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**STANDING COMMITTEE ON HOUSING AND URBAN AFFAIRS
(2023-24)**

SEVENTEENTH LOK SABHA

MINISTRY OF HOUSING AND URBAN AFFAIRS

[Action Taken by the Government on the recommendations contained in the Seventeenth Report (Seventeenth Lok Sabha) of the Standing Committee on Housing and Urban Affairs (2022-23) on the subject, 'Evaluation of Implementation of Pradhan Mantri Awas Yojana (Urban)']

TWENTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2023/Agrahayana 1945 (Saka)

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Presented to Lok Sabha on 08.12.2023

Laid in Rajya Sabha on 08.12.2023



LOK SABHA SECRETARIAT

NEW DELHI

December, 2023/Agrahayana 1945 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE
ON HOUSING AND URBAN AFFAIRS (2023-24)**

Shri Rajiv Ranjan Singh *alias* Lalan Singh - Chairperson

MEMBERS

LOK SABHA

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3. Shri Sanjay Kumar Bandi
4. Shri Shrirang Appa Barne
5. Shri Benny Behanan
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31. Shri Sanjay Singh

SECRETARIAT

1. Shri Raju Srivastava - Joint Secretary
2. Ms Archana Pathania - Director
3. Ms Swati Parwal - Deputy Secretary

(iii)

INTRODUCTION

I, the Chairperson of the Standing Committee on Housing and Urban Affairs (2023-24) having been authorized by the Committee, present this Twentieth Report (17th Lok Sabha) on action taken by the Government on the Observations/Recommendations contained in the Seventeenth Report (17th Lok Sabha) of the Committee on the subject, 'Evaluation of Implementation of Pradhan Mantri Awas Yojana (Urban).

2. The Seventeenth Report was presented to Lok Sabha on 20 March 2023 but had been laid on the table of Rajya Sabha on 17 March 2023. The Action Taken Replies of the Government to all the recommendations contained in the Report were received on 18 August, 2023.

3. The Committee considered and adopted this Report at their sitting held on 31st October, 2023.

4. An analysis of the action taken by the Government on the recommendations contained in the Seventeenth Report (Seventeenth Lok Sabha) of the Committee is given at Annexure-II.

5. For the facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in bold letters in the body of the Report.

NEW DELHI;

**05 December, 2023
14 Agrahayana, 1945 (Saka)**

**Shri Rajiv Ranjan Singh
alias Lalan Singh
Chairperson,
Standing Committee on Housing and Urban Affairs**

REPORT
CHAPTER I

This Report of the Standing Committee on Housing and Urban Affairs (2023-24) deals with the Action Taken by the Government on the Recommendations contained in their Seventeenth Report (Seventeenth Lok Sabha) on the subject, "Evaluation of Implementation of Pradhan Mantri Awas Yojana (Urban)" which was presented to Lok Sabha on 20 March, 2023.

1.2 Action Taken Notes have been received from the Government in respect of all the 15 Recommendations contained in the Report. These have been categorized as follows:

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

Recommendation Srl Nos. 3, 4, 5, 6, 7, 9, 10, 12, 13, 14 (Total- 10)
(Chapter-II)

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

Recommendation Srl Nos. 2, (Total- 1)
(Chapter-III)

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

Recommendation Srl Nos. 1, 8, 11,15 (Total- 4)
(Chapter-IV)

- (iv) Recommendations/Observations, in respect of which final replies of the Government are still awaited:

Recommendation Srl Nos. Nil (Total- 0)
(Chapter-V)

1.3 The Committee desire that specific replies to the Comments of the Committee as contained in Chapter-I may be furnished to them at the earliest and in any case, not later than three months from the presentation of this Report.

1.4 The Committee will now deal with the action taken by the Government on some of their recommendations in the succeeding paragraphs.

Recommendations (Sl. No. 1)

GAP IN HOUSING DEMAND ASSESSMENT

1.5 Pradhan Mantri Awas Yojna (U) [PMAY(U)] Mission was introduced with the objective "Housing for all". The total housing shortage initially envisaged to be addressed through the four verticals of the Scheme viz. In-situ Slum Rehabilitation (ISSR), Beneficiary Linked Construction (BLC), Credit Linked Subsidy Scheme (CLSS) and Affordable Housing Project (AHP) was 2 crores. It was proposed that 1.8 crore slum households and 20 lakh non-slum poor will be covered under the Mission. However, the actual validated demand for housing under PMAY(U) stands at 1.23 crore, less than what was envisaged by the Mission itself. In their response, the Ministry deposed before the Committee that the housing shortage was based on estimation whereas PMAY-U adopted a demand driven approach by letting the States and Union Territories to assess the housing needs under four verticals of PMAY(U). The Ministry has accepted that they had not conducted any independent urban housing need assessment study. The Committee feel that being a demand-driven scheme, there are chances that some homeless people who did not fulfil the eligibility conditions for the scheme or due to other impediments like maximum contribution from individuals, requirement of land etc., could not avail the benefit. The Committee, therefore, recommend that the Ministry could conduct an impact assessment study of the scheme to find out the ground realities i.e. its benefits, gaps and shortcomings. The Ministry, may thereafter, explore the feasibility of either extending the existing scheme with modifications based on impact assessment study or to formulate another such scheme to benefit the urban poor at large so as to achieve the Government of India's objective of "Housing for All".

1.6 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

"After launch of Pradhan Mantri Awas Yojana – Urban (PMAY-U) in 2015, States/UTs with their respective Urban Local Bodies were entrusted to assess the actual demand in their jurisdiction, without imposing any ceiling with universal coverage and ensure no eligible beneficiary is left out, so as to achieve the vision of Housing for All. As per the demand survey conducted by States/UTs, a demand of 1.12 crore houses was assessed initially. However, during the course of implementation of the scheme, more people became eligible and same were approved accordingly under the scheme. All the project proposals submitted by the States/UTs has been sanctioned by the Ministry and no further proposal are pending. The Union Cabinet has approved continuation of PMAY(U) up to 31st December 2024 for all

verticals, except Credit Linked Subsidy Scheme (CLSS) vertical so as to complete all the houses sanctioned under the scheme without changing the funding pattern and implementation methodology”.

1.7 The Committee had recommended that the Ministry could conduct an impact assessment study of the Pradhan Mantri Awas Yojna (Urban) and based on the findings of that study, the Ministry may either extend the existing scheme or introduce another scheme to bridge the gap left, if any, in ensuring ‘housing for all’. However, the Ministry, in their reply, has reiterated the demand assessment approach/method used under the scheme and the fact that the scheme, in its current form, has been extended up to 31st December, 2024 for completion of pending houses. However, since the basic objective of PMAY(U) is to provide ‘housing for all’, therefore, it becomes inevitable to undertake an impact assessment study to gauge the gap in housing needs in the urban areas. The Committee reiterate their recommendation and desire that the impact assessment study of the PMAY(U) Scheme may be initiated at the earliest and Committee be informed of its findings.

