

## **CHAPTER-II**

### **AUDIT OF TRASACTIONS**



## CHAPTER II

### Audit of Transactions

Audit of transactions of the government departments, their field formations as well as that of the autonomous bodies brought out instances of lapses in management of resources and non-observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs.

#### Subject Specific Compliance Audit on Tribal Development Department

#### 2.1 Implementation of scheme for education of Tribal students in Namankit Residential Schools

##### 2.1.1 Introduction

Tribal Development Department, Government of Maharashtra (Department) introduced (August 2009) a scheme to educate tribal students in Namankit English medium residential private schools. The scheme was introduced to impart education to tribal students in English medium, thereby enabling them to keep pace with the changing environment in the field of higher education. Under the scheme, admissions to eligible tribal students were given in first and second standards<sup>1</sup> only and classes were held up to 12<sup>th</sup> standard. The scheme was implemented from the academic year 2010-11 in the entire state.

For selection of schools, Department publishes advertisements in the newspapers every year, inviting proposals from the schools. Information regarding educational and infrastructural facilities is uploaded by the schools in online portal<sup>2</sup> developed by the Department. Scores secured by schools are generated automatically based on the information furnished by the schools which are verified in person by the Additional Tribal Commissioner (ATC)/ Project officer (PO). After verification, final scores are determined on the basis of actual educational and infrastructural facilities available in the schools and subsequently grades are allotted. Thereafter, the Commissioner submits the proposal before the secretary level committee (Committee)<sup>3</sup> for approval of schools fulfilling the eligibility criteria<sup>4</sup> After approval by the Committee,

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<sup>1</sup> Admission was granted for Class 1 from academic year 2010-11 to 2014-15, for Class 1 and 5 for academic years 2015-16, for Class 1 to 5 for academic year 2016-17, for Class 1 and 2 from academic years 2017-18 to 2021-22 and for class 1 from academic year 2022-23.

<sup>2</sup> <https://namankit.mahaonline.gov.in>

<sup>3</sup> The Principal Secretary of the Department is the chairman of the Committee while Principal Secretary, Finance Department and Secretary, School Education Department are the members of the Committee.

<sup>4</sup> Important mandatory criteria for schools are (i) minimum 90 *per cent* teachers educated in English medium (ii) at least three batches of 10<sup>th</sup> standards have passed (iii) availability of physics, chemistry and biology laboratories with qualified assistant *etc.* and important mandatory criteria for hostels are (i) separate building for accommodation of boys and girls (ii) approval of Food and Drug Administration and fire department for the kitchen of hostels (iii) one washbasin for every 15 students and one bathroom/toilet for every 20 students *etc.*

Government Resolutions (GRs) are issued every year approving the inclusion of existing as well as new schools under the scheme along with the number of students allowed for admission.

The applications from the students for admission in the school are received in the Project Offices. The Project Officer finalises the admission of the students based on the eligibility criteria prescribed by the Department that mandates the student should belong to scheduled tribe and annual income of the parents of the students should not exceed ₹ one lakh.

The schools selected by the committee are paid an annual fee per tribal student at ₹50,000 to the schools with a grading of 60-69, ₹60,000 with a grading of 70-79 and ₹70,000 with a grading of 80 and above from the academic year 2016-17. The schools with a grading below 60 are ineligible under the scheme.

The data relating to selected schools, their grades, names of the students admitted to school, Aadhaar numbers of the students, *etc.* were entered in the online system to generate bills and make payments to the schools. The bills for payment to schools were generated in the online system by the concerned ATC and submitted to the Commissioner. The Commissioner submitted the bills to the Treasury and after the bills were passed, payments were made directly to schools through RTGS/NEFT. From November 2022, ATCs were authorised to submit the generated bills to Treasury and make payments directly to schools.

For the academic year 2023-24, 139 schools were approved and 47,315 students were enrolled under the scheme till March 2024. During the year 2018-19 to 2023-24, an expenditure of ₹ 1398.62 crore<sup>5</sup> was incurred under the scheme.

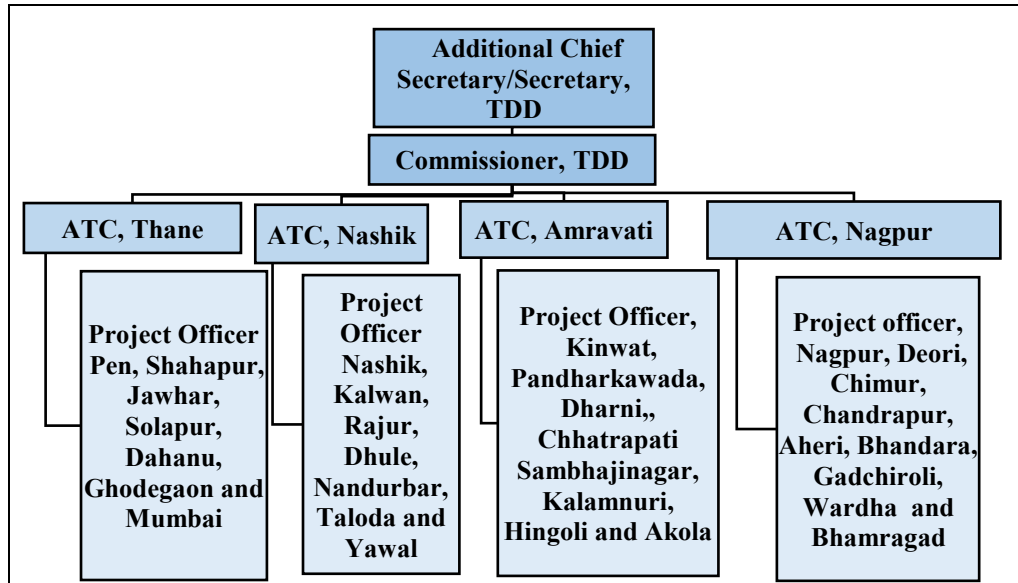
### **2.1.2 Organisational Setup**

The Department is headed by the Additional Chief Secretary (ACS), Tribal Development Department(TDD) who is assisted by the Commissioner, Tribal Development. There are four ATCs at Thane, Nashik, Amravati and Nagpur functioning under the Commissioner and 30 POs functioning under the four ATCs in the State. The organisational setup of the Department for implementation of the scheme is given in **Chart 2.1**.

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<sup>5</sup> Year wise expenditure incurred: 2018-19: ₹297.34 crore, 2019-20: ₹241.41crore, 2020-21: ₹85.32 crore, 2021-22: ₹149.99 crore, 2022-23: ₹324.58 crore and 2023-24: ₹299.98 crore.

Chart 2.1: Organisational Setup of the Department



Source: Performance Budget for the year 2022-23 of the department.

### 2.1.3 Audit framework

Audit was conducted between April 2023 and August 2023 covering the period 2018-19 to 2022-23 to assess whether: (i) the adequate mechanism and instructions were in place to ensure proper implementation of the scheme and (ii) compliance to criteria for selection of schools was ensured and adequate monitoring was done by the Department.

For this purpose, records in the office of Additional Chief Secretary/Principal Secretary, Commissioner, Tribal Development Department (TDD), Government of Maharashtra (GoM), all the four ATCs and eight<sup>6</sup> Project Office (two Project Offices under each ATC were selected using simple stratified random sampling method). Besides, beneficiary survey of 503 students was also conducted in 40 schools.

An entry conference was held in April 2023 with the Additional Chief Secretary, TDD. The audit findings were discussed with the Secretary, TDD in an exit conference held in March 2025 and the response of the Department has been incorporated appropriately in the report.

The draft report was forwarded to Secretary, TDD in January 2025 and reply received (May 2025) has been incorporated in the report.

<sup>6</sup> Pen and Ghodegaon (ATC, Thane); Nashik and Rajur (ATC Nashik); Kinwat and Akola (ATC Amravati) and Chandrapur and Nagpur (ATC Nagpur).

## Audit findings

### 2.1.4 Planning

#### 2.1.4.1 Shortfall in actual admission against the approved admission

Earlier to 2015-16 annual target for new admission was 2,500 which was enhanced (April 2015) to 25,000 by the Department. Target was fixed without analysing the previous data available with the Department and also it was not supported by any survey data.

The year-wise admissions against the target under the scheme during 2018-19 to 2022-23 are shown in **Table 2.1** below:

**Table 2.1: Year-wise details of target, number of schools approved, admissions and shortfall in admission vis-à-vis target fixed**

Year	Target	Number of schools approved by Department	New Admission approved by Department	Actual admissions	Percentage shortfall in admission vis-à-vis new admission approved
2018-19	25,000	176	4,167	2,773	33
2019-20	25,000	173	5,675	4,466	21
2020-21	25,000	The scheme was stayed during 2020-21 vide GR dated 22 May 2020 due to Covid pandemic. No new admissions were given. Only education of existing students was continued.			
2021-22	25,000	163	2,975	2,731	8
2022-23	25,000	157	2,910	2,050	30

Source: Information furnished by the Commissioner TDD.

**Table 2.1** shows that 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. Audit observed that between 2010-11 and 2014-15, annual admissions averaged 1,883, with the highest being 2,318 in 2014-15. Therefore, increasing the target from 2,500 to 25,000 was unrealistic and not supported by historical data or any basic survey in this regard.

The Government in its reply (May 2025) attributed the shortfall in achievement of the target to less number of applications received.

The reply of the Government only confirms the contention of Audit that the targets fixed were unrealistic.

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 as shown in **Table 2.1**. Audit noticed that one of the reasons for the shortfall in admission *vis-à-vis* the seats approved was due to allotment of schools (allotment is done first to the nearest school and in case of non-availability of seats, students are allotted admission to the next nearest school) far away from their home. Further, the possibility that eligible students opted for admission in other schools due to delays in school selection under the scheme, as discussed in **Paragraph 2.1.5.1**, cannot be ruled out.

Though, the Department publishes advertisements inviting applications from interested schools to participate under the scheme, the number of schools approved by the Department had decreased from 176 (2018-19) to 157

(2022-23). The compiled data on the number of applications received from students under the scheme was not available with the Department, except for the year 2022-23. The number of eligible applications received for admission from students for the year 2022-23 was 4,883<sup>7</sup> 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, deprived eligible students of the benefit under the scheme.

The Department, therefore, needs to review the reasons for the limited participation of schools to effectively increase the coverage of eligible students.

#### 2.1.4.2 Eligible students deprived of admissions during 2022-23

As per the Government Resolution issued (May 2017) by the Department, new admission under the scheme was required to be provided in the first and second standards. Accordingly, as per the policy, admissions under the scheme were being done up to the academic year 2021-22.

For the academic year 2022-23, the Department initially called for applications from eligible applicants for the 1<sup>st</sup> and 2<sup>nd</sup> standards in February 2022. Subsequently, in the Committee meeting held in July 2022, it was decided that no admission should be given in the 2<sup>nd</sup> Standard under the scheme and therefore, 1,902 eligible applicants were denied admission during the year 2022-23 as shown in **Table 2.2** below:

**Table 2.2: Eligible students denied admission in 2<sup>nd</sup> Standard in the year 2022-23**

ATC	Number of eligible applications	Number of approved seats for admission	Number of students given admission	Number of students denied admission (Percentage)
1	2	3	4	5 (2-4)
Nashik	896	0	0	896(100)
Thane	481	0	0	481(100)
Nagpur	401	0	0	401(100)
Amravati	243	0	119	124(51)
<b>Total</b>	<b>2,021</b>	<b>0</b>	<b>119</b>	<b>1,902 (94)</b>

Source: Information furnished by the Department.

The decision of the Committee not to grant admission to students in the 2<sup>nd</sup> standard was against the policy decision of the Government as stipulated in GR issued in May 2017.

Government in its reply, stated (May 2025) that the Committee decided not to grant admission in the 2<sup>nd</sup> standard as formal education begins from 1<sup>st</sup> standard.

The reply is not acceptable as the decision of the Committee not to grant admission to students in 2<sup>nd</sup> standard violated the policy decision of the Government.

Further, as per the conditions mentioned in GR issued (August 2009) by the Department, preference in admission is to be given to the children of primitive tribes, widows, divorced, destitute, deserted and Below Poverty Line (BPL)

<sup>7</sup> ATC Amravati ; 567, ATC Nagpur ; 553, ATC Nashik ; 3,204 and ATC Thane ; 559.

persons. Audit noticed that during the year 2022-23, selection of students in the Project Office, Pen was done without giving requisite preference to selected categories, which resulted in six eligible students of BPL category being deprived of the benefits of the scheme.

Government in its reply stated (May 2025) that preference is given in admission by PO as per the directions specified in the GR issued in August 2009.

The reply is not acceptable as the cases noticed by Audit indicated that the preference criteria specified in the GR were not being strictly adhered to.

#### **2.1.4.3 Absence of guidelines for revision in the grading of schools**

The Department introduced<sup>8</sup> (June 2016) a grading system for schools to evaluate schools based on their educational and infrastructural facilities. Every year, interested schools submit required information in a prescribed format through an online system. This information is verified by the ATC/PO, through inspection of schools and grades are awarded based on the scores secured by the schools in the grading system.

Audit noticed that there was no provision in the scheme for revision in the initial grading awarded to schools by the committee. Also, no guidelines, orders or circulars were issued by the Department in this regard. Further, the Secretary, TDD, in the meeting held in March 2021, decided not to consider any proposal for revision in the grading of the schools, as the revised procedure for selection of schools issued (May 2018) by the Department did not provide for it.

It was noticed that, contrary to its own decision, the Department revised the grading of 28 schools as discussed below:

- i. Based on re-inspection of schools conducted in response to representations received from the schools, the Department revised the grades of 26 schools for the academic year 2018-19, 2019-20 and 2021-22 during November 2018 and March 2022 as detailed in **Appendix 2.1**. The *percentage* increase in the scores ranged from four to 73 *per cent* in these schools. Further, the approval of revision in the grading of these schools was granted at the Department level without obtaining approval of the committee. Out of these 26 schools, the Principal Secretary approved the revision in grades of 18 schools, the Deputy Secretary approved the revision in grades of four<sup>9</sup>, schools, while records did not contain details of approval for the remaining four schools<sup>10</sup>. Following the revision in grading, the Department paid arrears of ₹1.77 crore to four schools whose grades were revised by the

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<sup>8</sup> Till the academic year, 2014-15, the schools selected under the scheme were paid ₹ 50,000/- per student per year. For the year 2015-16 rate of fees ranged from ₹ 40,000 to 50,000 depending on the area *i.e.* Municipal Corporation, District Headquarters, hill areas *etc.*

<sup>9</sup> (i) SND English Medium Public School (SSC), Nashik, (ii) SND English Medium Public School (CBSE), Nashik, (iii) Eklavya International Public School, Nanded, and (iv) Godavari International School and Junior College, Nanded.

<sup>10</sup> (i) Rajshree Public School, Nanded (ii) Wellington International School, Nanded, and (iii) Karnala Sports Academy Barns High school and Junior College, Raigad and (iv) Brahma Valley Public School and Junior College, Nashik.

Deputy Secretary and ₹7.76 crore to 12<sup>11</sup> of the 18 schools whose grades were revised by the Principal Secretary.

In the absence of prescribed guidelines and established procedure, the revision in the grading of schools and the payments made at revised rates was improper and without any authority, thereby increasing the risk of inconsistent decision-making and non-uniform financial practices. The Department should prescribe clear guidelines and procedures for revision of school grading and ensure that any such revision is approved by the Committee which approved the original grading.

- ii. For the year 2017-18, two schools, *viz.* Progressive Convent School, Civil Lines, Gondia and Progressive International School, Gondia, made representations (February 2018) before ATC Nagpur regarding incorrect grading awarded to them. The ATC forwarded the representations to the Department (February 2018). The Department revised the grading (November 2018) of the schools from 69.5 to 70.5 in respect of Progressive Convent School and from 68 to 70 in respect of Progressive International School, only on the basis of representation submitted by the schools without carrying out re-inspection and re-evaluation at the level of PO/ATC. Due to increase in grading, the fees payable to schools per student increased from ₹50,000 to ₹60,000. The schools submitted their representation at the end of the academic year and the Department revised the grading eight months after receiving these representations only on the basis of representations without conducting any re-inspection. The revision in grading without conducting re-inspection and without approval of the Committee was not proper.

The absence of defined guidelines or procedures specifying the officials authorised to approve grade revisions, the timeline for such revisions *etc.* undermines the credibility of the grading system and exposes it to the risk of arbitrary grade changes with consequent excess payments.

The Government accepted (May 2025) that there was no provision in GR for revision in grading of the schools.

However, the Government's reply did not indicate any action being taken to formulate clear guidelines or procedures for revisions, which is necessary to strengthen the credibility of the school grading system.

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<sup>11</sup> (i) Bhavana Public School, Washim (2018-19) (ii) Little Wonders English School, Chhatrapati Sambhajinagar (iii) Wellington International School, Nanded (iv) L.K.R.R. Prince English School, Parbhani (v) Saraswati International School, Hingoli (vi) Indira International Public School, Nanded (2018-19) (vii) Matoshree Kamlabai Thamke English School, Nanded (viii) Reddys Convent, Yavatmal (ix) Yashwantrao Chavan English Medium School, Mangrulpir (x) Central Public School, Buldhana (xi) Bhavna Public School, Risod, Washim (2019-20) and (xii) Indira International Public School, Nanded (2019-20).

## 2.1.5 Implementation of the scheme

### 2.1.5.1 Delay in the selection of schools

The Department had prescribed timeline for inviting applications from the schools interested to join the scheme, inspection of schools, holding meetings of the Secretary level Committee for approval to schools *etc.* for each academic year.

The details of the meetings held and GR issued for the year 2018-19, 2019-20, 2021-22 and 2022-23 are given in **Table 2.3** below:

**Table 2.3: Details of meeting held and GR issued for selection of schools**

Academic year	Target date for holding meeting of the Committee for selection of schools	Actual date of holding meeting of the Committee for selection of schools	Delay <sup>12</sup> in holding meeting (in days)	Date of issue of GR authorising the selection of schools under the scheme	Delay in issue of GR from the commencement of the academic year <i>i.e.</i> 15 June (in days)
2018-19	21 April 2018 (Third week of April 2018)	19/06/2018 & 27/07/2018	59	20/08/2018	66
2019-20	20 January 2019	15/03/2019 & 03/05/2019	54	30/07/2019	45
2021-22 <sup>13</sup>	30 April 2021	14/7/2021	75	03/12/2021	171
2022-23	30 April 2022	27/7/2022 07/09/2022	88	16/09/2022	93

Source: Compiled from information furnished by the Department.

As seen from **Table 2.3**, there were delays in conducting the meeting of the committee, ranging from 54 to 88 days and delay in subsequent issue of GR, ranging from 45 to 171 days.

Thus, 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.

The Government stated (May 2025) that a GR has been issued in December 2022, wherein timeline has been laid for the selection of schools and admission of students and it would be ensured that there is no delay in issue of Government Resolution for selection of schools.

Audit acknowledges the Government's assurance, however, issuance of the GR in December 2022, prescribing timelines for school selection and student admissions, is a positive step, an appropriate control mechanism must be instituted to ensure adherence to these timelines.

### 2.1.5.2 Selection of schools not fulfilling the mandatory criteria

GR issued (May 2018) by the Department provided that a school has to secure a minimum 60 marks to be eligible under the scheme. Further, 22 mandatory

<sup>12</sup> Calculated from the target date of holding meeting to the first meeting of the Committee.

<sup>13</sup> Due to second wave of Covid pandemic, the verification of schools and issue of Government Resolution was delayed.

criteria for schools prescribed in Proforma A-1, as detailed in **Appendix 2.2** and 15 mandatory criteria for hostels prescribed in Proforma A-2, as detailed in **Appendix 2.3**, were also introduced. The GR further provides that in case any of these mandatory criteria are not fulfilled, the concerned school would not be eligible and would not be considered for grading.

Audit observed that many schools not fulfilling the mandatory eligibility criteria were approved under the scheme, as shown in the **Table 2.4** below:

**Table 2.4: Number of schools approved under the scheme not fulfilling the mandatory criteria**

Year	Number of schools approved	Number of schools whose records were produced to audit	Number of schools not fulfilling one or more mandatory criteria	Number of schools with grading below 60	Number of schools with grading below 60 and not fulfilling one or more mandatory criteria
2018-19	176	173	134	76	71
2019-20	173	167	113	43	37
2021-22	163	149	81	1	1
2022-23	157	151	88	1	1

Source: Information collected from the department

As seen from the **Table 2.4**, the number of schools not fulfilling one or more mandatory criteria ranging from 81 to 134 were selected under the scheme. Similarly, schools having grading less than 60 have also been selected.

Audit further observed that:

- For the academic year 2018-19, 95 out of 134 schools which did not fulfil the mandatory eligibility were approved, subject to the condition that they should fulfil all eligibility criteria within the period of one year. 68 (71 per cent) out of these 95 schools did not fulfil the required mandatory conditions within the given time period and Department also did not ensure the fulfilment of required mandatory conditions by the schools. However, these schools were given approval for the next academic year 2019-20.
- Similarly, approval was given to seven ineligible schools under ATC, Nagpur for the year 2018-19 on the condition that the schools would fulfil the mandatory criteria within a period of one to three months. The decision regarding the continuation of these schools under the scheme was to be taken after ascertaining the fulfilment of mandatory criteria by the school within the given time frame. However, the required action to ascertain the eligibility of the schools was not taken by the Department.
- In case of 128 approved schools covering the periods 2018-19 to 2019-20 and 2021-22 to 2022-23, the prescribed proforma A-1 and A-2<sup>14</sup> were not attested by the concerned departmental authority. These proformas were crucial as they certify the fulfilment of mandatory criteria for schools and hostels respectively. In the absence of proper attestation of proforma by the departmental authority, the authenticity of the schools' compliance with

<sup>14</sup> Proforma A1 and A2 contain the prescribed mandatory criteria for schools and hostels respectively.

mandatory eligibility criteria could not be established, besides increasing the risk of misreporting.

The repeated approval given to schools not meeting eligibility criteria in the given time period resulted in such ineligible schools remaining functional under the scheme.

Admitting students to schools that did not meet the mandatory requirements not only potentially compromises the quality of education but also resulted in the disbursement of funds to schools not fulfilling the mandatory criteria.

The Government stated (May 2025) that action would be taken for inspection of all the schools and if any school is not found to fulfil the mandatory criteria, the approval granted to the school would be cancelled.

Audit further noticed that some important mandatory criteria for schools and hostels were not fulfilled in many approved schools, as detailed in the **Table 2.5** below:

**Table 2.5: Year-wise number of schools not fulfilling important mandatory criteria**

Sr. No.	Type	Mandatory criteria required for approval	Number of schools (Percentage)			
			2018-19	2019-20	2021-22	2022-23
1	School	Schools not having 90 <i>per cent</i> teachers educated in English medium.	88 (50)	71(41)	67(41)	63(40)
2		Schools in which at least three batches of 10th have not passed	50(28)	50(29)	18(11)	14(9)
3		Schools where laboratory of Physics, Chemistry and Biology with lab assistant are not available	39(22)	24(14)	2(1)	8(5)
4		Schools where at least 20 computers (with internet and other modern facilities) and five printers are not available	30(17)	19(11)	3(2)	7(4)
5		Schools where one bathroom and toilet for every 20 students on each floor are not available	31(18)	37(21)	17(10)	22(14)
6	Hostel	Schools where separate buildings for accommodation of boys and girls are not available. In case accommodation is in the same building, no pucca partition and separate entrance for boys and girls are available.	17(10)	15(9)	10(6)	4(3)
7		Kitchen in the hostel mess not approved by the Food and Drug Administration and Fire Department	39(22)	13(8)	22(13)	7(4)
8		One wash basin for every 15 students is not available in the hostel mess	36(20)	22(13)	8(5)	7(4)
9		One bathroom and toilet for every 20 students on each floor not available	20(11)	17(10)	6(4)	7(4)
10		Sick room and full time / half time trained doctor or nurse not available	17(10)	19(11)	8(5)	4(3)

Source: Compiled from information furnished by the Department

Placed below is a risk-based grouping of issues as seen from **Table 2.5**.

- High-risk issues (systemic / persistent)
  - Inadequate proportion of teachers educated in English medium
  - Around 40% non-compliance even in 2022-23.
  - Structural HR constraint with direct implications for quality of instruction.
  - Inadequate sanitation facilities in schools (toilets/bathrooms per student norm)
  - Health, safety, and dignity concerns for students.
  - Persistent non-compliance with signs of reversal in 2022-23.
- Medium-risk issues (improving but unstable)
  - Hostel kitchen approvals (FDA/Fire Department)
  - Improvement over time but fluctuations across years, indicating weak sustainability.
  - Availability of wash basins, bathrooms, and medical facilities in hostels
  - Reduced non-compliance, but continued dependence on periodic inspections rather than routine oversight.
- Low-risk issues (substantially addressed)
  - Availability of science laboratories and lab assistants
  - Availability of computers, internet, and printers
  - Segregation of boys' and girls' hostel accommodation

Across almost all mandatory criteria, there is a clear downward trend in non-compliance between 2018-19 and 2022-23, indicating:

- corrective actions were initiated, and
- regulatory pressure or monitoring likely had some effect.

