

Chapter 3
Pre and Post Matric
Scholarship Schemes for SC,
ST and BC

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Pre and Post Matric Scholarship Schemes for SC, ST and BC

This Chapter is related to Pre & Post Matric SC, ST and BC Scholarship Scheme which was examined in the context of DBT implementation. Audit collected and analysed granular IT data on beneficiaries' eligibility, payment calculation and authorisation etc., from the scheme management software i.e. *e-Kalyan* for the period 2017-21 (up to July 2020). On the basis of data analysis output the outliers were identified for detailed examination in test checked districts. Accordingly, audit examined records of 2,444 students of 96 pre and post matric schools/institutes in six test-checked districts. Out of records of 2,444 students examined by audit specific deviations in respect of 822 students (34 *per cent*) were noticed. Important issues observed during audit were as under:

- Test-checked DWOs had not maintained any electronic database of potential eligible students for holistic coverage, test-check and monitoring progress of students.
- Budget was prepared on ad-hoc basis by increasing an average 10 *per cent* in previous year's actual expenditure and in the numbers of beneficiaries actually covered.
- User charges for processing of the applications for pre-matric and post-matric scholarships were paid to the implementing agency (CGG) for the period 2017-18, which fall under extended project period resulted in undue payment of user charges of ₹ 95.91 lakh to CGG by the Welfare Department.
- Audit observed that migration of 'e-PASS' application was not done as of May 2022, though it was also decided (June 2015) in the Inter-Departmental Committee meeting that the 'e-PASS' scholarship application was to be migrated to the NeSP by June 2016. As a result, avoidable expenditure of ₹ 4.36 crore was made on user charges.
- In contravention of the provisions of TDS on Income Tax and GST, taxes at source of ₹ 27.76 lakh were not deducted from the payment bills which indicated failure to fulfil the provisions of the respective acts which attracts penalty.
- Pre and post matric scholarships amounting to ₹ 5.20 lakh were disbursed to 81 fake/ ghost beneficiaries in 21 schools/institutes of test-checked districts as these beneficiaries were found not enrolled in the records of respective schools/institutes.
- Post-matric scholarships of ₹ 19.85 lakh was disbursed to 313 BC and SC/ST category students in contravention of the eligibility criteria of securing minimum 45 *per cent* and 40 *per cent* marks, respectively in the last examination. Similarly, post-matric scholarships of ₹ 2.94 lakh were

provided to 52 BC students whose parent/ guardian's income was higher than the prescribed limit.

- An excess payment of scholarship amounting to ₹ 5.74 lakh was made to 195 beneficiaries as higher rates were allowed to them due to misclassification of institutes/ courses.
- Passed out 121 students were irregularly awarded scholarships amounting to ₹ 2.01 lakh for the same class in two consecutive years.
- BC scholarship of ₹ 26.28 lakh was availed by 527 beneficiaries in addition to post matric Minority scholarships from same institutes by these beneficiaries beyond the prescribed norms.
- District level committee was constituted but its function mainly remained limited to the approval of institutes and scholarships.

Conclusion:

Implementation of the scheme in the State was deficient. Electronic database of eligible students had not been prepared by DWOs for test-checking & monitoring progress of students and for their holistic coverage. Budget and numbers of covered beneficiaries were prepared on *ad-hoc* basis by increasing the actual expenditure/ numbers of covered beneficiaries of previous year by 10 *per cent*. Due to non-compliance of norms of scheme guidelines and deficiency in *e-Kalyan* scheme management software (as discussed under Chapter-6) instances of disbursement of scholarship to ghost/fake beneficiaries, reimbursement of scholarship to ineligible students, excess reimbursement of scholarship, payment of scholarships to pass out students, disbursement of scholarships from multiple schemes etc. were noticed. Monitoring of the scheme was lacking as role of district level committee was limited to the approval of institutes and scholarship only. Impact evaluation of scheme was not carried out to assess the effectiveness of schemes in achieving its objective.

3.1 Background

Scholarship schemes represent an important social welfare measure initiated by the Central and State Governments to increase the enrolment and ensure retention of Scheduled Caste (SC), Scheduled Tribe (ST) and Other Backward Classes (OBC) students in educational institutions. The Pre & Post-Matric Scholarship Scheme for SC, ST and OBC students is the intervention of government for educational empowerment of students of above categories. Its objective is to provide financial assistance to those categories of students who are studying at pre & post matric level and enable them to complete their education with a better opportunity of progressing to the post-matric stage of education. The State Government is implementing these schemes with partial/full financial support from GoI.

The Welfare Department started (January 2015) an online scholarship portal '*e-Kalyan*' for processing online applications submitted by the post matric candidates and payment of Pre and Post Matric scholarship.

3.2 Eligibility Criteria, Application Process and Sanction

Under Pre-Matric level, students belonging to all government/project/government recognized schools / minorities schools are eligible for scholarship. Similarly, under Post Matric scholarship scheme, students belonging to recognized colleges/ universities/ Educational Institutions are eligible for scholarship. The State Government started (January 2015) an online scholarship portal '*e-Kalyan*' for processing online applications submitted by the post matric candidates and also for DBT transfer of scholarship amounts to the beneficiaries of pre and post matric scholarship.

