violation of scheme conditions. MoSJE and MoTA stated (April 2007) that the scheme is implemented through concerned State Governments/UT Administrations. Keeping in view the large number of students covered, the record of individual beneficiaries is not maintained in the Ministry. The Ministries should ensure maintenance of such data at the state level.
- In respect of the Ashram School scheme, complete data on the status of construction of schools was not available with MoTA.
- In respect of the Upgradation of Merit Scheme, coverage of 30 *per cent* girl students and 3 *per cent* disabled students could not be monitored due to lack of a database. The MoSJE has accepted the facts.

8.4.1.2 Non submission of Reports/Returns to state governments

Test check by audit revealed that in **Chandigarh, Chhattisgarh, Daman and Diu, Delhi, Haryana, Jharkhand, Himachal Pradesh, Manipur, Madhya Pradesh, Mizoram, Orissa, Pondicherry, Tripura and West Bengal** the prescribed reports/returns under various schemes were not submitted by the implementing authorities to State Governments.

8.4.1.3 Failure to conduct inspection

The officers of the Ministry were required to visit the States/UTs for spot inspection of the implementing agencies. The MoTA stated (July 2006) that from time to time, officers of the Ministry conduct physical inspection of the projects sanctioned to the State. The Ministry, however, did not maintain any data regarding the number of inspections conducted by them and remedial steps initiated as a result of such inspections. Similar information was called for from the MoSJE but its reply has not been received so far.

In respect of the inspection of NGOs/Voluntary Organisations under the schemes for Grants-in-aid to Voluntary Organisation, Educational Complex and Coaching and

Allied scheme, the MoTA stated (June 2006) that such inspection was not a mandatory requirement for release of funds but the government could always inspect organisations which were funded by it. The Ministry stated that one Director Level Officer visited four organisations during 2003. The reply did not specify the inspections made during other years.

8.4.1.4 State Government was required to inspect the organisations funded with central assistance. Test check of records revealed that no inspection was carried out by the concerned department in **Bihar, Chandigarh Gujarat, Haryana, Jharkhand, Manipur, Maharashtra, Mizoram, Punjab, Tripura, Uttar Pradesh and West Bengal.**

8.4.1.5 Evaluation

Evaluation of different schemes from time to time is essential to ascertain whether the desired results are being achieved. Audit observed that no independent evaluation had been carried out in respect of the schemes of the MoTA. MoTA stated (April 2007) that many evaluation studies were sanctioned in March 2006 in respect of schemes of grants-in-aid to voluntary organisations working for the welfare of Scheduled Tribes, Educational Complex in Low Literacy Pockets, Establishment of Ashram Schools, Construction of Hostels for Scheduled Tribes girls and boys and Coaching and Allied for Scheduled Tribes. The final reports of these studies were awaited as of April 2007. Similar information was called for from the MoSJE but its reply has not been received so far.

In **Andhra Pradesh, Chandigarh, Haryana, Maharashtra, Uttar Pradesh, Orissa, Tamil Nadu, Madhya Pradesh, Kerala, Daman & Diu, Delhi, Himachal Pradesh, Manipur, Chhattisgarh, Mizoram, Goa, Tripura, Punjab and West Bengal**, the schemes were not evaluated either by internal or external agencies during the period 2001-06. In **Jharkhand** Welfare department released Rs. 4.23 lakh for evaluation of scholarship schemes (Rs. 2.25 lakh) and scheme for residential schools (Rs. 1.98 lakh) to the Director, Jharkhand Tribal Welfare Research Institute (JTRI) Ranchi during 2005-06. However, JTRI did not evaluate any of the schemes. The entire amount of Rs. 4.23 lakh remained with JTRI till August 2006 which was irregular. In **Karnataka** evaluation of Pre Matric, Book Bank scheme for SC and Book Bank scheme for ST has been conducted by Dr. Ambedkar Research Institute, Bangalore but no action was taken by the State Government on the recommendations. Evaluation of other schemes has not been taken up.

8.4.1.6 Internal Audit

An internal audit system gives timely warning signals in respect of systemic and other deficiencies and provide assurance about the integrity of the financial and administrative processes and reporting systems. The schemes of the MoSJE and MoTA have not been audited by the Internal Audit Wings of the respective Ministries during 2001-06. In the case of state Governments in **Assam, Delhi, Daman & Diu, Himachal Pradesh, Haryana, Jharkhand, Karnataka, Kerala, Manipur, Meghalaya, Mizoram, Pondicherry, Tripura, Uttar Pradesh and West Bengal** internal audit was not conducted.

Recommendations

- **Appropriate monitoring mechanisms and internal audit should be instituted in respect of Pre-Matric Scholarship and Post-Matric Scholarship schemes.**
- **Both the Ministries as well as State governments should carry out periodical inspection to monitor the actual progress made in respect of funds released under various schemes and get independent evaluation of different schemes conducted.**

9. Conclusion

Implementation of the educational schemes by both the Ministries was not satisfactory. Weaknesses in financial management such as inaccurate/ unrealistic budgeting, non-utilisation of funds, inter-state imbalances in release of central assistance, non-availment of central assistance, unspent balances, delayed/short/non release of funds and diversion of funds were noticed across all the schemes. In respect of the Pre-matric scholarship scheme for the children of those engaged in unclean occupations and Post-matric scholarship scheme, deficiencies at the implementation stage included short coverage of beneficiaries, payment of scholarship to ineligible beneficiaries, delays in payment of scholarship, excess payment of scholarship, deficiencies in the system of selection of beneficiaries etc. In the case of the ‘Scheme for the establishment of Ashram schools in tribal sub-plan areas’, construction of schools was delayed in several cases and maintenance of schools was not given enough priority by the state governments. Effectiveness of the scheme for ‘Upgradation of Merit of Scheduled Castes and Scheduled Tribes’ suffered due to delays in release of funds. Implementation of the Book bank scheme suffered from lacunae such as short establishment of book banks, procedural irregularities in the purchase of books, purchase of inappropriate books and delays in purchase. The ‘Scheme of Hostels for SC/ST community students’ suffered due to delays in completion of construction, lack of facilities, non-utilisation of facilities

etc. In respect of the 'Coaching and allied scheme for STs and for weaker sections including SCs, OBCs and Minorities', deficiencies included defunct PETCs, inadequate number of sessions, non-availability of basic facilities, poor record maintenance etc. In respect of schemes implemented through NGOs funds were not recovered from blacklisted NGOs and NGOs deviated from the conditions governing sanction of grants-in-aid. Funds were sanctioned for projects in unidentified districts. Appropriate monitoring mechanism was absent for pre and post matric scholarship schemes, the state governments did not ensure submission of periodical reports/returns regarding various schemes from the implementing authorities. Neither of the two Ministries prepared databases of beneficiaries for monitoring purposes. Inspection was not conducted in a systematic manner and independent evaluation was not conducted at the Union Government level and in most of the states. Internal audit of the schemes was also not conducted at the Union level and also in many states.

New Delhi
Dated

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Director General of Audit
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COUNTERSIGNED

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