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**COMMITTEE ON WELFARE OF
OTHER BACKWARD CLASSES
2013-2014**

FIFTEENTH LOK SABHA

MINISTRY OF SOCIAL JUSTICE & EMPOWERMENT

[REVIEW OF WELFARE MEASURES FOR THE
OBCs AND GRANT OF CONSTITUTIONAL
STATUS TO NCBC]

THIRD REPORT



सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

August, 2013/Bhadrapada, 1935 (Saka)

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STATUS TO NCBC

MINISTRY OF SOCIAL JUSTICE AND
EMPOWERMENT

Presented in Lok Sabha on 30.08.2013

Laid in Rajya Sabha on 30.08.2013



LOK SABHA SECRETARIAT
NEW DELHI

August, 2013/Bhadrapada, 1935 (Saka)

C.O. OBC No. 3

Price: ₹ 65.00

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fourteenth Edition) and printed by General Manager, Government of India Press, Minto Road, New Delhi-110 002.

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COMPOSITION OF THE COMMITTEE ON WELFARE OF OBCs (2013-14)

Shri Bijoy Krishna Handique — *Chairman*

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(iv)

SECRETARIAT

- | | | |
|------------------------|---|----------------------------|
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| 4. Shri R.L. Yadav | — | <i>Deputy Secretary</i> |

INTRODUCTION

I, the Chairman, Committee on Welfare of Other Backward Classes having been authorized by the Committee to present the Report on their behalf, present this Third Report on “Review of various welfare schemes/measures of Government of India pertaining to Other Backward Classes (OBCs) and follow up of the recommendations contained in the First Report of the Committee on the subject ‘Measures for strengthening and giving constitutional status to National Commission for Backward Classes (NCBC)’ pertaining to the Ministry of Social Justice and Empowerment. For ease of reference the Reports is titled as “Review of Welfare Measures for the OBCs and Grant of Constitutional Status to NCBC”.

2. The Committee took evidence of the representatives of the Ministry of Social Justice and Empowerment on 23rd April, 26th July, 6th August and 23rd August, 2013. The representatives of the Planning Commission and the Ministry of Finance (Deptt. of Economic Affairs) also recorded their evidence during the sittings held on 6th August and 23rd August, 2013. The Committee wish to express their thanks to the representatives of the Ministry of Social Justice and Empowerment, the Planning Commission and the Ministry of Finance (Deptt. of Economic Affairs) for appearing before the Committee for evidence and furnishing the information desired by the Committee in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee at their sitting held on 27th August, 2013.

4. The Committee place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;
29 August, 2013

7 Bhadrapada, 1935 (Saka)

BIJOY KRISHNA HANDIQUE
Chairman,
Committee on Welfare of OBCs.

REPORT

PART I

I. INTRODUCTORY

The Constitution of India lays down certain 'Directive Principles of State Policy' which though not enforceable by any Court of Law, "are nevertheless fundamental in the governance of the country". The Constitution also stipulates that it shall be the duty of the State to apply those principles in making laws. The first directive principle (Article 38) states that the State shall strive to promote the welfare of people by securing and protecting, as effectively as it may, a social order in which **Justice, social, economic and political**, shall inform all the institutions of the national life." The article further reiterates that "the State shall, in particular, strive to minimize the inequalities in income, and endeavour to eliminate inequalities in status, facilities and opportunities, not only amongst individuals but also amongst groups of people residing in different areas of engaged in different vocations."

1.2 The framers of the Constitution took note of the fact that certain communities in the country were suffering from extreme social, educational and economic backwardness due to traditional social imbalances arising out of age-old practice of social stratification and also on account of primitive agricultural practices, lack of infrastructure facilities and geographical isolation. The makers of the Constitution therefore strongly felt that such communities needed special consideration for safeguarding interests through their accelerated socio-economic development. Clause 1 of Articles 341 and 342 of the Constitution provide for notification of the Scheduled Castes and the Scheduled Tribes respectively. For the upliftment of SCs and STs, various safeguards have been provided in the Constitution. Various other protective legislations have also been enacted by Government of India for the welfare of SCs and STs apart from various administrative measures for their accelerated development. Besides, the Constitution also stipulates that nothing shall prevent the States from making any special provisions for the advancement of socially and educationally backward classes of citizens who are commonly referred to as Other Backward Classes (OBCs).

1.3 In view of the varied conditions of development among the different communities in India, from the primitive to the most advanced, the framers of the Indian Constitution deemed it necessary to make and safeguards provisions for the protection and upliftment of the backward classes in order to bring them upto a common level by redressing socio-economic contradictions. The Constitution envisages the establishment, at an early date, of a classless and casteless society, free from all kinds of exploitation. The Preamble to the Constitution makes this abundantly clear, and the relevant provisions are included in Articles 15(4), 16(4), 38, 39(C), 41, 43, 45, 46, 330 and 344.

Kaka Kalelkar Commission

1.4 Despite constitutional provisions, the Government of India could not take defining steps for the advancement of these social groups on account of paucity of information regarding their backwardness. It was thought necessary, therefore, to collect data regarding the conditions of these communities. Article 340 pertains specifically to the Other Backward Classes. It reads:—

"The President may by order appoint a Commission consisting of such persons as he thinks fit to investigate the conditions of socially and educationally backward classes within the territory of India....."

1.5 Under Article 340 of the Constitution of India, the first Backward Classes Commission known as Kaka Kalelkar's Commission was set up on January 29, 1953 by a Presidential Order. The Commission submitted its report on March 30, 1955 listing out 2399 castes as socially and educationally backward on the basis of criteria evolved by it, but the Central Government did not accept that report.

Mandal Commission

1.6 It was about twenty-four years after submission of the Report by the First Backward Classes Commission in 1955, that the President of India pursuant to the Resolution of the Parliament appointed the Second Backward Classes Commission on 1st January, **popularly known as Mandal Commission**, under the Chairmanship of Shri B.P. Mandal to investigate the conditions of Socially and Educationally Backward Classes (SEBCs) within the territory of India. The Commission commenced its functioning on 21st March, 1979 and completed its work on 12th December, 1980 during the course of which it made an extensive tour throughout the length and breadth of India in order to collect the requisite data for its final Report. The Commission submitted its Report on 31st December, 1980. The Commission identified as many as 3743 castes as SEBCs.

1.7 The Commission evolved 11 indicators/criteria for determining social and economic backwardness. On the basis of socio-educational field survey, Census Report of 1961 (for identification of tribes), field visits and list of OBCs notified by various State Governments, the Commission calculated the OBC population as 52%.

1.8 In the light of the Mandal Commission Report, the Government of India, *vide* Department of Personnel & Training O.M. dated 13.8.1990, issued an order providing 27% reservation in the Central Government employment for persons belonging to the Social and Economically Backward Classes also referred to as "Other Backward Classes" or OBCs.

Indra Sawhney Judgement—1992

1.9 Several Writ Petitions were filed in the Supreme Court of India challenging the DoPT's O.M. dated 13.8.1990. These Writ Petitions were disposed of by the Hon'ble Supreme Court on 16.11.1992, by a majority judgement, which is commonly known as the Indra Sawhney case. In this case, the Court upheld 27% reservation for OBCs in civil posts and services under the Union of India subject to exclusion of the so-called "Creamy Layer" and also issue of Central List of OBCs on the basis of commonality.

1.10 The Department of Personnel and Training on the basis of Judgement of the Supreme Court, issued another Order dated 8th September, 1993 which spoke about the exclusion of the Creamy Layer from the benefit of reservation and also issue of the Central List of OBCs on the basis of commonality in the State List and the List of the Mandal Commission.

National Commission for Backward Classes

1.11 Thereafter, the Government of India enacted the National Commission for Backward Classes (NCBC) Act, 1993 (Act No. 27 of 1993) on 15th February, 1993 for setting up a National Commission for Backward Classes. As per Section 1 of the Act, the jurisdiction of the Act extends to the whole of India except the State of Jammu & Kashmir.

1.12 Among other things, the functions of the Commission are to examine requests for inclusion of any class of citizen as a backward class of citizen in such lists and hear complaints of over-inclusion or under-inclusion of any backward class in such lists and tender such advice to the Central Government as it deems appropriate. The advice of the Commission shall ordinarily be binding upon the Central Government. The Act entrusts the Union Government to undertake the revision of the lists at the expiration of ten years since the Act came into force and subsequently after every succeeding period of ten years. The Central Government is required to consult the NCBC while undertaking such revision.

1.13 The National Commission for Backward Classes (NCBC) however has no powers to investigate complaints with respect to the deprivation of rights and safeguards of the OBCs through similar stands conferred on the National Commission for Scheduled Castes (NCSC) and the National Commission for Scheduled Tribes (NCST) with respect to SCs and STs respectively. In fact, it is the NCSC which has been entrusted with the powers to look into such complaints *w.r.t.* OBCs also under Article 338(10) of the Constitution of India. This seems anomalous especially after the enactment of the NCBC.

Estimation of OBC Population

1.14 As per the Ministry of Social Justice and Empowerment, the Mandal Commission had estimated OBC population at 52% of the total population whereas the National Sample Survey Organization (NSSO) based on its 61st round survey (2004-05), has estimated it to be 42% as stated in its report "Employment and Unemployment Situation Among Social Groups in India".

1.15 Asked to specify the correct data, the Ministry of Social Justice and Empowerment in a written reply intimated the Committee as under:—

"The Mandal Commission had estimated OBC population as 52% of the total population on the projection as reflected in the Mandal Commission's Report.

Besides, in its Report [October 2006 of its 61st Round Survey (July 2004-June 2005) on "Employment and Unemployment Situation Among Social Groups in India 2004-05"] NSSO had found that 42% of the households in the rural areas, 36% in the urban areas and 40% in the country belonged to category of OBC.

In addition, 43% population in the rural area, 35% in the Urban area and 41% of the Indian Population belonged to the category of OBC.

Accuracy of either of the above mentioned two estimates could be ascertained only if the reference census data relating to citizens belonging to OBCs in the country would have been available. However, since caste-wise census was discontinued after the 1931 census, there was no data on the population of OBCs at the time when the Mandal Commission was in the process of considering the issue. Therefore, the Commission referred to the available estimation instead."

1.16 In a subsequent note furnished to the Committee, the Ministry of Social Justice and Empowerment stated as under:—

"Pursuant to the decision taken by the Union Cabinet on 19th May, 2011 to conduct a combined survey called "Socio Economic and Caste Census (SECC)" across the country in a phased manner from June to December, 2011 with the financial and technical support of the Government of India, the SECC was initiated from the State of Tripura from 29th June, 2011. The Office of the Registrar General & Census Commissioner, India has informed that the SECC field data collection by the enumerators is more or less complete in 32 States/UTs. The data is currently being checked by the Supervisors and Verification Officers of the respective State Governments.

After the data has been collected in the field, the Office of the Registrar General and Census Commissioner, India would process the caste data and hand over the details of castes/tribes returns in the enumeration to the Expert Group to be constituted at appropriate time by the Government for classification and categorization. Accordingly, the office of the Registrar General and Census Commissioner, India would generate the caste wise tabulations and put before the expert committees at National and State levels (to be set up by the Ministry of Social Justice and Empowerment and the Ministry of Tribal Affairs—Nodal Ministries) for categorization and classification. After this, the social economic profile of each caste will be tabulated.

The Expert Committee is yet to be constituted by the Union Government since the SECC is on-going."

II. ALLOCATION OF FUNDS FOR OTHER BACKWARD CLASSES

1.17 During the 11th Plan, Planning Commission provided an amount of Rs. 15,111.00 crores to the Department of Social Justice and Empowerment, of which Department distributed an amount of Rs. 1876.00 crores (12.41%) for OBCs.

1.18 According to the Ministry of Social Justice and Empowerment, the scheme-wise break-up of projection of funds made by the 12th Plan Working Group and the 12th Plan allocation are as below:—

Sl.No.	Programme/Scheme	Projection of Funds	BE
1.	NBCFDC	2000	500.00
2.	Pre-matric Scholarship for OBC students	88750	670.00
3.	Grant-in-aid to Voluntary organisations	110	22.00
4.	Hostels for OBC boys and girls	700	205.00
5.	Post-matric Scholarship for OBC students	70000	4695.00
6.	Scheme for Educational and Economic Development of DNTs	300	13.00
7.	Scheme for Educational Empowerment of Economically Backward Classes	52583	6.00
8.	NOS Scheme of OBCs	65	21.00
9.	RGNG for OBCs and EBCs	750	42.00
	TOTAL	215258	6174.00

1.19 The Ministry of Social Justice and Empowerment further submitted that the Ministry is alive to the requirement of funds under these schemes and has taken up the matter with Planning Commission. As a result of continuous efforts by the Ministry to increase the Budget Allocation for the Post-matric and Pre-matric Scholarship Schemes, a substantial increase in the current year's BE (2013-14) has been made. Against the BE for the year 2012-13 (PMS—Rs. 625 crore, Pre-matric—Rs. 50 crore), the BE for the year 2013-14 has been increased to Rs. 900 crore for Post-matric Scholarship Scheme. The Ministry also concede that this is still far from being adequate and substantial enhancement in allocations will need to be made if full demands of all the States have to be met.

1.20 The Committee, on being asked, were informed that the Ministry had been approaching the Planning Commission and the Ministry of Finance for enhancement of allocation of funds under various Schemes for welfare of OBCs from time to time. The details of all such communications are given below:—

- (i) D.O. Letter No. 1-5/2006-PS(PREM) dated 11th October, 2008 from Smt. Meira Kumar, Minister (SJ&E) addressed to Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, wherein, the need for enhancement of Plan Outlay was again reiterated;

- (ii) D.O. Letter dated 11th October, 2008 from Smt. Meira Kumar, Minister (SJ&E) addressed to the Prime Minister, requesting, *inter alia*, to advise Planning Commission suitably to increase 11th Plan Outlay of the Ministry from the Gross Budgetary Support(GBS);
- (iii) D.O. Letter dated 11th October, 2008 from Smt. Meira Kumar, former Minister (SJ&E) addressed to the then Finance Minister, Shri P. Chidambaram to suitably enhance 11th Plan Outlay from GBS;
- (iv) D.O. Letter No. 1-15/2006/PS(PREM) dated 16th December, 2008 from Smt. Meira Kumar, former Minister (SJ&E) addressed to Prime Minister, again requesting to advise to Planning Commission to have the 11th Plan Outlay of the Ministry suitably enhanced;
- (v) D.O. No. 1-15/2006/PS(PREM) dated 16th December, 2008 from Smt. Meira Kumar, Minister (SJ&E), Deputy Chairman, Planning Commission, again requested for favourable response in the matter;
- (vi) D.O. Letter No. 1-15/2006/PS(PREM) dated 3rd February, 2009 from Smt. Meira Kumar, Minister (SJ&E), addressed to Shri Pranab Mukherjee, Minister of External Affairs and Finance, requesting for immediate intervention in the matter for raising the Plan Outlay of 2009-10 as much as possible;
- (vii) D.O. Letter No. 1-15/2006/PS(PREM) dated 2nd June, 2009 from Shri Mukul Wasnik, Minister (SJ&E), addressed to the Prime Minister, requesting to advise the Planning Commission and Finance Ministry for enhancement of Plan Outlay to enable to carry forward the task entrusted to the Ministry in a much more effective manner;
- (viii) D.O. Letter No. 1-15/2006/PS(PREM) dated 10th August, 2009 from Minister (SJ&E), addressed to the Prime Minister again requesting to advise the Planning Commission and the Finance Ministry for enhancement of 11th Plan Outlay to enable the Ministry to take up the important programmes in an effective manner;
- (ix) D.O. Letter No. 1-15/2006/PS(PREM) dated 8th December, 2009 from Minister (SJ&E), addressed to the Deputy Chairman, Planning Commission, again requesting for enhancement of 11th Plan Outlay;
- (x) D.O. Letter No. (11014/22/2012-BC.I) dated 27.07.2012, from Minister (SJ&E), to the Deputy Chairman, Planning Commission requesting to increase the budgetary allocation for the implementation of two scholarship schemes (Pre-matric and Post-matric) for welfare of students belonging to OBCs. It was requested that an additional fund of Rs. 1400 crores for Post-matric Scholarship Schemes and Rs. 1950 crores for Pre- matric Scholarship Schemes for OBCs may be made available during the year 2012-13 and also similar allocation for the remaining period of the 12th Plan; and
- (xi) D.O. Letter (No. 11014/32/2012-BC.I) dated 4.1.2013 from the then Secretary (SJ&E) Shri Anil Goswami addressed to Secretary, Planning Commission,

requesting to provide additional allocation of Rs. 5765 crore so as to enable the Ministry to meet the outstanding demands of the States/UTs of the previous years under the Pre-matric and Post-matric Scholarship Schemes for OBCs.