Eligibility criteria, application process and procedure of sanction of scholarship under Pre & Post matric scholarship scheme for SC/ST/BC is discussed as in **Table 3.1:**

Table 3.1: Eligibility criteria and procedure of sanction under Pre & Post matric scholarship schemes for SC/ST/BC

Scholarship scheme	Main Eligibility Criteria	Responsibility Levels	Procedure of application and sanction
Pre-Matric SC/ST/BC (class I to X)	<ul style="list-style-type: none"> Students should be regular/full time studying in a government/ recognized schools Scholarship will be allowed for only one year in a class 	School	<ul style="list-style-type: none"> List of eligible students to be prepared by respective schools. Head Masters/ Principals of respective schools to forward the list of eligible students to District Education Officer through block level officer.
		District	<ul style="list-style-type: none"> District Education Officer after final verification will send the list to District Welfare Officer for sanction. District level committee headed by Deputy Commissioner approves the list for making payments.
Post Matric SC/ST/BC (class XI & onwards)	<ul style="list-style-type: none"> Parents/ guardian annual income should not exceed 2.50 lakh for SC/ST whereas it was ₹ 1.00 lakh upto 2018-19 and ₹ 1.5 lakh from 2019-20 for BC category. Scholarship will be allowed for only one year in a class Students should have cleared previous class exam with minimum 40 per cent marks for SC/ST and 45 per cent for BC 	Student	<ul style="list-style-type: none"> Students have to apply for scholarship through <i>e-Kalyan</i> portal and to upload the necessary documents alongwith signed copy of application.
		Institutes	<ul style="list-style-type: none"> Institutes Nodal Officer (INO) has to ensure that all necessary documents were uploaded by the students on portal alongwith signed copy of application. INO to approve applications after verifying the details entered on application with the available records and thereafter forward it to DWO.
		District	<ul style="list-style-type: none"> DWO will be responsible for verification of uploaded documents (income/caste/residential certificate) from the website "jharsewa.jharkhand.gov.in" before sanctioning of the scholarship. DWO has to ensure Aadhaar seeding of beneficiary and mapping of bank accounts of students with National Payment Corporation of India (NPCI). District level committee headed by Deputy Commissioner approves the final list for making payments.

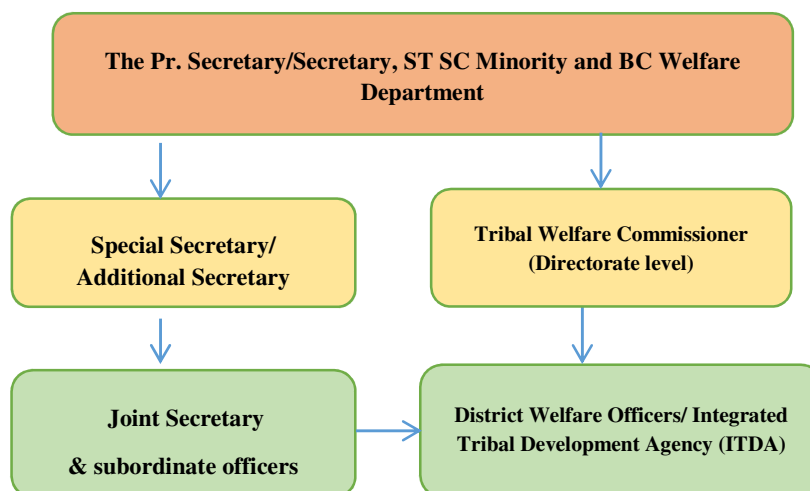
3.2.1 Applicable Scholarship Rates

According to guidelines for Pre & Post matric scholarship schemes for SC/ST/BC, the amount of scholarship is prescribed on the basis of class in which the student studies and status of student (Day Scholar or Hosteller) under Pre matric scholarship. Under Post Matric scholarship scheme, the scholarship amount is calculated on the basis of institute’s ownership category (GoI/State and Private) and slab of courses as detailed in **Appendix 3.1**.

3.3 Organizational Structure

The Department of ST, SC, Minority and BC Welfare headed by the Secretary at the State exercises overall control and supervision of the implementation of schemes. The District Welfare Officers (DWOs) are responsible for implementation of the schemes at the district and field level. The organizational set up of the department is represented in the **Chart 3.1** below:

Chart 3.1: Organogram of ST, SC, Minority and BC Welfare department:



3.4 Database of beneficiaries

For better implementation of scheme, the department has to acquaint with the potential eligible students under each category in the State. As per instruction (November 2006) of the Welfare Department, GoJ each DWO had to prepare an electronic database of eligible students incorporating all information of concern students. This database was to be utilized for test-check, monitoring progress of students and to be published in the district website.

Audit noticed that test-checked DWOs did not maintain any electronic database of potential eligible students for holistic coverage. In absence of such database the DWOs/department were unable to cross check the beneficiaries with student database, monitoring of progress of students and actual coverage of them.

Recommendation:

An exercise to keep electronic database of all eligible beneficiaries in the State for universal coverage and realistic budget preparations should be carried out.