Recommendations (Sl. No. 3)

LOW SANCTIONING OF HOUSES UNDER ISSR VERTICAL AND IN-SITU SLUM DEVELOPMENT BY OTHER LAND-OWNING CENTRAL GOVERNMENT AGENCIES

1.8 The Committee believe that ISSR vertical ought to be the most important vertical of PMAY(U) because the real challenge of ‘decent housing’ is for ‘landless’ urban slum. It is due to absence of pucca house with all basic amenities to migrants that slums grow. However, the Committee are dismayed to note that against the demand received of 14.35 lakh, only 4.33 lakh houses were sanctioned under In-Situ Slum Redevelopment (ISSR) vertical. Further, the progress as on 31.12.2022 remains tardy as only 99,000 houses delivered to beneficiaries (about 23%) and 1.08 lakh houses are non-starter houses under this vertical. The Ministry has submitted before the Committee that the availability of land, seeking various statutory clearances, clearing the slums for redevelopment, arrangement of 50 transit accommodation etc. along with the unwillingness of slum dweller are the challenges under ISSR vertical.

The Committee have learnt that there is a provision in the Scheme under which Government land owning agencies should also undertake "in-situ" slum redevelopment on their lands occupied by slum and the Ministry have written to all State/ UT Governments and Central Government land owning Ministries/ Departments to explore the possibilities of rehabilitation of slums on their land and seek central assistance from MoHUA under PMAY(U). Knowing that 'availability of land' is a challenge in Urban areas, particularly metro cities, the Committee fail to understand as to why this particular provision of ISSR vertical was not persuaded and implemented by the Ministry. Considering that as on 31.12.2022, there are more than 1 lakh non-starter houses under ISSR vertical which are to be reviewed, the Committee suggest that the Ministry should –

- (i) seek report from States/UTs where ISSR projects are halted as to why these issues/hiccups not foreseen/addressed at the time of submission of the proposal to the Centre;
- (ii) direct the States/UTs to provide details of slum settlements on Central Government agencies' land and the communications made for redevelopment of those slums with the land-owning agencies, if any;
- (iii) based on the information so received, the Ministry should intervene and initiate trilateral talks involving Central Government agencies and States/UTs to implement the ISSR vertical on the Central Government agencies' land as envisaged in the Mission guidelines.
- (iv) direct the State Governments to review the non-starter houses under this vertical and if decided to be curtailed then replaced under ISSR vertical itself.

1.9 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“After continuous review of the progress of ISSR projects with States/UTs, it has been observed that major challenges faced by the implementing agencies include non-availability of encumbrance free land, unwillingness of slum dwellers, delay on getting statutory clearances/NoCs, issues pertaining to clearing the slums for redevelopment, transit accommodation and other unforeseen circumstances. The States/UTs have been directed to review the progress of each non-starter projects of ISSR and identify the feasibility of starting/grounding the same at earliest and curtail if the projects cannot start. So far, against the 3.2 lakh houses sanctioned under ISSR verticals, a total of 2.3 lakh have been grounded of which 1.5 lakh have been completed/delivered to the beneficiaries. Based on the recommendations of States/UTs a total of 1.23 lakh ISSR houses have been curtailed.

The clause 4.1 of the PMAY-U scheme Guidelines itself envisages that State/UTs, should take up slums whether on Central Government land/State Government Land/ ULB land/ private land under 'in-situ' redevelopment vertical for providing houses to all eligible slum dwellers by using land as a Resource. In this regard, several communications have been made with States/UTs/Central/State Government Land owning agencies such as Ministry of Railways; Ministry of Defence; Ministry of Environment, Forest and Climate Change; Ministry of Ports, Shipping and Waterways, Central PSUs etc. for redevelopment of slums on their land under ISSR vertical of PMAY-U.

The Ministry has been consistently reviewing the progress of the Mission including projects of ISSR vertical for timely completion of sanctioned houses by States/UTs with the extended Mission period. Rigorous review on monthly basis is conducted with States/UTs to expedite grounding & completion of sanctioned projects of ISSR or urgently submit proposal for curtailment of non-starter projects”.

1.10 The Committee have sought information on the number of slum settlements on Central Government agencies' land and the communication(s) made for redevelopment of those slums with the land-owning agencies. On this aspect, the Ministry, in their Action Taken Replies, has reiterated their stand that several communication(s) have been made with State/UTs/Central/State Government Land owning agencies such as Ministry of Railways; Ministry of Defence; Ministry of Environment, Forest and Climate Change; Ministry of Ports, Shipping and Waterways; Central PSUs, etc., for redevelopment of slums on their land under ISSR vertical of PMAY(U). In this context, the Committee are keen to know the specific outcome of Ministry's efforts in this direction in terms of number and the details of *in-situ* slum redevelopment projects that have been undertaken by the Government land-owning agencies under PMAY(U).

Recommendations (Sl. No. 6)

SETTING OF TIMELINES FOR TECHNOLOGY SUB-MISSION PROJECTS

1.11 The Committee have been informed that under PMAY(U) modern technologies are being employed for faster completion of houses. Accordingly, across States and UTs, a total of 15,38,474 houses were sanctioned to be constructed by using new and speedy construction technologies, however, as on 31.10.2022, only 5,95,261, i.e., 38.69% houses have been completed. The Committee believe that such delay in construction of projects where the focus is precisely on promotion of modern, rapid, resource efficient, disaster resilient construction technologies, is unacceptable. Accordingly, the Ministry is advised to closely monitor the progress of these projects and technologies, in particular and set timelines for their completion. The Ministry must also look into the reasons for delay in these projects and submit a report to this Committee with regard to the best technologies so discovered in terms of speed and resource efficiency.

1.12 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“Like other PMAY-Urban projects, these projects of innovative technologies were also progressively submitted by the States to the Ministry for consideration of Central Assistance. As on date 15,47,328 houses have been sanctioned to be constructed using innovative technologies, against which 6,23,494 houses have been completed. The remaining houses are at advance stage of construction. Further, it is stated that Statutory approvals/clearances such as building plan/layout approval, environmental/Defence/ Airport authority/ coastal clearances, infrastructure layout, Real Estate Regulation Act (RERA) etc. are also required for grounding of these projects which generally takes considerable time. Issues such as difficult terrain/regional topography, availability of building/construction materials, labour etc. also have an impact on grounding and completion of projects/houses. Further, in some cases, grounding and completion are affected due to climate related hazards such as floods/landslides/water logging/incessant rain etc”.

1.13 In the reply submitted, the Ministry has furnished detailed reasons affecting the grounding and completion of 15,38,474 houses under Technology Sub-Mission Project. However, the Committee have also sought a report with regard to best technologies so

discovered in terms of faster completion and resource efficiency. It is reiterated that the same may be furnished to the Committee at the earliest.