However, improvement is not linear or uniform, and in several basic infrastructure and safety parameters, non-compliance persists at material levels even in 2022-23.

The Government stated (May 2025) that henceforth only those schools fulfilling the mandatory criteria would be included under the scheme.

The reply of the Government, however, did not specify the control mechanism to ensure that only schools fulfilling the mandatory criteria are included in the scheme and action taken to fix responsibility for the earlier inclusion of ineligible schools under the scheme.

### **2.1.5.3 Approval to schools without the approval of the Committee**

The meetings of the committee were held in March 2019 and May 2019 for the selection of schools and approval of new admissions for the academic year

2019-20. GRs approving a total of 167<sup>15</sup> schools to the four ATCs for the year 2019-20 were issued in July 2019.

Audit noticed that the Department approved (September 2019) inclusion of three more schools under the scheme for the academic year 2019-20 as a special case without the approval of the committee. The details of the cases are given below:

- Lokmangal English Medium School, Solapur, was not selected by the committee due to non-fulfilment of the mandatory criteria of completion of three batches of 10<sup>th</sup> standard. However, the Department approved the school as per the recommendation of ATC, Thane, as a special case.
- The proposal of Greenland English Medium school, Gadchiroli, was rejected by the Committee due to non-fulfilment of 13 out of 22 mandatory criteria for schools and nine out of 15 mandatory criteria for hostel and grading less than 60. As per the orders of Hon'ble Minister, Tribal Development Department, the school was re-inspected by ATC Nagpur. The ATC Nagpur after re-inspection of the school, recommended (August 2019) cancellation of the recognition of the school due to lack of required mandatory facilities. Though the committee had cancelled the approval of the school and after re-inspection also the school was found lacking required mandatory facilities, the school was approved as a special case by the department.
- MDA Royal International School submitted an offline application in January 2019, contrary to the condition of online submission under the scheme. Thereafter, the ATC, Amravati was instructed to inspect the school. The inspection revealed that the school was not meeting the required mandatory criteria. However, the school was selected as a special case and admission of 500 new students was allocated.

Audit noticed that these three schools which were not approved by the committee were paid ₹2.82 crore for the academic year 2019-20. Approval to these three schools without adhering to the prescribed process compromised transparency and exposed the selection process to the risk of favouritism and misallocation of public funds.

The Government stated (May 2025) that the approval to schools was given as per the orders of the Hon'ble Minister.

The reply is not acceptable as the Secretary-level committee is empowered to grant approval to schools. Recognition to schools which were already rejected/not considered by the committee, was in contravention of guidelines of the scheme. Further, inclusion of non-approved schools reflects a deviation from rule-based administration and leave the system vulnerable to favouritism.

#### **2.1.5.4 New admissions for students without the approval of the Committee**

Audit noticed that the Department approved allotment of additional new admissions for students to 10 schools for the academic years 2018-19 and 2019-20, without the approval of the committee as detailed below:

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<sup>15</sup> ATC, Amravati (44), ATC, Nagpur (44), ATC, Nashik (49) and ATC, Thane (30).

- For the academic year 2018-19, in one<sup>16</sup> school, the committee approved 75 new admissions, but the GR issued by the Department approved 100 new admissions, exceeding the initial approval by 25. Similarly, in three<sup>17</sup> schools, the committee did not approve any new admissions. However, the GR issued by the Department approved 100 new admissions for two schools and 150 new admissions for one school.
- For the academic year 2019-20, in three schools<sup>18</sup>, a total of 200 seats for new admissions were approved by the committee. However, 100 additional seats were approved to these three schools as special case. In three other schools<sup>19</sup> no new admissions were approved by the committee. However, 250 new admissions were approved to these three schools as special case.

By approving additional new admissions without reference to the Committee's recommendations, the Department weakened the institutional approval mechanism and introduced scope for arbitrary expansion of intake capacity.

The Government stated (May 2025) that the admission of new students was given as per orders of the Hon'ble Minister.

The reply is not acceptable as the additional seats approved in four schools without adhering to the prescribed process compromised transparency and exposed the selection process to the risk of favouritism and misallocation of public funds.

#### **2.1.5.5 Schools approved by secretary level committee excluded from GR granting approval to schools**

GR issued (August 2009) by the Department provided that the selection of schools would be done through a secretary level committee which is the sole authority for selecting schools and determining the fees payable to them.

Audit observed that the Secretary-level committee met in June and July 2018 to select schools for 2018-19. Although the committee approved 53 schools under ATC Nashik, the subsequent GR issued in August 2018 only covered 47 schools. Thus, six<sup>20</sup> approved schools were omitted from the GR. Audit noticed that these six schools received payments totalling ₹ 16.19 crore for 2018-19.

The names of schools approved by the Committee but omitted in the GR indicated weak internal control in issuing the GR and irregularity in payments without a valid sanction order.

<sup>16</sup> R.P. Godge Patil English Medium School, Sinnar.

<sup>17</sup> (i) Om Gurudev English Medium School, Ahilyanagar (ii) Parikrama Public School, Ahilyanagar (iii) Atma Malik English Medium Gurukul, Nashik.

<sup>18</sup> (i) S.N.D. English Medium School (C.B.S.E.), Nashik (ii) Pravara Public School, Ahilyanagar (iii) Pravara Girls English Medium School, Ahilyanagar.

<sup>19</sup> (i) Markandey Public School, Yavatmal (ii) Bhavna Public School, Washim (iii) S.N.D. English Medium School (S.S.C.), Nashik.

<sup>20</sup> (i) Hasti Public School, Dondaicha, Dhule (ii) Dr. D S Aher Public School, Vithewadi, Nashik (iii) Brahma Valley Public School and Junior College, Ajneri, Nashik (iv) Shatabdi English Medium School, Agaskhind, Nashik (v) Biyani Public School, Bhusawal, Jalgaon (vi) Jain International School, Palaskheda, Jalgaon.

The Government in its reply stated (May 2025) that although the Secretary-level committee approved 53 schools on 27.07.2018, the relevant GR issued in this regard included 47 schools only. Grants were sanctioned to these six schools on the basis of approval by the committee.

The reply is not acceptable as approval of schools under the scheme is valid only when formalised through a GR. In the absence of a GR covering these six schools, the release of grants lacked proper sanction. Since these schools were not included in the issued GR, their approval and the corresponding expenditure were irregular.

#### **2.1.5.6 Continuation of cancelled schools under the scheme**

The GRs for the selection of schools for the academic year 2022-23 were issued in September 2022 and recognition of 13 schools in four ATCs<sup>21</sup> was cancelled due to non-fulfilment of mandatory conditions, lack of required facilities and less grading score of the schools.

The concerned ATCs were required to submit the proposal to the Department within seven days through the Commissioner, TDD, for adjusting students from 13 cancelled schools into other Government English Medium schools and schools under the scheme. However, no action was taken by the Department in this regard. The Department subsequently granted (November 2022) one-year exemption to the cancelled schools citing concerns about potential academic losses for students who would be transferred mid-year.

Thus, the delay in issuing GR led to students being compelled to study in schools lacking the required educational and infrastructural facilities.

The Government accepted (May 2025) that the one year exemption was granted to the schools considering the academic loss to students due to their adjustments in other schools in the middle of the academic year.

The reply is not acceptable as the Department's delay in issuing the GR was an avoidable lapse, led to a situation where exemptions had to be granted to schools that did not fulfil the mandatory requirements. This also exposed students to the institutions lacking the prescribed educational and infrastructural standards.

#### **2.1.5.7 Not conducting test of English language for teachers**

The Department issued an order (June 2018) that the teachers of schools must be able to read, write and fluently speak English language. A test of teachers in this regard was required to be taken by the Department and the said test was binding on the schools.

Audit noticed that the Department did not conduct any such test for teachers of any school from 2018-19 to 2022-23. Thus, by not conducting the requisite test as prescribed in the order, the Department had not ascertained if the competent teachers with proficiency in English language were employed in the schools.

The Government in its reply accepted the audit observation and stated (May 2025) that the instruction has been issued to conduct the requisite test of English language for teachers of schools.

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<sup>21</sup> Amravati, Nagpur, Nashik and Thane.

Though the Government has stated that instructions have now been issued to conduct the required English language test for teachers, it has not provided any time-bound plan for its implementation. The fact remained that the non-conduct of the said test over the years has left the Department without assurance that teachers possess the necessary English proficiency. Consequently, there is no certainty that schools are delivering the services for which they receive funding, thereby defeating the objective of imparting education in the English medium.

### **2.1.6 Financial Management**

#### **2.1.6.1 Absence of instructions regarding maintenance of separate accounts for the scheme by the schools**

GRs issued (June 2016 and May 2018) by the TDD, GoM stipulate that the schools selected under the scheme are paid an annual fee per student based on the grading of the school on the online system. The lump sum amount is paid to schools for covering the expenses such as tuition fee, books and stationery, mess charges, school dress, hostel expenses and other materials distributed to students *etc.*

Audit observed that the guidelines of the scheme do not provide for the maintenance of separate accounts by the school in respect of funds received under the scheme. The Department also did not have any information on whether the funds disbursed to schools were used for Tribal students.

The observation regarding non-maintenance of separate accounts by the schools was also included in the C&AG's report for the year 2014-15. In response to the audit observation, the Department had agreed to issue instructions to the schools for maintenance of separate accounts. During the discussion in meeting of Public Accounts Committee, the Department stated that separate accounts are being maintained in these schools. However, no orders/GRs regarding the maintenance of separate accounts were found on record of the Department.

The Government stated (February 2024) that instructions regarding maintenance of separate accounts for funds received under the scheme by the school would be issued.

Though the Department had earlier agreed to issue instructions for the maintenance of separate accounts and subsequently submitted before the Public Accounts Committee that such accounts were being maintained, no orders or GRs were available on record to substantiate. The Government's reply that instructions would be issued indicated continued inaction.

#### **2.1.6.2 Absence of instructions regarding submission of utilisation certificates in respect of funds received under the scheme by the schools**

GRs issued (June 2016 & May 2018) by the Department stipulated that the schools selected under the scheme are to be paid annual fee per student based on the gradation of the school for meeting the expenses such as tuition fee, books and stationery, mess charges, school dress, hostel expenses and other materials distributed to students *etc.*

Appendix 22 under Rule 149 of the Bombay Financial Rules, 1959, prescribed that grant-in aid paid to educational institutes, local bodies, cooperative societies and scholarships to students must be utilised within the prescribed period for the intended purpose only. The utilisation certificate in respect of grant-in-aid should be submitted in the prescribed format by these authorities within one year from the date of passing of the bill. Finance Department, Government of Maharashtra vide GR dated 12 January 2023, clarified that funds disbursed as a conditional grant under the detailed head 31- Grant-in-aid (Non-Salary) under the Major Head 2225-Welfare of Scheduled caste, Scheduled Tribes and other backward class require compulsory submission of utilisation certificate.

Audit noticed that though grant-in-aid of ₹ 1,398.62 crore<sup>22</sup> was disbursed under the scheme during 2018-19 to 2023-24, no instructions/orders/guidelines were issued for submission of utilisation certificate by the schools.

The absence of any instructions/orders/guidelines requiring schools to submit utilisation certificates, poses a high risk of misuse, diversion, or misallocation of funds. Without mandated reporting and verification of expenditure, the Department lacks assurance that the grant-in-aid disbursed was utilised for the intended purposes, undermining financial accountability and internal controls.

The Government stated (May 2025) that instructions would be issued for submission of utilisation certificate by the schools in respect of funds received by them during the previous years and also ensured that further grants would not be released to schools if required utilisation certificate is not submitted.

Audit acknowledges the Government's assurance, however, it is imperative that a formal framework is instituted for the submission, verification, and monitoring of utilisation certificates for both past and future academic years.

#### **2.1.6.3 Payment to Day boarding schools at par with residential schools**

As per the scheme, admission to students was allowed only in the schools with a residential facility. The students were provided items such as soap, toothbrush, uniforms, towels, shoes, school bags, school books and food and breakfast twice a day. The annual fee per student was fixed considering the grading of schools. From the academic year 2016-17, the fee payable was ₹50,000, ₹60,000 and ₹70,000 for schools having grades between 60 to 69, 70 to 79, and above 80, respectively.

Day boarding schools<sup>23</sup> are not eligible under the scheme as the scheme applies only to schools with residential facility. However, the Department directed (May 2019) the Commissioner to submit a proposal for the fees payable to Day boarding schools, which was not finalised (February 2024).

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<sup>22</sup> Year wise expenditure incurred: 2018-19: ₹297.34 crore, 2019-20: ₹241.41 crore, 2020-21: ₹85.32 crore, 2021-22: ₹ 149.99 crore, 2022-23: ₹324.58 crore and 2023-24: ₹299.98 crore.

<sup>23</sup> In Day boarding school, students attend the schools during day hours only.

Audit noticed that approval was given to eight Day boarding schools<sup>24</sup> under ATC, Nagpur, and a Day boarding school<sup>25</sup> under ATC, Amravati, for the academic year 2018-19 to 2022-23, during August 2018 and September 2022 and payment of ₹ 24.99 crore was released to these schools at par with regular residential schools. As the scheme guidelines did not provide for Day boarding schools, the release of ₹ 24.99 crore to Day boarding schools was irregular<sup>26</sup>.

Releasing ₹24.99 crore to nine Day boarding schools resulted in overpayments, as Day Boarding schools do not incur the same operational costs. This not only created a financial burden on the scheme but also led to inequity, disadvantaging compliant residential schools that provided residential facilities. Further, by extending benefits to a category of schools not covered under the scheme, the Department effectively altered the scope of the scheme without formal modification, undermining transparency, accountability, and the integrity of the scheme's implementation.

The Government accepted (February 2024) that the directives regarding recognition of Day boarding schools under the scheme were not issued but approval to the Day boarding schools was granted. The Government further stated (May 2025) that no Day boarding schools were given approval under the scheme in 2023-24.

The reply is not acceptable as the approval and payment to nine Day Boarding schools contravened scheme guidelines, leading to overpayments and inequity and the absence of formal directives did not justify granting approval and payment to Day boarding schools not covered under the scheme.

## 2.1.7 Monitoring and Evaluation

### 2.1.7.1 Non-submission of reports of quarterly inspection and surprise checks

GR issued (August 2017) by the Department provides that every project officer should visit each Namankit school under his jurisdiction every quarter to ascertain the availability of educational facilities and attendance of the students. After the verification, a report in this regard is required to be submitted to the Commissioner through the concerned ATC by the project officer. Further, GR authorising selection of schools for the years 2019-20, 2021-22 and 2022-23 stipulates that the concerned PO would conduct two surprise visits to the school in each of the first and second academic session and submit a report on the maintenance of a cordial environment in the school, treatment given to the students, availability of required facilities, availability of medical treatment, quality of education, nutrition *etc.* to the Department through their respective ATCs.

<sup>24</sup> (i) G.S.Raisoni Vidyaniketan, Sukli, Nagpur (ii) G.H.Raisoni Vidyaniketan, Ambazari, Nagpur (iii) Podar International School, Bhandara, (iv) Podar International School, Gondia (v) Podar International School, Nagpur (vi) The Royal Gondwana Public School, Nagpur (vii) Adarsh Sanskar Vidyalaya, Nagpur (Day boarding for 2022-23 only) (viii) Adarsh Sanskar Vidyalaya, Nagpur (Day boarding for 2022-23 only).

<sup>25</sup> Jivan Vikas Convent, Dongao, Buldhana.

<sup>26</sup> Component-wise break-up of fees was not available to calculate the excess payment.

During 2018-19 to 2022-23, the Commissioner's office and four ATC offices did not receive any inspection reports from Project Officers. Similarly, no surprise check reports were submitted to the ATC offices by the concerned POs. In the absence of these quarterly inspections and surprise check reports, monitoring by the Commissioner's office and ATCs remained ineffective. As such the Commissioner's office could not ensure that POs conducted regular inspections to verify the availability of required facilities, quality of education and student attendance.

The Government accepted (May 2025) that reports on inspections / surprise checks conducted at the level by POs, were not submitted to higher authorities and further stated that the department has developed an e-inspection app for inspecting Namankit schools. However, the use of the app has not been commenced by the Department.

Government's acceptance that reports were not submitted reflected a systemic lapse, rendering monitoring ineffective. Government reply that a e-inspection app has been developed did not specify a time-bound plan for its implementation to ensure effective oversight.

#### **2.1.7.2 Non-distribution of materials to the students and lack of monitoring of material distribution in schools**

GR issued (May 2018) by the Department stipulated that the school must provide specific personal and stationery items such as school uniform, PT dress, Night dress, school bags, books and stationery and other items of personal use to the students. Representative of the concerned Project Office must be present in the school at the time of distribution of the materials to the students. For non-distribution /partial distribution of stationery/material, a penalty of 10 *per cent* of the total fee payable was leviable on the school.

Audit noticed that in eight selected POs, records related to distribution of material in the presence of representative of the Project office were not available. Audit also conducted beneficiary survey of 503 students in 40 schools. The results of beneficiary survey revealed that many students were not provided required materials such as school bag, school uniform, shoes, stationery items *etc.*

The absence of basic items adversely affects the learning environment, as students may struggle to participate effectively in classroom activities and the consequent negative impact on attendance and academic performance cannot be ruled out.

Instances of penalty levied on schools for non-distribution or partial distribution of materials to students have been noticed under various ATC/PO as follows:

- PO Nashik, levied penalty of ₹54,33,780 on 14 schools during the period 2018-19 and 2019-20.
- During the year 2022-23, five cases under ATC Thane (penalty levied ₹22,27,600), one case in PO, Rajur (penalty levied ₹1,74,000), five cases in PO, Nashik (penalty levied ₹12,64,000, and seven cases in ATC, Amravati (amount of penalty levied not available) were noticed.

Though a penalty is levied for non-compliance, the system lacks a mechanism to ensure the supply of these materials or compel schools to provide them. This limits the effectiveness of the scheme in providing a supportive and enabling educational environment for all students.

The Government stated (May 2025) that penalties were levied on schools in cases of non-distributions of the materials to students.

Though, levy of penalty may act as a deterrent, it does not ensure that students actually receive the essential items necessary for effective classroom participation, thereby leaving a gap in the scheme's implementation.

### **2.1.7.3 Pending evaluation of Namankit schools**

The Department constituted (September 2022) Inspection Committee and Supervisory Committee, consisting of officials from other State government departments to evaluate the Namankit schools in the State. The purpose of the evaluation was to ascertain whether the Namankit schools are providing quality education and adequate facilities to the tribal students. After the inspection of schools, the inspection committee would submit a report to the Supervisory Committee. After examining the report of the Inspection Committee, the Supervisory Committee shall submit its report to the Commissioner recommending whether or not the schools should be continued under the scheme which in turn would forward the report to the government by second week of December 2022.

For the academic year 2022-23, 157 schools were approved under the scheme. Audit observed that out of 28<sup>27</sup> POs, only two POs<sup>28</sup> had submitted the evaluation reports of 13 schools under their jurisdiction to the Commissioner Office. Due to delay/insufficient evaluation of schools by the committees, the objective of ascertaining the quality education and adequate facilities independently by the officials of the other departments remained unachieved.

Inadequate and delayed independent evaluations weakened the scheme's oversight mechanism, leaving the Department without a basis to justify continuation or discontinuation of school recognition. As a result, recognition decisions followed a status quo approach, defeating the very purpose of independent assessment.

The Government stated (May 2025) that evaluation reports in respect of 31 schools have been received and it would now be ensured that all schools are inspected by the committee.

The Government's reply that evaluation reports for 31 schools have been received indicated slow and inadequate progress. The assurance that inspections will now be ensured neither address the accountability for the delays nor provides any timeline for completing the pending inspections.

<sup>27</sup> Out of 30 POs, two POs viz. (i) PO, Dahanu and (ii) PO, Mumbai do not have schools under the scheme.

<sup>28</sup> PO Ghodegaon, and PO Solapur.

### **Conclusion**

Audit noticed that there was shortfall in actual admission against the approved admission ranging from eight *per cent* during 2021-22 to 33 *per cent* during 2018-19. During 2022-23, Department initially called for applications from eligible applicants for 2<sup>nd</sup> standard but subsequently decided not to give admission in 2<sup>nd</sup> standard resulting in denial of admission to 1,902 eligible applicants. The grading of 26 schools was revised by the Department even though there was no provision in the scheme guidelines regarding the same. The Department violated its own prescribed timelines for various stages of selection of schools resulting in delayed selection of schools and consequent late admissions of students. Schools not fulfilling mandatory eligibility criteria were selected under the scheme. Instructions for maintenance of separate accounts and submission of utilisation certificates by the schools in respect of funds received under the scheme were not issued. The prescribed reports on inspections / surprise check of schools conducted at the level by POs were not submitted to higher authorities. There was no monitoring of distribution of specific personal and stationery items to the students.

### **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.*

## Subject Specific Compliance Audit on Social Justice and Special Assistance Department

### 2.2 Functioning of hostels for Backward Class Students

#### 2.2.1 Introduction

The Social Justice and Special Assistance Department (SJSAD) *inter alia* is responsible for formulating/implementing policies, schemes and programs for promotion of educational and economic interests of Scheduled Caste (SC) and other weaker sections. The SJSAD makes budget provisions to implement these activities and also acts as an administrative and monitoring body through its regional and district level offices. 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. The Department has prescribed (December 2018) reservation<sup>29</sup> for admission of various categories of backward class students in Government Hostel.

As of 31 March 2024, there were 443 Government Hostels (GHs) (230 for boys and 213 for girls) functioning in the State of Maharashtra, in which 43,858 students (23,208 boys and 20,650 girls) were enrolled. Additionally, there were 2,388 hostels aided by Government (AHs) (1,804 for boys and 584 for girls) which were run by the non-government organizations (NGOs) in the State, in which 98,756 students (78,863 boys and 19,893 girls) were enrolled. Further, SJSAD introduced (January 2017) the Swadhar scheme for payment of fixed allowances<sup>30</sup> for food, accommodation and maintenance/subsistence allowance to the students of Schedule Castes and Neo-Buddhist Categories<sup>31</sup> for whom hostel facilities could not be provided. The details of comparison of benefits extended to students under Government Hostels, Aided Hostels and Swadhar scheme are given in **Table 2.6** below:

**Table 2.6: Comparison of benefits extended to students under Government Hostels, Aided Hostels and Swadhar Scheme**

Particulars	Government Hostels (GHs)	Aided Hostels (AHs)	Swadhar scheme
<b>Target beneficiaries</b>	Students admitted to Government Hostels	Students admitted to Aided Hostels	SC and Neo-Buddhist students for whom hostel facilities could not be provided
<b>Accommodation</b>	Free accommodation	Free accommodation	Fixed allowance provided for accommodation

<sup>29</sup> (i) Scheduled Caste: 80 per cent (ii) Scheduled Tribe (ST) :Three per cent (iii) Vimukta Jati & Nomadic Tribes (VJNT): Five per cent (iv) Economic Backward Class (EBC) & Other Backward Class (OBC): Five per cent (v) Special Backward Class (SBC): Two per cent (vi) Differently abled : Three per cent and (vii) Orphans: Two per cent.

<sup>30</sup> (i) In Mumbai City, Mumbai Suburban, Navi Mumbai, Thane, Pune, Pimpri Chinchwad, Nagpur @ ₹ 60,000 (ii) Other revenue division cities & C Class Municipal Corporation ₹51,000 and (iii) ₹43,000 for other district places and college/educational institutions situated within the area of five km from the municipal corporation boundary.

<sup>31</sup> The members of scheduled caste communities who have embraced Buddhism.

Particulars	Government Hostels (GHs)	Aided Hostels (AHs)	Swadhar scheme
Food	Free food	Free food	Fixed allowance provided for food
Uniform	Provided free of cost	Not provided	Not applicable
Textbooks & Stationery	Provided free of cost	Not provided	Not applicable
Library facilities	Provided	Not provided	Not applicable
Educational kit / course-specific allowance	Provided to students of professional courses (e.g., Medicine, Engineering, Fine Arts) for items such as stethoscope, drawing board, apron, boiler suit, etc.	Not provided	Not applicable
Maintenance / Subsistence Allowance	Lump-sum allowance of ₹500 to ₹800 <sup>32</sup> per month, depending on hostel location	Not provided	Fixed subsistence allowance
Mode of benefit delivery	In-kind facilities and cash allowance	In-kind facilities only	Direct Benefit Transfer to Aadhaar-linked bank accounts
Year of introduction / applicability	Existing scheme	Existing scheme	Introduced in January 2017
Choice between hostel and allowance	Not applicable	Not applicable	From January 2017 Students permitted to opt for either hostel admission or Swadhar allowance

The comparative framework highlights significant variation in the nature and extent of student support across Government Hostels, Aided Hostels and the Swadhar Scheme, with Government Hostel residents receiving the most comprehensive benefits, while students in Aided Hostels and Swadhar beneficiaries receive comparatively limited and primarily subsistence-oriented support.