3.5 Financial Management

The funding for the scheme is borne by both the Central and State Government in the ratio as discussed in **Table 3.2**:

Table 3.2: Funding pattern of scholarship schemes

Scholarship scheme	Central Share	State Share
Pre Matric SC	-	For class I to VIII 100 per cent
	Class IX and X -100 per cent (2017-18 & 2018-19); 60 per cent (2019-20 onwards).	- 40 per cent (2019-20 onwards).
Post Matric SC	100 per cent	-
Pre Matric ST	-	For class I to VIII 100 per cent
	For class IX and X : 75 per cent (2017-21);	For class IX and X : 25 per cent (2017-21);
Post Matric ST	75 per cent	25 per cent
Pre Matric BC	50 per cent	50 per cent

Scrutiny of budget proposals of scholarships for the period 2017-21 revealed that budget was prepared on ad-hoc basis by increasing an average 10 per cent in previous year's actual expenditure and in the numbers of beneficiaries actually covered, though it is to be prepared on the basis of demand received from all the sources based on actual requirement.

State level budget provision, allotments and expenditure during 2017-21 is given in **Table 3.3**:

Table 3.3: Budget Allocations and Expenditure (pre & post matric) during 2017-21*(₹ in crore)*

Year	Total Outlay	Total sanction	Allotment/ Release	Expenditure	Savings	Savings in percentage
2017-18	NA	NA	597.92	526.82	71.10	12
2018-19	662.56	662.53	662.53	533.75	128.78	19
2019-20	662.23	636.09	636.09	533.42	102.67	16
2020-21	700.57	613.65	575.35	450.96	124.39	22
Total	2025.36	1912.27	2471.89	2044.95	426.94	17

(Source: Department of ST, SC, Minority and BC Welfare, GoJ)

It can be seen from the **Table 3.3** that savings was subsequently increased from 12 per cent in 2017-18 to 22 per cent in 2020-21 despite the fact that allotment during 2020-21 was 18 per cent less than the total outlay.

Further, in six test-checked districts savings of fund was seven to 70 per cent against allotment of ₹ 1060.15 crore during 2017-21 as can be seen from the **Table 3.4**.

Table 3.4 Utilisation of scholarship fund at test-checked districts

(₹ in crore)

District	Period	Allotment	Expenditure	Savings	Percentage of savings
Chatra	2017-21	85.69	25.81	59.88	69.88
East Singhbhum	2017-21	118.02	98.33	19.69	16.68
Godda	2017-21	88.33	75.62	12.71	14.39
Hazaribag	2017-21	156.38	133.51	22.87	14.62
Palamu	2017-21	114.74	97.80	16.94	14.76
Ranchi	2017-21	496.99	462.93	34.06	6.85
	Total	1060.15	894.00	166.15	

Reasons of savings were under utilization of fund by DWOs and mainly attributed to preparation of un-realistic budget since department remained unaware about the actual requirement.

3.6 Financial Irregularities in Scheme Specific Software (e-Kalyan)

'e-Kalyan' portal was implemented (January 2015) in Jharkhand State under the project "Rapid Replication Rollout¹³ (RRR) of e-PASS (Electronic Payment and Application System of Scholarships) Application in Jharkhand State" launched by the Department of Electronic & Information Technology (DeitY), Ministry of Communications & Information Technology, Government of India (GoI) through Centre for Good Governance (CGG)¹⁴, Hyderabad. The RRR project was funded under the World Bank assisted "India e-Delivery of Public Services DPL Project". The RRR project was administratively approved (December 2013) by the DeitY, GoI, at a total estimated cost of ₹ 2.85 crore¹⁵ and ₹ 1.00 crore was released (January 2014) to CGG by the DeitY for this purpose. As per the contract (October 2014) between the DeitY, GoI and the CGG, the project was scheduled to be completed within a period of 30 months¹⁶

¹³ The "Rapid Replication Roll-out Initiative" was conceptualized with the vision of National e-Governance Plan (NeGP) - to enhance growth of online e-Governance transactions in the country. The "Rapid Replication Roll-out Initiative" is a unique initiative under which the applications from one state will be replicated across other states. The e-Pass Application, which has been successfully implemented in the state of Telangana and is being implemented in the states of Andhra Pradesh, Karnataka, Himachal Pradesh, Tripura and Jharkhand as part of Rapid Replication Rollout.

¹⁴ The Centre for Good Governance (CGG) was established in October, 2001 by the then Government of Andhra Pradesh (GoAP) in collaboration with the Department for International Development (DFID) and the World Bank to help it achieve the State's goal of Transforming Governance. CGG undertakes action research, provides professional advice, and conducts change management programmes for government departments and agencies to enable successful implementation of their reform agenda.

¹⁵ Customisation of e-Pass application: ₹ 95.13 lakh; Training and capacity building: ₹ 4.75 lakh; Operations & Maintenance (for two years): ₹ 52.64 lakh; Travel cost: ₹ 10.00 lakh; Hosting / Storage/ Connectivity charges (for two years): ₹ 11.24 lakh; Project Management Unit (PMU): ₹ 97.76 lakh; and contingency: ₹ 13.58 lakh.