Recommendations (Sl. No. 8)

SHIFTING OF FOCUS ON 'OUTCOME' RATHER THAN 'OUTPUT'

1.14 The Committee have been apprised that there are a total of 5,13,654 'unoccupied' houses under AHP vertical of PMAY(U). The Ministry has explained that as per standard practices, construction in AHP vertical is taken up block by block where each block consists of multiple dwelling units. The Ministry has accepted that as soon as the block gets completed, Mission acknowledges the completion of number of houses but, such completed dwelling units are unsafe for occupancy due to ongoing on-site construction activities including infrastructure facilities for other remaining blocks. Such blocks/units become habitable only once all the on-site construction activities get over including physical and social infrastructure facility. Further, the completion time of AHP houses generally takes 24 months to 36 months. Moreover, the occupancy of AHP houses is also based on the completion of the whole project in all respect such as availability of water, sewerage, electricity and other social amenities along with issuance of Completion Certificate by the ULB. Location of the projects can be one reason but the major reason for dwellings to be unoccupied.

The Committee are given to understand that the physical completion of houses, pending completion of the entire project and pending availability of basic amenities, is being counted as 'completed' houses. The Ministry without ensuring the livability and occupancy of the houses which is the actual target of the Mission is focusing on merely 'output'. The Committee strongly feel that this approach of the Ministry is misleading. The Ministry being the nodal agency should show the result in terms of outcome, that is, the number of houses actually occupied by beneficiaries and not merely output in term of houses completed.

1.15 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

"Land and colonization being the State subjects, all housing schemes are implemented by respective State/UT governments. MoHUA is supplementing the efforts of States/UTs through providing Central Assistance under PMAY-U. As per the schemes' architecture, the Central Assistance is provided in instalments for construction of house as per the progress of the project in stages. Provision of basic infrastructure is done by ULBs/implementing agencies from their own funds or converging with other Central/State schemes. Financial buoyancy of

these institutions acts as a limiting factor causing delay in provision of infrastructure. Occupancy of house in AHP projects is a gradual process which includes steps such as completion of house followed by provision of infrastructure and allotment of houses, final payment of beneficiary share and occupancy. Moreover, States/Uts face challenges of occupancy such as beneficiaries moving to the completed projects sites citing issues related to occupation, transport, education of children etc.

Under AHP vertical, the Ministry counts the houses completed in one block as “Completed” but the project is considered to be completed only after completion of all houses in the project along with provision of infrastructure facilities for the entire project. However, MoHUA is consistently following up with the respective State/UT governments for expediting completion of infrastructure and speedy occupancy of houses in AHP projects to achieve the outcome. Further, MoHUA has also been coordinating with State/UT authorities to ensure that trunk infrastructure works such as road, sewage, water supply, electricity is taken up parallelly”.

1.16 The Ministry’s submission that they count the houses completed in one block as ‘completed’ but the project is considered to be completed only after completion of all houses in the project along with provision of infrastructure facilities for the entire project, is not acceptable to the Committee. Under PMAY(U), the progress of the Scheme is being reflected in terms of number of houses, and not in terms of the number of projects. Hence, the relevant data appears to be misleading. The mere completion of physical structure of houses without provision for basic amenities, such as, road, sewerage, water supply, electricity, etc., which renders such houses uninhabitable, should not be reflected/accounted under the category ‘completed’ houses. Therefore, the Committee reiterates their recommendation.

Recommendations (Sl. No. 11)

ENSURING INVOLVEMENT OF MPS/MLAS IN HOUSING PROJECTS

1.17 The Committee have learnt that PMAY(U) scheme has provisioned to conduct demand survey and prepare HFAPoAs with involvement of elected representatives including Hon’ble MPs/MLAs of respective areas. Urban Local Bodies (ULBs) are required to ensure that Hon’ble MPs/MLAs are

consulted and their views are taken into account while finalizing the HFAPoAs and AIPs and include households of all sections of the society without any prejudice with equal opportunity to all. The Committee have been apprised that the views of local MP/MLAs are sought by ULBs and inclusion of eligible beneficiaries are done on their request. The Ministry has issued directions to the States/UTs to constitute District Level Advisory and Monitoring Committee (DLAMC) for Urban Development under the chairpersonship of an elected representative. The DLAMC is responsible to oversee, review and monitor the urban missions viz. a) Swachh Bharat Mission (Urban) b) Atal Mission for Rejuvenation and Urban Transformation (AMRUT) c) Heritage City Development and Augmentation Yojana (HRIDAY) d) Pradhan Mantri Awas Yojana (PMAY)- (Urban) e) Deendayal Antyodaya Yojana-National Urban Livelihood Mission (NULM).

However, despite above written provisions, the Committee have observed that the elected representatives are neither involved at the ground level nor their views taken into account while formulation of policy or its implementation. The Committee, therefore, exhort the Ministry to seek compliance report from the State and UT governments regarding regular involvement of local MPs/MLAs in all the meetings held at ULB or State level on PMAY(U) and furnish the same to this Committee.

1.18 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“As per the scheme guidelines, the role of local elected representatives including Hon’ble MPs & MLAs is crucial and it is envisaged that their view and suggestions are adequately factored in at each stage starting from planning to implementation and monitoring of the scheme. The Hon’ble MPs representing the district are the Chairpersons or Co-chairpersons of District Development Coordination and Monitoring Committee (DISHA) so as to get their directions and suggestions for implementation of the Scheme as per the guidelines and resolution of conflicts of any kind. The role of elected representatives is crucial and their constant involvement and guidance to the programs is essential for successfully delivering the desired outcomes in an inclusive and sustainable manner. States/UTs have also been directed to constitute District Level Advisory and Monitoring Committee (DLAMC) for Urban Development under the chairpersonship of an elected representative to oversee, review and monitor the urban missions including PMAY-Urban. The committee also undertakes site visits to the project areas and meet the beneficiaries to assess the impact and progress of the scheme.

The directions/suggestions of local MP/MLAs and other elected representatives are always considered important in the scheme and their role in decision making is crucial. In Many States, Hon’ble MP are ex-officio member of Urban Local Bodies also”.

1.19 In their reply, the Ministry acknowledges the role of elected representatives in decision-making as crucial, yet compliance to the Committee's recommendation has not been done. The Scheme has been extended upto 31st December, 2024 for completion of pending projects. In view of the fact that against the 1.19 crore houses sanctioned as on 16.08.2023, a total of 113.13 lakh houses, have been grounded and the number of completed houses stands at 76.25 lakh, the Committee find it imperative for the Ministry to seek compliance report from the State and UT Governments regarding regular involvement of local MPs/MLAs in all the meetings held at ULB or State level on PMAY(U) and furnish the same to the Committee.

Recommendations (Sl. No. 13)

NEED FOR MORE ROBUST THIRD PARTY MONITORING

1.20 The Committee have noted that under the Scheme guidelines an elaborate quality assessment and monitoring mechanism has been stated and the Third Party Monitoring is linked to release of instalments. States/UTs draw their quality monitoring and assurance plans involving third-party agencies. Such plan includes visits by third party agencies to the project site and to advise State/UT and Urban Local Bodies on quality related issues. The Ministry provides Central Assistance to implement third party quality monitoring mechanism by sharing basis to States/UTs for a maximum of three visits by TPQMA to each project. However, the Committee have received reports on unsatisfactory quality of houses constructed under the Mission. The Committee think that leaving the quality assessment entirely to State/UT governments is not the best policy. Since States and ULBs are executing the projects, the monitoring should be ideally by another authority to be just and independent. The Committee, hence, recommend that the Ministry should ascertain the quality of construction at all the projects by a Third Party Quality Assessment team either constituted by State Government in consultation with Central Government or by Central Government.

