



**COMMITTEE ON WELFARE OF OTHER
BACKWARD CLASSES
(2018-19)**

(SIXTEENTH LOK SABHA)

MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT

‘Action Taken by the Government on the
Observations/Recommendations contained in the Tenth Report (Sixteenth
Lok Sabha) of the Committee on Welfare of Other Backward Classes on
“Need for greater budgetary allocations for various welfare
measures/schemes for OBCs”.

SEVENTEENTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2018/Pausha, 1940 (Saka)

(SIXTEENTH LOK SABHA)

MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT

Laid in Rajya Sabha on 02.01.2019



सत्यमेव जयते

December, 2018/Pausha, 1940 (Saka)

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COMPOSITION OF THE COMMITTEE ON WELFARE OF OBCs (2018-19)

SHRI GANESH SINGH- CHAIRPERSON

MEMBERS
LOK SABHA

2. Smt. Santosh Ahlawat
3. Shri A. Arunmozhithevan
4. Shri Santosh Kumar
5. Shri Shailesh Kumar
6. Shri Ravindra Kushawaha
7. Dr. Swami Sakshi Ji Maharaj
8. Dr. Banshilal Mahato
9. Dr. Mriganka Mahato
10. Dr. (Smt.) Pritam Gopinath Munde
11. Shri Rodmal Nagar
12. Shri Ram Mohan Naidu Kinjarapu
13. Shri P. Karunakaran
14. Shri Kapil Moreshwar Patil
15. Shri Hari Narayan Rajbhar
16. Shri Mullappally Ramachandran
17. Shri Rajeev Satav
18. Shri Rajveer Singh (Raju Bhaiya)
19. Shri Ladu Kishore Swain
20. Shri Kanwar Singh Tanwar

RAJYA SABHA

21. Shri Husain Dalwai
22. Shri Ram Narain Dudi
23. Shri B.K. Hariprasad
24. Shri Ahamed Hassan
25. Dr. Vikas Mahatme
26. Shri Vishambhar Prasad Nishad
27. Shri K.K. Ragesh
28. Smt. Vijila Sathyananth

- 29. Shri Ram Nath Thakur
- 30. Smt. Chhaya Verma

SECRETARIAT

- 1. Shri T. G. Chandrasekhar - Joint Secretary
- 2. Shri R.R. Kumar - Director
- 3. Shri A.S.K. Das - Deputy Secretary

INTRODUCTION

I, the Chairperson, Committee on Welfare of Other Backward Classes (2018-19) having been authorised by the Committee to present the Report on their behalf, present this Seventeenth Report on Action Taken by the Government on the Observations/Recommendations contained in the Tenth Report (Sixteenth Lok Sabha) of the Committee on Welfare of Other Backward Classes on “Need for greater budgetary allocations for various welfare measures/schemes for OBCs” pertaining to the Ministry of Social Justice and Empowerment.

2. The Tenth Report was presented to the Hon’ble Speaker, Lok Sabha on 14.12.2017 under Direction 71 (A) of the Directions by the Speaker, Lok Sabha and was placed before the Hon’ble Chairman, Rajya Sabha on 27.12.2017. The Report was subsequently presented to Lok Sabha and laid on the Table of Rajya Sabha on 07.02.2018. The replies of the Government to all the Observations/Recommendations contained in the Report were received on 24.10.2018.

3. The replies of the Government were examined and the draft Report was considered and adopted by the Committee at their sitting held on 20.12.2018.

4. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Tenth Report (Sixteenth Lok Sabha) of the Committee is given in Appendix-II.

NEW DELHI;
28th December, 2018
7 Pausha, 1940 (Saka)

GANESH SINGH,
Chairperson,
Committee on Welfare of OBC

CHAPTER I

REPORT

This Report of the Committee on Welfare of Other Backward Classes deals with the action taken by the Government on the Observations/Recommendations contained in their Tenth Report (Sixteenth Lok Sabha) on “Need for greater budgetary allocations for various welfare measures/schemes for OBCs” pertaining to the Ministry of Social Justice and Empowerment.

2. The Tenth Report (Sixteenth Lok Sabha) of the Committee was presented to Hon’ble Speaker on 14th December, 2017 and subsequently presented to Lok Sabha on 7th February, 2018 and laid on the Table of Rajya Sabha on the same day. The Report contained 6 Observations/Recommendations. Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received from the Government. These have been examined and categorised as follows:

i. Observations/Recommendations which have been accepted by the Government:

Recommendation Sl. Nos. 1,2,3,5 and 6.....
(Total - 05)
Chapter II

ii. Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies:

-NIL-

(Total - Nil)
Chapter III

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

Recommendation Sl. Nos. 4
(Total - 01)
Chapter IV

iv. Observations/Recommendations in respect of which final replies of the Government are still awaited:

-Nil-

(Total - Nil)
Chapter V

3. The Committee desire that Action Taken Notes on the Observations/Recommendations contained in Chapter I of the Report should be furnished to the Committee within three months of the presentation of this Report.

4. The Committee will now deal with the action taken by the Government on some of the Observations/Recommendations which need reiteration or comment in the succeeding paragraphs.

Reduction in central funds for Welfare of OBCs

Recommendation Sl. No. 3

5. The Committee in their Tenth Report (Sixteenth Lok Sabha) had recommended as under:

“The Committee’s examination of demand vis-a-vis actual allocation of central funds for welfare of ‘Backward Classes’ under Ministry of Social Justice and Empowerment during the last three years viz 2014-15, 2015-16 and 2016-17 reveals that demand of funds have undergone sharp reduction from the erstwhile Planning Commission and the Ministry of Finance. For instance, as against the proposed funds of Rs. 5570 crore, 1599.60 core and Rs. 2545.50 core during 2014-15, 2015-16 and 2016-17, the budget estimates for ‘Backward Classes’ was as low as Rs. 1129.50 core, 1225.48 core and Rs. 1215 core respectively.