1.21 Regarding enhancement of allocation to the Ministry of Social Justice and Empowerment particularly for the OBCs, the Planning Commission informed the Committee as under:—

"During the 12th Plan, Planning Commission provided GBS of Rs. 400.00 crores to Department of Social Justice and Empowerment out of which Department has distributed Rs. 21,306.00 crores (72.46%) for Scheduled Castes development, Rs. 6,174.00 crores (21%) to OBCs and Rs. 1,470.00 crores (5%) for social defence. From 11th to 12th Plan, overall allocation to the department increased by 100% and the allocation for OBCs increased by 230%. During 11th Plan, allocation for OBCs was about 12.41% of the 11th Plan allocation of the Department, while during the 12th Plan same is 21% of the Department's allocation."

1.22 The Committee requested the representatives of the Ministry of Social Justice and Empowerment about the inadequacy of funds for the OBCs. Speaking about the inadequacy of the funds, the representatives of the Ministry of Social Justice and Empowerment deposed:—

"...We have requested that we should be allocated more money for the Department as well as for the Backward classes so that we can provide the scholarship at the pre-matric or post-matric or the aid to Voluntary organizations so that the objectives of the schemes and programmes that we have can be met. I have been taking up this matter with the Planning Commission."

1.23 When asked to explain the views of the Ministry of Finance in this regard, the representative of the Ministry of Finance (Deptt. of Economic Affairs) submitted as under:—

"... in the annual plan allocation what we do is something called the gross budgetary support for the annual plan of the Government of India. So, depending on availability of resources, every year when the budget is prepared we communicate to the Planning Commission that so much amount is available for next year's annual plan. So, we give the envelope to the Planning Commission. We tell them that this is the total amount. And then inter-sectoral, inter-scheme distribution of that amount is done by the Planning Commission."

1.24 The Committee asked the representatives of the Planning Commission about the reasons for lesser allocation of funds for OBCs *vis-a-vis* their population. The representatives of the Planning Commission stated:—

"The overall allocation is given to the Ministry. Within the overall allocation, they decide depending on the demands from the various Schemes."

1.25 The Committee then asked the Ministry of Social Justice and Empowerment to explain about the internal allocation within the Ministry. The Secretary, Ministry of Social Justice and Empowerment during evidence stated:—

"We have the Scheduled Caste Sub-Plan and there is a mandate that out of the total outlay, 16.2 per cent which was the population of the SCs should be spent for the benefit of the Scheduled Castes. Subsequently there was a Committee appointed by the Planning Commission under the Chairmanship of Dr. Narendra Jadhav, Member, Planning Commission. They went into the matter and out of the total Departments in the Government classified into four groups: (1) there are 43 Departments who do not have to make any allocation and among the other Department, 25 Departments depending upon the activities that they have to allocate certain percentage of the outlay that they have to spend on SCSP so that the overall spend is around 16.2 per cent. As per that mandate, for the Ministry of Social Justice and Empowerment, 72.5 per cent of the outlay has to be spent for the benefit of the Scheduled Castes."

1.26 It was also informed that apart from the 72.5 per cent internal allocation to the Scheduled Castes Sub-Plan, the rest of the Budget is shared by the other sections including OBCs and PWDs.

III. WELFARE SCHEMES/MEASURES FOR OTHER BACKWARD CLASSES

1.27 Having recognised that educational and economic support for backward classes has not been adequate and that there is disparity between them and the non-backward sections of the population of the country at every level, it was felt by the Government in the Ministry of Social Justice and Empowerment that earnest efforts are required to introduce various schemes specifically for the target group in order to provide them a level playing field. It was envisaged that the most important initiative for improving the social and economic status of backward communities lies in improving their access to education and training in their traditional trades. The Ministry of Social Justice and Empowerment is the nodal agency for introducing and monitoring various schemes for welfare of OBCs. To achieve the intended result, following schemes for OBCs are being implemented by the Ministry since the year 1998-99:—

- (i) Pre-matric Scholarship to OBC students;
- (ii) Post-matric Scholarship to OBC students;
- (iii) Hostel for OBC boys and girls; and
- (iv) Assistance to Voluntary Organisations working for welfare of OBCs.

1.28 Besides above schemes, the National Backward Classes Finance and Development Corporation (NBCFDC) under the aegis of the Ministry of Social Justice and Empowerment (a company not for profit under section 25 of the Companies Act, 1956) provides concessional financial assistance to the members of the Backward Classes for their socio-economic development and to upgrade the technological and entrepreneurial skills of individuals or groups belonging to backward classes through State Channelising Agencies (SCAs) nominated by the respective State Government/UT.

(i) Pre-matric Scholarship to OBCs Students

1.29 As per a note submitted by the Ministry, the aim of Pre-matric Scholarship Scheme is to motivate children of OBCs studying at pre-matric stage. Scholarships

are awarded to students belonging to OBCs whose parents/guardians' income from all sources does not exceed Rs. 44,500/- per annum. Under the Pre-matric Scholarship Scheme, besides an *ad-hoc* grant of Rs. 500/-, students of Class I to V are given Rs. 25/-; Class VI to VIII Rs. 40/- and Class IX to X Rs. 50/- per month and Hostellers of Class III to VIII Rs. 200/- and IX to X Rs. 250/- per month.

1.30 On the funding pattern of the Scheme, the Committee were informed that:—

"The scholarship is available to such institutions and for such pre-matriculation courses, which have been duly recognized by the concerned State Government and Union Territory Administration. Under the scheme, 50% Central assistance is provided to the State Governments over and above their committed liability, while in case of UTs, 100% central assistance is provided. However, North-Eastern States are exempted from this committed liability under the Scheme. The States/UTs have been asked to distribute these scholarships through Banks/Post Offices."

1.31 On being asked about the adequacy of the amount of Pre-matric scholarship, being given to the beneficiaries, the Secretary, Ministry of Social Justice and Empowerment, in his oral evidence before the Committee stated that the amount being given to OBC students under this scheme is insufficient. He submitted that even the administered cost of the scholarship is more than the amount of scholarship being given to the beneficiaries and with a meagre fund, a sizeable population of OBCs can't be accommodated under the scheme. Responding to the query of the Committee as to whether the Government is contemplating to revise the rates of scholarship/allowance, the Ministry of Social Justice and Empowerment submitted as under:—

"These rates were fixed in 1998-99 and have not been revised so far. The 12th Plan Working Group on Empowerment for OBCs has assessed the need for enhancement in scholarship rates of day scholars and hostellers. A proposal for revision of the scheme is under consideration."

1.32 In a subsequent note, the Ministry replied that:—

"..... the existing Scheme of Pre-matric Scholarship for OBCs is being revised to (i) enhance income ceiling (on the lines of Pre-matric Scholarship for SC students) and scholarship rates; and (ii) change the funding pattern."

1.33 When the Committee desired to know about the reasons as to why no simultaneous action for revision of amount of Pre-Matric Scholarship as well as raising its income ceiling eligibility for availing the benefits was taken as was done in case of Post-Matric Scholarship, the Secretary, Ministry of Social Justice and Empowerment, testified before the Committee on 26th July, 2013 stated that it was done due to receipt of the proposal in respect of Post-Matric Scholarship case whereas no proposal was received in regard to Pre-Matric Scholarship Scheme. He further clarified that a proposal for revision of Pre-Matric Scholarship Scheme was initiated in the year 2008-09 and the proposal was not mooted due to lack of funds.

1.34 When asked about the current status of the proposal for enhancement and the expected time in taking a final decision in this regard, the Ministry of Social

Justice and Empowerment in their written reply submitted as under:—

"After the approval of the Minister (SJ&E), 'in principle' approval has been sought from the Planning Commission *vide* DO letter dated 10.01.2013".

Budget allocation and expenditure under pre-matric scheme

1.35 The Committee note that out of the total Budget Estimates of Rs. 345.69 crore, an amount of Rs. 349.25 crore was spent on the Pre-Matric Scholarship Scheme from the year 1998-99 to 2012-13 by the Ministry of Social Justice and Empowerment.

1.36 Asked to indicate the amount of funds allocated under the scheme for the year 2012-13 and the amount spent, the representative of the Ministry of Finance (Department of Economic Affairs) during oral evidence before the Committee on 6th August, 2013, as under:—

"...for the pre-matric scholarship, last year, the budget allocation was Rs. 50 crore; we retained the same in the RE stage; the Department's expenditure was Rs. 46 crore. So, the entire amount could not be spent, nonetheless, we have increased the allocation this year by three times; last year, the BE was Rs. 50 crore; actual expenditure was Rs. 46 crore; this year, the allocation is Rs. 150 crore."

1.37 When asked about the sufficiency of funds to cover all the beneficiaries under the scheme and how far the paucity of funds was coming in the way of implementing the scheme, the Secretary, Ministry of Social Justice and Empowerment submitted to the Committee that the Ministry made efforts at various levels and even wrote to the Prime Minister to get more funds for the scheme. A demand of Rs. 1950 crore was made in addition to the 2012-13 provisioning of Rs. 50 crore, but the demand was not met and instead Rs. 150 crore was provided for the current financial year. Besides, the Ministry has made a proposal to increase the amount of scholarship which is under examination in Planning Commission and the same is likely to be approved this year only.

1.38 Keeping in view the fact that the actual expenditure was not met as expected/ allocated, when asked whether the Ministry of Social Justice and Empowerment would be able to implement the scheme properly if allocated sufficient money for the same, the Secretary, Ministry of Social Justice and Empowerment during oral evidence before the Committee on 6th August, 2013 stated:—

"We would be able to implement it. The figures that are given and that we have not been able to spend it, is because as you are aware we have to keep ten per cent for the North-East. In North-East, only four States have OBCs. Therefore, naturally,, the amount that has been allocated has been unspent. It is for that reason, otherwise, whatever amount has been given is spent."

1.39 He further deposed as under:—

"..... We are unable to cover the entire OBC students. Therefore, the income limit is there, which is Rs. 44,500; we are raising it to Rs. 1,00,000 it is not that we would be unable to spend it, we would be able to spend it, but the

allocation is not there if we have to benefit all the OBC students, who are eligible and if they have to get reasonable scholarship then this is the amount of money that is required."

1.40 Elaborating the reasons for not covering all the eligible OBC beneficiaries under the scheme, the representative of the Ministry of Social Justice and Empowerment stated:—

"..... if we have limited resources then there has to be trade-off between whether I would cover everyone or I should cover those who are relatively more educationally and socially backward so that is choice that one has to make. If we increase the income limit then the number of students that we have to cover would be much more. If we compare the situation in the States, many States are unable to even benefit all these students who are there in the same amount then that number would get reduced and therefore a conscious decision was taken that we should try to limit the number of students unless the funds that are made available to the Department and especially the Backward Classes Division in increased enormously".

The witness further deposed:—

"In fact, we had gone to the Planning Commission with all particulars to cover the entire backward classes students who are studying in Pre-Matric and Post-Matric. Then we had asked for a certain amount of funds. But when the plan gets approved, it is much less. Therefore, we have to try to see how best and again-as per the instructions of the Standing Committee of Parliament—what is the better way of trying to see that those who are deserving get the benefit rather than everybody getting the benefit. That is the decision taken. And every policy maker would like to take a decision whether I should cover the entire universe or entire population or I should try initially to cover those who are more deprived and then try to gradually take up the rest."

1.41 To the specific query of the Committee as to whether there is a similar resource crunch for the schemes of SCs and STs also, the Secretary, Ministry of Social Justice and Empowerment during oral evidence replied as follows:—

"The Scheme is open ended for the Scheduled Castes and the Scheduled Tribes. They do not have that crunch..... I would urge the hon'ble Committee to use their good offices with the Planning Commission and the Ministry of Finance so that for the backward classes also the amount should be raised."

1.42 Noting that the entire eligible OBC students were not getting the benefit under the Pre-matric Scholarship Scheme due to fund constraint, the Committee asked the representatives of the Planning Commission for not allocating the requisite funds. In reply, the representatives of the Planning Commission, submitted:—

"..... the increase from the 11th Plan to the 12th Plan is 230 per cent. The 11th Plan allocation for the OBC persons was Rs. 1876 crore; whereas for the 12th Plan we have provided Rs. 6174 crore. The problem is the overall availability of the funds which are to be distributed among various Ministries and

Departments. Before making allocation to a Department, we have detailed discussions with the Department and whatever agreement is reached between the Department and the Planning Commission, that MoU is signed and then we make the allocation to the Department concerned."

1.43 He further added as follows:—

"Allocation which we made, we see the expenditure position also with the Ministry..... if you see the current year's allocation, for OBCs is around Rs. 1225 crore. However, for the first quarter, the expenditure is just Rs. 40 crore."

(ii) Post-Matric Scholarship to OBCs Students

1.44 The Post-Matric Scholarship Scheme is intended to promote higher education by providing financial support to OBC students studying at post-matric/post-secondary levels including Ph.D. degrees. The scholarship is awarded to a student through the State Government/UT Administration to which the applicant belongs, for studying in recognised institutions. Under the Scheme, 100% central assistance is provided to be State Governments/UT Administrations over and above their Committed liability. The Scheme has been revised *w.e.f.* 1.7.2011. The major changes effected under the Scheme are as under:—

- (i) The parental income ceiling for eligibility has been raised from Rs. 44,500 to Rs. 1.00 lakh per annum.
- (ii) Increase in maintenance and other allowances of the OBC students:

Sl. No.	Item/Component	Pre-resived Provision/Rates		Revised Provision Rates	
1	2	3		4	
1.	Maintenance Allowance (Rs. per month)	Day Scholars	Hosteller	Day Scholars	Hosteller
		Group A	190/- 425/-	Group A	350/- 750/-
		Group B	190/- 290/-	Group B	335/- 510/-
		Group C	190/- 290/-	Group C	210/- 400/-
		Group D	120/- 230/-	Group D	160/- 260/-
		Group E	90/- 150/-		
2.	Other Allowances	(Rs.)		(Rs.)	
2.1	Study Tour charges	500/- p.a. (subject to actual expenditure)		900/- p.a. (subject to actual expenditure)	
2.2	Thesis Typing & Printing charges	600/- (Maximum)		1,000/- (Maximum)	
2.3	Book Allowances for Correspondence course	500/- p.a.		900/- p.a.	
2.4	Reader charges for blind students (Rs. per month)	Group A, B, C	100/-	Group A, B	175/-
		Group D	75/-	Group C	130/-
		Group E	50/-	Group D	90/-

1	2	3	4
2.5	Scholarship for CPL Course	Maintenance allowance at the rates applicable to Group B courses, in addition to all compulsory fees including fee for flight charges, The number of awards for CPL will be 20 per annum on first-come-first-serve basis.	Rs. 5,000/- per flying hour in single/multiengine aircraft for 200 hours, as per DGCA approved rates. In addition, maintenance allowance at the rates applicable to Group 'A' courses will be provided (This will be subject to the candidate undergoing the CPL training in DGCA approved flying institutions and his confirmation to meet the balance of the cost on his own). The number of awards for CPL will be 20 per annum on first-come-first-serve basis.

(iii) Regrouping of courses: The Courses under Post-Matric Scholarship have been recategorised into four groups. The details are as under:—

Group A— (i) Degree and Post Graduate level courses including M.Phil., Ph.D. and Post Doctoral research in Medicine (Allopathic, Indian and other recognised systems of medicines), Engineering, Technology, Planning, Architecture, Design, Fashion Technology, Agriculture, Veterinary & Allied Sciences, Management, Business Finance/Administration/Computer Science/Applications.

(ii) Commercial Pilot License (including helicopter pilot and multiengine rating) course.

(iii) Post Graduate Diploma courses in various branches of management & medicine.

(iv) C.A./I.C.W.A./C.S./I.C.F.A. etc.

(v) M.Phil., Ph.D. and Post Doctoral Programmes (D.Litt., D.Sc. etc.)

(vi) L.L.M.

Group B— (i) Graduate/Post Graduate level courses leading to Degree, Diploma, Certificate in areas like Pharmacy (B. Pharma), Nursing (B Nursing), LL.B., BFS, other para-medical branches like rehabilitation, diagnostics etc., Mass Communication, Hotel Management & Catering, Travel/Tourism/Hospitality Management, Interior Decoration, Nutrition & Dietetics, Commercial Art, Financial Services (e.g. Banking, Insurance, Taxation etc.) for which entrance qualification is minimum Sr. Secondary (10+2).