1.21 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“As per the scheme guidelines, the houses under the Mission should be designed and constructed to meet the requirements of structural safety against earthquake, flood, cyclone,

landslides etc. conforming to the National Building Code (NBC) and other relevant Bureau of Indian Standards (BIS) codes. Ensuring quality of PMAY-U is shared responsibility of State/UT Government and the Ministry.

The TPQMA is hired by the State/UT for monitoring the quality of the construction and on the basis of the quality assurance report, States/UTs/ULBs take both preventive and curative measures to ensure that standard quality houses, and infrastructure are constructed under the mission. Further, the State/UT government also conducts frequent quality assessment through their own technical staff and curative actions are taken accordingly.

The Action Taken Reports (ATRs) on TPQMA reports are approved by the SLSMC which is chaired by the Chief Secretary of the concerned State/UT and the same is required for release of 2nd & 3rd instalment of Central Assistance”.

1.22 The Committee are well aware of the elaborate mechanism which has been reiterated above and is in place for third party monitoring. However, the issue which the Committee flagged here is the need to establish a more robust third party mechanism, for which the Ministry should be more actively involved. Therefore, the Committee desire that the Ministry should constitute an independent Third Party Monitoring team for assessing the quality of houses under-construction or lying with implementing agencies under AHP and ISSR verticals and submit an action taken report to the Committee.

Recommendations (Sl. No. 15)

SOCIAL AUDIT

1.23 The Committee have been informed that Social Audit of 5-10% of the sanctioned PMAY(U) projects under BLC, AHP and ISSR verticals is to be done using random sampling technique through agencies selected by States/UTs through a competitive bidding process. Conducting Social Audit is mandatory for States/UTs for release of third 59 installment of Central Assistance for all PMAY-U projects under BLC, AHP and ISSR verticals. MoHUA provides 100% financial assistance to States/UTs for undertaking social audit based on the Social Audit Plan submitted by the States/UTs.

The Committee have noted that so far 21 States/UTs namely Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Jharkhand, Kerala, Karnataka, Madhya Pradesh,

Mizoram, Manipur, Meghalaya, Nagaland, Odisha, Puducherry, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand and West Bengal are carrying out Social Audit as per the scheme guidelines. The remaining States/UTs are in the process of conducting Social Audit. The Committee feel that as social audit is a pre-requisite for release of final installment of Central Assistance for PMAY-U Projects, the Ministry should impress upon the State Governments/UT administrations the need to complete the requirement at the earliest and inform the Committee the latest status of fulfilment of Social Audit stipulation by States/UTs within a period of 3 months of presentation of the Report.

1.24 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“So far, in addition to the 21 States/UTs mentioned above, 5 more States/UTs namely Punjab, Maharashtra, Haryana, Himachal Pradesh and Rajasthan have also engaged an Independent Facilitating Agencies for conducting the Social Audit under PMAY-U”.

1.25 As social audit is an essential pre-requisite for release of final instalment of Central Assistance for PMAY(U) Projects, the Committee have instructed the Ministry to impress upon the State and UT Governments the need to complete the requirement at the earliest and inform the Committee the latest status of fulfilment of Social Audit stipulation by the States/UTs within a period of 3 months of presentation of the Report. The Ministry, in their Action Taken Reply, has submitted that so far, 26 States/UTs are either carrying out Social Audit as per the scheme guidelines or have engaged Independent Facilitating Agencies for conducting the Social Audit under PMAY-U. This shows that 10 States/UTs are yet to engage an independent Facilitating Agencies for conducting the Social Audit under PMAY (U). To avoid any delay in the release of funds and final completion of projects, the Committee reiterate their recommendation that the Ministry should impress upon the State and UT Governments the need to conduct the Social Audit of pending/ongoing projects under PMAY(U) at the earliest and update the Committee on the status of the remaining 10 States/UTs also.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendations (Sl. No. 3)

LOW SANCTIONING OF HOUSES UNDER ISSR VERTICAL AND IN-SITU SLUM DEVELOPMENT BY OTHER LAND-OWNING CENTRAL GOVERNMENT AGENCIES

2.1 The Committee believe that ISSR vertical ought to be the most important vertical of PMAY(U) because the real challenge of 'decent housing' is for 'landless' urban slum. It is due to absence of pucca house with all basic amenities to migrants that slums grow. However, the Committee are dismayed to note that against the demand received of 14.35 lakh, only 4.33 lakh houses were sanctioned under In-Situ Slum Redevelopment (ISSR) vertical. Further, the progress as on 31.12.2022 remains tardy as only 99,000 houses delivered to beneficiaries (about 23%) and 1.08 lakh houses are non-starter houses under this vertical. The Ministry has submitted before the Committee that the availability of land, seeking various statutory clearances, clearing the slums for redevelopment, arrangement of 50 transit accommodation etc. Along with the unwillingness of slum dweller are the challenges under ISSR vertical.

The Committee have learnt that there is a provision in the Scheme under which Government land owning agencies should also undertake "in-situ" slum redevelopment on their lands occupied by slum and the Ministry have written to all State/ UT Governments and Central Government land owning Ministries/ Departments to explore the possibilities of rehabilitation of slums on their land and seek central assistance from MoHUA under PMAY(U). Knowing that 'availability of land' is a challenge in Urban areas, particularly metro cities, the Committee fail to understand as to why this particular provision of ISSR vertical was not persuaded and implemented by the Ministry. Considering that as on 31.12.2022, there are more than 1 lakh non-starter houses under ISSR vertical which are to be reviewed, the Committee suggest that the Ministry should

- (i) seek report from States/Uts where ISSR projects are halted as to why these issues/hiccups not foreseen/addressed at the time of submission of the proposal to the Centre;
- (ii) direct the States/Uts to provide details of slum settlements on Central Government agencies' land and the communications made for redevelopment of those slums with the land-owning agencies, if any;
- (iii) based on the information so received, the Ministry should intervene and initiate trilateral talks involving Central Government agencies and States/Uts to implement the ISSR vertical on the Central Government agencies' land as envisaged in the Mission guidelines.

(iv) direct the State Governments to review the non-starter houses under this vertical and if decided to be curtailed then replaced under ISSR vertical itself.

2.2 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“After continuous review of the progress of ISSR projects with States/Uts, it has been observed that major challenges faced by the implementing agencies include non-availability of encumbrance free land, unwillingness of slum dwellers, delay on getting statutory clearances/NoCs, issues pertaining to clearing the slums for redevelopment, transit accommodation and other unforeseen circumstances. The States/Uts have been directed to review the progress of each non-starter projects of ISSR and identify the feasibility of starting/grounding the same at earliest and curtail if the projects cannot start. So far, against the 3.2 lakh houses sanctioned under ISSR verticals, a total of 2.3 lakh have been grounded of which 1.5 lakh have been completed/delivered to the beneficiaries. Based on the recommendations of States/Uts a total of 1.23 lakh ISSR houses have been curtailed.