The Committee’s examination has also revealed that reduction in demand for central funds for welfare of Backward Classes has also been done in all the schemes and has sadly hit most favourable schemes of Pre- Matric and Post-Matric Scholarships for OBC students, Assistance to Voluntary organisations (VOs), Schemes for Educational and Economic Development of Nomadic Tribes, Dr. Ambedkar Schemes of interest subsidy for OBCs and EBCs.

The Scheme-wise analysis of funds demanded by State/UTs, funds proposed before Planning Commission and funds actually used in respect of two prominent schemes of Post-Matric and Pre-Matric Scholarships schemes for

OBCs reveal largely a sharp declining trend. For instance under Post-Matric Scholarships for OBC students during 2014-15, 2015-16 and 2016-17 as against the demand for States/UTs of Rs. 4127.67 crore, Rs. 4698.66 crore and Rs. 3972.80 crore, the funds proposed were as low as Rs. 3000 crore, Rs. 1202 crore and Rs. 2000 crore respectively. Whereas the funds that were made available was still lower to the tune of Rs. 785 crore, Rs. 885 crore and Rs. 885 crore respectively. Similarly, under Pre-Matric Scholarship during 2015-16 and 2016-17 as against the demand of States/UTs of Rs. 335.44 crore and Rs. 400.61 crore, the funds proposed were as low as Rs. 150 crore and Rs. 300 crore, whereas the actual funds made available were Rs. 150 crore and Rs. 142 crore respectively. Similarly, reduction in proposed funds of BE stage has been witnessed in other important schemes for welfare of OBCs also. In the light of above facts the Committee feel that Planning Commission and also nodal Ministry of Social Justice & Empowerment has not been fair in assessment and allocation of funds for welfare of OBCs in all these years. The Committee also find that currently NITI Aayog has no role in allocation of funds. The Committee firmly believe that the Ministry of Social Justice in consultation with Ministry of Finance will allocate funds for these two prominent schemes commensurating the demands of funds for States/UTs in years to come.”

REPLY OF THE GOVERNMENT

6. The Ministry of Social Justice and Empowerment in their action taken replies have stated:

“There is increase in allocation of funds to various schemes for OBCs. Scheme-wise allocation during the year 2017-18 and 2018-19 are as under:

(Rs. in Crores)				
Sl. No	Name of the Scheme	BE for 2017-18	BE for 2018-19	% increase
1.	Pre-Matric Scholarship to the OBCs	142.00	232.00	63.38
2.	Post-Matric Scholarship to the OBCs	885.00	1100.00	24.29

3.	Construction of Hostel for OBC Boys & Girls	40.00	50.00	25.00
4.	Assistance for Skill Development of OBCs/DNTs/EBCs	10.00	30.00	200.00
5.	National Fellowship for OBCs.	40.00	110.00	175.00
6.	Dr. Ambedkar Scheme of Interest Subsidy on Educational Loans for Overseas Studies for Other Backward Classes (OBCs) & Economically Backward Classes (EBCs)	4.30	10.00	132.55
	Total	1121.30	1532.00	36.62

7. In their Tenth Report, the Committee had expressed belief that the Ministry of Social Justice and Empowerment in consultation with the Ministry of Finance would allocate funds for the prominent welfare schemes for OBCs commensurating the demands of funds for States/UTs in years to come. The Ministry of Social Justice and Empowerment in their reply have stated that there is increase in allocation of funds to various schemes for OBCs and have furnished comparative data relating to scheme-wise allocation during the year 2017-18. As per the data furnished by the Ministry, there has been an average increase of 36.62 per cent in Budget Estimates of various schemes for welfare of OBCs from the year 2017-18 to 2018-19. The Committee acknowledge the efforts made by the Ministry in getting the fund allocation for OBCs enhanced over that in previous year. However, the Committee feel that the Ministry of Social Justice and Empowerment should have come out with some elaborate data regarding the Revised Estimates as well as the actual funds made available for the said schemes during the year 2017-18. The Ministry are also silent on the aspect of demand for funds for both the years 2017-18 and 2018-19. As such it is difficult for the Committee to understand whether the Budget Estimates have been commensurate with the demands for funds for States/UTs, as highlighted by the Committee in their Tenth Report. As the figures of previous years are not encouraging in this regard, the Committee express their concern and hope that the Ministry of Social Justice and

Empowerment in consultation with the Ministry of Finance will allocate funds for the prominent welfare schemes for OBCs commensurating the demands of funds for States/UTs in the years to come.

Inequitable allocation for OBCs within the Ministry of Social Justice and Empowerment and need for separate Department for Welfare of OBCs.

Recommendation Sl. No. 4

8. The Committee in their Tenth Report had recommended as under:

“The Committee’s examination has revealed that out of total Budget of Ministry of Social Justice & Empowerment of Rs. 5907.78 crore for 2015-16 as high as Rs. 4579.22 crore is earmarked for Scheduled Castes under ‘SCD Division’, as low as Rs. 1213.12 crore is given for ‘Backward Classes’ and remaining Rs. 115.44 crore is given for ‘Social Defence’. The issue of lower allocation for budget for welfare of OBCs particularly when their share is as high as 41% of the total population of the country as per latest figures available to the Committee was taken up by the Committee with the nodal Ministry i.e. Ministry of Social Justice & Empowerment and NITI Aayog also. The Ministry of Social Justice & Empowerment has taken the shelter of Narendra Jadhav Committee Report constituted under the then Planning Commission whereby as high as 72.50% of the total funds were to be allocated for welfare of Scheduled Castes alone. In this context on being taken up the issue with NITI Aayog the Committee have been informed that for implementation of Plan expenditure under Tribal Sub Plan (TSP) and Scheduled Castes Sub Plan (SCSP), Narendra Jadhav Committee after detail examination with implementing Ministries have divided different Ministries/Department into four categories. One, Ministries/Departments with no obligation for earmarking funds under TSP/SCSP. Two, Ministries/Departments which are required to do partial earmarking since the Human Development Indicator of OBCs are not at par with general population the demands from States/UTs for central funds. Third Ministries/Departments which will be required to earmark 7.5% to 8.2% for TSP and 15% to 16.2% for SCSP of their Plan outlays. Fourth,

Ministries/Departments which will be required to earmark more than 8.2% for TSP and 16.2% for SCSP for their Plan expenditure.