¹⁶ First six months for customisation of e-PASS and 24 months for O&M.

(March 2017) which was further extended (January 2018) to 31 March 2018 on the recommendations of Project Review and Steering Group (PRSG)¹⁷, GoI. The e-PASS Application was to be hosted in the Data Centre of the CGG located in Hyderabad.

A System Audit of IT platform viz. *e-Kalyan*, platform being used for DBT transfer to the eligible beneficiaries of “Pre and Post Matric scholarship schemes for SC, ST and BC category students” was carried out.

During scrutiny of records of implementation of *e-Kalyan* by the Welfare Department following irregularities were noticed.

3.6.1 Irregular payment of user charges

As per the Contract between the DeitY, GoI and the CGG, the project was scheduled to be completed by 31 March 2017. On being informed (January 2018) by the Implementing agency (CGG) that the project was in operation and maintenance (O&M) phase and few project activities were yet to be completed for want of release of balance fund of ₹1.85 crore, the agreement was further extended to 31 March 2018 on the basis of recommendations (January 2018) of the PRSG to carry out the balance activities and necessary documentation (Project closure report, consolidated final Utilisation Certificate etc.) to be submitted by 31 March 2018. On Techno-Commercial Proposal submitted (April 2017) by CGG for continuation of *e-Kalyan* for Academic Year 2017-18, post facto approval was accorded (August 2019) by the Jharkhand Cabinet and payment for processing of 26,33,489 applications for pre-matric scholarship (@ ₹ 3.00 per application) and 3,38,139 applications for post-matric scholarship (@ ₹ 5.00 per application) during 2017-18 was also approved. Audit, however, observed that user charges for processing of the applications for pre-matric and post-matric scholarships of ₹ 2.29 crore (including security audit) were paid to the implementing agency (CGG) for the period 2017-19 which included extended period of 2017-18. This resulted in irregular payment of user charges of at least ₹ 95.91 lakh for 2017-18 to CGG by the Welfare Department.

3.6.2 Avoidable payment

National e-Scholarship Portal (NeSP), being a Mission Mode Project (MMP) under the National e-Governance Plan, aims at providing common electronic portal for implementing various scholarship schemes launched by the Central Government, State Governments and Union Territories across the country, where all the portals of scholarship application of different States are integrated with the NeSP for getting information of all scholarships under one umbrella. As the Pre & Post Matric scholarship schemes are centrally sponsored and are

¹⁷ Constituted in the Ministry of Communications & Information Technology, Department of Electronics and Information Technology (DeitY), Government of India for review of approved projects under World Bank assisted “India: e-Delivery of Public Services DPL Project”.

implemented through the State Governments, GoI instructed (July 2015) the states having their fully functional e-scholarship portal may require getting integrated with NeSP and states not having any portal or having partially functional portal may require to come on-board to the NeSP.

Audit observed that migration of 'e-PASS' application had not been done as of May 2022 though it was also decided (June 2015) in the Inter-Departmental Committee meeting that the 'e-PASS' scholarship application was to be migrated to the NeSP by June 2016. As a result, user charges of ₹ 4.36 crore was paid to CGG during the period 2017-21 for processing of scholarship applications after being selected on nomination basis by the Jharkhand Cabinet on the recommendation of Finance Department, GoJ.

3.6.3 Non-functioning of Project Management Unit (PMU) at Jharkhand

According to the provisions of the approved project proposal, Project Management Unit¹⁸ (PMU) was required to be set up in Jharkhand for which ₹ 97.76 lakh was earmarked against total project cost of ₹ 2.85 crore and M/s CGG was to transfer the fund to Jharkhand as per terms and conditions mentioned in the approved proposal. Audit noticed that only ₹ 34.22 lakh was transferred (August 2014) to the JAPIT, the technical agency of the State Government responsible for setting up of the PMU and ₹ 63.54 lakh was withheld by the CGG in contravention to the provisions of approved project proposal and not provided despite several reminders issued (between December 2016 and October 2017) by JAPIT to the Welfare Department and CGG. As a result, services of e-PASS PMU were discontinued since 1st November 2017 due to insufficient fund. The CGG should ensure that JAPIT, being an agency for technical assistance and implementation of the project to the Welfare Department, must be kept in loop throughout so that JAPIT may aware of all the developments made in the e-PASS application. As such, monitoring and evaluation of the project by JAPIT was hampered. Reason for not transferring of the balance fund of ₹ 63.54 lakh earmarked for PMU by CGG was sought from the Welfare Department but reply of the department is still awaited (October 2022).

3.6.4 Non-deduction of taxes at source from payments to the agency

According to the provisions (under section 194 J of Income Tax Act, 1961), taxes at source in respect of fees for technical services is to be deducted at the rate of 10 *per cent* of such fees. Further, as per the instructions of the Planning-cum-Finance Department, GoJ, all Drawing and Disbursing Officers (DDOs) are instructed (December 2018) to deduct TDS on Goods and Service Tax (GST) at the rate of two *per cent* from all payments (valuing more than ₹ 2.50 lakh).

