

Administrative Reforms Commission's 9th Report titled "Social Capital – A Shared Destiny"- List of accepted recommendations

Sl. No	Recommendations made by Administrative Reforms Commission	Government's Decision	Status of Action furnished by Administrative Ministry
<p>1.</p> <p>2.</p> <p>3.</p>	<p>1. (Para 3.1.2.6) New Legal Framework for Charities in India</p> <p>a) The Union Government should draft a comprehensive model legislation covering both Trusts and Societies in lieu of the existing laws on Societies, Trusts, Endowments and Charitable Institutions etc.(1)</p> <p>b) In place of the present charity administration consisting of a Charity Commissioner / Inspector General of Registrations as existing in the States, the proposed law should provide for a new governance structure in the form of a three member Charities Commission in each State with necessary support staff for incorporation, regulation and development of Charitable Organisations. The Chairman of the Commission should be a law officer drawn from the cadre of District Judges. Out of the other two members, one should be drawn from the voluntary sector and the other would be an officer of the State Government. In addition, the State should also have a Charities Tribunal which would exercise appellate powers over the orders of the Charities Commission.(2)</p> <p>c) The proposed model legislation should indicate a cut off limit with regard to the annual revenue of a Charity.</p>	<p>(a) to (e) GoM agreed with the views of the CGAR that Law Commission may be requested to consider formulation of model law to be suggested to State Govts. It was further recommended that it should be made mandatory for charity organizations and NGOs to take Permanent Account Number (PAN).</p>	<p>Legislative Department</p> <p>(a) The proposal sent to the Law Commission of India to give its considered report on the feasibility of making a model legislation covering both Trusts and Societies in lieu of existing laws on Societies, Trusts, Endowments and Charitable Institutions is still under examination of the Law Commission of India.</p>

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4.	<p>Organisations having an annual income below this threshold will have lighter compliance requirements with respect to submission of returns /reports/ permission etc. However, if irregularities are detected in their functioning, the organisations will be liable for legal and penal action. To start with, the cut off limit could be set at Rs.10 lakhs which could be reviewed for upward revision once in five years.(3)</p> <p>d) The government should set up an Inclusive Committee which will comprehensively examine the issue of defining 'Charity' and 'Charitable Purpose' and suggest measures to "soften" charities-government relationship, particularly in tax matters.(4)</p> <p>5. e) The model legislation should take into consideration the views and suggestions made above with regard to the following issues of charity administration:</p> <p>i. Interface with the State Government ii. Alteration in the memorandum iii. Approval on change report iv. Alienation of immovable property v. Contribution by Public Trusts to the State Government(5)</p>		
6.	<p>2. (Para 3.2.6.2.5) Corporate Social Responsibility</p> <p>a) When a community benefit project is taken up by a</p>	(a)&(b) Recommendations have been accepted.	<p>Ministry of Corporate Affairs</p> <p>(a) & (b): National Voluntary Guidelines on</p>

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	functions, its powers to levy appropriate fees from the applicants, and other related matters. (10)		up the National Accreditation Council (NAC) is reneging from these responsibilities. It is also tantamount to a needless proliferation of bureaucratic Organizations. The Steering Committee considered the issue and the report of the Steering Committee along with its recommendation is being finalized.
11.	<p>5. (Para 3.4.4) Regulation of Foreign Contribution</p> <p>a) The Foreign Contribution (Regulation) Bill, 2006 needs to be amended to include inter-alia the following suggestions:</p> <p>i. There should be a fine balance between the purpose of the legislation on one side and smooth functioning of the voluntary sector on the other. The objectives of such a regulatory legislation should be properly enunciated to avoid subjective interpretation of law and its possible misuse.(14)</p>	(a) (i) to (iv) The Amendment Bill is under consideration of the Govt. which has taken into consideration ARC recommendations. However, de-centralization and delegation to State Govt./District Administration has not been agreed to.	<p>Ministry of Home Affairs</p> <p>Parliament passed the Foreign Contribution Regulation Bill, 2006 (Rajya Sabha on 19.08.2010 and Lok Sabha on 26.08.2010) in the Monsoon Session of 2010. The Act was notified in the Gazettee on 27.09.2010 as Foreign Contribution (Regulation) Act, 2010 (No.42 of 2010) dated 26.09.2010. The Act came into force with effect from 01.05.2011 with the issue of the Gazettee Notification S.O.909(E) dated 29.04.2011. The Foreign Contribution (Regulation) rules, 2011 was notified in the Gazettee on 29.04.2011 vide G.S.R.349 (E). The Rules came into force simultaneously with the Act with effect from</p>
12.	ii. There should be a time limit for procedures falling under Section 11 (seeking registration or prior permission for receiving foreign contribution). (15)		
13.	iii. Transparent rules/guidelines should be prescribed for inter-agency consultation particularly		

