

SHAHARI WAQF SAMPATTI VIKAS YOJANA (SWSVY)

Guidelines

(Effective from 1st April 2021)



सत्यमेव जयते

**Government of India
Ministry of Minority Affairs**

November, 2021

SHAHARI WAQF SAMPATTI VIKAS YOJANA (SWSVY)

1.1 Waqfs are permanent dedication of movable or immovable properties by any person for purposes recognized by the Muslim Law as pious, religious or charitable. Apart from their religious aspect, the Waqfs are also instruments of social good as the benefits accrue to the needy in social-economic and educational fields.

1.2 For a variety of reasons, the majority of auqaf in the country have limited income. The result is that generally the Mutawallis (Managers of auqaf) find it difficult to adequately fulfill the purposes for which these auqaf are created or intended. Most of the urban waqf lands have the potential for development but the Mutawallis and even the Waqf Boards are not in a position to muster enough resources for construction of modern functional buildings on these lands.

2. Objective

2.1 With a view to improving the financial position of the auqaf and the Waqf Boards and to enable them to enlarge the area of their welfare work, this Yojana has been formulated with a view to protect vacant Waqf land from encroachers and to develop economically viable projects on these properties for generating more income and /or to widen welfare activities.

2.2 Under the Yojana, interest free loan to Waqf Boards (WBs)/waqf institutions is granted to various Waqf Boards and Waqf Institutions in the country for construction of economically viable buildings on the Waqf land, such as commercial complex, marriage halls, hospitals, cold storage etc.. As a special case, Grant-in-aid shall be granted to State Waqf Boards/waqf Institutions with the prior approval of the Ministry for social development projects on waqf land.

3. Need for modification/continuation of the existing Yojana

3.1 The Central Waqf Council has been implementing this scheme since 1974-75 with the annual Grant in aid provided by the Ministry of Minority Affairs. Under the scheme, the Central Government has released a total grant-in-aid amounting to Rs.52.37 crore between September 1974 to March, 2017 and in turn the Central Waqf Council has extended interest free loan to 143 projects.

3.2 The implementation of the above scheme was reviewed with the State Governments and State Waqf Boards on 7.1.2017. Thereafter, the scheme was got

evaluated through National Institute of Labour Economics Research & Development (NILERD), New Delhi. An evaluation study of the Scheme has again been conducted by IIT, Delhi in December 2020.

3.3 Based on the recommendations and findings of the evaluation study done by IIT, Delhi on the existing scheme, it has been decided to continue the scheme with effect from April 2021 as per these guidelines.

4. Scope, Eligibility & Finance

4.1 The Central Waqf Council (CWC) would continue to be the implementing agency of this Yojana and they would extend interest free loan assistance/grants-in-aid in public interest to Waqf Boards (WBs)/waqf institutions for specific development projects/non-commercial purpose approved by CWC. These projects involve construction or reconstruction of economically viable buildings or projects on waqf lands. The augmented income will be utilized by WBs/ waqf institutions to strengthen their financial position and to widen the scope of their welfare and charitable activities. The whole purpose is intended to contribute to overall progress and development of the society.

4.2 Loan under this Yojana will be provided for development of a waqf property situated in an Urban area. Urban Area means a property situated in any area, which is comprised within the jurisdiction of a Municipality (whether known as Municipality, Municipal Corporation, Notified Area Committee, Town Area Committee, Town Committee or by any other name) Cantonment Board and include any area within such distance not being more than 8 kilometers from the local limits of any Municipality or Cantonment Board as the Central/State Government may, having regard to the extent or scope for urbanization of that area and other relevant consideration, specify in this behalf by notification in the Official Gazette.

4.3 All WBs/ registered waqf institutions, which are in full possession of property to be developed and in the opinion of CWC are not insolvent or otherwise suitable, shall be eligible for interest free loan. Maximum interest free loan payable will be Rs.2.00 crore or 75% of the estimated cost of the project (excluding the value of the land), whichever is less.

5. Mode of application

Every WB or Mutawalli of a waqf requiring an interest free loan shall submit the proposal online on a dedicated portal developed for the scheme by CWC. CWC will develop a Web Portal containing details of not only process of submission of online

applications but also indicating details relating to status of processing of applications, details of project sanctioned, funds released, target date of completion, monitoring of the projects by Project Development Committee, physical progress of the projects along with site photos/video from the inspecting team, loan installment received, etc.