(ii) Post Graduate courses not covered under Group-A e.g. M.A./M.Sc./M.Com./M.Ed./M. Pharma etc.

Group C— All other courses leading to a graduate degree not covered under Group A & B e.g. B.A./B.Sc./B. Com. etc.

Group D— All post-matriculation level non-degree courses for which entrance qualification in High School (Class X), *e.g.* senior secondary certificate (class XI and XII); both general and vocational stream, ITI courses, 3 year diploma courses in Polytechnics, etc.

1.45 The targets fixed, achievements made and the amounts utilised under the Scheme on both the physical and financial paramounts for the last five years were stated to be as under:—

Table Para No. 1.45

Scheme	Unit of Physical Target and Achievement	Year	Targets		Achievements	
			Physical	Financial- Budget Estimate (Rs. in crores)	Physical	Financial (Rs. in crores)
Post-Matric Scholarship for OBC students	No. of Beneficiaries in lakh	2007-08	5.00	100.00	8.65	125.17
		2008-09	10.00	134.00	13.70	180.00
		2009-10	9.35	135.00	17.58	172.97
		2010-11	16.00	350.00	18.00	353.32
		2011-12	17.00	535.00	20.00	527.99
		2012-13	20.00	625.00	Awaited from States/UTs	666.60 (upto 1.3.2013)

1.46 Noting that the rates of maintenance allowance and other allowances under the revised Post-matric Scholarship scheme were still not sufficient, the Committee desired to know the views of the Secretary, Ministry of Social justice and Empowerment. The Secretary conceded that this amount is insufficient to pursue higher education. Though this amount was increased on 1st July, 2011.... for all A, B, C and D grades but initiative has been taken to further increase the amount of post-matric scholarship. He, however, added that it would be pre-mature to give an assurance as to when this proposal would be accepted and finalised.

1.47 To a question regarding enhancement of the rates under the Post-matric at least upto the level of the similar schemes for SCs and STs, the Ministry of Social Justice and Empowerment in their subsequent note stated as follows:—

"..... the scheme of Post-matric Scholarship for OBCs is also being reviewed. The issue of parity with the scholarship for SCs/STs will be taken up shortly with the Planning Commission, State Governments and the Ministry of Finance."

1.48 To a further question as to whether the Ministry has any proposal to provide benefits of the Post-matric scheme to larger section of OBC students by increasing the income ceiling, the Secretary, Ministry of Social Justice and Empowerment submitted that insufficient funds for the scheme not allow him to do the needful. According to him, in the financial year 2012-13, the Ministry was allocated a fund of

Rs. 625 crore for the scheme which was utilized in disbursement of scholarship to OBC students and during the current financial year 2013-14, the Ministry has demanded a fund of Rs. 2000 crore for the scheme which could not be provided and Rs. 900 crore has been earmarked instead. He informed the Committee that the matter for allocation of requisite fund has been taken up by the Ministry so that they may be allocated sufficient funds for meeting the objectives of the schemes and programmes with the Planning Commission.

1.49 On being queries by the Committee about the reasons as to why more funds were not being allocated for the Post-matric scheme, the representatives of the Ministry of Finance (Deptt. of Economic Affairs) during evidence stated as under:—

"..... for post-metric scholarship, last year's allocation or the actual expenditure was Rs. 666 crore; it has been increased nearly by 50 per cent to Rs. 900 crore.....

Last year, for the post-matric scholarship, the initial budget allocation was Rs. 625 crore. As against that, during the RE stage, it was increased by nearly Rs. 100 crore, to Rs. 722 crore. But the Department could spend only Rs. 666 crore..... This year, the allocation is Rs. 900 crore; in other words, the funds which were made available last year at the RE stage could not be spent; I am not trying to find fault with anybody or blame anybody; there are implementation bottlenecks."

1.50 The Committee desired to know as to why the criteria for administering the Post-Matric Scholarship to the students belonging to SCs/STs, particularly in the area of technical education, where SCs/STs students are provided 100% scholarship, is not being extended to OBC students, the Ministry of Social Justice and Empowerment, in a written reply stated as under:—

"The scheme is fund limited in nature and the Ministry is unable to meet the full demand of the States. However, the Ministry will continue to make efforts by taking up the issue with the Planning Commission and the Ministry of Finance for higher allocation so that adequate funds are made available as in the case of Post-matric scholarship for SCs and STs. Additionally, we will continue to also press upon the States to meet the balance from their own resources to implement the Scheme effectively."

1.51 The Secretary, Ministry of Social Justice and Empowerment during the evidence also accepted that the matter has already been considered by them. He assured the Committee that his Ministry will send a proposal to this effect to the Planning Commission at the earliest...Besides, the Ministry has conceived a proposal to extend the "Rajiv Gandhi National Fellowship Scheme" presently being administered to SCs/STs to OBC students also.

1.52 The Ministry was asked about the dropout rate of students who could not carry on their courses due to non-affordability of fees etc. and the steps the Ministry has taken to assist those students, the Ministry in their written reply stated as follows:—

"The State-wise data on dropout rate of students are not maintained centrally. The Scheme provide that Central Assistance given to a State/UT would have to

be first utilised to cover renewal cases (*i.e.* students already awarded Scholarships during the previous years against Central Assistance), and only the balance amount left may be utilised to cover new cases. This will reduce the possibility of dropout of students."

Utilization of Funds under Pre/Post-matric Scholarship Schemes

1.53 The Committee examined the position of fund allocation to various States under the Pre/Post-matric Scholarship Schemes and the extent of utilization of the same.

1.54 The data furnished by the Ministry of Social Justice and Empowerment has been reproduced at **Annexures-I & II**.

1.55 Regarding allocation of funds to various States for implementation of various Centrally Sponsored Welfare schemes of OBCs, the Ministry of Social Justice and Empowerment submitted that:—

"The National Allocation under the centrally sponsored schemes are conveyed to the States/UT Administrations in the beginning of the Financial Year with a request to send the proposal within the National Allocation. Funds are normally released to State Governments/UT Administrations in two spells. *Ad-hoc* grants are released to those States/UTs, who have furnished UCs of the previous year's grant and have been availing Central assistance regularly. Subsequently, in case States/UTs do not send the complete proposals along with UCs of the last year's grant, no further releases are made to them."

1.56 When asked to furnish the details of States/Union Territories which delayed/did not furnish Utilisation Certificates and Progress Reports, following information was furnished to the Committee:—

PRE-MATRIC SCHEME

Table Para No. 1.56

Sl.No.	States/UTs	2010-11	2011-12	2012-13
1	2	3	4	5
1.	Bihar	UC for Rs. 258.33 lakh for the year 2009-10 was pending. So funds could not be released during 2010-11.	UC was received on 21.07.2011 and funds released during 2011-12.	Funds released.
2.	Maharashtra	UC for Rs. 518.30 lakh for 2008-09 is still awaited. State Govt. not implementing the scheme.		
3.	Haryana	UC for Rs. 79.00 lakh for 2009-10 is still awaited. Proposal not received.		
4.	Punjab	Funds released	UC for Rs. 124.54 lakh for 2010-11 is still awaited.	
5.	Chandigarh	UC for Rs. 136.05 lakh for 2009-10 was awaited	UC for the year 2009-10 received on 02.07.2012. Incomplete proposal received hence funds could not be released.	

1	2	3	4	5
6.	West Bengal	Funds released	UC for Rs. 100.31 lakh for the years 2010-11 and 2011-12 are still awaited.	
7.	Manipur	UC for Rs. 85.00 lakh for 2010-11 is still awaited.	An amount of Rs. 17.00 lakh released on <i>ad hoc</i> basis during 2011-12.	UC for Rs. 17.00 lakh released during 2011-12 has been received on 17.07.2012.
8.	Sikkim	Incomplete proposal received hence funds could not be released.	Funds released	UC for 12.75 lakh for 2011-12 was not received during 2012-12. UC received on 02.04.2013. No proposal received.

POST-MATRIC SCHEME

Table Para No. 1.56

Sl. No.	States/UTs	2010-11	2011-12	2012-13
1	2	3	4	5
1.	Assam	Funds released	Funds released	The State Govt. has requested for release of Rs. 16.08 crore for 2012-13. However, State Government has not sent UC of Rs. 26.53 crore released during 2011-12. An <i>Ad-hoc</i> grant for Rs. 1285.00 lakh was released during 2012-13.
2.	Chandigarh	UC for an amount of Rs. 1.03 lakh for 2009-10 was pending, funds could not be released.		UC received & Funds released.
3.	Delhi	Proposal for 2010-11 not received	Funds released	Funds released
4.	Jammu & Kashmir	Funds released after receipt of UC for 2009-10	Funds released after receipt of UC for 2010-11	U.C. of Rs. 307.49 lakh released during 2011-12 awaited. The State has no unspent balance of Rs. 220 lakh for 2010-11. Therefore, funds not released.
5.	Manipur	Funds released after receipt of UC for 2009-10	<i>Ad-hoc</i> Funds released	U.C. of Rs. 140.49 lakh released during 2010-11 and Rs. 202 lakh 2011-12 released are awaited. Therefore, funds not released.
6.	Odisha	UC for an amount of Rs. 500.66 lakh was pending	UC received and Funds released	Funds released

1	2	3	4	5
7.	Punjab	Funds released after receipt of UC	Proposal for the current year and UC for 2010-11 not received. No funds released	UC received and Funds released
8.	Puducherry	UC received. UT had unspent amount of Rs. 25.32 lakh (more than NA of Rs. 5.00 lakh)	Funds released	Funds released

1.57 When asked about the efforts being made by the Ministry to ensure timely allocation of funds to the States and proper utilization thereof, the Ministry of Social Justice and Empowerment, in their reply, stated as follows:—

"All efforts are made by the Ministry to obtain the complete proposals from the State Governments so that funds are released in time. In addition, constant monitoring of the releases is done so that no funds is allowed to lapse and no beneficiaries suffer. In case some funds are available at the end of financial year, the same are reallocated to State having unmet demand."

1.58 The Ministry further submitted:—

"In case of under-utilization of funds by the State Government, subsequent grant is released after adjusting the unspent balance available with the State Government.

Funds are provided by the Central Government on the basis of projections made by the State Governments/UT Administrations. Therefore, the success of these schemes largely depends on the execution/implementation of the schemes by State Governments/UT Administrations."

Monitoring Mechanism under Pre/Post-matric Scholarship Scheme

1.59 The Committee desired to know about the implementation of the scheme and its effectiveness. The Ministry in their replies stated:—

"These schemes are being implemented through the State Governments/UT Administrations. So far as the implementation of these schemes in various States/UTs is concerned, barring a few, most of the States/UTs are implementing these schemes since their inception. The fact that these schemes are resulting into benefits for the target groups, can be gauged from the fact that the number of beneficiaries in increasing each year. While in the year 2007-08, the total beneficiaries under the pre matric scholarship scheme were 16.81 lakh, it grew to 25 lakh (estimated) in 2011-12. Similarly, under the post-matric scholarship scheme, the number of beneficiaries has increased from 8.65 lakh in the year 2007-08 to 20 lakh in the year 2011-12."

1.60 Asked to explain whether Government reviews the schemes from time to time to keep a vigil on effective implementation thereof, the Ministry of Social Justice and Empowerment in a written reply submitted as follows:—

"In order to assess the effectiveness of implementation of its various Schemes, the Ministry sponsors evaluation studies through independent evaluation agencies. Moreover, the impact of the various Schemes is reviewed from time to time through progress reports from implementing agencies and also during interaction meetings with State Governments being held from time to time. Broadly, the evaluation studies and review have revealed the impact of benefits extended to the target group and necessity for continuation of the schemes for the socio-economic and educational empowerment of OBCs."

1.61 When asked about the monitoring mechanism in vogue to deal with the complaints regarding effectiveness and implementation of the schemes, the Ministry of Social Justice and Empowerment, in a written reply, stated as follows:—

"...the primary responsibility for implementing the scheme as well as redressing the grievances of the students lies with the State Governments/UT Administrations.

Whenever individual complaints regarding delay in disbursement of scholarship etc. are received by the Ministry, the matter is taken up with the concerned State Government/UT Administrations.

The States have been requested to designate Grievance Redressal Officers (GROs) at the State and District levels to redress students' scholarship-related grievances, publicize their details widely and given suitable instructions to them to implement a comprehensive scholarship grievance redressal system."

1.62 The Committee enquired whether the checks devised by the Ministry of Social Justice and Empowerment to ensure that welfare measures/schemes made in favour of OBCs are implemented by all the State Governments and Union Territories in letter and spirit. The Ministry of Social Justice and Empowerment *inter alia* stated that:—

- (i) States/UTs are regularly pursued to furnish suitable proposals for release of funds in time.
- (ii) Ministry has taken up the matter with the States/UTs to ensure that scholarship money is paid to students through their individual accounts in Post Offices/Banks.
- (iii) States/UTs are regularly pursued to furnish utilization certificates as well as audited accounts of funds released under the schemes for OBC welfare. No further funds are released in the absence of Utilization Certificates.
- (iv) State-wise issues are also discussed during interaction meetings being held with State Governments/UTs from time to time.

- (v) Ministry sponsors evaluation studies of the schemes through independent evaluation agencies.
- (vi) Nodal Officers have also been appointed for each States/UTs to regularly interact with States/UTs and review the progress of the schemes of the Ministry.

(iii) Hostels for OBC Boys and Girls

1.63 The Committee noted that the Scheme of construction of hostels for boys and girls is intended to provide hostel facilities to students belonging to socially and educationally backward classes, especially from rural areas, to enable them to pursue secondary and higher education. The Scheme is being implemented since 1998-99 and has been revised in 2010-11. The following important changes have been incorporated in the revised Scheme:—

- (i) Earlier, only State Governments, UT Administrations and Universities were eligible for Central assistance. Now, NGOs with a good track record will also be eligible;
- (ii) Enhancement of Central Assistance to North-Eastern States & Sikkim from 50% to 90%. However, in the case of other States, the Central assistance will be restricted to 50% of the cost, while in the case of UTs and Central Institutions, 100% Central funding will be provided. In the case of NGOs, the funding pattern will be 45% each by Centrally and State Government and the balance 10% by the NGO. This funding pattern has been made with reference to the approved cost;
- (iii) Indicative physical norms have been laid down for a typical 100 seater hostel with a view to improving the quality and "livability" of hostels to be constructed henceforth, and to introduce a degree of uniformity in the physical norms across the country; and
- (iv) Introduction of a one-time non-recurring grant of Rs. 2500/- per seat for providing furniture/equipment to the hostels constructed under the scheme.

1.64 According to the Ministry of Social Justice and Empowerment, the Scheme envisages funding on a 50:50 basis with the States (barring NE States, UTs and Central Institutions), the releases are restricted to Rs. 70,000/- per seat. As a result, many of the State Governments are finding it difficult to complete the construction of hostels within such time-frame and cost norms.

1.65 Regarding the beneficiaries, the Ministry informed that the students whose castes are included in the Central/State/UT list of Backward Classes and who do not belong to the creamy layer will be eligible for allotment of seats in the hostel. Further, at least 5% of the total seats should be reserved for students with disabilities. While State Governments/UT Administrations, which submit proposals for construction of three or more hostels in a year, have to propose a Girls' hostel to the extent of at least one-third of them.

1.66 The Committee enquired about the targets fixed, achievements made and amount allocated *vis-a-vis* utilised in respect of the Scheme of Hostels for OBCs.

In reply, the Ministry of Social Justice and Empowerment submitted the following data:—

Year	No. of Hostels (target)	Financial Budget Estimate (Rs. in crore)	No. of Actual Hostels (achievement)	Actual Expenditure (Rs. in crore)
2007-08	60	21.00	95	20.54
2008-09	200	35.00	117	34.55
2009-10	8750 (seats)	35.00	4000 (seats)	20.51
2010-11	5000 (seats)	45.00	4035 (seats)	25.79
2011-12	5000 (seats)	45.00	2578 (seats)	16.07
2012-13	5000 (seats)	45.00	800 (seats)	4.73 (upto 24.12.12)

1.67 From the above, it was noted that actual achievement and expenditure under the scheme since 2008-09 has not been commensurate with the targets laid down. When asked to give the reasons, the Secretary, Ministry of Social Justice and Empowerment during his evidence *inter alia* stated that this happens due to non-submission of Utilization Certificates by many States resulting into non-release of advance instalments.

The Committee were also informed that out of 170 Hostels sanctioned in various States from 2009-10 to 2012-13, 58 hostels have been completed and construction on 112 hostels was still going on.

