To

The Pay & Accounts Officer,
Ministry of Tribal Affairs,
Shastri Bhawan,
New Delhi.

Sub: Grants-in-aid being released to the State Government of Karnataka under the Centrally Sponsored Scheme of Post Matric Scholarships to the students belonging to Scheduled Tribes for the year 2014-15 as 1st instalment (ad-hoc grant).

Sanction of the President of India is hereby conveyed to release an amount of ₹6,30,00,000/- (Rupees Six Crore Thirty Lakh only) to the State Government of Karnataka as 1st installment of recurring grant-in-aid (ad hoc grant) under the Scheme of Post-Matric Scholarship to the students belonging to STs for the year 2014-15.

This sanction relates to Plan Expenditure and is in accordance with the pattern of assistance prescribed by the Planning Commission and subject to the provision of General Financial Rules, 2005 as amended from time to time and any other instructions issued in this regard.

The expenditure is debitable to the Major Head Grant, sub-head as indicated below and shall be met from Plan Budget for the year 2014-15:

<table>
<thead>
<tr>
<th>Demand No.</th>
<th>Major Head, Sub Head</th>
<th>Amount in ₹</th>
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<tbody>
<tr>
<td>97</td>
<td>Major Head: 3601-Grants-in-aid to State Government, 02-Grants for State Plan Schemes (Sub-Major Head), 796-Tribal Areas Sub-Plan, 08 – Umbrella Scheme for Education of ST Children, 08.00.31-Grants-in-aid General (Charged) for the year 2014-15.</td>
<td>₹6,30,00,000/- (Rupees Six Crore Thirty Lakh only)</td>
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It is requested that arrangements may kindly be made to credit this amount to the State Governments in accordance with the procedure laid down in the Ministry of Finance OM No. 2(45)76-Spl.Cell dated 30-8-1976 and as modified vide OM of even number dated 16-09-1976 under intimation to this Ministry.
5. The conditions for the State Government are:-

(i) The funds from this ad-hoc grant are to be released for Non-DBT districts only. Release of funds for the DBT districts of the State/UT will be made separately.

(ii) All States/UTs should prepare to move towards DBT mode of transfer of funds in all Districts. i.e. digitising data, enrolling in Aadhaar, opening bank accounts and seeding these accounts. Rollout of DBT requires process re-engineering at the Government level. It would require changing the way business has been transacted so far, the way funds have been released and tracked and the information that is presently available on beneficiaries. It is necessary that a robust monitoring system is put in place.

(iii) Further, the Districts must be instructed to prepare for the transfer through DBT mode. In this regard the following steps need to be taken at the District level:
   a. Digitize the beneficiary database and convert data from Excel sheets to standardized formats developed by NIC (details available http://dbtapp.gov). The digitization of databases should be done in all districts irrespective of their selection for DBT.
   b. Scheme Administrator should be designated for this scheme, who must obtain Digital Signature Certificates (DSC) from the respective NIC State Unit.
   c. Beneficiary database in DBT districts should be verified & authenticated by the State Scheme Administrator through DSC.
   d. In addition to digitization and authentication of beneficiary database through DSC in the software, copy of the same should be made available to the Ministry through email as well as in hardcopy.
   e. States/UTs should make all out efforts to ensure that all beneficiaries of the scheme have bank accounts and Aadhaar number by pursuing with Lead Banks and UIDAI.
   f. Through process reengineering of the scheme, the fund flow route may be raised to that funds are credited directly into the accounts of the beneficiaries from the State with minimum intermediaries.

(iv) The State Government will release this amount to the disbursing agencies in the State within one month of release by the Government of India and a copy of the State Govt. sanction should be endorsed to Ministry of Tribal Affairs without fail.

(v) In order to distribute funds to everyone in a week fixed for every year, two “Scholarship distribution camps” should be organized in your State every year at predetermined times. These camps should simultaneously be organized in the entire State at a fixed date and time every year. State Govt. will ensure that the scholarships are disbursed within this month at the earliest.

(vi) The District Officers should compile the actual disbursements made in the previous year and submit the detailed proposal to the State Government who will complete it further and submit the proposal to the Ministry of Tribal Affairs by November of the financial year. The institution and category-wise number of students in each category should be indicated in a proforma as already prescribed by this Ministry. The District-wise and State-wise total may accordingly be arrived at and proposal of the State Government may be based on the same.

(vii) Just like the disbursement of the first instalment in September of the year, the second instalment to the students for the remaining five months of the year may be disbursed between 20-28 February of the next year on the same pattern as the disbursement of the first instalment and submit a report to the State Government that the scholarships to the genuine and eligible students have been disbursed indicating category wise distribution of the scholarships as per the format.