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14.	<p>in respect of (a) the minimum amount of donation which would require inter-agency consultation, (b) the level of the Authority which would authorize it, and (c) setting uptime limits for such procedures.(16)</p> <p>iv. To facilitate (a) speedy disposal of registration / prior permission petitions received from organisations, (b) effective monitoring of their activities, and (c) proper scrutiny of returns filed by them, some of the functions under the Foreign Contribution (Regulation Act) should be decentralised and delegated to State Governments/ District Administration.(17)</p>		01.05.2011.
15.	<p>6. (Para 4.6.10) Issues of Self-Help Group Movement</p> <p>a) The role of the Government in the growth and development of the SHG movement should be that of a facilitator and promoter. The objective should be to create a supportive environment for this movement.(20)</p>	(a)to(k) Recommendations have been accepted.	<p>M/of Housing & Urban Poverty Alleviation</p> <p>(a)(i) Ministry of Housing & Urban Poverty Alleviation is already providing focus on urban poor women self help group under its scheme for Swarna Jayanti Shahari Rozgar Yojana (SJSRY). The scheme of SJSRY has been comprehensively revamped from 2009-2010 and the component of Urban Women Self-help Programme (UWSP) has been specifically carved out to focus on women self help groups. The UWSP provides for assistance to groups of urban poor women for setting up</p>
16.	<p>b) Since a large number of rural households in the North-Eastern States and Central-Eastern parts of the country (Bihar, Jharkhand, Uttar Pradesh, Uttarakhand, Orissa, Madhya Pradesh, Chhattisgarh and Rajasthan) do not have adequate access to formal sources of credit, a major thrust on the expansion of the SHG</p>		

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	<p>movement in these areas should be facilitated. The presence of NABARD should be much more pronounced in these places.(21)</p>		<p>gainful self-employment ventures and also providing revolving fund assistance for Self Help Groups (SHGs)/ Thrift & Credit Societies (T&CSs) formed by the urban poor women.</p>
17.	<p>c) The SHG movement needs to be extended to urban and semi-urban areas. State Governments, NABARD and commercial Banks should join together to prepare a directory of activities and financial products relevant to such areas.(22)</p>		<p>(ii)(a) Guidelines have been issued for Community Development Network (CDN) under Jawaharlal Nehru National Urban Renewal Mission (JNNURM), which aims to ensure the involvement of the poor in the provision of basic services through the creation of a network of community development societies, self-help groups and other civil society organizations for poverty reduction and livelihoods development. CDN also envisages capacity building support to these organizations through a network of resource institutions dealing with urban poverty, slums and livelihoods issues of the urban poor. Funding support under Community Participation Fund PF in the Ministry of Housing & Urban Poverty Alleviation is meant for projects conceived and designed by the local communities, their organizations and resource institutions, which can be submitted either as Area Sabha or CDN projects. Projects could be submitted by</p>
18.	<p>d) Currently, the commercial Banks, on the basis of a project's financial viability can disburse microcredit in urban and semi-urban areas on their own but such micro-credit disbursements are not entitled to refinance from NABARD. If necessary, the NABARD Act, 1981 may be amended suitably to bring urban / semi-urban areas under its refinance mandate.(23)</p>		
19.	<p>e) The SHG – Bank Linkage model with a mentor SHPI in tow deserves to be encouraged as the preferred mode for financial intermediation throughout the country.(24)</p>		
20.	<p>f) Commercial Banks and NABARD in collaboration with the State Government need to continuously innovate and design new financial products for these groups.(25)</p>		
21.	<p>g) There should be a planned effort to establish RRB networks in the 87 districts of the country which currently do not have</p>		

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	RRB presence.(26)		<p>Community Based Organisations (such as RWAs, Neighborhood Groups, Youth Clubs, Informal Sector Associations and Resource Institutions) as representatives of urban communities or resource institutions involving community organizations and groups.</p> <p>(ii)(b) States/UTs have been advised to develop viable and sustainable mechanisms for maintenance of the houses and common infrastructure facilities created under Basic Services to Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) through suitable mechanism such as colony welfare associations, local body-residents partnerships, institutions arrangements of collection of monthly maintenance charges etc. It has been emphasized that proper maintenance of assts and upkeep of cleanliness and hygiene in the housing complexes/ colonies developed under BSUP/IHSDP should be given utmost importance.</p> <p>(ii)(c) Considering that the focus of JNNURM is on community participation and developing inclusive cities, it is important to</p>

