

CHAPTER-I

SOCIAL SECTOR

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1.1 Introduction

This Chapter contains findings based on audit of State Government departments/offices under the Social Sector.

During 2020-22, against a total budget provision of ₹ 1,07,693.31 crore¹, 17 departments, including three Autonomous District Councils (ADCs) viz., Bodoland Territorial Council (BTC) under Welfare of Plains Tribes and Backward Classes (WPT&BC) Department; North Cachar Hills Autonomous Council (NCHAC) and Karbi Anglong Autonomous Council (KAAC) under Hill Areas Department (HAD) incurred an expenditure of ₹ 93,759.76 crore². **Table 1.1** and **Appendix-1.1** give details of Department-wise budget provision and expenditure incurred thereagainst by these departments.

Table 1.1: Department-wise budget provision and expenditure during 2020-22

Department	Grant No. and Name	Budget provisions		Expenditure	
		2020-21	2021-22	2020-21	2021-22
Co-operation	43-Co-operation	222.48	169.72	130.94	117.76
Cultural Affairs	27-Art and Culture	193.24	295.66	89.82	123.83
	28-State Archives	2.07	1.97	1.44	1.59
Higher Education	26-Education (Higher Education)	3,213.65	3,128.32	2,476.07	2,510.88
Food, Civil Supplies and Consumer Affairs	46-Weights and Measures	29.26	20.45	12.9	13.65
	37-Food Storage, Warehousing	1,366.35	1,407.61	638.20	995.75
Health and Family Welfare	29-Medical and Public Health	8,441.82	9,454.94	6,041.02	7,156.74
	24-Aid Materials	0.009	0.009	--	--
Labour and Employment	36-Labour and Employment	277.37	300.04	157.28	203.41
Public Health Engineering	30-Water Supply and Sanitation	2,930.57	1,584.48	2,020.55	1,215.63
Social Welfare	39-Social Security, Welfare & Nutrition	3,111.76	2,831.01	2,133.80	2,280.83
	40-Social Security and Welfare (Freedom Fighter)	38.04	54.39	20.99	48.01
Minorities Welfare and Development	42-Other Social Services	256.37	153.56	162.44	101.48
Sports and Youth Welfare	74-Sports and Youth Services	192.47	178.17	100	136.64
Welfare of Plains Tribes & Backward Classes (BC)	38-Welfare of SC, ST and OBC	1,932.06	1,499.29	417.27	1,079.43
	78-Welfare of Plains Tribes and BC	3,225.50	3,066.03	2,543	2,444.14
Welfare of Tea Tribes	38-Welfare of SC, ST and OBC	73.83	40.40	12.13	21.26
Guwahati Development	73-Urban Development (GDD)	1,130.15	1,156.49	168.04	791.83
Elementary Education	71-Education (Elementary, Secondary etc.)	15,092.7	16,320.98	11,868.15	13,953.89
Secondary Education					
Pension & Public Grievance	23-Pension	9,652.22	9,643.8	10,323.35	17,214.05

¹ 2020-21: ₹ 53,946.24 crore and 2021-22: ₹ 53,747.07 crore.

² 2020-21: ₹ 41,447.72 crore and 2021-22: ₹ 52,312.04 crore.

Department	Grant No. and Name	Budget provisions		Expenditure	
		2020-21	2021-22	2020-21	2021-22
Hill Areas	70-Hill Areas	27.82	31.76	1.71	12.89
	76-Hill Areas Department (KAAC)	1,735.7	1,697.23	1,496.09	1,306.62
	77-Hill Areas Department (NCHAC)	800.8	710.76	632.53	581.73
Total (includes Charged)		53,946.24	53,747.069	41,447.72	52,312.04

Source: Appropriation Accounts 2020-21 & 2021-22

1.1.1 Planning and conduct of audit

Performance Audit and Compliance Audit are conducted as per the Annual Audit Plan (AAP). Auditable entities for Compliance Audit are selected following risk assessment methodology of Apex Units, Audit Units and Implementing Units involving matters of financial significance, past audit coverage, findings of previous Audit Reports, media reports, etc. In case of Performance Audit, criteria are framed on the basis of financial significance, major policy announcements/initiatives of Government included in the Budget Speech, budget allocation, etc. Inspection Reports are issued to the heads of units after completion of audit. Based on the replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed further as Compliance Audit Paragraphs for inclusion in the Audit Report of the Comptroller and Auditor General of India.

During 2020-22, out of 1,746 auditable entities³ under the Social Sector, 156 auditable units⁴ were audited involving an expenditure of ₹ 23,776.84 crore⁵ (including expenditure incurred in earlier years). This chapter contains a Performance Audit on **Direct Benefit Transfer** and three Compliance Audit Paragraphs.

Performance Audit

Welfare of Minorities & Development Department and Women & Child Development Department

1.2 Performance Audit on Direct Benefit Transfer (DBT)

Direct Benefit Transfer (DBT) was a major reform initiative of Government of India (GoI) to ensure better and timely delivery of benefits from Government to the people. DBT in Assam started with the constitution of a DBT Cell in August 2017. The State DBT portal is hosted by the Department of Information and Technology and its onsite technical support is being maintained under Finance Department, the nodal department for DBT. There are 94 schemes (17 Departments) registered under State DBT portal. Audit reviewed four DBT schemes (two Centrally Sponsored Schemes, one Central Sector Scheme and one State Sector Scheme) for the period from 2017-18 to 2019-20 namely, Pre-matric scholarship of SC, ST and Minority students and Deen Dayal

³ 2020-21: 835 and 2021-22: 911

⁴ 2020-21: 99 and 2021-22: 57

⁵ 2020-21: ₹ 12,835.09 crore and 2021-22: ₹ 10,941.75 crore.

Divyangjan Pension Scheme. Audit examined five sampled districts⁶ and covered 101 Institute Nodal Officers across the sampled districts.

Highlights:

The State DBT Cell did not create adequate IT infrastructure and robust database for seamless implementation of various Central and State schemes under DBT.

(Paragraphs-1.2.8.1, 1.2.8.2, 1.2.8.3 & 1.2.8.4)

During 2018-19 to 2019-20, audit noted 2,424 cases where the same beneficiaries had claimed pension in multiple districts under Deen Dayal Divyangjan Pension Scheme.

{Paragraph-1.2.9.1.1 (iii)}

There were instances of excess payment being made to duplicate beneficiaries. Excess payment of ₹ 1.90 crore was made to 1,901 beneficiaries under Deen Dayal Divyangjan Pension Scheme while 451 students had availed scholarship under Pre-matric Scholarship for ST more than once resulting in excess payment of ₹ 10.21 lakh.

{Paragraphs-1.2.9.1.1 (iv), 1.2.9.3.2(i)}

Payment of scholarships at hostel rates was made to students of such schools where there was no hostel facility. During test-check of 101 schools, audit witnessed fraudulent payment of ₹ 5.92 crore in 86 such schools on account of scholarship payment to minorities students towards hostel charges.

{Paragraph-1.2.9.2.2(iii)}

In sampled districts, fake payment of scholarship amounting to ₹ 2.98 crore was made to 3,138 students who were not enrolled in schools.

{Paragraph-1.2.9.2.2(vi)}

1.2.1 Introduction

1.2.1.1 Background

Direct Benefit Transfer (DBT) was a major reform initiative of GoI to ensure better and timely delivery of benefits from the Government to the people. This marked a paradigm shift in the process of delivering benefits like wage payments, fuel subsidies, food grain subsidies, etc. directly into the bank accounts of beneficiaries and aimed to remove leakages and enhance financial inclusion.

1.2.1.2 Vision of Direct Benefit Transfer

Rule 87 of General Financial Rules, 2017 regarding DBT stipulates that:

(1) Transfer of benefits should be done directly to beneficiaries under various Government schemes and programmes using Information and Communication

⁶ Kamrup (Rural), Dibrugarh, Dhubri, Cachar & Nagaon

Technology (ICT). Necessary process reengineering to minimise intermediary levels and to reduce delay in payments to intended beneficiaries with the objective of minimising pilferage and duplication should be done for all Government schemes and programmes. The process for implementation of DBT as prescribed should be adopted.

(2) DBT should include in-kind and cash transfers to beneficiaries as well as transfers/honorarium given to various enablers of government schemes like community workers, etc. for successful implementation of schemes.

(3) Transfer of cash benefits from Ministries/Departments should be done (a) directly to beneficiaries from Ministries/Departments; (b) through State Treasury Account; or (c) through any Implementing Agency as appointed by the Centre/State Governments.

1.2.1.3 Pre-requisites of DBT

The principal objective of DBT is to facilitate direct processing and credit of payments to legitimate beneficiaries in the right account and at the right time *i.e.*, without undue delay.

The pre-requisites of DBT are:

- Digitisation of database of beneficiaries;
- Opening of bank accounts of beneficiaries;
- Enrolment of beneficiaries for seeding of Aadhar (Unique Biometric Identification Number).

1.2.1.4 Status of DBT in the State

In Assam, the State DBT cell was constituted on 22 August 2017 with Chief Secretary to Government of Assam (GoA) as the Chairperson. The State DBT portal is coordinated by the Department of Information and Technology and its onsite technical support is being maintained under the Finance Department, the nodal Department for DBT. As on 18 September 2020, the State has registered 94 schemes implemented by 17 Departments in DBT Bharat portal.

1.2.1.5 Population of SC, ST, Minority and Differently abled persons in the state

The population of SC, ST, Minorities and Differently abled persons in Assam as per Census 2011 is shown in *Table 1.2*.

Table 1.2: Category wise Population

Population Group	Population as per census 2011 (in lakh)	Percentage of State population (in per cent)
Scheduled Castes (SCs)	22.31	7.15
Scheduled Tribes (STs)	38.84	12.45
Minorities	119.47	38.29
Differently abled	4.80	1.54

1.2.2 Audit Scope and Methodology

Audit reviewed four DBT schemes for the period from 2017-18 to 2019-20 as detailed in *Table 1.3*.

Table 1.3: Selected DBT Schemes

Sl. No.	Name of the scheme	Ministry/Department	Mode of Transfer of Funds	Type-Ownership/Sponsor
1	Deen Dayal Divyangjan pension	Social Welfare Department	NEFT/ RTGS	State Sector
2	Pre-Matric Scholarship of minority students	Welfare of Minorities & Development	PFMS	Central Sector
3	Pre-Matric scholarship of ST students	Welfare of Plain Tribe and Backward Classes	PFMS	Centrally Sponsored
4	Pre-Matric scholarship of SC students	Welfare of Plain Tribe and Backward Classes	PFMS	Centrally Sponsored

Public Financial Management system (PFMS) is a web-based online software application developed and implemented by the Office of the Controller General of Accounts (CGA). PFMS was initially started during 2009 as a Central Sector Scheme of the Planning Commission with the objective of tracking funds released under all Plan schemes of GoI, and real time reporting of expenditure at all levels of programme implementation. Further, from 01 April 2015, PFMS has been made mandatory for payment accounting and reporting under DBT.

National Electronic Funds Transfer (NEFT) is a secured, economical, reliable and efficient system of funds transfer between banks while Real Time Gross Settlement (RTGS) is a continuous and real-time settlement of fund transfers.

It can be seen from the table above that Deen Dayal Divyangjan Pension Scheme had not migrated to the PFMS platform.