### 2.2.2 Organisational setup

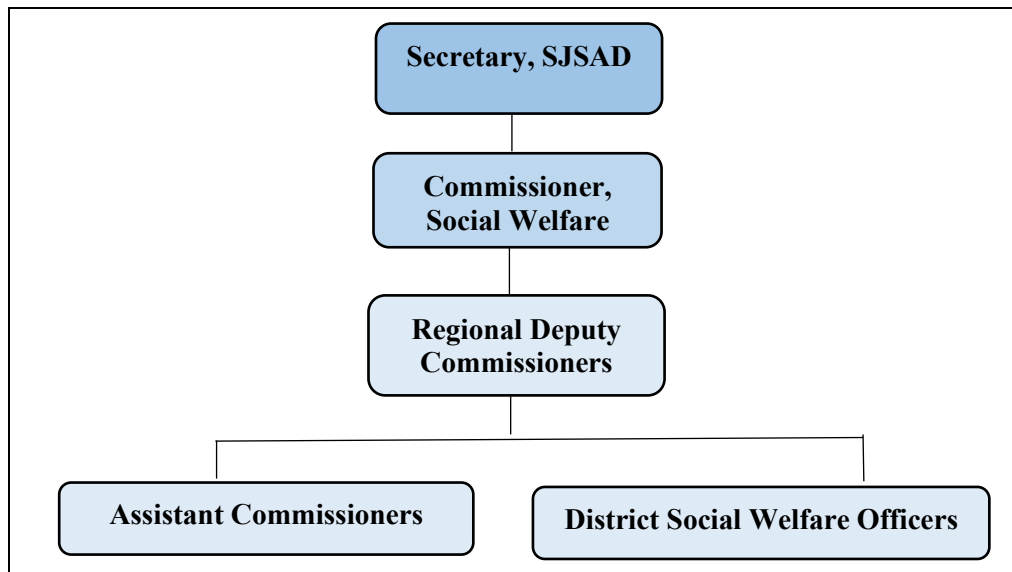
The SJSAD is headed by a Secretary, who is assisted by the Commissioner, Social Welfare(CSW), Pune. The CSW, Pune, is further assisted by seven Regional Deputy Commissioners (RDCs)<sup>33</sup>, 36 Assistant Commissioners (ACs) for GHs and 34<sup>34</sup> District Social Welfare Officers (DSWOs), Zilla Parishad (ZP). The organogram of the department is given in **Chart 2.2**.

<sup>32</sup> ₹500, ₹600 and ₹800 for institutes situated at taluka, district level and division level respectively.

<sup>33</sup> Amravati, Chhatrapati Sambhajanagar, Latur, Mumbai, Nagpur, Nashik and Pune.

<sup>34</sup> Except Mumbai City and Mumbai Suburban Districts which are not having a Zilla Parishad.

Chart 2.2: Organogram of the SJSAD



Source: Official website of the department.

There were 443 GHs under the control of ACs, while 2,388 AHs were under the control of DSWOs of the respective Zilla Parishads in Maharashtra. The DSWO, Zilla Parishad was administratively under the control of Chief Executive Officer, Zilla Parishad while functionally reporting to RDCs/Commissioner Social Welfare.

### 2.2.3 Audit objectives

The Audit was conducted to assess whether:

- need based comprehensive plan was in place to create the hostel infrastructure;
- the allocation, release and utilization of funds were as per the proposed plans and objectives of the scheme;
- the facilities/amenities are provided to the hostel students as per the norms prescribed; and
- monitoring and evaluation mechanism was adequate and effective.

### 2.2.4 Audit Criteria

The audit findings were benchmarked against the following:

- Government of Maharashtra (GoM) orders, guidelines and Government Resolutions issued from time to time.
- Annual Plans prepared by Social Justice and Special Assistance Department, Tender Files, Purchase Files and Records maintained at Hostel Level.
- Maharashtra Treasury Rules, 1968; and
- Beneficiary Survey and Joint Inspection of the hostels along with officials of the department.

### **2.2.5 Scope and methodology of audit**

The Audit was conducted between August 2024 and March 2025 covering the period 2021-22 to 2023-24. For this purpose, records in the office of Secretary, SJSAD and CSW, Pune were test-checked. Out of 36 districts, seven districts in the State were selected on simple random basis from the seven divisions<sup>35</sup> in the State. Two more districts<sup>36</sup> were selected from the State based on Probability Proportion to size Without Replacement (PPSWOR) method with size being the number of GHs in the district.

Records of seven RDCs, ACs of Social Welfare and DSWO, Zilla Parishad in nine<sup>37</sup> districts were test-checked. Records related to payment under Swadhar scheme maintained by ACs in selected nine districts were also checked. Audit also selected 18 GHs and 21 AHs<sup>38</sup> covering at least one boys' hostel and one girls' hostel from each district based on Probability Proportion to size method with size being the intake capacity of the hostels. Details of samples of districts, GHs and AHs are given at **Appendix 2.4**.

Besides, joint physical verification of 39 hostels (18 GHs and 21 AHs) was also conducted along with officials of SJSAD and beneficiary survey of 606 students from the 39 hostels was also conducted.

An entry conference was held in August 2024 with the Secretary, SJSAD wherein the audit objectives, criteria, scope and methodology were discussed. The audit findings were discussed with the Principal Secretary, SJSAD in an exit conference held in October 2025 and the response of the department has been incorporated appropriately in the report.

Audit findings on the Functioning of Hostels for Backward Class Students were included in paragraph 3.2 of the Report of the Comptroller and Auditor General of India for the year ended March 2018 on General and Social Sector, Government of Maharashtra (Report No. 1 of the year 2019). The discussion of the report by the Public Accounts Committee is in progress.

## **Audit Findings**

### **2.2.6 Planning**

The first objective of Audit was to assess whether a need-based comprehensive plan was in place to create the hostel infrastructure. Deficiencies in respect of absence of plan for creating sufficient hostel infrastructure and non-achievement of target of creating GHs as per Sustainable Development Goal<sup>39</sup> (SDG) are discussed in the succeeding paragraphs.

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<sup>35</sup> Amravati, Chhatrapati Sambajinagar, Latur, Mumbai, Nagpur, Nashik and Pune.

<sup>36</sup> Dharashiv and Sangli.

<sup>37</sup> Ahilyanagar, Buldhana, Dharashiv, Jalna, Latur, Nagpur, Pune, Sangli and Thane.

<sup>38</sup> Three additional hostels (two in Jalna and one in Latur district) in addition to 18 regular selected hostels were selected as suspected cases of fake admission/ bogus students/ non-existent hostels were noticed during inspection of the regular selected hostels.

<sup>39</sup> Goal No. 04 (Quality Education).

### 2.2.6.1 Insufficient coverage under Swadhar scheme

The objective of the establishment of hostels was to provide better educational opportunities to backward class students, which can be achieved by providing sufficient hostel infrastructure to cater to the needs of backward class students.

The SJSAD submitted (March 2021) a proposal to the Finance Department, Government of Maharashtra (FD), to create new 602 GHs with one boys' hostel and one girls' hostel in each taluka, as there were no GHs for boys in 178 talukas, no GHs for girls in 182 talukas and no GHs in 121 talukas. FD compared (April 2021) the financial impact of construction and operation of Government Hostels (GHs) with Direct Benefit Transfer (DBT) scheme like "Swayam"<sup>40</sup> being implemented in Tribal Development Department, and suggested SJSAD to consider implementation of DBT scheme similar to Swayam. Consequent to the suggestion of the Finance Department, the proposal to construct new GHs was not pursued further by SJSAD.

Audit noticed that as per the guidelines (June 2018) of Swadhar scheme, the benefits of the scheme were applicable only to eligible SC and Neo-Buddhist students studying post 10<sup>th</sup> standard in institutes located in Municipal Corporation area and within the limits of five kilometers (km) from Municipal Corporation area. Thus, the Swadhar scheme did not cover students studying in 8<sup>th</sup> to 10<sup>th</sup> standard, students studying post 10<sup>th</sup> standard belonging to other backward class (OBC), Special Backward Class (SBC) and other weaker sections who were instead covered under the Government hostels scheme. Thus, SJSAD also did not extend the Swadhar scheme to the entire State.

As a result, in 117 out of these 121 talukas, students neither had the facility of GHs nor they were covered under Swadhar scheme because these 117 talukas were located beyond five km. limits from Municipal Corporation area. Thus, eligible students studying in 8,930 institutions<sup>41</sup> were deprived of hostel facility. During the period 2021 to 2024, only two new GHs (sanctioned prior to March 2021), started functioning. These, two GHs were located in Mumbai Suburban and Nagpur district *i.e.* other than the 121 talukas which had no GHs.

The decision not to pursue construction of new Government Hostels, 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.

The Government stated (November 2025) that a revised GR has been issued (December 2024) extending the coverage of scheme to taluka level and removing the limit of 5 km area.

<sup>40</sup> Swayam scheme is launched by Tribal Development Department for providing financial benefits under DBT scheme to tribal students who are not provided with hostel facilities.

<sup>41</sup> {6,703 schools (8<sup>th</sup> to 10<sup>th</sup> standard in 121 talukas), 1,242 junior colleges (11<sup>th</sup> and 12<sup>th</sup> standard), 498 professional colleges and 487 Non-professional colleges in 117 talukas}.

Though a revised GR has been issued, the Swadhar scheme still did not cover students studying in 8<sup>th</sup> to 10<sup>th</sup> standards and students studying post 10<sup>th</sup> standard belonging to Other Backward Class (OBC), Special Backward Class (SBC) and other weaker sections as only SC and Neo Buddhist students are covered under the scheme.

#### **2.2.6.2 Shortfall in target of providing hostels under Sustainable Development Goals**

The Planning Department, Government of Maharashtra published (2017) 'Vision 2030' document in which the target under Sustainable Development Goals (SDG) was set to provide 500 GHs for SC boys and girls by the year 2020 and 800 GHs by the year 2030.

Audit noticed detailed plan was not prepared by SJSAD to achieve the target of 500 GHs by year 2020 and 800 GHs by the year 2030. As against the target of 500 GHs by 2020, only 443 had been established till March 2024.

The Government stated (November 2025) that since last year, application under Swadhar scheme is being obtained through online mode and therefore it is possible to locate places where there is large demand/ response by the students. Based on the data, department is focusing on location where substantial demand exists so as to construct hostels. It was further stated that it is not feasible to construct hostels with less than 50 students and budgetary provision of ₹1,200 crore has been made during 2025-26 for construction of hostels.

From the data enclosed with reply, audit noticed that in 38 talukas (in 27 districts) the online applications received under Swadhar scheme was more (excluding talukas where the applications received under Swadhar scheme was less than 50) than the admission capacity of the existing hostels.

Furthermore, the assessment of demand solely based on applications received online under Swadhar scheme is not adequate for comprehensive planning as it ignores potential demand from students studying in 8<sup>th</sup> to 10<sup>th</sup> standard and students studying post 10<sup>th</sup> standard belonging to other backward class (OBC), Special backward class (SBC) and other weaker sections.

The fact remains that there is a need to increase capacity of existing hostels and construction of new hostels.

Despite the State's commitment under Vision 2030 to progressively expand Government Hostels for Scheduled Caste students, the Social Justice and Special Assistance Department did not prepare a time-bound implementation plan to achieve the stipulated targets. Reliance on Swadhar Scheme application data as the sole basis for demand assessment is inadequate, as it excludes significant segments of the eligible student population and understates actual need. Consequently, capacity constraints persist in several talukas, indicating the continued requirement for systematic expansion of existing hostels and construction of new hostels to meet policy and SDG commitments.

## 2.2.7 Financial Management

The second objective of Audit was to assess whether the allocation, release and utilisation of funds was as per the proposed plans and objectives of the scheme. Deficiencies in respect of delay in payment of Swadhar scheme and deficiencies in release of maintenance allowance under Swadhar scheme are discussed in succeeding paragraphs.

### 2.2.7.1 Expenditure on Government Hostel, Aided Hostel and Swadhar scheme

Students residing in GHs are provided with free accommodation and food. Allowances are also paid to students for uniform, textbooks, stationary *etc.* per year. Students residing in AHs are provided free accommodation and food. Under Swadhar scheme allowances for food, residence, and subsistence depended on the area in which the student was pursuing education. In addition, ₹5,000 per annum for medical and engineering students and ₹2,000 per annum for students in other disciplines such as arts, science, commerce, nursing *etc.* was provided for educational materials.

The funds disbursed to GHs, AHs and under Swadhar scheme and expenditure incurred is given in **Table 2.7** below:

**Table 2.7: Funds disbursed and Expenditure on GHs, AHs and Swadhar scheme during 2021-22 to 2023- 24 in the State**

(₹ in crore)

Year	Govt. Hostel		Aided Hostel		Swadhar scheme	
	Funds disbursed	Expenditure incurred	Funds disbursed	Expenditure incurred	Funds disbursed	Expenditure incurred
2021-22	262.20	260.99	93.54	93.14	90.00	90.00
2022-23	418.79	418.78	126.03	126.03	126.00	126.00
2023-24	487.15	430.50	352.05	352.05	366.83	366.83
<b>TOTAL</b>	<b>1,168.14</b>	<b>1,110.27</b>	<b>571.62</b>	<b>571.22</b>	<b>582.83</b>	<b>582.83</b>

Source: Information furnished by SJSAD

Audit analysis of funds disbursed and expenditure incurred on Government Hostels (GHs), Aided Hostels (AHs) and the Swadhar Scheme during 2021-22 to 2023-24 revealed contrasting utilisation patterns.

While expenditure under AHs and the Swadhar Scheme closely matched the funds disbursed in all three years, Government Hostels exhibited under-utilisation, particularly in 2023-24, where expenditure of ₹430.50 crore fell short of disbursement of ₹487.15 crore, leaving ₹56.65 crore unutilised.

Cumulatively, GHs recorded an unspent balance of ₹57.87 crore under operation and maintenance over the period, whereas utilisation under AHs and Swadhar was almost complete. 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.

### 2.2.7.2 Delay in payment of instalment under Swadhar scheme

Under Swadhar scheme, funds are transferred into the beneficiaries' Aadhaar linked bank accounts towards food, lodging and other educational facilities. The payments under the scheme are made by the AC of the concerned districts in two equal six-monthly instalments based on 75 per cent attendance of the students in the institution.

Audit noticed in nine selected districts during the year 2021-22 to 2023-24, out of 35,494 students, 23,711 students received payment under Swadhar scheme with delays ranging from one to three years. Out of 23,711 students, 9,874 students relate to the academic year 2021-22, 12,145 students to the year 2022-23 and 1,692 students to the year 2023-24. The range of delay in disbursement under Swadhar scheme is shown in **Table 2.8** below:

**Table: 2.8 Range of delay in payment under Swadhar scheme in selected districts**

Year	Range of delay	Number of Students	Percentage of Total Students
2021-22	No delay	1,527	13.39
	One year	6,120	53.68
	Two year	3,728	32.70
	Three year	26	0.23
2022-23	No delay	910	6.97
	One year	11,961	91.62
	Two year	184	1.41
2023-24	No delay	9,346	84.67
	One year	1,692	15.33

Source: Compiled by Audit based on bills drawn by ACs in selected district

From the above **Table 2.8**, it was observed that:

- For the academic year 2021-22, 6,120 students received payment in 2022-23, 3,728 students in 2023-24 and 26 students in 2024-25.
- For the academic year 2022-23, 11,961 students received payment in 2023-24, and 184 students in 2024-25.
- For the academic year 2023-24, 1,692 students received payment in 2024-25.

Audit further noticed that as compared to 27,428 students<sup>42</sup> to whom first instalment was made during the academic year 2021-22 to 2023-24, payment of second instalment was released to 17,949 students<sup>43</sup> (65 per cent). However, the reasons for non-release of second instalments to 9,479 students was not available on record.

As regards delay in release of payment, ACs of Buldhana, Nagpur, Dharashiv and Jalna stated that the delay was due to delay in receipt of funds and incomplete documents submitted by the students.

Audit noticed that ACs did not maintain records showing date of communication to the students about the incomplete documents and the date on which complete document was received. In the absence of proper documentation, Audit could not ascertain whether the delay in payment was due to non-submission of complete documents by students or due to delay in processing the application in time.

The Government stated (November 2025) that the delay in disbursement of funds was due to delay in receipt of funds under the scheme and incomplete submission of documents by students. It was further stated that a separate online portal is under consideration for development to accept online applications to make the process hassle free.

The department reply did not indicate any action to ensure timely disbursement of funds or to address the pendency of incomplete Swadhar applications by obtaining the requisite documents from the students.

### **2.2.7.3 Deficiencies in release of maintenance allowance under Swadhar Scheme**

As per the Swadhar scheme guidelines, maintenance allowance payable to beneficiaries under Swadhar scheme should be reduced by the amount paid as maintenance allowance under the Post-Matric Scholarship scheme.

Audit found that SJSAD lacked a mechanism to identify whether scholarship payments made to beneficiaries were deducted before releasing payments under the Swadhar scheme. Audit analysis of the data of students who were extended benefits under Swadhar scheme for the year 2022-23 with the data of students registered under the Post Matric Scholarship scheme in nine<sup>44</sup> districts revealed that maintenance allowance under scholarship scheme was deducted from payment under Swadhar scheme even in respect of students who were not paid

<sup>42</sup> 2021-22: 6,952; 2022-23: 11,246; and 2023-24: 9,230.

<sup>43</sup> 2021-22: 5,647; 2022-23: 8,454; and 2023-24: 3,848.

<sup>44</sup> Ahilyanagar, Buldhana, Dharashiv, Jalna, Latur, Nagpur, Pune, Sangli and Thane.

under scholarship scheme. This has resulted in short payment of maintenance allowance to students under Swadhar scheme as shown in **Table 2.9** below:

**Table 2.9: Short payment of maintenance allowance to students under Swadhar scheme**

District	Number of students paid under Swadhar scheme	Amount distributed under Swadhar scheme (₹ in lakh)	No. of cases checked in audit (out of sr.no.2)	No. of students not paid under scholarship scheme but maintenance allowance incorrectly adjusted against Swadhar scheme (out of sr.no.4)	Short payment of maintenance allowance (₹ in lakh)
1	2	3	4	5	6
Ahilyanagar	494	210.03	60	24	0.83
Buldhana	906	374.85	116	22	0.62
Dharashiv	894	364.17	894	482	18.67
Jalna	815	293.02	48	22	1.54
Latur	2,110	845.37	901	404	16.61
Nagpur	3,958	2,001.25	327	215	12.32
Pune	3,550	1,578.70	93	2	0.10
Sangli	208	68.32	172	102	6.12
Thane	118	69.80	118	29	1.01
<b>Total</b>	<b>13,053</b>	<b>5,805.51</b>	<b>2,729</b>	<b>1,302</b>	<b>57.82</b>

Source: Compiled by Audit based on bills drawn by ACs in selected districts and data downloaded from post matric scholarship scheme portal.

From **Table 2.9**, the following was observed:

- In nine test checked districts, payment of ₹5,805.51 lakh under Swadhar scheme for the year 2022-23 was made to 13,053 students after adjusting the maintenance allowance payable under post matric scholarship scheme.
- Out of 13,053 students, 1,302 students were not paid under scholarship scheme. This had resulted in a short payment of maintenance allowance of ₹57.82 lakh to 1,302 students.

Audit further noticed that 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 nine<sup>45</sup> districts and excess payment of ₹3.87 lakh to 271 students in seven<sup>46</sup> districts as detailed in **Appendix 2.5**.

Incidentally, both Post-Matric Scholarship scheme and Swadhar scheme are implemented by SJSAD. However, lack of coordination in verifying the data of the payments made under both the schemes led to incorrect adjustment of maintenance allowances under post-matric scholarship scheme against the maintenance allowance under Swadhar scheme.

<sup>45</sup> Ahilyanagar, Buldhana, Dharashiv, Jalna, Latur, Nagpur, Pune, Sangli, and Thane.

<sup>46</sup> Ahilyanagar, Buldhana, Dharashiv, Latur, Nagpur, Pune and Thane.

The short/excess payment in the selected districts points to systemic weaknesses in beneficiary identification, payment processing and monitoring under the Swadhar Scheme, thereby undermining its effectiveness as a compensatory mechanism for the absence of hostel facilities.

The Government stated (November 2025) that GR has been issued (October 2025) removing the condition of adjustment of maintenance allowance paid under Scholarship scheme from the payment under Swadhar scheme.

However, the Government had not addressed the issue of short/excess payment made under Swadhar scheme during 2021-22 to 2023-24.

## 2.2.8 Availability of facilities for hostels students

The third objective of Audit was to assess that proper facilities are provided to the hostel students according to the guidelines / GRs issued by SJSAD. Audit noticed delay in construction of hostels, non-availability of required area in the AHs, non-availability of facilities in GHs and AHs, shortage of warden *etc.* as discussed in succeeding paragraphs.

### 2.2.8.1 Delay in construction of Government Hostels

SJSAD had sanctioned construction of 100 hostels (60 for boys and 40 for girls of 100 capacity) and 50 girls hostels of 250 capacity in June 2007 and December 2015 respectively. Further, administrative approval for 33 works was granted by SJSAD during the period 2007-2019<sup>47</sup>.

As per the monthly progress report regarding ongoing construction of hostel buildings submitted (March 2024) by the Public Works Department (PWD) to SJSAD, the status of construction of 33 hostel buildings is given in **Table 2.10**.

**Table 2.10 Status of ongoing construction of hostel buildings as on 31 March 2024**

Sr. No.	Status of works	Number of works
1	Completed but not handed over	10
2	In-progress	14
3	Revised administrative approval stage	02
4	At estimation stage	01
5	Land not available	06
<b>Total</b>		<b>33</b>

Source : As per monthly progress report of March, 2024 submitted by PWD to the department

Audit scrutiny of the status of 33 works, as reported by the Public Works Department in the monthly progress report for March 2024, revealed that a majority of the works had not been made operational. Although 10 works were reported as completed, these had not been handed over for use, indicating post-completion procedural and coordination delays. Of the remaining works, 14 were still in progress, while three works had not progressed beyond the

<sup>47</sup> 2007:(2); 2008: (1); 2009: (1) ;2010: (1); 2012: (1); 2013:(1); 2014: (2), 2015:(2); 2016:(4); 2018: (7) and 2019: (6). In respect of five GHs date of sanction was not available in the monthly progress report submitted by PWD to SJSAD.

estimation or revised administrative approval stage. Further, six works were stalled due to non-availability of land, reflecting deficiencies in preliminary planning and site readiness. The overall status indicates delays at multiple stages of project execution, resulting in deferred utilisation of completed assets and postponement of the intended service delivery outcomes.

Two cases relating to delay in construction of GHs are discussed in the succeeding paragraphs.

**(i) Construction of hostel at Kalyan, Thane district**

The SJSAD accorded administrative approvals (March 2014) for the construction of one building each for boys' hostel (capacity of 100 students) and girls' hostel (capacity of 75 students) at Kalyan, Thane district at an estimated cost of ₹2.64 crores and ₹2.63 crores respectively.

Both the works were awarded (April 2015) to contractor by PWD. The work was required to be completed in 24 months. Extension to complete the work was given to the contractor from time to time. After completing reinforced cement concrete, plastering and tiling, the contractor stopped the works in 2019. However, the work of doors, windows, septic tank, boundary wall and colouring works *etc.* was not completed by the contractor. The contractor requested (September 2021) the PWD to withdraw the said tender work citing his financial incapacity. No construction work was carried out during the period 2019 to 2023 *i.e.* for more than three years.

Later, SJSAD accorded administrative approval (January 2023) of ₹1.12 crore to complete the balance work and additionally ₹36.17 lakh was also accorded for completing electrification work of both the hostels. The work of paver blocks, gutter, underground water tank, sewage tank *etc.* and the work of electrification was awarded (June 2023) by PWD to two different contractors. Even after incurring expenditure of ₹2.27 crores and ₹2.28 crore for the boys' hostel and girls' hostel respectively both the works remained incomplete as of December 2024.

The Government stated (November 2025) that the construction of hostels are in the final state of completion and the hostels would be made operational from academic year 2026-27.