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			<p>initiate a formal process and mechanism for reviewing/ evaluating the social impact of the mission and its relevance from the point of view of the target groups, citizens and the society at large. Therefore, institutionalizing the social audit process will ensure capturing these social impacts and also ensure collection of feedback from the beneficiaries to regularly monitor and improve the project. The usefulness of integrating social audit to monitor JNNURM projects can be achieved at two levels viz., at the community level and at an organizational (ULBS) level. The Ministry has issued Guidelines and the Toolkit for Social Audit of JNNURM Projects. Pilots studies are to be taken with the involvement of National Resource Centres and some NGOs.</p> <p>(iii) In relation to Interest Subsidy Housing for Urban Poor (ISHUP), the Steering Committee in its 4th Meeting held on 16.7.2010 has decided that in line with the provisions under ISHUP guidelines, association of SHGs with the scheme (vide Para 2.3 of the guidelines) be accepted. For this purpose guarantee accepted by SHGs against default by any person of the group</p>

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			<p>would be treated as group guarantee.</p> <p>Ministry of Rural Development</p> <p>(a) The Swarnjayanti Gram Swarojgar Yojana (SGSY) is a major self employment scheme launched in April, 1999 after restructuring and combining the IRDP with allied programmes i.e. TRYSEM, DWCRA, SITRA, GKY, MWS.</p> <p>Department of Rural Development.</p> <p>(a) On the recommendation of Radhakrishnan Committee Report, National Rural Livelihoods Mission(NRLM) was launched on 3rd June, 2011 and after a transition of 2 years, SGSY has ceased to exist with effect from 1st April, 2013. As of January' 14, 25 out of 28 States have transited from SGSY to NRLM.</p> <p>The Cabinet has recently approved the following amendments under NRLM:</p> <ol style="list-style-type: none"> 1. Improved targeting under NRLM by identifying the target group through a process of Participatory Identification of Poor (P.I.P.) 2. Phasing of implementation of NRLM over a period of 7-8 years.

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22.	(h) Special steps should be taken for training / capacity building of government functionaries so that they develop a positive attitude and treat the poor and marginalized as viable and responsible customers and as possible entrepreneurs.(27)		<p>3. Replacing Capital Subsidy with a community Investment Support Fund.</p> <p>4. Interest subvention and additional interest subvention for prompt repayment in 150 districts in the First phase.</p> <p>5. Operationalization of interest subvention in the remaining districts.</p> <p>6. Treatment of professional support cost at Block and sub-Block levels as Institution Building and Capacity Building costs .</p> <p>7. Increase in the provision for Skills and Placement Projects from 15% to 25% of the NRLM allocation.</p> <p>8. Setting up of National Level Society under NRLM.</p> <p><u>M/o Housing & Urban Poverty Alleviation</u></p> <p>(h) An attached office under the Ministry of Housing and Urban Poverty Alleviation National Buildings Organisation (NBO) coordinates capacity building and training activities in the areas of urban poverty, slums, housing and building constructions statistics, including design, development and deployment e-tools and statistical applications. National, regional and State level consultations</p>
23.	i) Rural credit is often viewed as a potential Non Performing Asset. There is need to educate government employees and Bank personnel in this regard. Technology may be leveraged		

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24.	<p>to reduce the cost of reaching out to the poorest of the poor.(28)</p> <p>j) There is need to review the scale of the promotional grant given to SHPIs by NABARD (currently Rs.1500/- per SHG formed and activated).(29)</p>		<p>and capacity building/training programmes on Database & MIS are undertaken by NBO with the help of State/UT Directorates of Economics & Statistics/Municipal Administration & Urban Development/Municipal Corporations/ Municipalities/Housing Boards and Regional Resource Centres identified/empanelled by the Ministry of Housing & Urban Poverty Alleviation. During the year 2010-11, NBO has conducted 14 Nos.of capacity Building Programmes in various States/UTs and has imparted training to 674 officers so far.</p>
25.	<p>k) In order to scale up the operations of the Rashtriya Mahila Kosh, its corpus should be enhanced substantially. RMK's geographical reach should be expanded to help quick processing of loan applications and effective monitoring of the sanctioned projects in far off areas. The Kosh may open adequately staffed regional offices at selected places in the country and give greater attention to the credit deficient States.(30)</p>		<p><u>Ministry of Women & Child Development</u></p> <p>(k) The Rashtriya Mahila Kosh (National Credit Fund for Women) was set up in 1993 against the backdrop of socio-economic constraints faced by poor women to access micro-credit from the formal financial system in the country, especially those in the rural and in unorganized sectors with an initial corpus of Rs.31 crore bolstered up to Rs.100 crore</p> <p>In recognition of its role as an instrument of socio-economic change and development,</p>