Audit reviewed three broad areas of enquiry:

- Audit of scheme—involving collection of granular IT data on beneficiaries' eligibility, payment calculation and authorisation, *etc.* from the scheme management software.
- Audit of IT platform being used for DBT in-cash transfer to the beneficiaries.
- Audit of transfer of grants to beneficiaries-whether and to what extent beneficiaries have received the benefits.

An Entry Conference was held (December 2020) with the Additional Secretary of Finance, Deputy Director of Social Welfare Department, Additional Commissioner of Panchayat and Rural Development Department and others⁷ wherein the audit approach, scope and coverage were explained. The draft Report was issued to the Government on 10 May 2022 and an Exit Conference was held on 20 May 2022 wherein views expressed by the Department in respect of the audit findings were discussed. Departmental replies, wherever received, have been appropriately incorporated in the Report.

⁷ Director, Finance (Institutional Finance) Department, Joint Secretary, Panchayat and Rural Development Department (P&RD) Senior Finance and Account Officer (FAO), P&RD, State Project Manager, P&RD

1.2.3 Audit Objectives

The Performance Audit was taken up to assess whether:

- i. required infrastructure for DBT had been created;
- ii. process of identification and authentication of beneficiaries was adequate; and
- iii. DBT payment process was efficient.

1.2.4 Audit Criteria

The main source of audit criteria was derived from the following:

1. Documents, circulars, orders, instructions, and notification issued by DBT Mission, Central Ministries and State Government.
2. Standard Operating Procedures, Handbook on DBT and Guidelines for State DBT Cell issued by DBT Mission.
3. Guidelines, documents, circulars, orders and instructions of selected schemes.

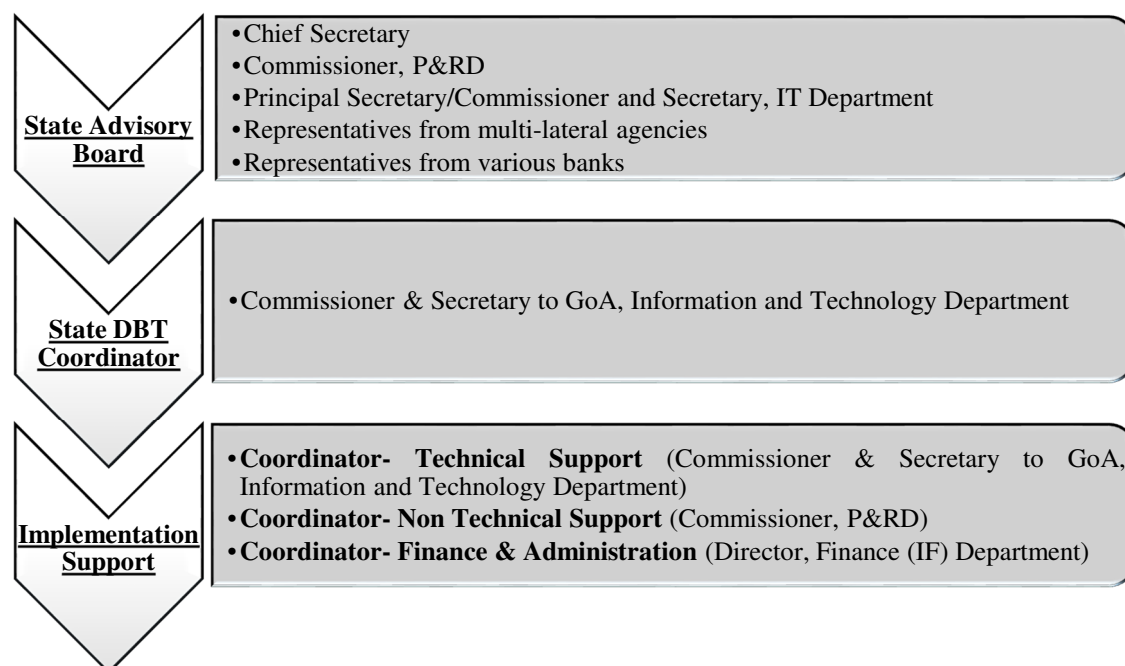
1.2.5 Sampling and Audit coverage

Considering the prevailing Covid-19 situation which placed restrictions on free and easy travel, the samples for the PA were selected by applying judgmental sampling. The selection of districts was done based on approachability *i.e.*, either the neighbouring districts of Guwahati or those accessible by direct means of transport. On this basis, five districts were selected *viz.*, Kamrup (Rural), Dibrugarh, Dhubri, Cachar and Nagaon.

1.2.6 Organisational set up

Organisational set up of DBT Cell in Assam is depicted below:

Chart 1.1: Organisational chart



Source: Guidelines for State DBT Cell issued by the DBT Mission, Cabinet Secretariat.

1.2.7 Fund position

The fund disbursement position of the selected schemes through DBT is as shown in **Table 1.4**.

Table 1.4: DBT under the four Selected Schemes

(₹ in crore)				
Name of the scheme	2017-18	2018-19	2019-20	Total
Deen Dayal Divyangjan Pension Scheme	Nil*	167.79	176.66	344.45
Pre-Matric Scholarship for Minority Students	109.44	60.89	161.16	331.49
Pre-Matric Scholarship for ST Students	2.03	0.65	0.98	3.66
Pre-Matric Scholarship for SC Students	0.70	0.008	0.06	0.768

Source: NSP data collected centrally from NIC.

* The scheme was implemented from FY 2018-19

1.2.8 Audit Findings

1.2.8.1 DBT Infrastructure

According to guidelines issued by DBT Mission, GoI, each Ministry/Department has to create a DBT Cell which shall be headed by an officer not below the rank of Joint Secretary and comprise of officials handling the schemes. DBT Cell shall identify DBT schemes or DBT component of the schemes. It shall study the existing process flow and fund flow under each scheme and reengineer the same wherever necessary. The Cell shall be responsible for liaising with all stakeholders for seamless transitioning of schemes to DBT. The Cell shall act as a nodal point for all activities and matters related to DBT operations in the State.

Records showed that to fulfil the responsibilities, a State Advisory Board was constituted (September 2016) under the chairmanship of the Chief Secretary to GoA. The Commissioner and Secretary, IT Department was the State DBT Coordinator and acted as nodal officer for all DBT related matters of the State.

As per orders, the Advisory Board should meet once in a quarter or at any regular interval. The function of the State DBT Coordinator was to support different departments to work towards DBT implementation across schemes. The Implementation Support layer consisted of three coordinators who were responsible for technical, non-technical and finance & administrative support. The function of technical support was to facilitate all kinds of technical support for implementing DBT in various schemes, collecting and analysing data received from various departments.

Records further showed that GoA through addendum order (August 2017) shifted the responsibility for implementation of DBT to Finance Department from IT Department and nominated Principal Secretary/Commissioner and Secretary, Finance as DBT coordinator and Convener of the State Advisory Board. Accordingly, the State DBT Cell was set up (August 2017) under the Chairmanship of Chief Secretary to GoA and DBT Project Management Unit was set up (December 2021) under the Finance Department.

Audit found that no data regarding beneficiaries has been aggregated by the State DBT Cell in any of the four selected schemes. Also, no scheme/Department specific ICT

application has been developed in the selected schemes, to enable effective data capture by the DBT Cell.

Further, as per DBT cell guidelines of GoI, there was a provision for training of staff and exposure visits for the State/district officials in DBT progressive states for familiarising them with model practices were to be initiated by the State DBT coordinator. However, no initiative to impart training of staff and exposure visits for the State/district officials were found on record nor were such details made available to audit. During physical verification of 101 institutes in the sampled districts as a part of the audit of one of the DBT schemes⁸, 82 sampled institutes stated that no training had been given either at district or State level regarding DBT and no workshop had been arranged by the DBT cell regarding verification of beneficiaries while the remaining 19 sampled institutes have not disbursed any scholarships. Thus, in the absence of any record of usage of any scheme specific ICT application and training/support by the DBT Cell, functioning of implementation support layer was found not compliant with the extant provisions.

1.2.8.2 Non-functional State DBT Portal

As per the DBT mission guidelines, every State needs to develop their own State DBT portal with provision to add data of DBT schemes being implemented by their departments. It was required to provide aggregated real time view of DBT applicable scheme running in Center and State and get aggregated dashboard and information. Once State DBT portal gets data from the departments and generate aggregated report, aggregated data of scheme from State DBT portal will be shared on monthly basis to DBT Bharat Portal.

Although, the DBT portal⁹ for the State was developed to facilitate beneficiaries to apply directly to avail benefit of the schemes implemented by GoA through ICT-enabled DBT application, audit, however found that the so called DBT Portal was non-functional and no data was found uploaded in the State DBT portal as well as DBT Bharat Portal.

Thus, in the absence of any data in State DBT portal and non-integration of scheme-specific MIS with the State DBT portal, the integrity of data available with the respective departments remained unreliable which was also indicative of poor internal control and monitoring.

1.2.8.3 Failure to achieve the objectives of setting up of the State DBT Cell

As per the Guidelines for State DBT Cell, the State DBT Cell was expected to achieve the following objectives:

⁸ Pre-matric scholarship for minorities

⁹ Department provided two portal links to Audit viz., <https://www.dbt.assam.gov.in> and <https://assamfinanceloans.in/>

- i. Coordinating with Centre/Ministries and disseminating the directives to the respective departments in the States.
- ii. Developing scheme/department-specific ICT applications to capture data pertaining to DBT more effectively.
- iii. Closely monitoring and evaluating the progress of various departments on DBT-related indicators vis-à-vis expected outcomes.
- iv. Incorporating best practices and international experiences to enhance the effectiveness of benefits delivery.
- v. Partnering with multi-lateral agencies and consulting firms to piggyback on their technological and industry knowledge.

However, the State DBT Cell in Assam did not play the envisaged role in implementation of DBT enabled schemes as no aggregate data of the schemes being implemented in the State was available with them.

1.2.8.4 Non-classification of schemes as DBT schemes

As per DBT Mission Guidelines, use of PFMS is mandatory for payment accounting and reporting under DBT *w.e.f.*, 01 April 2015. DBT Cell has the responsibility to identify DBT schemes or DBT components of schemes and classify them.

However, audit scrutiny revealed the following:

- A total of 94 schemes under 17 departments have been brought under the ambit of DBT in the State. However, it was observed that out of the four schemes covered by Audit, funds under Deen Dayal Divyangjan Pension scheme were transferred to beneficiaries through NEFT/RTGS in violation of the guidelines. As such, tracking of funds released under the scheme, and real time reporting of expenditure at all levels of programme implementation remained unknown.
- Further, guidelines/norms/instructions formulated by the State DBT Cell for classifying a scheme as a DBT scheme was neither found on record nor could be provided to audit, though called for.

1.2.9 Scheme Implementation

1.2.9.1 Deen Dayal Divyangjan Pension Scheme

In pursuance of the Persons with Disability Act, 1995 (Right of Persons with Disability Act, 2016) the State Government launched (2018-19) State Sector Scheme 'Deen Dayal Divyangjan Pension Scheme' with the objective to provide monthly pension of ₹ 1,000 to differently-abled persons for taking care of their health needs. The Scheme is being implemented by Social Welfare Department.

