

**STANDING COMMITTEE ON LABOUR AND
WELFARE
(2003)**

(THIRTEENTH LOK SABHA)

THIRTY-FIFTH REPORT

**MINISTRY OF SOCIAL JUSTICE AND
EMPOWERMENT**

**Action taken by the Government on the Recommendations/Observations contained
in the Thirtieth Report of the Standing Committee on Labour and Welfare on
Demands for Grants-2003-2004 of the Ministry of Social Justice and Empowerment.**

**LOK SABHA SECRETARIAT
NEW DELHI**

December 2003/ Agrahayana 1925 (Saka)

CONTENTS

COMPOSITION OF THE COMMITTEE

INTRODUCTION

CHAPTER I	Report
CHAPTER II	Recommendations/Observations which have been accepted by the Government
CHAPTER III	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply
CHAPTER IV	Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration
CHAPTER V	Recommendations/Observations in respect of which replies of government are interim in nature

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR AND WELFARE (2003)

LOK SABHA MEMBERS

1. **Dr. Sushil Kumar Indora-CHAIRMAN**
2. Shri Ashok Argal
3. Shri Denzil B. Atkinson
4. Smt. Sandhya Bauri
5. Shri Joachim Baxla
6. Shri Padmanava Behera
7. Shri Ashok Kumar Singh Chandel
8. Shri Manibhai Ramjibhai Chaudhuri
9. Shri Bhim Prasad Dahal
10. Shri Krishan Lal Diler
11. Shri M. Durai
12. Shri Virendra Kumar
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20. Shri R.S. Patil
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27. Shri Brij Bhushan Sharan Singh
28. Shri Khelsai Singh
29. Shri Mansukhbhai D. Vasava

RAJYA SABHA

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31. Shri Jhumuk Lal Bhendia
32. Shri Debabrata Biswas
33. Ms. Pramila Bohidar
34. Shri Indramoni Bora
35. Shri Urkhao Gwra Brahma
36. Shri Sukhdev Singh Libra
37. Dr. (Mrs.) Kum Kum Rai
38. Shri Kanshi Ram
39. Shri Dilip Ray
40. Shri Jibon Roy
41. Smt. Savita Sharda
42. Shri Uday Pratap Singh

SECRETARIAT

1. Shri N.K. Sapra - Joint Secretary
2. Shri J.P. Sharma - Director
3. Shri Bhupesh Kumar - Under Secretary
4. Shri S.K. Saxena - Assistant Director

INTRODUCTION

I, the Chairman of the Standing Committee on Labour and Welfare having been authorised by the Committee to submit the Report on their behalf, present this Thirty-Fifth Report on the action taken by the Government on the recommendations contained in the Thirtieth Report of the Standing Committee on Labour and Welfare (Thirteenth Lok Sabha) on the Ministry of Social Justice and Empowerment- Demands for Grants-2003-2004.

The Thirtieth Report was presented to Lok Sabha on 10th April, 2003. The Ministry of Social Justice and Empowerment furnished their replies indicating action taken on the recommendations contained in that Report on 14 September, 2001. The Report was considered and adopted by the Standing Committee on Labour and Welfare at their sitting held on 11 December 2003.

3. The Report has been divided into the following chapters:-
 - I. Report.
 - II. Recommendations/Observations which have been accepted by Government.
 - III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's reply.
 - IV. Recommendations/Observations in respect of which final replies of Government are still awaited.
4. An analysis of the Action Taken by the Government on the recommendations contained in the Thirtieth Report of the Standing Committee on Labour and Welfare (Thirteenth Lok Sabha) is given in Appendix.

New Delhi:

December 2003
Agrahayana 1925 (Saka)

Dr. SUSHIL KUMAR INDORA
Chairman,
Standing Committee on Labour and Welfare

CHAPTER I

REPORT

1.1 This Report of the Standing Committee on Labour and Welfare deals with the action taken by the Government on the recommendations/observations contained in the Thirtieth Report of the Committee (Thirteenth Lok Sabha) on Demands for Grants-2003-2004 of the Ministry of Social Justice and Empowerment .

1.2 The Thirtieth Report was presented to Lok Sabha and also laid in Rajya Sabha on 10 April 2003. It contained 18 recommendations. Replies of Government in respect of all recommendations have been examined and are categorised as under :-

- (i) Recommendations/Observations which have been accepted by the Government:

Paragraph Sl. Nos. 3 ,4,8, 14, 15, and 18

(Total 6- Chapter II)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government:

Paragraph Sl. Nos.1, 2, 7, and 17

(Total 4- Chapter III)

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Paragraph Sl. Nos. 9 and 11

(Total 2- Chapter IV)

- (iv) Recommendations/ Observations in respect of which replies of the Government are interim in nature.

Paragraph Sl. Nos. 5, 6, 10, 12, 13 and 16

(Total 6 - Chapter V)

1.3 The Committee desire that action taken notes in respect of the recommendations contained in Chapter-I and final action taken notes in respect of recommendations contained in Chapter-V for which only interim replies have been given by the Government may be furnished to them at the earliest and in any case not later than three months of the presentation of this Report.