Accordingly, Department of Social Justice & Empowerment has obligated to earmark 72.5% of their Plan welfare for Scheduled Castes. The NITI Aayog have supplemented that necessary guidelines are still being followed by Central Ministries/Departments. The NITI Aayog have also opined that since the Human Development Centres of OBCs are not at par with general population, the demand from States/UTs for Central funds is quite genuine. Meanwhile, the NITI Aayog have also suggested that any decision regarding allocation of funds for OBCs shall be based on five areas viz gaps in socio-economic/Human Development Indicators for OBCs vis-a-vis people from general public, need for revising norms and enhancing educational allowances and facilities like scholarships, hostel facilities for OBCs, need for vocational training for OBCs, need for enhancing financial assistance for self employment, concessional loans for OBCs and need for strengthening institutional mechanism for OBCs i.e. National Commission for OBCs, NBCFC etc. On the issue of enhanced allocation for OBC, NITI Aayog has also suggested setting up of a separate Department for Welfare of OBCs as has been opened in Uttar Pradesh, Andhra Pradesh, Karnatka, Kerala, Maharashtra, Gujarat etc. The Committee strongly believe that bearing in mind all aspects illustrated above, the Ministry of Social Justice & Empowerment should open a separate Department for OBCs and should concurrently start working on five suggestions brought out by NITI Aayog in consultation of Ministry of Finance in a time bound manner.”

REPLY OF THE GOVERNMENT

9. The Ministry of Social Justice and Empowerment in their action taken replies have stated as under:

“Backward Class Division is constantly pursuing for enhanced budget allocation. This is the result of regular follow up that the funds allocation has been increased considerably during the year 2018-19. However, it is not possible to meet the full demand of the States because of huge demand for

funds for Welfare of OBCs. However, it is expected that all the Welfare schemes for OBCs will be implemented in a more satisfactory manner in 2018-19, since the budget allocations for Backward Classes development Schemes has been increased to Rs.1745 crore in 2018-19 vis-a-vis Rs.1237 crore in 2017-18, that is an increase of over 40%. The position explained above is indicative of the fact that budget allocation for OBC welfare has been considerably enhanced without the dedicated Department for such facilitation.

As far as NBCFDC is concerned, following are submitted –

- (a) The Corporation has been consistently increasing extent of financial assistance through concessional loan for poor OBC persons.
- (b) The Corporation is facilitating Skill Development Training and Skill Upgradation of the poor OBC persons through its Skill Development Training Programme (STDP) scheme, which is based on the stipulations of the Common Norms notified by the Ministry of Skill Development & Entrepreneurship.”

10. The Committee, in their Tenth Report had highlighted that as high as 72.50 per cent of the total funds were to be allocated for the welfare of Scheduled Castes by the Ministry of Social Justice and Empowerment as per the stipulations of the report of the Narendra Jadhav Committee constituted under the erstwhile Planning Commission. The Other Backward Castes Development (BCD) is thus left with something around 20 per cent of the total budget available. The NITI Aayog had also suggested allocating funds for OBCs based on five areas viz. gaps in socio-economic/Human Development Indicators for OBCs vis-à-vis people from general public; need for revising norms and enhancing educational allowances and facilities like scholarships, hostel facilities for OBCs; need for vocational training for OBCs; need for enhancing financial assistance for self employment, concessional loans for OBCs and need for strengthening institutional mechanism for OBCs i.e. National Commission for OBCs, NBCFC, etc. On the issue of enhancing the allocations for OBCs, NITI Aayog had suggested setting up of a separate Department for Welfare of OBCs as done in some States. However, the Ministry of Social Justice and Empowerment in their action taken reply have inter-alia stated that the budget

allocation for OBC welfare has been considerably enhanced (over 40 per cent in 2018-19 compared to that in 2017-18) without a dedicated Department for such facilitation. The Ministry have also stated that it is not possible to meet the full demand of the States because of huge demand for funds for welfare of OBCs. On the contrary, the NITI Aayog had opined that since the Human Development of OBCs are not at par with general population, the demands from States/UTs for Central funds is quite genuine. In view of the foregoing, the Committee reiterate that the Ministry of Social Justice and Empowerment should endeavour to open a separate Department for OBCs and should concurrently start working on the five suggestions put forth and emphasised upon by NITI Aayog in consultation of the Ministry of Finance in a time bound manner. The Committee would like to be apprised of the action taken in this regard.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 1)

Review in Central allocations for Welfare of Other Backward Classes

The Committee are constrained to note that for Welfare of Other Backward Classes (OBCs) which constitute 52 percent of the total population of the country as per Mandal Commission Report and 41 percent as per National Sample Survey conducted during 2004-05 (61st Record), as low as 18-20 percent central funds out of total funds of Ministry of Social Justice & Empowerment are currently being made available. Further while glancing the figures made available to the Committee from NITI Agog the Committee are dismayed to find that incidents of poverty and rate of unemployment among OBCs is quite high. For instance as per latest data 2011-12 the incidents of poverty was as high as 22.60% in rural and 15.40% in urban areas. Similarly the rate of unemployment among OBCs aged 15 years and above as per Annual Employment and Unemployment Survey brought out by the Ministry of Labour and Employment is as high as 5.2%. In Committee's opinion this calls for comprehensive review of central allocation for Welfare of OBCs for the purpose of ameliorating poverty and unemployment among OBCs urgently. The Committee in this connection also recall that the Committee on welfare of OBCs in their Third Report (Fifteenth Lok Sabha) presented to the Parliament on 30.08.2013 had also highlighted the issue in Recommendation Para Nos. 2.2 and 2.3. However since then not much improvement in the overall plight of OBCs in the country is discernible. They, therefore, strongly recommended that commensurate central funds for welfare of OBCs be allocated urgently.