As per the scheme guidelines, beneficiaries' eligibility criteria, identification, assistance and process of transfer of funds are as below:

- **Eligibility Criteria and Components of Assistance:** The applicant must be a resident of Assam, and have a Disability Certificate issued by the competent authority of the health services of the district confirming more than 40 *per cent* disability. The

applicant must have a bank account in a nationalised bank or have joint bank account with father/ mother/ legal guardians in special cases, such as of minor/mentally challenged/ill beneficiaries, etc.

• **Beneficiaries' identification:** District Social Welfare Officer (DSWO), being the nodal officer for implementation of the scheme, collects application forms in the prescribed format. After scrutiny of application forms and verification of contents, the DSWO convenes a meeting of District Level Selection Committee (DLSC), constituted and notified by the Government, which finalises the list of beneficiaries and forwards the same to the Social Welfare Directorate for financial sanction and release of funds directly to the accounts of beneficiaries through electronic mode of transfer. DLSC may send additional lists any number of times as and when new beneficiaries are verified by it.

• **Process of transfer of fund:** The application form for enrolment is circulated through Anganwadi workers under Child Development Project Officer (CDPO). CDPOs compile the beneficiary list of eligible persons who submit their applications along with required documents¹⁰ and transmit it to the DSWO in hard copy. At district level, all the reports collected from various CDPOs are compiled in MS Excel format for submission to Social Welfare Directorate for payment purpose. The Director, after compilation of records received from various districts, submits the proposal to Government for sanction. On receipt of funds from the Government as Grants-in-Aid, the fund is kept in a separate bank account maintained for the scheme and payment to selected beneficiaries is made through NEFT/RTGS.

• Since inception of the scheme (2018-19), payment of ₹ 344.45 crore was made to 2,91,580 beneficiaries during 2018-19 to 2019-20 as shown in **Table 1.5**.

Table 1.5: Expenditure during audit period

Year	No. of beneficiaries	Expenditure (₹in crore)
2018-19	1,40,848	167.79
2019-20	1,50,732	176.66
Total	2,91,580	344.45

Source: Database provided by Director, Social Welfare Department.

Audit Findings:

Audit findings on implementation of the scheme are discussed in the succeeding paragraphs:

1.2.9.1.1 Beneficiary identification and enrolments in Scheme Management

The Department did not put any IT based system in place for beneficiary lifecycle management, payments and generation of reports for monitoring and evaluation of scheme implementation process in compliance with DBT guidelines. Instead, the beneficiary identification and enrolment activities were being carried out manually using MS-Excel application and pension disbursement to beneficiaries was made

¹⁰ Disability certificate, photograph, bank account details along with IFSC, address proof.

through NEFT/RTGS. In absence of a system-based mechanism, audit observed the following irregularities:

(i) Beneficiary Digitisation & Management Mechanism

Beneficiary database creation is one of the foremost steps for setting up a scheme under DBT framework. While implementing the scheme, agencies should identify the beneficiaries and prepare digitised database comprising name, address, date of birth, percentage of disability, bank account number, IFSC code and mobile number. Subsequently mapping of bank account/postal account, Unique ID and mobile number of each beneficiary was also essential in the process.

Audit observed that in the database prepared by the Directorate, Unique ID, Father's Name, Age, Disability percentage and mobile number was not available. Further, the Directorate was maintaining data sets manually (MS Office tools) after collecting data from districts. For instance, none of the beneficiaries had their mobile number recorded in the database and also no systemic solution existed in the database to detect duplicate beneficiaries or ineligible beneficiaries. Instances of fraudulent payment to ineligible beneficiaries were noticed as discussed in *Paragraph 1.2.9.1.1 (iii)*.

While accepting the audit observation, GoA stated (May 2022) that the database of selected beneficiaries has been prepared in MS Excel and presently beneficiaries are mapped with their mobile numbers after necessary field verification. However, MS Excel is an office productivity tool, with limited data security and data validation features, and therefore preparation of database in MS Excel format does not address the audit observation on lack of proper database to manage the beneficiary database. Since MS Excel is not a relational database utility, the Government should adopt any PFMS or centralised database tool to avoid beneficiary duplication.

(ii) Absence of Unique identifier

In Assam, unique identifier like Unique Biometric Identification Number adoption has not yet been completed. In absence of Unique Biometric Identification Number, a unique ID should have been adopted in order to uniquely identify the beneficiaries. As a result, benefits were found to have been transferred to 2,424 duplicate beneficiaries¹¹ as discussed in *Paragraphs 1.2.9.1.1 (iii) and (iv)*.

While accepting the audit observation, GoA stated (May 2022) that mapping of beneficiaries with Unique Biometric Identification Number is under process.

(iii) Multiple payment to same beneficiary accounts

On scrutiny of pension disbursement data provided by the Directorate, it was noticed that during 2018-19 to 2019-20, the account number of more than one beneficiary was found to be the same during the same period payment file in 2,424 cases. The same account number was being credited with disability pension in multiple districts also as if these were separate beneficiaries. The district-wise number of beneficiaries whose

¹¹ 2018-19: 1,617 and 2019-20: 807

account number and IFSC was found to be the same is given in **Appendix-1.2**. The abstract of cases where payment was made more than once for the same period is given in **Table 1.6**.

Table 1.6: No. of cases paid more than once for the same period

2018-19				2019-20			
No. of times the bank account was credited	Total no. of beneficiaries involved	Total	Amount involved (₹)	No. of times the bank account was credited	Total no. of beneficiaries involved	Total	Amount involved (₹)
7	1	7	33,000	24	2	48	1,92,000
6	205	1,230	49,20,000	9	2	18	72,000
4	57	228	11,26,000	6	6	36	1,44,000
2	76	152	13,68,000	3	1	3	9,000
				2	351	702	21,12,000
Total		1,617	74,47,000	Total		807	25,29,000

Source: Database, Director of Social Welfare, GoA.

For instance, two beneficiaries had claimed pension from two districts each in 2018-19 and eight districts each in 2019-20 respectively. Further verification by audit revealed that a contractual worker at Social Welfare Directorate, who was responsible for compilation of data at Directorate level, had fraudulently claimed the pension for self, from two and three districts¹² during 2018-19 and 2019-20 respectively. After pointing out the issue to the Director, Social Welfare, the worker refunded¹³ an amount of ₹ 60,000. This indicated lack of input and processing controls as the system had not flagged the duplicate entries at the time of data entry, thereby leading to multiple payment to the same beneficiaries.

On this being pointed out, GoA stated (May 2022) that a letter was issued (15 February 2021) to various DSWOs for verification and recovery of excess payments made to beneficiaries under the scheme for the years 2018-19 and 2019-20. Accordingly, recovery of excess payments against two beneficiaries had already been done in Cachar district. Payments to all other bank accounts are currently on hold as the beneficiaries were unable to return the excess payment. Further, in the case of the contractual employee, GoA stated that the employee has been released from the Directorate. However, no record related to any further legal action against the contractual employee was furnished to audit.

Since this was a case of fraudulent withdrawal/misappropriation of Government money, the Department may initiate legal action by registering First Information Report (FIR) against the contractual employee.

(iv) Excess payment

The objective of the scheme is to provide monthly pension of ₹ 1,000 to each of the differently-abled persons for taking care of their health. During audit scrutiny, it was noticed that payment was made in three/four instalments for the whole year instead of making monthly payments. Instances of payment exceeding ₹12,000 in a year was also

¹² Lakhimpur and Barpeta in 2018-19; Lakhimpur, Barpeta and Dhubri in 2019-20.

¹³ vide Cheque number 173065 dated 15 February 2021 in favour of 'Director, Social Welfare, Deen Dayal Divyangjan Pension'

noticed, leading to excess payment of ₹ 1.90 crore involving 1,783 and 118 beneficiaries during 2018-19 and 2019-20 respectively. Use of an IT-based platform and validation controls could have prevented such instances.

While accepting the audit observation, GoA stated (May 2022) that excess payments from two beneficiaries has already been recovered and payments to all other bank accounts are currently on hold as the beneficiaries were unable to return the excess payment.

(v) Shortcomings of Scheme Guidelines

For successful implementation of any scheme, it is pertinent that the guidelines are drafted with utmost care, taking into account a holistic approach right from the stage of policy making to delivery of services to the intended beneficiaries. Yet, in the case of the scheme, there were several shortcomings in the guidelines itself, which are discussed below:

- No provision had been made in the scheme guidelines to ascertain instances such as cases of death of beneficiaries, through periodic verification.
- The scheme guidelines were silent about the entitlement of pension to a beneficiary getting disability pension from other departments. The guidelines do not explicitly deny pension to government employees.
- No income criteria is mentioned in the scheme guidelines. Consequently, people with high income may also avail the benefit.

Conclusion: There is no system-based mechanism to verify the data of beneficiaries. The database of selected beneficiaries had been manually prepared and maintained in MS Excel by the Department in which beneficiary data was vulnerable to manipulation. This resulted in the same beneficiaries claiming pension from multiple districts, fraudulent withdrawal at Directorate level, *etc.* In Assam, unique identifier like Unique Biometric Identification Number adoption has not yet been completed. In absence of Unique Biometric Identification Number, a unique ID should have been adopted in order to uniquely identify the beneficiaries. As a result, benefits had been transferred to 2,424 duplicate beneficiaries.

Recommendation: *Social Welfare Department may review the guidelines of Deen Dayal Divyangjan Pension Scheme including introduction of income criteria, periodic verification to exclude/weed out ineligible beneficiaries and denial of any other similar pensionary benefits by the beneficiaries of this scheme. The Department may also migrate this scheme to a suitable IT platform with proper enrolment and validation procedures so that instances of beneficiaries claiming pension from multiple districts can be avoided. Legal action needs to be taken against persons preferring fraudulent claims.*

1.2.9.2 Pre-Matric scholarship of Minorities

1.2.9.2.1 Introduction

Pre-matric scholarship of Minorities was announced (June 2006) under Central Sector Scheme with the aim to encourage parents from minority communities to send their child(ren) to school, lighten their financial burden due to school education and sustain their efforts to support their children to complete school education. It is being implemented by Assam Minorities Development Board (AMDB). Scholarship is being provided to the meritorious students from minorities communities from Class I to Class X. As per scheme guidelines, the eligibility criteria, selection procedure and procedure of payment are as follows:

- **Eligibility criteria:** the beneficiary must secure not less than 50 *per cent* marks in the previous final examination and annual income of their parents/guardian from all sources should not exceed ₹ one lakh.

- **Selection procedure:**

Fresh –For selection of fresh students, apart from meeting the eligibility criteria for marks secured in the previous final examination, as the number of scholarships for minorities available in a year is fixed and limited, a merit list up to the available number of scholarships is generated with *inter-se* weightage to poverty (income certificate is given) and in case of same income, based on ‘Date of Birth’ (Senior preferred).

Renewal –Renewal does not go through the merit list process. The only requirement is that one has obtained 50 *per cent* in his/her previous year’s examination (at the same Institute and in the same course) and his/her application is verified by all authorities (as designated by Ministry of Minority Affairs) and approved by the State Government.

- **Rate of Scholarship:** The quantum of financial assistance provided for admission/ tuition fee and maintenance allowance (as per Paragraph 9 of the guidelines) during 2017-18 to 2019-20 was as given in **Table 1.7**.