¹⁸ PMU was responsible for management and administration of project locally, monitoring & evaluation and reporting on the project.

Scrutiny of the records relating to payment of user charges to the agency revealed that a total payment of ₹ 3.39 crore was made to the agency (M/s CGG, Hyderabad) towards user charges and security audit charges for processing of applications during 2017-20. As per the provisions of the IT Act and GoJ's instructions, taxes at source of ₹ 34.56 lakh (TDS on Income Tax: ₹ 28.80 lakh i.e., 10 per cent of principal bill amount (₹ 2.88 crore) and GST: ₹ 5.76 lakh i.e., two per cent of principal bill amount) was required to be deducted from the bills of the agency by the DDO, but only ₹ 6.78 lakh (i.e., two per cent of the gross bill amount of ₹ 3.39 crore) was deducted from the bills. As such, there was less deduction of ₹ 27.76 lakh of TDS from the payments to the agency. Reason for short deduction of TDS from the payment to the agency was sought from the Department, but reply was not furnished (October 2022).

3.7 Audit coverage

Granular IT data on beneficiaries' eligibility, payment calculation and authorisation, etc. from the scheme management software *e-Kalyan* Jharkhand for the period 2017-21 (up to July 2020) was collected and analysed. On the basis of data analysis output and identified outliers, records of 2,444 students of 96 pre and post matric schools/institutes (**Appendix-3.2**) in six test-checked districts examined and in 822 cases of diversion (34 per cent) detected.

3.8 Implementation

In terms of guidelines issued (February 2018) by the Department of ST, SC, Minority and BC Welfare, GoJ:

- Before sanctioning the scholarship, all the sanctioning authorities were to verify the fulfillment of eligibility of beneficiaries,
- Ensure that application forms submitted by the students in post matric cases have been filled properly,
- Documents like income/caste certificate (issued by the competent authority), details of fee (verified by the concerned institution), mobile number of the student, affiliation of concerned Institution/College/University, etc. are submitted.

Further, Rule 87 of General Financial Rules, 2017 regarding Direct Benefit Transfer also stipulates that transfer of benefits should be done directly to beneficiaries under various Government Schemes and Programmes using ICT. Necessary process reengineering to minimize intermediary levels and to reduce delay in payments to intended beneficiaries with the objective of minimizing pilferage and duplication should be done for all Government Schemes and Programmes.

During scrutiny of records at 96 pre & post matric institutions/schools level in six test-checked districts, instances of disbursement of scholarship to ghost/fake beneficiaries, multiple payments, excess payments, in-admissible payments

etc., in the implementation of scholarship schemes were observed by audit as discussed in the subsequent paragraphs:

3.8.1 Disbursement of scholarships to ghost/fake beneficiaries

As per instructions contained in orders issued (2006) by Welfare Department, list of eligible students were to be prepared by the Headmasters/Principals of schools in case of pre matric scholarship for onward submission. As per SC/ST/BC pre & post matric scholarship Rules 2018, for the post matric scholarship students have to apply through *e-Kalyan* portal. The INO was responsible for checking of the uploaded documents of post matric applications with the available records before making recommendations for scholarship. Further, as per State Government order (2019), in case of pre matric scholarship the Principals of the respective schools have to mark a certificate on the list of beneficiaries that name of all eligible students have been included in the list and the names of any ineligible student has not been included .

Audit noticed that in 08 schools under two test-checked districts (Chatra and Godda), pre-matric scholarships amounting to ₹ 0.53 lakh were disbursed to 39 beneficiaries (***Appendix-3.3***) and in 13 institutes under four¹⁹ test-checked districts, post matric scholarships amounting to ₹ 4.67 lakh were disbursed to 42 beneficiaries who were found fake/ ghost (***Appendix-3.4***) as these beneficiaries were found not enroll in the records of respective schools/institutes.

On this being pointed out, the Head Masters/Principals of respective schools/institutes admitted the facts. This is indicative that the Principals of the respective schools did not gave due care while preparing the list of eligible students of Pre matric scholarship and in case of post matric scholarship scholarship applications were recommended without proper verifications/checking of documents of applicants by the Principals/Headmaster/INOs/DWOs.

3.8.2 Disbursement of scholarship without verifying eligibility criteria of beneficiaries

According to the provisions of the Welfare Department, Government of Jharkhand Resolution (February 2018), scholarship will be allowed for once in an academic year for all schemes. Further, in post matric scholarship scheme there was criteria of minimum marks (40 *per cent* marks for SC/ST and 45 *per cent* for BC) in last examination. In addition, ceiling of annual income of parent or guardian from all sources, prescribed by GoI, is to be adhered as discussed in ***paragraph 3.2***.

¹⁹ Chatra, East Singhbhum, Palamu and Ranchi.

Audit however noticed the following observations due to improper verification of applications/uploaded documents with the available records by INOs:

Analysis of *e-Kalyan* database for the period 2017-21 revealed that at State level 12,983 students of BC category pursuing post matric courses in 1097 Post Matric Institutes (within State: 880 and outside State: 217) were awarded scholarship amounting to ₹10.23 crore during 2017-20 through *e-Kalyan* portal despite the fact that percentage marks obtained by these students in last examination passed were less than prescribed 45 *per cent*. Similarly, in six test-checked districts 7,330 BC beneficiaries in 419 Institutes with having less than prescribed 45 *per cent* marks were provided scholarship amounting to ₹5.55 crore during 2017-21.