6. Processing of the applications and disbursal of loan:

The procedure for processing the loan applications received by CWC will be as below:

- i. Any agency desirous of seeking loan under the Scheme shall apply to the concerned Waqf Board in a prescribed form with all details.
- ii. WBs shall consider the application including the feasibility of the project from all angles. The applications found eligible shall be forwarded to CWC for consideration.
- iii. The application in CWC will be examined by a Screening Committee consisting of members as under:

1. Secretary, CWC	Chairman
2. Under Secretary, Waqf	Member
3. AAO, Admin, CWC	Member
4. AAO, Accounts, CWC	Member
5. Development Officer	Convener
- iv. The report of the Screening Committee shall be placed before Waqf Development Committee (WDC) for its recommendation for approval of Chairman, CWC.
- v. CWC will release the approved loan amount in accordance with the applicable procedure and provisions as laid down in General Financial Rules (GFR) notified by the Ministry of Finance in this regard.
- vi. The loans for the amount of more than Rs.75 Lakh shall be disbursed in installments to those applicants for whom the funds have been released by the Ministry as Grant in aid.
- vii. The loans for amount of Rs.75 Lakh or less shall be disbursed in installments from the revolving fund created by repayment of loan granted in previous years.
- viii. First installment of up to 50% of the loan amount will be disbursed initially on submission of requisite documents by the loanee institution in

compliance of the provisions of GFR. The remaining amount of the loan will be released in appropriate installments after receipt of UC and satisfactory progress report from the concerned institutions;

- ix. For approved projects, WBs/ waqf institutions will also be required to submit loan agreement. Security for obtaining loans will be furnished through memorandum of Deposit of Title Deed OR State Government Guarantee OR Bank Guarantee OR State Waqf Board Guarantee; and
- x. For all the approved projects, CWC will levy a charge of 8% of disbursed loan amount towards administrative processing cost and the above amount will have to be deposited in advance by WB/ waqf institution before loan amount is released.
- xi. Compliance with the provisions of GFRs and all other applicable Government of India orders / instructions / notifications / guidelines pertaining to release and recovery of loans shall be the responsibility of the CWC after the release of grants in aid by the Ministry.

7. Release of funds

7.1 The Ministry of Minority Affairs will release grants-in-aid to CWC in two or more installments. First installment of up to 50% of the available funds in the relevant Budget head of accounts of the Ministry will be released against the proposal of CWC made on the basis of approved projects for which loan of more than Rs.75.00 lakh has been approved. The release of second and subsequent installments will be taken up after necessary utilization of previous releases made and compliance of all requisite conditions have been ensured.

7.2 On receipt of grants-in-aid, CWC will release loan to concerned WBs/ waqf institutions after following due procedure and guidelines and in compliance with the provisions of GFRs. The accounts of Grants in aid shall be audited by an authorized Auditor / Chartered Accountant every year. The Annual Audited Statement of Accounts, Auditors Reports and Utilization Certificates for the Grants in aid released by the Ministry will be forwarded to this Ministry by CWC. The provisions of GFRs and all necessary compliances as required shall be followed for disbursement and recovery of loans.

7.3 While sending the proposal to the Ministry for release of grants, the proposal should accompany with documents as under:

1. List with basic details of all the applications received for the loans.

2. Details of each of the approved projects for which loan of more than Rs.75.00 lakh has been approved by CWC.
3. List of projects for which loan of less than Rs.75 Lakh has been approved with amount of loan approved against each project.
4. Consolidated Proposal of requirement of funds with balance funds already available and funds desired to be released as Grant in aid.
5. Expenditure report for the previous year grants including the physical achievements as per project completion / progress.
6. Status of Refund of due loan installments and defaults, if any, in repayments for each loan.
7. A certificate by Secretary, CWC to the effect that
 - i. CWC has scrupulously followed the Scheme Guidelines / GFRs and other required compliances for the activities and expenditure undertaken under the Scheme.
 - ii. Further funds have not been released to the defaulting Waqf Boards/institutions and requisite action against defaulters is being taken.
 - iii. Funds have not been taken from any other sources for the same purpose for which loans have been / are being released under the Scheme.
 - iv. No deviation of funds has been done/reported for purpose other than for which it has been released.
 - v. Audit of the accounts of Grants have been done as required under GFR and have been accepted by CWC and no audit is pending for the previous years.
8. Audited Statement of Accounts and Auditor's Report of an authorized Chartered Accountant for the previous year Grant in aid. In case the accounts have not been audited/finalised till the date of proposal, a provisional statement of accounts shall be attached. In that case, the finalized Audited Statements for the previous-to-previous year shall be included with the proposal.
9. Utilisation Certificate in the format as per GFRs.