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26.	<p>I) The Micro Financial Sector (Development and Regulation) Bill, 2007 needs to be amended to include the following suggestions:-</p> <p>i. The scope of Micro-finance Services should be substantially widened to cover credit / savings, insurance, pension services, money transfer, issue / discount of warehouse receipts and future / option</p>	<p>(l)&(m) Recommendations have been accepted in principle and would be considered in the proposed Bill.</p>	<p>Government has announced that corpus of the Kosh, which at present is Rs.100 crore, may be raised to Rs.500 crore, over the next five years.</p> <p>Accordingly, the Governing Board of RMK has approved that it should be restructured from Society into Non-Deposit Taking Non-Banking-Finance-Company (ND-NBFC) to enable it to play its mandated role of Women Empowerment through micro-finance in the whole country more effectively and to extend capacity building and other support services including backward and forward linkages to the women SHSs as a single window service provider and facilitator.</p> <p>M/s Ernst & Young have been awarded the contract for preparing DPR for restructuring the RMK.</p> <p><u>D/o Financial Services</u></p> <p>(I) (i) The Banking Laws (Amendment) Act, 2012 has been enacted and came into force.</p> <p>(ii) National Bank for Agriculture & Rural Development (Amendment Bill), 2013 has been introduced in Lok Sabha on 6th May, 2013. The Bill has been referred to Standing Committee on Finance on 9</p>

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<p>27.</p> <p>28.</p> <p>29.</p>	<p>contracts for agricultural commodities and forest produce.(31)</p> <p>ii. 'Nidhis' registered under Section 620A of the Companies Act, and Producer Companies should be brought under the new legislation.(32)</p> <p>iii. The activities of Section 25 Companies to the extent they concern micro-financial services as described under the proposed Bill should also be brought under the purview of this legislation. However, for their management and other functions, they will continue to be governed by the provisions of the Companies Act.(33)</p> <p>m) Micro-finance institutions covered under the proposed law should be kept out of the purview of the State laws on money-lending.(36)</p>		<p>May, 2013.</p> <p>(iii) To provide for development and regulation of the micro Finance institutions for the purpose of facilitating access to credit, thrift and other micro finance services to the rural and urban poor and certain disadvantaged sections of the people and promoting financial inclusion through such institution, the Department of Financial Services has formulated Micro Finance Institution (Development and Regulation) Bill, 2012 which has been introduced in Lok Sabha on 22.5.2012. The Bill has further been referred to the Standing Committee on Finance.</p>
<p>30.</p>	<p>16. (Para 6.4.10) Cooperatives; Constitutional Context</p> <p>a) An Article should be added to Part-IV of the Constitution in the form of 43B where the State should be made responsible for making such laws that will ensure autonomous, democratic, member driven and professional cooperative institutions. In that case, a large scale Constitutional amendment on the pattern of Parts-IX and IX-A which was introduced by the 73rd and 74th Amendments,</p>	<p>(a) Recommendation has been accepted. An Amendment Bill is under consideration of the Govt.</p>	<p>Ministry of Agriculture</p> <ul style="list-style-type: none"> ▪ The Constitution (97 Amendment) Act, 2011 passed in Lok Sabha on 22.12.2011 and in Rajya Sabha on 28.12.2011. ▪ President of India has given her assent on 12.01.2012. ▪ Ministry of Law & Justice has notified the above mentioned Act

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	<p>will not be necessary. The proposed Article 43B may read as follows:</p> <p><i>Article 43B: Empowerment of Co-operatives: "The State shall endeavour to secure by suitable legislation or economic organisation or any other way autonomous, democratic, member driven and professional cooperative institutions in different areas of economic activity particularly those relating to agriculture."(57)</i></p>		on 13.01.2012.
<p>31.</p> <p>32.</p>	<p>17. (Para 6.5.6) Legislative Framework</p> <p>a) All States (other than Andhra Pradesh, Bihar, Jharkhand, Madhya Pradesh, Chhatisgarh, Orissa, Uttarakhand, Karnataka and Jammu and Kashmir) should immediately take steps to enact their own Mutually Aided /Self-Reliant Cooperative Societies Act on the pattern of the Model Law suggested by the Task Force on Revival of Cooperative Credit Institutions.</p> <p>The States where such Acts are already in existence should also examine the Model Law suggested by the Task Force and amendments in the existing legislations may be made, if so required.(59)</p> <p>b) For the next few years, there is need to have parallel laws to deal separately with (i) the Mutually Aided / Self-Reliant cooperative societies formed under the recent enactments (post 1995), and (ii) societies</p>	(a)&(b) Recommendations have been accepted.	

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	formed under the old laws in which the government still has financial stakes. The societies referred at (ii) above should gradually be encouraged to clear off their liabilities and convert into Mutually Aided Societies.(60)		
33.	<p>19. (Para 6.7.15) Cooperative Credit and Banking Institutions</p> <p>a) The process of implementation of the revival package for Short-Term Rural Cooperative Credit Structure (STCCS) formulated on the basis of the Vaidyanathan Committee Report should be completed immediately. It consists of the following major steps :</p> <p>i. States which have so far not signed the MOU for this purpose should be asked to do so without further loss of time.</p> <p>ii. The Banking Regulation Act, NABARD Act and the State Cooperative Societies Acts need to be suitably amended in order to improve the management/ governance of cooperative credit institutions.</p> <p>iii. A model Cooperative Law needs to be enacted by the States. States which do not wish to pass the Model Act, should introduce a separate chapter on Agricultural and Rural Credit Societies containing the salient provisions of the Model Law in their existing Cooperative legislation.(63)</p>	(a)&(b) Recommendations have been accepted.	<p><u>Department of Financial Services</u></p> <p>(a) & (b): The STCCS package is under implementation in 25 States</p>
34.	b) Similar steps should be taken in a time-bound manner in		