1.68 The Committee when enquired about the reasons for delay in completion of construction of 112 hostels, the Secretary, Ministry of Social Justice and Empowerment testified that his Ministry has sanctioned 925 hostels since 1998-99 to 2012-13 out of which 669 hostels had been completed. Construction on 256 hostels was yet to be completed.

1.69 Regarding the criteria for sanctioning of hostels, the Secretary during his oral evidence stated:—

"Despite budget crisis, the Ministry makes 'Notional Allocation' in the beginning of the year. As per Notional Allocation they make an allocation to a particular State. While allocations are made, the ratio of population of that particular State to the total population of the country is kept in mind. He further accepted that a State having sizeable population of OBCs and low proportion of population in overall population of the country gets insufficient funds. The Ministry has no other option but to accept it."

1.70 On the issue of taking into consideration the concentration of OBC population while making allocation for construction of hostels under the scheme, the Committee were informed by the Secretary, Ministry of Social Justice and Empowerment during that evidence that 'presently they don't have information about OBC population with them'. The Ministry is waiting for the census data which the Union Government has scheduled, pursuant to the decision taken by the Union Cabinet on 19th May, 2011, to conduct a combined survey called "Socio Economic and Caste Census (SECC)" which has more or less been completed in 32 States/UTs. The Committee were also informed that the data is currently being checked by the Supervisors and Verification Officers of the respective State Governments.

1.71 To a question about the number of proposals received from various States and funds sanctioned to them, the Ministry in their note stated as under: —

"During the year 2012-13, proposals were received from 9 States and 15 Institutions (Universities, Colleges and NGOs). Funds amounting to Rs. 14.76 crore have been sanctioned to 4 States and 5 UT Administrations for construction of 21 hostels. The other proposals received were deficient. No proposal was received from the rest of the States/UTs. As only four States of the North-East have OBC population, a large amount of the fund earmarked for North-East remained unutilized."

1.72 When asked to explain the steps the Ministry has taken/proposed to be taken to rectify the situation so that students of OBC category did not face any problem due to this, the Ministry submitted that:—

"Sustained efforts were made by writing to the State Governments and reminding them periodically. Besides, the Ministry held 5 Regional Conferences with the concerned departments of the State Governments and impressed upon them the necessity of sending complete proposals at the earliest."

1.73 Asked about non-construction of hostels in some of the States during 2013, the Secretary during his evidence submitted that:—

"States have to submit proposals to Centre and some of the States did not send their proposals. The States who sent proposals got the funds for expenditure on construction of hostels and the States who did not send their proposals were deprived of availing the facility of funds for construction of hostels. Also, the earmarked amount are not being utilized as a result thereof."

1.74 When asked to specify efforts the Ministry has made to overcome the situation, the Committee were informed as under:—

"...the scheme for construction of hostels for OBCs boys and girls is being revised to bring it at par with the existing norms of the Hostel Scheme for SC students where per seat cost and time limit for completion of the construction are proposed to be enhanced."

1.75 In a subsequent note, the Ministry clarified that the scheme is presently under revision on the pattern of Scheduled Caste Hostels Scheme. It is proposed to

revise the financial norms and the period of construction. Also it is proposed that while sanctioning hostels, preference will be given to integrated hostels (which are part of established educational institutions) over stand-alone hostels. Accordingly, hostels are also proposed to be sanctioned to universities/educational institutions as extension to the existing hostels, as far as possible, basically to aim at integrated hostels.

1.76 To a question regarding the checks and balances devised by the Ministry of Social Justice and Empowerment to ensure that Scheme made for OBC students are completely implemented by all State Governments and Union Territories, the Ministry, *inter alia*, stated that States/UTs are regularly pursued to furnish suitable proposals for release of funds in time. They are regularly pursued to furnish Utilisation Certificates as well as audited accounts of funds released under the schemes for OBC Welfare. No further funds are released in the absence of Utilisation Certificates. State-wise issues are also discussed during interaction meetings being held with State Governments/UTs from time to time. Ministry sponsors evaluation studies of the schemes through independent evaluation agencies. Besides, Nodal Officers have also been appointed for each State/UT to regularly interact with States/UTs and review the progress of the schemes of the Ministry.

1.77 On being asked about the monitoring mechanism in the Ministry to check misappropriation of funds allocated under various schemes for welfare of OBCs, the Ministry of Social Justice and Empowerment has stated that Funds to the implementing agencies are released on receipt of Utilisation Certificates and progress reports.

1.78 The Committee enquired if there is any system to monitor NGOs who are involved in construction of hostels to check whether after initiating the work, the work left midway or the works remains incomplete. The Secretary, Ministry of Social Justice and Empowerment in his oral evidence *inter alia* stated that they have not allotted any hostels for construction to any NGOs. But the work for construction of hostels can also be done *via* NGOs.

(iv) Assistance to Voluntary Organisations working for welfare of OBCs

1.79 The scheme of grants-in-aid to voluntary organisations was started with the purpose of involving the civil society and non-government sector for improving the socio-economic conditions of OBCs, through skill up-gradation in various trades, to enable them, to start income generating activities on their own and get gainfully employed. Under the Scheme, financial assistance is provided to Non-Governmental Organisations for imparting various vocational trainings like craft, type and shorthand, carpentry, dari-making, electrician, motor winding and fitting/plumbing, printing/composing/book binding, spinning and weaving, TV, VCR and Radio repair, etc. The Government of India meets 90% of the approved expenditure of the training programme.

1.80 When asked about the criteria for selection of NGOs for assistance under the Scheme, the Ministry in a written reply informed the Committee as under:—

"Funds to the NGOs, under the scheme of Assistance to Voluntary Organizations for the welfare of OBCs, are released on receipt of applications in the prescribed

format, recommendations of the State level Grant-in-Aid Committee, Inspection reports, Utilization Certificates/Audited Statements of accounts and fulfilment of conditions of the guidelines of the scheme and the extant financial rules.”

1.81 Regarding the budget allocation and the expenditure made in respect of this scheme, the Ministry *inter alia* informed the Committee that an amount of Rs. 60.00 crore was allocated to the scheme from the year 1998-99 to 2012-13 and Rs. 37.82 crore was spent during the period.

1.82 The physical and financial achievements under the scheme during the last four years are as under:—

Table Para No. 1.82

Year	B.E. (Rs. in crore)	R.E. (Rs. in crore)	Achievement	
			No. of Beneficiaries	Financial (Rs. in crore)
2009-10	5.00	3.50	2050	0.96
2010-11	5.00	5.00	3715	1.65
2011-12	5.00	2.00	2250	1.02
2012-13	5.00	1.50	1310	0.46 (upto 31.3.2013)
2013-14	5.00	—	—	—

1.83 The State-wise details of grant-in-aid to NGOs under the scheme of Assistance to Voluntary Organizations working for the welfare of OBCs, for the year 2012-13 as furnished by the Ministry is shown at **Annexure-III**. It was also brought to the notice of the Committee that the Government of India Assistance was not availed any NGOs in as many as 21 states/UTs out of 30 States/UTs mentioned in the data supplied by the Ministry.

1.84 When asked to specify the reasons for not releasing grants to NGOs in most of the States and low utilisation of funds in other States under the scheme, the Ministry, in their written reply, informed as follows:—

"It has not been found feasible to release grants to NGOs under the scheme of Assistance to Voluntary Organizations for welfare of OBCs due to the following reasons:—

- (i) There are not many NGOs in the OBC sector who have availed grants regularly under the scheme during the last years.
- (ii) It has been observed that the scheme is not being availed of by voluntary organizations of many States in spite of Ministry's correspondence with the State Governments.
- (iii) In many cases, the NGOs/State Governments are not sending the requisite documents within time. As a result, the cases become time barred as per the

extant guidelines. Considerable time is taken up in correspondence with the State Governments for forwarding these documents.

- (iv) In most of the cases, complete documents are received at the fag end of the financial year, with the result cases can not be processed during the financial year.
- (v) The financial norms fixed under the scheme during 1998-99 have not been revised so far. The existing amount of grant-in-aid is insufficient as compared to the present training cost."

1.85 Asked to specify the reasons for constant reduction in budgetary provisions of the Scheme at RE level from the year 2010-11 upto 2012-13, the Secretary, Ministry of Social Justice and Empowerment testified as under:—

"This is the basic Scheme and the NGOs have to come forward. But the NGOs are not coming forward. In respect of the programme for the SCs, the NGOs are very active but in respect of the programme for the OBCs, the NGOs are not active and are not coming forward to run. Therefore, you find a decline in the estimate."

1.86 Why NGOs are not coming forward in respect of the schemes of OBCs, the Secretary explained further:—

"...It is partly because for these training programmes, there is a limit. We give Rs. 5,000 per student for this training programme. Obviously, it has become less. We are trying to revise it. For the Scheduled Caste programmes, the amount is higher. Ultimately, it boils down to the funds that we have. So, we have all the schemes for the Scheduled Castes. The number of OBCs is much larger than the number of SCs, and also the funds for OBCs is much smaller than the funds for SCs."

1.87 When the Committee desired to know about the efforts being taken by the Ministry to make the scheme more attractive so that more and more NGOs could come forward to run it, the Secretary elaborated as under:—

"We are trying to make this scheme attractive. At the same time we have skill development training programmes for the National Backward Class Finance Development Corporation. So, we are trying to use that window so that those OBC students who want to take training can undergo that training. But the programme run through the NGOs are not attractive and we are trying to make it more attractive."

1.88 In a subsequent note in this regard the Ministry apprised the Committee as under:—

"The scheme is under revision. In order to ensure that the scheme is implemented in a more effective way and funds meant for are fully utilized, it has been proposed to enhance the cost per trainee at the rate of Rs. 10,000 per trainee against the present rate of Rs. 5,000 per trainee. It is also proposed to release funds through NBCFDC/Government Organizations for training of OBC youth under the National Skill Development Programme."

1.89. When asked to explain the mechanisms in place to ensure whether the funds allocated in this regard are being utilized properly and whether the target group is getting the actual and intended benefits, the Ministry intimated as under:—

"In order to ensure that funds released to the NGOs under the Scheme of Assistance to Voluntary Organizations are utilized properly, NGO projects are inspected by the State Government officials and also by the officers of the Ministry, whenever required. The Voluntary Organizations are required to submit their progress reports and utilization certificates/audited accounts as a pre-condition for release of further grants."

1.90 As regards the remedial measure taken by the Ministry, the Committee were informed as follows:—

"Even though it is a Central Sector Scheme, the processing, verification of documents and other facts submitted by the NGOs and their recommendation is undertaken by the State Governments. The Ministry is constantly in touch with the State Governments requesting them to send complete proposals in time so that processing in the Ministry is completed well within the time and funds released within the financial year."

1.91 When asked to explain the system of review and monitoring the implementation of the scheme of Assistance to Voluntary Organizations working for the welfare of OBCs, the Committee were informed that:—

"Nodal Officers have been appointed by the Ministry for the purpose of regular interaction with States/Union Territories, for monitoring implementation of the schemes of the Ministry and for inspection of NGOs. The Bureau Heads *i.e.* Joint Secretaries and Division heads *i.e.* Directors/Deputy Secretaries have been made Nodal Officers. The role of the Nodal Officers is to appraise/inspect the various schemes of the Ministry and its Apex Corporations. The Nodal Officers have to visit the allocated Region or State/UT and interact with the State Governments regularly to facilitate the smooth functioning of the Scheme and also to pursue, when requested by the concerned State Government/UT administrations, their proposals in the Ministry."

IV. NEW STRATEGIES FOR THE WELFARE OF OTHER BACKWARD CLASSES (OBCS) IN THE 12TH FIVE YEAR PLAN

1.92 The Ministry of Social Justice and Empowerment has intimated the Committee about their initiatives for Backward Classes Development in the 12th Five Year Plan as under:—

Economically Backward Classes (EBCs)

Post Matric Scholarship Scheme for EBC Students: Based on the Report of a Committee set up by the Government for OBCs, the Ministry proposes to launch a new scheme for Economically Backward Classes to promote higher education them. Accordingly, Rs. 100 crore has been provided for the new scheme.

Rajiv Gandhi National Fellowship for OBCs and EBCs is proposed to be introduced in 2012-13 on the lines a similar scheme for Scheduled Castes/Scheduled Tribes/Minorities. It is proposed to provide Rs. 100 crore for the scheme in 2012-13.

National Overseas Scholarship for Other Backward Classes and Economically Backward Classes: Rs. 10 crore has been proposed under the scheme to encourage OBC and EBC students for going abroad for further studies.

Regarding the new strategies in the 12th Five Year Plan, the Planning Commission in their note submitted:—

- (i) For ensuring educational development among OBCs, schemes for providing scholarship for pursuing Pre-Matric, Post-Matric and other higher education, supported with hostel facilities will be taken up on priority basis. Appropriate revision of the Pre-Matric Scholarship Scheme in respect of the sharing pattern of assistance (being raised from 50 per cent to 100 per cent), rate of scholarships and parent/guardian income limit for eligibility (from 44,500 p.a. to 1 lakh p.a.) will be given priority in the Twelfth Five Year Plan. Hostel facilities for boys and girls which are at present very limited and inadequate could be increased substantially.
- (ii) National Overseas Scholarship Scheme for OBCs could also be formulated similar to those for SCs and STs so that OBC students can also go abroad for educational and professional courses which are generally not available in the country. There is a demand for Rajiv Gandhi National Fellowship (RGNF) scheme on the pattern available to the SC and ST students to be introduced for OBC students during the Twelfth Five Year Plan.
- (iii) To meet the marketing needs and to facilitate marketing platform the artisans and handicraft persons belonging to OBCs, a Marketing Federation on the lines of TRIFED may be set up. The main activities of the Federation would include cluster development of the artisans engaged particularly in arts and craft, training for upgradation of their skills, exhibition of their products to showcase their work both in India and abroad, opening of marketing outlets to appreciate, reward and popularise successful models which can be replicated by others and establishing a brand name for the products to be sold under the proposed Marketing Federation, etc. have been adopted in the 12th Five Year Plan.

V. COACHING/TRAINING CENTRES FOR OBCs

1.93 The Committee desired to know about the initiative undertaken by the Ministry of Social Justice and Empowerment in setting up training/coaching centres in every District of the country at par with SCs and STs to provide pre-recruitment training/coaching to OBCs to facilitate them to pass the examinations like IAS/IPS, etc., conducted by the Union Public Service Commission. The Secretary, Ministry of Social Justice and Empowerment submitted that they do not have training/coaching centres as such. If a student of this category desires to avail such training/coaching facility, he can avail the same. The cost of taking admission in Coaching/Training

Centres as such is reimbursed to him. To the query of Committee as to how many students of OBC category availed this facility in all 34 States/UTs, it was submitted that the information was not readily available with the Ministry.

VI. NATIONAL BACKWARD CLASSES FINANCE AND DEVELOPMENT CORPORATION (NBCFDC)

1.94 The National Backward Classes Finance and Development Corporation (NBCFDC) was set up in the year 1992, as a company, 'not for profit' under Section 25 of the Companies Act, 1956. As on 31.03.2011, out of the authorised share capital of Rs. 700/- crore, Rs. 602.35 crore is paid up capital of the Corporation. The Corporation provides additional channel of finance to backward classes for economically and financially viable schemes and project for upgrading the technological and entrepreneurial skills of individuals or groups belonging to Backward Classes.

1.95 The main objective of the Corporation is to provide concessional financial assistance to the members of the Backward Classes for their socio-economic development and to upgrade the technological and entrepreneurial skills of individuals or groups belonging to Backward Classes through State Channelising Agencies (SCAs) nominated by respective State Governments/UTs."

1.96 The NBCFDC assists a wide range of income generating activities which include agricultural and allied activities, small business/artisan and traditional occupation, transport sector and service sector, technical and professional trades/courses. The authorised share capital of the NBCFDC as on date is Rs. 700.00 crores.

1.97 When asked as to when the authorized share capital of the NBCFDC was last enhanced, the Ministry of Social Justice and Empowerment in a written reply stated as follows:—

"The NBCFDC was incorporated on 13th January, 1992 with an authorized share capital of Rs. 200 crore. The authorised share capital of NBCFDC was enhanced from Rs. 200 crore to Rs. 700 crore on 11th December, 1998. As present a proposal for enhancement of authorized share capital from Rs. 700 crore to Rs. 1500 crore is under consideration."