8. Monitoring of approved projects

8.1 The WBs shall obtain the sanction of the State Govt. under Section 75 and constitute a Project Development Committee (PDC) with the approval of the State Government for its projects. For the projects of waqf institutions, PDC will be appointed

with the approval of WB with intimation to the CWC. PDC will consist of (i) a nominee of the Waqf Board; (ii) a prominent Muslim of the locality; (iii) Mutawalli of the waqf concerned; and (iv) two experts – one from the field of Architecture/Engineering and one from Finance/Administration. The meeting of the PDC shall be presided over by the Mutawalli of the waqf concerned or in the case of property under the direct control of Waqf Board, by the CEO of the Waqf Board or his nominee, as the case may be.

8.2 The amount of loan granted by the Central Waqf Council for the scheme shall be kept in a Bank account exclusively opened for this purpose in the name of the Project Development Committee. The drawing and disbursing authority would be jointly vested in two or more members of the Project Development Committee and none of whom would operate the account singly.

8.3 The CEO may replace any member of the Project Development Committee with the approval of the Board and under intimation to the CWC by nominating another in his place indicating reason for replacement.

8.4 The accounts of the Project Development Committee shall be audited at the close of the month of March every year by a qualified auditor or by a Chartered Accountant and a copy of the audited accounts shall be furnished to the Board and the CWC not later than 31st May of every year.

8.5 If any default in repayment of loan or defalcation of funds or wasteful expenditure is reported by the auditor or comes otherwise to the notice of the CWC, action as permitted under sub-conditions 10.4 and 10.5 of condition 10 will be initiated by CWC.

8.6 The CWC may at any time, if considered necessary, order an inspection of the account of the Project Development Committee or the Board or both, and may depute any member or members of the CWC or its Secretary or any other competent person to carry out such inspection or may direct the State Government to order such inspection.

8.7 The CWC may give such direction to the Project Development Committee as, in its opinion, is necessary for the proper utilization of the funds, and such direction shall be deemed to be part of the agreement.

9. Time for completion of project

9.1 Every project for which a loan is advanced shall be completed within such time as may be stipulated in each case.

9.2 If the proposed project is not completed within the stipulated time, the CWC, may, if considered justified, extend the period at its discretion.

(Explanation: For the purpose of this condition completion of Project would mean utilization of the loan installment of loan advanced i.e., within three years from the date of release of the loan installment.)

9.3 If no time is extended, or if the extended time has also expired without the project being completed, the CWC may impose a penalty or payment of a sum of money not more than 4% per annum on the balance of the loan unpaid. CWC may also initiate action for the recovery of the loan as provided under Sub-conditions 10.4 and 10.5 of condition 10, provided the CWC may exempt any loanee from the levy of penalty or waive the penalty imposed if necessary depending on the circumstances of the case.

10. Terms of repayment of loan

10.1 The loan shall be ordinarily repayable to the CWC in sixteen half-yearly installments, with the moratorium of one year after the final installment of loan is disbursed.

10.2 The loanee concerned shall, as a measure of mutual regard for the furtherance of the objectives of Waqfs in general, pay administrative processing cost to the CWC @ 8% of the loan amount before it is released.

10.3 The CWC may extend the time for the payment of installment due if considered necessary in the circumstances on any case.

10.4 In case three consecutive installments of repayment of the loan fall in arrears, CWC may, after giving notice to the borrowers to pay due installment of principal amount within a period of 30 days of the date of receipt of such notice by the borrowers, declare that the entire balance amount of the principal loan due thereon has become repayable in one lump sum.

10.5 After the expiry of the period of the final notice under sub-condition 10.4, the CWC may proceed to take action for recovery of the loan amount as per the loan agreement or take such other action as it may propose for the recovery.

11. Implementation of the Yojana

11.1 The Project shall be implemented strictly in accordance with the plan approved by a qualified Architect/Engineer/expert.

11.2 No deviation from the approved plan shall be made without the prior sanction of the CWC.

11.3 CWC will send a Monthly/Quarterly Progress Report to MoMA at end of every month including projects approved, loans disbursed, expenditure incurred by loanee, project progress and changes in projects allowed, if any.

12. Utilization of additional income accruing from the Yojana

12.1 To ensure proper utilization of the additional income from the developed Waqf property, the Mutawalli in consultation with the Board or the Board concerned as the case may be, shall prepare a scheme for such utilization and submit it to the CWC for approval.

12.2 The scheme under sub-condition 12.1 above shall be based on the following requirement:-

(i) The Mutawalli will continue to take for himself an amount equal to average amount he was getting as income from the property in the previous three years immediately before the date of the receipt of the first loan from the CWC.