Table 1.7: Rate of Scholarship

Item	Rate of Scholarship
Rate of Scholarship (Admission <i>plus</i> Tuition Fee)	Admission Fee for Class VI to X: ₹500 per <i>annum</i> subject to actuals (both Hostel dwellers & Day Scholars)
	Tuition Fee for Class VI to X: ₹350 per month subject to actuals (both Hostel dwellers & Day Scholars),
Maintenance Allowance	For Class I to V*: ₹100 per month for Day Scholars
	For Class VI to X*: ₹600 per month for Hostel dwellers and ₹100 per month for Day Scholars

*For 10 months in an academic year

- **Procedure of payment:** Eligible minority students have to fill an online application form on National Scholarship Portal (NSP), providing the basic details, bank details, *etc.* These applications are to be verified at institute level and District level and forwarded to the Ministry of Minority Affairs (MoMA) through NSP after verification.

MoMA examines the fulfilment of criteria and generates the merit list. On finalisation of the merit list, and after e-signing the PFMS file for payment by the State Nodal Officer¹⁴, the scholarship amount is transferred directly to the bank account of the beneficiary through PFMS.

During the period covered in audit, expenditure amounting to ₹ 331.49 crore was made against 6,13,667 beneficiaries as shown in **Table 1.8**.

Table 1.8: Year wise Expenditure

Year	Fresh	Renewal	Total No. of beneficiaries	Expenditure (₹ in crore)
2017-18	1,69,314	52,622	2,21,936	109.44
2018-19	97,426	18,653	1,16,079	60.89
2019-20	2,37,884	37,768	2,75,652	161.16
Total			6,13,667	331.49

Source: NSP data collected centrally from NIC.

Audit Findings:

Audit findings on implementation of the scheme are discussed in succeeding paragraphs:

1.2.9.2.2 Beneficiary Identification and Enrolment

Scheme guidelines specifically mentioned some criteria for identification and selection of beneficiaries for enrolment in the scholarship programme. However, audit noticed non-compliance of the scheme guidelines leading to selection and payment of scholarship to ineligible beneficiaries as discussed in the following paragraphs.

i) Ineligible students whose parents' annual income exceeded ₹1.00 lakh

As per Paragraph 4 of the guidelines, "Scholarship will be awarded to the students who have secured not less than 50 *per cent* marks in the previous final examination and annual income of their parents/guardians from all sources does not exceed ₹ one lakh".

During scrutiny, it was noticed that scholarship was given to 64 students whose parents' stated annual income was more than ₹ 1.00 lakh. Total amount paid in such cases was ₹ 2.00 lakh as shown in **Table 1.9**.

Table 1.9: Ineligible students whose parents' annual income exceeded ₹1.00 lakh

Year	Number of applicants	Amount Paid (in ₹)
2017-18	28	67,870
2018-19	11	35,600
2019-20	25	96,600
Grand Total	64	2,00,070

Source: NSP data collected centrally from NIC.

On this being pointed out, Director, AMDB stated (December 2020) that selection of beneficiary was done by MoMA. The reply is not acceptable as the scheme guidelines clearly mention that Institute Nodal Officer (INO) of the school has to check and verify the application of students and forward the same to District Nodal Officer (DNO) for approval. DNO, after verification, shall forward the same to MoMA for payment.

¹⁴ Director, AMDB

ii) Selection of beneficiaries was not document based

As per Paragraph 4 of the guidelines, “Scholarship will be awarded to the students who have secured not less than 50 *per cent* marks in the previous final examination and annual income of their parents/guardians from all sources does not exceed ₹ one lakh”. Further as per Paragraph 11(ii) of the guidelines, ‘an income certificate, issued from a competent authority in the State Government, is required in respect of parent/guardian of the student.’”

Since limited number of students are selected for fresh scholarships, the criterion of annual family income plays a vital role to determine the eligibility of the student under the scheme.

Scrutiny showed that out of 6,13,667 students, 2,53,408 students had stated that their parent’s annual income from all sources was less than ₹ 20,000, out of which the annual family income of 7,245 students were stated to be even below ₹ 5,000. The stratified family income of students is given in **Table 1.10**.

Table 1.10: Stratified Family Income of students (in ₹)

Year	0-5,000	5,000-10,000	10,000-20,000	20,000-50,000	Above 50,000	Total
2017-18 (F)	2,313	6,924	61,562	98,198	317	1,69,314
2017-18 (R)	382	694	7,133	40,302	4,111	52,622
2018-19 (F)	998	7,466	31,746	50,036	7,180	97,426
2018-19 (R)	103	809	4,703	12,029	1,009	18,653
2019-20 (F)	3,212	9,795	1,04,299	1,18,052	2,526	2,37,884
2019-20 (R)	237	1,668	9,364	22,791	3,708	37,768
Total	7,245	27,356	2,18,807	3,41,408	18,851	6,13,667

Source: NSP data collected centrally from NIC.

It is evident from **Table 1.10** that the annual family income stated by around 41 *per cent* of the beneficiaries were less than ₹ 20,000. However, no documentary evidence had been submitted along with the application to ascertain the genuineness of the parent’s annual income. Analysis of the data revealed that the merit list preparation was influenced primarily by the stated income, which was not supported by any income certificate. Thus, there was a possibility of selection of ineligible beneficiaries denying the legitimate applicants with comparative higher family income (within ₹ one lakh) for want of proof of income.

In response to the survey of the sampled schools during physical verification, INOs of 43 out of 101 schools in five sampled districts, stated that no income certificate verification was carried out at their level before forwarding the same to the higher level.

While accepting the observation, the Director, AMDB stated (May 2022) that uploading of income certificate is not mandatory. The justification provided by the Director was not acceptable as the INO was required to maintain physical copies of supporting documents submitted by students/applicants and verify the correctness of details in the application forms as per Standard Operating Procedure (SOP) of NSP.

iii) Fraudulent claim and disbursement of Maintenance Allowance at Hostel rates

Minority scholarship is provided against two separate items—a variable amount of scholarship on account of Admission Fee and Tuition Fee (based on actuals subject to a maximum) and a fixed sum as maintenance allowance at the rate of ₹ 1,000 per *annum* for day scholars of classes I to X and ₹ 6,000 per *annum* in case of hostel dwellers of classes VI to X.

Table 1.11 shows the maximum amount of eligible scholarship per *annum*:

Table 1.11: Maximum outgo of admission fee, tuition fee and hostel rate

Student Class	Maximum allowed for any student		Maximum outgo per student as scholarship	
	Admission Fee plus Tuition Fee	Maintenance Allowance	Day Scholar	Hostel dweller
Class I to V	Not applicable	₹1,000	₹1,000	Not applicable
Class VI to X	₹4,700	₹6,000	₹5,700	₹10,700

As can be seen from the Table above, the difference of ₹ 5,000 in maintenance allowance for a day-scholar and a hostel dweller studying in classes VI to X is significant and leads to almost doubling of the total outgo on minority scholarship between a day scholar and a hostel dweller.

During field visit to 101 sampled schools, it was found that 87 schools had claimed scholarship at hostel rates for many of their students. However, only one school¹⁵ was having a hostel in the school. In the case of the remaining 86 schools, existence of hostel was not found during field visit. This was further verified with the Unified District Information System for Education (UDISE) database where all the 86 institutes are registered without any residential facility. Thus, 86 of these schools falsely claimed scholarship at hostel rates for many of their students as detailed in **Table 1.12**.

Table 1.12: District-wise number of cases against which hostel charges paid during audit period

District	No. of schools sampled	No of schools which had claimed hostel rate scholarship	No. of schools eligible for hostel rates	No of ineligible cases	Amount disbursed (₹)
Cachar	8	6	0	160	8,00,000
Dhubri	9	7	0	1,884	94,20,000
Dibrugarh	20	20	0	1,120	56,00,000
Kamrup (R)	21	15	0	4,375	2,18,75,000
Nagaon	43	39	1	4,305	2,15,25,000
Total	101	87	1	11,844	5,92,20,000

Source: NSP data collected centrally from NIC. (Details are in Appendix-1.3)

Thus, falsely filed online claims (by 99 *per cent* schools) for scholarship with hostel rate maintenance allowance and false verification of the same led to additional disbursement of scholarship to 11,844 students in 86 of 101 schools leading to fraudulent claim of ₹ 5.92 crore.

Year-wise comparison of the scholarship disbursement data for 2017-18 with 2019-20 for these 86 schools showed a significant increase in the number and percentage of

¹⁵ Moulana Masaddar Ali Vidyapith, Nagaon

students who were being provided hostel rate maintenance allowance. The percentage of students being fraudulently provided hostel rate maintenance allowance jumped from 53 per cent in 2017-18 to 76 per cent in 2019-20. The data indicates that the practice of such fraudulent claims and its approval by the School Principal and its subsequent disbursement was spreading at a fast rate, with no effective checks being exercised by the District Elementary Education Officer or the State Nodal Officer.

iv) Analysis of minority scholarship data across the State

Audit examined the minority scholarship data across the State and noted a sharp increase in the percentage of students being provided maintenance allowance at hostel rate from 40 per cent in 2017-18 to 59 per cent in 2019-20. Noting the widespread irregularity as discussed in the preceding paragraph, it is highly likely that such irregularities may have happened across the State.

On this being pointed out, the Director, AMDB, while accepting the audit observation, stated (May 2022) that due to receipt of huge fraudulent claims of scholarship since 2017-18 onwards, AMDB has filed cases (CID PS case No. 23/2018 for the year 2017-18 and CID PS case No. 20/2020 for the years 2018-19 and 2019-20) before Criminal Investigation Department (CID), Assam and the CID investigation is in progress.

However, it is observed that the FIRs filed as stated by the Department above were not related to fraudulent claims made against hostel rates. The FIR were mainly about fake beneficiaries detected in schools, through false applications and verification done by CSPs and INOs. Further, there exists a lack of accountability at INO and DNO levels on verification and scrutiny of records of students which led to such fraudulent claims in the scholarship scheme.

The Department may establish a system of periodic physical verification of presence of operational schools and hostels in the State to assess the genuineness of beneficiaries as well as presence of hostels in the Institutes. Further, Unique Biometric Identification Number based KYC may be implemented for all INOs and DNOs for verification of applications in the NSP portal to establish accountability on the respective verifying authorities.

The Department may investigate the extent of fraudulent withdrawals being made at hostel maintenance rates across the State and initiate immediate redressal steps to stop the fraudulent claims.

v) Survey of Heads of Institutes and Students

As a part of the Audit examination, audit carried out a survey of the Heads of Institutes (Headmaster/Principal) and students from sampled schools included in the selected districts.

• Survey of Head of Institutes

The survey revealed the following:

A total of 101 institutes were physically verified in the sampled districts. The Headmasters of 42 schools stated that the students to whom the scholarships were shown as paid were not students of the concerned schools which indicated that these were cases of fake beneficiaries as discussed in *Paragraph 1.2.9.2.2 (vii)*. Out of the remaining 59 schools, 42 headmasters (71 per cent) were not aware about the difference in obtaining scholarship as fresh and renewal cases; 28 headmasters (47 per cent) were not aware of their own user ID and password; 49 headmasters (83 per cent) did not take income certificates from their students; and 39 headmasters (66 per cent) did e-verification of the applications either from the computer centre or customer service point (CSP) while 30 headmasters (51 per cent) stated to have faced difficulties in the online verification process, as detailed in **Table 1.13**.