Reply of the Government

Backward Class Division is constantly pursuing for enhanced budget allocation. Total Budget allocation for the Backward Class Division for the year 2018-19 is Rs. 1745.00 crore (including Rs. 100 crore for NBCFDC). This is the result of regular follow up that the funds allocation has been increased considerably during the year 2018-19. However, it is not possible to meet the full demand of the States because of huge demand for funds for Welfare of OBCs. However, it is expected that all the Welfare schemes for OBCs will be implemented

in a more satisfactory manner in 2018-19, since the budget allocations for Backward Classes development Schemes has been increased to Rs.1745 crore in 2018-19 vis-a-vis Rs.1237 crore in 2017-18, that is an increase of over 40%.

Scheme-wise allocation under various schemes for OBCs during the year 2017-18 and 2018-19 are as under:

(Rs. in Crores)

Sl. No	Name of the Scheme	BE for 2017-18	BE for 2018-19	% increase
1.	Pre-Matric Scholarship to the OBCs	142.00	232.00	63.38
2.	Post-Matric Scholarship to the OBCs	885.00	1100.00	24.29
3.	Construction of Hostel for OBC Boys & Girls	40.00	50.00	25.00
4.	Assistance for Skill Development of OBCs/DNTs/EBCs	10.00	30.00	200.00
5.	National Fellowship for OBCs.	40.00	110.00	175.00
6.	Dr. Ambedkar Scheme of Interest Subsidy on Educational Loans for Overseas Studies for Other Backward Classes (OBCs) & Economically Backward Classes (EBCs)	4.30	10.00	132.55
	Total	1121.30	1532.00	36.62

[Ministry of Social Justice & Empowerment OM No.-16011/18/2014-BC-I
dated 24.10.2018]

Recommendation (Sl. No. 2)

Review of allocations for different welfare schemes

The Committee's examination has revealed that a total of nine different schemes like, Pre-Matric and Post-Matric Scholarships for the OBC students, soft loans through National Backward Classes Finance Corporation (NBCFC) through State agencies for employment of OBCs, construction of Hostels for OBC students etc. are currently being implemented under Programme for 'Backward Classes' under Ministry of Social Justice & Empowerment with a total allocation of Rs. 1213 Crores for 2015-16. With a view to enhance the central allocations for welfare of OBCs, the Committee have heard the views of different Ministries viz Ministry of Social Justice & Empowerment, Department of Economic Affairs, Department of Expenditure (Ministry of Finance), representatives of NITI Aayog and State Governments of Tamil Nadu and Gujarat. The Ministry of Social Justice & Empowerment have pleaded before the Committee that although the Ministry had been requesting before the Planning Commission, now NITI Aayog, for higher funds, yet the Ministry is unable to get requisite funds. The Department of Economic Affairs under Ministry of Finance have outlined before the Committee their role in conducting prebudget discussions with various Ministries in deciding budgetary ceiling based on available fiscal space, whereas Department of Expenditure under Ministry of Finance have stated that their principal actions include presanction appraisal of major schemes/projects for overseeing the expenditure management in the central Ministries/Departments. The NITI Aayog have clarified before the Committee that the system of plan allocation has been discontinued. NITI Aayog is no more involved in Plan allocation and funds are now allocated by the Ministry of Finance for both Centrally Sponsored/Central Schemes in budget of the respective Departments every year. The NITI Aayog have also supplemented before the Committee that under new set up NITI Aayog which is functioning through a Team India Hub (TIH) and Knowledge and Innovation Hub (KIH) for 21 vertical units in different fields including Social Justice, Education, Skill Development and Employment and also working on a 15-year vision document in respect of weaker sections including OBCs have endorsed the view of the Committee that funds for welfare of OBCs need to be scaled up. State Government of Tamil Nadu while outlining various schemes being implemented for welfare of OBCs in the State have complained before the Committee

that Government of India is unable to provide adequate funds for Pre-Matric and Post Matric Scholarships for OBCs. Similarly State Government of Gujarat have echoed with the Committee for higher central allocations for OBCs at par with Scheduled Castes, Scheduled Tribes and Minorities and have opined that Scheduled Castes and Scheduled Tribes Sub Plan (TSP) programmes be formulated for OBCs since population of OBCs constitute major part against the total population. In view of the foregoing the Committee recommend that Ministry of Social Justice & Empowerment, Ministry of Finance (Department of Economic Affairs, Department of Expenditure) should work together for review funds from central allocations for OBC particularly when NITI Aayog and State Government of Tamil Nadu and Gujarat have pleaded for higher funds for OBCs.

