

EXECUTIVE SUMMARY

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About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of government departments and autonomous bodies of the Government of Maharashtra. Compliance audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

The primary purpose of this Report is to bring important results of audit to the notice of the State Legislature. The findings of audit are expected to enable the executive to take corrective actions and also to frame policies and directives that will lead to improved operational efficiency and financial management of the organisations, thus contributing to better governance.

This Report contains 16 paragraphs, including two Subject Specific Compliance Audit on (i) Implementation of scheme for education of Tribal students in Namankit Residential Schools (ii) Functioning of hostels for Backward Class Students and 14 audit paragraphs.

There are 24 departments and 15 autonomous bodies of the Government of Maharashtra headed by Additional Chief Secretary/Principal Secretaries/Secretaries, which are audited by the Principal Accountant General (Audit)-I, Maharashtra, Mumbai.

(Paragraph 1.1)

Explanatory Memorandum on 19 paragraphs and reviews included in the Audit Reports were outstanding for the period ranging between 13 months and 123 months. Action Taken Notes on 415 recommendations of Public Accounts Committee and Committee on Public Undertakings were pending from 16 departments.

(Paragraph 1.6.4)

Significant findings on Audit of Transactions are as follows:

Tribal Development Department

(i) Subject Specific Compliance Audit paragraph on Implementation of scheme for education of Tribal students in Namankit Residential Schools

Tribal Development Department, Government of Maharashtra introduced a scheme from the academic year 2010-11 to educate tribal students in Namankit English medium residential private schools enabling them to keep pace with the changing environment in the field of higher education.

Though the target for new admissions was 25,000, the total seats approved during the year 2018-19 to 2022-23 ranged from 2,910 to 5,675. As against the

approved seats for new admissions, the *percentage* shortfall in admission ranged from eight *per cent* during 2021-22 to 33 *per cent* during 2018-19.

The number of schools approved by the Department had decreased from 176 (2018-19) to 157 (2022-23). The number of eligible applications received for admission from students for the year 2022-23 was 4,883 as against 2,910 seats approved. Thus, despite there being demand for admission under the scheme, the decrease in the number of schools participating under the scheme, with the consequent decrease in the number of seats approved, deprives eligible students of the benefit under the scheme.

During the year 2022-23, due to policy decision taken after applications received from eligible students, 1,902 eligible applicants were denied admission in 2nd standard.

Though there were no provision/guidelines/orders/circulars in the scheme for revision in the initial grading awarded to schools by the committee, the Department revised the grades of 26 schools for the academic year 2018-19, 2019-20 and 2021-22. In four cases, the approval to revise the grading was awarded at the Deputy Secretary level. Due to revision in grading, arrears of ₹9.53 crore was paid to 16 schools.

The Department did not adhere to its own timelines, resulting in the delayed selection of schools and the consequent late admissions of students. These late admissions further resulted in a compressed teaching schedule for the students admitted belatedly.

During 2018-19 to 2022-23, 81 to 134 schools not fulfilling the eligibility criteria were selected under the scheme. Repeated approvals were given to schools not meeting the eligibility criteria in the given time period. Admitting students to schools not meeting mandatory requirements not only potentially compromises the quality of education but also results in the disbursement of funds to schools not fulfilling the mandatory criteria.

Three schools not approved by the committee were selected under the scheme by the department as a special case. Additional new admissions were allotted to 10 schools for the academic years 2018-19 and 2019-20, without the approval of the committee. Six Schools approved by the secretary level committee were excluded from Government Resolution (GR) granting approval to schools indicating weak internal control in issuing the GR and irregularity in payments without a valid sanction order.

Delay in issuing the GR in 2022-23 led to a situation where exemptions had to be granted to schools that did not fulfil the mandatory requirements exposing students to the institutions lacking the prescribed educational and infrastructural standards.

Department did not conduct required test during 2018-19 to 2022-23 for teachers of Namankit schools to ascertain their ability to read, write and speak English fluently. Guidelines of the scheme do not provide for the maintenance of separate accounts and submission of utilization of funds received by the

school under the scheme. Therefore, the department did not have any information on whether the funds disbursed to schools were used for Tribal students.

Approval was given to eight Day boarding schools under Additional Tribal Commissioner (ATC), Nagpur and one Day boarding school under ATC, Amravati for the academic year 2018-19 to 2022-23, even though the scheme guidelines did not provide for Day boarding school.

Reports of quarterly and surprise inspection of hostels conducted by Project Officers (PO) were not submitted to higher authorities. There were cases of non- distribution of materials viz. school uniform, PT dress, Night dress, school bags, books, stationery etc. to the students and lack of monitoring of material distribution in schools. Out of 28 POs, only two POs had submitted the evaluation reports of 13 schools under their jurisdiction to the Commissioner Office.