Table 1.13: Institutes surveyed in five sampled districts

District	No. of institutes surveyed	No. verified by Headmaster	Headmasters not aware about			Income certificate not verified	e-verification done from other places	Difficulties faced in e-verification
			Fresh or renewal cases	User id and password	e-verification			
Kamrup (R)	21	00	12	06	07	17	16	07
Cachar	08	02	06	03	05	06	04	05
Dhubri	09	01	04	04	02	05	03	03
Nagaon*	43	19	20	15	13	21	16	15
Dibrugarh*	20	20	--	--	--	--	--	--
Total	101	42	42	28	27	49	39	30

Source: Physical verification report.

- **Survey of beneficiaries in sampled districts**

The survey revealed that no student out of 132 students in Kamrup Rural District had enrolled for Unique ID. In other districts (except Dhubri), the percentage of Unique ID linkage was less than 50 per cent. It was stated that scholarship was supplied through CSPs which indicated absence of requisite IT infrastructure with school for processing the applications of students as detailed in **Table 1.14**.

Table 1.14: Beneficiaries surveyed in four* Sampled Districts

District	No. of beneficiaries surveyed	Unique Biometric Identification Number linked	Applied through CSP	Facing problems viz., Computer, internet connectivity	Fee paid	Hosteller
Kamrup (R)	132	0	100	132	0	0
Dhubri	50	39	27	0	22	10
Cachar	75	21	0	0	0	0
Nagaon	245	103	95	33	0	0
Total	502	163	222	165	22	10

*In Dibrugarh district, Head Masters of all 20 schools surveyed had stated that the students to whom the scholarships were shown as paid were not students of the concerned schools.

vi) Fake beneficiaries availing scholarships

In the sampled districts, it was found that in 42 schools, the process of verification was not carried out at INO level, as stated by the INO during physical verification, but scholarships were credited to the accounts of 3,138 students amounting to ₹ 2.98 crore. Headmasters of all the 42 schools where 3,138 students have been paid scholarships, stated that 3,138 beneficiaries were not the students of the schools concerned which indicated that the disbursements made to 3,138 students were cases of fake

beneficiaries. District-wise number of cases where scholarships were shown as disbursed but the beneficiaries were not enrolled at the schools concerned, are shown in **Table 1.15** and details thereof are given in **Appendix-1.4**:

Table 1.15: District wise number of fake students in sampled schools

District	No of schools	No of student	Amount (₹in lakh)
Nagaon	19	1,659	143.17
Dibrugarh	20	1,156	121.13
Dhubri	1	188	20.12
Cachar	2	135	13.44
Total	42	3,138	297.86

From the aforesaid facts in the table and further enquiry of instant cases in Nagaon District, audit observed the following:

a) In Dhing Demoluguri Girls Middle English Madarsa, visited by audit where 135 beneficiaries had availed scholarships amounting to ₹ 10.36 lakh, mobile number of the Headmaster attached with the school in the data provided to audit by the Mission Director (MD), Sarva Siksha Abhiyan (SSA), was that of a CSP owner of Bank of Baroda, Haibargaon, Nagaon. Besides, the concerned Head of Institutions (HoI) stated to audit that no scholarship verification was done by the HoI for any of the students.

b) The Gyanam school, Nagaon was running in the name of GFS Jatiya Vidyapith (UDISE Code: 18100704808), prior to academic year 2018-19. However, payment of scholarship was made in the name of GFS Jatiya Vidyapith in 2018-19 also. The Headmaster stated that no application was submitted by students of GFS Jatiya Vidyapith between 2017-18 and 2019-20. On enquiry, it was found that the mobile number mentioned in the data provided by MD, SSA was in the name of one Jakir Husain, who was not the Institute Head, as verified by Audit.

The above instances indicated failure on the part of different levels (INO level, DNO level, and State level) in exercising necessary checks before finalisation of merit list resulting in fraudulent payments amounting to ₹ 2.98 crore against the 3,138 fake beneficiaries.

While accepting the audit observation, the Director, AMDB stated (May 2022) that due to receipt of huge fraudulent claims of scholarship since 2017-18 onwards, AMDB has filed cases (CID PS case No. 23/2018 for the year 2017-18 and CID PS case No. 20/2020 for the years 2018-19 and 2019-20) before the CID, Assam and the investigation is in progress.

vii) Payment made to the wards of Government servant

As per guidelines, scholarship should be awarded to those students whose parent's annual income is not more than ₹ 1.00 lakh. Further, Paragraph 11(X) of the guidelines provided that if a student was found to be obtaining scholarship by false statement, his/her candidature should be cancelled forthwith and the amount of the scholarship paid should be recovered.

On comparison of beneficiary data received from AMDB with the salary data received from Finance Department during audit, it was noticed that an amount of ₹ 30.38 lakh

worth of scholarship was paid to wards/children of 548 salaried persons during the period 2017-20 as detailed in **Table 1.16**.

Table 1.16: Salaried persons against whom scholarship paid

Year	No. of cases	Amount (in ₹)
2017-18	108	4,20,660
2018-19	84	3,45,140
2019-20	356	22,72,070
Total	548	30,37,870

Source: Employee data provided by Finance Department, Assam

These scholarships are inadmissible as all Assam Government employees draw a salary in excess of ₹ 1.00 lakh in a year, since the 7th Assam Pay and Productivity Pay Commission recommendations, implemented from 01.04.2017 had raised the minimum salary of an employee to ₹15,900 per month.

Instances of payment of scholarship to wards of salaried people are indicative of deficiency in verification of eligibility of the beneficiaries.

While accepting the audit observation, the Director, AMDB stated (May 2022) that due to receipt of huge fraudulent claims of scholarship from 2017-18 onwards, AMDB has filed cases before the CID, Assam and the investigation is in progress.

viii) Lack of age validation

On analysis of data of students studying from class I to class X who had received the scholarship, it was observed that the age mentioned was unrealistic in many cases.

For instance, as per the data relating to the students studying in class 10, the minimum age found was three years and maximum age was found as 49 years, while for students studying in class-1, the minimum age was found to be three years and maximum age was found to be 18 years.

Table 1.17: Details of age-wise Class X student during various years

Age Group	2017-18	2018-19	2019-20
0-10	6	21	13
10-20	20,991	9,112	20,148
20-30	231	247	247
30-40	2	6	8
40-50	2	0	2
Total	21,232	9,386	20,418

Source: Database provided by CDMA

In terms of fresh beneficiaries, the number of cases where the applicant's age was less than 10 years was 06, 20 and 12 during 2017-18, 2018-19 and 2019-20 respectively. This raises questions about veracity of data entry as well as the extent of verification of the scholarship application forms submitted by the beneficiaries, done at various levels.

While accepting the audit observation, the Director, AMDB stated (May 2022) that lack of responsibility and accountability on the part of the Institute Heads/INO levels and DNOs have made the verification work very difficult at SNO level.

1.2.9.3 Pre-Matric Scholarship for Scheduled Tribes (ST) Students (Class IX & X)

1.2.9.3.1 Introduction

Pre-Matric Scholarship for ST Students is a Centrally Sponsored scheme started (July 2012) with the objective to support parents of ST children for education of their wards studying in classes IX and X so that the incidence of drop-out, especially in the transition from the elementary to the secondary stage is minimised and to improve participation of ST children in classes IX and X of the pre-matric stage, so that they perform better and have a better chance of progressing to the post-matric stage of education. As per guidelines, eligibility criteria, rate of scholarship and procedure of payment are as under:

- **Eligibility criteria:** Students belonging to Scheduled Tribes whose parents' annual income do not exceed ₹2.00 lakh per *annum* based on the certificate issued by the Circle Officer/ Sub-Divisional Officer concerned. Students should not be getting any other Centrally funded scholarship and should be a regular, full-time student in a Government school or in a school recognised by a Central/State Board of Secondary Education. Scholarship for studying in any class will be available for only one year. If a student has to repeat the class, she/he would not get scholarship for that class for a second (or subsequent) year.

- **Rate of scholarship**

Table 1.18: Rate of scholarship

Item	Day scholars	Day scholars rate w.e.f. 01.12.2019	Hostel rate	Hostel rate w.e.f. 01.12.2019
Scholarship for 10 months (₹ per month)	150	225	350	525
Books and <i>ad-hoc</i> grant (₹ per <i>annum</i>)	750	750	1,000	1,000
Total per annum	2,250	3,000	4,500	6,250

- **Procedure of payment:** Students applying for scholarship for the first time (Fresh Students) need to register on the NSP portal as fresh applicant by providing accurate and authenticated information as printed on their documents in the “Student Registration Form”. After submitting the application, the default Login ID and Password to log in to NSP portal will be provided to the mobile number of the applicant. After submission of application, INO shall do the first stage verification of the correctness of details in the application form and documents submitted by the applicant. After completion of verification by INO, the SNO shall do the second stage verification of the correctness of details in the application form and documents submitted by the applicant as per guidelines of the scheme. The SNO shall ensure that the applications are scrutinised well in time by the Institute, thus avoiding the last-minute rush to verify the applications. After verification of SNO, the data is to be sent to PFMS through NSP for generation of payment file.

As and when the payment file is generated in the PFMS, the Department sanctions the funds and sends it to the treasury for remitting the same to the designated bank account of the Directorate. Thereafter, the Directorate makes e-payment to the validated bank

account of beneficiaries from the same PFMS portal where beneficiary details have already been captured.

1.2.9.3.2 Coverage of the Scheme

The coverage of pre-matric scholarship for ST students in the State was extremely low, which was not in keeping with the significant ST population at 12.45 *per cent* in the State. The number of students availing the scholarship *vis-à-vis* the total enrolled ST students in Class-IX/X in Assam is detailed in **Table 1.19**:

Table 1.19: Percentage of students benefitted against total enrolled ST students

Year	Total students	No. of students who applied for scholarship	Students found eligible by Department/INO	Students benefitted	Percentage benefitted (in <i>per cent</i>)
(1)	(2)	(3)	(4)	(5)	{(6)=(5) ÷ (2)}
2017-18	1,65,483	NA*	NA*	6,284	3.80
2018-19	1,65,765	3,434	2,992	2,864	1.73
2019-20	1,65,626	6,232	3,362	3,046	1.84

Source: dashboard.udiseplus.gov.in/#/reportDashboard/sReport (Report:4004).

*NB: In 2017-18 applications were processed in offline mode

Significantly, the coverage for scholarships in 2018-19 and 2019-20 was only around 1.8 *per cent* of the total enrolled ST students in the State. Even among the 2,864 students who availed the scholarship during 2018-19, 2,746 students (96 *per cent*) were from Dhemaji district alone. During 2019-20, Dhemaji once again had the single largest share of beneficiaries, but this time constituting 57 *per cent* of the beneficiaries (1,722 beneficiaries out of 3,046 beneficiaries). Though the highest proportion of ST population of the State is present in the Sixth Schedule districts of Karbi Anglong and North Cachar Hills, no student from these districts applied for pre-matric scholarship for STs during 2018-19. However, during 2019-20, a small number of students - 74 and five students got the benefit of scholarship in Karbi Anglong and NC Hills respectively. Funds received and number of beneficiaries during 2015-16 to 2019-20, under the scheme are detailed in **Table 1.20**.