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	respect of the recommendations of the same Committee on Long-Term Cooperative Credit Structure (LTCCS).(64)		
35.	a) Government should craft an integrated social policy which will ensure priority State action on the key issues relating to social justice and empowerment.(65)	(a)&(b) Recommendations have been accepted.	Planning Commission In the review meeting dated 03.08.2010, Planning Commission(PC) was requested to set up a Task Force to decide a common approach to implement the recommendations. PC has informed vide letter dated 21.09.2011 that a Task Force has been set up to review guidelines on schedule-castes sub plan and tribal sub plan in June, 2010. The Task Force has submitted its report regarding central Ministries and identifying 28 Ministries/Departments to earmark percentage of outlay in their annual plan outlay.
36.	b) Government should provide a significant portion of its plan allocation for implementation of this integrated social policy.(66)		

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<p>1.</p> <p>2.</p> <p>3.</p>	<p>4. (Para 3.3.7) Charitable Organisations and Tax Laws</p> <p>a) Under Section 12AA and Section 80G, the registration or approval should be granted or an order rejecting the application should be passed within a period of ninety days from the date of filing of the application instead of the present one hundred and eighty days.(11)</p> <p>b) In view of the fact that infrastructure projects are a critical component of charitable institutions, the period for accumulation of surplus which is currently five years needs to be further enhanced.(12)</p> <p>c) The present National Committee may be replaced by four Regional Committees to recommend "deduction on expenditure" to the Union Government under Section 35AC of the Income Tax Act.(13)</p>	<p>(a) to (c) Recommendations has not been accepted.</p>	
<p>4.</p>	<p>5.(Para 3.4.4) Regulation of Foreign Contribution</p> <p>v. Other concerns as stated in paragraph 3.4.1.5.3 also need to be considered.(18)</p>	<p>(v) These issues were considered by the Parliamentary Standing Committee on Home which examined FCRA Bill, 2006, and most of these suggestions were not agreed to.</p>	

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5.	<p>b) Organisations receiving an annual foreign contribution equivalent to less than Rs.10.00 lakh in a year (the figure to be reviewed from time to time) should be exempted from registration and other reporting requirements of the law. They should be asked, instead, to file an annual return of the foreign contribution received by them and its utilisation at the end of the year. The law may provide that they may be liable to be investigated, if there is a reasonable suspicion of suppression / misrepresentation of facts, and penal provisions of the law will be used against them in case violation is established.(19)</p>	<p>Hence, this recommendation is not accepted.</p> <p>(b) Recommendation has not been accepted.</p>	
6.	<p>6. (Para 4.6.10) Issues of Self-Help Group Movement</p> <p>iv. The issue of interest rate charged by the MFIs should be left to the Regulatory Authority which is being created under the proposed Bill.(34)</p>	<p>(iv) Recommendation has not been accepted.</p>	
7.	<p>v. It should be ensured that if MFIs are allowed to handle thrift / savings and money transfer services, they would do so only as business correspondents of commercial Banks. Other concerns as stated in Para 4.6.9.9.2 also need to be considered.(35)</p>	<p>(v) Recommendation has not been accepted.</p>	
	<p>11. (Para 5.6.3) Renewal / Revalidation of Registration</p>		

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8.	a) There should be a provision in the relevant laws that a professional registration/license will need revalidation after a prescribed number of years. It could be done after successful completion of a course prescribed by the respective Professional Regulatory Authority.(46)	(a) Recommendation has not been accepted	
9.	<p>16. (Para 6.4.10) Cooperatives; Constitutional Context</p> <p>b) The Commission endorses the amendments suggested by the National Advisory Council and feels that this coupled with the amendment suggested in the Directive Principles would be a step in the right direction to make the cooperative institutions voluntary, democratic, professional, member-driven and member-centric enterprises. Accordingly, the following amendments may be made in the Constitution:</p> <p>i. Under Article 19, 19(1)(h) may be added as follows:</p> <p><i>“(h) to form and run cooperatives based on principles of voluntary and open membership, democratic member control, member economic participation, and autonomous functioning free from State control.”</i></p> <p>ii. Correspondingly, Article 19(4) should be amended as follows: <i>“(4) Nothing in sub-clauses (c) and (h) of the said clause shall affect the operation of any</i></p>	(b) Recommendation has not been accepted.	