Audit examined cases of 408 students in 41 institutes out of 7,330 BC beneficiaries of 419 Institutes in six test-checked districts and noticed that post-matric scholarships of ₹ 13.21 lakh was disbursed to 217 BC category students in contravention of the eligibility criteria of securing minimum 45 *per cent* marks in the last examination (**Appendix-3.5**).

Analysis of *e-Kalyan* database for the period 2017-21 revealed that at State level 5283 students of SC/ST category pursuing post matric courses in 675 Post Matric Institutes (within State: 568 and outside State: 107) were awarded scholarship amounting to ₹ 5.18 crore during 2017-20 through *e-Kalyan* portal despite the fact that percentage marks obtained by these students in last examination passed was less than prescribed 40 *per cent*. Further, in six test-checked districts 2,666 ST/SC beneficiaries with having less than prescribed 40 *per cent* marks were provided scholarship amounting to ₹ 2.91 crore in 274 Institutes during 2017-21 as noticed from analysis of database *e-Kalyan*.

Audit examined cases of 250 students in 23 institutes out of 2,666 SC/ST beneficiaries from 274 Institutes and noticed that post-matric scholarships of ₹ 6.64 lakh was disbursed to 96 SC/ST students of five²⁰ test-checked districts though they did not secure prescribed 40 *per cent* marks in the last examinations (**Appendix-3.6**).

Due to improper mapping and lack of effective controls in '*e-Kalyan*' application software approval of applications of BC/SC/ST candidates having marks obtained less than the required could not be prevented as incorporated in **paragraph 6.12.3**.

Analysis of *e-Kalyan* database for the period 2017-18 to 2020-21 at State level, revealed that 478 students (**Appendix-3.7**) of BC category relating to 131 institutes in the State, were awarded scholarship amounting to ₹ 36.33 lakh during 2018-19, despite of the fact that the annual family incomes entered in the

²⁰ Chatra, Godda, Hazaribag, Palamu and Ranchi.

database were more than the prescribed limit of ₹ 1.00 lakh, but the application software did not restrict the applicant from applying for the scholarship. Further, in six test checked district, 250 BC beneficiaries in 63 Institutes were provided post-matric scholarships amounting to ₹ 21.28 lakh during 2017-21, whose parent/ guardian's income was higher than the prescribed limit.

Audit examined cases of 59 students in 22 institutes (except East Singhbhum) out of 250 BC beneficiaries in 63 Institutes of six test-checked districts. It was noticed that post-matric scholarships of ₹ 2.94 lakh were provided to 52 BC students having income higher than the prescribed limit (**Appendix-3.8**), due to improper mapping and lack of effective controls in 'e-Kalyan' application software approval of applications of BC/SC/ST candidates having annual family income more than prescribed limit, details as incorporated in **paragraph 6.12.3**.

In reply, (March-August 2022) DWOs of two test checked districts (Chatra and Godda) accepted the aforesaid three audit observations whereas replies from DWOs of other three districts (Hazaribag, Palamu and Ranchi) in this respect are awaited.

➤ In audit, it was observed that 'Hazaribag Chapter of Cost Accountant' was registered with the courses Fundamentals of Economics and Management, Cost & Management Accounting, Financial Management, Operational Management and Cost Accounting only for the Foundation and Intermediate Courses but records showed that this institute approved and forwarded the applications of seven students (BC: 05 and SC: 02) during 2017-20 against the un-registered course 'Integrated Master of Business Administration" (IMBA) and "Office Management and Secretarial Practices" which was further processed by DWO without proper verifications. As such a sum of ₹ 1.81 lakh was irregularly paid to these students.

This reflects that the prescribed norms as illustrated under **paragraph 3.2** were not being followed while processing the applications of scholarships for approval by INO/DWO concerned.

In reply, DWO, Hazaribag (August 2022) stated that this institute has not been approved by the District level committee for the future disbursement of scholarship.

3.8.3 Excess Payment of scholarship

According to the Resolution (February 2018) of the Department, tuition fee and maintenance allowance will be paid to all eligible students (Day Scholars and Hostellers) pursuing study from post matric institutes according to the classification of courses and slabs for Tuition Fees and Maintenance allowance as detailed in **Table 3.5** below:

Table 3.5: Prescribed slabs (Tuition Fee + Maintenance Allowance) for Post Matric courses within state

Course	GoI Institutions		State Institutions/ Private	
	Hostler (per year)	Day Scholar (per year)	Hostler (per year)	Day Scholar (per year)
Tech. Degree/ Master degree & above Gen. course	50,000	40,000	45,000	38,000
Graduate/ Under graduate	30,000	24,000	21,000	18,000
Degree/Diploma other than above	25,000	20,000	17,500	15,000
Higher Secondary/ ITI etc.	15,000	12,000	10,500	9,000