1.98 The NBCFDC implements various schemes through State Channelising Agencies (SCAs) for financial assistance as under:—

(i) **Term Loan**

Maximum loan limit: Rs. 10 lakh per beneficiary. NBCFDC Loan: up to 85% of the project cost.

(ii) **Margin Money Loan**

Maximum Loan limit: Rs. 10 lakh per beneficiary. NBCFDC Loan up to 40% of the project cost, balance amount of project cost is contributed by Bank/ Financial Institution (50%), SCA (5%) and the beneficiary (5%).

(iii) **Educational Loan Scheme**

NBCFDC provides Educational Loans to the students of Backward Classes for pursuing general/professional/technical courses or training at graduate

and/or higher levels. The maximum loan limit in India is Rs. 10 lakh and for abroad is Rs. 20 lakh. The rate of interest is 4% p.a. and girl students will get a special concessional rate of interest @ 3.5% p.a.

(iv) **Saksham**

This is a special scheme under Term Loan for young professionals belonging to Backward Classes of the target group. The maximum loan limit is Rs. 10 lakh per beneficiary. The loans up to Rs. 5 lakh carry an interest rate of 6% p.a. and the loan between Rs. 5 lakh to Rs. 10 lakh carries an interest rate of 8% p.a.

(v) **Shilp Sampada**

The objective of this scheme is to upgrade the technical and entrepreneurial skill of Backward Classes by way of providing training and financial assistance under Term Loan for self-employment in traditional craft etc. Artisans and craftspersons of Backward Classes can obtain loan up to Rs. 10 lakh under this scheme. Loans up to Rs. 5 lakh carries an interest rate of 6% p.a. and between Rs. 5 lakh to Rs. 10 lakh carries an interest rate of 8% p.a.

(vi) **Micro Finance Scheme**

NBCFDC's Micro Finance Scheme is implemented by SCAs through accredited NGOs/Self-Help Groups. The maximum loan limit per beneficiary is Rs. 50,000/-. The rate of interest is 5% p.a. from SCA to Beneficiary.

(vii) **Krishi Sampada**

The scheme aims to provide concessional loans under Micro Finance to small farmers, vegetable vendors of the target group for requirement of funds during Rabi & Kharif or any cash crop. The loanee can obtain a loan up to Rs. 50,000@ 4% p.a.

(viii) **Special Schemes for Women**

(a) **New Swarnima for Women**

Under this scheme, women belonging to backward classes can obtain loan up to Rs. 1,00,000/- @ 5% p.a.

(b) **Mahila Samriddhi Yojana (Micro Finance Scheme for Women)**

NBCFDC's Mahila Samriddhi Yojana is implemented by SCAs through accredited NGOs/Self Help Groups (SHGs). The maximum loan limit per beneficiary is Rs. 50,000/- The rate of interest is 4% p.a. from SCA to beneficiary.

1.99 The Ministry further informed that the other developmental activities which are being financed by the Corporation are as follows:—

Training & Development: The Corporation also provides financial assistance for project linked training for upgradation of technical and entrepreneurial skills of eligible members of Backward Classes living below double the poverty line. Financial assistance is provided through SCAs/Institutions. The expenditure on training programme is met from NBCFDC's internal resources as no separate budgetary support is received from the Ministry for this purpose.

Marketing Linkages: Corporation is also promoting marketing facilities for the artisans of the target group by providing opportunities to participate in the country's leading fairs like India International Trade Fair, Dilli Haat and Suraj Kund Crafts Mela etc. as well as in exhibitions/ fairs organised by SCAs in the respective States.

1.100 According to the Ministry, the Gross Budgetary Support and income from Internal and External Budgetary Resources of NBCFDC are as under:—

	(upto 31.03.13)
Budgetary Support from Govt. of India	Rs, 700.00 cr.
Recycling of recoveries and interest	
Income of loan from States	Rs. 1590.96 cr.
Total	Rs. 2290.96 cr.

1.101 Regarding the terms and conditions for disbursement of loans by the NBCFDC, the Ministry stated:—

"The NBCFDC releases loan assistance to the State Channelising Agencies (SCAs) duly nominated by respective State Government for the purpose of obtaining loan assistance from NBCFDC against State Government Guarantee provided by the State Government. The loan is further disbursed by the SCAs to the eligible members of Backward Classes in their States under various schemes of NBCFDC as per choice of the beneficiaries.

The SCAs are required to execute General Loan Agreement (GLA) before commencement of drawal of funds from NBCFDC along with submission of Block Government Guarantee (BCG) issued by State Government on behalf of SCAs in favour of NBCFDC to cover the extent of loan to be drawn by the SCA.

The NBCFDC conveys notional allocation to SCAs at the beginning of financial year keeping in view availability of funds with the Corporation and in proportion to the total population of the States/UTs in the absence of BC

population. The NE States are allocated 10% of the total allocation as per policy of the Government of India.

The SCAs are required to submit their Annual Action Plan (AAP) giving details of loan amount to be drawn during the year within the allocation under various sectors *viz.* Agriculture & Allied Activities; Small Business/Artisans & Traditional Occupation; Transport Sector & Service Sector; Technical & Professional Trades/Education loan for professional courses.

The Annual Action Plan (AAP) is approved by NBCFDC and the SCAs can draw funds within the available Government Guarantee, subject to repayment of instalments of earlier released funds as well as adequate utilisation of loan received from NBCFDC by SCAs in the past.”

1.102 According to the Ministry, the annual family income for the eligible members of Backward Classes has been enhanced from Rs. 40,000/- in rural areas and from Rs. 55,000/- in urban areas to Rs. 81,000/- in rural areas and Rs. 1,03,000/- in urban areas. The applicants under this income ceiling are eligible to obtain loan assistance under NBCFDC schemes.

1.103 Regarding the physical targets fixed to benefit OBCs under NBCFDC, the Ministry informed as follows:—

NBCFDC Loan Scheme	2010-11		2011-12		2012-13	
	No. of Beneficiaries		No. of Beneficiaries		No. of Beneficiaries	
	Target	Actual	Target	Actual	Target	Actual
	106000	125837	120000	139100	128000	145970

1.104 The details of the financial target fixed by NBCFDC for disbursement of loans during last five years *vis-a-vis* actual disbursement made as furnished by the Ministry are given in the Statement shown below:—

(Rs. in crore)		
Year	Target	Achievement
2008-09	138.00	151.02
2009-10	138.00	158.49
2010-11	150.00	175.33
2011-12	160.00	215.65
2012-13	190.00	225.20

VII. DEVELOPMENT OF AREAS INHABITED BY OBCS THROUGH MPLAD FUNDS

1.105 The Ministry of Statistics and Programme Implementation of the Government of India has issued guidelines on 'Members of Parliament Local Area Development Scheme (MPLADS)', The para No. 2.5 of the guidelines deals with the development of areas inhabited by Scheduled Castes and Scheduled Tribes. The provisions of para No. 2.5 is reproduced below:—

"There is a greater need to develop areas inhabited by Scheduled Castes and Scheduled Tribes in order to give special attention for the infrastructure development of such areas. MPs are to recommend every year, works costing at least 15 per cent of the MPLADS entitlement for the year for areas inhabited by Scheduled Castes population and 7.5 per cent for areas inhabited by S.T. population. In other words, out of an amount of Rs. 5 crores, on M.P. shall recommend for areas inhabited by S.C. population, Rs. 75 lakh out of the annual Rs. 5 crores and Rs. 37.5 lakh for areas inhabited by S.T. population. In case there is insufficient tribal population in the area of Lok Sabha Member, they may recommend this amount for the creation of community assets in tribal areas outside of their constituency but within their State of election. In case a State does not have S.T. inhabited areas, this amount may be utilised in S.C. inhabited areas and *vice versa*. It shall be the responsibility of the district authority to enforce the provision of the guideline. In order to facilitate implementation of this guideline, it will be responsibility of the district authority keeping in view the extant provisions of State and Central Government to declare areas eligible for utilisation for funds meant for the benefit of SC and ST population."

(The additional amount of Rs. 12.5 lac is to be spent in tribal areas only)

- Sub-clause (a) In order to encourage Trust and Societies to work for the betterment of tribal people, the ceiling of Rs. 25 lacs stipulated for building assets and societies in para 3.21 of the guidelines will be enhanced by 50 per cent to Rs. 37.5 lacs subject to the conditions (a) the community building works are primarily for the benefit of tribal people in tribal areas and (b) the works undertaken and the beneficiary trust/society and all other conditions of the MPLADS guidelines.

1.106 The Committee note from the above that there is no provision in the guidelines on MPLADS for using MPLAD funds for the development of areas inhabited by the Other Backward Classes.

VIII. FOLLOW-UP OF THE RECOMMENDATIONS CONTAINED IN THE FIRST REPORT OF THE COMMITTEE ON THE SUBJECT "MEASURES FOR STRENGTHENING AND GIVING CONSTITUTIONAL STATUS TO THE NATIONAL COMMISSION FOR BACKWARD CLASSES"

1.107. The Committee during their previous term *i.e.* 2012-13 had examined the subject, "Measures for strengthening and giving constitutional status to the National Commission for Backward Classes (NCBC)". The Report on the subject, which was

the first report of the Committee, was presented to Lok Sabha on 27th August, 2012. It was also laid in the Rajya Sabha the same day. The Observations/Recommendations of the Committee are reproduced below:—

Observation/Recommendation No. 1

The Other Backward Classes (OBCs) constitute an integral part of the society, their position is higher than the dalits and lower than the upper castes and they are highly heterogeneous and stratified with similar socio-economic backwardness. Due to the social imbalances, OBCs historically and presently continue to languish when compared to other sections of the society. Further, since they have also lagged behind in the pursuit of education, they are often poorly represented in Government jobs and white-collar occupations in general. The founding fathers of the Indian constitution were very well aware of the existence of such a backward section in diverse population of the country and therefore incorporated special provisions for their welfare. However, lack of proper implementation of the policies and provisions for OBCs has caused more damage than good to this section. Therefore, the immediate attention needs to be given to strengthen the existing safeguards and adopting new measures to promote the welfare of OBCs. Empowering the National Commission for Backward Classes (NCBC) is just one small step in that direction. In view of the importance of the subject, the Committee examined various facets of empowerment of the NCBC and taking initiative in this regard the Committee passed the following Resolution unanimously at their sitting held on 24th July, 2012:—

"Committee on Welfare of Other Backward Classes is of firm view that immediate action should be initiated for amending Indian Constitution and NCBC Act appropriately for setting up NCBC with constitutional status and exercising identical powers as given to NCSC and NCST (in relation to SCs and STs): Nature and extent of powers concerning OBCs are already in Article 338(5). Those powers should be entrusted to NCBC in relation to OBCs and not to NCSC.

It is, therefore, necessary that Article 338(10) should be deleted and a new Article 338B should be inserted to establish NCBC. The Constitution amendment should also include existing powers of NCBC under prevailing NCBC Act *vis.*, powers to include in or exclude from list of OBCs and obligation on GoI to consult NCBC for list revision.

The Committee feel that NCSC has not been able to discharge its functions pertaining to OBCs due to its overwhelming pre-occupation with the affairs of SCs. The Committee, therefore, strongly recommend that all issues pertaining to welfare of OBCs including complaints/grievances etc. should be dealt with by NCBC. This may be done only by amending the Constitution."

The findings/recommendations of the Committee are detailed in succeeding paragraphs.

Observation/Recommendation No. 2

The Committee are given to understand that at the time of the Constitution of India coming into force, there was no list of Backward Classes, but there were lists

of only Scheduled Castes and Scheduled Tribes. At the same time there were many States which were maintaining their own lists of Backward Classes. To provide sufficient safeguard for the backward sections of the people of the country, a special article *viz.* Article 340 was inserted in the Constitution of India which *inter-alia* contemplates appointment of a Commission by the President of India to investigate the conditions of these classes and suggest measures for their improvement.

Kakasaheb Kalelkar Commission and later on Mandal Commission were constituted by the Government under the provisions of Article 340 of the Constitution. The Committee note that on the directions of the Supreme Court of India in the Indra Sawhney (challenging the recommendations of Mandal Commission) *v/s* Union of India case, the National Commission for Backward Classes (NCBC) came into being in August, 1993 by the NCBC Act, 1993. The Commission was given the mandate to examine requests for inclusion of any class of citizens as a backward class in the Central list of backward classes and hear complaints of over-inclusion or under-inclusion of any backward class and tender such advice to the Central Government as it deems appropriate. However, the Committee understand that in the absence of a dedicated Commission for backward classes, a separate clause *viz.* Clause 10 was added to the Article 338 of the Constitution in the beginning, by virtue of which the power to look into the affairs of the backward classes was entrusted to the National Commission for Scheduled Castes (NCSC). Now that nearly two decades have passed since the inception of a separate dedicated Commission for backward classes *viz.* the NCBC, the Clause 10 of Article 338 of the Constitution has lost its relevance. Moreover, NCBC has limited function to advise the Government on inclusion and exclusion of the castes in the Central list of OBCs. Hence it is being reduced to the status of an ordinary institution with limited functions, powers and responsibilities. The Scrutiny of the functions and powers of NCBC *vis-a-vis* NCSC at the micro level reveals apparent disparities.

The Committee feel that the nature, composition and problems faced by the backward section and scheduled castes population of the country is explicitly diverse. Hence giving the powers to deal with the affairs of backward classes to NCSC instead of NCBC is the basic inconsistency. Also, NCSC, already overloaded with work and crippled by inadequate manpower, has not been able to look into OBC-related complaints efficiently and in a time bound manner. The Committee also note that the NCBC has time and again requested the Government to empower it with more functions and responsibilities at par with the NCSC and NCST except on those matters which are exclusively meant for SCs and STs. The Committee therefore are of the firm view that immediate action should be initiated for amending Indian Constitution and the NCBC Act appropriately for granting NCBC the constitutional status and conferring it with identical powers as given to NCSC and NCST (in relation to SCs and STs) as enumerated in Article 338. Those powers should be entrusted to NCBC in relation to OBCs and not to NCSC. Against this backdrop, the Committee recommend that Article 338(10) should be deleted and a new Article 338B should be inserted to for NCBC. The Constitutional amendment should also include existing powers of NCBC under prevailing NCBC Act *viz.*, powers to include in or exclude from Central list of OBCs and obligation on Government of India to consult NCBC for list revision.

Observation/Recommendation No. 3

The Committee feel that NCSC has not been able to discharge its functions pertaining to OBCs due to its overwhelming preoccupation with the affairs of SCs which is evident from the fact that NCSC started taking cognizance of OBC complaints *w.e.f.* 9.2.2011 only and during this period the Commission merely dealt with 13 cases out of 172. Even in these 13 cases, it is not clear whether these have been resolved finally. Also, the post of the National co-ordinator within NCSC which was meant to expedite the grievance redressal mechanism for OBCs, is reduced to a ceremonial post with no significant contribution. Hence, the Committee are of the strong view that in the light of the proposed deletion of Clause 10 of Article 338 of the Constitution, the office of the National coordinator under NCSC be dissolved. The Committee, therefore, strongly recommend that all issues pertaining to welfare of OBCs including complaints/grievances etc. should be dealt with by NCBC. This may be done only by amending the Constitution.

1.108 The Ministry of Social Justice and Empowerment furnished their replies indicating the action taken on the recommendations contained in the First Report of the Committee on 4th December, 2012. The replies are reproduced below:—

Reply to Recommendation at Sl. No. 2

"The recommendations of the Committee in this regard are being examined by the Government."

Reply to Recommendation at Sl. No. 3

"Government is examining a proposal to vest on the National Commission for Backward Classes the power to hear complaints/grievances of citizens belonging to OBCs."

1.109 The Committee were not satisfied with the replies and routine assurance of the Government. The Committee, therefore, reiterated their earlier views in their second report on the action taken by the Government on the recommendations of the Committee contained in their First Report. The Second Report of the Committee was presented to Lok Sabha on 26th April, 2013 and laid in the Rajya Sabha on 25th April, 2013.

1.110 The Ministry of Social Justice and Empowerment submitted their final action taken statement on the recommendations of the Committee contained in their Second Report in July, 2013. In the statement, the Ministry has replied:—

"A Draft Note for the Cabinet to further empower the NCBC is presently under preparation. Action has been initiated in regard to the issue of National Coordinator for OBCs".

1.111 In view of lackadaisical approach of the Government on the issues consistently raised by the Committee, it was felt necessary by the Committee to further review the follow up action during their current term also.