Reply of the Government

Due to budgetary constraint, in practice, it has not been possible for the Central Government to provide assistance for giving scholarship to all eligible students. Therefore, a notional allocation (NA) under the above said Schemes was being conveyed at the beginning of the financial year since 2008-09 to States/UTs having OBC population, in proportion to their total population as per census and they were being requested to send proposals within the NA. However, they are free to supplement their expenditure under the schemes from the State plan allocation. In case of availability of savings towards the end of financial year, additional funds are also released to States projecting higher demands than their Notional Allocation. The details of notional allocation and fund released to the States of Gujarat and Tamil Nadu for the years 2015-16 to 2017-18 is as follows:

Gujarat

(Financial in

Rupees in lakh)

S. No.	Name of Scheme	2015-16		2016-17		2017-18	
		Notional allocation	Fund released	Notional allocation	Fund released	Notional allocation	Fund released
1	Pre-Matric Scholarship for OBC Students	702.00	678.88	660.00	765.88	660.00	942.00

2.	Post-Matric Scholarship for OBC Students	4192.00	4351.05	4187.00	4562.28	4187.00	5335.74
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Tamil Nadu

(Financial in

Rupees in lakh)

S. No.	Name of Scheme	2015-16		2016-17		2017-18	
		Notional allocation	Fund released	Notional allocation	Fund released	Notional allocation	Fund released
1	Pre-Matric Scholarship for OBC Students	838.00	628.50	787.00	977.49	787.00	590.25
2.	Post-Matric Scholarship for OBC Students	5004.00	5184.00	4998.00	5445.97	4998.00	4550.00

Release to the States of Gujrat and Tamil Nadu is more than their notional allocation, except when the UCs/requisite documents are pending.

[Ministry of Social Justice & Empowerment OM No.-16011/18/2014-BC-I dated 24.10.2018]

Recommendation (Sl. No. 3)

Reduction in central funds for Welfare of OBCs

The Committee's examination of demand vis-a-vis actual allocation of central funds for welfare of 'Backward Classes' under Ministry of Social Justice & Empowerment during the last three years viz 2014-15, 2015-16 and 2016-17 reveals that demand of funds have undergone sharp reduction from the erstwhile Planning Commission and the Ministry of Finance. For instance, as against the proposed funds of Rs. 5570 crore, 1599.60 core and Rs. 2545.50 core during 2014-15, 2015-16 and 2016-17, the budget estimates for 'Backward Classes' was as low as Rs. 1129.50 core, 1225.48 core and Rs. 1215 core respectively.

The Committee's examination has also revealed that reduction in demand for central funds for welfare of Backward Classes has also been done in all the schemes and has sadly hit most favourable schemes of Pre- Matric and Post-Matric Scholarships for OBC students, Assistance to Voluntary organisations (VOs), Schemes for Educational and Economic Development of Nomadic Tribes, Dr. Ambedkar Schemes of interest subsidy for OBCs and EBCs.

The Scheme-wise analysis of funds demanded by State/UTs, funds proposed before Planning Commission and funds actually used in respect of two prominent schemes of Post-Matric and Pre-Matric Scholarships schemes for OBCs reveal largely a sharp declining trend. For instance under Post-Matric Scholarships for OBC students during 2014-15, 2015-16 and 2016-17 as against the demand for States/UTs of Rs. 4127.67 crore, Rs. 4698.66 crore and Rs. 3972.80 crore, the funds proposed were as low as Rs. 3000 crore, Rs. 1202 crore and Rs. 2000 crore respectively. Whereas the funds that were made available was still lower to the tune of Rs. 785 crore, Rs. 885 crore and Rs. 885 crore respectively. Similarly, under Pre-Matric Scholarship during 2015-16 and 2016-17 as against the demand of States/UTs of Rs. 335.44 crore and Rs. 400.61 crore, the funds proposed were as low as Rs. 150 crore and Rs. 300 crore, whereas the actual funds made available were Rs. 150 crore and Rs. 142 crore respectively. Similarly, reduction in proposed funds of BE stage has been witnessed in other important schemes for welfare of OBCs also. In the light of above facts the Committee feel that Planning Commission and also nodal Ministry of Social Justice & Empowerment has not been fair in assessment and allocation of funds for welfare of OBCs in all these years. The Committee also find that currently NITI Aayog has no role in allocation of funds. The Committee firmly believe that the Ministry of Social Justice in consultation with Ministry of Finance will allocate funds for these two prominent schemes commensurating the demands of funds for States/UTs in years to come.

Reply of the Government

There is increase in allocation of funds to various schemes for OBCs. Scheme-wise allocation during the year 2017-18 and 2018-19 are as under:

(Rs. in Crores)

Sl. No	Name of the Scheme	BE for 2017-18	BE for 2018-19	% increase
1.	Pre-Matric Scholarship to the OBCs	142.00	232.00	63.38
2.	Post-Matric Scholarship to the OBCs	885.00	1100.00	24.29
3.	Construction of Hostel for OBC Boys & Girls	40.00	50.00	25.00
4.	Assistance for Skill Development of OBCs/DNTs/EBCs	10.00	30.00	200.00
5.	National Fellowship for OBCs.	40.00	110.00	175.00
6.	Dr. Ambedkar Scheme of Interest Subsidy on Educational Loans for Overseas Studies for Other Backward Classes (OBCs) & Economically Backward Classes (EBCs)	4.30	10.00	132.55
	Total	1121.30	1532.00	36.62

[Ministry of Social Justice & Empowerment OM No.-16011/18/2014-BC-I
dated 24.10.2018]

Comments of the Committee

(Please see para 7 of Chapter I of the Report)

Recommendation (Sl. No. 5)

Overall implementation of schemes for welfare of OBCs

The Committee's examination has revealed that out of a total of Rs. 1213.12 crore the major portion is denoted to Post-Matric Scholarships (Rs. 885 crore), Pre-Matric Scholarships (Rs. 135.90 crore) and National Backward Classes Finance Corporation (NBCFC) (Rs. 112 crore). The Committee find that under Post-Matric Scholarships, out of a total of Rs. 72,924.27 lakh demanded by States/UTs, the prominent States with demand for funds are

Uttar Pradesh (Rs. 13854 lakh), Maharashtra (Rs. 7802 lakh), Bihar (Rs. 7205 lakh), West Bengal (Rs. 6312.81 lakh) Madhya Pradesh (Rs. 5039 lakh) and Tamil Nadu (Rs. 5004 lakh). In this connection the Ministry of Social Justice & Empowerment has expressed helplessness before the Committee that the scheme is limited and due to budgetary constraints it is not possible for Government of India to meet the full demands of States/UTs.