**(ii) Construction of hostel in Gondia district**

Scrutiny of records at SJSAD revealed that SJSAD took a decision (November 2011) to construct 250 capacity boys hostel in Mauja Nangpura in Gondia district. Land for construction of hostel was allotted (April 2012) by Collector Gondia. Administrative approval was granted (September 2012) by SJSAD for ₹ 10.52 crore and fund released (February 2013) to PWD. Secretary, SJSAD, during visit (August 2016) to Gondia instructed to search for new government or private land in the central area of the city where the number of colleges are more and instructions were issued to stop the construction. However, after completion of tendering process, contract of ₹ 9.03 crore (excluding electrification) was awarded by PWD to contractor and work order was issued in November 2016.

However, as land at alternate location was not available, the PWD was instructed (September 2017) by the department to commence the construction work at the original location. Further, as the land was encroached, the construction work could not be commenced. The encroachment was later removed by the district authorities. The contractor had also filed (2018) (writ petition (1/2018) in District court, Gondia for compensation of ₹1.60 crore as the land was not made available to him despite issue of work order. The submission made (September 2019) by the PWD was rejected by the District Court in February 2021.

Meanwhile PWD requested (May 2019) the contractor to commence the construction work but the contractor refused to work at old rates (estimates was prepared at the District Schedule of Rates of 2013-14). Therefore, AC, Gondia submitted (September 2021) a revised preliminary estimate of the said work at the cost of ₹35.04 crore to PWD for revised administrative approval. However, approval from PWD was pending (December 2024).

The Government stated (November 2025) that the revised estimates have been approved by the High Power Committee and revised administrative approval has been granted.

Above two cases, revealed systemic deficiencies in planning, contract management and inter-departmental coordination between the Social Justice and Special Assistance Department and the Public Works Department. In both cases, hostel projects remained incomplete or non-commenced for prolonged periods exceeding a decade in one instance despite repeated administrative approvals and substantial financial commitments. Delays were attributable to contractor withdrawal, inadequate contract risk management, unresolved land-related issues, repeated revisions of estimates and delayed administrative approvals. Consequently, even after incurring significant expenditure the intended hostel facilities remained unavailable for use, resulting in avoidable time and cost overruns and continued denial of residential educational support to eligible students.

#### **2.2.8.2 Underutilisation of seats in hostels running in rented buildings**

The GR issued for sanction of new GHs from time to time provides that till the construction of sanctioned GHs, is completed, the hostels were to commence the operations in rented buildings.

As on March 2024, 155 GHs out of 443 GHs in the State were functioning in rented building. 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 capacity *vis-à-vis* the sanctioned capacity ranged between five *per cent* and 50 *per cent*.

The details of hostels having intake capacity less than the sanction capacity are given at **Appendix 2.6**.

The Government stated (November 2025) that presently out of 147 rented buildings, construction of Government building is ongoing at 24 locations and

land has become available at additional 45 locations. It was further stated that care is being taken to ensure completion of hostels in coordination with Public Works Department.

The reply does not adequately address the audit concerns. While the Government has indicated that construction is ongoing at 24 locations and that land has become available at an additional 45 locations, it has not furnished a time-bound implementation plan, stage-wise milestones or completion schedules for making these hostels operational. Mere availability of land or initiation of construction does not ensure timely creation of functional hostel capacity, as evidenced by prolonged delays and incomplete works noted in audit. Further, the assertion of improved coordination with the Public Works Department is general in nature and is not supported by documentary evidence demonstrating measurable improvements in planning, execution or handover of hostel projects. The Government reply did not indicate any action for construction of buildings for remaining 78 Hostels running in rented buildings.

### **2.2.8.3 Non-utilisation of newly constructed hostels for new students**

SJSAD accorded (June 2007) approval for construction of 1,000 capacity hostels, (four units<sup>48</sup> of 250 capacity each) for boys and girls at regional level in each seven regions<sup>49</sup> in the State for new students. Further, approval for 250 capacity new hostel for boys in Pimpri Chinchwad was accorded by SJSAD in November 2012.

Audit observed that instead of utilising new hostels for their intended purpose of accommodating new students, the department shifted students from existing hostels to the new hostels, thereby defeating the objective of capacity augmentation as detailed in the succeeding paragraphs.

(i) Audit observed that Pune Unit-I (Boys) and Unit-II (Boys) hostels of 250 capacity each, forming part of the 1,000-capacity regional hostel, became operational in December 2016. While new students were admitted in Unit-I, Unit-II was utilised to temporarily accommodate students shifted from Sant Gyaneshwar Boys' Hostel (capacity: 120) and Magasvargiya Boys' Hostel (capacity: 75) due to damage to buildings and inadequate facilities in those hostels.

Audit further noticed that although an estimate of ₹2.50 crore for repairs of Sant Gyaneshwar Hostel was submitted by the Public Works Department in September 2018, no action was taken by SJSAD as of September 2024.

(ii) Audit noticed (September 2024) that the Government Hostel for Meritorious Students at Nigdi, Pune (capacity: 100), operating in a rented building, was shifted in 2016-17 to the newly constructed 250-capacity boys' hostel at Pimpri-Chinchwad due to poor condition of the rented premises and lack of basic facilities. Although the shift was stated to be temporary, the Pimpri-Chinchwad hostel commenced official operations in 2018-19 with only 150 new admissions, as 100 students from the Nigdi hostel continued to occupy the same premises. Consequently, the net increase in capacity was restricted to 150 students instead of the intended 250. The Warden of the Pimpri-Chinchwad

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<sup>48</sup> Three units for boys and one unit for girls.

<sup>49</sup> Amravati, Chhatrapati Sambhajnagar, Latur, Mumbai, Nagpur, Nashik and Pune.

hostel stated (September 2024) that eligible new students ranging from 150 to 200 could not be admitted annually during the last three years due to capacity constraints.

In the exit conference the Commissioner stated that the department has identified new land at Wagholi, Pune to accommodate the students of two hostels with damaged building and inadequate facilities and a proposal in this regard will be submitted to Government.

The Government stated (November 2025) that proposed budget for construction of new building for the Government hostel for meritorious students has been received. Once the construction of new building is completed, the hostel would be relocated.

#### 2.2.8.4 Non-availability of required facilities in Government Hostels

The Government Resolutions issued by SJSAD in May 1984 and July 2011 and other instructions issued from time-to-time stipulated basic facilities such as CCTV, Fire extinguisher, dining room, Computer, Library, inverter facilities *etc.* are required to be provided to the students of the GHs.

Joint physical verification of 18 selected GHs revealed that there were shortfalls in basic facilities required to be provided as discussed below:

- Fire extinguisher was not available/refilled in 11 GHs.
- Inverter and computer lab facilities were not available in 12 GHs.
- CCTV Facility was not available in four GHs.
- Library facility was not available in seven GHs.
- Magazines and newspapers were not available in eight GHs.
- Colour TV was not available in five GHs.
- Annual medical check-up of students was not conducted in four GHs<sup>50</sup>.
- Educational trip was not conducted and grievance register not maintained in four GHs.
- The tables and chairs were not available in dining hall of four GHs<sup>51</sup>, while two GHs<sup>52</sup> did not have a proper dining hall. Due to non-availability of proper dining facilities, the students were forced to take lunch and dinner sitting on the floor.

<sup>50</sup> (i) Girls hostel, Thane (ii) Boys hostel, Naldurg, Dharashiv (iii) Boys hostel, Jath, Sangli (iv) Girls hostel, Mantha, Jalna.

<sup>51</sup> (i) Boys hostel, Moshi Pimpri Chinchwad, (ii) Girls hostel, Ahilyanagar (iii) Girls hostel, Thane (iv) Boys Hostel, Nandura, Buldhana.

<sup>52</sup> (i) Girls hostel, Talegaon, Dabhade, Pune (ii) Boys hostel, Thane.



Figure 1: Students having food sitting on floor in Backward Class Boys Govt. Hostel, Moshi, Pimpri-Chinchwad, Pune

The Government stated (November 2025) that the chairs and tables in the dining hall has been provided.

During the exit conference, the Principal Secretary stated (October 2025) that clarification would be obtained from field offices and submitted to audit.

The reply does not address the deficiencies observed during joint physical verification. Audit findings were based on on-site verification of 18 Government Hostels and documented evidence at the time of inspection, which revealed shortfalls in multiple basic facilities mandated under Government Resolutions and departmental instructions. Persistent deficiencies in basic facilities dilute the effectiveness of Government Hostels as a policy instrument, result in sub-optimal utilisation of public resources and impair the State's ability to ensure equitable access to quality education for disadvantaged students.

#### 2.2.8.5 Shortage of wardens in Government Hostels

The Warden is responsible for overall management and day to day functioning of the hostels. The warden also attends grievances of students and provides assistance to students in case of any emergency. Audit noticed (19 November 2025) that there was shortage of warden in GHs in six<sup>53</sup> districts as detailed in **Appendix 2.7**.

- Out of total 109 hostels, 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.
- The period since the posts of warden were vacant ranged from nine months to 17 years 2 months.
- In five<sup>54</sup> girls' hostels, the charge of post of wardens was given to male warden.

<sup>53</sup> Buldhana, Dharashiv, Jalna, Latur, Nagpur and Sangli. Data was not furnished by the remaining three selected districts.

<sup>54</sup> (i) Backward Girls Hostel, Washi, Dharashiv (ii) Backward Class Girls Hostel, Ambad (iii) Backward Class Girls Hostel, Kuhi, Nagpur (iv) Backward Class Girls Hostel, Khamgaon Buldhana and (v) Backward Class Girls Hostel, Ahmadpur Latur.

The regular wardens of other hostels were given additional charges of vacant posts of other hostels which resulted in one warden handling charge of two to three hostels. The full-time warden's presence in hostel is crucial for ensuring student's safety and well-being, offering guidance and support to students and providing timely assistance in case of emergencies.

The Government stated (November 2025) that the documents verification, medical and police verification of the wardens selected for appointment is in progress

#### **2.2.8.6 Non-availability of required facilities to disabled students in Government hostels**

Government Resolution issued (October 2013) by SJSAD provided that the department should take immediate action to ensure that all the barrier free facilities are available to the disabled students in the existing hostels. The concerned administrative department should ensure that action is taken within prescribed period to provide necessary facilities to the disabled students in the hostels and quarterly report in this regard is to be submitted to the department by the subordinate offices in the first week, after the end of each quarter.

The information regarding availability of required facilities for disabled students in all GHs and AHs was not made available to audit. Further during the inspection of 18 GHs, it was noticed that in six hostels<sup>55</sup> accommodation at ground floor was not available for disabled students while barrier-free facilities were available in seven hostels<sup>56</sup> only. Out of 18 selected GH, only one GH (125<sup>th</sup> Jayanti Backward Class Government Girls Hostel, Talegaon Dhabade, Pune) had submitted required quarterly reports to higher authorities.

The Social Justice and Special Assistance Department did not ensure compliance with its own Government Resolution mandating barrier-free facilities and periodic monitoring for students with disabilities in hostels. Non-availability of consolidated information, limited provision of barrier-free infrastructure, absence of ground-floor accommodation in several hostels and non-submission of prescribed quarterly reports indicate weak oversight and implementation. Consequently, students with disabilities were deprived of assured accessibility, safe mobility and dignified residential facilities, undermining the objective of inclusive hostel-based educational support.

The Government stated (November 2025) that instructions have been issued (October 2025) by the Commissioner to the subordinate offices to provide necessary facilities to disabled students admitted in GHs.

<sup>55</sup> (i) 250 Backward Class Boys Hostel, Moshi, Pune, (ii) Sant Sakhubai Backward Class Govt. Girls Hostel, Ahilyanagar, (iii) BC Girls Government Hostel, Washi, Dharashiv, (iv) BC Boys Government Hostel, Jath, Sangli, (v) BC Boys Government Hostel, Jalna, (vi) BC Boys Govt Hostel, Manish Nagar, Nagpur.

<sup>56</sup> (i) Boys hostel, Moshi, Pimpri Chinchwad (ii) Boys Hostel, Loni, Ahilyanagar, (iii) Boys hostel, Naldurg, Dharashiv (iv) Girls Hostel, Chinchani, Sangli, (v) Girls hostel, Mantha, Jalna (vi) Girls Hostel, Shegaon, Buldhana (vii) Girls Hostel, Wanadongri, Nagpur.

### 2.2.8.7 Non-functioning of biometric attendance system in the Government and Aided Hostels

GoM vide GR dated 30 March 2011 decided to implement biometric attendance system for staff and students in all GHs and AHs. Accordingly, order for supply of biometric attendance system was issued by the department.

Audit noticed that biometric attendance system was either not installed or not working in many hostels as shown in **Table 2.11** and **Table 2.12** below:

**Table 2.11: Status of Biometric attendance system in GHs as of November, 2025**

Sr. No.	Division	No. of Districts	No. of GHs	No. of GHs where biometric system is installed	Functional biometric system
1	Nashik	05	53	45	08
2	Latur	04	60	60	04
3	Chhatrapati Sambhajnagar	04	51	19	04
4	Pune	05	93	93	00
5	Nagpur	06	70	63	30
	<b>Total</b>	<b>24</b>	<b>327</b>	<b>280</b>	<b>46</b>

Source: information furnished by RDCs, SJSAD

As seen from the **Table 2.11**,

- Out of 327 GHs, biometric systems were installed in 280 hostels (86 per cent), indicating substantial progress in hardware deployment.
- However, only 46 hostels (14 per cent of total GHs; 16 per cent of installed systems) had functional biometric systems, pointing to a significant gap between installation and operationalization.

**Key insights:**

- Pune Division, despite achieving 100 *per cent* installation (93/93 GHs), reported zero functional biometric systems, rendering the investment ineffective.
- Latur Division also reported full installation (60 GHs), but only four systems were functional, reflecting weak post-installation support.
- Nagpur Division performed relatively better, with 30 functional systems out of 63 installed, yet even here less than half of the systems were operational.
- Chhatrapati Sambhajnagar Division recorded both low installation (19 out of 51 GHs) and low functionality (four GHs), indicating lag at both stages.

**Table 2.12: Status of Biometric attendance system in AHs as of November, 2025**

Sr. No.	Division	No. of Districts	No. of AHs	No. of AHs where biometric system is installed	Functional biometric system
1	Nashik	05	483	483	150
2	Latur	04	396	396	239
3	Nagpur	06	346	342	125
4	Amravati	01	41	39	00
5	Mumbai	01	26	26	00
	<b>Total</b>	<b>17</b>	<b>1,292</b>	<b>1,286</b>	<b>514</b>

Source: Information furnished by RDCs, SJSAD

As seen from the **Table 2.12**,

- Out of 1,292 Aided Hostels, biometric systems were installed in 1,286 hostels (nearly 100 *per cent*), indicating effective rollout of hardware.
- However, only 514 hostels (39.78 *per cent* of total AHs; 39.96 *per cent* of installed systems) had functional biometric systems, revealing a substantial implementation gap.
- Latur Division performed comparatively better, with 239 functional systems out of 396 AHs (about 60 *per cent*).
- Nashik Division, despite full installation in 483 AHs, had only 150 functional systems (31 *per cent*).
- Nagpur Division reported 125 functional systems out of 346 AHs (36 *per cent*).
- Amravati and Mumbai Divisions recorded zero functional biometric systems, despite near-complete installation, rendering the investment ineffective in these divisions.

While 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 higher functionality rate in Aided Hostels suggests relatively better absorption capacity; however, the overall effectiveness of the system across both categories remained constrained, resulting in sub-optimal utilisation of technological investments.

The Government stated (November 2025) that instructions have been issued to all RDC's to procure biometric attendance system and commence attendance recording within three months in GHs.

### **2.2.8.8 Non-availability of prescribed area in Aided Hostels**

SJSAD prescribed (December 2019) minimum and maximum area required to be maintained by the existing and new AHs based on the sanctioned strength of students. The prescribed minimum and maximum area are given in **Table 2.13** below:

**Table 2.13: Minimum and maximum area prescribed for aided hostels**

<b>Sr. No.</b>	<b>Sanctioned strength of students in hostel</b>	<b>Minimum Area (in sq. ft.)</b>	<b>Maximum Area (in sq. ft.)</b>
1	24 – 47	4,000	4,900
2	48 – 74	6,000	7,315
3	75 – 99	9,120	11,050
4	100 and above	11,200	13,630

Source: GR issued by SJSAD in December 2019

The area includes accommodation for students, office, kitchen, dining room, closet, multi-purpose room, superintendent's accommodation, watchman's accommodation, toilet (with wash basin), passage and staircase *etc.*

The area of the aided hostel run by the NGO in rented building is required to be certified by the Executive Engineer, PWD and DSWO, Zilla Parishad. The DSWO, Zilla Parishad has to periodically ensure that the minimum area is continued to be provided in the aided hostels. In case of non-compliance, approval granted for the AH is liable to cancellation of recognition by the Chief Executive Officer, Zilla Parishad, with the prior approval of the Commissioner, Social Welfare. Due to Covid-19, the SJSAD granted (January 2021) extension up to 30 June 2021 for providing sufficient space and necessary facilities in the aided hostel which was further extended up to 30 June 2023.

Scrutiny of records (December 2024 and January 2025) revealed that there were 117 hostels in three<sup>57</sup> out of nine selected districts. Scrutiny of the records in the three DSWO offices revealed that 58 out of 117 hostels in the three districts as detailed in **Appendix 2.8**, minimum area prescribed was not provided for the hostels. It was further seen that out of these 58 hostels, in 24 hostels (41 *per cent*) the shortfall in the minimum area was more than 50 *per cent*.

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<sup>57</sup> Dharashiv, Jalna and Sangli.

Audit scrutiny of Aided Hostels in Dharashiv, Sangli and Jalna districts revealed widespread non-compliance with the minimum built-up area norms prescribed under Government Resolution (09.12.2019).

All the test-checked hostels were found deficient in required area, with shortages ranging from a marginal 0.34 *per cent* to extreme shortages exceeding 90 *per cent*. The deficiencies were particularly acute in Sangli district, where several hostels recorded area shortages above 90 *per cent* despite having sanctioned capacities of 30 to 162 students.

In Dharashiv district, a majority of hostels exhibited shortages exceeding 50 *per cent*, while in Jalna district, except for one near-compliant hostel, shortages ranged up to 76 *per cent*.

DSWO, ZP, Sangli issued notices (January 2020 and August 2023) and DSWO, ZP, Jalna issued notices (June 2022 and July 2022) to all defaulting hostels for not providing required space with necessary facilities. Despite causing inconvenience to the students by not providing the required space no action was taken to cancel the recognition of the defaulting hostels.

During the exit conference, the Principal Secretary agreed (October 2025) to review hostels not adhering to area norms fixed by the Department.

Despite prescribing minimum area norms and providing multiple extensions for compliance, the Department did not ensure that aided hostels adhered to the stipulated infrastructure standards. Continued recognition of hostels operating with substantial shortfall in prescribed area, including cases with more than 50 *per cent* deficiency, reflects weak enforcement and monitoring by the Department. Consequently, students were compelled to reside in overcrowded and inadequate facilities, adversely affecting their health, safety and overall living conditions, and undermining the objective of providing dignified residential educational support.

#### **2.2.8.9 Lack of basic facilities in Aided Hostels**

Guidelines issued (March 1998) by SJSAD for running the AHs by the NGOs which *inter alia* include providing adequate toilet/bathrooms, adequate and standard food, sufficient water, clean premises, one-month buffer stock of food grain *etc.* As per the guidelines, penalty of ₹ 1,000 for each instance of default is leviable on the NGO and the amount of such fine is required to be deducted from the grant to be paid to the management.

Scrutiny of final grant assessment report prepared by DSWO, in six districts<sup>58</sup> revealed that majority of the hostels did not provide basic facilities such as clean toilet, clean premises, adequate light in the hostel premises and availability of firefighting/extinguisher every year. District wise number of hostels deficient in providing basic facilities are given in the **Table 2.14**.

<sup>58</sup> Ahilyanagar, Buldhana, Latur, Nagpur, Pune and Sangli.

**Table 2.14: Hostel consistently deficient in providing basic facilities to students**

Sr. No.	Name of the District	Year	Total No. of Hostels	No. of cases produced for audit scrutiny	No. of AHs on which penalty was levied for not providing basic facilities	Percentage of hostels deficient in providing basic facilities (out of cases produced to audit)	Repeated defaulter
1	2	3	4	5	6	7	8
1	Pune	2021-22	79	54	42	77.77	64
		2022-23	79	70	68	97.14	
		2023-24	79	66	60	90.90	
2	Ahilyanagar <sup>59</sup>	2021-22	108	83	69	83.13	57
		2022-23	108	77	69	89.61	
3	Sangli	2021-22	42	42	26	61.90	22
		2022-23	42	42	08	19.05	
		2023-24	42	42	18	42.86	
4	Nagpur	2021-22	98	20	12	60.00	23
		2022-23	98	50	47	94.00	
		2023-24	98	29	27	93.10	
5	Buldhana	2021-22	41	15	15	100.00	12
		2022-23	41	07	07	100.00	
		2023-24	41	17	17	100.00	
6	Latur <sup>60</sup>	2022-23	91	37	37	100.00	12
		2023-24	91	22	22	100.00	

Source: Compiled from final grant assessment report prepared by DSWO

**Key insights from Table 2.14:**

- Across all six test-checked districts, a high proportion of Aided Hostels consistently did not provide basic facilities such as clean toilets, clean premises, adequate lighting and fire safety equipment, despite clear guidelines issued as early as 1998.
- Extremely high deficiency rates in several districts:
- Buldhana and Latur recorded 100 *per cent* deficiency rates in all the years test-checked, indicating complete breakdown of compliance.
- Pune and Nagpur showed deficiency rates ranging from 78 *per cent* to 97 *per cent* and 60 *per cent* to 94 *per cent* respectively demonstrating that deficiencies were systemic rather than occasional.
- Even in districts with relatively lower deficiency rates in some years (e.g., Sangli in 2022-23), non-compliance resurged in subsequent year.

<sup>59</sup> Data for the year 2023-24 in respect of Ahilyanagar was not furnished.

<sup>60</sup> Data for the year 2021-22 in respect of Latur district was not furnished.

A significant number of hostels were identified as repeated defaulters across years (e.g., Pune ; 64, Ahilyanagar ; 57, Nagpur ; 23) yet continued to receive grants and operate without effective corrective action.

Joint inspection of 21 AHs conducted by Audit revealed that the required certificates regarding cleanliness of facilities from Medical Officer, Local Nagar Palika/Medical officer, Primary Health Centre was not obtained for eleven hostels<sup>61</sup>.



Figure 2 : Unclean and open bathroom at Dnyandeep Boys Hostel, Belora, Mantha, District-Jalna

Audit observed that the SJSAD imposed a penalty of ₹1,000 per instance on defaulting hostels. The penal amount was not revised for last 26 years. The SJSAD did not prescribe any stringent action such as suspension or cancellation of recognition against the persistent defaulters. Moreover, though the penalty was levied, the students were forced to stay in unhygienic conditions as the penalty levied did not act as a deterrent.

The Government stated (November 2025) that a policy is being formulated for enhancement in amount of penalty or closure of aided hostels who did not provide prescribed necessary facilities.

Despite long-standing guidelines mandating provision of basic facilities in Aided Hostels, a large proportion of hostels repeatedly did not ensure the minimum standards of hygiene, safety and habitability. Ineffective enforcement mechanisms, coupled with a nominal and outdated penalty structure, allowed persistent defaulters to continue operations without meaningful corrective action. Consequently, students were compelled to reside in unhygienic and unsafe living conditions, exposing them to health and safety risks and undermining the objective of providing dignified residential support to students from backward classes.

<sup>61</sup> (i) Union Boarding House, Ramoshiwadi, Pune (ii) Navbharat Chhatr Niwas, Rajur, Ahilyanagar (iii) Bhima Gautami Girls Hostel, Kavi Jung Nagar, Ahilyanagar (iv) Basveshwar Vidyarthi Vastigruh, Andur, Dharashiv (v) Tulja Bhawani Mulinche Vastigruh, Umarga Dharashiv (vi) Rajshree Shahu Maharaj Girls Hostel, Jafrabad, Jalna (vii) Nehru BC Boys Hostel, Golapangree, Jalna (viii) Dnyandeep BC Boys Hostel, Belora, Jalna (ix) BC Girls Hostel, Azadward, Ramtek, Nagpur (x) Rajshree Shahu Maharaj BC Boys Hostel, Kuhi, Nagpur and (xi) Akhtar Begum Girls Hostel, Nilanga, Latur.

## 2.2.9 Monitoring and Evaluation

The fourth objective of Audit was whether monitoring and evaluation mechanism were adequate and effective. Audit noticed the shortfall in inspection of hostels, shortfall in meetings of District and Taluka Coordination Committee and suspected bogus operations of AHs as discussed in succeeding paragraphs.