1.112 The Committee took evidence of the representatives of the Ministry of Social Justice and Empowerment in this regard on 23rd April, 2013 and expressed a

deep sense of displeasure for not taking appropriate action to amend the relevant provisions in the Constitution of India. The Secretary, The Ministry of Social Justice and Empowerment in this regard deposited before the Committee as follows:—

'I am aware of that, Sir. Most respectfully I would like to submit that the recommendations of this Hon'ble committee were received in the Ministry. They are under very serious examination. No final view has been taken in the matter so far. That is why, our reply that was sent to you was: "It is under examination.' Simultaneously we had also been examining the possibility because the National Commission for Backward Classes is a statutory Commission set up under the NCBC Act. Before your recommendation was made, prior to that we had been examining whether it would be possible to confer greater powers on the NCBC under the said Act. So, these were the two things which were going on parallel. That is why our response was that as far as the recommendation regarding the constitutional arrangement is concerned, that is under examination. A decision is yet to be taken in the matter."

The Secretary further elaborated as under:

"Sir, the Committee, in its last deliberation, said that action should be initiated for amending the Constitution and the NCBC Act appropriately for granting the NCBC constitutional status and conferring it with identical powers as is given to NCSC and NCST as enumerated in Article 338 of the Constitution of India. I would like to inform the hon'ble Committee that the Draft Cabinet Note for considering this matter is under preparation and we have, at the official level, taken into consideration the recommendation of the hon'ble Committee. But the Draft Cabinet Note is yet to be finalized."

The Secretary also added:

"Since it is a Draft Cabinet Note, till it is approved by the Minister, I cannot say anything on that... We have taken all the recommendations of the hon'ble Committee while preparing the Draft Cabinet Note."

PART II

OBSERVATIONS/RECOMMENDATIONS

The Committee note that the Constitution of India enjoins upon the State to promote the welfare of the people by securing social, economic and political justice and to minimise the diverse inequalities and make special provisions for the advancement of socially and educationally backward classes. Article 340 of the Constitution provides that the President may appoint a Commission to investigate the conditions of socially and educationally backward classes. The Kaka Kalelkar was first such Commission appointed by the President in 1953. The Commission submitted its Report in March, 1955 but the Government did not accept its Report. The Second Backward Classes Commission, popularly known as the Mandal Commission, was set up by the Government in January, 1979, to investigate the conditions of socially and educationally backward classes (SEBCs) within the territory of India. After comprehensive study, the Commission submitted its Report on 31st December, 1980. On the basis of socio-educational field survey, Census Report of 1961 (for identification of tribes), field visits and List of OBCs notified by various State Governments, the Commission calculated the OBC population as 52% of the total population of the country. However, the National Sample Survey Organisation (NSSO), in its Report of October, 2006 had found that 42% of the households in the rural area, 36% in the urban areas and 40% in the country belonged to the category of OBCs.

The Committee note that pursuant to the decision taken by the Union Cabinet, a combined survey called "Socio Economic and Caste Census (SECC)" was initiated across the country in June, 2011 with the financial and technical support of the Government of India. The collection of data is reported to be more or less complete in 32 States/UTs. The Committee have been informed that the office of the Registrar General and Census Commissioner of India would process the caste data and handover the details of castes/tribes returns in the enumeration to the Expert Group to be constituted at appropriate time by the Government for classification and categorisation. The Committee need not emphasize the imperative need of the Socio Economic and Caste Census to have an authentic data of socially and educationally backward people in the country. In the absence of such a vital data, it is apparently not feasible to plan and implement the welfare measures/schemes for the Other Backward Classes (OBCs) in a just and equitable manner. The Committee therefore recommended unanimously that the whole process of data collection, tabulation, classification of the socio-economic profiles and categorisation under the caste census be completed without further loss of time so that the real deprived sections of the people across the country are identified scientifically. This would certainly go a long way in empowerment and socio-economic development of the backward classes.

Allocation Of Funds To The Other Backward Classes

2.2 The Committee note that in its endeavour to eliminate inequalities, in status, facilities and opportunities for the OBCs, the Government launched certain welfare schemes for their accelerated educational and economic advancement, in the year 1998-99. Asked to explain the reasons for poor implementation of schemes, the representative of the Ministry of Social Justice and Empowerment in his testimony before the Committee, attributed it to poor allocation of funds. On being queried further, he submitted that over the period of last five years, as many as ten letters were sent by the incumbent Ministers of Social Justice and Empowerment to the Prime Minister/Planning Commission/Minister of Finance for enhancement of Plan Outlay for the Ministry, apart from the letters written at the level of officials. The Committee note that due to persistent efforts, the allocation for the Ministry of Social Justice and Empowerment was raised from Rs. 15,111 crore in the 11th Plan to Rs. 29,400 crore in the 12th Five Year Plan. Notably, the allocation for OBCs was also raised from Rs. 1876 crore in the 11th Plan to Rs. 6174 crore in the 12th Plan within the overall allocation of the Ministry. However, the Committee find that even the augmented amount is too paltry compared to the projection of Rs. 2,22,807 crore made by the Ministry of Social Justice and Empowerment for various developmental schemes to be undertaken during the 12th Plan for the development of OBCs. In the considered view of the Committee, the allocation for OBCs is grossly inadequate given the enormity of the challenges to implement the welfare schemes for their accelerated development. On sustained examination, the Secretary, Planning Commission assured the Committee to review the allocation during mid-term appraisal in the light of the overall availability of funds and the need to accelerate the development of OBCs. The representative also submitted that one of the goals of the Twelfth Five Year Plan is to have inclusive growth. The Committee wish to caution the Government that without redressing the inequalities of the OBCs, there could be no inclusive growth and therefore recommend that the allocations for OBCs should be adequately further enhanced so as to ameliorate their socio-economic conditions and to provide them with level playing field.

2.3 The Committee also observe that there is a separate Sub-Plan for the Scheduled Castes under the Ministry of Social Justice and Empowerment. Considering the population of the Scheduled Castes, 16.2 per cent of the overall budget outlay is spent for the benefit of the Scheduled Castes which forms 72.5 per cent of the budget outlay of the Ministry of Social Justice and Empowerment. The Committee are startled to note that the OBCs constituting about 52 per cent population of the country as per Mandal Commission Report, are getting only about 21 per cent of the Ministry's outlay. While impressing upon the need for maintaining harmonious development of all sections of the society, the Committee are of the considered view that funds for the welfare of OBCs ought to be allocated commensurate with their population in keeping with the philosophy of inclusive growth. The Committee therefore recommend that there should be a separate Sub-Plan for the OBCs also within the total outlay of the Ministry of Social Justice and Empowerment with equitable share of funds proportionate to their population. Moreover, given the enormity of the population of OBCs in the country and their poor socio-economic conditions, the Committee also recommend that the Government consider to

set up a separate Department for Welfare of OBCs within the purview of the Ministry of Social Justice and Empowerment for effective planning, execution and monitoring of the welfare programmes for the development of OBCs.

Pre-matric Scholarship Scheme

2.4 The Committee note that the Pre-matric Scholarship Scheme is awarded to the students belonging to OBCs whose parents/guardians income from all sources does not exceed Rs. 44,500/- per annum. It was informed that due to paucity of funds, the Ministry of Social Justice and Empowerment is unable to cover the entire OBC students under the scheme and the income ceiling has been fixed in order to extend the benefit to the most needy OBC students. The Committee find no valid ground in fixing income ceiling of Rs. 44,500/- per annum when the income ceiling for the parents/guardians under the same scheme for Scheduled Castes is Rs. 2,00,000 per annum. The Committee have been informed that the Ministry is going to raise the ceiling to Rs. 1,00,000/- per annum. The Committee strongly recommend that the income ceiling of the parents/guardians for eligibility of the OBC students to take benefit under the Pre-matric Scholarship Scheme should be enhanced from Rs. 44,500/- to Rs. 2,00,000/- per annum to make it at par with the similar scheme for the Scheduled Castes keeping in view the constant rising cost of living.

2.5 The Committee further note that under the Pre-matric Scholarship Scheme, besides an ad hoc grant of Rs. 500/-, the students of Class I to V are given Rs. 25/-, Class VI to VII Rs. 40/-, Class IX and X Rs. 50/- per month and Hostellers of Class III to VIII Rs. 200/- and IX and X Rs. 250/- per month. Also, under the scheme, 50% Central Assistance is provided to the State Governments over and above their committed liability, while in case of Union Territories, 100% Central assistance is provided. The Committee feel that the scholarship amount being paid to the eligible students under the scheme is not only too low but the overall allocation being meagre, only a small per cent of OBC students can avail the benefit. Surprisingly, these rates of scholarships were fixed in 1998-99 which have not been revised so far. Though the Ministry of Social Justice and Empowerment has agreed to revise the existing scheme of Pre-matric Scholarship for OBCs by enhancing the income ceiling and the scholarship rates and the funding pattern is also being changed, yet it has time and again shown the constraints of fund availability coming into the way of any major revamp. The Committee find that as against the demand of more than Rs. 2 lakh crore for OBCs during the 12th Five Year Plan by the Ministry of Social Justice and Empowerment, the Planning Commission agreed to raise allocation for welfare of OBCs from Rs. 1876 crore in the 11th Plan to Rs. 6174 crore in the 12th Plan. The representative of the Planning Commission also agreed to give top priority to OBC affairs and enhance the allocations in the coming years considering the overall availability of resources. The Committee desire that the Ministry should vigorously pursue the matter regarding allocation of more funds with the Department of Economic Affairs and the Planning Commission and take steps to raise the scholarship rates judiciously and make the scheme 100 per cent centrally sponsored so that the OBC students may feel motivated and all of them pursue their studies. The Committee would like to be apprised of the revisions made in the scholarship rates and also in the funding pattern of the central assistance.

Post -matric Scholarship Scheme

2.6 The Committee note that the Post-matric Scholarship Scheme was , revised in July, 2011 to raise the parental income ceiling for eligibility from Rs. 44,500/- to Rs. 1 lakh per annum. The maintenance allowance and other allowances like study tour charges, book allowance for correspondence courses, thesis typing and printing charges, etc. were also increased marginally. Under the revised rates, the maintenance allowance for Day Scholars of Group A courses has been increased from Rs. 190/- per month to Rs. 350/- per month and the book allowance for correspondence course has been increased from Rs. 500/- to Rs. 900/- per annum. The Committee are of the considered view that an amount of Rs. 350/- per month as maintenance allowance for pursuing higher studies like M.Phil., Ph.D. and Post Doctorate research is too meagre. Similarly, the rates of other revised, allowances are also too low. On the question of further revision of the rates of the scholarship and income ceiling for eligibility, the Secretary, Ministry of Social Justice and Empowerment had admitted that insufficient funds for the scheme was a great constraint. The Committee note that the Ministry was allocated funds to the tune of Rs. 625 crore for the scheme for the year 2012-13 which were utilised in disbursement of scholarship to OBC students. For the year 2013-14, a sum of Rs. 900 crore has been earmarked against the demand of Rs. 2,000 crore from the Ministry of Social Justice and Empowerment. In view of the inflationary pressure and exorbitant cost of higher studies, it is imperative that the amount of assistance under the scheme is suitably enhanced. The Parliamentary Standing Committee on Social Justice and Empowerment (2012-13) had also recommended in their 36th Report on the Demands for Grants of the Ministry for the year 2013-14 that more funds may be allocated under the education schemes for OBCs and the income ceiling revised so as to bring it at par with the ceilings for similar schemes for the SC students. The Committee reiterate the recommendation of the Standing Committee on Social Justice and Empowerment and desire that the Ministry pursue the matter vigorously , with the Ministry of Finance and the Planning Commission for allocation of adequate funds and revise the scheme suitably by increasing the income ceiling for eligibility and scholarship rate. The Committee would like to be apprised of the progress made in this regard.

Hostels For Obc Boys And Girls

2.7 The Committee note that the Scheme of Hostels for OBC Boys and Girls envisages funding on a 50:50 basis with the States (barring North- Eastern States, Union Territories and Central Institutions) and the release of the amount is restricted to Rs. 70,000/- per seat. As a result many of the State Governments are reportedly finding it difficult to complete the construction of hostels within the stipulated timeframe and cost norms. The Committee regret to note that out of 925 hostels sanctioned since 1998-99 to 2012-13, only 669 hostels have been completed. What is more intriguing is that in some of the States not even a single hostel has been constructed as these States did not send their proposals to the Ministry for construction of Hostels. The Committee are unhappy to note that actual utilization of funds by the States has been woefully low as is evident from the fact that against the budget estimate of Rs. 45 crore, the actual utilisation has been constantly low during

the last three years (*i.e.* Rs. 25.79 crore in 2010-11, Rs. 16.07 crore in 2011-12 and Rs. 4.73 crore up to 24.12.2012 in 2012-13). The Committee have been informed that the declining trend was due to non-submission of Utilisation Certificates by many States resulting into non-release of advance instalments. The non-utilization of full funds allocated to the State Governments is nothing but a reflection on the monitoring mechanism of the Ministry. The Committee are of the firm opinion that unless the funds allocated are utilised completely within the prescribed time and manner, the Ministry need to furnish justification for allocation of more funds. The Committee were informed that the scheme is under revision and there is a proposal to build integrated hostels and revise the period of construction and cost of construction to bring it at par with the similar scheme for the SC students. The Committee desire that Ministry of Social Justice and Empowerment should suitably revise the financial norms and the period of construction of Hostels and also strengthen their monitoring mechanism so as to ensure timely release of adequate funds, their full utilisation by the State Governments and timely completion of Hostels.

Assistance To Voluntary Organisations

2.8 The Committee note that the scheme of Assistance to Voluntary Organisations was started in 1998-99 with the objective of involving the civil society and non-government sector for improving the socio-economic conditions of the OBCs through skill upgradation in various trades so as to enable them to start income generating activities on their own and get gainful employment. The Government of India meets 90% of the approved expenditure of the vocational training programmes. The Committee find that an amount of Rs. 60 crore was allocated for the scheme since its inception from 1998-99 to 2012-13, against which only Rs. 37.82 crore could be utilised. The Committee are distressed to note that the amount utilised under the scheme is decreasing year after year. In 2010-11, the amount utilised was 1.65 crores which came down to Rs.1.02 crores and Rs. 0.46 crore in 2011-12 and 2012-13 respectively. Various reasons have been attributed by the Ministry for lesser utilisation of funds in most of the States which include non-availability of NGOs working in OBC sector and non-submission or late submission of the requisite documents. Apart from these reasons, the Committee observe that the financial norms fixed under the scheme during 1998-99 have not been revised so far and the existing amount of grants-in-aid is insufficient as compared to the present training cost. The Ministry admitted that the grant at the rate of Rs. 5,000/- per student for this training programme is very low as compared to SC candidates. The Committee were informed that the Ministry is planning to revise the Scheme by enhancing the cost per trainee at the rate of Rs. 10,000/- per trainee and also by releasing funds through the National Backward Classes Finance and Development Corporation (NBCFDC)/ Government Organisations for training of OBC youth under the National Skill Development Programme. Against this backdrop, the Committee recommend that the Ministry of Social Justice and Empowerment should make concerted steps for making the scheme more attractive by enhancing the quantum of grant-in-aid so that more and more NGOs come forward in all the States and Union Territories and the objective of the scheme to empower the OBCs by helping them in achieving self dependency is achieved. The Committee would like to be apprised of the action taken in this behalf.

New Strategies For The Welfare Of Obcs In The 12th Plan And Facilities For Coaching/ Training Centres For Obcs

2.9 The Committee note that the Ministry of Social Justice and Empowerment has taken initiatives to launch new schemes namely Rajiv Gandhi National Fellowship and National Overseas Scholarship for Other Backward Classes (OBCs) and Economically Backward Classes (EBCs) on the pattern of similar schemes for Scheduled Castes/Scheduled Tribes/ Minorities. The Committee welcome these laudable initiatives of the Ministry as with their implementation, the OBC Students will also get opportunity to go abroad for educational and professional courses which are generally not available in the country. The Committee therefore recommend that all these proposed schemes for OBCs should be treated at par with the similar schemes for SCs/STs and adequate funds be allocated for these schemes so that their implementations are not hampered due to dearth of funds. The Committee are also in favour of setting up a Marketing Federation on the lines of TRIFED to meet the marketing needs and to facilitate marketing platform for the artisans and handicraft persons belonging to OBCs.

The Committee further observe that there are no training/coaching centres in the country to provide pre-recruitment training/coaching to OBC students to facilitate them to prepare for the examinations like IAS/IPS, etc. In view of the large population of OBCs in the country, the Committee recommend that OBC students should also be given opportunity to avail pre-recruitment training/coaching similar to the schemes for the SC/ST students.