(ii) The CWC may further sanction upto 50% of the additional income accruing from the developed property for being utilized for the purposes for which the Waqf was originally created.

(iii) The remaining additional income shall be spent after paying taxes, contribution, maintenance and administration charges, depreciation fund and audit fee, on such educational and social welfare activities as may be conducive to the betterment of the community.

12.3 After the Yojana is approved by the CWC, it shall form part of the annual budget of the Waqf concerned till the Yojana is altered or revised with the prior approval of the CWC.

13. Creation and utilization of revolving fund

The loan amount received by the CWC from SWBs/ Waqf Institutions shall form a Revolving Fund, which shall be accounted for under a separate head of account under the Waqf Fund. The Revolving Fund shall be utilized for the development of Urban Waqf Properties for which loan of upto Rs.75.00 lakh is approved. The procedure for release of funds from revolving funds shall be the same as stated in preceding paragraphs but for the sanctioning authority.

14. Annual Audit

14.1 CWC shall develop mechanism for internal audit of the scheme including funds received as Grants in aid, expenditure incurred, activities undertaken and the progress made in terms of physical and financial progress.

14.2 There shall be separate account for the grant in aid received by CWC under the Scheme and the same shall be maintained as per the extent provisions of the Government in this regard. These shall always be open to check by the Government of India or by the Comptroller and Auditor General of India at their discretion.

14.3 All transactions under the Scheme including expenditure, transferring of funds, loans and advances, settlement of advances etc. shall be incurred using Expenditure, Advance and Transfer (EAT) Module of Public Financial Management System (PFMS).

14.4 The accounts of the Scheme shall be audited annually for each financial year by an authorized auditor / Chartered Accountant to ensure proper utilization of funds, assess physical and financial progress and adherence to the Scheme Guidelines. The revolving fund created out of the Grants in aid received under the Scheme should be maintained as a Government asset.

14.5 The Audit shall also include the details of the revolving fund account separately, its utilization, maintenance, funds received and expenditure made from the fund for various activities.

14.6 The Audited Statement of Accounts along with Auditors Report for the Scheme for each financial year shall be provided to the Ministry of Minority Affairs after the close of the financial year.

15. Removal of difficulties

If any difficulty arises in giving effect to the provisions of these terms and conditions, the CWC may, with prior approval of the Ministry of Minority Affairs, by an order, make such provision not inconsistent with the purposes of these terms and conditions that appear to be necessary or expedient for removing the difficulty.

16. Monitoring and Evaluation

16.1 The Steering Committee constituted under QWBTS shall also be the Scheme Monitoring Committee for the purpose of this Scheme.

16.2 The committee shall consider the Scheme activities in its meetings and record its findings for the Scheme. The overall IEC strategy adopted by this Committee shall include the activities for this Scheme too.

17. Management Information System (MIS):

17.1 The management of the quality of the programme requires information to be constantly assessed and built upon. This can be ensured only through regular tracking and follow up. Thus maintenance of MIS as per formats and standards prescribed by the MoMA will have to be done by the CWC/Waqf Boards.

17.2 As part of MIS, CWC will develop a portal for the scheme for data entry of monthly expenditure and progress report covering all components and objectives for which loans are released under the Scheme. It will ensure that each of the Board/loner institution make requisite entry in the portal before it send its subsequent proposal to CWC. It will also make efforts to take the proposals with online feedbacks. The reports against funds released and achievements made shall be made available in public domain.

18. Social Audit of the Scheme

18.1 In order to ensure the social performance of the Scheme it is proposed to involve all the stakeholders including the beneficiaries, the people's representatives of the region, the local government, the eminent social/community activists and bodies, and any other person of body in social audit of the Scheme at the level of each Waqf Board. It would focus on the overall benefits to the society through implementation of the scheme, bring about transparency in implementation in the field and open a platform for communication between the Government and the Community for improvement in the Scheme.

18.2 The Social Audit Team (SAT) constituted under the Qaumi Waqf Board Taraqqiati Scheme (QWBTS) shall also be the SAT for this Scheme. The meetings for both the Schemes shall be convened jointly with the objective to inform the team about the Scheme objectives and methodology, discuss the social impact of the scheme and its

implementation process and machinery and get feedback from the team. The report on social audit team meeting shall be submitted to CWC before the release of 2nd installment of grants to the Waqf Boards.

19. Total budget outlay:

Total requirement of funds under the Scheme will be as below:-

Scheme	Expenditure estimate					
	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
Amount in Rs. lakh						
SWSVY	200.00	300.00	300.00	300.00	300.00	1400.00