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	<p><i>existing law in so far as it imposes, or prevents the State from making any law imposing, in the interests of [the sovereignty and integrity of India or] public order or morality, reasonable restrictions on the exercise of the right conferred by the said sub-clause".(58)</i></p>		
<p>10.</p> <p>11.</p>	<p>18. (Para 6.6.8) Producer Companies</p> <p>a) A new law regarding Producer Companies should be enacted on the basis of the following broad principles:</p> <p>i. Producer Companies should be given a liberal charter of functions to take up any primary activity as per their technical and financial capability;</p> <p>ii. The law should provide for flexibility in investment of funds, surpluses / reserves;</p> <p>iii. Depending on their functional requirement and financial strength, a Producer Company should have full flexibility in creating / abolishing executive and managerial posts;</p> <p>iv. The compliance requirements with regard to the Company's audit and accounts should be in tune with the size of its operations; and</p> <p>v. The law should have provision for proxy voting in order to facilitate smooth conduct of elections and general meetings.(61)</p> <p>b) Co-operatives should be encouraged to incorporate themselves as Producer Companies under the existing</p>	<p>(a) & (b) Recommendations has not been accepted.</p>	

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	<p>provisions of Part IXA of the Companies Act, 1956 and subsequently under the new law, as and when enacted, as this would be a more viable option in the present environment. The existing inter-State cooperative societies may also explore the possibility of getting themselves converted into Producer Companies.(62)</p>		

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1.	<p>7. (Para 5.2.13) Separating Professional Education from Self-Regulatory Authorities</p> <p>a) Professional education should be taken away from the domain of the existing Regulatory Bodies and handed over to specially created agencies – one for each of the streams of higher/professional education. These Bodies may be called National Standards and Quality Council for Medicine, National Standards and Quality Council for Management etc. After this bifurcation, the work of the existing Regulatory Bodies' would remain confined to issues concerning registration, skill upgradation and management of professional standards and ethics. On creation of these separate Councils, the AICTE will stand abolished.(37)</p>	<p>(a) to (f) A separate Group of Ministers has been constituted to consider the issue of separating professional education from Self Regulatory bodies. It was decided that the decision of that GoM could be brought before this GoM for its consideration.</p>	<p>Ministry of Human Resource Development Based on the recommendations of Group of Ministers (GoM), Cabinet has approved certain Bills. Also a Task Force has been set up to examine Creation of a super regulator.</p> <p><i>It is stated that this GoM is not the one which has been mentioned in the Minutes of the GoM held on 27.01.2010.</i></p> <p>The present status of various legislative Proposals/Bills are given below:-</p> <p>National Commission for Higher Education and Research (NCHER)</p> <p>The proposal for the establishment of the National Commission for Higher Education and Research (NCHER) has its origin in the Address of the President to</p>
2.	<p>b) Such Councils should be created by law and their role should be to lay down norms, standards and parameters on issues concerning growth and development of their stream viz. (a) setting up new institutions, (b) designing/ updating curriculum, (c) faculty improvement, (d) carrying out research / innovation, and (e) other key issues concerning the stream.(38)</p>		
3.	<p>c) The proposed law should take into consideration the following guiding principles while constituting these Councils:</p>		

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4.	<p>i. Such Councils should have full autonomy.</p> <p>ii. The highest policy and decision making Body of these Councils should have a majority of independent members, and preferably no more than 2 or 3 drawn from government, who could be there in an ex-officio capacity.</p> <p>iii. These Councils should have a strong and effective grievance redressal mechanism.</p> <p>iv. The Councils should be accountable to Parliament and their Report should be placed before the House annually. In addition, there should be strong norms for suo-motu disclosures under the RTI Act.</p> <p>v. Each of these Councils should have a body of experts to advise it on accreditation / certification of institutions falling under their jurisdiction.</p> <p>vi. Some of the members of such Councils can be elected from office bearers of specialty Associations (e.g. Indian Medical Association), as these members are elected by the practicing professionals in their individual speciality.(39)</p> <p>d) Within such norms, standards and parameters, the Universities/ Autonomous Institutions should be given full autonomy for setting up and running institutions under their jurisdiction.(40)</p>		<p>Parliament on 4th June, 2009 wherein the Government declared its intention to establish an overarching body in higher education to reform the current regulatory structure, based on the recommendations of the National Knowledge Commission and Prof. Yash Pal Committee. Prof. Yash Pal Committee recommended the creation of a National Commission for Higher Education and Research (NCHER) to replace the existing regulatory bodies including the University Grants Commission (UGC), the All India Council for Technical Education (AICTE), the National Council of Teacher Education (NCTE) and the Distance Education Council (DEC). The other Professional Bodies in Higher Education such as Medical Council for India (MCI), Bar Council of India (BCI), etc. were to be divested of their academic functions which would be restored to the Universities. The National Knowledge</p>
5.	<p>e) The recommendations of the National Knowledge Commission regarding reforms in the structure, governance and functioning of Universities should be examined and implemented on priority. The process of appointment of Vice Chancellors should be free from direct or indirect interference of the</p>		