The clause 4.1 of the PMAY-U scheme Guidelines itself envisages that State/Uts, should take up slums whether on Central Government land/State Government Land/ ULB land/ private land under ‘in-situ’ redevelopment vertical for providing houses to all eligible slum dwellers by using land as a Resource. In this regard, several communications have been made with States/Uts/Central/State Government Land owning agencies such as Ministry of Railways; Ministry of Defence; Ministry of Environment, Forest and Climate Change; Ministry of Ports, Shipping and Waterways, Central PSUs etc. For redevelopment of slums on their land under ISSR vertical of PMAY-U.

The Ministry has been consistently reviewing the progress of the Mission including projects of ISSR vertical for timely completion of sanctioned houses by States/Uts with the extended Mission period. Rigorous review on monthly basis is conducted with States/Uts to expedite grounding & completion of sanctioned projects of ISSR or urgently submit proposal for curtailment of non-starter projects”.

Comments of the Committee

(Please see Para No.1.10 of Chapter-I of the Report)

Recommendations (Sl. No. 4)

MORE CENTRAL ASSISTANCE TO ADDRESS THE ISSUE OF AFFORDABILITY OF HOUSES

2.4 The Committee have been informed that the cost of an EWS house constructed under the Scheme comes to around Rs. 6.5 lakh on an average, which is shared by Central Government, State Government, Urban Local Bodies (ULBs) and beneficiaries. The Ministry has further submitted that the estimated average cost of an EWS house under PMAY-U in metropolitan city, non-metropolitan city, hilly terrain and North-Eastern States comes to Rs.13.34 lakh, Rs. 10.34 lakh, Rs. 8.98 lakh and Rs. 8.55 lakh, respectively. 51 Central Assistance and average financial assistance for all the four verticals under this Mission are as given below:

Sl. No.	Vertical	Central Assistance (in lakh)	Average financial Assistance (Central, State/ UT, ULB contribution) (Rs. In lakh)
1	In-situ slum redevelopment (ISSR)	1	2.51
2	Beneficiary Led Construction (BLC)	1.5	2.37
3	Affordable Housing Project (AHP)	1.5	4.49
4	Credit Linked Subsidy Scheme (CLSS)	2.31	2.31

As per scheme guideline, there is no prescribed limit of state share/ULB contribution, and States/UTs are providing State contribution varying from ₹16,000 to ₹3.00 lakh. Some States such as Nagaland, Manipur, Mizoram, Meghalaya and Rajasthan are not providing any state contribution under the scheme. The construction cost, sale price and individual contribution of an EWS house varies from State to State and within a State/city also, from location to location.

The Committee have observed that due to less/nil State assistance and fixed Central assistance, beneficiary contribution rises and thereby making EWS houses non-affordable among the targeted group. From the data furnished by the Ministry the Committee have inferred that the average individual contribution under this scheme comes to around 60%. The Committee have observed that in some cases the beneficiaries are not in position to fully pay their share due to low income. The Ministry in this regard has stated that in order to assist beneficiaries to pay their share many State Governments are playing active role in facilitating housing loan from the Banks and Housing Finance Companies. However, Banks has largely been reluctant to approve the loan to such beneficiaries who do not have sustained income or proof of income. Nonetheless, the Committee recommend that the Ministry should consider suggesting the State Governments:

- (i) to ensure that beneficiaries are not left out because of lack of financial capacity to pay one's share and employ all means to extend financial assistance to such beneficiaries;
- (ii) to explore the viability of exempting projects under AHP/BLC vertical of PMAY(U) from GST so that construction cost is reduced and thereby making it affordable for intended beneficiaries.
- (iii) if, after completion, a second phase of the PMAY(U) Mission is contemplated then the Ministry may do away with uniform and fixed central assistance across country. Central assistance should vary depending upon the cost of construction which in turns depends upon the topography and other factors. This is more so required because several States have resource crunch to fill the gap and thereby, bringing the sale price within the affordable range of the targeted beneficiary.

2.5 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“Ministry of Housing and Urban Affairs (MoHUA) is only supplementing the efforts of States/UTs by providing Central Assistance under Pradhan Mantri Awas Yojana - Urban (PMAY-U) since June 25, 2015 to provide pucca house with basic amenities across the country. Each State/UT may have its own specific programs and initiatives to cater to the housing needs of different income groups. As per the scheme guidelines, the States/UTs are encouraged to converge with the existing schemes of Central as well as State sponsored schemes.

In order to assist the beneficiaries in bridging the financial gap for construction of houses, many State governments are playing pro-active role in facilitating housing loans from financial institutions such as banks and housing finance companies. Few States also facilitate low-cost credit facility to the beneficiaries by signing tripartite agreement between banks, beneficiaries and States as a Guarantor. Loan melas are also conducted by States/UTs/Implementing agencies to connect beneficiaries with the banks for availing housing loans.

The Central Government has also extended several benefits to boost the affordable housing segment in the country like granting infrastructure to affordable homes, extension of construction timeline for affordable housing projects, reduction of GST from 8% to 1%, tax holidays to the developers of affordable housing projects etc. To provide an impetus to Affordable housing, union budget 2018-19 had announced a dedicated fund called Affordable Housing Funds (AHF). Recently under AHF, the interest rate on housing loans to EWS beneficiaries has been relaxed for 7 years by providing interest capping of 10% to HFCs.

PMAY-U has also provided financial incentives through its Central Nodal Agencies to first-time home loan borrowers who approach Banks/HFCs etc under CLSS component.

Since the period of the scheme has been extended till December 2024 with existing funding pattern and implementation methodologies for completion of sanctioned houses, at present no proposal for either extending the Central Assistance or second phase of the PMAY(U) Mission is under consideration of MoHUA.

The recommendation of the Committee is noted”.

Recommendations (Sl. No. 5)

SETTING UP TIME-LINE FOR GROUNDING AND COMPLETION OF PENDING PROJECTS

2.6 According to the data furnished to the Committee, out of total 122.69 lakh houses sanctioned under the Mission, 107.3 lakh houses are grounded till 31.12.2022, and out of these, only 61.45 lakh houses delivered to the beneficiary. In terms of vertical-wise progress, out of these 61.45 lakh houses delivered, 22.48 lakh are under CLSS vertical and 32.78 lakh under BLC vertical where States are free from the responsibility of providing land to beneficiaries. Whereas under ISSR and AHP verticals taken together only 2.77 lakh houses delivered to beneficiaries till 31.12.2022 even. Further, as on 31.12.2022, 11 lakh houses are still yet to be grounded and 7.93 lakh non-starter houses. It has also been observed that by 31.10.2022, the percentage of houses completed in North Eastern States except Tripura is less than 50% due to various geographical and economic reasons.