1.4 The Committee will now deal with those action taken replies of the Government which need reiteration or merit comments.

A. Disbursement of Funds to NSFDC

Recommendation [Sl.No.9 Para 3.29]

1.5 The Committee observed that as per Memorandum of Understanding (MoU) signed by the Secretary, Ministry of Social Justice and Empowerment and CMD, NSFDC on 20 March 2002, the Ministry had fixed the target of Rs.198 crore for disbursement as loan to SC beneficiaries and committed to release Rs.100 crore to the NSFDC but the Ministry did not honour its commitment made in the MoU. Therefore, the Committee had recommended that the Ministry should give adequate budgetary support to NSFDC so that a large number of SCs may get the benefit of the NSFDC schemes.

1.6 In its action taken reply, the Ministry of Social Justice and Empowerment has stated that while approving allocation for 2003-04 the Planning Commission suggested to the Ministry to get evaluation studies done for continuing equity support to National Scheduled Castes Finance & Development Corporation and other Finance Corporations, viz. National Safai Karamchari Finance and Development Corporation, National Backward Classes Finance & Development Corporation and National Minorities Development & Finance Corporation. The Ministry has already sponsored research studies by independent agencies. After receiving the reports the Planning Commission will be approached for additional support to the Corporation. The Ministry has also clarified that the Corporations are released funds only when they have small cash balances with them

1.7 The Committee have been apprised that the Planning Commission has suggested to the Ministry to get the evaluation studies done for continuing equity support to NSFDC and other financial institutions like NSKFDC, NMDFC, NBCFDC, etc. The Ministry has already sponsored evaluation studies by independent agencies and would approach the Planning Commission for additional support to NSFDC only after receipt of reports from them. The Committee are not convinced with the approach of the Planning Commission that NSFDC should grow as a self-financing Corporation. The Committee feel that NSFDC should not be treated as a commercial bank as it is functioning on “no-profit no-loss” basis in view of its social character aimed at the higher objective of catering to the most disadvantaged categories of Scheduled Castes. The Committee, therefore, reiterate their earlier recommendation that the Ministry should convince the Planning Commission and get adequate budgetary support for the Corporation to enable it to fulfil its commitment towards SC beneficiaries.

B. PROJECTS FOR DEVELOPMENT OF URBAN WAKF PROPERTIES.

Recommendation (SL. No.11 Para 4.6)

1.8 The Committee noted with concern that out of 106 projects sanctioned by the Central Wakf Council for the development of Urban Wakf Properties, only 67 projects were completed and work in respect of 16 projects could not be started within the stipulated time resulting in recovery of the entire loan amount. The Central Wakf Council had extended loan for three projects to Bihar Sunni Wakf Board but they diverted the funds for paying the salary to its staff. The Committee had, therefore, recommended that concerted efforts should be made to recover the entire funds alongwith the interest thereon from the defaulting Wakf Board without further delay.

1.9 The Ministry of Social Justice and Empowerment in its action taken reply has stated that The Central Wakf Council under the Development of Urban Wakf Properties Scheme, has extended loan to 110 projects since 1974-1975, out of which 67 projects have been completed till 31 March 2003. In the last 26 years, only 16 Wakfs have refunded the loan without executing the projects due to various reasons, mainly due to litigation and change in the policy of urban planning. The Bihar State Sunni Wakf Board utilized a sum of Rs.8.72 lakh out of the total loan released, i.e. Rs.32 lakh, on its administrative expenditure. As a result of that the development work of the three Wakfs was stopped. The Council has been continuously impressing upon the Bihar State Sunni Wakf Board and the State Government to refund the amount alongwith the interest accrued thereon. The Secretary, Central Wakf Council, had drawn the attention of the Governor of Bihar to this issue in November 1997 and also had meetings with the State Government officials at various levels including Chief Secretary of Bihar.

1.10 It has been further stated that the projects under the above Scheme are not directly funded by Central Government for construction or re-construction. Rather, the Central Government gives annual grants-in-aid to Central Wakf Council and in turn, the Council advances loan to the State Wakf Boards for the development projects on Wakf land, which are approved by the Central Wakf Council and Central Government. The Wakf Board, in turn, disburses the loan amount to the concerned project development committee duly approved for this specific purpose by the State Government.

1.11 The Ministry has further stated that projects are normally not completed within the stipulated completion period of two years. In many cases, the reason for delay in completion is the inadequate and late

disbursement of loan to projects, due to limited availability of funds to the Ministry under non-plan head which often leads to delay in completion of the project and escalation in the cost of construction. At present, due to limited amount of grants-in-aid available each year, the loan is usually disbursed in 3 to 5 instalments.

1.12 The Committee take note that the Central Government gives annual grants-in-aid to Central Wakf Council and in turn the Council gives loan to State Wakf Boards for development projects on wakf land which are approved by both Central Wakf Council and Central Government. The Committee express their grave concern that out of Rs. 32 lakh loan advanced by Central Wakf Council to Bihar State Sunni Wakf Board, Rs. 8.72 lakh have been spent by the Board on its administrative expenditure as a result of which the development work of three Wakfs was stopped. The Central Wakf Council has failed, despite its efforts, to recover the amount from the defaulting Bihar State Sunni Wakf Board. The Committee are of the opinion that undoubtedly the loan is not disbursed directly by the Central Government for the development projects on wakf land; still the Central Government cannot evade its responsibility of recovering the outstanding loan from the defaulting Wakf Boards. The Committee, therefore, reiterate their earlier recommendation that the Ministry should effectively intervene in the matter and impress upon the Bihar State Government to recover the outstanding amount alongwith the interest thereon without further delay.