Analysis of e-Kalyan database of Post-Matric Scholarship Schemes (Within State: 49,310 and Outside State: 4,538) for the period from 2017-18 to 2019-20 revealed that scholarship amounting to ₹95.75 crore was approved by the District Welfare Officers (DWOs) through 'e-Kalyan' portal to 53,848 beneficiaries for pursuing different courses in various institutes against the payable amount of scholarship worth ₹72.54 crore as per prescribed rates as given in **Table 3.6**:

Table 3.6: Beneficiaries pursuing different courses in various institutes

(₹ in crore)

Type of scholarship	Period of Payment	No. of beneficiaries	Total Scholarship paid	Total Scholarship payable	Excess payment of scholarship
Post-Matric Scholarship (Within state)	2017-20	49310	88.48	69.76	18.72
Post-Matric Scholarship (Outside state)	2017-20	4538	7.27	2.78	4.49
Total		53848	95.75	72.54	23.21

Further, analysis of data dump of e-Kalyan revealed that in six test checked districts revealed that 48,239 in 24 Institutes, students were allowed higher rate of scholarship, due to misclassification of institutes/ courses during FY 2017-21, which resulted in excess payment of scholarship amounting to ₹ 18.46 crore.

Audit verified 204 cases in 11 institutes out of 48,239 in 24 Institutes and found that 195 beneficiaries of six test-checked districts except Chatra district (**Appendix-3.9**) got excess payment of scholarship amounting to ₹ 5.74 lakh.

Due to weak control process, portal could not identify the correct classification of institute/courses leading to excess payment to beneficiaries as illustrated in **paragraph 6.12.3**.

In reply DWOs of three test checked districts (Godda, East Singhbhum and Hazaribag) stated (March-August 2022) that the maximum eligible limit will be applied for limiting the payment of scholarship henceforth whereas replies from DWOs of other two districts (Palamu and Ranchi) are awaited.

3.8.4 Disbursement of scholarship to students of un-approved/blacklisted institutes

As per provision 9 of the Jharkhand SC/ST/BC Post-Matric Scholarship Scheme Regulation, 2018, institutes have to register themselves on portal by uploading necessary documents in the Master Database of the Institutes. Further, according to the provision 10, the district level committee under the chairmanship of Deputy Commissioner approves the list of post-matric institutes each year by physical inspection of institutes and verification of documents uploaded by them on portal for allowing disbursement of scholarships.

Audit however, noticed that in two test-checked districts (Chatra and East Singhbhum) 180 students (**Appendix-3.10**) of four institutes²¹ were allowed scholarship worth ₹ 14.78 lakh though district level committee disapproved /blacklisted these institutes due to non-fulfillment of the eligibility norms for scholarship during 2018-21. Thus, due to non-abiding by the decisions of the district level committee by respective DWOs, scholarship of ₹ 14.78 lakh was disbursed to the beneficiaries of the disapproved/blacklisted institutes.

In reply DWO East Singhbhum accepted (March 2022) the audit observations whereas DWO Chatra did not furnished any reply.

3.8.5 Award of scholarships to students consecutively two years for same class

In terms of the provisions contained in Resolution (February 2018) for Scholarship scheme of the Welfare Department, scholarship to a particular student will be allowed once in an academic year under all schemes. In pre-matric scholarship scheme, list of eligible students for disbursement of pre-matric scholarship are to be prepared by respective schools and duly certified by the Principal/Head Master of the school with an assurance that names of only eligible students have been included in the list. Further, after approval of district level committee the list of eligible beneficiaries are being uploaded on e-Kalyan portal for processing of disbursement of scholarship by DWO.

Analysis of *e-Kalyan* database for the Pre-Matric Scholarship Scheme for the period from 2017-20 revealed that at State level scholarship amounting to ₹ 3.16 crore was irregularly awarded to 2.96 lakh beneficiaries²² in 30,675 schools under the irregularities (repeater students in same class in same schools

²¹ Mehar Private ITI and Jamshedpur ITI of East Singhbhum district, RNM College Hunterganj and Satyanand Bhokta Inter College Unta of Chatra district.

²² **Repeater Students awarded scholarship in same class in same school:** 1,93,624 beneficiaries in 11252 school involving ₹ 205.02 lakh; **Repeater Students awarded scholarship in same class in different school:** 1,02,866 beneficiaries in 19423 schools involving ₹ 110.66 lakh.

repeater students in same class in different schools) in two consecutive years during 2017-20.

Analysis of data revealed that out of 1,93,624 cases of repeaters from same school 5081 students of 612 schools were awarded scholarship of ₹ 95.99 lakh for class X in two consecutive years during 2017-20. Further, 1798 out of 5081 students (either passed out or failure) from 180 schools in six test-checked districts were irregularly awarded scholarship of ₹ 32.34 lakh for class X in the succeeding academic year as noticed from analysis of *e-Kalyan* database.

During physical verification in six test-check districts, Audit noticed that 121 out of 1798 students (either passed out or failure) in 16 test-checked out of 180 schools were irregularly awarded scholarships amounting to ₹ 2.01 lakh for class X in the succeeding academic year (*Appendix-3.11*).