### 2.2.9.1 Shortfall in inspection of Government and Aided Hostels

GR issued (September 2004) by the department prescribed targets for inspection of GHs and AHs by higher authorities. Commissioner has to inspect five *per cent* of the total GHs and AHs every year. The target for inspection by regional/district level officer was further revised in January 2020. As per the revised target, RDC should inspect two GHs and two AHs every month. For AC, Social\_Welfare it was once in every two months *i.e.* every GH should be inspected six times in a year. DSWO, Zilla Parishad should visit every AH three times in a year.

As per the information furnished, during the period 2021-22 to 2023-24 there were considerable shortfall in inspection of GHs and AHs at the level of Commissioner, RDCs, ACs and DSWOs, Zilla Parishad. The details of shortfall is given in **Table 2.15** below:

**Table 2.15: Shortfall in inspection of GHs and AHs**

Details	Year	Hostel	Number of Hostels	Target set for the year	Actual Inspection conducted in the year	Shortfall in target (Percentage)
Commissioner	2021-22	GH	443	22	07	15 (68)
		AH	2388	120	0	120 (100)
RDCs <sup>62</sup>	2021-22	GH	327	120	36	84 (70)
		AH	2388	168	8	160 (95)
	2022-23	GH	174	72	52	20 (28)
		AH	1970	144	38	106 (74)
	2023-24	GH	206	72	53	19 (26)
		AH	1753	120	18	102 (85)
ACs <sup>63</sup>	2021-22	GH	349	2094	398	1696 (81)
	2022-23	GH	264	1584	478	1106 (70)
	2023-24	GH	294	1764	557	1207 (68)
DSWOs <sup>64</sup> ZP	2021-22	AH	1505	4515	300	4215 (93)
	2022-23	AH	1680	5040	830	4210 (84)
	2023-24	AH	1693	5079	1095	3984 (78)

Source : As per data furnished by Social Welfare Commissioner Office, Pune

<sup>62</sup> (i) Five RDCs (GHs) and Seven RDCs (AHs) for the year 2021-22, (ii) Three RDCs (GHs) and six RDCs (AHs) for the year 2022-23 (iii) Three RDCs (GHs) and five RDCs (AHs) for the year 2023-24.

<sup>63</sup> (i) 25 ACs for the year 2021-22 (ii) 19 ACs for the year 2022-23 (iii) 22 Acs for the year 2023-24.

<sup>64</sup> (i)19 DSWOs for the year 2021-22 (ii) 20 DSWOs for the year 2022-23 (iii) 21 DSWOs for the year 2023-24.

As seen from **Table 2.15**,

1. Commissioner-level inspections: minimal oversight

- The Commissioner was required to inspect 5 *per cent* of hostels annually.
- In 2021-22, only 7 out of 22 targeted GH inspections (32 *per cent*) were conducted.
- For AHs, no inspections were conducted at all against a target of 120 (100 *per cent* shortfall).
- This reflects near-absence of apex-level oversight, particularly for Aided Hostels.

2. RDC inspections: severe and recurring shortfalls

- RDCs were required to inspect two GHs and two AHs per month.
- For AHs, inspection shortfalls ranged from:
  - 95 *per cent* (2021-22),
  - 74 *per cent* (2022-23), and
  - 85 *per cent* (2023-24).
- Although inspection of GHs improved in 2023-24 (shortfall reduced to 26 *per cent*), oversight of AHs remained consistently weak.

3. AC-level inspections: high targets, low achievement

- ACs were required to inspect each GH six times a year, resulting in very high annual targets.
- Across all three years, only 19 to 32 *per cent* of required inspections were carried out, leaving shortfalls of 68 to 81 *per cent*.
- This indicates that routine and frequent monitoring of GHs was not ensured, despite clear mandates.

4. DSWO-level inspections: chronic deficit in AH monitoring

- DSWOs were required to inspect each AH three times a year.
- Actual inspections remained far below targets:
  - 93 *per cent* shortfall in 2021-22,
  - 84 *per cent* in 2022-23, and
  - 78 *per cent* in 2023-24.
- Even with marginal improvement over time, more than three-fourths of required inspections were not conducted.

Despite a clearly defined inspection framework and targets, supervisory oversight of Government and Aided Hostels remained grossly inadequate across all administrative levels. The persistent and substantial shortfall in inspections weakened monitoring, delayed identification of deficiencies and diluted accountability mechanisms. As a result, deficiencies relating to infrastructure, hygiene, safety and student welfare persisted unchecked, undermining the effectiveness of hostel-based educational support schemes.

The lack of facilities in GHs and AHs as pointed out in **paragraphs 2.2.8.4 and 2.2.8.9**, Suspected bogus operation of aided hostels pointed out in **paragraph 2.2.9.3** could have been prevented by regular inspection.

**2.2.9.2 Shortfall in meetings of District and Taluka Coordination Committee**

The SJSAD had issued (December 1996) orders for formation of Co-ordination Committee at district and taluka level to control and monitor the functioning of the Government and Aided Hostel. At the district level, the co-ordination committee was to be formed under the chairmanship of Collector along with four government officers and two non-Government persons. At taluka level, the committee was to be formed under the chairmanship of local MLA. Further, the meetings of the district level committee were required to be held once in three months and taluka level committee once in two months. The reports of the committees were to be forwarded along with necessary recommendation and suggestions to the Commissioner, Social Welfare, Pune.

Audit noticed that during the period 2021-22 to 2023-24, there was shortfall in meetings of district and taluka coordination committee. The details of meetings of district and Taluka Coordination Committee is given in **Table 2.16**. below:

**Table 2.16: Details of meetings of district and taluka coordination committee**

Sr. No.	Name of the Division	Number of Districts	Number of meetings of District level committee		Number of meetings of Taluka level committee	
			Target	Achievement	Target	Achievement
1	Pune	5	60	Nil	90	Nil
2	Nashik	5	60	28	90	Nil
3	Latur	4	48	31	72	4
4	Nagpur	6	72	12	108	2

Source: Information furnished by department

**Key Insights**

1. Inadequate functioning of the coordination mechanism:

- In Pune division neither district level committee meetings nor taluka level committee meetings were held in all three years.
- In Nashik division no taluka level committee meetings were held in all three years.
- Latur division reported only four taluka level meetings over three years,
- Nagpur division, held only two taluka level meetings and twelve district level meetings over three years

2. Persistent non-compliance with prescribed periodicity

- The prescribed frequency of taluka committees once in two months— was not adhered to in any division.

- The shortfall is systemic and consistent across divisions, indicating absence of effective enforcement by the Department.

3. Deficiencies in reporting and feedback loop

- The guidelines required committee reports to be forwarded to the Commissioner, Social Welfare with recommendations.
- Non-conduct of meetings imply that the feedback, escalation and corrective-action mechanism envisaged in the guidelines was rendered ineffective.



The coordination committees, envisaged as a key institutional mechanism for monitoring Government and Aided Hostels, remained largely non-functional during 2021-22 to 2023-24. Persistent shortfall in meetings, and non-adherence to prescribed periodicity weakened inter-departmental coordination and oversight. Consequently, systemic deficiencies in hostel management relating to infrastructure, hygiene, safety and student welfare were not reviewed or addressed in a timely manner.



However, no report containing recommendations as required was submitted to Commissioner Office by any of the committees.



#### **2.2.9.3 Suspected bogus operation of aided hostels**



Audit conducted joint physical verification of 21 AHs in the nine selected districts to check whether the required facilities prescribed in various GRs issued from time to time were available to students. It was observed that in six out of the 21 AHs, there were instances of suspected bogus operation as discussed in **Table 2.17**.

Table 2.17: Suspected bogus operation of AHs

Sr. No.	Joint inspection findings
1.	<p><b>Mahatma Jyotiba Phule Vidyarthi Vastigruh, Modikhana, Jalna</b></p>
	<p>Sanctioned capacity of the hostel was 38 students and post of one Superintendent; one cook and one watchman were also sanctioned.</p> <p>(i) Building was in dilapidated condition making it uninhabitable. The hostel was closed and local people around the hostel also confirmed that the hostel was closed for a long time.</p> <p>(ii) The area across the hostel boundary was filled with heaps of garbage.</p> <p>(iii) The entire premises were covered with thick layer of dust indicating that no maintenance/cleaning was done for a long time.</p> <p>Thus, the operation of the hostel was a suspect to which honorarium and maintenance allowance of ₹18.10 lakh was paid during 2019-20 to 2023-24.</p> <p>As per visit report of departmental officials dated 12.07.2022, this hostel was functioning properly and no serious adverse remarks were mentioned.</p>
	<div style="display: flex; justify-content: space-around;">   </div>
	<p>Figure 3: Dilapidated hostel building</p> <p>Figure 4: Hostel boundary filled with garbage</p>
2.	<p><b>Rajeshree Shahu Maharaj Girls Hostel, Jafrabad, Jalna</b></p>
	<p>Sanctioned capacity of the hostel was 24 students and post of one Superintendent, one cook and one watchman was also sanctioned.</p> <p>(i) The records related to admission of students such as application forms, admission register, students check in/ check out records were not available with the hostel authority.</p> <p>(ii) As per attendance register 24 students were present on 06.01.2025 <i>i.e.</i> day before visit by Audit. However, no student was available in the hostel at the time of visit. Later on, two students were called who were questioned during beneficiary survey. Out of those two students, one student was mentioned in same standard / class for consecutive three years from 2018-19 to 2020-21 in the attendance register of the hostel.</p>

	<p>(iii) The hall and beds were covered with dust and no personal belonging of students like books, clothes, shoes, utensils <i>etc.</i> were found. The trunk boxes provided to the students for keeping their personal items were completely empty.</p> <p>(iv) As per the guidelines for maintenance of AHs, buffer stock of raw food material for one month was required to be maintained in the hostel. However, no buffer stock of raw food material was available.</p> <p>Thus, the operation of the hostel was a suspect to which rent, honorarium and maintenance allowance of ₹ 42.74 lakh was paid during 2019-20 to 2023-24.</p> <p>As per visit reports of departmental officials dated 16.11.2022, 10.01.2023 and 16.09.2023 this hostel was functioning properly and no serious adverse remarks were mentioned.</p>	
		
	<p>Figure 5: Condition of beds in the hostel</p>	<p>Figure 6: Empty trunk boxes of students</p>
<p><b>3.</b></p>	<p align="center"><b>Nehru BC Boys Hostel, Golapangree, Jalna</b></p>	
	<p>Sanctioned capacity of the hostel was 46 students and post of one Superintendent, one cook and one watchman was also sanctioned.</p> <p>(i) At the time of visit, the hostel was locked and no staff, students and watchman were available in the hostel. Later on, Superintendent came to hostel and four students were also called to the hostel, who were enquired as a part of beneficiary survey.</p> <p>(ii) The hostel building and premises were not in habitable condition for students as half of the area of hostel was dumped with waste scrap material and wooden waste.</p> <p>(iii) The admission registers and other related records of admission of students such as admission form were not maintained. The attendance registers for the year 2023-24 and 2024-25 were not maintained. The check in / check out register for students was not maintained.</p> <p>The trunk boxes available in the room was for two students as against sanctioned capacity of 46 students.</p>	

	<p>(iv) The personal belongings like utensils, blankets, trunk box and floor of the room were covered with dust. The trunk boxes available in the room of students indicated the presence of maximum two students only in the hostel.</p> <p>(v) As per the guidelines for maintenance of AHs, buffer stock of raw food material for one month was required to be maintained in the hostel. However, no buffer stock of raw food material was available.</p> <p>(vi) Water supply was not available in the toilets and bathrooms.</p> <p>Thus, the operation of the hostel was a suspect to which honorarium and maintenance allowance of ₹31.20 lakh was paid during 2019-20 to 2023-24.</p> <p>As per visit report of departmental official dated 09.10.2022, this hostel was functioning properly and no serious adverse remarks were mentioned.</p>	
		
	<p>Figure 7: Vacant room and non availability of students' belongings</p>	<p>Figure 8: Waste scrap material in hostel premises</p>
<p><b>4.</b></p>	<p><b>Dnyandeep BC Boys Hostel, Belora, Taluka Mantha, Jalna</b></p>	
	<p>Sanctioned capacity of the hostel was 40 students and post of one Superintendent, one cook and one watchman was also sanctioned</p> <p>(i) The records related to attendance of the students and employees of the hostel was not available since 2020-21 onwards.</p> <p>(ii) The four bathrooms/ toilets/ urinals were dumped with waste scrap material and wooden waste and water was also not available.</p> <p>(iii) As per the guidelines for maintenance of AHs, buffer stock of raw food material for one month was required to be maintained in the hostel. However, no buffer stock of raw food material was available.</p> <p>(iv) Out of 33 students stated to be present in the hostel, only six students were available who were questioned for beneficiary survey. The attendance registers for the year 2023-24 showed full attendance of the 40 students without any absence on any day.</p> <p>(v) The bed, mattresses pillow, raw food material available were not sufficient for 40 students.</p>	

	<p>(vi) The Bio-metric machine was not in working condition since 2020-21, however the Superintendent submitted bio-metric attendance sheet of the staff with the proposal for payment of honorarium for the year 2021-22 to 2023-24 and DSWO ZP Jalna accepted the same for payment. Submission of bio-metric attendance sheet without a working bio-metric machine indicated that the attendance sheet was fraudulently generated.</p> <p>Thus, the operation of the hostel was a suspect to which honorarium and maintenance allowance of ₹16.69 lakh was paid during 2019-20 to 2023-24.</p>	
		
	<p>Figure 9: Toilets dumped with waste scrap material</p>	<p>Figure 10: Insufficient beds, mattresses and pillows</p>
<b>5.</b>	<b>Gajanan Maharaj BC Girls Hostel, Sindhkhed Raja, Buldhana</b>	
	<p>Sanctioned capacity of the hostel was 24 students and post of one Superintendent, one cook and one watchman was also sanctioned</p> <p>(i) There were two rooms (16X14 sq. ft. each) along with one attached toilet and bathroom which was not sufficient as per norms (GR date 16.03.1998) for use of 24 girl students.</p> <p>(ii) Only mattresses were available in the hostel and cot, bed sheet, pillow, blankets <i>etc.</i> were not available. The personal belongings of students like bedding materials, clothes, study books <i>etc.</i> of the students were also not available.</p> <p>(iii) The records related to attendance of the students and employees of the hostel were not available.</p> <p>(iv) As per the guidelines for maintenance of AHs (GR date 16.03.1998), buffer stock of raw food material for one month was required to be maintained in the hostel. However, no buffer stock of raw food material was available.</p> <p>(v) The records related to admission of students such as application form, number of the admission form, important details of students like date of birth, address, parent's mobile number were not filled in the admission form.</p> <p>Thus, the operation of the hostel was a suspect to which honorarium and maintenance allowance of ₹51.02 lakh was paid during 2019-20 to 2023-24.</p>	


	<p>As per visit reports of departmental officials dated 18.01.2020 and 28.02.2023, this hostel was functioning properly and no serious adverse remarks were mentioned.</p>
	
	<p>Figure 11: Mattress laid on the floor</p>
<p><b>6.</b></p>	<p><b>Nehru Chhatralay, BC Boys Hostel, Latur</b></p>
	<p>Sanctioned capacity of the hostel was 36 students and post of one Superintendent, one cook and one watchman was also sanctioned.</p> <p>(i) It was noticed that the hostel was under construction. The audit team was informed by the Inspector, ZP that the hostel was shifted to some other location. At the new location it was noticed that a hostel named 'Babasaheb Patil Magasvargiya Vidyarthi vastigruh Kulswamini Nagar', Latur was functioning in the building. No student of Nehru Chhatralaya, BC Boys hostel was present in the hostel.</p> <p>(ii) Records related to admission, attendance register, movement register of students in Nehru Chhatralay, BC Boys hostel were not made available to Audit.</p> <p>(iii) The staff of the hostel viz. superintendent, cook, security guard was not available.</p> <p>Thus, the operation of the hostel was a suspect to which honorarium allowance of ₹2.40 lakh was paid during 2022-23 to 2023-24. The payment of only honorarium without maintenance allowance from 2022-23 indicated that no students were available in the hostels.</p> <p>In reply, the DSWO, Latur stated that the institution has not intimated about the construction work and the place where the students have been shifted would be ascertained and intimated to Audit.</p>

		
	Figure 12: Under construction building of hostel	Figure 13: Waste material inside the hostel

Source: Compiled based on joint inspection report

Thus, joint physical verification of the AHs revealed that there were 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* which indicated that the operation of the AHs was purportedly bogus.

This has to be viewed in the light of shortfall in inspections by the designated authorities as discussed in **paragraph 2.2.9.1**.

The Government stated (November 2025) that detailed reports received from the flying squads constituted by the Commissioner, Social Welfare have been received and are under examination, based on which appropriate administrative action would be taken on aided hostels defying Government Rules and regulations.

### Conclusion

The audit of hostels for Backward Class students under the Social Justice and Special Assistance Department revealed that, despite substantial budgetary support and a well-defined policy framework, the intended outcomes of providing adequate, accessible and dignified residential educational facilities were only partially achieved. Deficiencies were observed across the entire lifecycle of hostel management—planning, fund utilisation, infrastructure creation, provision of basic facilities and monitoring. Delays in construction, under-utilisation of created capacity, gaps in coverage under the Swadhar Scheme, shortages of wardens, inadequate facilities (including for students with disabilities), weak inspection mechanisms and ineffective use of technology collectively diluted the effectiveness of hostel-based support. Consequently, a significant number of eligible students were either deprived of hostel facilities or compelled to reside in sub-optimal conditions, undermining the objective of equitable access to education for backward class students.

### **Recommendations**

- *The State Government may conduct a comprehensive demand assessment covering not only demand under Swadhar scheme but also the demand from students of 8<sup>th</sup> to 10<sup>th</sup> standards and students belonging to OBC, SBC and other weaker sections studying post 10<sup>th</sup> 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.*

## Revenue and Forest Department

### 2.3 Pending Fees Receipts from User

**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.**

The Government of Maharashtra, Revenue and Forest Department had implemented the Digital India Land Record Migration scheme under *e-Mahabhoomi*. Digital copies of land records, like *Ferfar* (Form No. 6), 7/12 extracts, 8A extracts *etc.* termed as Records of Rights (RoR), were made available through online web portal for public use. Under *e-Mahabhoomi*, these records can be downloaded free of charge without a digital signature, while a fee of ₹15 per record was charged for downloads with a digital signature. The rates of fees were revised from time to time.

During a meeting of the State Level Bankers' Committee held in February 2020, the Chief Secretary, Government of Maharashtra directed the Revenue Department to make the online service of computerised RoR available to banks through an Application Programming Interface (API)<sup>65</sup> and to operationalise the facility by entering into the necessary agreements with the Settlement Commissioner & Director of Land Records (SC & DLR), Pune. Subsequently, SC & DLR directed (March 2020) that the concerned user<sup>66</sup> should develop the requisite utilities at their own cost to access the revenue data made available by SC & DLR and user IDs and passwords would be issued to the designated administrators of each user entity for access to the web portal.

In 2022, the Revenue Department enabled access to computerised and digitally-signed RoR for other users through an API. As these users required RoR data for delivery of services under various schemes, Memoranda of Understanding (MoUs) were executed between the user and SC & DLR.

As per Clause 1.5 of the MoU, downloads of RoR were subject to a monthly billing cycle, with applicable fees required to be paid before the end of the succeeding month of usage, not meeting which the services were liable to be discontinued. The MoUs also empowered SC & DLR to terminate the agreements in case of non-payment, while reserving the right to recover the outstanding dues.

As per Government Resolutions dated 31 January 2019 and 26 March 2019, read with the instructions issued by the SC & DLR in March 2020, fees collected from users were required to be initially credited to a depository account with net

<sup>65</sup> An application programming interface is a set of rules that allows different software programs to communicate with each other by exchanging data and functionality.

<sup>66</sup> User such as Individuals, Central/State Government Departments, Central/State Government Corporations, Public Sector Banks, Private Banks, Financial Institutions/other Private Institutions, who use the online service of computerized Records of Rights.

banking facility maintained at State Bank of India, Pune through RTGS/NEFT. At the end of each month, the accumulated fees were to be apportioned, with the share of SC & DLR credited to its Personal Ledger Account and the applicable Government share (₹5 per record) credited to the Government account through the Government Receipt Accounting System (GRAS) under the appropriate Major Head.

Audit noticed (September 2024 and May 2025) that while various users had availed of the Web Portal/Services facility of SC & DLR, the associated charges of ₹1.61 crore from Banks and ₹9.76 crore from Institutions for the period from 2020-21 to 2025-26 (till April 2025) were not collected by SC & DLR as detailed in **Table 2.18** below:

**Table 2.18 : Year wise pending fees from User (₹ in lakh)**

Banks			Institutions		Total	
Year	Total Pending Fees	GoM Share	Total Pending Fees	GoM Share	Total Pending Fees	GoM Share
1	2	3	4	5	(6)= (2+4)	(7)= (3+5)
2020-21	22.17	18.23	225.81	75.27	247.98	93.50
2021-22	28.71	25.80	279.32	83.87	308.03	109.67
2022-23	31.40	24.21	393.27	129.53	424.67	153.74
2023-24	46.47	22.71	599.80	162.44	646.27	185.15
2024-25	29.67	19.09	483.16	155.25	512.83	174.34
2025-26 (April 2025)	3.56	1.34	29.54	9.80	33.1	11.14
<b>Total</b>	<b>161.98</b>	<b>111.38</b>	<b>2,010.90</b>	<b>616.16</b>	<b>2,172.88</b>	<b>727.54</b>
Less: Amount recovered	0	0	1035.11	0	1035.11	0
<b>Balance Pending Amount</b>	<b>161.98</b>	<b>111.38</b>	<b>975.79</b>	<b>616.16</b>	<b>1,137.77</b>	<b>727.54</b>

Source: Information provided by SC & DLR, Pune

From above, it is seen that total fees of ₹11.38 crore (Government share ₹7.28 crore and SC & DLR Share ₹4.10 crore) has not been received from Banks/Institutions.

The Agriculture Commissionerate requested (December 2018) the SC & DLR to provide access to RoR through API on the National Crop Insurance Portal for implementation of the Pradhan Mantri Fasal Bima Yojana. Pursuant to this request, and following inter-departmental consultations, SC & DLR enabled API-based access to RoR data for verification of land titles by crop insurance companies engaged in implementation of the scheme.

Audit observed that, as of May 2025, a total of 13,77,41,550 RoR downloads had been made by the Agriculture Commissionerate at a prescribed rate of ₹15 per record (Government share: ₹ five per record). Accordingly, fees amounting to ₹206.61 crore, comprising Government revenue of ₹68.87 crore and SC & DLR share of ₹137.74 crore, remained unrealised from the Agriculture Department since 2019-20.

When reasons for the prolonged non-realisation of fees were sought by Audit, SC & DLR stated (June 2025 and September 2024) that notices for settlement of pending dues were issued in September 2024 to Banks and Institutions, with the stipulation that access to the web portal would be discontinued and penalties levied in case of continued non-payment.

The reply was not tenable, as fees amounting to ₹217.99 crore (₹11.38 crore from Banks and Institutions and ₹206.61 crore from the Agriculture Department) remained unrealised since 2019-20. Notices for non-payment of fees were issued by the SC& DLR only after the matter was pointed out by Audit. Further, out of the total outstanding amount, Government revenue of ₹76.15 crore (₹7.28 crore and ₹68.87 crore) had become overdue and remained uncollected even after a lapse of six years, adversely affecting the recoverability of dues and resulting in loss of Government revenue.

The matter was referred to the Government (July 2025); followed by reminders in November 2025; reply is awaited.

## 2.4 Short levy of occupancy charges

**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.**

As per the Revenue and Forest Department, Government of Maharashtra (R&FD) resolution (February 2016) while transferring government land on occupancy or lease basis, the valuation of such land should be determined as per the rate prescribed in the Annual Statement of Rates (ASR) as on date on which order is passed for transfer of government land. Further as per condition 16(b) of ASR 2017-18, the occupancy charges are to be recovered on the value and classification of land (agricultural and non-agricultural) based on the measuring unit (square meter/hectare) and rate prescribed in the ASR.

Scrutiny of the records (December 2019) in the office of the Tahasildar, Panvel, District Raigad revealed that the Collector, Raigad transferred (September 2017) the rights of land parcel of government land admeasuring 0.219 hectares (2,190 sq. mt.) at survey No. 90/9 at Gavhan, Taluka Panvel, District Raigad to Mumbai Metropolitan Region Development Authority (MMRDA). The land was transferred to MMRDA for developing Mumbai Trans Harbour Link Road (MTHL).

Audit noticed, while levying occupancy charges on the land parcel admeasuring 0.219 hectares, department considered the land parcel as *Jirayat*<sup>67</sup> and by applying the slab rates of the ASR for the year 2017-18 levied the occupancy charges of ₹ 3.97 lakh<sup>68</sup>. Accordingly, MMRDA paid occupancy charges in November 2017 and took possession of the land (December 2017). Since the land was non-agriculture, the department was required to levy the slab rates as

<sup>67</sup> Agricultural land which depends entirely on rainfall for cultivation.