Similarly, under Pre-Matric Scholarship for OBC students the Committee are dismayed to note that the situation is even worse. The Committee find that during 2015-16 as against the actual demand of States/UTs of Rs. 35,234.40 lakh, the notional allocation is Rs. 15,000 lakh only and funds released were even lower level i.e. Rs. 12,078.77 lakh. The Committee also find that out of Rs. 35,234 lakh of total demands from States/UTs, the major States from where demands for central funds have been received are Chhattisgarh (Rs. 4758.06 lakh), Bihar (Rs. 4746.44 lakh), Karnataka (Rs. 4350 lakh), Uttar Pradesh (Rs. 3417.17 lakh) and Kerala (Rs. 3200 lakh). In this context, the Committee are quite amazed to learn from the nodal Ministry i.e. Ministry of Social Justice & Empowerment that due to non-revision of rates of Scholarship from the inception of the Schemes in 1998-99, proposal for different States have not been forthcoming and a proposal for revising the same, which was moved in 2013-14 is yet to take at the level of Ministry of Finance.

Likewise the Committee are constrained to note that progress under National Backward Classes Finance Development Corporation (NBCFDC) is also disappointing as its coverage has been largely concentrated in Kerala, Karnataka, and Tripura and in big states like Uttar Pradesh, West Bengal, Chhatisgarh, it has not taken off well. Further in States of Rajasthan and Uttarakhand and Delhi its performance is nil. Besides prominent States like Bihar, Madhya Pradesh etc. do not figure in at all. Further the Statement showing notional allocation and sanctioned and disbursed amount submitted before the Committee reflect that whatever amount shown as notional allocation is not released during 2015-16 and 2016-17 in respect of Andhra Pradesh, Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh, Uttarakhand and whatever funds that have been released are in West Bengal, Uttar Pradesh Sahkari/Gramin Bank, that too are too meager.

In the light of the above the Committee feel that all is not well with overall implementation of aforesaid schemes. The Committee therefore, opine that full scale revamp

of all these schemes is need of the hour so that central funds reach to the intended OBC beneficiaries.

Reply of the Government

The rates of Scholarship in Pre-Matric Scholarship for OBCs have been revised w.e.f. 2017-18 as follows:

- i. The annual parental income ceiling has been enhanced from Rs. 44,500/- to Rs. 2, 50,000/- .
- ii. The rates of scholarship has been revised for day scholars of Class I to V, Class VI to VIII and Class IX to X from Rs. 25, 40 and Rs.50 per month for 10 months respectively to Rs. 100 per month for 10 months for Class I to X.
- iii. In case of hostellers, the rate has been revised from Class III to VIII and Class IX to X from Rs. 200 per month and Rs. 250 per month for 10 months respectively to Rs. 500 per month for 10 months for Class III to X.

As regards Post-Matric Scholarship for OBCs, proposal for increase of the annual parental income is under process for approval of the competent authority.

NBCFDC notionally allocate funds to its State Channelizing Agencies (SCAs) in the beginning of financial year on the basis of their past performance. However, release of allocated funds is considered only on receipt of Annual Action Plan (AAP) from the SCAs, its approval by NBCFDC and acceptance by SCAs. Due to following reasons, SCAs could not draw the allocated funds during 2015-16 and 2016-17 -

Sl. No.	Name of State/SCA	Reasons for non-drawal of loan by SCA
1.	<u>Andhra Pradesh</u> a) A.P. Backward Classes Co-op. Finance Corporation Ltd. b) A.P. Toddy Tappers Co-operative Finance Corpn. Ltd.	As per State Government directive, the SCAs stopped drawing funds from NBCFDC

2.	<u>Bihar</u> Bihar State Backward Classes Finance & Development Corpn.	The SCA could not draw allocated funds due to outstanding dues and non-availability of Govt. Guarantee.
3.	<u>Madhya Pradesh</u> a) Madhya Pradesh Pichhara Varg Tatha Alpsankhayak Vitta Avam Vikas Nigam b) Madhya Pradesh Hastshilp Evam Hathakargha Vikas Nigam	As per State Government policy, the SCAs stopped drawing funds from NBCFDC
4.	<u>Rajasthan</u> Rajasthan OBC Finance & Development Cooperative Corporation Ltd.	The SCA could not draw allocated funds due to outstanding dues and non-availability of Govt. Guarantee.
5.	<u>Uttar Pradesh</u> Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam	The SCA could not draw allocated funds due to huge outstanding dues and shortfall in State Government Guarantee.
6.	<u>Uttarakhand</u> Uttarakhand Bahuudeshiya Vitta Evam Vikas Nigam	No demand received from the SCA. However, SCA has taken Rs. One Crore in the year 2017-18.

- In case of West Bengal, the funds disbursal was effected due to closer of the then State Channelising Agency (SCA). Presently, another SCA has been nominated by the State Government and the disbursement of funds is expected to increase.
- In case of U.P. Sahkari Gram Vikas Bank Ltd., the funds disbursed in the year 2017-18 have been higher and stands at Rs. 8.00 Crore as on 28.02.2018. Further disbursal of funds are also expected.