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6.	<p>government. Vice Chancellors should be given a fixed tenure and they should have adequate authority and flexibility to govern the Universities with the advice and consent of the Executive Council.(41)</p> <p>f) There should be stronger ties between educational institutions in the public and private sectors through mechanisms such as exchange of faculty.(42)</p>		<p>Commission had recommended the establishment of an Independent Regulatory Authority for Higher Education (IRAHE) to oversee all the fields of knowledge in higher education including those regulated presently by professional bodies. The recommendations of the YashPal Committee and the National Knowledge Commission enacted from a realization that fragmentation of various fields of knowledge in higher education has been detrimental to the growth of inter-disciplinary subject.</p> <p>The proposed National Commission on Higher Education and Research (NCHER) will cover all areas/disciplines of learning and disciplines including general, technical and professional education. Only agricultural education is excluded from its purview since agriculture falls within the State List in the 7th Schedule to the Constitution.</p> <p>The Government had constituted a Task Force to aid and assist</p>

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			<p>it in the establishment of a Commission for Higher Education and Research. The Task Force prepared a draft Legislation which has been placed in the public domain for wider consultations. The Task Force has visited various locations in the country to interact and consult prominent Academics, Education Administrators, Vice Chancellors and Education Secretaries of State Governments for suggestions on the draft proposal. The Task Force submitted its report in October 2010 on the basis of which the legislation was redrafted.</p> <p>The Note for the Cabinet on the proposed Higher Education and Research Bill, 2011, to provide for the establishment of a National Commission for Higher Education and Research (NCHER) was circulated for inter-ministerial consultations and the same has been completed. Differences with Ministry of Health and Family Welfare on provisions of this Bill and National Commission for</p>

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			<p>Human Recourses for Health (NCHRH) Bill have been sorted out in consultation with the Legislative Department.</p> <p>Latest Status : After approval of the Cabinet the Higher Education and Research Bill, 2011 was introduced in Rajya Sabha on 28.12.2011 and it was referred to Parliamentary Standing Committee for examination. The PSC has submitted its report and the same is under examination in the Ministry.</p> <p>2. Further, information relating to other concerned Bills is given below:</p> <p>(i) The Educational Tribunals Bill, 2010:- This Bill was introduced in Parliament on 3rd May, 2010 and passed by the Lok Sabha on 26th August, 2010. Certain amendments proposed in the Bill based on the recommendations made by the Department related Parliamentary Standing Committee. The bill was further examined by the MHRD. The new</p>

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			<p>amendments proposed related to definition of the Central Educational Institutions which has now been amended to read exactly as is defined in the Central Educational Institutions (Reservation in Admission) Act, 2006. The Cabinet has approved the official amendments. Action to introduce the amended Bill in Rajya Sabha to consider and pass the Bill will be taken in the next session of Parliament.</p> <p>(ii) The Prohibition of Unfair Practices in Technical Education Institutions, Medical Educational Institutions, and Universities Bill , 2010 :- This Bill was introduced in Parliament on 3rd May, 2010 and was before the Parliamentary Standing Committee on Human Resource Development (HRD). The report of Standing Committee has been received and official amendments have been proposed which were approved by the Cabinet on 16.11.2011. The changes proposed in the Bill include renaming of the Bill as</p>

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			<p>Prohibition of Unfair Practices in Higher Educational Institutions Bill, 2011. A second set of amendments have been proposed based on suggestions of forum of SC/ST Parliamentarians. These amendments have now been vetted by the M/o Law and the Cabinet has approved the official amendments. The Bill will be moved for consideration in the Parliament in the next session.</p> <p>(iii) The National Accreditation Regulatory Authority for Higher Educational Institutions Bill, 2010:- This Bill was introduced in Parliament on 3rd May, 2010 and it was referred to Parliamentary Standing committee (PSC) on HRD. The Report of the PSC has been received. Necessary amendments to the Bill based on the recommendations of the Expert Group and the PSC has been finalized in consultation with Ministry of Law. The composition of the Authority proposed under the Bill has now</p>

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			<p>been expanded by increasing the number of Members to 8 and providing representations to OBSs, Minorities, SC, ST and Women. It is also proposed that higher education institutions established by State Governments will apply to accreditation agencies owned and controlled by such State Governments only. In addition, the provision for imprisonment for contravention of certain provisions of the Bill have been removed. The Cabinet has approved the official amendments. Action to introduce the amended Bill in Lok Sabha to consider and Pass the Bill will be taken up in the next Session of Parliament.</p> <p>(iv) A Bill to provide for creation of a National Electronic Database of academic awards and its maintenance by an authorized depository:- Renamed as The National Academic Depository Bill, 2011. Note for the Cabinet regarding the Bill to provide for creation of a National Electronic Database of academic awards and its</p>