National Backward Classes Finance And Development Corporation (NBCFDC)

2.10 The National Backward Classes Finance and Development Corporation(NBCFDC) was set-up in the year 1992 as a company 'not for profit' under the Companies Act, 1956 with the objective to provide concessional financial assistance to the members of the Backward Classes for their socio-economic development and to upgrade the technological and entrepreneurial skills of individuals or groups belonging to Backward Classes through State Channelising Agencies (SCAs) nominated by respective State Government/Union Territory. The NBCFDC assists a wide range of income generating activities which include agricultural and allied activities, small business/artisan and traditional occupation, transport sector, service sector and technical and professional trades/courses by releasing loan assistance to the eligible members of Backward Classes through SCAs under various schemes of NBCFDC as per choice of the beneficiaries. The authorised share capital of the NBCFDC is reported to be Rs.700 crore at present which is proposed to be enhanced upto Rs.1500 crore. The Corporation has also generated income to the tune of Rs. 1590.96 crore as on 31st March, 2013 from recycling of recoveries and interest income of loan from the States. The Committee note that the NBCFDC has achieved both its physical and financial targets during the last three years. The Committee have been informed that the annual family income of Rs. 81,0001- in rural areas and Rs. 1,03,0001- in urban areas has ' been fixed for the persons belonging to the Backward Classes to become eligible for loan assistance under

NBCFDC schemes. The Committee feel that the above income criteria is too restrictive and needs to be suitably enhanced so as to cover more and more number of beneficiaries from OBC communities. The Committee, therefore, recommend for further enhancement in the annual ceiling of family income of both the rural and the urban aspirants for becoming eligible to get loan assistance under various schemes of NBCFDC. The Committee also recommend that the authorised share capital of NBCFDC may be enhanced, as proposed, without further delay and the Committee may be apprised.

Development Of Areas Inhabited By OBCs Through MPLAD Funds

2.11 The Ministry of Statistics and Programme Implementation of the Government of India has issued guidelines on 'Members of Parliament Local Area Development Scheme (MPLADS)'. The para No. 2.5 of the Guidelines deals with the development of areas inhabited by Scheduled Castes and Scheduled Tribes. MPs are required to recommend every year, works costing at least 15 per cent of the MPLAD entitlement in areas inhabited by Scheduled Caste population and 7.5 per cent for areas inhabited by Scheduled Tribe population in order to give special attention for the infrastructure development of such areas. The guidelines also enjoin that it shall be the responsibility of the district authority to enforce the provision of the Guidelines to declare areas eligible for utilisation of funds meant for the benefit of SC and ST population.

The Committee therefore recommend that in view of the socio- economic backwardness of the OBCs in the country and in order to ensure their upliftment and socio-economic inclusion, the development of areas inhabited by the OBCs should also be included in para 2.5 of the MPLADS Guidelines. The Ministry of Social Justice and Empowerment may take initiative to send a proposal to the Ministry of Statistics and Programme Implementation in this regard. The Committee may be apprised of the action taken by the Ministry.

Granting Constitutional Status To NCBC

2.12 The Committee had presented their First Report to Parliament on the subject "Measures for strengthening and giving constitutional status to the National Commission for Backward Classes" pertaining to the Ministry of Social Justice and Empowerment on 27th August, 2012. The National Commission for Backward Classes (NCBC) was set up at the Centre as a permanent body by the enactment of the National Commission for Backward Classes Act, 1993 pursuant to the direction of the Supreme Court in the Mandal Commission Judgement. The mandate of the Commission is to examine requests for inclusion of any class of citizens as a backward class in the lists and hear complaints of over-inclusion or under-inclusion of any backward class in such lists and tender advice to the Central Government on the same. Considering the constraints being faced by the NCBC and taking note of the fact that similar Commissions, namely, the National Commission for Scheduled Castes (NCSC) and the National Commission for Scheduled Tribes (NCST) enjoy constitutional status, the Committee had recommended that the NCBC may also be given constitutional status by amending the Constitution of India by inserting an Article 338 B, as a first step to empower the NCBC.

The Committee had also observed that in accordance with the provisions of the Article 338(10) of the Constitution, the NCSC continues to investigate and monitor all matters relating to the safeguards provided for the Backward Classes also and to inquire into the complaints with respect to the deprivation of rights and safeguards of the Backward Classes as well. The Committee were surprised to note that even after two decades of the setting up of the NCBC in 1993, the power to inquire into the issues relating to safeguarding the Backward Classes is still vested in the NCSC. The Committee had also found that the NCSC had not been able to discharge its functions pertaining to OBCs due to its overwhelming preoccupation with the affairs of SCs. The Committee had therefore recommended the Ministry of Social Justice and Empowerment to take initiative for amendment of the Constitution to delete the Clause 10 of Article 338 so that the interests of the OBCs are effectively looked after by the NCBC. The Ministry of Social Justice and Empowerment in their replies to the First Report of the Committee on 4th December, 2012 had submitted that the recommendations of the Committee were being examined by the Government and also the Government was examining a proposal to vest the NCBC with the power to hear complaints/grievances of citizens belonging to OBCs. In their Second Report dealing with the action taken by the Government on the Observations/Recommendations contained in their First Report, the Committee reiterated their earlier recommendations. In their final action taken statement submitted to the Committee on the recommendations of the Committee contained in their Second Report in July, 2013, the Ministry stated that a Draft Note for the Cabinet to further empower the NCBC was presently under preparation and also action had been initiated in regard to the issue of National Coordinator for OBCs. Deeply anguished, the Committee took further evidence of the representatives of the Ministry in this regard on 26 July, 2013. The Secretary, Ministry of Social Justice and Empowerment informed the Committee that the Draft Cabinet Note in this regard is yet to be finalised. The Committee express their strong displeasure over the delay on the part of the Government in granting constitutional status to the NCBC. The Committee once again strongly recommend that immediate and appropriate action should be taken by the Government to amend the Constitution suitably in order to further strengthen and empower the NCBC as recommended by the Committee in their First Report. The action taken in this regard may also be intimated to the Committee.

NEW DELHI;
29 August, 2013

7 Bhadrapada, 1935 (Saka)

BIJOY KRISHNA HANDIQUÉ
Chairman,
Committee on Welfare of OBCs.

ANNEXURE I

(Vide Para 1.54 of the Report)

STATE-WISE PHYSICAL & FINANCIAL ACHIEVEMENTS UNDER THE
CENTRALLY SPONSORED SCHEME OF "PRE-MATRIC
SCHOLARSHIPS TO OBC STUDENTS"

(Amount and Beneficiaries in lakhs)

Sl. No.	State/UTs	2010-11		2011-12		2012-13	
		Physical*	Financial	Physical*	Financial	Physical	Financial
1.	Andhra Pradesh	0.32	—	—	—		318.00
2.	Bihar	7.39	—	2.22	131.67		174.24
3.	Delhi	—	—	—	59.06		50.56
4.	Goa	0.02	—	0.03	—		—
5.	Gujarat	1.23	227.00	1.21	288.00		113.50
6.	Haryana	—	—	—	—		—
7.	Himachal Pradesh	0.04	25.25	0.24	103.00		13.00
8.	Jammu & Kashmir	—	—	—	—		—
9.	Jharkhand	\$	31.45		—		68.55
10.	Karnataka	0.34	238.00	5.49	115.00		115.00
11.	Madhya Pradesh	—	—	—	—		—
12.	Odisha	0.74	140.00	0.54	157.00		137.46
13.	Punjab	\$	100.00	—	—		—
14.	Rajasthan	3.49	245.00	\$	309.65	\$	258.00
15.	Tamil Nadu	\$	846.00	1.70	135.00		309.66
16.	Uttar Pradesh	6.41	2241.00	6.39	2237.00		2293.26
17.	Uttarakhand	0.46	117.00	0.47	113.00		116.09
18.	West Bengal	\$	88.64	0.63	86.91		—
19.	Kerala			5.14	125.00		383.24
20.	Assam	0.02	32.65	0.14	—		154.00
21.	Manipur	\$	68.36	0.04	17.00		—
22.	Tripura	0.35	49.00	0.41	167.75		147.50
23.	Sikkim	—	—	\$	12.75		—
24.	Andaman & Nicobar Islands	—	—	—	—		35.09
25.	Daman & Diu	0.04	21.69	\$	11.00		13.86
26.	Chandigarh	—	—	—	—		—
TOTAL:		20.85*	4471.04	24.65*	4068.79	20.00	4701.01 (estimated)

* Provisional as data awaited from some States.

\$ Awaited from States/UTs.

ANNEXURE II

(Vide Para 1.54 of the Report)

STATE-WISE PHYSICAL & FINANCIAL ACHIEVEMENTS UNDER THE
CENTRALLY SPONSORED SCHEME OF "POST-MATRIC
SCHOLARSHIPS TO OBC STUDENTS"

(Amount and Beneficiaries in lakhs)

Sl. No.	State/UT	2010-11		2011-12		2012-13	
		Physical*	Financial	Physical	Financial	Physical	Financial
1.	Andhra Pradesh	1.19	1693.00	\$	4615.72		6178.00
2.	Bihar	0.22	4861.88	1.28	5656.17		4715.83
3.	Goa	0.09	41.00	0.01	78.14		94.37
4.	Gujarat	0.28	745.19	0.43	1334.00		2495.29
5.	Haryana	0.3	71.56	0.54	1378.07		707.17
6.	Himachal Pradesh	0.03	—	0.06	74.00		245.23
7.	Jammu & Kashmir	0.26	368.00	0.05	307.49		—
8.	Jharkhand	0.27	1385.00	0.42	1798.16		2663.81
9.	Karnataka	1.25	1000.00	0.71	2540.35		2973.35
10.	Kerala	1.13	—	1.16	1398.00		2628.44
11.	Madhya Pradesh	0.15	3534.87	5.73	3955.76		5859.39
12.	Maharashtra	\$	5677.11	1.17	6124.90		9072.32
13.	Odisha	—	—	0.41	1114.00		1740.00
14.	Punjab	\$	391.00	0	—		1355.00
15.	Rajasthan	0.64	1982.00	1.05	3232.27		2838.54
16.	Tamil Nadu	0.71	2344.68	1.10748	3180.80	\$	3153.68
17.	Uttar Pradesh	4.01	9742.02	4.48	10877.00		16109.72
18.	Uttarakhand	0.23	504.54	0.12	550.68		815.00
19.	West Bengal	\$	380.55	0.53	1041.00		904.26
20.	Assam	0.32	253.43	0.18	2653.00		1285.00
21.	Manipur	\$	140.49	0.1	202.00		—
22.	Tripura	0.28	202.00	0.3	548.80		591.00
23.	Sikkim	0.07	12.26	0.00874	35.72		70.99
24.	Andaman & Nicobar Islands	—	—	—	—		16.91
25.	Daman & Diu	0.02	1.89	187 nos	3.17		5.68
26.	Chandigarh	—	—	—	—		3.98
27.	Puducherry	0.13	—	\$	7.00		76.80
28.	Delhi			\$	93.00		86.64
TOTAL		*	35332.47	19.85*	52799.42	20.00	66686.40 estimated)

*Complete data awaited from some States.

\$Awaited from States/UTs

ANNEXURE III

(Vide Para 1.83 of the Report)

STATE-WISE DETAILS OF GRANT-IN-AID TO NGOs UNDER THE SCHEME OF ASSISTANCE TO VOLUNTARY ORGANISATIONS WORKING FOR THE WELFARE OF OBCs

(Rs. in lakhs)

Sl. No.	Name of the State/UT	2012-13		
		No. of NGOs	Amount released	No. of beneficiaries
1.	Andhra Pradesh	0.00	0.00	0.00
2.	Assam	2.00	5.24	100.00
3.	Bihar	0.00	0.00	0.00
4.	Chhattisgarh	0.00	0.00	0.00
5.	Gujarat	1.00	6.20	100.00
6.	Haryana	2.00	6.51	230.00
7.	Jammu & Kashmir	0.00	0.00	0.00
8.	Jharkhand	0.00	0.00	0.00
9.	Karnataka	0.00	0.00	0.00
10.	Madhya Pradesh	0.00	0.00	0.00
11.	Maharashtra	5.00	11.26	300.00
12.	Manipur	4.00	8.59	240.00
13.	Odisha	1.00	2.50	50.00
14.	Punjab		0.00	0.00
15.	Rajasthan	3.00	0.16	150.00
16.	Sikkim	0.00	0.00	0.00
17.	Tamil Nadu	0.00	0.00	0.00
18.	Uttarakhand	1.00	2.34	50.00
19.	Uttar Pradesh	0.00	0.00	0.00
20.	West Bengal	1.00	3.61	90.00
21.	Delhi	0.00	0.00	0.00
22.	Puducherry	0.00	0.00	0.00
	TOTAL	20.00	46.41	1210.00
GIA never availed by NGOs in these States/UTs				
23.	Goa	0.00	0.00	0.00
24.	Himachal Pradesh	0.00	0.00	0.00
25.	Kerala	0.00	0.00	0.00
26.	Andaman & Nicobar Islands	0.00	0.00	0.00
27.	Dadra and Nagar Haveli	0.00	0.00	0.00
28.	Daman & Diu	0.00	0.00	0.00
29.	Chandigarh	0.00	0.00	0.00
30.	Tripura	0.00	0.00	0.00

APPENDIX

COMMITTEE ON WELFARE OF OTHER BACKWARD CLASSES (OBCs)
MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE ON WELFARE OF
OTHER BACKWARD CLASSES (OBCs) (2012-13) HELD ON 23RD APRIL, 2013
IN COMMITTEE ROOM 'A', PARLIAMENT HOUSE ANNEXE,
NEW DELHI

The Committee sat from 1500 hrs. to 1630 hrs.

PRESENT

Shri B.K. Handique — *Chairman*

MEMBERS

Lok Sabha

2. Dr. Charles Dias
3. Shri Ganesh Singh
4. Shri Amarnath Pradhan
5. Advocate A. Sampath
6. Shri Hukmadeo Narayan Yadav
7. Prof. (Dr.) Ranjan Prasad Yadav

Rajya Sabha

8. Dr. Ram Prakash
9. Shri Natuji Halaji Thakor
10. Shri Ashk Ali Tak

SECRETARIAT

- | | | |
|------------------------|---|----------------------------|
| 1. Shri Devender Singh | — | <i>Joint Secretary</i> |
| 2. Shri N.C. Gupta | — | <i>Director</i> |
| 3. Shri R.R. Kumar | — | <i>Additional Director</i> |
| 4. Shri R.L. Yadav | — | <i>Deputy Secretary</i> |

WITNESSES

I. Ministry of Social Justice and Empowerment

- | | | |
|-------------------------------|---|----------------------|
| 1. Shri Anil Goswami | — | Secretary |
| 2. Shri Anoop Kumar Srivastav | — | Additional Secretary |
| 3. Ms. Gazala Meenai | — | Joint Secretary |
| 4. Ms. Surekha Sahu | — | Director |

II. National Backward Classes Finance and Development Corporation (NBCFDC)

Shri A.A. Naqvi

— Managing Director

2. At the outset, the Chairman welcomed the Members of the Committee on Welfare of Other Backward Classes (OBCs) and the representatives of the Ministry of Social Justice and Empowerment to the sitting of the Committee. The Chairman expressed his deep concern over non-implementation of the recommendations of the Committee contained in the First Report regarding conferment of Constitutional status to NCBC and deletion of Article 338(10) of the Constitution of India.

3. Thereafter the Committee discussed in detail various welfare schemes/measures of Government of India for Other Backward Classes (OBCs). The Secretary, Ministry of Social Justice and Empowerment replied to the queries raised by the Members of the Committee on various issues like enhancement of amount of scholarships/maintenance/allowances being paid to pre-matric and post-matric students of OBC category, increase in the budgetary provision for the schemes pertaining to welfare of OBCs; waiving off fee of students of OBCs pursuing technical courses as in the case of SC/ST students. The Secretary, Ministry of Social Justice and Empowerment explained the hindrances coming in the way of augmenting infrastructure facilities like construction of hostel buildings and in implementation of welfare measures started by the Ministry for the OBC students.

4. Members also raised clarificatory questions about the data on Socio-Economic Caste Census (SECC) and mechanism for monitoring the utilization of funds earmarked for the schemes and construction of hostels for boys and girls of OBC category. The representatives of the Ministry of Social Justice and Empowerment assured the Committee to furnish the written replies to the queries of the Members which they could not readily reply, within a period of 10 days.

5. A verbatim record of the proceedings of the sitting of the Committee was kept on record.

The witnesses then withdrew.