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(viii) The State Government will also ensure that the disbursement is made to the eligible students through direct bank or post offices transfers.

(ix) In case, there is any difficulty in opening bank accounts due to reluctance of the banks, the district officer should report the matter to the concerned District Collectors who would intervene and instruct the Banks to open bank accounts in the names of the eligible Scheduled Tribe students for this purpose. The State Government’s Finance Department or department dealing with institutional finance should also render necessary assistance in this regard.

(x) The events of disbursement of the scholarships in two instalments as specified above should be given wide publicity throughout the State through local newspapers so that every one concerned is aware of these events and avails of it in time. The basic idea behind two annual camps at fixed timing is that students, staff, teachers & every one concerned gradually becomes used to these dates and disbursement by different States at different times in a year is avoided.

(xi) The digitised details of the students category-wise, out station-wise etc. have to be furnished to this Ministry before release of 2nd instalment.

(xii) Further, the States should create enabling environment for DBT mode transfer in all the Districts for which following steps needs to be taken:

a. State/ UT should coordinate with State/districts level NIC and organize training for State/district level functionaries in software and digitization of beneficiary database.

b. Efforts should be made for seeding Aadhaar with beneficiary database. For this, adequate technology support is needed which may be sought from State/District NIC unit.

c. Wherever beneficiaries do not have Aadhaar number, they may be enrolled for Aadhaar by the UIDAI Registrar.

d. Wherever beneficiaries have bank accounts, efforts should be made to link with Aadhaar number.

e. Wherever beneficiaries do not have bank accounts they will have to be opened, for which Aadhaar may be used as KYC, by the Lead Bank/Bank Branch. The new bank account will then be seeded with Aadhaar.

f. An awareness campaign to be initiated to inform the beneficiaries of the programme and to encourage enrolment in Aadhaar and opening bank account.

g. Robust but easy to access grievance redressal systems to be put in place to mitigate unforeseen hardships, system failures etc. and to ensure there is no denial of service to beneficiaries without Aadhaar or bank accounts.

6. Diversion of funds and deviation from the norms of the scheme is not allowed.

7. The conditions of eligibility, including inter-alia the condition of maximum prescribed income ceiling of parents must be followed.

8. The State Government may please acknowledge the receipt of this letter and report the expenditure incurred every Quarter.

9. This is 1st installment grant-in-aid (ad hoc grant) for the year 2014-'15. The final grant will be released on receipt of the formal proposal for the year 2014-15 along with Utilization Certificate of the previous releases and this installment will be adjusted against the proposal for the current financial year. The installment is being released to avoid the delay in disbursement of Post Matric Scholarships to ST students. The State Governments/UT Administrations should send the proposal for the current financial year urgently so that the final grants-in-aid under the Scheme may be released.

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10. This sanction issues keeping in view the instructions contained in the Department of Expenditure, Ministry of Finance O.M. No. G-26305/1/77-MFCGA dated 4th June 1977. The State Governments/UT administrations are requested to ensure that the instructions are scrupulously followed.

11. State Governments/UT Administrations are requested that before submitting complete proposal in all respect for the second instalment of scholarships, utilisation of funds of the previous years and the disbursement of the 1st instalment of scholarship for the current year's released now have to be furnished to this Ministry without fail.

12. Certified that this sanction has been noted at S. No. 21 in Register of grants. At present no UCs are due and pending from the State Govt. in respect of this proposal.

12. This sanction is being issued with the concurrence of Integrated Finance Division of this Ministry vide their Dy. No. 3380/JS&FA/2014 dated 26.06.2014.

Yours faithfully,

(K. Chandra Sekar)
Under Secretary to the Government of India

Copy forwarded for information and necessary action to:

1. The Accountant General, Government of Karnataka, Bangalore.
2. The Secretary, Social Welfare Department, Government of Karnataka, Bangalore.
3. Secretary, Education Department, Government of Karnataka, Bangalore.
4. Director, Tribal Welfare, Govt. of Karnataka, Bangalore.
5. The Secretary, Finance Department, Govt. of Karnataka, Bangalore.
6. The Secretary, Planning Department, Govt. of Karnataka, Bangalore.
7. The Secretary, National Commission for STs, Lok Nayak Bhawan, N.Delhi.
8. Director of Audit, Central Revenues, I.P. Estate, New Delhi.
10. Resident Commissioner, Govt. of Karnataka, Karnataka Bhawan, New Delhi.
11. PS to JS(SR), DS (Education), US (IFD), Education Section's Guard File, Spare copy.
12. Director (NIC) – Request for uploading on the Ministry's website.

(K. Chandra Sekar)
Under Secretary to the Government of India