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			<p data-bbox="1114 309 1455 999">maintenance by an authorized depository was approved by the Cabinet on 22nd March, 2011. The National Academic Depository Bill, 2011 was introduced in the Lok Sabha on 5.9. 2011 and it was referred to PSC. The report of the PSC has been received. Based on the recommendations of PSC, the official amendments proposed by the Ministry have been vetted by the M/o Law.</p> <p data-bbox="1114 1039 1455 1697">(v) The Note for the Cabinet on Universities for Innovation Bill, 2011 was sent to Cabinet Secretariat on 20.4.2012. The Universities for Research and Innovation Bill, 2011 was introduced in Lok Sabha on 21st May, 2012 and it was referred to PSC on HRD. The PSC has submitted its report which is under examination in the Ministry.</p> <p data-bbox="1114 1738 1455 2016">(vi) The foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010 was introduced in the Lok Sabha on 3.5.2010 and it was referred to the</p>

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			Parliamentary Standing Committee (PSC) on HRD. The PSC has submitted its 237 th Report which has been taken into account and certain amendments have been proposed in the Bill which are under finalization. The amended bill will be moved for consideration of Parliament in the next session after approval of the Cabinet.
7.	<p>8. (Para 5.3.5) Continuing Professional Education</p> <p>a) Every Professional Regulatory Body in coordination with the respective National Quality and Standards Council and Academic Institutions should conduct Continuing Professional Education programmes periodically for updation and skill enhancement of its members.(43)</p>	(a) As per the comments against para 5.2.13.	
8.	<p>9. (Para 5.4.3) Ethical Education and Training</p> <p>a) After separation of professional education, the agenda of the Professional Regulatory Authorities should be to focus on (i) procedure for registration of new members / renewal of registration; and (ii) matters concerning professional ethics, standards and behavior. The Regulatory Authorities should also pay greater attention to conducting workshops, seminars and training</p>	(a) As per the comments against para 5.2.13.	

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	programmes on such issues.(44)		
9.	<p>10. (Para 5.5.4) Enrolment in the Profession</p> <p>a) Within the parameters of the Act, the respective Regulatory Authority should be empowered to prescribe guidelines for enrolment of new members.(45)</p>	(a) As per the comments against para 5.2.13.	
10.	<p>12. (Para 5.7.6) Disciplinary Mechanism</p> <p>a) There should be provision in the relevant laws that in order to bring objectivity in their working, the Disciplinary Committees of the Regulatory Authorities at both the State as well as the national level should consist of professional and non-professional members. They could be inducted in the Committee in the ratio of 60:40 respectively.(47)</p>	(a) to (c) As per the comments against para 5.2.13.	
11.	<p>b) The law should provide that such Bodies should be required to complete the entire disciplinary proceeding within a prescribed time span (say 90 days).(48)</p>		
12.	<p>c) The law should also have a provision that anybody aggrieved with the findings of the State Panel could go in appeal to the National (Apex) Body which too will have to dispose of the matter within the prescribed time limit (say 90 days).(49)</p>		
13.	<p>13. (Para 5.8.10) Constitution and Composition of the Self-Regulatory Authorities</p> <p>a) The structure and composition of the General Council and the</p>	(a) to (d) As per the comments against para	

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<p>14.</p> <p>15.</p> <p>16.</p>	<p>Executive Committee of Professional Regulatory Authorities should be rationalised. As far as practicable, it should be uniform for all of them.(50)</p> <p>b) Every Authority should have a fairly large and representative General Council (the ideal number could be around 50; such a Body encourages a wider perspective and diversity of opinions).(51)</p> <p>c) The Executive Committee should be a small Body consisting of 10 to 15 members (a compact forum supports administrative efficiency and accountability).(52)</p> <p>d) There should be an explicit provision that a person cannot be elected to the post of President / Vice-President or General Secretary for more than one term. However, a person could be elected as a member of a Body for a maximum of two terms.(53)</p>	<p>5.2.13.</p>	
<p>17.</p> <p>18.</p>	<p>14. (Para 5.8.12.4) Clients / Users – as Lay Members in Regulatory Authorities</p> <p>a) The composition of the General Council as well as the Executive Committee should be such that 40% of the strength consists of lay members.(54)</p> <p>b) The nomination of lay members should be done by the Ministry /Department concerned in consultation with the appropriate Regulatory Authority.(55)</p>	<p>(a) & (b) As per the comments against para 5.2.13.</p>	
<p>19.</p>	<p>15. (Para 5.9.4) Accountability and Parliamentary Oversight</p> <p>a) The laws governing the Self-Regulatory Authorities should have</p>	<p>(a) As per the comments against para 5.2.13.</p>	

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	a provision under which the Regulatory Authority should be required to present an Annual Report to the Parliament for scrutiny.(56)		