Recommendations

- *The State Government should fix realistic target for admission and ensure that all the eligible students are given admission to the schools under the scheme near to their hometown.*
- *The State Government should ensure that proper policy is prescribed for any revision in grading of Namankit schools in time bound manner duly approved by the Secretary level Committee.*
- *The State Government should ensure that the process of selection of schools is completed before the start of the academic year so as to avoid the academic loss of students.*
- *The State Government should issue instructions for preparation of separate accounts and submission of utilisation certificates in respect of funds received under the scheme.*
- *The State Government should ensure submission of reports of quarterly inspection/surprise check of schools to higher authorities for effective monitoring.*
- *The State Government should ensure proper monitoring of material distribution to the students.*

(Paragraph 2.1)

Social Justice and Special Assistance Department

(ii) Subject Specific Compliance Audit paragraph on Functioning of hostels for Backward Class Students

The Social Justice and Special Assistance Department (SJSAD) has established hostels to support students of SC and other weaker sections by providing them with accommodation and other facilities to pursue their school and college

education. Further, SJSAD introduced (January 2017), the Swadhar scheme for payment of fixed allowance for food, accommodation and maintenance/subsistence allowance to the students of Schedule Castes and Neo-Buddhist categories for whom hostel facilities could not be provided.

The decision of the department not to pursue the construction of new Government Hostels (GH), without extending the Swadhar Scheme to all uncovered talukas and eligible categories, resulted in the continued absence of hostel facilities in 117 talukas, thereby depriving students in 8,930 institutions of access to residential educational support and diluting the objective of providing equitable educational opportunities to backward class students. Time bound detailed plan was also not prepared by SJSAD to achieve the target of 500 GHs under Sustainable Development Goals (SDG) by year 2020.

Government hostels exhibited under-utilization of funds, particularly in 2023-24, where expenditure of ₹430.50 crore fell short of disbursement of ₹487.15 crore, leaving ₹56.65 crore unutilised. The under-utilisation of funds under GHs, despite higher allocations, points to implementation and absorption constraints and indicates that budgetary support was not fully translated into commensurate expansion or strengthening of hostel infrastructure and services.

There was delay in payment of instalment under Swadhar scheme due to delay in receipt of funds and incomplete documents submitted by the students. Lack of coordination in verifying the data of the payments made under both Post-Matric Scholarship scheme and Swadhar scheme led to incorrect adjustment of maintenance allowances and resulted in short payment of ₹57.82 lakh to 1,302 students. Further, due to incorrect rates adopted for adjustment of maintenance allowance payable under post-matric scholarship scheme, there was short payment of ₹9.10 lakh to 471 students in nine¹ districts and excess payment of ₹3.87 lakh to 271 students in seven² districts.

Even after incurring significant expenditure of ₹4.55 crore, the intended hostel facilities for Boys and Girls at Kalyan, Thane district, remained unavailable for use due to deficiencies in planning, contract management and inter-departmental coordination between the Social Justice and Special Assistance Department and the Public Works Department. The department shifted students from existing hostels to the new hostels instead of utilising new hostels for their intended purpose of accommodating new students.

As on March 2024, 155 GHs out of 443 GHs in the State were functioning in rented buildings. Audit further noticed that 36 GHs out of these 155 GHs which had a total sanctioned capacity of 3,290 students were operating in rented hostels that could accommodate only 2,316 students due to limited capacity of rented buildings. The operation of GHs in rented buildings with lower intake

¹ Ahilyanagar, Buldhana, Dharashiv, Jalna, Latur, Nagpur, Pune, Sangli and Thane.

² Ahilyanagar, Buldhana, Dharashiv, Latur, Nagpur, Pune and Thane.

capacity *vis-à-vis* the sanctioned capacity ranged between five *per cent* and 50 *per cent*.

Out of total 109 GHs in six districts, posts of warden were vacant in 49 hostels (including 28 girls' hostel) and the additional charge of these hostels was given to the regular wardens of other hostels. In five girls' hostels, the charge of post of wardens was given to male warden.

There were shortfalls in basic facilities such as CCTV, Fire extinguisher, dining room, Computer, Library, inverter facilities *etc.* The Department did not ensure compliance with its own Government Resolution mandating barrier-free facilities and periodic monitoring for students with disabilities in hostels. Though the biometric attendance system was rolled out across both Government and Aided Hostels, its limited functionality, particularly in Government Hostels indicates inadequate planning for post-installation support and weak monitoring.

The Department did not ensure that aided hostels adhered to the stipulated infrastructure standards and availability of prescribed area norms. Consequently, students were compelled to reside in overcrowded and inadequate facilities, adversely affecting their health, safety and overall living conditions. Despite long-standing guidelines mandating provision of basic facilities in Aided Hostels, a large proportion of hostels lacked minimum standards of hygiene, safety and habitability. Joint physical verification of selected 21 Aided Hostels (AHs) revealed instances of uninhabitable conditions, closed hostels and under construction hostel shown as functional, absence of staff and students, non-maintenance of attendance and admission records of the students, absence of buffer stock of raw food material, absence of personal belongings of the students, *etc* in six AHs which indicated that the operation of the AHs was purportedly bogus. Payments made to these six AHs in respect of maintenance, rent and honorarium during 2019-20 to 2023-24 was ₹1.62 crore. There was considerable shortfall in inspection of GHs & AHs at the level of Commissioner, Regional Deputy Commissioners, Assistant Commissioners and District Social Welfare Officers, Zilla Parishad and in meetings of district and taluka coordination committee.