The Ministry has submitted that States/UTs have been advised to review non-starter houses and get them curtailed, if necessary, with replacement of new BLC houses within the overall ceiling of 122.69 lakh houses. The Committee are of the view that the Ministry must examine the reasons for non-initiation of these projects and take steps to get these houses either grounded or replaced at the earliest. The Committee also recommend that in order to achieve the completion target by 31st December, 2024, Ministry may ensure that strict timelines are set for grounding and completion of projects, particularly for North Eastern States and address issues impacting the pace of construction of projects.

2.7 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“The Ministry has adopted a workable strategy for timely completion of sanctioned houses by States/UTs with the extended Mission period. Rigorous review on monthly basis is conducted

with States/UTs including NE States to expedite the grounding & completion of sanctioned projects or urgently submit proposal for curtailment of non-starter projects. These review meetings focus on identifying the bottlenecks and provide handholding support to States/UTs for faster implementation of the projects.

Further, States/UTs have been communicated that all sanctioned houses are to be completed well in advance of the conclusion of the PMAY-U Mission and after completion of the extended PMAY-U Mission period i.e. 31.12.2024 any spill over liability for completion of houses/projects will have to be borne by the State/UT Governments from their own resources”.

Recommendations (Sl. No. 6)

SETTING OF TIMELINES FOR TECHNOLOGY SUB-MISSION PROJECTS

2.8 The Committee have been informed that under PMAY(U) modern technologies are being employed for faster completion of houses. Accordingly, across States and UTs, a total of 15,38,474 houses were sanctioned to be constructed by using new and speedy construction technologies, however, as on 31.10.2022, only 5,95,261, i.e., 38.69% houses have been completed. The Committee believe that such delay in construction of projects where the focus is precisely on promotion of modern, rapid, resource efficient, disaster resilient construction technologies, is unacceptable. Accordingly, the Ministry is advised to closely monitor the progress of these projects and technologies, in particular and set timelines for their completion. The Ministry must also look into the reasons for delay in these projects and submit a report to this Committee with regard to the best technologies so discovered in terms of speed and resource efficiency.

2.9 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“Like other PMAY-Urban projects, these projects of innovative technologies were also progressively submitted by the States to the Ministry for consideration of Central Assistance. As on date 15,47,328 houses have been sanctioned to be constructed using innovative technologies, against which 6,23,494 houses have been completed. The remaining houses are at advance stage of construction. Further, it is stated that Statutory approvals/clearances such as building plan/layout approval, environmental/Defence/ Airport authority/ coastal

clearances, infrastructure layout, Real Estate Regulation Act (RERA) etc. Are also required for grounding of these projects which generally takes considerable time. Issues such as difficult terrain/regional topography, availability of building/construction materials, labour etc. Also have an impact on grounding and completion of projects/houses. Further, in some cases, grounding and completion are affected due to climate related hazards such as floods/landslides/water logging/incessant rain etc”.

Comments of the Committee

(Please see Para No. 1.13 of Chapter-I of the Report)

Recommendations (Sl. No. 7)

ENSURING BASIC AMENITIES IN HOUSES CONSTRUCTED UNDER ISSR AND AHP VERTICALS

2.11 As per Schemes guidelines, all houses constructed under ISSR and AHP verticals are to be provided with basic civic infrastructure like water, sanitation, sewerage, road, electricity etc. Urban Local Bodies (ULBs) should also ensure that individual houses under CLSS and BLC verticals also have access to basic civic services.

Under PMAY-U, Central Assistance is released for construction of houses only. The Committee appreciates that States/UTs through various Central or State schemes, are providing necessary infrastructure and other civic amenities for the houses constructed under the scheme. Thus, converging the PMAY-U mission with other ongoing Central and State sponsored schemes has been an integral part of the process. Accordingly, it is observed that there has been convergence with Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for water supply, Swachh Bharat Mission- Urban (SBM-U) for toilet construction, Pradhan Mantri Jan Arogya Yojana (PM-JAY) for health benefits, Pradhan Mantri Ujjawala Yojana for cooking gas connection, Deendayal Antyodaya Yojana- National Urban Livelihood Mission (DAY-NULM) for skill upgradation and livelihood in most of the States/UTs.

The Committee have observed that in-spite of convergence of various schemes with PMAY-U mission to provide houses with basic infrastructure, as on 31.12.2022, 5,62,858 number of houses could not be delivered to the beneficiaries due to lack of basic civic services. The Committee therefore, implored upon the Ministry the need to pursue with State/UTs to ensure the availability of basic infrastructure in the ISSR/AHP verticals to achieve the very objective of the scheme.

2.12 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“Land and colonization being the State subjects, all housing schemes are implemented by respective State/UT governments. MoHUA is supplementing the efforts of States/UTs through providing Central Assistance under PMAY-U. As per the schemes’ architecture, the Central Assistance is provided in instalments for construction of house as per the progress of stages. Provision of basic infrastructure is done by ULBs/implementing agencies from their own funds or converging with other Central/State schemes. MoHUA is continuously pursuing with the States/UTs through periodic review meetings and field visits to ensure that basic infrastructure facilities are provided in the AHP/ISSR projects. The problem of completed but not occupied houses relates to AHP vertical mainly. States have been advised to complete the basic infrastructure facilities in these AHP/ISSR projects either through their own resources or by converging with other Central/State schemes so that they may be delivered to the eligible beneficiaries in time.

It is stated that against the 1.19 crore houses sanctioned as on 16.08.2023, a total of 113.13 lakh, have been grounded and 76.25 lakh have been completed”.

Recommendations (Sl. No. 9)

IDENTIFICATION OF BENEFICIARIES UNDER AHP VERTICAL

2.13 About the identification process of beneficiaries, the Committee have been informed that the list of beneficiaries is entered in the PMAY-U MIS which is a mandatory clause before release of 1st installment under BLC/ISSR projects and 2nd installment under AHP projects. The Allotment of AHP/ISSR houses is done to beneficiaries entered in MIS only and any change requires approval of SLSMC and CSMC. Irrespective of the set procedure, in case of AHP vertical, the Ministry has deposed before the Committee that identification of beneficiary is not a pre-requisite for the first instalment because in case of apartments, many times beneficiaries come later. Under AHP the beneficiaries have also declined house offer subsequently and the houses are lying ‘unoccupied’. Here, the Committee are of the opinion that houses under PMAY(U) are not being constructed for the sake of construction, therefore, the beneficiaries should not be roped in later once the house is constructed and all investments done. Rather, AHP or ISSR verticals should be executed as joint venture between the beneficiaries and other stakeholders (Central, State, ULB and Private investor, if any). Identification of beneficiaries for whom the houses are constructed should be a prior construction exercise and from the initiation of the project the beneficiary should be involved as any

other stakeholder and his concerns or feedback about the project should be acknowledged and acted upon throughout to avoid later 'un-occupancy'.