The Committee then adjourned.

COMMITTEE ON WELFARE OF OTHER BACKWARD CLASSES (OBCs)

**MINUTES OF THE SECOND SITTING OF THE COMMITTEE ON WELFARE OF
OTHER BACKWARD CLASSES (OBCs) (2013-14) HELD ON 26TH JULY, 2013
IN COMMITTEE ROOM 'E', PARLIAMENT HOUSE ANNEXE,
NEW DELHI**

The Committee sat from 1100 hrs. to 1330 hrs.

PRESENT

Shri B.K. Handique — *Chairman*

MEMBERS

Lok Sabha

2. Shri Hansraj Gangaram Ahir
3. Dr. Charles Dias
4. Shri P. Kumar
5. Dr. (Smt.) Botcha Jhansi Lakshmi
6. Shri Ponnamm Prabhakar
7. Shri Ramkishun
8. Advocate A. Sampath
9. Shri Manicka Tagore
10. Shri Hukmadeo Narayan Yadav
11. Prof. (Dr.) Ranjan Prasad Yadav

Rajya Sabha

12. Smt. Jharna Das Baidya
13. Shri Rama Chandra Khuntia
14. Dr. Ram Prakash
15. Shri V. Hanumantha Rao
16. Shri Ashk Ali Tak

SECRETARIAT

- | | | |
|------------------------|---|----------------------------|
| 1. Shri Devender Singh | — | <i>Joint Secretary</i> |
| 2. Shri N.C. Gupta | — | <i>Director</i> |
| 3. Shri R.R. Kumar | — | <i>Additional Director</i> |
| 4. Shri R.L. Yadav | — | <i>Deputy Secretary</i> |

WITNESSES

I. Ministry of Social Justice and Empowerment

- | | | |
|--------------------------------|---|----------------------|
| 1. Shri Sudhir Bhargava | — | Secretary |
| 2. Shri Anoop Kumar Srivastava | — | Additional Secretary |
| 3. Ms. Ghazala Meenai | — | Joint Secretary |
| 4. Ms. Surekha Sahu | — | Director (BC) |

II. National Backward Classes Finance and Development Corporation (NBCFDC)

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|-----------------|---|-------------------|
| Shri A.A. Naqvi | — | Managing Director |
|-----------------|---|-------------------|

2. At the outset, the Chairman welcomed the Members of the Committee on Welfare of Other Backward Classes (OBCs) and the representatives of the Ministry of Social Justice and Empowerment and NBCFDC. The Chairman expressed his deep concern over the delay on the part of the Government in granting constitutional status to the National Commission for Backward Classes (NCBC) as accorded to the National Commission for Scheduled Castes (NCSC) and the National Commission for Scheduled Tribes (NCST).

3. Thereafter, the Members enquired about the current status of the action taken by the Government on the recommendations made by the Committee in their First Report presented to Lok Sabha on 27th August, 2012. They expressed their anguish over the inordinate delay in granting constitutional status to the NCBC despite their recommendations submitted to Parliament on 27th August, 2012 and reiterated in their Second Report tabled in Lok Sabha on 26th April, 2013. The Members also referred to the assurance of the former Secretary, Ministry of Social Justice and Empowerment who had deposed before the Committee on 23rd April, 2013 that he would go back and convey the concern of the Committee to the Minister in-charge. Members persistently asked the representatives of the Ministry about the status of the proposal to grant constitutional status to the NCBC and empower it to review the measures for welfare and development of the other backward classes. The Secretary, Ministry of Social Justice and Empowerment replied to the queries raised by the Members of the Committee and submitted that the Ministry had taken all the recommendations of the Committee in this regard while preparing the draft Cabinet Note.

4. The Committee also asked questions about the various welfare measures/schemes for the OBCs covering, *inter alia*, the following points:—

- (i) delay in filling up of the vacancy of Chairman, NCBC;
- (ii) providing of coaching/training to the OBC candidates for various competitive examinations including those conducted by the UPSC;
- (iii) allowing funding of schemes meant for upliftment of OBCs through MPLADs;
- (iv) enhancement of income ceiling under the pre/post-matric scholarship schemes;

- (v) revision of amount of scholarship being given under pre/post-matric Scholarship Schemes;
- (vi) increase in allocation of funds for OBC welfare schemes;
- (vii) lending pattern and rate of interest under NBCFDC;
- (viii) construction of hostels for OBC students particularly for girl students;
- (ix) involvement of NGOs in construction of hostels; and
- (x) provision of scholarships for all OBC students at par with SC/ST students.

5. Members also raised queries about poor allocation of funds for welfare schemes of OBCs being run by the Government and the reasons therefor. Not satisfied with the replies, the Committee unanimously decided to call the representatives of the Planning Commission, the Ministry of Finance (Deptt. of Economic Affairs) and the Ministry of Social Justice and Empowerment so as to hear their views in this regard.

6. The representatives of the Ministry of Social Justice and Empowerment assured the Committee to furnish the written replies to the queries of the Members which they could not readily reply, within a week.

7. A verbatim record of the proceedings of the sitting of the Committee was kept on record.

The witnesses then withdrew.

The Committee then adjourned.

COMMITTEE ON WELFARE OF OTHER BACKWARD CLASSES (OBCs)

**MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON WELFARE OF
OTHER BACKWARD CLASSES (OBCs) (2013-14) HELD ON 6th AUGUST, 2013
IN COMMITTEE ROOM 'A', PARLIAMENT HOUSE ANNEXE,
NEW DELHI**

The Committee sat from 1500 hrs. to 1700 hrs.

PRESENT

Shri B.K. Handique — *Chairman*

MEMBERS

Lok Sabha

2. Shri Hansraj Gangaram Ahir
3. Dr. Charles Dias
4. Shri Anant Gangaram Geete
5. Shri P.C. Mohan
6. Shri Ponnamb Prabhakar
7. Shri Amarnath Pradhan
8. Shri Ramkishun
9. Shri Ganesh Singh
10. Shri Hukmadeo Narayan Yadav
11. Prof. (Dr.) Ranjan Prasad Yadav

Rajya Sabha

12. Shri V. Hanumantha Rao

SECRETARIAT

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|------------------------|---|-------------------------|
| 1. Shri Devender Singh | — | <i>Joint Secretary</i> |
| 2. Shri N.C. Gupta | — | <i>Director</i> |
| 3. Shri R.L. Yadav | — | <i>Deputy Secretary</i> |

WITNESSES

I. Planning Commission

- | | | |
|----------------------|---|---------------|
| 1. Shri Madan Mohan | — | Adviser |
| 2. Shri Abel Kacchap | — | Joint Adviser |

II. Ministry of Finance (Deptt. of Economic Affairs)

- | | | |
|----------------------|---|----------------------|
| Shri Shaktikanta Das | — | Additional Secretary |
|----------------------|---|----------------------|

III. Ministry of Social Justice and Empowerment

- | | | |
|--------------------------------|---|----------------------|
| 1. Shri Sudhir Bhargava | — | Secretary |
| 2. Shri Anoop Kumar Srivastava | — | Additional Secretary |
| 3. Ms. Ghazala Meenai | — | Joint Secretary |

2. At the outset, the Chairman welcomed the Members of the Committee on Welfare of Other Backward Classes (OBCs) and the representatives of the Planning Commission, the Ministry of Finance (Deptt. of Economic Affairs) and the Ministry of Social Justice and Empowerment. The Chairman referred to the request of Secretary, Planning Commission expressing her inability to appear before the Committee and requesting exemption. He expressed Committee's displeasure over non-appearance of the Secretary, Planning Commission for deposing before the Committee on the issues pertaining to inadequate allocation of funds for welfare schemes/measures of OBCs launched by the Ministry of Social Justice and Empowerment, Government of India.

3. Thereafter, the Members enquired about the reasons for meagre allocation of funds for the welfare schemes for OBCs. The Committee pointed out that allocation of funds for OBCs which constitute 52% of population was too low. Further, the Members expressed their concern over the step motherly treatment being meted out by the Planning Commission and the Ministry of Finance in allocation of funds for welfare schemes for OBCs. The Members sought reasons for allocation of 72.5 per cent of the total allocation for the SC Division of the Ministry of Social Justice and Empowerment and only 21.5 per cent for the development of OBCs who constitute nearly 52 per cent of the population of the country. The Members also asked the representatives of the Planning Commission about the status of the proposals of the Ministry of Social Justice and Empowerment regarding revision of pre-matric and post-matric scholarship schemes, construction of hostels and assistance to voluntary organisations etc. The Secretary, Ministry of Social Justice and Empowerment, the representatives of the Planning Commission and the Ministry of Finance (Deptt. of Economic Affairs) replied to the queries raised by the Members of the Committee.

4. The Committee also asked questions about the various welfare measures/schemes for the OBCs covering, *inter alia*, the following points:—

- (i) total outlay for the schemes of OBCs;
- (ii) increase in Annual Plan Allocation for OBCs;
- (iii) total number of students (boys/girls) who applied for scholarships and total number of beneficiaries out of them;
- (iv) fund allocation to OBC welfare schemes in proportion to their population;
- (v) status of proposals for revision of schemes including income ceiling;
- (vi) under utilisation of funds;
- (vii) non-release of funds to States or delay in release;

- (viii) supply of copies of correspondence between the Planning Commission and the Ministry of Finance (Deptt. of Economic Affairs) regarding pending proposals of revision of schemes; and
- (ix) mismatch between projection of funds and Budget Estimates made by 12th Plan Working Group.

5. Members also raised queries about the lackadaisical approach of the Planning Commission and the Ministry of Finance (Deptt. of Economic Affairs) in allocation of funds for the welfare schemes/measures for OBCs, being run by the Government. Not satisfied with the replies, the Committee unanimously decided to call the Secretary, Planning Commission to hear her views in this regard.

6. The representatives of the Planning Commission, the Ministry of Finance (Deptt. of Economic Affairs) and the Ministry of Social Justice and Empowerment assured the Committee to furnish the written replies to the queries of the Members which they could not readily reply, within a week.

7. A verbatim record of the proceedings of the sitting of the Committee was kept on record.

The witnesses then withdrew.

The Committee then adjourned.

COMMITTEE ON WELFARE OF OTHER BACKWARD CLASSES (OBCs)
MINUTES OF THE FIFTH SITTING OF THE COMMITTEE ON WELFARE OF
OTHER BACKWARD CLASSES (OBCs) (2013-14) HELD ON 23RD AUGUST, 2013
IN ROOM NO. 62, PARLIAMENT HOUSE,
NEW DELHI

The Committee sat from 1500 hrs. to 1700 hrs.

PRESENT

Shri B.K. Handique — *Chairman*

MEMBERS

Lok Sabha

2. Shri Hansraj Gangaram Ahir
3. Dr. Charles Dias
4. Shri Ponnamp Prabhakar
5. Shri Amarnath Pradhan
6. Shri Ganesh Singh
7. Shri Arun Yadav
8. Shri Hukmadeo Narayan Yadav
9. Prof. (Dr.) Ranjan Prasad Yadav

Rajya Sabha

10. Smt. Jharna Das Baidya
11. Shri Birendra Prasad Baishya
12. Shri Rama Chandra Khuntia
13. Dr. Ram Prakash

SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri N.C. Gupta — *Director*
3. Shri R.L. Yadav — *Deputy Secretary*

WITNESSES

I. Planning Commission

1. Ms. Sindhushree Khullar — Secretary
2. Shri Madan Mohan — Adviser

II. Ministry of Finance (Deptt. of Economic Affairs)

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|---------------------------|---|--------------------------|
| 1. Shri Arvind Mayaram | — | Secretary |
| 2. Shri Rajat Bhargava | — | Joint Secretary (Budget) |
| 3. Shri Harish Srivastava | — | OSD (Budget) |

III. Ministry of Social Justice and Empowerment

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|--------------------------------|---|----------------------|
| 1. Shri Anoop Kumar Srivastava | — | Additional Secretary |
| 2. Ms. Ghazala Meenai | — | Joint Secretary |
| 3. Ms. Sujata Sharma | — | Economic Adviser |

2. At the outset, the Chairman welcomed the Members of the Committee on Welfare of Other Backward Classes (OBCs) and the representatives of the Planning Commission, the Ministry of Finance (Deptt. of Economic Affairs) and the Ministry of Social Justice and Empowerment. The Chairman expressed his deep concern over the funding pattern and allocation of inadequate funds for the welfare schemes/measures for OBCs to the Ministry of Social Justice and Empowerment.

3. Thereafter, the Members enquired about the reasons for meagre allocation and poor utilisation of funds for the OBCs Schemes undertaken by the Ministry of Social Justice and Empowerment. The Members emphasised on the need to enhance the budgetary allocation for the schemes for OBCs for their overall development and to provide them social justice. The Members also sought clarifications from the representatives of the Planning Commission and the Ministry of Finance (Deptt. of Economic Affairs) regarding allocation of 72.5 per cent of the total allocation for the SC Division of the Ministry of Social Justice and Empowerment and only 21 per cent to OBCs. The Members asked the representatives of the Planning Commission to expedite clearance of the pending proposals of the Ministry of Social Justice and Empowerment regarding revision of pre-matric and post-matric scholarship schemes, construction of hostels and assistance to voluntary organisations etc. The Secretary, Planning Commission, the Secretary, Ministry of Finance (Deptt. of Economic Affairs) and the representatives of the Ministry of Social Justice and Empowerment, replied to the queries raised by the Members of the Committee.

4. The Committee desired to know about various welfare measures/schemes of the OBCs covering, *inter alia*, the following points:—

- (i) increase in Annual Plan Allocation for OBCs;
- (ii) fund allocation to OBC welfare schemes in ratio of their overall population;
- (iii) need for early clearance of pending proposals for revision of various welfare schemes for OBCs;
- (iv) poor utilisation of funds under various OBCs schemes;
- (v) correspondence between the Ministry of Social Justice and Empowerment and the Ministry of Finance (Deptt. of Economic Affairs) regarding increase in allocation of funds;

- (vi) mismatch between projected Plan Outlay and Annual Plan Outlay and Budget Estimates of 12th Plan; and
- (vii) initiative for new schemes like National Overseas Scholarship Scheme and Rajiv Gandhi National Fellowship Scheme for OBC students on the pattern of the schemes being run for SC students.

5. The Secretary, Planning Commission, the representatives of the Ministry of Finance (Deptt. of Economic Affairs) and the Ministry of Social Justice and Empowerment assured the Committee to furnish the written replies to the queries of the Members which they could not readily reply by 26th August, 2013.

6. A verbatim record of the proceedings of the sitting of the Committee is kept on record.

The witnesses then withdrew.

The Committee then adjourned.

COMMITTEE ON WELFARE OF OTHER BACKWARD CLASSES (OBCs)

MINUTES OF THE SIXTH SITTING OF THE COMMITTEE ON WELFARE OF
OTHER BACKWARD CLASSES (OBCs) (2013-14) HELD ON 27th AUGUST, 2013
IN ROOM NO. 415, PARLIAMENT HOUSE ANNEXE,
NEW DELHI

The Committee sat from 1500 hrs. to 1600 hrs.

PRESENT

Shri B.K. Handique — *Chairman*

MEMBERS

Lok Sabha

2. Shri Dara Singh Chauhan
3. Dr. Charles Dias
4. Shri Ponnamp Prabhakar
5. Advocate A. Sampath
6. Prof. (Dr.) Ranjan Prasad Yadav

Rajya Sabha

7. Smt. Jharna Das Baidya
8. Shri Rama Chandra Khuntia
9. Dr. Ram Prakash
10. Shri V. Hanumantha Rao
11. Shri Ashk Ali Tak

SECRETARIAT

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|------------------------|---|----------------------------|
| 1. Shri Devender Singh | — | <i>Joint Secretary</i> |
| 2. Shri N.C. Gupta | — | <i>Director</i> |
| 3. Shri R.R. Kumar | — | <i>Additional Director</i> |
| 4. Shri R.L. Yadav | — | <i>Deputy Secretary</i> |

2. At the outset, the Chairman welcomed the Members of the Committee on Welfare of Other Backward Classes (OBCs). The Committee thereafter discussed in detail the Draft Report on the subject "Review of various welfare schemes/measures of Government of India pertaining to Other Backward Classes (OBCs)" and follow-up of the recommendations contained in the First Report of the Committee on the subject "Measures for strengthening and giving constitutional status to National Commission for Backward Classes (NCBC)" and adopted the same with some modifications.

3. The Committee then authorised the Chairman to finalise the Report and present the same to the Parliament.

4. **

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The Committee then adjourned.