CHAPTER-II

Recommendations/Observations which have been accepted by the Government

- (a) SPECIAL CENTRAL ASSISTANCE TO SPECIAL COMPONENT PLAN FOR SCHEDULED CASTES.

Recommendation [Sl. No. 3 Para 3.8]

2.1 The Committee note that the objective of the SCA allocation is to support SC families to enhance their productivity and income and to enable them to cross the poverty line but even after more than 22 years of its implementation, improvement in the economic condition of the Scheduled Castes is extremely slow and hardly visible in most parts of the Country. It is a matter of serious concern that though it is a 100% centrally funded scheme but unfortunately certain States like Bihar, Goa, Jharkhand, Kerala, Manipur, Punjab and Delhi are not availing the benefits of the scheme due to non –submission of utilisation certificates in respect of funds released to them during 2001-02. The Committee further note that the Planning Commission has been continuously reducing SCA allocations for the last three years viz. Rs.423 Crore in 2000-01, Rs.407.70 crore in 2001-02 and Rs.371.62 crore in 2002-03. The Committee expresses its dissatisfaction over the dismal performance of the SCA scheme in general and not availing of SCA funds by the seven States in particular. In the opinion of the Committee, the ultimate sufferers are not the defaulting States but the poor SC families who have been deprived of the benefits of the scheme. The Committee, therefore, recommend that the Planning Commission should put some embargo on the Annual Plan of the States who fail to utilise the SCA funds properly.

REPLY OF GOVERNMENT

2.2 The recommendation of the Standing Committee has been referred to Planning Commission for action.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

Recommendation [Sl. No.(4) Para 3.9]

2.3 The Committee note that the Central Standing Tripartite Committee set up by the Planning Commission in 1999 had grouped all the Ministries/Departments of the Government of India into three categories based upon the feasibility of earmarking funds under SCP and TSP. In category-I there are Ministries/Departments, which are of regulatory nature or having non-plan schemes to facilitate earmarking funds for SCP and TSP. Under Category II there are Ministries/Departments, which are service oriented, but their activities are of non- divisible nature and in Category –III those Ministries/Departments have been grouped which are service oriented and also have activities of divisible nature. Out of the 30 Ministries/Departments grouped under Category III, only 14 are formulating and implementing special component plans for SCs under their Annual Plan and rest of the Central Ministries have expressed their inability to formulate and implement that special component plan. The Committee strongly recommends that the remaining Ministries/Departments grouped under Category III which are service oriented and whose activities are of divisible nature should be persuaded by the Ministry of Social Justice and Empowerment for formulating not only the Special Component Plan but also ensuring its implementation and monitoring. The Committee further recommends that the Planning Commission should not approve the Annual Plan of the defaulting Ministries/Departments who fail to formulate their SCP.

REPLY OF GOVERNMENT

2.4 The recommendation of the Standing Committee has been referred to Planning Commission for necessary action.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

Recommendation [Sl.No.8 Para 3.28]

2.5 The Committee note with concern that on one hand, the total plan allocation of the Ministry has been increased by the Planning Commission from Rs.6194 crore in the Ninth Five year Plan to Rs.8530 crore in the Tenth Five Year Plan whereas on the other the grants to NSFDC has been continuously decreased from Rs.248.50 crore i.e. 4.04% in the Ninth Five Year Plan to Rs.125.10 crore i.e. 1.47% in Tenth Five Year Plan. The Committee are not convinced with the explanation put forward by the Ministry that the NSFDC shall explore avenues to augment its resources and shall not depend on Government's financial support alone and grow as a self financing corporation. The Committee are constrained to observe that NSFDC should not be treated as a commercial organization at par with other financial institutions as it is functioning more as a social institution catering to the needs of the most disadvantaged categories of Scheduled Castes. The Committee, therefore, desire that the Ministry should take up the issue with Planning Commission for ensuring more equity to the corporation so that they can serve the under privileged sections for their employment.

Reply of Government

2.6 The funds released during the 9th Plan were for National Scheduled Castes & Scheduled Tribes Finance Development Corporation (NSCSTFDC). This has subsequently been bifurcated into National Scheduled Castes Finance Development Corporation (NSFDC) and National Scheduled Tribes Finance Development Corporation (NSTFDC) in April, 2001. Hence allocation to National Scheduled Castes Finance Development Corporation (NSFDC) for the 10th Plan is less than that for NSCSTFDC in the 9th plan period. The Planning Commission has been requested to provide more funds for contribution as equity to the Corporation.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

Recommendation (SL. No.14 Para 5.7)

2.7 The Committee note with serious concern that there is a steep rise in the number of drug addicts for the last three years. During 1999-2000, 2,66,891 persons were registered in the Counselling Centres and Treatment-cum Rehabilitation Centres which has gone upto 4,37,004 in 2001-02. The Committee opine that there is some slackness on the part of NGOs in the awareness generating and counseling programme. In order to have an impact on the community, it is necessary that awareness generation and preventive education should be extended to school children, sex workers, street children and other vulnerable groups. Every possible efforts should be made to ensure that a cured person does not relapse into addiction due to negligence on the part of the family members and community people. The Committee also desire that at least one Counselling Centre and one Treatment-cum-Rehabilitation Centre should be set up in all districts of the States/UTs so that the persons living in remote and hilly areas may also get the benefit of the scheme.