<sup>68</sup> 0.219 hectare x ₹18,13,500 per hectare as per ASR for the year 2017-18 = ₹3,97,157.

per condition No. 16(b) of ASR 2017-18 applicable to non-agricultural land *i.e.* ₹ 3,650 per square meter. Thus, the occupancy charges levied should have been ₹73.07 lakh instead of ₹3.97 lakh. This resulted in short levy of occupancy charge of ₹69.10 lakh as shown in **Table 2.19** below:

**Table 2.19: Short levy of occupancy charges**

Calculation as per Audit <sup>69</sup>		Calculation of the Department considering the land as <i>Jirayat</i> Agriculture land		Short levy (Amount in ₹)
Particulars	(Amount in ₹)	Particulars	(Amount in ₹)	
Area of the land: 0.219 hectare <i>i.e.</i> , 2,190 sq. mt.		Area of the land: 0.219 hectare		
Rate as per ASR 2017-18 = ₹3,650 per sq.mt.		Rate as per ASR 2017-18 per hectare ₹18,13,500		
<b>i.</b> 500 sq mt × ₹3,650	18,25,000	Occupancy charges = 0.219 × ₹18,13,500	<b>3,97,157 (B)</b>	
<b>ii.</b> 1,500 sq mt × ₹3,650 × 90 <i>per cent</i>	49,27,500			
<b>iii.</b> 190 × ₹3,650 × 80 <i>per cent</i>	5,54,800			
<b>Total (i +ii + iii)</b>	<b>73,07,300 (A)</b>			<b>69,10,143 (A-B)</b>

While accepting the audit contention (September 2023) issued demand notice for recovery was issued to MMRDA in November 2020 for payment of the short levy within 15 days. However, MMRDA has not responded, and therefore, action as per section 174 of the Maharashtra Land Revenue Act, 1966 and provisions of Maharashtra Land Revenue Recovery Rules, 1967 was proposed.

The short levy occurred due to incorrect classification of non-agricultural government land as *Jirayat* at the time of transfer, resulting in application of lower ASR rates. Although the audit observation was accepted and a demand notice was issued in November 2020, revenue authorities did not initiate and pursue recovery action under the Maharashtra Land Revenue Act and the Recovery Rules led to continued non-recovery of the dues, thereby prolonging the short realisation of government revenue amounting to ₹69.10 lakh.

Despite acceptance of the audit observation and issue of a demand notice in November 2020, the department did not pursue recovery action for over five years, contrary to the provisions of the Maharashtra Land Revenue Act, 1966 and the Maharashtra Land Revenue Recovery Rules, 1967. The prolonged inaction resulted in continued non-realisation of government revenue and reflects deficiencies in enforcement and follow-up mechanisms.

<sup>69</sup> The slab for calculation of occupancy charges as per 16 (b) of ASR of 2017-18 is as follows:

Upto 500 sq. mt.: 100 *per cent* of the rate.

500 sq. mt. to 2,000 sq. mt.: 90 *per cent* of the rate.

2,001 sq. mt. to 4,000 sq. mt.: 80 *per cent* of the rate.

The matter was referred to Government (March 2024) followed by reminders (July 2025 and November 2025); reply is awaited.

## 2.5 Non-levy of penalty

**Non-levy of penalty amounting ₹11.50 lakh on means of vehicle/machine engaged in unauthorized extraction of minor minerals resulted in continued non-realisation of government revenue.**

Rule 9 of the Maharashtra Land Revenue (Extraction and Removal of Minor Minerals) (Revised) Rules, 2017 according to Section 48(8) of Maharashtra Land Revenue Code, 1966 (MLRC), published vide Government of Maharashtra Gazette notification Extra-ordinary part-IV(B) No-18 dated 12.01.2018 stated that if a vehicle or machine is used for unauthorized activities viz. unauthorized extraction, removal, collection, replacement, picking up or disposal of minor minerals, a penalty would be levied as per the classification of vehicle/machine mentioned in the rule. The seized vehicle would be released after payment of penalties levied on vehicle/machine and submission of personal bonds<sup>70</sup>. This penalty is in addition to the penalty under section 48(7) of the MLRC, 1966 which stipulates that an amount up to five times the market value of the minerals so extracted, removed, collected, replaced, picked up or disposed of.

During scrutiny of records (June 2019) of the Sub Divisional Officer (SDO), Ahilyanagar, it was observed that two *Panchnamas*<sup>71</sup> were issued by Sub Divisional Officer (SDO), Ahilyanagar during 2017-18. First *Panchnama* was issued on 12.11.2017 for one truck and second *Panchnama* was issued on 07.03.2018 for another truck and one mechanized loader (JCB) used in unauthorized extraction and transportation of minor minerals. Further, Tahsildar, Ahilyanagar had issued orders under section 48(7) and 48(8) of the MLRC, 1966 for recovery of penalty amounting to ₹1,98,900 for truck and JCB (Order No. 377 dated 14.03.2018) and ₹76,200 for truck (Order No. 386 dated 19.03.2018) as per type and quantity of minor minerals. Further, two orders 398 dated 17.03.2018 and 404 dated 19.03.2018 were issued for release of these vehicle/machinery seized for unauthorized extraction of minor minerals against personal bonds.

Audit noticed that in these two cases for unauthorized extraction of minor minerals, total three vehicles/Machines were used and seized. However, orders issued by Sub Divisional Officer, Ahilyanagar in these two cases for release of the seized vehicle/machine, penalty as per means of vehicles/machines were not

<sup>70</sup> The owner of the machinery, equipment or means of transport seized under sub-section (8) of Section 48 shall furnish personal bond as per the direction of the Collector or the officer authorized, for an amount not exceeding the market value of such seized machinery, equipment or means of transport, used for unauthorized extraction, removal, collection, replacement, picking up or disposal of minor minerals or transportation thereof.

<sup>71</sup> A *panchnama* is a formal document created by an investigating officer and signed by two or more independent witnesses (*panchas*) to officially record observations, evidence, and findings at the scene of a crime or incident. It serves as a legal record of events like searches, seizures, or inquests to ensure the process was conducted transparently and legitimately.

levied as per Rule 9 of Maharashtra Land Revenue (Extraction and Removal of Minor Minerals) (Amendment) Rules, 2017.

As per table under the notification (January 2018), rates for levy of penalty/convenience charge was ₹ two lakh and ₹7.5 lakh for the truck and mechanized loader (JCB) respectively, if found engaged in unauthorized excavation of minor minerals. Thus, the total non-levy of penalty worked out in this case was ₹11.50 lakh<sup>72</sup>.

In reply, the SDO, Ahilyanagar stated (June 2024) that the matter was informed (December 2019 and May 2024) to Tahsildar, Ahilyanagar to recover the amount from the concerned owners of trucks/JCB and accordingly, Tahsildar, Ahilyanagar issued (July 2024) notice to the concerned owners to remit the penalty amount.

Despite seizure of vehicles/machinery used in unauthorised extraction of minor minerals, the prescribed penalty under Rule 9 of the Maharashtra Land Revenue (Extraction and Removal of Minor Minerals) Rules, 2017 was not levied at the time of their release. Although recovery action was initiated subsequently, the penalty amount of ₹11.50 lakh remained unrecovered till October 2025. The lapse resulted in continued non-realisation of government revenue and indicates weaknesses in enforcement and follow-up of statutory penalty provisions.

The matter was referred to the Government (October 2024); followed by reminders in July 2025 and November 2025; reply is awaited.

## **2.6 Unfruitful expenditure on construction of Staff quarters**

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

The construction of an Administrative Building and 82 residential quarters for the staff of District Collector, Gondia was administratively approved (November 1999) by Government of Maharashtra for ₹12.42 crore. The demand survey for accommodation from the staff of District collector, Gondia was not carried out before approval as there was no policy to conduct such survey. Further the Government advised (December 1999) the District Collector, Gondia to reconsider the land available at Gondia city for construction of Collector Office and Central Administrative Building instead of the site approved for construction which was approximately four kilometers away from Gondia City.

Audit noticed (June 2022) that the construction work of eight Type IV, eight Type III and 24 Type II residential quarters was awarded by Executive Engineer, Public Works Division, Gondia during March 2007, November 2006 and May 2009 to a contractor respectively with a stipulated date of completion of 12 months from the date of issue of work order. The works of Type IV, Type III and Type II residential quarters were completed incurring an expenditure of ₹55.70 lakh, ₹50.32 lakh and ₹167.87 lakh in December 2008, March 2008 and

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<sup>72</sup> For two Trucks and one JCB, amount of penalty: ₹2 lakh + ₹2 lakh + ₹7.5 lakh.

December 2011 and were handed over to the Collectorate, Gondia in January 2011, September 2011 and January 2012 respectively.

Accordingly, District Collector and Chairman, Quarters Distribution Committee allotted the quarters to the staff in October 2011 and July 2012, however, no staff took possession of the quarters and it remained unoccupied over a decade after their completion and handing over by January 2012. During that period antisocial elements vandalised/stole electrical and sanitary fittings and water supply connections. A police complaint was also lodged (March 2013) to this effect. Meanwhile, the Executive Engineer, Public Works Department, Gondia requested (September 2015) Collector, Gondia to provide fund of ₹40 lakh for damaged electric supply, sanitary facilities and water supply connections. Accordingly, Collector, Gondia communicated (March 2016) to the Government to convert the staff quarters into common pool so that the quarters could be allotted to the staff belonging to other Departments. However, no reply has been received from the Government (as of May 2024) and hence quarters remained unoccupied resulting in wasteful expenditure of ₹2.74 crore<sup>73</sup>.

In reply, the department stated (May 2024) that the quarters were not occupied due to location of the quarters which was approximately five kilometers away from the Gondia city and no facilities like water, electricity and other amenities in the quarters were available, hence officers, employees had not submitted application for housing.

Audit concludes that the construction of staff quarters at Gondia resulted in unfruitful expenditure of ₹2.74 crore due to deficient planning at the project formulation stage, including absence of demand assessment and selection of an unsuitable location lacking basic civic amenities, despite prior Government advice. The completed quarters remained unoccupied for over a decade, during which inadequate safeguarding led to vandalism and deterioration of assets. Further, delayed decision-making on alternative utilisation, including conversion to a common pool, prolonged non-utilisation of the infrastructure. These deficiencies collectively led to wasteful expenditure and non-realisation of the intended benefits of the investment.

The matter was referred to the Government (April 2025); followed by reminders in July 2025 and November 2025; reply is awaited.

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<sup>73</sup> Type IV quarters: ₹55.70 lakh, Type III: ₹50.32 lakh and Type II: ₹167.87 lakh.

**Revenue and Forest Department (Disaster Management Relief and Rehabilitation)**

**2.7 Excess payment of ₹2.60 crore towards crop loss relief**

**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.**

The Revenue and Forest Department (Relief and Rehabilitation), Government of Maharashtra, (Department) vide Government Resolution (January 2023) decided to distribute relief fund to eligible farmers who lost their agricultural crops due to natural calamities, through a computerised system developed by MAHA IT<sup>74</sup> to avoid delays and provide better service for payment of financial assistance. The crop relief is provided to farmers who possess land less than three hectares in size and whose crop loss is more than one-third of the cultivated land. Government Resolutions have been issued by the Department from time to time stipulating the crop relief to be paid for disbursement of crop relief.

The process in the disbursement of crop relief begins with the preparation of a 'Panchnama' by the Talathi. The 'Panchnama' shows the name of the farmer, area of the land in which the crop has been destroyed etc. The 'Panchnama' is signed by the Talathi and is also signed by five residents of the village as witnesses. In addition to the 'Panchnama', information is also filled by the Talathi in a prescribed format containing the name of the farmer, area affected, aadhaar number of the farmer, amount to be paid as crop relief, bank account number, phone number etc. A copy of the 'Panchnama', in prescribed format and data of all farmers fed in an Excel spreadsheet is sent by the Talathi to the Taluka office. The Taluka office uploads the 'Excel spreadsheet' on the system; thereafter, the system automatically validates records to identify duplicate beneficiaries by cross-verifying Aadhaar number, village, name and "Gat Number"<sup>75</sup> etc. The Taluka office saves the data and sends it to the Collector for approval. After approval by the Collector office, a *Vishishth Kramank* list (list showing the names of the farmers to whom the financial assistance is approved) is generated by the system for disbursement of crop relief to the farmers. The financial assistance is credited into the bank account of the farmer, after the farmer completes his biometric authentication through Aadhaar number.

The crop loss relief system was required to ensure that relief was disbursed only once per eligible beneficiary for a given loss event and to prevent duplicate processing of beneficiary data through appropriate system-based controls and validation checks. Further, departmental instructions issued in May 2024 stipulated recovery of excess payments by June 2024.

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<sup>74</sup> Nodal institution of the Government of Maharashtra functioning for effective implementation of IT related initiatives in the State and for establishing an effective e-Governance system.

<sup>75</sup> The term "Gat Number" is a survey identification number used to uniquely identify a land parcel in rural and agricultural areas, especially in Maharashtra.

During the audit (January 2024) of Revenue and Forest Department (Relief and Rehabilitation) the data of crop relief paid to the farmers in the State was analysed by Audit to detect duplicate payments if any, by matching name of the farmer, Aadhaar number, district, taluka, *Gat* number, area of the farm affected by natural calamity and Government Resolution (GR) number authorizing the quantum of relief payable for each crop type, in the database.

The analysis of crop relief released under different GRs issued during the period November 2022 to January 2024 revealed 26,004 cases showing disbursement of crop relief twice or more than twice to 11,860 farmers in the State, with 18,247 cases (70 per cent) being in two districts viz., Akola and Chhatrapati Sambhajnagar. To validate the correctness of the result of analysis, Audit team visited (October 2024) the Collector and Taluka offices (13 Talukas) in these two districts, and verified 12,102 cases<sup>76</sup> (66 per cent) out of 18,247 cases, by comparing the data in '*Panchnama*' with data uploaded in the system. Scrutiny confirmed duplicate/multiple payment to the same farmer in 7,301 cases<sup>77</sup> (60 per cent) out of 12,102 cases checked, resulting in excess payment of ₹2.60 crore. In the remaining 4,801 cases (12,102-7,301) detected in data analysis, Audit noticed that there was no duplicate/multiple payment because it was on account of feeding incorrect GR number, multiple crops cultivated in the same *Gat* number etc. The duplicate/multiple payments in 7301 cases were because of uploading the same excel file twice/multiple times by the Taluka office. Thus, there was a flaw in the system which allowed uploading of the same file twice or multiple times. The system, while equipped with beneficiary-level validation checks, did not have adequate controls to detect or block duplicate uploads of identical data files, thereby allowing repeated processing of the same records. This indicated a weakness in system design and workflow controls, which did not prevent duplicate batch uploads or flag such instances for supervisory review.

Based on audit findings, the Department directed (May 2024) all the Collectors in the State to identify duplicate/multiple payment and complete the recovery by June 2024. Two Tahsildars of Chhatrapati Sambhajnagar districts stated that while uploading the file a message 'unable to save records' appears on the screen due to which the file is uploaded once again. In reply (January 2025) the Department stated that based on the directives issued in May 2024, double/multiple payments was made in respect of 9,250 cases in Akola and Chhatrapati Sambhajnagar out of which recovery was made in 719 cases (₹69.01 lakh) while recovery was pending in 8,531 cases.

The absence of effective controls to prevent duplicate processing resulted in excess disbursement of ₹2.60 crore and exposed the scheme to financial loss. Delays in recovery further prolonged the retention of public funds by ineligible beneficiaries, indicating weaknesses in post-disbursement oversight and recovery mechanisms.

The recovery of excess payment was not completed despite the direction of Department to complete the recovery by June 2024. Further, cases identified in other districts and status of recovery was awaited from the Department. The

<sup>76</sup> Remaining 6,145 cases were not produce to audit due to declaration of State Assembly Election 2024. Therefore, verification of records were restricted to 12,102 cases.

<sup>77</sup> Akola:6,147; Chhatrapati Sambhajnagar:1,154.

reply of the Department also did not clarify whether the flaw in the system has been since rectified.

The matter was referred to the Government (May 2025) followed by reminders in July 2025 and October 2025; reply is awaited.

## **Housing Department**

### **Slum Rehabilitation Authority, Pune and Pimpri-Chinchwad Area**

#### **2.8 Undue Benefit to Developers**

**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.**

The Government of Maharashtra (GoM) Housing Department has introduced a comprehensive Slum Rehabilitation Scheme (SRS) to provide free rehabilitation tenements to eligible slum dwellers. The SRS comprises two components: the Rehabilitation Component<sup>78</sup> area and the Free Sale Component<sup>79</sup> area. Developers constructing rehabilitation tenements can utilize the free sale component area to build sale tenements on-site for open market sale, subject to the slum plot's Floor Space Index<sup>80</sup> (FSI) consumption limits. Any unused free sale component area due to FSI limits is granted as Transferable Development Rights<sup>81</sup> (TDR). The free sale component serves to compensate developers for the costs incurred in constructing the rehabilitation component.

The Slum Rehabilitation Authority (SRA) of Pune and Pimpri Chinchwad Area, (PCMC) designated as the Planning Authority, implements the SRS in these areas. The SRS is governed by Special Regulations (SR) issued by the GoM and the Unified Development Control and Promotions Regulations (UDCPR) for Maharashtra. According to SR 13(2), the total sanctioned FSI for SRS, comprising both rehabilitation and free sale components, cannot exceed 3.0 on

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<sup>78</sup> As per SR 1 (u) Rehabilitation Component shall mean area of all residential tenements as well as non- residential built-up premises to be given to the eligible hutment dwellers in accordance with the provisions of these Regulations and shall be inclusive of common areas, lobbies, staircase/(s), lift/(s) and machine room/(s), passage/(s), welfare center/(s), balwadi/(s), etc.

<sup>79</sup> As per SR 1 (v) Free Sale Component of SRS is the built up area that can be constructed against the incentive FSI, in accordance with these Regulations, available in the form of FSI or TDR out of the total permissible FSI of the SRS (rehabilitation component plus incentive sale component in the ratios prescribed in these Regulations) after deducting FSI required for Rehabilitation.

<sup>80</sup> Floor space Index is the ratio of the combined built-up area (BUA) on all floors, except the areas specifically exempted from computation under Development Control Regulation to the gross area of the plot.

<sup>81</sup> It is the compensation in the form of Floor Space Index or Development Rights which shall entitle the owner for construction of BUA.

any slum site. However, if the existing tenement density exceeds 450 per hectare, FSI consumption up to 4.0 is permitted. Further, SR 13(2) allows for the issuance of TDR for the difference between the total sanctioned FSI and the maximum permissible or consumed FSI on-site. As per notification (December 2018) under SR 15(1) of SRA Regulation (September 2014), the additional free sale component/incentive built up area (free sale component) for constructing the rehabilitation tenements was required to be calculated as per the ratio prescribed.

As per Regulation 11.2.4 of the Unified Development Control and Promotions Regulations (UDCPR) 2020, when a developer surrenders Development Plan (DP) entitled land in a non-congested area to the authorities, they become entitled to TDR. The TDR entitlement is equivalent to twice the area of the surrendered land, provided that the land is surrendered at no cost and without any encumbrances. This entitlement applies regardless of and additional to the permissible FSI or development potential of both the surrendered land and the surrounding land.

a) Scrutiny of records revealed (May 2023) that SRA sanctioned (April 2017) a SRS in favour of a developer for construction of 147 rehabilitation tenements on a slum plot admeasuring 2,591.50 square metres. The maximum in-situ permissible FSI for the slum plot was 10,366 square metres considering FSI of four since the existing tenement density was more than 450 per hectare.

The rehabilitation component as per SR1(u), which is the built area to be given to eligible tenement dwellers inclusive of common areas, staircase, passages *etc.* was 8,715.31 square meters. Non-FSI area consisting of common areas, staircase, passages *etc.* was 3,174.47 square metres. The free sale component to be allowed to the Developer considering the ratio of 2.699 prescribed under SR15 (1) and the rehabilitation component of 8,715.31 square meters worked out at 23,522.62 square metres<sup>82</sup>.

Out of the maximum in-situ permissible FSI of 10,366 square metres on the slum plot, the Developer utilised FSI of 5,540.84 square metres for rehabilitation and 4,810 square metres out of the free sale component of 23,522.62 square metres.

Audit noticed (May 2023) that SRA had sanctioned a total FSI of 32,237.93 square metres<sup>83</sup> for SRS under SR 13(2), by considering free sale component of 23,522.62 square metres and rehabilitation component of 8,715.31 square metres (23,522.62 square metres + 8,715.31 square metres).

The computation of total sanctioned FSI for the SRS under SR 13(2) was incorrect since the FSI of the Rehabilitation component was reckoned as 8,715.31 square metres (including 3,174.47 square metres free of FSI) instead of FSI of 5,540.84 square meters only. As per Audit, SRA has to sanction a total FSI of 29,063.46 square metres instead of 32,237.93 square metres.

After deducting the maximum in-situ permissible FSI of 10,366 square metres from the total FSI of 32,237.93 square metres, the balance FSI of

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<sup>82</sup> 23,522.62 square meters = 8715.31square meters\* 2.699.

<sup>83</sup> Free sale component of 23522.62 square meters + Rehabilitation component of 8,715.31 square meters.

21,871.93 square metres was released (till May 2022) to the Developer by SRA. However, as per audit, SRA has to release 18,712.62 square metres instead of 21,871.93 square metres.

The incorrect computation of total sanctioned FSI resulted in excess release of TDR as shown in **Table 2.20** below:

**Table 2.20: Excess release of TDR to the Developer**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As per SRA</b>	<b>As per Audit</b>
1	Plot area (in square meters)	2,591.50	2,591.50
2	FSI Consumption under section 13(2)	4.00	4.00
3	Maximum FSI allowed on the plot (in square meters)	10,366 (sr.no. 1*2)	10,366 (sr.no. 1*2)
4	FSI of rehabilitation component (in square meters)	5,540.84	5,540.84
5	Non-FSI of rehabilitation components (in square meters) (common areas, staircase, passages etc)	3,174.47	3,174.47
6	Total rehabilitation component (in square meters)	8,715.31 (sr.no. 4+5)	8,715.31(sr.no. 4+5)
7	Prescribed Ratio under SR 15(1) read with notification dated 17.12.2018	2.699	2.699
8	Free sale component (in square meters)	23,522.62 (sr.no. 6*7)	23,522.62 (sr.no. 6*7)
9	Total sanctioned FSI of the scheme under SR13(2) (in square meters)	32,237.93 (sr.no. 6+8)	29,063.46 (sr.no. 4+8)
10	Rehabilitation FSI utilised in the slum plot (in square meters)	5,540.84	5,540.84
11	Free sale FSI utilised in the slum plot (in square meters)	4,810.00	4,810.00
12	TDR released to the developer (in square meters)	21,871.93 (sr. no. 9-3) (A)	18,712.62 (sr.no. 9-10-11) (B)
13	Excess release of TDR to the developer (in square meters)	<b>3,159.31(A - B)</b>	

As seen from **Table 2.20**, there was excess release of TDR to the developer due to incorrect computation of total sanctioned FSI resulting in undue benefit of ₹6.29 crore<sup>84</sup>.

In reply (January 2026) Department stated that the calculations were done as per Regulations and no excess free sale FSI/TDR was sanctioned to the developer.

The reply is not tenable as the excess sanction of TDR was attributable to misapplication of the provisions of SR 13(2) and SR 15(1) of the SRA Regulations in as much as the SRA incorrectly included non-FSI areas while

<sup>84</sup> 3159.31 square metres x cost of land ₹19,910 per square metre as per Annual Statement of Rates for the year 2017-18.

computing total sanctioned FSI contrary to the regulatory provisions governing computation of development potential and TDR entitlement.

b) Scrutiny of records of similar case at the SRA, PCMC in May 2023 revealed that SRA sanctioned (March 2017) a SRS for a plot<sup>85</sup> admeasuring 6,452 square meters . The plot was encumbered by a DP road set-back area of 4,976.46 square meters as per regulation 2014. Thus, the net plot area of 1,475.54 square meters was available for the rehabilitation. The scheme underwent revisions<sup>86</sup> in November 2020 and January 2021. As per the revised SRS in January 2021, the construction of 175 rehabilitation tenements were planned.