Table 1.20: Year-wise number of beneficiaries and expenditure on scholarship

(₹ in lakh)

Year	Budget Provision	Fund received from GoI	No. of beneficiaries finalised for payment	Amount disbursed	Mode of receiving application	Year of payment
2015-16	NA ¹⁶	Nil	5,522	124.24	SDWO	2015-16
2016-17	257	321.33	2,740	Nil	NSP	2017-18
2017-18	260	Nil	6,284	203.04	SDWO	2017-18
2018-19	260	Nil	2,864	64.53	NSP	2018-19
2019-20	260	Nil	3,046	98.10	NSP	2019-20

Source: Information furnished by Director, WPT&BC

It was stated by the Department that during 2016-17, online applications were invited through NSP and applications of 2,740 students were finalised for awarding scholarship

¹⁶ The Department had furnished only the total budget figure for Schemes for Education of ST Students which amounted to ₹ 333.33 crore without providing the separate budget figure for the “Pre-Matric scholarship for ST students” for the year 2015-16.

after necessary scrutiny. But as stated by the Director, WPTBC, because of non-receipt/non-generation of payment file from NSP, scholarship was awarded in the subsequent year *i.e.*, during 2017-18. Payments for 2016-17 and 2017-18 were made through NEFT. During 2017-18, applications were also received through Sub Divisional Welfare Officer (SDWO) in offline mode instead of through NSP.

It was noticed that during the years 2018-19 and 2019-20, the number of beneficiaries compared to the years 2015-16 and 2017-18 had reduced. This was also confirmed by the Department where, in response to the audit observation on the same, the Director WPT & BC stated that invitation of application as well as payment through NSP was done for the first time during 2018-19 for which lack of awareness among students to apply through online mode would have resulted in reduction of number of beneficiaries. The Director further informed that the number of applicants were 7,274 and 7,827 in 2020-21 and 2021-22 respectively, which was an increase over the previous years. However, even with the increase in applicants in subsequent years, the percentage of ST students in the State applying for the scheme remained below five *per cent*.

Despite very low coverage, the Department did not make adequate effort to create awareness among the target population, and no awareness programmes were initiated apart from the annual advertisement published in newspapers and the official website.

Audit findings:

i) Duplicate beneficiaries

PFMS provides for validation of beneficiaries' bank/post office account reducing the risk of misdirected payments. Government of Assam, Finance Department notified (September 2016) that the DBT Coordinator will be responsible for linking of all financial transactions under different schemes on to PFMS platform. However, payment of pre-matric scholarship for Classes IX and X during the year 2017-18 were made through RTGS/NEFT instead of PFMS. Thus, there was lack of input validation control in the application to reject more than one entry for the same student in the same academic year. Audit observed that 444 beneficiaries during 2017-18 with the same bank account number were given the scholarship amount twice, resulting in excess payment amounting to ₹ 10.06 lakh.

During 2018-19 also, when payment was made through PFMS, seven beneficiaries with the same bank account number but with different application ID were found to have been paid twice involving a sum of ₹ 0.16 lakh. Although the instance of double payment had reduced significantly after using the PFMS platform, but the system was still not able to stop such irregularities.

The above observation indicated lapses on the part of INO and SNO while verifying the applications and forwarding them for payment.

While accepting the audit observation, GoA (May 2022) stated that seven beneficiaries have been made payment more than once during 2018-19 as beneficiaries themselves have applied twice with different application IDs.

ii) Irregularities in verification of documents

As per guidelines, scholarship was to be paid to students whose parents'/guardians' income from all sources does not exceed ₹2,00,000 per *annum*. As per guidelines issued (September 2017) by GoI, application were to be accompanied with some enlisted certificates (caste certificate, family income certificate, *etc.*) duly authenticated by the appropriate authority and the Head of Institute after scrutiny.

Audit however, noticed that to assess the genuineness of applicants, necessary verification was not carried out, in absence of which, declarations submitted by the applicants appeared unrealistic which was evident from the following facts:

- i) During 2018-19 and 2019-20, 69 students had stated their annual family income as less than ₹ 20,000. Of these, 15 students had annual family income less than ₹ 5,000 while six beneficiaries had annual family income below ₹ 100.
- ii) During 2018-19, the minimum age of the students was found to be four years and seven students were of below 10 years of age studying in classes IX and X. A large number of students (2,377) were found to be below the age of 15 years.

While accepting the audit observation, GoA stated that it may be a mistake on the part of applicants. The reply confirms the audit contention regarding absence of necessary verifications as per the scheme guidelines.

1.2.9.4 Pre-Matric scholarship for Scheduled Caste (SC) Students

1.2.9.4.1 Introduction

Pre-Matric scholarship for SC students studying in Classes IX and X was introduced during 2012-13 as a Centrally Sponsored Scheme and implemented through the State Government with the objective to support parents of SC children for education of their wards studying in classes IX and X, so that the incidence of drop-out, especially in transition from the elementary to the secondary stage is minimised and to improve participation of SC children in classes IX and X of the pre-matric stage, so that they perform better and have a better chance of progressing to the post-matric stage of education. Further, the Scheme is available for studies in India only and is awarded by the Government of the State/Union Territory to which the applicant belongs *i.e.*, where he/she is domiciled. As per guidelines, eligibility criteria, rate of scholarship and procedure of payment are as under:

- **Eligibility criteria:** Students should belong to Scheduled Caste and their parents' annual income should not be more than ₹ 2.50 lakh and they should not be getting any other Centrally-funded pre-matric scholarship. Students should be a regular, full-time student studying in a Government school or in a school recognised by a Central/State Board of Secondary Education. Scholarship for studying in any class will be available for only one year. If a student has to repeat a class, she/he would not get scholarship for that class for a second (or subsequent) year.

- **Rate of Scholarship:** The rate of scholarship is detailed in **Table 1.21:**

Table 1.21: Rate of scholarship

Item	Day Scholars	Hostel dwellers
Scholarship (₹ per month) (for 10 months)	225	525
Books and <i>Ad hoc</i> Grant (₹ per annum)	750	1,000
Total (₹ per annum)	3,000	6,250

- **Procedure of payment:** Procedure of payment of scholarship of pre-matric students of SC is the same as that of pre-matric scholarship of ST students.

1.2.9.4.2 Coverage of the scheme

Pre-matric scholarship scheme for SCs is implemented through NSP since December 2018. However, during 2018-19 and 2019-20, the number of beneficiaries were only 22 out of 98,581 and 224 out of 97,667 total enrolled students respectively which indicated very low coverage in the State resulting in target population being deprived of the intended benefits.

In reply, the Department of Welfare of SCs accepted the figure and stated (May 2022) that the number of beneficiaries availing benefits were very low due to “non-submission of authenticated documents such as Caste Certificate, Bank details, *etc.*, by the applicants”. As a result, payment could be made only to 22 out of 257 applicants in 2018-19 and to 224 out of 2,311 applicants in 2019-20.

This is an extremely low number of beneficiaries covered under the scholarship scheme, when judged against the significant SC population of 7.15 *per cent* (22.31 lakh) in the State as per Census 2011.

The Department had made no effort to advertise widely or create awareness about the scheme. The only publication that the Department made was the notifications for scholarship each year. There was nothing on record to show that efforts had been made to reduce the high rate of errors in application forms. It was only in February 2020 that the Department issued directive to SDWOs to personally visit educational institutions under their respective jurisdictions and monitor online submission of applications.

The awareness program was of greater significance in view of the shifting over of the scholarship to the DBT mode through the National Scholarship Portal from 2018-19, with online registration of students being a pre-requisite for availing the scholarship. This is one of the likely reasons for the extremely low number of beneficiaries availing scholarship and the steep drop in the numbers from 3,091 beneficiaries of pre-matric scholarship for SCs in 2017-18 to 22 in 2018-19 – a reduction in excess of 99 *per cent*.

Further, during the years 2014-15 to 2017-18, offline applications were received from SC students for awarding scholarship and since 2018-19, applications were invited through NSP. Thus, it was noticed that during the year 2018-19 and 2019-20, the number of beneficiaries compared to the years between 2014-15 and 2017-18 had dropped drastically as shown in **Table 1.22**.

Table 1.22: Year wise breakup of beneficiaries

(₹in lakh)

Year	Total No. of SC students (Class IX & X)	No. of applications received	No. of students found eligible	No. of beneficiaries	Total amount spent	Mode of payment
2014-15	98,095	Not available	Not available	17,057	383.78	NEFT/ RTGS
2015-16	97,960	Not available	Not available	8,810	198.23	
2016-17	96,913	Not available	Not available	7,636	171.81	
2017-18	94,886	Not available	Not available	3,091	69.55	
2018-19	98,581	257	23	22	0.78	PFMS
2019-20	97,667	2,311	232	224	5.52	

Source: Information furnished by Directorate of Scheduled Castes, Assam

It is clear that the Directorate had failed to raise awareness which is a prerequisite for successful implementation of the scheme.

Thus, in a State with Scheduled Caste population of 22.31 lakh (7.15 per cent of the population) lack of awareness amongst the target population and lack of initiative on the part of the Department had resulted in very low number of applicants and very high rejection rate of applications during the period covered by Audit.

On this being pointed out, GoA stated (May 2022) that during verification of documents, majority of students of pre-matric level did not possess the caste certificate, annual income certificate, bank accounts, etc. and accordingly applications were rejected. The reply does not address the issue of delay in the verification of applications.

1.2.10 Poor coverage of beneficiaries due to shortfall in verification of applications

National Scholarship Portal (NSP) of India contains data of applications received and applications verified in case of all the States. However, it does not contain information regarding the number of applications that are not verified-whether these are deficient or rejected or pending for verification at various levels. Payment of scholarship to the students is done after the applications are verified. On analysis of data on NSP¹⁷, it was seen that during 2019-20, 2,311 and 6,232 applications were received for SC and ST category, out of which only 232 (10.04 per cent) and 3,362 (53.95 per cent) applications were verified respectively.

Since payment of scholarship to the students is done after the applications were verified, less verification resulted in poor coverage of scholarship payments to the SC/ST students of the State as compared to States like Kerala, Karnataka, Gujarat and Maharashtra.

1.2.11 Conclusion

The Performance Audit showed that the implementation of DBT in Assam was not being carried out efficiently and effectively. The required infrastructure had not been created. While the State DBT Cell had been constituted, the State DBT Cell in Assam did not comply with or meet the objectives of the guidelines issued by the DBT Mission. For instance, no scheme-specific ICT application has been developed to capture data,

¹⁷ Assam 2019-20

no guidelines/norms/instructions was specified for classifying a scheme as DBT scheme, no scheme-specific MIS was integrated with the State DBT portal and no reconciliation of data was being done by the State DBT Cell, resulting in incomplete and unreliable data.

Further, the management of DBT Cell in the State was non-functional in terms of co-ordination with the State Government Departments implementing the DBT schemes. There is no system-based mechanism to verify data of beneficiaries and data entry is being done manually. There is no platform developed by the State Government to view the progress of the schemes. Thus, there is no scope for systemic internal controls and monitoring.

Consequently, implementation was marred with poor selection of beneficiaries, duplication of beneficiaries, excess payment to beneficiaries and payment made to beneficiaries more than once. Moreover, as per data furnished to Audit, coverage of many of the schemes was very low thereby defeating the purpose of the schemes. The coverage of pre-matric scholarships for SC students and pre-matric scholarships for ST students was very low. Falsely filed online claims for scholarships with hostel rate maintenance allowance and false verification of the same had led to additional disbursement of scholarships under pre matric scholarship for minority students.