Reply of Government

2.8 The steep rise in the number of drug addicts registered in the Counselling Centres and Treatment-cum-Rehabilitation Centres is an indication of the larger number of people who are seeking treatment as a result of the efforts made by the Ministry for increased coverage, proper documentation of records in respect of clients and improved delivery of services through skill based training of the service providers during the last three years. However, the Ministry takes note of the observation of the Committee and is trying for an increase in the budgetary provision which is currently able to take care of only the on going cases. Fresh cases in a phased manner extending to all vulnerable areas are being taken up to the extent that funds are available.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

Recommendation (SL. No.15 Para 6.7)

2.9 The Committee note that the various provisions of “The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995” are being implemented by the Ministry of Social Justice & Empowerment in collaboration with related Ministries/Departments of Central Government and the State Governments. Each Ministry and Department has an important role to play in empowerment of persons with disabilities. The Committee are of the opinion that in order to provide comprehensive rehabilitation services to the persons the disabilities, the Ministry should launch a scheme on the pattern of SCP for SCs. The Committee, therefore, recommend that the Ministry should formulate a disability sub plan in which all the Ministries/Departments of Government of India should earmark adequate budget to undertake activities benefiting the persons with disabilities in their own area of operation.

Reply of Government

2.10 The Planning Commission has identified “Introduction of Component Plan for Disabled” as one of the priority agenda item of Action 2003-04 after approval of Tenth Plan document by National Development Council. The Ministry has addressed a letter to all Central Ministries/Departments for earmarking a separate fund for welfare of persons with disabilities as is being done in case of Scheduled Castes.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

Recommendation (SL. No. 18 Para 7.8)

2.11 The Committee agree that NGOs play an important role in the implementation of various schemes of the Ministry at the grass-root level. The main advantage of NGOs is their ability to reach and interact directly with the needy groups. The Committee have been informed that about 2650 NGOs were inspected during 2002-03 and during inspection, the shortcomings pointed out in their functioning are (i) mis-utilization of funds by a few NGOs and non-implementation of the projects for which grants in aid sanctioned; (ii) number of beneficiaries being less than the total number of beneficiaries for which the project was sanctioned, (iii) the infrastructure available for running the project being inadequate, (iv) the staff employed not being sufficient/qualified as per sanction for the particular project, (v) the account and other relevant register not being maintained properly; and (vi) some of the items of the equipment funded through grant-in-aid assistance were either not purchased or not found available. The aforesaid shortcomings are of serious nature. The Committee, therefore, recommend that the Ministry should properly gear up its machinery and intensify their monitoring and ensure that the shortcomings are removed and the functioning of NGOs is improved so that the desired benefits could reach the targeted groups.

Reply of Government

2.12 A letter to all States/UTs, National Institutes, CRCs, RRTCs, DRCs, CCD has been sent on 2.5.2003. The recommending agencies have been requested to pay special attention to the shortcomings pointed out by the Committee and ensure that the shortcomings are removed by the concerned organization before their proposals are recommended to the Ministry.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

CHAPTER-III

Recommendation/observation which have been accepted by the Government

General Performance of the Ministry

Recommendation[Sl.No.1 Para 2.9]

3.1 The Committee note with concern that during 2002-03, the Ministry's Budget Estimate was Rs.1410 crore which was reduced to Rs.1225 crore at the Revised Estimate stage. The Committee have been apprised that the Expenditure Finance Committee of the Ministry of Finance revise the allocation of each Ministry/Department on the basis of expenditure incurred upto 30th September. The Committee take note of the reasons put forth by the Ministry of Social Justice & Empowerment that much of expenditure under different schemes is incurred through State Governments only. The State Governments are generally not able to submit their proposals along with utilization certificates of the previous year by 30th September. Therefore, the pace of expenditure during the first half of the financial year is unavoidably slow. In the opinion of the Committee, the allocation of the Ministry of Social Justice & Empowerment reduced on the basis of low spending up to 30th September, would adversely affect the programmes and initiatives taken by the Ministry for the development and welfare of various weak and marginalized sections including Scheduled Castes/OBCs/Minorities and Disabled. Keeping in view the practical difficulty of the Ministry, the Committee desire that the Ministry of Finance should be persuaded to take a lenient view while deciding the allocation of funds at the RE stage.

REPLY OF GOVERNMENT

3.2. The advice of the Committee has been noted. A letter from Secretary(SJ &E) has been sent on 25.05.2003 to Chief Secretaries of all States/Union Territory Administration requesting them to send complete proposals along with utilization certificates to the Ministry for timely release of funds so that deprived and weaker sections of society do not suffer for want of release of funds.

