

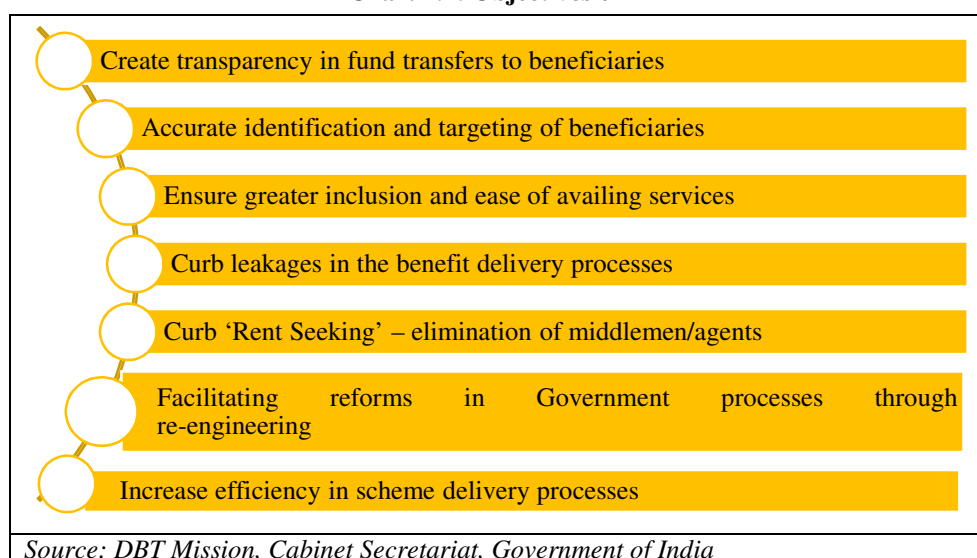
CHAPTER 1

Introduction

1.1 Direct Benefit Transfer

Direct Benefit Transfer (DBT) is a major reform initiative of the Government of India (GoI), to ensure better and timely delivery of benefits from the Government to the people. This marks a paradigm shift in the process of delivering benefits like wage payments, fuel subsidies, food grain subsidies and scholarships directly into the bank accounts of the beneficiaries, thereby removing leakages and enhancing financial inclusion. The objectives of DBT are shown in **Chart 1.1**.

Chart 1.1: Objectives of DBT



1.2 State level engagement for DBT implementation

The main requirements for the implementation of DBT were as follows:

- Establishment of State DBT cell which would aggregate and assess the information of all schemes with beneficiaries, analyse and identify DBT applicable schemes, strategise adoption of DBT in the identified schemes and monitor the status of implementation of the scheme on the DBT framework.
- Technology enablement involving beneficiary digitisation, developing scheme management system and integration with Unique Identification Authority of India (UIDAI), Central Identities Data Repository (CIDR), Public Financial Management System (PFMS), Treasury systems, Banks and National Payments Corporation of India (NPCI) for NPCI-Aadhaar mapper.
- Adoption of technology standards complying with guidelines for Indian Government websites, web content accessibility guidelines and security

vetted by the Standardisation Testing and Quality Certification Directorate (STQC) or from the empanelled agency of STQC.

1.3 Implementation of DBT system in Maharashtra

In Maharashtra, the disbursement of scholarships was done through the Maharashtra State DBT and Services (MahaDBT) portal developed by Maharashtra Information Technology Limited (MahaIT), a government company and the same was functional since August 2018.

Ten departments of Government of Maharashtra (GoM) were disbursing scholarships to students and institutions and an amount of ₹ 7,227.58 crore was disbursed during 2018-19 to 2019-20 through the online DBT system. The Other Backward Bahujan Welfare Department (OBBWD)¹, GoM had the highest expenditure on scholarships during 2018-19 to 2019-20 amounting to ₹ 2,751.47 crore (38.07 per cent). Therefore, OBBWD was selected to review the implementation of DBT in the scholarship scheme.

1.4 Organisational structure of Other Backward Bahujan Welfare Department

The OBBWD, GoM was headed by Principal Secretary. The Principal Secretary was assisted by a Director, OBBWD at Pune who was vested with the powers of Drawing and Disbursing Officer (DDO). Under the Director, OBBWD, there are five regions, *namely*, Nagpur, Nashik, Pune, Aurangabad and Amravati headed by Joint Directors, from the Social Justice and Special Assistance Department (SJ&SAD), GoM. The Joint Directors are assisted by Assistant Commissioners from SJ&SAD, GoM at the district level.

The responsibility for online approval of all types of scholarship schemes for scheduled castes, schedule tribes, other backward classes, *vimukt jati* nomadic tribes and special backward classes was with the Assistant Commissioners.