2.14 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“As per the Scheme Guidelines, allotment of houses to identified eligible beneficiaries in multi-storeyed projects should be made following a transparent procedure as approved by SLSMC. For releasing the first instalment for ISSR projects, it is mandatory to have the Aadhaar seeded beneficiaries entered in the MIS as ISSR is a demand side intervention and these projects are planned for providing houses to already identified eligible slum dwellers.

However, AHP is a supply side intervention and the Ministry provides financial assistance to EWS houses being built with different partnerships by States/UTs/Cities. As per the scheme guidelines, identification of beneficiaries is not a pre-requisite for the first instalment of Central Assistance as this installment is released to States/UTs to initiate the construction of the project on ground through implementing agencies to build a confidence among the potential beneficiaries for booking the houses/flats in that project. But it is mandatory to identify and enter the Aadhaar seeded beneficiaries for AHP projects in the MIS before releasing the second instalment of Central Assistance. The Ministry is of the view that these projects are shared responsibilities of Central Government, States/UTs and beneficiaries. Identification of beneficiaries at the initiation of the project should be preferable strategy for the success of the projects and the same has been reiterated to the States/UTs from time to time. However, various States/UTs adopts different mechanism and different timeline for identification of beneficiaries for these multi-storey projects as per their respective policies and requirement”.

Recommendations (Sl. No. 10)

DATA ON DE-NOTIFICATION OF SLUMS

2.15 The PMAY(U) document mentions that “In-situ” slum rehabilitation using land as a Resource with private participation for providing houses to eligible slum dwellers is an important component of the “Pradhan Mantri Awas Yojana (Urban) – Housing for All” mission. This approach aims to leverage the locked potential of land under slums to provide houses to the eligible slum dwellers bringing them into the formal urban settlement. Slums so redeveloped should compulsorily be de-notified. However, the Ministry has informed the Committee that land and colonization being the State subjects, all data pertaining to notification and de-notification is maintained by the respective

State Governments. At the Central Government level only slum population and number of slums are maintained by Census of India and National Sample Survey Organization (NSSO). Further, the Ministry has, so far, not conducted any study to assess whether construction of houses in other verticals has led to reduction in the number of slum households. Nevertheless, they have estimated that around 20 lakh slum beneficiaries have availed benefits under BLC and AHP verticals of PMAY-U.

The Committee understand that information on de-notification of slums is maintained at the State level but the very guidelines of the Mission says that slums redeveloped under ISSR should compulsorily be de-notified. The Committee are of the view that the Ministry is duty bound to maintain the data pertaining to outcome of its Mission and schemes. The Committee are keen on knowing the number of slums denotified since implementation of ISSR vertical of PMAY(U). The Ministry is, therefore, directed to approach the States and collate data on the impact of ISSR vertical in terms of de-notification of slums by States and place the same before the Committee.

2.16 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“The Ministry shall request the States/UTs to share data on the number of de-notified slums redeveloped under PMAY-U and place the same before the Committee”.

Recommendations (Sl. No. 12)

EXTENDING ARHC SCHEME TO MEET THE TARGET SHORTFALL

2.17 The Affordable Rental Housing Complexes (ARHCs), a sub-scheme under Pradhan Mantri Awas Yojana - Urban (PMAY-U) was launched on 31.07.2020 and will implemented up to 31.03.2022 with the aim to provide ease of living to urban migrants/ poor in Industrial Sector as well as in non-formal urban economy to get access to dignified affordable rental housing close to their workplace and prevent them from staying in slums, informal settlements and peri-urban areas. It has two Models. The Model-1 of the Scheme has target of converting 75,000 existing government funded vacant houses constructed under JnNURM/RAY into ARHCs and under Model-2, 2,20,000 new ARHC units by Public/Private Entities. The Committee are dismayed to note that under Model 1, so far only 5,648 units have been converted into ARHCs and proposal for converting 7,413 existing Government funded vacant houses into ARHC units has been processed. The Ministry has also informed the Committee that under Model -2, so far, 82,273 new ARHC have been approved.

The Committee are of the view that urban migration is continuous feature and so complete eradication of urban homeless is not possible unless affordable rentals are made available to them. In this direction, the Committee consider ARHC as a promising step and accordingly recommend that

- (i) Since no new construction is involved in Model 1 and the focus is on converting already existing 75000 government funded, the Ministry should ensure the execution of the same at the earliest so as to provide ease of living to at least 75000 urban migrants/poor households.
- (ii) The Ministry should ensure that the targets set under both the Models are achieved with specific focus on metro cities where migration and rentals, both are considerably high.

2.18 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“So far, 5,648 units have been converted into ARHCs. Further, proposal for converting 7,413 existing Government funded vacant houses into ARHC units are under process in the States of Gujarat, Himachal Pradesh, Haryana, Madhya Pradesh and Rajasthan.

Under Model-2, this Ministry has approved Technology Innovation Grant (TIG) of ₹173.89 Cr, for 13 proposals with 82,273 new ARHC Units in 07 States. Against this, construction of 48,113 units is in advance stages.

MoHUA is closely coordinating with States/UTs for issuance of RFP under Model-1 for conversion of existing Government funded vacant houses in cities for urban migrants/poor”.

Recommendations (Sl. No. 13)

NEED FOR MORE ROBUST THIRD PARTY MONITORING

2.19 The Committee have noted that under the Scheme guidelines an elaborate quality assessment and monitoring mechanism has been stated and the Third Party Monitoring is linked to release of instalments. States/UTs draw their quality monitoring and assurance plans involving third-party agencies. Such plan includes visits by third party agencies to the project site and to advise State/UT and Urban Local Bodies on quality related issues. The Ministry provides Central Assistance to implement third party quality monitoring mechanism by sharing basis to States/UTs for a maximum of three visits by TPQMA to each project. However, the Committee have received reports on unsatisfactory quality of houses constructed under the Mission. The Committee think that leaving the quality assessment entirely to State/UT governments is not the best policy. Since States and ULBs are executing the projects, the monitoring should be ideally by another authority to be just and independent. The Committee, hence, recommend that the Ministry should ascertain the quality of

construction at all the projects by a Third Party Quality Assessment team either constituted by State Government in consultation with Central Government or by Central Government.

2.20 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“As per the scheme guidelines, the houses under the Mission should be designed and constructed to meet the requirements of structural safety against earthquake, flood, cyclone, landslides etc. Conforming to the National Building Code (NBC) and other relevant Bureau of Indian Standards (BIS) codes. Ensuring quality of PMAY-U is shared responsibility of State/UT Government and the Ministry.

The TPQMA is hired by the State/UT for monitoring the quality of the construction and on the basis of the quality assurance report, States/UTs/ULBs take both preventive and curative measures to ensure that standard quality houses, and infrastructure are constructed under the mission. Further, the State/UT government also conducts frequent quality assessment through their own technical staff and curative actions are taken accordingly.

The Action Taken Reports (ATRs) on TPQMA reports are approved by the SLSMC which is chaired by the Chief Secretary of the concerned State/UT and the same is required for release of 2nd & 3rd instalment of Central Assistance”.