(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM dated July,2003)

Recommendation [Sl.No 2. Para 2.10]

3.3 The Committee note that in pursuance of directions of the Planning Commission, the Ministry has been making a lump sum provision for North Eastern States since 2000. The Committee further note that out of special outlay of Rs.52.85 crore earmarked for North Eastern States during 2002-03, the Ministry could utilize only Rs.17.67 crore upto 21.3.2003 and the remaining amount would be transferred to non-lapsable Central pool meant for N.E.Region and Sikkim. The Committee are not convinced with the explanation put forth by the Ministry that unspent outlay would go to non-lapsable pool of resources and would be used only on the welfare schemes for North-Eastern States and Sikkim. The Committee, Therefore, urge that action should be taken sincerely to ensure that outlay earmarked for the purpose is meaningfully utilized as desired in the plan objectives. The Committee are also of the view that the amount should not be earmarked to North Eastern States in lump sum but it should be allocated State-wise so that each State may know the quantum of money available and utilize the same gainfully.

REPLY OF GOVERNMENT

3.4 The Ministry has already sent a letter on 30th June,2003 to Chief Secretaries of all North Eastern States to send proposals under different schemes to the Ministry. They have also been apprised of scheme-wise allocation available separately for this region. As per instructions of Ministry of Finance a separate head “Lump Sum provision” has been created. The Planning Commission allocates funds scheme-wise. No State-wise allocation is made under schemes of the Ministry. However the Ministry can make an indicative allocation State-wise.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

Recommendation [Sl.No. 7 Para 3.22]

(C) HOSTELS FOR SCHEDULED CASTES BOYS AND GIRLS

3.5 The Committee note that the Ministry had sanctioned 847 hostels for SC boys and 605 hostels for SC girls during the Eight Five Year Plan out of which only 641 hostels for boys and 469 hostels for girls have been completed and the remaining 206 and 136 hostels for SC boys and girls could not be completed due to non-availability of land, litigations, award of contracts and other procedural difficulties. This is a dismal scenario which indicates that the Ministry releases funds to the State Governments and do not bother to keep a proper follow up. The Committee are constrained to observe that it is important to ensure that financial target is achieved by allocating adequate funds for the schemes but, it is also equally important to achieve the physical target of the schemes. The Committee, therefore, desire that the Ministry should make efforts and ensure that all the hostels sanctioned during Eighth Five Year Plan as well as 765 hostels sanctioned during Ninth Five Year Plan should be completed within the stipulated period of five years. Steps taken and progress made may be communicated to the Committee.

Reply of Government

3.6 Government is aware of the catalytic role hostels play in the educational empowerment of the weaker sections. This is emphasized through various communications and during the interactions with the State Government officials. State Governments are constantly requested to implement the projects. The State Governments have been regularly asked by the Ministry to furnish the details of the progress made in the construction and commissioning of the hostels sanctioned to them since 1992. Details have been sought through letters issued at the level of Secretary (SJ&E) to various State Governments. Further sanction of hostels and releases to the State Governments is made only after ensuring that the progress made in the completion of the hostels sanctioned earlier is satisfactory. It is also ensured that the new hostels are sanctioned only after commitment about availability of land and budgetary provision in respect of the State Share are ensured. In some cases where implementation of the project sanctioned in the past has not been feasible due to non-availability of land, litigation etc., the sanction has been cancelled and amounts sanctioned earlier have been adjusted against releases for hostels at new locations.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

Recommendation (SL. No.17 Para 7.7)

3.7 The Committee note with concern that a substantial amount of 15.4% of the total Budget of the Ministry is utilized on the schemes implemented through NGOs, however, there is a large number of NGOs to

whom substantial amounts were granted and the recovery of the same is pending since long. The Committee also note that there is non proper monitoring over their functioning which is evident from the fact that the outstanding amount from blacklisted NGOs which was Rs.1.85 crore in 2001-02 has increased to Rs.2.65 crore in 2002-03. It is very unfortunate that in spite of Committee's earlier recommendation, the Ministry could not recover a single rupee from the blacklisted NGOs during 2002-03. The major share of the outstanding loan is in the Disability Division where a huge amount is to be recovered from two NGOs. Viz. (i) Bhartiya Samajjathan Seva Sansthan, Nehru Nagar, Chakiaawa, Deoria (Rs.54.99 lakh), (ii) Seva Kalyan Sansthan, 564/44, Guru Nanak Nagar, Alambagh, Lucknow (Rs.34.32 lakh). The mis-appropriation of fund is a criminal breach of trust and require stringent legal action against the person who submit fraudulent proposals. The Committee, therefore, strongly recommend that the Ministry should make all sincere efforts and recover entire money with interest from such NGOs through State Governments/District Collectors of the concerned States. The Committee are also of the view that there is a need to formulate strict selection criteria for identifying the genuine NGOs and to eliminate the bogus ones.