1.5 Audit objectives

The objectives of the Performance Audit were to assess:

- Whether the business re-engineering process was effective for the implementation of DBT in scholarship schemes;
- Whether the mapping of business rules was done effectively to ensure efficient functioning of DBT system; and
- Whether the General and Application controls were adequate.

1.6 Audit criteria

The audit findings were benchmarked against the following criteria:

- GoI guidelines and orders on scholarship scheme implementation;
- Guidelines for Indian Government Websites issued by National Informatics Centre; and
- GoM orders/instructions related to DBT project.

¹ *Vimukt Jati* Nomadic Tribe Department was carved out of Social Justice and Special Assistance Department in March 2017 which was renamed Other Backward Bahujan Welfare Department in March 2020

1.7 Audit scope and methodology

The OBBWD was operating eight DBT schemes (one scheme was centrally sponsored and seven schemes were funded by the State). Two schemes having the highest expenditure (₹ 1,827.21 crore) during 2018-19 to 2019-20 viz., centrally sponsored post-matric scholarship to Other Backward Classes (OBC) students and State-funded post-matric scholarship to *Vimukt Jati* Nomadic Tribes (VJNT) students were selected out of the eight DBT schemes.

Nine out of the 36 districts in the State were also selected for audit scrutiny. Out of the nine selected districts, seven districts viz., Ahmednagar, Aurangabad, Kolhapur, Nagpur, Nashik, Pune and Solapur were having the highest disbursement in respect of the two selected scholarship schemes for the year 2018-19 to 2019-20 while the remaining two districts i.e., Gadchiroli and Nandurbar were remote and backward districts. 10 institutes under four categories² from each of these nine districts were selected for online scrutiny of scholarship applications. Thus, a total of 90 institutes³ were selected for online verification of documents submitted along with the scholarship application. From each institute, 30 applications (having scholarship of more than ₹ 2,000) were selected for scrutiny. Accordingly, 2,241 applications⁴ were selected in these 90 institutes for online scrutiny of documents attached with the application.

The records in OBBWD, Director, OBBWD, Assistant Commissioners of SJ&SAD in the selected districts (for substantive checking), DBT cell established by General Administration Department (GAD), GoM under the chairmanship of Additional Chief Secretary (Finance), Directorate of Information Technology under General Administration Department and Maharashtra Information Technology Corporation Limited⁵ (MahaIT) were test-checked.

The scholarship data of both the selected schemes for the year 2018-19 to 2020-21 was provided by MahaIT. State Government employees' General Provident Fund and pensioners data obtained from the Accountant General (Accounts & Entitlement) Offices at Mumbai and Nagpur were also used by Audit to link whether the parents of the students were Government servants/Government pensioners.

The datasets were analysed using Computer Aided Audit Tools (IDEA and Postgre Structured Query Language). Wherever cross-verifications or scrutiny of applicant data was required the same was done by logging into the MahaDBT

² Aided/partially aided: Three; Unaided/University managed (non-aided): Three; Government: Two and University department: Two

³ Aided/partially aided: 33; Unaided/University managed (non-aided): 30; Government: 18; University department: Nine. In districts which did not have institutes of a particular category, the selection was done from the remaining categories

⁴ As against 2,700 applications (30 applications x 90 selected institutes=2,700), only 2,241 applications were selected as the required number of applications were not available in each category of the selected institutes

⁵ Maharashtra Information Technology Corporation Limited (MahaIT) is a Government Company registered under Company Act, 2013, to bolster efficient and effective implementation of Information, Communication and Technology initiatives and to establish a robust e-Governance eco-system framework

portal⁶ wherein a facility was available to the user to view an applicant's scholarship status, *i.e.*, whether the application has been rejected/approved, funds disbursed or pending on account of certain deficiencies in the application, applicant's personal details, applicant's uploaded documents, the scholarship amounts disbursed to the applicant as well as the institutes. Since the scheme implementation was completely online, remote access audit was done using this facility to scrutinise scholarship applications.

An entry conference was held on 12 February 2021 with the Principal Secretary, OBBWD and Principal Secretary, GAD. The audit was conducted between February 2021 and March 2022 and covered the academic year 2018-19 to 2020-21. The audit findings were discussed with the Additional Chief Secretary, OBBWD, GoM in an exit conference held on 7 December 2022 and the responses of the department have been incorporated appropriately in the report. The reply received (December 2022) from the OBBWD, GoM has been suitably incorporated at appropriate places in the Report.

1.8 Acknowledgement

Audit is thankful for the co-operation and assistance extended by the Maharashtra Information Technology Corporation Limited, Directorate of Information Technology, Other Backward Bahujan Welfare Department, Social Justice and Special Assistance Department, State DBT cell in providing the data, records and clarifications from time to time for the smooth conduct of audit despite the constraints induced by the COVID-19 pandemic.

⁶ DBT portal developed by MahaIT was known as the MahaDBT portal