Thus, the objective of DBT to achieve accurate selection of beneficiaries, maximising coverage and curbing pilferage and duplication could not be achieved in Assam.

1.2.12 Recommendations

Government of Assam may implement the following recommendation for proper implementation of DBT:

- *State DBT Cell should be made fully functional in terms of all its components and effective co-ordination ensured with the State Government Departments. Integration with scheme-specific MIS with the State DBT Cell should be done to exhibit complete and reliable data.*
- *Steps should be taken by the State DBT Cell to enrol the beneficiaries with a Unique ID and the Unique ID number should be linked with the bank account number of beneficiaries. The use of Unique Biometric Identification Number would obviate the need for multiple documents to prove one's identity and would bring in transparency and efficiency for beneficiary's selection and benefits conveniently.*
- *Social Welfare Department may migrate Deen Dayal Divyangjan Pension Scheme to a suitable IT platform with proper enrolment and validation procedures so that instances of beneficiaries claiming pension from multiple districts under the Scheme no longer recurs.*
- *Government may undertake a thorough review of the implementation of Pre-Matric Scholarship Scheme for Minorities and examine the systemic issues which led to such widespread fraudulent claims of hostel rate scholarship on non-existing hostels and fake beneficiaries and fix accountability for the same. Government may*

also ensure that the Unique ID based demographic authentication of the Institute/ District Nodal officers of the Scheme is completed at the earliest.

- *The Institute Nodal Officers, District Nodal Officers and State Nodal Officer should ensure that eligibility criteria is thoroughly verified before the list of beneficiaries is finalised.*
- *The Welfare of Plain Tribes and Backward Classes Department may address the critical issue of low enrolment of students in the scholarship schemes meant for SC and ST students, and take required steps to cover all eligible SC and ST students within the State in a time-bound manner.*

Compliance Audit Paragraphs

1.3.1 Excess, wasteful expenditure and procurement without requirement

Rule 466 (1) of Assam Financial Rules, 1939, as amended in 2017 stipulates that every public officer should exert the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of expenditure and the custody of his own money.

Government of Assam (GoA) instructed (August 2010) all the departments to follow the laid down procedure of Purchase Committee including normal competitive bidding process for purchase/procurement of goods and services and also to assess the market rate from Commissioner of Taxes or local Superintendent of Taxes in case of any doubt on the reasonableness of rate.

Further, Section 4(1) (c) of the Assam Public Procurement Act, 2017 stipulates that in relation to a public procurement, the procuring entity shall have the responsibility and accountability to ensure professionalism, economy and efficiency from the official involved in the process.

Moreover, GoA instructed (July 2018) all the departments to resort to e-procurement of all goods, services and works for all tenders of value ₹ 50.00 lakh and above.

Welfare of Tribal Affairs (P) Department

1.3.1.1 Excess Expenditure

Director of Welfare of Plain Tribes & Backward Classes and Director of Scheduled Castes incurred excess expenditure to the tune of ₹7.28 crore in procurement of water filters due to defective bid evaluation and award of work through 'Rate Contract' without verifying the market rate.

Director of WPT&BC and Director of Welfare of Scheduled Castes (SC) invited (03 November 2018) two bids separately from dealers/manufacturers through e-tender system for entering into Rate Contract for procurement of 30 litres capacity Drinking Water Filter for the years 2018-19 and 2019-20. The water filters were for the purpose of providing safe drinking water to poor Scheduled Tribes (STs), Other Backward Classes (OBCs) and Scheduled Caste (SCs) families/schools/ socio-economic groups. Two pre-bid meetings with the bidders were held by both the Directors on the same day

i.e., on 21 November 2018. During the pre-bid meetings, both the Directors subsequently revised the capacity of the drinking water filter from 30 litres to 20 litres. The two Directors, however, did not specify any reason for change of the capacity of the water filter. Out of 19 bidders¹⁸ (10 bidders were common who participated in the bidding process of both the Directorates) who participated in the bidding processes, the same three bidders¹⁹, quoting for the same product–‘*Puro Water Filter*’, were declared technically qualified by both the Technical Evaluation Committees concerned. The lowest (L1) bidder for the two Directorates was the same supplier who quoted the lowest rate of ₹ 1,370 per water filter (including two candles) and the same was approved by both the Directorates.

On completion of the tendering process, financial sanction amounting to ₹17.00 crore²⁰ was accorded by Government of Assam for 2018-19 and 2019-20 under one-time special grant for development of SC, ST and OBC communities. On receipt of financial sanctions (February 2019 and November 2019) from the Government, Director, WPT&BC and Director, Welfare of SC issued six supply orders (February, March and December 2019; February 2020) to the L1 bidder at the approved rate for procurement of 1,24,084 water filters of 20 litre capacity for 2018-19 and 2019-20. The Directorate-wise quantities of procurement are shown in **Table 1.23**.

Table 1.23: Year-wise procurement

Year	Director of Welfare of SC	Director of WPT&BC	Total
2018-19	29,196	29,196	58,392
2019-20	29,197	36,495	65,692
Total	58,393	65,691	1,24,084

On submission of six bills (March 2019 to March 2020) by the supplier, payment of ₹ 17 crore was made to him during the same period.

Scrutiny of records (August-December 2020) showed that 16 bidders were disqualified on the ground of improper test reports for water filter and sample. No further details regarding reasons for technical disqualification were found on record. Test reports for water filter and samples were certified in the name of the dealer or brand name but not in the name of the bidders, as was required in the bid document. No other significant shortcomings (except NABL accreditation for few) was found in the test report but the bid evaluation committee disqualified all these bids, including the bidders quoting to supply nationally known brands like Eureka Forbes and Kent, and other brands submitted by other bidders, restricting the competition within three bidders only.

The three bidders who were declared technically qualified had shown remarkable similarities in their proposals, leading to doubts on the integrity of their bids, and the possibility of collusive bidding due to the following facts:

¹⁸ 16 and 13 bidders in the bidding process of WPTBC Directorate and SC Directorate respectively.

¹⁹ (i) Shree Siddha Manglam, (ii) MRK Associates, and (iii) JKF Trading Centre.

²⁰ SC:-₹ four crore each in 2018-19 and 2019-20; WPT&BC:-₹ four crore and ₹ five crore in 2018-19 and 2019-20 respectively.

1. The samples of Drinking Water Filter for testing were submitted by three qualified bidders to the same laboratory (Envirocheck) on the same day (26 November 2018) and test reports were also issued on the same date (28 November 2018). This laboratory was Kolkata-based, while all the three bidders were Guwahati-based.
2. These three bidders submitted quotes for the same product *i.e.*, Puro Water filter.
3. The technical bid submitted by these three bidders included an identically formatted covering document - Checklist for Technical Bid (Annexure-G) – which even had the same spelling mistake²¹ leading to the conclusion that these bids were likely prepared by the same person.

The bid evaluation committee ignored the above facts which raises doubts on the whole procurement process which was not need-based (substantial quantities remained to be distributed as discussed in the succeeding paragraphs) and designed to extend benefit to the selected supplier.

Audit further noted that tendering was done on ‘Rate Contract’²² basis for making supply for 2018-19 and 2019-20. However, the market price was not verified by the Directorates to assess the reasonableness of the bid price offered by the L1 bidder in contravention of the instructions issued vide OM (August 2010) before approving the rates. Audit collected the market price from the Additional Commissioner of Taxes (ACT) for 20 litre capacity of water filter of same make and specification and found that the approved rate of ₹ 1,370 was much higher than the communicated market price. This led to an estimated excess expenditure to the tune of ₹ 7.28 crore as shown in

Table 1.24:

Table 1.24: Estimation of excess expenditure

Year	Market rate furnished by ACT (₹)	Printed rate of two candles (MRP) (₹)	Total estimated market price including two candles (₹)	Total quantity supplied	Difference with approved rate of ₹ 1,370 (₹)	Estimated excess expenditure (₹)
2018-19	400	378	778	58,392	592	3,45,68,064
2019-20	410	378	788	65,692	582	3,82,32,744
Total						7,28,00,808

Audit also directly ascertained the maximum retail price (MRP) of water filter from the open market. Audit found that although 20 litre water filter of same make and specification was not available in the market, a drinking water filter of 21 litre capacity of same make and specification was available at an MRP of ₹ 775²³ (September 2020), which, along with two candles made the total purchase cost ₹ 1,153²⁴ only.

²¹ ‘Performance’ was wrongly spelled as ‘Perfomence’ at Sl. No. 17 of Annexure-G, though the Tender document had correctly spelt this word while specifying the format of Annexure-G

²² The Rate Contract is a contract under which, during the period of its currency, the contractor engages to supply materials on demand, irrespective of quantity, at fixed unit rates or prices, within a given period of receipt of such demand.

²³ Additional Commissioner of Taxes stated the market rate of ₹ 520 for 21 litre for 2019-20.

²⁴ Filter ₹775 plus cost of two additional candle ₹ 378.

Audit further noted that supply of the items to the destination were delayed ranging from three to eight months even after making the advance payment to the supplier. As such, the Department also did not ensure supply of materials before making payment in contravention of the condition of supply which stipulated release of payment only on satisfactory completion of delivery of materials to the destination. This also pointed towards extending undue financial benefit to the supplier by the Department.

Audit also conducted physical verification (July 2022) of six Sub-Divisional Welfare Office²⁵ (SDWO) where the materials were delivered, to assess the actual utilisation of water filters and found that out of 11,978 water filters received during 2018-20 by those six SDWOs, 2,943 water filters (24.6 per cent) were yet to be distributed to the beneficiaries. The Directorates did not maintain any record to keep watch on the actual requirement/distribution/utilisation of materials procured and supplied by them. This indicated procurement without assessing the actual requirement thereby placing needless financial burden on the State exchequer.

Thus, due care was not taken to ensure professionalism, economy and efficiency in procurement resulting in excess expenditure to the tune of ₹ 7.28 crore besides giving financial benefit to the supplier to that extent.

The matter was forwarded (November 2022) to the Government and discussed in an exit meeting (November 2022) held with the Department. During the meeting, the Principal Secretary, Department of Tribal Affairs (P) assured that the matter would be reviewed and a detailed reply along with all the necessary documents will be forwarded to audit, which is awaited (April 2023).

Government may consider for fixing accountability at the appropriate level for the above lapses in public procurement.

1.3.1.2 Excess expenditure and procurement without requirement

Director, Welfare of Scheduled Castes, and Director, Welfare of Plains Tribes and Backward Classes, Assam incurred excess expenditure to the tune of ₹ 5.09 crore on procurement of agricultural kits because of approval of higher rate without verification of the Maximum Retail Price and prevailing market rate. Also, procurement was made without assessing requirement of beneficiaries through field level offices resulting in idle procurement. In test-checked four districts alone, cost of such idle procurement was ₹1.20 crore.

In the course of audit (October-December 2020) of records of the Director of Welfare of Scheduled Castes (DWSC) and Director, WPT&BC, it was noticed that two Directors invited (November 2019 and July 2019 respectively) tenders from manufacturers or their duly authorised dealers through e-tendering in two bid system for supply of agricultural kits for the development of Scheduled Caste (SC), Scheduled Tribes (ST) and Other Backward Class (OBC) communities under the scheme 'One-time special grant for Development of SC/ST/OBC Families'. The agricultural kits

²⁵ Tamulpur, Barpeta, Kajalgaon, North Salmara, Guwahati, Kaliabor

consisted of 07 items viz., torch, rain coat, hand spray machine, ankle boot, kit bag, foldable umbrella and tarpaulin.