Reply of Government

3.8 The State Government of Uttar Pradesh has been requested a number of times to take necessary steps and issue orders to District Collector for recovery of misused grant including steps such as freezing of bank accounts of the organization, lodging of FIR and criminal prosecution of members of managing committee from a number of voluntary organizations including Bhartiya Samajjathan Sewa Sansthan, Nehru Nagar, Chakiyawa, Deoria and Sarva Kalyan Sansthan,564/44,Guru nanak Nagar, alambagh, Lucknow. The latest letter has been sent on 2.5.2003 to the Government of Uttar Pradesh requesting for immediate action for recovery of grants in pursuance of observations of Standing Committee. As regards the grants of Bhartiya Samajjathan Sewa Sansthan, the Organization has filed a writ petition in the Allahabad High Court against recovery proceedings and blacklisting and the matter is subjudice As already stated by Secretary (Social justice & empowerment) during oral evidence before

the Standing Committee, the process of recovery is a long drawn out one due to litigation in Courts, despite constant follow-up.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

CHAPTER-IV

Recommendation and observations replies to which have not been accepted by the Committee and which require reiteration.

Recommendation [Sl.No.9 Para 3.29]

4.1 The Committee note that the authorized share capital of NSFDC is Rs.1000 crore and the paid up share capital is Rs.314.10 crore. The Planning Commission has allocated Rs.15.10 crore during 2002-03 and Rs.20 crore for the financial year 2003-04. As per MOU signed by the Secretary, Ministry of Social Justice & Empowerment and CMD, NSFDC on 20th March, 2002, the Ministry has fixed the target of Rs.198 crore for disbursement of loan to SCs by NSFDC and committed to release Rs.100 crore out of which the Ministry has not honoured sincerely its commitment made in the MOU with respect to disbursement of funds to NSFDC. The Committee observe that unless the Government provide additional equity support to the NSFDC, it would not be possible for it to achieve the target set by the Ministry thereby a very large number of SC beneficiaries would be deprived from getting the benefits of the scheme. The Committee, therefore, strongly recommend that the corporation should be given adequate budgetary support to enable it to fulfill their commitment towards the SC beneficiaries.

Reply of Government

4.2 While approving allocation for 2003-04 the Planning Commission suggested to the Ministry to get evaluation studies done for continuing equity support to National Scheduled Castes Finance & Development Corporations and other Finance Corporations viz. National Safai Karamchari Finance and Development Corporations, National Backward Classes Finance & development corporation and National Minorities Development & Finance Corporation. The Ministry has already sponsored research studies by independent agencies. After receiving the reports the Planning Commission will be approached for additional support to the Corporation. It is also clarified that the Corporation are released funds only when they have only small cash balances with them

Comments of the Committee

Please see paragraph No.1.7 of Chapter-I of the Report.

(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(P.S) PREM dated July,2003)

Recommendation (SL. No.11 Para 4.6)

4.3 The Committee note with concern that the Central Wakf Council has extended loan for 106 projects to the State Wakf Boards but only 67 projects have been completed so far. In respect of 16 cases first instalment was released but the work could not be started within stipulated time resulting in recovery of the entire loan amount. The Committee further note that the loan amount given for three other projects to Sunni Wakf Board, Bihar has been diverted for paying salary to its staff and as a result the projects were held up. The Committee further note that this is one of the non-plan scheme of the Ministry where projects are directly funded by the Central Government for construction or re-construction of commercially viable wakf properties. The Committee understand the significance of these schemes and that without proper development of wakf properties, the Wakf Boards would not become a viable entity and continue to be a liability on the State Government in one way or the other. The Committee, therefore, strongly recommend that concerted efforts should be made to execute these schemes strictly as per schedule and in case of default the funds from such Wakf Boards should be recovered with interest. The Committee also recommend that in order to give required fillip to the development of urban wakf properties all the pending projects may be completed without delay.

Reply of the Government

4.4 The Central Wakf Council under the Development of Urban Wakf Properties scheme, has extended loan to 110 projects since 1974-1975, out of which 67 projects have been completed till 31st March, 2003. In the last 26 years, only 16 Wakfs have refunded the loan without executing the projects due to various reasons, mainly due to litigation and change in the policy of urban planning. The Bihar state Sunni Wakf Board utilized a sum of Rs.8.72 lakhs out of the total loan released i.e. Rs.32 lakhs, on its administrative expenditure. As a result of that the development work of the three Wakfs was stopped. The Council has been continuously impressing upon the Bihar State Sunni Wakf Board and the State Government to refund the amount alongwith the interest accrued thereon. The Secretary, Central Wakf Council, had drawn the attention of the Governor of Bihar to this issue in November 1997 and also had meetings with the State Government officials at various levels including Chief Secretary of Bihar.

4.5 The projects under the above scheme are not directly funded by Central Government for construction or re-construction. Rather, the Central Government gives annual grant-in-aid to Central Wakf Council and in turn, the Council advances loan to the State Wakf Boards for the development projects on Wakf land, which are approved by the Central Wakf Council and Central Government. The Wakf Board in turn, disburses the loan amount to the concerned project development Committee duly approved for this specific purpose by the State Government.

4.6 Projects are normally not completed within the stipulated completion period of two years. In many cases reason for delay in completion is the inadequate and late disbursement of loan to projects, due to limited availability of

funds to the Ministry under non-plan head which often leads to delay in completion of the project and escalation in the cost of construction. At present, due to limited amount of grants-in-aid available each year, the loan is usually disbursed in 3 to 5 installments.