It indicated that due care was not taken by the respective schools while preparing the list of eligible beneficiaries and also not properly verified by the concerned DWOs while processing the scholarship payment, which was divergent to the prescribed norms.

Due to improper mapping of validation controls in software, *e-Kalyan* portal could not check such irregularities as illustrated in *paragraph 6.12.3*.

In reply DWOs of three test-checked districts (East Singhbhum, Godda and Hazaribag) stated (March-August 2022) that matter will be examined and necessary action will be taken accordingly whereas replies from DWOs of other two districts (Palamu and Ranchi) are awaited.

3.8.6 Inadmissible disbursement of scholarship from two schemes

As per paragraph 6 (X) of Jharkhand SC/ST/BC Post Matric Scholarship Scheme Regulation, 2018 and paragraph 11 (XIII & XIV) of Minority scholarship guidelines, a student shall be eligible for only one scholarship out of all the available scholarship meant for SC/ST/BC/Minority in the same academic year.

Cross verification of *e-Kalyan* data²³ with NSP data of the six test-checked districts revealed that 1049 applications²⁴ (ST and BC category) had availed post-matric scholarships (SC/ST/BC) amounting to ₹ 59.67 lakh besides availing ₹ 61.65 lakh of Minority scholarship through NSP during 2017-20.

Audit noticed that 527 beneficiaries in eight institutes of two (Ranchi and Hazaribag) out of six test-checked districts, availed Minority scholarships of ₹ 28.77 lakh in the year 2018-19. These students had also availed post matric BC scholarships of ₹ 26.28 lakh from same institutes, as detailed in **Table 3.7** below:

²³ NSP Data of test-checked districts was only available with audit.

²⁴ ST students: 68; and BC students: 981.

Table 3.7: Beneficiaries availing dual scholarships

Name of District	Name of Institute	Number of Beneficiaries availed scholarship from both the scheme	Total Amount paid through Post BC scholarship	Total Amount paid through Minority scholarship
Ranchi	Doranda College	49	3,68,873	2,44,252
	St. Xaviers College	04	84,000	24,000
	Ranchi Women's College	19	1,57,505	95,494
	Ranchi University	31	2,14,300	1,54,645
Hazaribag	Annada College	91	3,98,990	6,23,790
	KB Women's College	202	8,46,990	9,95,290
	Markham College of Commerce	44	1,53,279	2,30,424
	St. Columbus College	87	4,03,675	5,08,779
Total		527	26,27,612	28,76,674

This showed that applications of scholarships were being forwarded by INOs without required verification which was divergent to the prescribed norms of the Resolution. Further, *e-Kalyan* and NSP portal were also not integrated with each other which resulted in inadmissible payment of scholarships of ₹ 26.28 lakh to the beneficiaries under BC scholarship.

In reply, DWO, Hazaribag (August 2022) stated that no mechanism available in the portal to distinguish the deficiencies whereas DWO Ranchi did not provide any reply so far.

Recommendation:

Monitoring and control mechanisms for verification of eligibility of applications as well as payments requires to be strengthened to make implementation of the scheme effective by checking/preventing irregularities/deviations through integration of both portals (e-Kalyan and NSP).

3.9 Monitoring and Evaluation

Monitoring and evaluation are essential for ensuring efficient utilisation of programme resources so that the intended outcomes are achieved within the planned timeframes. As government programmes are executed over long time periods and at different levels, it is imperative to have a robust and effective programme monitoring and evaluation system. Audit observed the following:

3.9.1 District level committee

As per paragraph 22 of ST, SC, BC Scholarship Regulation 2018, a district level committee under the chairmanship of Deputy Commissioner is to be set up at district level for the approval of institutes and scholarships. This committee is responsible for monitoring and supervision of scholarship schemes at district level. Committee shall make arrangement of physical verification of at least

25 per cent students studying the professional courses after disbursement of scholarships in their bank accounts.

Audit noticed that in all test-checked districts, district level committee headed by Deputy Commissioner was constituted but its function mainly remained limited to the approval of institutes and scholarships resulted in in-sufficient monitoring.

3.9.2 Impact Evaluation

Impact evaluation is an assessment of how the intervention being evaluated affects outcomes, whether these effects are intended or unintended and assesses program effectiveness in achieving its ultimate goals. The proper analysis of impact requires a counterfactual of what those outcomes would have been in the absence of the intervention. Impact evaluations often serve an accountability purpose to determine if and how well a program worked and can also help answer to determine which, among several alternatives, is the most effective approach.

Scholarship schemes represent an important social welfare measure initiated by the Central and State Governments to increase the enrolment and ensure retention of Scheduled Caste (SC), Scheduled Tribe (ST) and Other Backward Classes (OBC) students in educational institutions. Its objective is also to provide financial assistance to those categories of students who are studying at pre & post matric level and enable them to complete their education with a better opportunity of progressing to the post-matric stage of education.

Audit however, noticed that impact evaluation of scholarship scheme was not carried out by the State government during 2017-21 as such, department was unaware towards the effectiveness of schemes in achieving its objectives.