[Ministry of Social Justice & Empowerment OM No.-16011/18/2014-BC-I
dated 24.10.2018]

Recommendation (Sl. No. 6)

Unspent Balance

The Committee note that there are a huge amount of unspent balances to the tune of Rs. 5179.56 lakh and Rs. 19580.83 lakh in the Pre- Matric and Post-Matric Schemes of the Department of Social Justice and Empowerment respectively as on 21st January, 2017. Notably the states like Bihar, Chhattisgarh, Rajasthan, Assam etc. fall on the higher side of the unspent balances. The non-receipt of the complete proposals and/or Utilisation Certificates (UCs) has been cited to be the main reason for the unspent balances with the States/UTs. The component of Committed Liability from States/UTs is reported to be the other one. The Committee have also been informed that all the States/UTs Administrations are also implementing their own scholarship schemes and rates of scholarship as well as eligibility criteria are different and more liberal in the schemes of States/UTs. The Committee view the problem of unspent balances for whatever reasons, very seriously and are disappointed, rather anguished with the whole situation under which the rights of the OBC students are being compromised in the name of tenacious financial discipline. On the other hand many States are raising demands for more funds without being able to use their previous lot efficiently. This is nothing but a sheer lack of proper supervision, coordination and monitoring. Against this backdrop, the Committee recommend the Ministry to develop a proper monitoring mechanism in coordination with the States/UTs to oversee and ensure timely and full utilisation of the scholarship funds for the sake of welfare and upliftment of the backward section of the society. The Ministry also need to review their schemes in consultation with the States/UTs so as to make them more attractive and lucrative. Raising the rates of scholarship and relaxing the eligibility criteria could be acted upon in order to widen the network of OBC beneficiaries.

Reply of the Government

The State Governments were requested through letters/emails and also telephonically to send the proposals along with pending utilization certificates. The issue regarding pending UCs are also discussed during the Regional Conferences/Meetings. As regards, the Scheme of Pre-Matric Scholarship for OBCs, it has been decided to discontinue the committed liability of the State Governments with the approval of competent authority. As regards the Scheme

of Post-Matric Scholarship to OBCs, the matter is under process for obtaining the approval of competent authority for discontinuation of committed liability.

For effective implementation of the Schemes the following measures are taken up by the Ministry:

- i) Regional Meeting under Chairmanship of Hon'ble Minister, SJ&E with Minister and senior officers of State Govt. has been held.
- ii) Selected high priority schemes are monitored at the level of Minister (SJ&E) regularly.
- iii) Financial and physical performance is reviewed by the Secretary (SJ&E) with Bureau Heads to ensure that the allocations provided for the schemes of the Department of SJ&E are fully utilized and to monitor all important activities.
- iv) Department of SJ&E also organizes Biannual Conference of State Social Welfare Ministers and the Annual Conference of State Welfare Secretaries wherein, *inter alia*, all the schemes of the Department of SJ&E are reviewed.

The rates of Scholarship in Pre-Matric Scholarship for OBCs has been revised w.e.f. 2017-18 as follows:

- i. The annual parental income ceiling has been enhanced from Rs. 44,500/- to Rs. 2, 50,000/- .
- ii. The rates of scholarship has been revised for day scholars of Class I to V, Class VI to VIII and Class IX to X from Rs. 25, 40 and Rs.50 per month for 10 months respectively to Rs. 100 per month for 10 months for Class I to X.
- iii. In case of hostellers, the rate has been revised from Class III to VIII and Class IX to X from Rs. 200 per month and Rs. 250 per month for 10 months respectively to Rs. 500 per month for 10 months for Class III to X.

As regards Post-Matric Scholarship for OBCs, proposal for increase of the annual parental income is under process for approval of the competent authority.

[Ministry of Social Justice & Empowerment OM No.-16011/18/2014-BC-I
dated 24.10.2018]

CHAPTER III

**OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO
PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES**

-NIL-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation (Sl. No. 4)

Inequitable allocation for OBCs within the Ministry of Social Justice & Empowerment and need for separate Department for Welfare of OBCs

The Committee's examination has revealed that out of total Budget of Ministry of Social Justice & Empowerment of Rs. 5907.78 crore for 2015-16 as high as Rs. 4579.22 crore is earmarked for Scheduled Castes under 'SCD Division', as low as Rs. 1213.12 crore is given for 'Backward Classes' and remaining Rs. 115.44 crore is given for 'Social Defence'. The issue of lower allocation for budget for welfare of OBCs particularly when their share is as high as 41% of the total population of the country as per latest figures available to the Committee was taken up by the Committee with the nodal Ministry i.e. Ministry of Social Justice & Empowerment and NITI Aayog also. The Ministry of Social Justice & Empowerment has taken the shelter of Narendra Jadhav Committee Report constituted under the then Planning Commission whereby as high as 72.50% of the total funds were to be allocated for welfare of Scheduled Castes alone. In this context on being taken up the issue with NITI Aayog the Committee have been informed that for implementation of Plan expenditure under Tribal Sub Plan (TSP) and Scheduled Castes Sub Plan (SCSP), Narendra Jadhav Committee after detail examination with implementing Ministries have divided different Ministries/Department into four categories. One, Ministries/Departments with no obligation for earmarking funds under TSP/SCSP. Two, Ministries/Departments which are required to do partial earmarking since the Human Development Indicator of OBCs are not at par with general population the demands from States/UTs for central funds. Third Ministries/Departments which will be required to earmark 7.5% to 8.2% for TSP and 15% to 16.2% for SCSP of their Plan outlays. Fourth, Ministries/Departments which will be required to earmark more than 8.2% for TSP and 16.2% for SCSP for their Plan expenditure.