Comments of the Committee:

Please see paragraph No.1.12 of Chapter-I of the Report.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

CHAPTER-V
Recommendation and observations in respect of which final replies have not been received.

Recommendation [Sl. No. 5 Para 3.15]

5.1 The Committee note with dismay that their earlier recommendation made in para 3.18 of 12th Report on Demands for Grants for the year 2001-02 regarding dispensing with the committed liability of the States and to share the expenditure on Post-Matric Scholarship Scheme in the ratio of 50:50 by the Central and State Governments has been rejected by the Planning Commission on the plea that the committed liabilities of the States should not to be taken over by the Centre, and the funding pattern already approved in respect of Centrally Sponsored Schemes should not be changed. While expressing dissatisfaction over the rejection of the concept of committed liability of the States by the Planning Commission, the Committee urge the Ministry to take up the matter with the State Governments and ensure that the students do not suffer under Post Matric Scholarship Scheme due to non-availability of funds.

REPLY OF GOVERNMENT

5.2 The Ministry has been constantly requesting all the States/UTs to ensure full provision of committed liability and to ensure coverage of all eligible students. The observations of the Standing Committee, in this regard, are being communicated to all concerned State Governments and UT Administrations.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

Recommendation [Sl.No. 6 Para 3.16]

5.3 The Committee take note of the shortcomings in the Post-Matric Scholarship Scheme reported by evaluation agencies such as low rate of maintenance allowance, non-increase of the income ceiling for eligibility, not following an uniform income ceiling, complex procedure of sanction and disbursement and demanding of income certificate instead of a declaration of income. The Committee further note that the Ministry has proposed to make some amendments in the scheme and sought comments from various Ministries/Departments and Planning Commission on the above points. The Committee, therefore, strongly recommend that the Ministry should take urgent steps to overcome the shortcomings pointed out by the evaluation agencies and ensure strict compliance of the same by the States/UTs.

REPLY OF GOVERNMENT

5.4 This Ministry has already initiated the process of modifications under the scheme. The issues of revision of maintenance allowance and income ceilings for eligibility are likely to be discussed in EFC meeting soon. For improvement in the procedure of sanction and disbursement, this Ministry has been consistently requesting the States/UTs to adopt the guidelines issued by Government of India and ensure timely payment of scholarships. However, the observations of the Standing Committee, in this regard, are being conveyed to all State Governments and UT Administrations for compliance.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

Recommendation [Sl.No. 10 Para 3.36]

SCHEME FOR UPGRADATION OF MERIT OF SC STUDENTS

5.5 The Committee note that the objectives of the scheme of “Upgradation of Merit for Scheduled Caste students” is to provide special coaching from class IX to XII for removing deficiencies in various subjects and to prepare students seeking entry into professional courses like engineering and medical disciplines. The Committee note with grave concern that during 2001-02 out of the allocation of Rs.40.00 crore, Rs. 38.99 crore had been surrendered due to non-receipt of proposals from States/UTs. In 2002-03 out of a total allocation of Rs.40 crore only Rs.5 crore is anticipated to be incurred during the year. The Committee express its dissatisfaction over the scheme as it suffer from a number of shortcomings such as (i) rate of assistance for stipend, honorarium, books etc. and pocket money being inadequate (ii) fund is not reaching the beneficiary in time, (iii) quality of coaching was not upto the mark. (iv) system of monitoring and review has not been effective. In order to remove the above shortcomings the Ministry has proposed to make modifications in the scheme. The Committee are of the opinion that due to these shortcomings, the scheme remained on paper only and could not attract proposals from the States/UTs. In order to make the scheme viable and fruitful, the Committee recommend that urgent steps be taken to remove the shortcomings and revised scheme may be introduced and implemented.

Reply of Government

5.6 The Scheme of Up-gradation of Merit of SC Students due to limited number of seats allocated to each State has not generated the desired results. As such, it is proposed to replace it by a new Scheme viz., “Merit-Linked Scholarship Scheme for SC Students”. Under this Scheme meritorious students studying in Class VI to X (maximum upto 5 years) and in class XI and XII will receive scholarship @ Rs.12,000 per annum. Similarly students studying in the diploma/graduate courses (not exceeding 5 years) will receive scholarship @ of Rs.37,000 per annum. The revised scheme has been formulated and the draft EFC note has been sent to the Planning Commission etc. for their comments.

It is hoped that the revised scheme would be implemented during the year 2003-2004.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)**

Recommendation (SL. No.12 Para 4.7)

5.7 The Committee note that the survey of wakf properties is an important pre-requisite to enable the Wakf Boards to exercise power, control and supervision over the individual wakf properties. From the information furnished by the Ministry, the Committee observe that survey has been completed in respect of Himachal Pradesh and survey report is awaited in cases of Kerala, M.P., Maharashtra and Lakshadweep. Some of the States have not yet started the survey and in some cases the survey of wakf properties is very slow. The Committee feel that unless the Government have an authentic data of wakf properties, they will not be able to chalk out a proper plan for its development. The Committee, therefore, recommend that the State Governments be persuaded to complete survey work of urban wakf properties expeditiously and the progress achieved in this regard may be communicated to the Committee.