The developer proposed construction of total rehabilitation component area admeasuring 7,260.08 square meters on the net plot area of 1,475.54 square meters. This comprised area admeasuring 4,697.25 square meters towards FSI of rehabilitation tenements and free of FSI area of BUA admeasuring 2,562.83 square meters. Further, against the rehabilitation component, the SRA worked out the corresponding free sale component to 19,217.43 square meters, based on the ratio of 1:2.647 derived from the notification (December 2018) of Urban Development Department under SR 15 (1) of SRA Regulation (September 2014). Audit however, noticed (May 2023) the following discrepancies:

- **Sanction of excess TDR of 1,204.91 square meters against the FSI for rehabilitation on net slum plot area admeasuring 1,475.54 square meters**

The developer proposed the construction of rehabilitation tenement on net slum plot area of 1,475.54 square meters. Under SR 13(2), SRA sanctioned FSI of 25,119.59 square meters<sup>87</sup> for remaining plot, which comprised the FSI 4 (5902.16 square meters ) for remaining plot area and the free sale component area (19,217.43 square meters) against the rehabilitation component of the scheme. The computation of total sanctioned FSI for the SRS under SR 13(2) was incorrect since the FSI of the Rehabilitation component was reckoned as 5902.16 square meters instead of FSI of 4,697.25 square meters which was proposed for the construction on site. As a result, the SRA sanctioned an excess TDR of 1,204.91 square meters for the net slum plot area of 1,475.54 square meters as shown in **Table 2.21**.

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<sup>85</sup> Survey No. 1812 (111 B/1-A-1 B/1) at Hadapsar, Pune on net slum plot area of 1475.54 square metres.

<sup>86</sup> SRS was revised in November 2020 as developer requested to revise the scheme in accordance with the notification (December 2018) under SR 15 (1) of SRA Regulation (September 2014). SRS was further revised in January 2021 to accommodate newly eligible slum dwellers.

<sup>87</sup> 45,025.43 square meters – 19,905.84 square meters (4,976.46 square meters of DP road set-back area \* 4 FSI).

**Table 2.21: Sanction of excess TDR against the FSI for rehabilitation.**

Sr. No.	Particular	As per SRA	As per Audit
1	Balance slum plot area after carving out DP road set-back area (in square meters)	1,475.54	1,475.54
2	FSI allowed	4	-
3	FSI of the Rehabilitation component (in square meters) {(1) * (2)}	5902.16 (A)	4,697.25 (B) (Proposed FSI by the developer for rehabilitation tenements)
4	Excess TDR sanctioned by SRA (in square meters). (A)- (B)	-	1,204.91

- **Sanction of excess TDR of 9,952.92 square meters against the DP road set-back area admeasuring 4,976.46 square meters.**

The SRA sanctioned total area for the SRS of 45025.43 square meters, which comprised the FSI 4 (25,808 square meters) on gross plot area *i.e.* 6,452 square meters and the free sale component area (19,217.43 square meters) against the rehabilitation component of the scheme. However, the sanction was not in order as a portion of the plot was encumbered by a DP road set-back area (4,976.46 square meters) and the developer was entitled for utilization of plot potential up to FSI 4 only for the balance plot area *i.e.* 1,475.54 square meters. Further, as per Regulation 11.2.4 of the UDCPR, the developer would only be entitled to TDR of 9,952.92 square meters (4,976.46 square meters x FSI 2) instead of 19,905.84 square meters (4,976.46 square meters x FSI 4) for the DP road set-back area subject to handing over the DP road free from encumbrances to the PCMC. Therefore, the SRA sanctioned an excess TDR of 9,952.92 square meters against the DP road set-back area as shown in **Table 2.22** below:

**Table 2.22: Sanction of excess TDR against the DP road set-back area**

Sr. No.	Particular	As per SRA	As per Audit
1	DP road set-back area (in square meters)	4,976.46	4,976.46
2	FSI allowed for DP road set-back area	4	2 (As per Regulation 11.2.4 of the UDCPR)
3	FSI against DP road set-back area (in square meters) (Sr. No. 1 x 2)	19,905.84	9,952.92
4	Excess TDR sanctioned by SRA (in square meters). ( <i>i.e.</i> equivalent to FSI 2)	-	9,952.92

The incorrect computation of total sanctioned FSI resulted in excess sanction of TDR to the developer to the tune of 11,157.83 square meters<sup>88</sup> valuing ₹29.51 crore<sup>89</sup> on the prevalent Annual Statement of Rates.

<sup>88</sup> 9,952.92 square meters + 1,204.91 square meters.

<sup>89</sup> Net excess free sale FSI/TDR sanctioned 11,157.83 square meters x Ready Reckoner (RR) rate ₹26,450 per square meters vide entry No. 30/444 of RR rate for 2021-22=₹29,51,24,603.

In reply (January 2026) Department stated that the calculations were done as per Regulations and no excess TDR against DP road setback was sanctioned to the developer.

The reply is not tenable as the misapplication of the provisions of SR 13(2), SR 15(1) of the SRA Regulations, 11.2.4 Regulation of the UDCPR in computing total sanctioned FSI and TDR entitlement and applied FSI on area encumbered by DP road set-back resulted in irregular sanction and release of excess TDR, conferring an undue benefit of ₹6.29 crore and ₹29.51 crore respectively to the developers. The lapses indicate systemic weaknesses in the application of the regulatory framework governing Slum Rehabilitation Schemes and TDR administration.

### Slum Rehabilitation Authority, Mumbai

#### 2.9 Undue benefit to developer

**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.**

The Slum Rehabilitation Authority (SRA) a unit of Maharashtra Housing and Area Development Authority (MHADA) undertakes redevelopment of declared slums under Slum Rehabilitation Scheme (SRS) in Mumbai. Execution of SRS is governed by Regulations of Development Control Regulations of Greater Mumbai (DCR), 1991. Appendix IV of Regulation 33(10) of DCR, outlines the regulating parameters for SRS.

The audit findings were benchmarked against the following criteria of Regulation 32 and Appendix IV of Regulation 33(10) of DCR.

- Regulation 32 Specifies maximum Floor Space Index (FSI) and tenement density for various occupancies, locations, and use zones.
- Clause 7.7 allows redevelopment of reserved plots and contiguous non-slum areas, restricting FSI of non-slum areas to the surrounding zone's limit.
- Clause 7.8 permits clubbing of two or more SRS if developed by the same developer, subject to conditions
- Clause 8.1 allows providing allied amenities<sup>90</sup> to reconstructed slum buildings without increasing their existing area.
- Clause 7.7 of Appendix IV, which specifically governs redevelopment of unencumbered non-slum plots, is the applicable provision in the instant case and cannot be overridden by the general enabling provision relating to allied amenities under Clause 8.1.

<sup>90</sup> Balwadi, Society office, religious structures *etc.* including schools, dispensary and gymnasium, if any, run by any Public Authority or Charitable Trust.

Scrutiny of records (June 2023) of SRA revealed that a revised Letter of Intent (LoI) for a Slum Rehabilitation Scheme (SRS)<sup>91</sup> (Scheme I & II) at Khar (West), Mumbai was issued (June 2017) in favour of M/s Joy Developers under the Clause 7.8. A non-functional private school<sup>92</sup> admeasuring 341.10 square meter existed on the site of Scheme I. The school structure was neither encumbered by any Development Plan (DP) reservation nor encroached by slums.

As per the revised Letter of Intent (LoI) (June 2017), the school plot was allowed FSI 4 (1,364.40 square meters<sup>93</sup>) on the grounds that it was listed as an existing amenity in Annexure-II<sup>94</sup> of the said scheme. The proposed area for the school in the SRS was 210 square meters against the actual area of 341 square meters. However, in the LoI of May 2015, the school was included in the scheme I and allowed FSI 1 under Regulation 32. Further, in the note of revised LoI (June 2017), the architect of the scheme requested to include the school in the SRS and stated that it only meant just rehabilitation of the existing school structure under the SRS.

Audit observed that the said private school was neither encumbered by any DP reservation nor encroached by slums. Thus, the redevelopment of the school was required to allow restricting FSI of non-slum areas to the surrounding zone's limit as per clause 7.7 i.e. FSI 1 and with providing allied amenities to reconstructed slum buildings without increasing their existing area as per clause 8.1 under Regulation 33 (10) of DCR 1991. The initial sanction of FSI 1 (May 2015) by SRA was in order and the subsequent sanction of FSI 4 in revised LoI (June, 2017) for the school considering slum plot resulted in an excess sanction of FSI of 1,023.30 square meters<sup>95</sup> valued at ₹18.49 crore<sup>96</sup>.

Audit observed that the subsequent sanction of FSI 4 in the revised LoI (June 2017) stemmed from misapplication of Clauses 7.8 and 8.1 to the school plot, which, being an unencumbered non-slum area, was required to be regulated strictly under Clause 7.7 of Appendix IV, resulting in irregular extension of higher FSI.

In reply, the Department (January 2025) stated that the eligibility of the school was confirmed (June 2018) by Grievances Redressal Committee Mumbai suburbs for the rehabilitation scheme and hence, the entire area was certified in annexure II issued by the competent authority. The Department also stated that existing school was considered as existing amenity structure similar to other social infrastructure as defined in clause 8.1 for redevelopment with FSI 4. Thus, the SRA had not sanctioned additional FSI beyond the permissible limit to the developer.

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<sup>91</sup> Two schemes which were clubbed in (May 2015) i.e 1) Navi Sherli Mata Yashodhara Nagar Rahivashi SRA CHS Ltd (Scheme I) & 2) Navamala SRA CHS Ltd (Scheme II) and others at CTS nos. E/86/10; E/86/12 & E/99/A; E/99B respectively at Village Bandra, Mumbai Suburban District, Khar (W), Mumbai-400 052.

<sup>92</sup> Dr. Babasheb Ambedkar Vidyamandir at Khar (W).

<sup>93</sup> 341.10 square meters x 4 = 1,364.40 square meters.

<sup>94</sup> Annexure II: Comprises the details of eligible slum beneficiaries along with details of appurtenant land including amenities, if any, existed before redevelopment.

<sup>95</sup> Free sale FSI equal to FSI 3 over and applicable FSI, i.e., 341.10 square meters x 4=1,364.40 square meters - 341.10 square meters = 1,023.3 square meters.

<sup>96</sup> ₹1,80,700 (Annual Statement of Rates of 2017) x 1,023.30 = ₹18,49,10,310.

The reply of the Department is not tenable as the school plot was an unencumbered non-slum area, free from any slum encroachment or Development Plan reservation. Accordingly, its redevelopment was squarely governed by Clause 7.7 of Appendix IV to Regulation 33(10), which restricts FSI of such non-slum plots to the surrounding zonal limit. The general enabling provision under Clause 8.1 relating to allied amenities could not be invoked to override the specific restriction prescribed under Clause 7.7. The initial sanction of FSI 1 (May 2015) was therefore in order, whereas the subsequent grant of FSI 4 in the revised LoI (June 2017) amounted to irregular extension of higher FSI, resulting in undue benefit to the developer.

## Medical Education and Drugs Department

### 2.10 Idle Investment on Unused Medical Equipment

#### **Non-adherence of the Clauses of PMSSY Guidelines resulted in Idle investment of ₹39.08 crore on Unused Medical equipment at Shri Vasantnao Naik Government Medical College and Hospital, Yavatmal.**

Ministry of Health and Family Welfare, Government of India (MoHFW) under Phase-III of Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) had taken up (January 2014) the up-gradation of Shri Vasantnao Naik Government Medical College and Hospital, Yavatmal (VNGMCH) in the State of Maharashtra by constructing Super Speciality Blocks/Trauma Centre wherein the Central Government and State Government share would be ₹120 crore and ₹30 crore respectively. Clause 17 of Section-II of the Guidelines states that the Executing Agency (EA) and the Procurement Support Agency (PSA) should be made individually and jointly responsible for synchronization between construction and procurement of equipment to ensure that the functionality of constructed assets is not delayed on account of procurement, on the one hand and the procured asset do not lie idle, on the other. Further, Clause 19 of Section-II of said guidelines states that the State Government and VNGMCH may ensure that the creation of requisite posts and the recruitment exercise is carried out in synchronization with stages of construction and procurement.

The MoHFW engaged Central Public Works Department (CPWD) in January 2016 as the EA for undertaking civil construction work and HITES Ltd. (Government of India enterprise) as the PSA for procurement of medical equipment. Total funds sanctioned for this project was ₹150 crore which was to be distributed between CPWD (₹74.36 crore) for Civil work and HITES Ltd. (₹75.64 crore) for procurement of medical equipment. Total Funds available for Civil Works and Procurement of Medical Equipment was ₹126.39 crore (Central Share of ₹96.39 crore and State share of ₹30 crore). The funds released to CPWD was ₹58.25 crore<sup>97</sup> and ₹68.14 crore<sup>98</sup> to HITES Ltd.

<sup>97</sup> Central Share ₹33.25 crore and State Share ₹25 crore.

<sup>98</sup> Central Share ₹63.14 crore and State Share ₹5 crore.

The Super Speciality Hospital was handed over (January 2023) to VNGMCH by CPWD, while the PSA delivered 285 medical equipment costing ₹68.55 crore to the VNGMCH from March 2018 to April 2022. The status of medical equipment as of November 2025 is shown in **Table 2.23** below:

**Table 2.23: Status of Medical Equipment** (₹ in lakh)

Year of Delivery	Equipment delivered		Equipment installed		Equipment not installed		Equipment installed and in use		Equipment installed and not in use	
	1	2	3	4=(Col.8+ Col.10)	5=(Col.9+ Col.11)	6=(Col.2- Col.4)	7=(Col.3- Col.5)	8	9	10
	Qty.	Amt.	Qty.	Amt.	Qty.	Amt.	Qty.	Amt.	Qty.	Amt.
2018	65	558.31	62	530.58	3	27.73	13	218.59	49	311.99
2019	185	4,930.78	172	4,616.52	13	314.26	16	1,538.05	156	3,078.47
2020	34	345.30	27	312.42	7	32.88	3	170.08	24	142.34
2021	0	0	0	0	0	0	0	0	0	0
2022	1	1,020.53	1	1,020.53	0	0	1	1,020.53	0	0
<b>Total</b>	<b>285</b>	<b>6,854.92</b>	<b>262</b>	<b>6,480.05</b>	<b>23</b>	<b>374.87</b>	<b>33</b>	<b>2,947.25</b>	<b>229</b>	<b>3,532.80</b>

Source: Information provided by Dean, VNGMCH, Yavatmal

Audit observed (March 2023) the following:-

- Out of 262 installed medical equipment, only 33 medical equipment were put to use and remaining 229 medical equipment costing ₹35.33 crore were not put to use due to non-recruitment of required manpower *i.e* doctors/para medical/hospital support staff.
- Further, out of 285 medical equipment, 262 medical equipment were installed and remaining 23 equipment delivered between March 2018 and October 2020 costing ₹3.75 crore were not installed (November 2025) and were lying idle in the premise of hospital. These medical equipment have remained uninstalled due to unavailability of consultant faculty for installation. Moreover, warranty period of 16 medical equipment costing ₹3.42 crore out of the 23 uninstalled equipment has already expired before installation.

A proposal for creation of 760 new posts for functioning of Super Speciality Hospital at Yavatmal was sent (July 2017) by the Dean, VNGMCH, to the Director, Medical Education and Research (DMER), Mumbai. Medical Education and Drugs Department (MEDD), Government of Maharashtra, granted approval (January 2021) for creation of 223 posts<sup>99</sup> for Super Speciality Hospital in Government Medical College and Hospital, Yavatmal in the first phase. However, as of September 2024, only 57 regular post<sup>100</sup> out of 223 posts were filled and remaining 166 posts were still vacant.

The Dean, VNGMCH stated (March 2023) that due to non-availability of manpower, equipment were not installed and not put to use. It was further stated that recruitment of required staff is pending at the Government level.

<sup>99</sup> Group A: 09 post, Group B: 10 post, Group C (Regular): 97 post, Group C (Outsourcing): 07 post, Group D (Outsourcing): 86 post, Sr. Resident-1: 05 post, Sr. Resident-2: 05 post, Sr. Resident-3: 04 post.

<sup>100</sup> Group A: 03 post, Group B: 07 post, Group C (Regular): 47 post.

The reply underscores the audit contention that non-adherence of the conditions of clause 17 and 19 of PMSSY Guidelines resulted in an idle investment of 252 medical equipment costing ₹39.08 crore<sup>101</sup> for more than seven years in the procurement of equipment in Super Speciality Hospital, Yavatmal. Moreover, even after appointment to 57 posts (out of sanctioned 223 posts), 229 related installed medical equipment were not put to use. Further, follow up action for appointment to required 760 posts was not taken by Dean, VNGMCH, Yavatmal. Therefore, intended beneficiaries were deprived of medical facilities over these years.

The matter was referred to the Government (February 2025) followed by reminders in July 2025 and October 2025; reply is awaited.

### Co-operation, Marketing and Textiles Department

#### 2.11 Recovery from Sugar factories without Legislative mandate

**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.**

As per Article 265 of the Constitution of India, no tax shall be levied or collected except by the authority of law. As per Article 266(1) of the Constitution of India, all revenues received by the Government of a State, shall form one consolidated fund to be entitled "the Consolidated Fund of the State". Further, Article 266(2) states that all other public moneys received by or on behalf of the Government of a State shall be credited to the Public Account of the State.

Additionally, Rule 494 of Maharashtra Treasury Rules (MTR), 1968 and Rule 12 of the Bombay Financial Rules, (BFR) 1959 stipulate that Personal Ledger Account (PLA) can be opened with Treasury Officers for specified purpose on the basis of approval of Government in consultation with Accountant General of the State. As per rule 8 of MTR also, revenue received is not to be utilized for expenditure and should be credited to the Government account within two days of the receipt of the money.

The Maharashtra Sugar Factories (Reservation of Areas and Regulation of Crushing and Sugarcane Supply) MSF(RARCSS) Order 1984 (amended in 2012) issued by the Department, in exercise of powers conferred under Sugarcane (Control) Order 1966, specified the license fees to be levied from sugar factories for crushing sugarcane.

The Co-operation and Textile Department, Government of Maharashtra (GoM) (Department) vide Government Resolution (GR) (6 January 1999) approved the

<sup>101</sup> 229 medical equipment installed but not in use: ₹35.33 crore and 23 medical equipment not installed: ₹3.75 crore.

construction of ‘*Sakhar Sankul*’<sup>102</sup> in Pune. As per the GR, which was issued with the approval<sup>103</sup> of the Finance Department, the expenditure on the construction and maintenance of the *Sakhar Sankul* was to be met by recovering ₹ one per metric ton of sugarcane from sugar factories for crushing. The said GR also permitted the Sugar Commissioner to open a PLA (Personal Ledger Account). Accountant General (A&E)-I Mumbai office concurred (April 1999) with the proposal to open PLA Account based on the approval given by GoM.

Audit noticed (April 2024) that the recovery of ₹ one per metric ton of sugarcane from sugar factories under GR dated 6 January 1999 for crushing was without any legislative mandate.

Further, the said GR also did not specify the period for which the recovery was to be made or the nature of the recovery, *i.e.*, fee, tax, or duty. Thus, the recovery from the sugar factories was ultra vires of the above MSF(RARCSS) Order, 1984. The purpose of recoveries from sugar factories was to incur expenditure on construction and maintenance of office building; and thus were revenue in nature. However, in contravention of provision of Article 266(1) and 266(2) of Constitution of India, the PLA was sanctioned for crediting these recoveries.

Despite the instructions in GR and department letter (May 2003), Sugar Commissioner did not open the PLA account which was in contravention of Maharashtra Treasury Rules and Bombay Financial Rules, (BFR). The Sugar Commissioner, however, opened a savings account in the Pune District Central Co-operative Bank (PDCC bank) instead of opening a PLA with Treasury and sought permission (July 2002) to approve this account as PLA. The Department, declined (May 2003) permission to open the PLA in PDCC bank and directed the Sugar Commissioner to open PLA as per the Financial Rules in banks in which treasury operation is conducted *i.e.* Reserve Bank of India or State Bank of India (SBI). The Sugar Commissioner opened another account in SBI and sought permission (June 2017) from Department to approve the SBI Account as PLA. Thus, even after a lapse of more than 21 years<sup>104</sup>, the sugar commissioner did not adhere to the directions and continued to maintain the fund in the savings/current bank account. As of March 2023, the closing Bank balance in these accounts stood at ₹2.95 crore.

The Sugar Commissioner also maintained a Balance Sheet and Income and Expenditure Account named as ‘*Sakar Sankul-Vatnawal Nidhi*’(SSVN) to account for the fund collected and expenditure incurred from the fund. The balance in Capital Reserve and Surplus Fund as of March 2023 was ₹28.28 crore while the investment (in the form of Bank Fixed Deposit) were ₹24.47 crore.

Further audit scrutiny of SSVN for the period 2018-19 to 2022-23 revealed that an amount of ₹26.35 crore was recovered from the sugar factories and deposited in the saving/current account and is outside the Government Account, which is highly irregular and violated Article 266 (1) and 266 (2) of Constitution of India.

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<sup>102</sup> A complex for housing the administrative offices and residences for officers and staff of Sugar Commissioner.

<sup>103</sup> Approval granted vide Unofficial Reference dated 8 December 1998.

<sup>104</sup> From April 2003 to March 2024.

Audit observed that during 2018-19 to 2022-23, expenditure amounting to ₹1.86 crore was incurred from the *Sakhar Sankul* fund on items such as printing, stationery, salaries, office expenses, vehicle fuel and insurance, which were not related to the construction and maintenance of *Sakhar Sankul*. Further, due to non-maintenance of the fund as an authorised Personal Ledger Account, avoidable expenditure of ₹2.44 crore was incurred on professional fees for maintenance and audit of accounts and on payment of income tax. Audit also noticed that government revenues such as rental income, sale of scrap, sale of books and tender fees amounting to ₹3.46 crore were incorrectly credited to this fund instead of being credited to the Government Account, in violation of the Maharashtra Treasury Rules.

The above irregularities were attributable to the absence of statutory backing for the levy, non-regularisation of the recovery mechanism after completion of the *Sakhar Sankul* project, and non-adherence to prescribed treasury procedures for opening and operating a Personal Ledger Account. 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 and resulting in irregular utilisation of funds and avoidable financial outgo.

In reply, the Sugar Commissioner stated (September 2025) that the government vide GR (January 1999) has authorized Sugar Commissioner to open PLA Account. The then Sugar Commissioner ordered that the approval of AG office was not necessary for opening PLA account and requested (April 2003) department to approve account opened in Pune District Central Co-operative Bank (PDCC) as PLA. However, GoM denied (May 2003) permission for opening PLA in the PDCC bank and instructed to open PLA in treasury operated banks either in RBI or SBI.

Further, Sugar Commissioner also stated that the construction of *Sakhar Sankul* complex was completed and the receipts received out of collection at the rate of ₹ one (revised to ₹ three in August 2022) per metric ton of sugar cane were deposited in the accounts opened in PDCC bank and SBI bank and expenses like office expenditure, repairs/maintenance of complex were met from these accounts. Sugar Commissioner requested (June 2017) department to approve the account opened in SBI as PLA. However, no recognition has been received from department.

The reply of Sugar Commissioner was factual. Thus, the recovery of ₹26.35 crore from sugar factories for the construction of *Sakhar Sankul* was without legislative mandate or order and escaped legislative scrutiny and control due to parking of funds outside government account despite government directives. The action of government and sugar commissioner also violated various provisions of the Constitution of India, MSF (RARCSS) Order, MTR and BFR, and was thus unconstitutional and not supported by statute.

The matter was referred to the Government (April 2025) followed by reminders in July 2025 and October 2025; reply is awaited.

**Marathi Language Department**

**2.12 Delay in Construction of Sub Centre of Marathi Bhasha Bhavan**

**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.**

The Government of Maharashtra (GoM) with a view to develop and promote the Marathi Language established a separate Marathi Language Department (MLD) in 2011. GoM vide Government Resolution (GR) (August 2013), approved the establishment of Marathi Language Research Development and Cultural Centre (MLRDCC) which included construction of Marathi Bhasha Bhavan (MBB) and its subordinate offices<sup>105</sup> at open theatre of Rang Bhavan near Dhobi Talao. However, the Government realized (June 2016) that the construction would not be possible in near future as the Heritage Committee suggested to use the selected heritage site for open theatre. The decision was cancelled in February 2018 following objections raised by the Heritage Committee, which noted that the selected site was a notified heritage site and, therefore, construction of the MLRDCC was not permissible at the said location.

Meanwhile, considering the urgent need for the various programmes/research/projects for the development and enrichment of the Marathi Language, MLD requested (June 2016) City and Industrial Development Corporation (CIDCO) to allot a plot for construction of sub centre<sup>106</sup> for MLD. CIDCO approved the allotment of plot no. 6A admeasuring 2,000 sq. mt. situated in Sector 13, Airoli, to MLD vide its Resolution no. 11724 (September 2016) on long-term lease basis for 60 years.

As the decision to establish MLRDCC at open theatre of Rang Bhavan near Dhobi Talao had been taken by the Council of Minister (CoM), the proposal was moved (February 2018) for construction of sub centre at alternate site (*i.e.* Airoli) was forwarded to CoM. The proposal was approved in February 2018 by CoM.