Accordingly, Department of Social Justice & Empowerment has obligated to earmark 72.5% of their Plan welfare for Scheduled Castes. The NITI Aayog have supplemented that

necessary guidelines are still being followed by Central Ministries/Departments. The NITI Aayog have also opined that since the Human Development Centres of OBCs are not at par with general population, the demand from States/UTs for Central funds is quite genuine. Meanwhile, the NITI Aayog have also suggested that any decision regarding allocation of funds for OBCs shall be based on five areas viz gaps in socio-economic/Human Development Indicators for OBCs vis-a-vis people from general public, need for revising norms and enhancing educational allowances and facilities like scholarships, hostel facilities for OBCs, need for vocational training for OBCs, need for enhancing financial assistance for self employment, concessional loans for OBCs and need for strengthening institutional mechanism for OBCs i.e. National Commission for OBCs, NBCFC etc. On the issue of enhanced allocation for OBC, NITI Aayog has also suggested setting up of a separate Department for Welfare of OBCs as has been opened in Uttar Pradesh, Andhra Pradesh, Karnataka, Kerala, Maharashtra, Gujarat etc. The Committee strongly believe that bearing in mind all aspects illustrated above, the Ministry of Social Justice & Empowerment should open a separate Department for OBCs and should concurrently start working on five suggestions brought out by NITI Aayog in consultation of Ministry of Finance in a time bound manner.

Reply of the Government

Backward Class Division is constantly pursuing for enhanced budget allocation. This is the result of regular follow up that the funds allocation has been increased considerably during the year 2018-19. However, it is not possible to meet the full demand of the States because of huge demand for funds for Welfare of OBCs. However, it is expected that all the Welfare schemes for OBCs will be implemented in a more satisfactory manner in 2018-19, since the budget allocations for Backward Classes development Schemes has been increased to Rs.1745 crore in 2018-19 vis-a-vis Rs.1237 crore in 2017-18, that is an increase of over 40%. The position explained above is indicative of the fact that budget allocation for OBC welfare has been considerably enhanced without the dedicated Department for such facilitation.

As far as NBCFDC is concerned, following are submitted –

(b) The Corporation has been consistently increasing extent of financial assistance through concessional loan for poor OBC persons.

(b) The Corporation is facilitating Skill Development Training and Skill Upgradation of the poor OBC persons through its Skill Development Training Programme (STDP) scheme, which is based on the stipulations of the Common Norms notified by the Ministry of Skill Development & Entrepreneurship.

[Ministry of Social Justice & Empowerment OM No.-16011/18/2014-BC-I
dated 24.10.2018]

Comments of the Committee

(Please see para 10 of Chapter I of the Report)

CHAPTER V

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF
THE GOVERNMENT ARE STILL AWAITED**

-NIL-

NEW DELHI;
28th December, 2018
7 Pausha, 1940 (Saka)

GANESH SINGH,
Chairperson,
Committee on Welfare of OBCs

COMMITTEE ON WELFARE OF OTHER BACKWARD CLASSES (2018-19)

**MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE ON WELFARE OF OTHER
BACKWARD CLASSES (2018-19) HELD ON 20TH DECEMBER, 2018 IN COMMITTEE
ROOM No. 62, PARLIAMENT HOUSE, NEW DELHI**

The Committee sat from 1500 hrs. to 1630 hrs.

PRESENT

SHRI GANESH SINGH- CHAIRPERSON

MEMBERS

LOK SABHA

2. Smt. Santosh Ahlawat
3. Shri Santosh Kumar
4. Shri Ravindra Kushawaha
5. Dr. Swami Sakshi ji Maharaj
6. Dr. Banshilal Mahato
7. Shri Rodmal Nagar
8. Shri Kapil Moreshwar Patil
9. Shri Harinarayan Rajbhar
10. Shri Rajeev Satav
11. Shri Kanwar Singh Tanwar

RAJYA SABHA

12. Shri Husain Dalwai
13. Shri B.K. Hariprasad
14. Dr. Vikas Mahatme
15. Shri Vishambhar Prasad Nishad
16. Smt. Vijila Sathyananth
17. Smt. Chhaya Verma

SECRETARIAT

- | | | |
|----------------------------|---|------------------|
| 1. Shri T.G. Chandrasekhar | - | Joint Secretary |
| 2. Shri R.R. Kumar | - | Director |
| 3. Shri A.S.K. Das | - | Deputy Secretary |
| 4. Shri Janmesh Singh | - | Under Secretary |

WITNESSES

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2. At the outset, the Chairperson, welcomed the Members of the Committee to the sitting of the Committee. The Committee, thereafter, considered the following draft Reports for adoption:

(i) Action Taken by the Government on the Observations/Recommendations contained in the Tenth Report of the Committee "Need for greater budgetary allocations for various welfare measures/schemes for OBCs" pertaining to the Ministry of Social Justice and Empowerment;

(ii) Action Taken by the Government on the Observations/Recommendations contained in the Twelfth Report of the Committee "Measures undertaken to secure representation of OBCs in employment and for their welfare in National Highways Authority of India" pertaining to the Ministry of Road Transport and Highways;

(iii) Action Taken by the Government on the Observations/Recommendations contained in the Sixteenth Report of the Committee "Measures undertaken to secure representation of OBCs in employment and for their welfare in NTPC Ltd." pertaining to the Ministry of Power.

3. The Committee adopted the aforesaid draft Reports after a brief discussion and authorized the Chairperson to present the Reports to Parliament.

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The Committee then adjourned.

APPENDIX II

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE
OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE ON
WELFARE OF OTHER BACKWARD CLASSES CONTAINED IN
THEIR TENTH REPORT (SIXTEENTH LOK SABHA)
(Refer Para 4 of Introduction)

(i)	Total No. of Observations/Recommendations:	6
(ii)	Observation/Recommendations of the Committee which have been accepted by the Government: Recommendation Sl. Nos. 1,2,3, 5 and 6	Total: 5 Percentage-83.33%
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies -Nil-	Total : 0 Percentage-0%
(iv)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: Recommendation Sl. No. 4	Total: 1 Percentage-16.66 %
(v)	Observations/Recommendations in respect of which final replies of the Government are still awaited: -Nil-	Total : Nil Percentage-0%