Reply of the Government

5.8 The latest position about survey of wakf properties in Andhra Pradesh, Tripura, Goa, Rajasthan, Lakshadweep & Punjab is given as under:

States	Remarks
Andhra Pradesh	Survey is under active progress.
Tripura	No information received.
Goa	Survey Commissioner appointed, but no survey has been conducted.
Rajasthan	Out of 32 districts in the State second phase of survey has been completed in 16 districts. In the remaining districts survey work is under progress.
Lakshadweep	Survey Commissioner is appointed on 02.07.1997. The survey of wakf properties is in its completion stage and the final list will be published as and when the hearing of appeal on rough pattas gets completed.
Punjab	Appointment of Survey Commissioner is under consideration of the State Govt.

The position in the remaining States/UTs has been called for from all the concerned States /UT.

(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
dated July,2003)

Recommendation (SL. No.13 Para 4.8)

5.9 The Committee are constrained to note that out of 2724 wakf properties which are under illegal possession/encroachment, only 272 have been restored during the last three years. The Committee consider the encroachments on wakf properties as a serious matter and to resolve this problem, the Committee had in their earlier reports suggested that State Wakf Boards should amend their law so that Public Premises Act could be applied on such encroached wakf properties. To the utter dismay of the committee except Karnataka and Rajasthan no other State has shown any interest in the matter. The Committee view the situation very seriously and recommend that all the State Wakf Boards should amend their Wakf Act and evolve an effective mechanism to check encroachment of wakf properties. The Committee also recommend that all the wakf properties which have been illegally gifted, transferred, mortgaged, leased or sold should be retrieved by taking legal action against their occupants.

Reply

5.10 The latest position about extending the Public Premises Act to the Wakf properties in States of A.P, Karnataka, M.P, Punjab, Tripura, U.P, D & N H and Lakshadweep is given as under:-

S. No.	State/UT	Status
1.	Andhra Pradesh	Necessary action has already been taken by the State Govt. and the relevant proposal was sent to this Ministry. However, the M/o. Home Affairs has objected to the proposal on ground that Wakf properties are not State Govt. properties.
2.	Karnataka	Exempted
3.	Madhya Pradesh	Proposal under consideration.
4.	Punjab	Punjab Wakf Board has been requested to first amend the relevant Rules .[letter No.6/16/2001-2 Judl (I)/3337, dated 11.07.03 from Additional Secy. Home.]
5.	Rajasthan	Exempted
6.	Tripura	Public Premises Act has been extended in the Tripura Public Premises (Eviction of unauthorized occupants) Amendment Act, 1990 vide Section 2(V).
7.	Uttar Pradesh	Proposal for extension of Public Premises Act to Wakf properties has been sent to Revenue Department for enactment [No. 1348/52-2-2001-2 RS/2000 dated 02.01.2002]

8.	Dadra & Nagar Haveli	No incidence of encroachment of Wakf properties is reported. Hence question of eviction of unauthorized persons does not arise [No. Wakf Board/CH/CMW/97/2002/C/56 dated 10.01.2002]
9.	Lakshadweep	No case of illegal possession/ encroachment on Wakf properties have been noticed/reported in the Union Territory. The Union Territory has 311 mosques and the small areas surrounding the mosques are used as burial ground. So there is no waste land left in the Union Territory for encroachment around the Wakf properties. It is also to be noted that no illegal gift, transfer, mortgage, lease etc. have been noticed on Wakf properties.[letter No.1/12/97-Genl.,dated 4.07.2003 from Secretary (Admn)]

The position from the remaining States/UT is being ascertained.

(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM dated July,2003)

Recommendation (SL. No.16 Para 6.11)

5.11 The Committee note with grave concern that 15.8 acres of land had been donated by the State Government of Tamil Nadu at village Muthuadu near Chennai years back but no serious efforts have been made by the Ministry to get the clearance from the Planning Commission for setting up the National Institute of Multiple Handicapped for providing rehabilitation services to people with multiple disabilities under one roof. The Committee, therefore, recommend that the Ministry should make all sincere efforts for early setting up of NIMH at Muthukadu. The progress achieved in this regard may be communicated to the committee.

Reply of Government

5.12 The Ministry of Social Justice & Empowerment prepared the EFC Memo for setting up of National Institute for Multiple Disabilities that was circulated and comments were received from Ministry of Health & Family Welfare, Department of Expenditure and Planning Commission (Project Appraisal & Management Division). On the basis of these comments, the EFC memo was revised alongwith response of this Ministry against the comments received and Hon'ble Minister (SJ&E)'s approval was obtained. Thereafter, the proposal was sent for concurrence of Department of Expenditure through IFD for consideration, as Secretary (Expenditure) is the Chairman of the EFC.

**(Ministry of Social Justice& Empowerment O.M.No. 1-2/2003(PS) PREM
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**New Delhi:
December 2003
Agrahayana 1925 (Saka)**

**Dr. SUSHIL KUMAR INDORA,
Chairman
Standing Committee on Labour
and Welfare**