The participating bidders (13 bidders²⁶) quoted individual item-wise rate and then rate of each individual item was added up for arriving at the rate of one kit. A rate of ₹ 9,515 per kit so worked out, offered by two bidders, was found to be the lowest and was got approved.

Government of Assam accorded (March 2020) financial sanction amounting to ₹ 24 crore (rounded²⁷) for 2019-20 under the Scheme on the basis of proposals submitted by the Directors. Two Directors issued (March 2020) supply orders for 25,220 kits²⁸ to six suppliers²⁹ at the approved rate and based on the bills of the suppliers, made a payment of ₹ 24 crore³⁰.

Audit scrutiny and physical verification of a sample of items supplied showed that the MRP of two items printed on the body of the sample were lower than that of offered and approved rate as given in **Table 1.25**.

Table 1.25: Comparison of rate quoted and MRP

Sl. No.	Item	Rate quoted by J.N Trading (in ₹)	Rate quoted by K.B.S Commercial (in ₹)	MRP (in ₹)
1.	Torch	2,215	2,220	895
2.	Hand Spray Machine	2,250	2,250	2,050

Considering the MRP of two items viz., Torch and Hand Spray Machine, the excess amount paid in procurement for these two items alone amounted to ₹ 1,520 per Agricultural kit³¹, leading to a total excess cost in procurement of ₹ 3.83 crore.

In case of the remaining five items whose MRP was not found printed, the prevailing market rates during 2019-20 were collected by audit from the ACT. A comparison showed that the approved rate differed from the MRP and market rate furnished by ACT as shown in **Table 1.26**.

Table 1.26: Comparison of approved rate and market rate

Sl. No.	Item	Rate quoted by J.N Trading (in ₹)	Rate quoted by K.B.S Commercial (in ₹)	Market price inclusive of tax (in ₹)
1	Rain Coat	890	870	810
2	Ankle Boot	1,180	1,190	1,180
3	Kit Bag	950	950	571

²⁶ 12 bidders in SC Directorate and 11 in WPTBC Directorate participated in the bidding process of which 10 bidders were common for two Directorates. All 12 bidders for SC Directorate and 10 of WPTBC were qualified in technical bid. The lowest offered rate was ₹ 9,515 and the maximum rate was ₹ 9,970. Each bidder offered same rate for both the Directorates.

²⁷ ₹ 2,399.68 lakh.

²⁸ Directorate of SC: 9,458 kits and Directorate of WPT&BC: 15,762 kits.

²⁹ (1) J. N Trading (16,682 kits) (2) D-Fashion (1,865 kits) (3) Santana Enterprise (2,927 kits) (4) M/s S.S Enterprise (2,921 kits) (5) M/s. Abhishek Marketing (524 kits) and (6) Indranuj Kashyap (301 kits).

³⁰ Welfare of SC Bill No. 331 & 332 dtd.26.03.2020-₹ 899.93 lakh; WPT&BC- Bill No.291-296 dtd.26.03.2020-₹1,499.75 lakh.

³¹ ₹2,215 + ₹2,250 - ₹895 - ₹2,050=₹1,520.

Sl. No.	Item	Rate quoted by J.N Trading (in ₹)	Rate quoted by K.B.S Commercial (in ₹)	Market price inclusive of tax (in ₹)
4	Foldable Umbrella	280	285	280
5	Tarpaulin ³²	1,750	1,760	1,711
Total		5,050	5,055	4,552

From the above, it can be seen that on five items an excess amount of ₹ 1.26 crore was incurred compared to the market rate (₹ 498 X 25,220 kits).

Audit observed the following deficiencies which resulted in such excess expenditure:

1. Market rate was not verified by the purchase committees before finalising the rates.
2. As per tender condition, affidavit was to be provided by participating suppliers stating that the quoted price shall not exceed MRP, which was overlooked while approving the quoted rates.
3. Supply order was split among six bidders, but as per the approved lowest rate of ₹ 9,515 per agricultural kit. The selection of these six bidders was arbitrary – among the two L1 bidders, only one was awarded a part of the supply order, with the remaining order being split among five other bidders who had quoted higher amounts. The basis for selection of six suppliers ignoring one of the lowest bidders and ground of acceptance by the highest bidders to supply at the lowest rate was not found recorded and was thus arbitrary. Awarding supply orders by splitting up the quantities among the participating bidders irrespective of their offered rate vitiated the bidding process which is designed to elicit the best response and awarding the work to such L1 bidder and encouraged future instances of non-competitive and collusive bidding.

Further, procurement of agricultural kits was made neither by ascertaining requirement from the field level offices nor had the Directorates pursued for any progress of distribution to beneficiaries with the field level offices. In a subsequent period, Audit physically visited (July 2022) seven SDWOs located in five different districts to verify actual status of distribution of kits. Such exercise showed that though three SDWO³³ had completed distribution, the remaining four SDWOs³⁴ could not distribute 1,263 kits out of 3,274 kits received by them involving purchase cost of ₹ 1.20 crore, either due to lack of interested beneficiaries or due to want of approved list of beneficiaries. Such idle expenditure on account of undistributed kits is likely to be present in the other 27 districts too where these items had been supplied for distribution.

The matter was forwarded (September 2022) to the Government and discussed in an exit meeting (November 2022) held with the Department. During the meeting, the Director, Tribal Affairs (P) Department stated that the approved rate was inclusive of transportation to different locations, storage, loading unloading, *etc.* in addition to MRP. Further, in case of distribution, the beneficiaries were selected by board members of SC and OBC. However, in many of the districts, the boards were not formed at that

³² 200GSM fitted with eyelet, Size 15ftX8ft.

³³ Darrang, Morigaon and Kaliabor.

³⁴ Rangia, Nalbari, Nagaon and Hojai.

time. The Department assured that a detailed reply along with all the necessary documents would be forwarded to audit, which is awaited (April 2023).

The reply is not acceptable as the MRP itself is inclusive of all charges. Further, the reply established the audit contention that the procurement was made without assessing the requirement and was not need-based with prior identification of beneficiaries leading to huge amount of idle investment.

Welfare of Tribal Affairs (P) Department

1.3.2 Wasteful and excess expenditure

Welfare of Plains Tribes & Backward Classes (WPT & BC) Department procured agricultural seed kits for ₹ 17 crore without assessing any requirement from the field offices resulting in expiry of seeds worth ₹ 2.37 crore in the test-checked 14 field offices.

Government of Assam accorded (February 2019 and January 2020) sanction for ₹ 17 crore³⁵ for procurement and distribution of Hybrid and Open Pollinated (OP) vegetable seed based on three proposals sent by the Director, WPT&BC. Accordingly, the Director procured 22,197 vegetable seed kits³⁶ containing twelve different types of seeds³⁷ for 2018-19 and 2019-20 through e-tender system (January 2019) and incurred (March 2019 and March 2020) an expenditure of ₹ 17 crore as shown in **Table 1.27**.

Table 1.27: Expenditure incurred on procurement of Seed Kits

Year	Community	Quantity	Expenditure incurred (₹ in crore)
2018-19	ST	6,371	5.00
2018-19	OBC	6,416	5.00
2019-20	OBC	9,410	7.00
Total		22,197	17.00

The vegetable seeds were to be distributed to Scheduled Tribes (STs) and Other Backward Classes (OBCs) beneficiaries under the scheme 'One-time special grant for Development of ST/OBC Families' through 48 SDWOs, two Autonomous Councils (AC)³⁸ and 20 Integrated Tribal Development Projects (ITDP). As per records, the seeds were supplied (March 2019-July 2020) by eight suppliers to different SDWOs, ACs and ITDPs.

Audit visited (August-October 2020 and August-September 2022) eight districts³⁹ covering 14 SDWOs/ITDPs to assess the status of distribution of seeds to beneficiaries. It was seen that large quantities of seeds were not distributed mainly because of non-selection of beneficiaries or beneficiaries not being interested in collecting seed kits. Altogether 6,907 seed kits involving cost of ₹ 5.27 crore were delivered to those 14 test-checked units for distribution to beneficiaries, of which, 3,116 seed kits

³⁵ 2018-19: ST = ₹5.00 crore, OBC = ₹5.00 crore and 2019-20: OBC = ₹7.00 crore.

³⁶ 2018-19 = 12,787; 2019-20 = 9,410.

³⁷ 1. Bitter Gourd, 2. Chilli, 3. Tomato, 4. Pea, 5. Water Melon, 6. Cucumber, 7. Okra, 8. Bottle Gourd, 9. Sponge Gourd, 10. Muskmelon, 11. Carrot and 12. Radish.

³⁸ Karbi Anglong and NC Hills.

³⁹ Morigaon, Kamrup (M), Kokrajhar, Hojai, Goalpara, Bongaingaon, Nalbari and North Salmara.

involving cost of ₹ 2.37 crore got expired/damaged due to non-distribution. Details are shown in *Appendix-1.5*.

Further, 3,791 kits were shown to have been distributed among beneficiaries. In this regard, audit observed the following:

1. Actual Payee Receipt (APR) and distribution records for 259 kits by two units⁴⁰ could not be shown to audit. Thus, distribution of 259 kits involving ₹ 19.21 lakh could not be vouchsafed.
2. In SDWO and ITDP, Kamrup (M), 588 seed kits were stated to have been handed over to District Agriculture Officer (DAO) for onward distribution to beneficiaries. However, they failed to furnish records of receipt of kits by DAO, Kamrup. During cross-verification by audit, DAO denied receipt of any such seed kits. Thus, distribution of 588 seed kits worth ₹ 43.54 lakh seems doubtful.

Test-check of records relating to utilisation of seeds worth ₹ 5.27 crore (31 per cent of total procurement of ₹ 17 crore) in 14 units revealed expiry of seeds worth ₹ 2.37 crore (45 per cent) and doubtful utilisation of seeds worth ₹ 0.63 crore (₹ 19.21 lakh plus ₹ 43.54 lakh) i.e., 12 per cent. Thus, more than 50 per cent of seeds had been misutilised.

During audit, it was observed that the Director procured agricultural seeds without assessing any requirement from field level offices. The SDWOs/ITDPs stated (September 2022) that the Directorate had neither asked for requirement from field level nor were beneficiaries selected for distribution of seeds. This indicated lack of planning and coordination prior to procurement of huge quantities of seeds. Also, the Directorate had not monitored actual utilisation of seeds procured centrally and supplied to field offices for onward distribution to beneficiaries. These lapses resulted in wasteful and doubtful expenditure discussed above.

The matter was forwarded (October 2022) to the Government and discussed in an exit meeting (November 2022) held with the Department. During the meeting, the Director, Tribal Affairs (P) Department stated that the Assam Seeds Corporation Limited follows this procedure for the specified variety of seeds. The Department assured that a detailed reply along with all the necessary documents would be forwarded to audit, which is awaited (April 2023).

Government may review the status of utilisation of agricultural seeds in the remaining districts and consider fixing responsibility at appropriate level for procuring such huge quantities of seeds without following due procurement procedure for maintaining economy in public procurement, and without making any plan for its utilisation which led to wastage and misutilisation of government money.

⁴⁰ SDWO, Nagaon – 238 kits and ITDP, Kokrajhar – 21 kits.