Recommendations

- *The State Government may conduct a comprehensive demand assessment covering not only demand under Swadhar scheme but also the demand from students of 8th to 10th standards and students belonging to OBC, SBC and other weaker sections studying post 10th standard for prioritizing construction of Government hostels.*
- *The Government may expedite development of online portal for timely disbursement of installments under Swadhar scheme and also create timeline for disposal of incomplete applications under Swadhar scheme.*

- *The Government may take up the issue of delay in construction of hostels with Public Works Department for completion of work in a time bound manner.*
- *The Department may expedite filling up of vacant warden posts and ensure adequate deployment, particularly in girls' hostels, so as to strengthen on-site supervision, safety and grievance redressal.*
- *The Government may ensure installation and proper maintenance of biometric system for proper monitoring of the students and staff of the Government and Aided hostels.*
- *The Government may give direction to aided hostels to comply with the direction to maintain minimum prescribed area in stipulated time and ensure that all prescribed facilities are available in hostels.*

(Paragraph 2.2)

Revenue and Forest Department

- The negligence of the Settlement Commissioner & Director of Land Records (SC & DLR) by not invoking the MoU clause with the User resulted in Pending Fees Receipts of ₹217.99 crore from Banks, Institutions and Agriculture Department, GoM for usage of Records of Rights (RoR) downloaded through the Web Portal/Services facility.

(Paragraph 2.3)

- Incorrect application of rates by Tahasildar, Panvel as per the Annual Statement of Rates resulted in short levy of occupancy charges amounting to ₹69.10 lakh on allotment of government land to Mumbai Metropolitan Region Development Authority for developing Mumbai Trans Harbour Link Road.

(Paragraph 2.4)

- Unfruitful expenditure of ₹2.74 crore on construction of Staff quarters at Gondia due to deficient planning and selection of an unsuitable location.

(Paragraph 2.6)

Revenue and Forest Department (Disaster Management Relief and Rehabilitation)

- Flaw in the system to disburse financial assistance to farmers affected by natural calamities resulted in excess payment of ₹2.60 crore in two test-checked districts.

(Paragraph 2.7)

Housing Department

- The incorrect computation of total Sanctioned Floor Space Index (FSI) for the Slum Rehabilitation Scheme resulted in excess sanction of Transferrable

Development Rights (TDR) to two Developers to the tune of 3,159.31 square meters valuing ₹6.29 crore and 11,157.83 square meters valuing ₹29.51 crore.

(Paragraph 2.8)

- Sanction of slum FSI to an unencumbered school plot within the slum boundary resulted in undue benefit to the developer to the tune of ₹18.49 crore.

(Paragraph 2.9)

Medical Education and Drugs Department

- Non-adherence of the Clauses of Pradhan Mantri Swasthya Suraksha Yojana Guidelines resulted in Idle investment of ₹39.08 crore on Unused Medical equipment at Shri Vasant Rao Naik Government Medical College and Hospital, Yavatmal.

(Paragraph 2.10)

Co-operation, Marketing and Textiles Department

- Non-adherence to prescribed Treasury procedures for opening and operating a Personal Ledger Account and Inadequate monitoring and enforcement of financial rules enabled the continued retention of receipts amounting to ₹26.35 crore outside the Consolidated Fund/Public Account, thereby diluting legislative oversight and budgetary control resulting in irregular utilisation of funds and avoidable financial outgo.

(Paragraph 2.11)

Marathi Language Department

- Delay in construction of Sub Centre of Marathi *Bhasha Bhavan* owing to deficiencies in project planning, inadequate due diligence in site selection, non-finalisation of designs prior to tendering and weaknesses in contract management resulted in blocking of funds of ₹15.90 crore.

(Paragraph 2.12)

Food, Civil Supplies and Consumer Protection Department

- The omission to incorporate provisions for essential infrastructure such as protection walls, internal roads at the estimation stage, during construction of Godowns resulted in incomplete facilities and rendered the godowns worth ₹5.98 crore unutilised.

(Paragraph 2.13)

Urban Development Department

- Delay in initiating the tender process by Mumbai Metropolitan Region Development Authority before the expiry of the existing contract, coupled with inclusion of tender conditions inconsistent with the 'First Right of

Refusal' clause, led to cancellation of tenders and delay in finalisation of a new contract, resulted in non-utilisation of car parking space and consequent loss of revenue of ₹5.93 crore.

(Paragraph 2.14)

General Administration Department

- Delay in obtaining administrative and technical approvals for pending works for construction of *Patrakar Bhavan* resulted in blockage of public funds amounting to ₹2.43 crore.

(Paragraph 2.15)

Public Health Department

- The inability of the Daga Memorial Government Women Hospital (DMGWH) administration and Public Health Department to plan and provide for post Operation and Maintenance through regular budgetary mechanisms, coupled with delayed and *adhoc* funding proposals, resulted in idling of the Effluent Treatment Plant rendering an investment of ₹1.27 crore unproductive for over six years.

(Paragraph 2.16)