The MLD (March 2018) accorded administrative approval for taking the possession of the plot allotted by CIDCO at Airoli and constructing the sub-centre there. CIDCO allotted plot to MLD in April 2018 and subsequently, it paid CIDCO a sum of ₹3.64 crore towards lease premium in May 2018.

During finalisation of plan (July 2018) for construction of Marathi Bhasha Bhavan sub centre, CIDCO intimated MLD that Plot 6 and 6A fall in CRZ II (Urban) category and was within 50 metre buffer zone of mangroves as per

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<sup>105</sup> Office of Maharashtra State Board of Literature and Culture and Maharashtra State Encyclopedia Production Board which are running on rental at P.L. Deshpande Maharashtra Kala Academy.

<sup>106</sup> Sub-centre of Marathi Bhasha Bhavan would also be the office space for Maharashtra State Board of Literature and Culture and Maharashtra State Encyclopedia Production Board.

CRZ notification of 2011. As a result, nearly 1,000 sq. mt. of the plot was affected wherein no development was permitted.

To compensate the loss due to CRZ II restrictions, CIDCO permitted the department to use FSI of the affected area in remaining plot. CIDCO further offered (March 2019) adjoining plot of 1,018 sq. mt. to MLD on additional lease premium amounting ₹2.26 crore. The Department accorded approval (September 2019) to CIDCO's offer for additional plot and sanctioned the payment. Thus, a total payment of ₹5.90 crore<sup>107</sup> was paid to CIDCO for lease premium of 3,018 sq. mt. of land for 60 years with FSI One. In July 2021, MLD entered into a lease agreement with CIDCO and took possession of the plot.

In February 2022, Assistant Director, Town Planning Department, Navi Mumbai Municipal Corporation (NMMC) accorded Technical Sanction for construction of MBB sub-centre at Airoli. An advance payment of ₹10 crore was made to MIDC in March 2022 in two instalments for commencing work of construction. The work order was issued (August 2022) by MIDC and time period for completion of the building was 24 months. However, the design of MBB sub-centre was changed on the directions (November 2022 and January 2023) of Hon'ble Minister of MLD and accordingly revised design was brought to the notice (May 2024) of Hon'ble Minister of MLD. The same revised design was also subsequently approved (October 2024) by the NMMC.

Audit observed (April 2025) that construction of MBB sub centre at Airoli could not commence as design of the building was approved in October 2024 after two years from date of issue of work order. Further, Contractor (March 2025) had also denied to start the work as his contract time period was exhausted in August 2024. Therefore, MLD initiated process for revised administrative approval and retendering due to continued changes in planning and delay in finalisation of building designs.

Audit concludes the following:

- Government approved the establishment of Marathi Language Research Development and Cultural Centre which included construction of Marathi Bhasha Bhavan in August 2013. After lapse of 13 years, construction work could not be commenced due to various reasons like change in site, delayed possession of site, CRZ restrictions on the plot and continuous changes in the designs of the building.
- An advance payment of ₹10 crore was paid to MIDC in March 2022, but construction has not commenced till April 2025, indicating inefficient financial planning and possible risk of fund blocking.
- Due to non-completion of the MBB sub-centre, the two offices which were proposed to be shifted are still operational in rental premises. This has created an extra burden on government of ₹ 30.82 Lakh<sup>108</sup> per annum.
- The prolonged delay increases the risk of cost overruns due to inflation.

<sup>107</sup> Lease premium of ₹ 3.64 plus Lease premium of ₹ 2.26 crore.

<sup>108</sup> Rent for O/o. Maharashtra State Board of Literature and Culture = ₹1,53,427/-per month  
Rent for O/o. Maharashtra State Encyclopedia Production Board = ₹1,03,444/- per month. Total annual Rent for both the offices: (12\*₹1,53,427) + (12\* ₹1,03,444) = ₹ 30,82,452/-.

Audit analysis indicates that the delay in construction of the MBB sub-centre was primarily attributable to deficiencies in project planning, design management and contract administration. The Department proceeded with acceptance of the CIDCO allotted plot without adequate due diligence regarding statutory restrictions, resulting in subsequent discovery of CRZ limitations and the need for acquisition of additional land.

Further, the work order was issued without finalisation of building designs, leading to repeated design changes even after commencement of the contract period. In addition, the contract period was allowed to lapse without commencement of work, indicating weak contract management and inadequate monitoring. These lapses cumulatively reflect deficient project preparation and execution.

Despite approval of the project in August 2013, construction of the MBB sub-centre had not commenced even after 13 years, owing to deficiencies in project planning, inadequate due diligence in site selection, non-finalisation of designs prior to tendering and weaknesses in contract management. The prolonged delay has resulted in blocking of ₹15.90 crore (₹5.90 crore for lease premium and ₹10 crore for construction advance) without productive output, continued expenditure on rental premises, and heightened risk of cost escalation. The delay has also hindered implementation of research, development and cultural programmes envisaged for promotion of the Marathi language, thereby defeating the core objective of establishing the Marathi Language Department.

In reply, the department stated (July 2025) that, the delay was due to office procedure and decisions taken by competent authorities such as allotment of additional plot to compensate loss due to CRZ restrictions, multiple time changes in the design *etc.*

The reply of the Department is not acceptable. While the Department has attributed the delay to office procedures and decisions of competent authorities, these do not adequately explain the absence of statutory feasibility assessment prior to acceptance of the site, the delay in finalisation of building designs before tendering, and the manner in which the contract was administered. The work order was issued in August 2022 without finalised designs, and repeated design modifications were initiated thereafter, resulting in non-commencement of work. Further, the contract period expired in August 2024 without mobilisation of work. This indicates weaknesses in project preparation and contract administration. The delays are, therefore, attributable to administrative shortcomings within the control of the Department.

**Food, Civil Supplies and Consumer Protection Department**

**2.13 Non-utilisation of newly constructed godowns**

**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.**

The Government of India enacted the National Food Security Act in July 2013 to ensure food security for beneficiaries and efficient operation of the Targeted Public Distribution System (TPDS). According to Section 24(5) of the Act, State Governments were required to create and maintain scientific storage facilities at the State, district, and block levels. These facilities were to be sufficient to accommodate the food grains required under the TPDS and other food-based welfare schemes.

Earlier in August 2012, Government of India (GoI) advised the Government of Maharashtra (GoM) to establish sufficient intermediate storage facilities to stock three months' TPDS allocations to ensure the availability of food grains across the state by taking the benefit of the Rural Infrastructure Development Fund (RIDF).

Audit was conducted (September 2022 and February 2023) in two Districts Thane and Dhule respectively. The District wise required storage capacity planned for TPDS System *vis-à-vis* available capacity is shown in the **Table 2.24** below:-

**Table 2.24: District wise requirement of storage capacity and shortfall as of December 2022**

District	Monthly Allocation in Metric Ton (MT)	Storage Capacity Required (MT) (3xcol. 2)	Available Capacity (MT)	Shortfall in Storage Capacity (MT)	Percentage of Shortfall (col. 5x100/col.3)
1	2	3	4	5=(3-4)	6
Thane	4,372	13,116	7,500	5,616	42.82
Dhule	8,416	25,248	13,400	11,848	46.93
<b>Total</b>	<b>12,788</b>	<b>38,364</b>	<b>20,900</b>	<b>17,464</b>	<b>45.52</b>

Source: Information furnished by District Supply offices.

GoM accorded administrative approval (November 2012 and January 2013) of ₹6.14 crore<sup>109</sup> for construction of four godowns at Thane (one) and Dhule (three) respectively. In the said approval, the Government stated that initially block estimates were prepared for construction of protection walls, internal road *etc.* of godowns and further directed District Collector and District Supply Officer (DSO) of the respective districts that detailed estimates were required to be prepared before work is awarded. The construction work of all four

<sup>109</sup> Dhule : ₹5.08 crore and Thane : ₹1.06 crore.

godowns was entrusted to the Public Works Department (PWD) with instructions to avoid delays and excess expenditure.

The details of godowns constructed at Thane and Dhule are given in the **Table 2.25** below:

**Table 2.25: Details of Godowns Constructed**

Location of Godown (District)	Month of Administrative Approval (Date of Work Order)	Stipulated date of completion of Godown construction	No of Godown/ Capacity (MT)	Month/ Year of completion	Expenditure incurred (₹ in crore)	Status of usage of Godown as of November 2025
Chikholi, (Thane)	November 2012 (05.02.2014)	04.02.2015	01/1,080	February 2018	1.06	Not operational
Devpur, (Dhule)	January 2013 (07.02.2015)	06.02.2016	03/7,080	December 2017	4.92	
<b>Total</b>			<b>04/8,160</b>		<b>5.98</b>	

Source: Information furnished by District Supply offices

As seen from the **Table 2.25**, construction of four godowns was completed by February 2018 with total storage capacity of 8,160 MT at a cost of ₹5.98 crore by PWD.

Further, audit scrutiny revealed that in the case of godowns at Dhule, though the godown was constructed, it was not taken over by DSO, Dhule for want of approach road to the newly constructed godown. Additionally, the layout of godown lacked inner roads and the north side of the building was unfenced. The construction of the east-side protection wall was also incomplete. The godown at Thane remained non-operational due to the lack of a protection wall and access road. All the four godowns could not be put to use as of November 2025.

In reply, Food, Civil Supplies and Consumer Protection Department, GoM stated (October 2024) that in case of godowns at Dhule, funds have been allocated from the District Development Fund to construct an access road connecting the godown to the main road. Once completed, the godown will be utilized for grain storage. Further, Dhule District Collector stated (November 2025) that the administrative approval of ₹2.25 crore for construction of protection wall and internal roads was accorded in October 2025 by the Government.

In case of godown at Thane, Department stated (October 2024) that in October 2023, administrative approval of ₹1.98 crore was accorded for the construction of an approach road, protection wall and parking works for the godowns. A work order was issued through Maharashtra State Warehousing Corporation, Pune in March 2024, with a scheduled completion date of January 2025 and upon completion of the approach road, protection wall and parking works the godown will be made operational. Further, DSO, Thane stated (November 2025) that the works relating to construction of protection wall and internal approach road was in progress.

The reply is not tenable, as there were already delays in the construction of the godowns, and the District Collectors/DSOs did not incorporate provisions for essential infrastructure such as protection walls, internal roads at the estimation stage, despite clear directions issued in Government Resolutions dated November 2012 and January 2013. The omission of these mandatory components resulted in incomplete facilities and rendered the godowns non-operational due to the absence of approach roads. Furthermore, there was gross administrative negligence on the part of the department in as it could not honour its assurances in a timely manner.

Audit concludes that the non-utilisation of four godowns constructed at a cost of ₹5.98 crore was attributable to deficient planning and estimation at the project formulation stage, wherein essential ancillary infrastructure such as approach roads, protection walls, and internal roads were not incorporated despite explicit directions in Government Resolutions. The absence of these mandatory components rendered the godowns non-operational for more than seven years after completion, even as the districts continued to face a significant shortfall in storage capacity under the TPDS. The delayed post-facto approvals and execution of ancillary works further indicate weaknesses in coordination and timely decision-making, undermining the objective of creating adequate and functional intermediate storage facilities as envisaged under the National Food Security Act.

The matter was referred to the Government (February 2025) followed by reminders in July 2025 and October 2025; reply is awaited.

### Urban Development Department

### Mumbai Metropolitan Region Development Authority

#### 2.14 Loss of revenue

**Delay in initiating the tender process by MMRDA 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.**

Mumbai Metropolitan Region Development Authority (MMRDA) leased (July 2007) land admeasuring 37,252 square meters at Plot No. RG-1-A in G block of Bandra Kurla Complex (BKC) to Reliance Industries Limited (RIL) for the construction of a Recreation Garden and a two-level basement parking with ancillary facilities. After completion of construction, a lease agreement was executed (July 2015) between MMRDA and RIL. As per the agreement, RIL handed over the basement car parking at 1<sup>st</sup> level to MMRDA free of cost which had the capacity to accommodate about 1,000 cars. MMRDA had absolute and unfettered right to invite tender for operation and management of

the said car parking space and the highest offer so received in such tender was to be communicated to RIL who would have the 'First Right of Refusal'.

Accordingly, MMRDA invited tenders for operation and maintenance of the car parking (December 2016), to which the highest bid received was ₹6.00 lakh per month for license fee. The highest bid thus received was offered to the RIL, as per the policy of 'First Right of Refusal', who accepted the offer made by MMRDA. Thus, MMRDA awarded (March 2017) the contract for the operation and maintenance of car parking space at basement level 1 to RIL for the period from 17 March 2017 to 16 March 2018 with a monthly license fee of ₹6.00 lakh.

However, while inviting new Tender in March 2018 and May 2018, the Authority has fixed the reserve price of ₹19.80 lakh per month considering the proportionate rise in the parking fees. But, in both attempts no bids were received. Meanwhile, M/s. RIL had submitted their request (March 2019) to MMRDA to operate the said parking premises for further period of three years at a monthly license fees of ₹17.50 lakh with ten *per cent* escalation every year.

In view of the poor response for bids and request made by RIL, MMRDA extended the contract of RIL from July 2019 till 30 June 2022 at monthly license fee of ₹17.50 lakh with 10 *per cent* escalation every year. MMRDA again invited (July 2022) tenders with a reserve price of ₹ 23.29 lakh<sup>110</sup> per month. MMRDA included two conditions in the tender, first was RIL must participate in the tendering process and second was RIL's quoted rate must be within 10 *per cent* variation of the highest rate quoted. RIL raised objections to these new conditions during the pre-bid meeting and therefore the tender was cancelled in April 2023, based on the opinion (September 2022) of the Legal Cell of MMRDA that modifying the original 'First Right of Refusal' condition as per the agreement was incorrect.

Audit observed (October 2023) the following:

- Instead of inviting the tender and finalising the contract well in advance of the validity of the contract, which was extended only up to June 2022, MMRDA invited tenders belatedly in July 2022.
- The two additional conditions which were included in the tender invited in July 2022 were also included in the earlier tender invited in May 2018. This was objected to by RIL on the ground that these conditions tantamount to modifying the 'First Right of Refusal' clause in the agreement. Thus, the inclusion of additional conditions in the tender, which was objected earlier by RIL, resulted in the cancellation of the tender and thereby delayed the finalisation of the contract. Further, the predicament of MMRDA which led the authority to modify the condition of 'First Right of Refusal' as an afterthought points to facts that the insertion of such a clause in the first agreement (July 2015) with RIL had an effect of damping adequate competitive price discovery till the pendency of the lease agreement.

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<sup>110</sup> Reserve price was fixed considering 10 *per cent* increase on the monthly license fee of ₹21.17 lakh paid by RIL for the month of June 2022.

In reply, MMRDA (October 2024) stated that the Authority has invited tender for the said parking premises in September 2023, however the said tendering process yet not been finalized and the said car parking is vacant and in unused state.

The reply corroborates the audit contention that MMRDA should have invited tenders well in advance before the expiry of the earlier contract and finalized the same after giving the opportunity of 'First Right of Refusal' to RIL, and that a prime asset of MMRDA that could house 1000 car parking remains unavailable to the public.

Besides, the inability on the part of MMRDA to finalise the new contract before the expiry of the earlier contract and the inclusion of additional conditions which was not in consonance with the agreement executed in July 2015 with RIL, resulted in non-utilisation of car parking space with consequent loss of revenue of ₹5.93 crore<sup>111</sup>.

Delay in initiating the tender process by MMRDA 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. As a result, the parking facility with a capacity of about 1,000 vehicles remained unutilised after June 2022, resulting in foregone revenue of ₹5.93 crore and idling of a prime public asset.

The matter was referred to the Government (December 2024); followed by reminders in July 2025 and October 2025; reply is awaited.

## General Administration Department

### 2.15 Non-utilization of *Patrakar Bhavan*

**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.**

The City and Industrial Development Corporation of Maharashtra Ltd. (CIDCO) is a Government of Maharashtra undertaking, constituted under Section 113 of the Maharashtra Regional and Town Planning Act, 1966 with the mandate to carry out comprehensive urban planning and infrastructure development in designated areas. As a New Town Development Authority and a key implementing agency for urban expansion, CIDCO plays a vital role in the planning, execution, and regulation of land development, infrastructure projects, and civic amenities. The corporation is expected to discharge its responsibilities in accordance with the principles of sound financial management, strategic urban governance and efficient asset utilisation. Public assets created under the jurisdiction of CIDCO are not only capital investments

111 Calculated based on last monthly license fee of ₹21.17 lakh for the period July 2022 to October 2024. *i.e.* (₹21.17 lakh\*28 months).

but are also intended to deliver long-term socio-economic benefits to the community.

Journalists<sup>112</sup> from Navi Mumbai of Print Media as well as Electronic Media were pursuing with CIDCO for development of *Patrakar Bhavan* (a building for journalists) in Navi Mumbai. In the view of this demand, in April 2017, Board of CIDCO accorded administrative approval for construction of the *Patrakar Bhavan* (G+1 structure)<sup>113</sup> for ₹3.36 crore at Nerul, Navi Mumbai. It was further resolved that once CIDCO completed the building, it would remain the owner, but hand it over to an authorised body of journalists of Navi Mumbai for running and maintaining the facility. In June 2017, tender was invited and the work was awarded in December 2017 at ₹2.59 crore. The work was completed in October 2020 incurring an expenditure of ₹2.43 crore<sup>114</sup>. CIDCO issued Occupation Certificate (OC) to the building in March 2022.

Meanwhile, the Secretary and Director General, Department of Information and Public Relation (DGIPR), Government of Maharashtra (GoM) informed CIDCO (July 2021) that, to make Government publicity machinery more efficient, steps are being taken at Government level to establish modern *Mahiti Bhavan* (Information Building) in every division of Maharashtra which includes the Konkan Division. DGIPR requested (July 2021) the Vice Chairman & Managing Director, CIDCO to hand over the building of *Patrakar Bhavan* at Nerul free of cost to Divisional Information Office, Konkan Division, Navi Mumbai, stating that the objective of the construction of the *Patrakar Bhavan* was identical with objectives of constructing *Mahiti Bhavan*.

Subsequently, Board of CIDCO resolved (February 2022) to hand over the *Patrakar Bhavan* to DGIPR, GoM for operation and maintenance without handing over the ownership.

A Leave and License agreement between CIDCO and DGIPR, GoM was executed in May 2022 for an initial period of 11 years from 01.05.2022 to 31.04.2033. As per clause seven of the agreement, the DGIPR would bear all the expenses towards electricity, water charges, property tax, repairs and maintenance, interior designing. Further, the premises shall be used for shifting the branches of Information and Public Relation Department of Government of Maharashtra and some space of the said building would to be reserved for reporters, by the licensee, as per availability of space. As per clause 18 of the agreement, the corporation shall be entitled to terminate the agreement, if the licensee commit breach of any of the condition of the agreement. The completed building was handed over (July 2022) to Deputy Director, Divisional Information Office, Konkan Division, Navi Mumbai.

During joint physical verification conducted in March 2024, Audit observed that the building was lying vacant and remained unutilised. The premises showed signs of neglect, with overgrown vegetation in the surrounding area,

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<sup>112</sup> Navi Mumbai Union of Journalist, Navi Mumbai Press Club, Navi Mumbai Marathi Patrakar Sangh and other associations.

<sup>113</sup> At plot no.15A, Sector 38, Nerul, Navi Mumbai, Area of land was 997.68 square meters and Built-up area was 519.27 square meters (Ground + 1 floor).

<sup>114</sup> ₹2.40 crore for work portion and ₹0.03 crore for escalation.

missing drainage covers, broken glass panes at the main entrance, and absence of watch and ward arrangements as well as maintenance activities.

Although the construction of the building was completed in October 2020, there was delay in issue of OC. Further, though the building was handed over to DGIPR in July 2022, it was only in January 2023 that DGIPR sought estimates for furniture, electricity, water connection *etc.* from Public Works Department. Though the Public Works Department had submitted an estimate of ₹1.19 crore, the action to obtain administrative and technical approval was still in process (November 2025).

Although the construction of *Patrakar Bhavan* was completed in October 2020 at a cost of ₹2.43 crore, delay on the part of CIDCO in issuing the OC until March 2022 deferred the readiness of the asset for use. Further, after the building was handed over to the Department of Information and Public Relations in July 2022, the Department did not take timely action to operationalise the facility, as administrative and technical approvals for essential works remained pending even as of November 2025. As a result of these delays at successive stages, the building remained unutilised for a prolonged period, leading to blockage of public funds amounting to ₹2.43 crore. Continued non-use of the completed asset, coupled with the absence of maintenance and watch-and-ward arrangements, resulted in deterioration of the building and exposed the asset to the risk of value erosion and avoidable future expenditure, indicating inadequate inter-departmental coordination and weak planning for post-construction utilisation of public assets

The matter was referred to the Government in June 2025 and December 2025; reply is awaited.

## Public Health Department

### 2.16 Non-Maintenance of Effluent Treatment Plant

**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 *ad hoc* funding proposals, resulted in idling of the Effluent Treatment Plant rendering an investment of ₹1.27 crore unproductive for over six years.**

The polluted water from Daga Memorial Government Women Hospital (DMGWH), Nagpur was initially treated using Hypo Solution Treatment<sup>115</sup>. The District Collector and Member Secretary, District Planning Committee, Nagpur accorded Administrative Approval (August 2014) for construction of Effluent Treatment Plant (ETP) in the premises of hospital at a cost of ₹2.47 crore.

<sup>115</sup> Hypochlorite solutions, often referred to as hypo, are commonly used for treating hospital waste discharge to disinfect and inactivate pathogens. These needs to be pre-treated before it can be discharged into the environment.

The objective of ETP was to disinfect and treat polluted water to make it reusable for non-drinking purposes like watering plants, cleaning, cooling etc. As per the conditions of administrative approval and standard asset management norms, the implementing agency was required to ensure uninterrupted operation of the ETP through timely provision of funds for maintenance after expiry of the O&M period. The approval was subject to conditions, which included *inter alia*, the responsibility of Maintenance and Repair with implementing agency. Thus, this responsibility was that of DMGWH through budgetary support from Department of Public Health.

The Superintendent Engineer, Maharashtra Jeevan Pradhikaran (MJP) accorded Technical Sanction to the work in October 2015. After following the tendering process, MJP awarded (April 2016) the work of construction of ETP to a contractor, Nagpur at a cost of ₹99.53 lakh with stipulated completion period of 24 months and one year for Operation and Maintenance (O&M). The said construction work was completed in March 2018 and one year O&M was completed in February 2019 after incurring a total expenditure of ₹1.27 crore<sup>116</sup>. As one year maintenance period expired, the functioning of the ETP was stopped from March 2019 onwards.

Scrutiny of records (October 2022) in DMGWH revealed that in order to re-start the functioning of ETP, MJP proposed (April 2019) to DMGWH, Nagpur, an annual maintenance contract at an estimated cost of ₹15.67 lakh. Accordingly, Medical Superintendent, DMGWH, Nagpur placed demand for grant (May 2022) with Director Health Services, Mumbai and with District Mineral Foundation (DMF) of District Collector under Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) (August 2023).

However, since funds were not received (May 2024) the ETP continued to be non-functional and DMGWH continued to use the previous system of discharging wastewater for which it had incurred expenditure of ₹20 lakh<sup>117</sup> from March 2019 till March 2024.

The idling of the ETP was attributable to negligence of the hospital administration and the Public Health Department to plan and provide for post-O&M maintenance through regular budgetary channels, compounded by delayed and *ad hoc* proposals for funding and dependence on non-core sources such as DMF. The efficacy of the previous system in treating the waste water as per the Bio-Medical Waste Management Rules could not be ascertained, as no mechanism was available with DMGWH to compare the quality of treated water of both systems.

In reply, Medical Superintendent (May 2024) stated that the ETP was not functional due to non-receipt of funds from the District Collector (District Mineral Fund).

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<sup>116</sup> Expenditure on construction of ETP: ₹113.47 lakh + Expenditure on Preliminary Survey: ₹13.33 lakh + Expenditure on Publicity and Tendering Process: ₹ 0.23 lakh.

<sup>117</sup> ₹1 lakh x 04 Plants x 05 years.

Thus, the negligence of the hospital administration and the Public Health Department to plan and provide for post-O&M maintenance through regular budgetary mechanisms, coupled with delayed and *ad hoc* funding proposals, resulted in idling of the ETP for over six years, rendering an investment of ₹1.27 crore unproductive and defeating the intended objective of wastewater treatment and reuse.

The matter was referred to the Government (May 2025) followed by reminders in July 2025 and October 2025; reply is awaited.

Mumbai  
The 30 June 2026

**(D. JAISANKAR)**  
Principal Accountant General (Audit)-I,  
Maharashtra, Mumbai

Countersigned

New Delhi  
The 06 July 2026

**(K. SANJAY MURTHY)**  
Comptroller and Auditor General of India