Comments of the Committee

(Please see Para No. 1.22 of Chapter-I of the Report)

Recommendations (Sl. No. 14)

SPEEDY COMPLETION OF LIGHT HOUSE PROJECTS

2.22 Under the Scheme, six Light House Projects (LHPs) and nine Demonstration Housing Projects (DHPs) in various States to show case field level application of new technologies and propagate technologies have been approved. As regards the progress of these projects the Committee have been informed that so far, Light House Projects (LHPs) at Chennai, Tamil Nadu with 1152 houses has already been completed. The LHP at Rajkot for 1,144 houses has also been completed and inaugurated by the Hon'ble Prime Minister on 19.10.2022. Remaining LHPs at Lucknow, Indore, Ranchi and Agartala are at advance stage of completion. However, during the visit of the Committee to the Light House Project in Agartala, the State government made a submission before the Committee that being a small State, there is problem in arranging the huge state and

beneficiary share for this project. Therefore, they requested the Ministry through the Committee to provide sanction of ₹50.00 crore (₹.5 lakh per unit) as additional central assistance for timely completion of this project. The above request of the State government was rejected by the Ministry stating that as per the operational guidelines of LHPs, the request of Government of Tripura for additional sanction of ₹50.00 crore (₹ 5 lakh per unit) is not feasible. The Committee here want to stress the fact that the very name of this initiative 'Light House Projects' suggests that these projects are the guiding light for other PMAY(U) projects, hence, despite all the hindrances and challenges, the Committee recommend

- i. the Ministry to ensure time bound completion of these projects and submit a report in this regard to the Committee within three months;
- ii. the Ministry to consider relaxations in the guidelines to the extent that genuine demands for further moderate assistance can be admitted as in case of the State of Tripura.

2.23 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“Light House Projects (LHPs) at Chennai and Rajkot have already been completed and inaugurated by the Hon'ble Prime Minister. The remaining LHPs at Lucknow and Indore are almost completed and will be ready to inauguration in next three months. The work at LHP Ranchi and Agartala are at advance stage of construction.

As per the operational guidelines for implementation of LHPs, initially MoHUA had provisioned for Technology Innovation Grant (TIG) of ₹2.00 lakh per Dwelling Unit (DU) or 20% of the estimated cost per DU, whichever is less. The TIG is in addition to the existing funding of ₹1.5 lakh per DU under Pradhan Mantri Awas Yojana - Urban (PMAY-U). However, as per the requests received from various LHP States to enhance the TIG share so that the burden on EWS beneficiaries can be substantially reduced, and projects are implemented successfully. MoHUA has taken a conscious decision to enhance the TIG share. The TIG has been revised to ₹4.00 lakh per DU or, 40% of the tendered cost per DU, whichever is less in case of LHP Chennai (Tamil Nadu), Ranchi (Jharkhand), Indore (Madhya Pradesh), Rajkot (Gujarat) and Lucknow (Uttar Pradesh). For LHP Agartala (Tripura), TIG has been increased to ₹5.00 lakh per DU or, 40% of the tendered cost per DU, whichever is less, which is already higher as compared to other LHP States. At this crucial juncture where the projects are nearing completion, any further revision in TIG is not feasible”.

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

Recommendations (Sl. No. 2)

ISSUE OF CURTAILMENT OF HOUSES AND OVER EMPHASIS ON BLC VERTICAL

3.1 Out of total 122.69 lakh houses sanctioned under the four verticals of PMAY(U), 73.45 lakh (around 60%) houses have been sanctioned under BLC vertical itself. The Committee feel that the majority of urban 'homeless' are also 'landless' and purchasing a piece of land in urban area is more challenging than constructing a house on it. The Committee are of the view that over-emphasis on BLC vertical diluted the objective of reducing the total number of urban homeless and providing housing to all urban homeless. The Committee are dismayed to note that though BLC Vertical is the most preferred vertical but out of the 20,45,390 houses so far curtailed on account of unavoidable circumstances, 12.51 lakh houses were under the BLC vertical itself where availability of land is not a problem.

The common reasons for curtailment of projects/houses across verticals put forth by the Ministry include land clearance/disputes, permanent migration of beneficiaries etc. Moreover, as per data given by the Ministry, the number of non-starter houses across verticals as on 31.10.2022 stands at 7.93 lakh and it is in BLC vertical that the Ministry is suggesting to divert the non-starter houses because statutory approvals/clearances required for grounding of AHP/ISSR projects generally takes considerable time and houses under BLC are constructed by the beneficiaries themselves in lesser time than other verticals. The Committee opine that such issues should have been looked into at proposal stage and the estimation should have been objective and accurate. The curtailment of houses reflects failure both on the part of the Ministry and State Government. The Committee therefore recommend the following:

- i. The Ministry should ponder on the observation of the Committee so as to avoid such issues at the time of implementation of any such scheme.
- ii. There should not be any delay in sanctioning houses against these curtailed/non-starter houses and the houses should be sanctioned in all verticals evenly and not just BLC vertical to cover the population which cannot avail it under BLC vertical.

3.2 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“States/UTs have the autonomy to choose the verticals under PMAY-U based on the housing demand. The Ministry does not prioritize any specific vertical of the scheme. All four verticals of the scheme are open to the States/UTs/Beneficiaries to choose from, based on the suitability without any emphasis on any specific vertical. However, the major demand is for constructing houses on their own land. The beneficiaries owning land in the urban area prefer the BLC vertical so that they have an independent house rather than multi-storied apartments. The external factors such as continuity of livelihood opportunities, children education and other family needs are also the reasons why beneficiaries prefer building houses on their own land. There is also flexibility of design, colour and quality based on their preferences.

The Mission period was up to 31.03.2022 and based on the demands of States/UTs, the Mission has been extended upto 31.12.2024. The Ministry has taken conscious decision to allow replacement against the curtailment of long pending non-starter houses of any vertical in the interest of timely completion of all houses previously as well as newly sanctioned. In view of the remaining Mission period i.e. December 2024, the houses sanctioned under AHP and ISSR vertical will not be completed and at the same time houses under BLC vertical takes less time to complete. Therefore, it is anticipated that States/UTs may be able to complete the houses sanctioned under BLC vertical as compared to AHP and ISSR within the extended Mission period. The proposals for curtailment of non-starter houses are sanctioned regularly without any delay, based on proposals received from States/UTs. The percentage of curtailment in AHP verticals is much higher than the BLC vertical”.

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH THE REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendations (Sl. No. 1)

GAP IN HOUSING DEMAND ASSESSMENT

4.1 Pradhan Mantri Awas Yojna (U) [PMAY(U)] Mission was introduced with the objective "Housing for all". The total housing shortage initially envisaged to be addressed through the four verticals of the Scheme viz. In-situ Slum Rehabilitation (ISSR), Beneficiary Linked Construction (BLC), Credit Linked Subsidy Scheme (CLSS) and Affordable Housing Project (AHP) was 2 crores. It was proposed that 1.8 crore slum households and 20 lakh non-slum poor will be covered under the Mission. However, the actual validated demand for housing under PMAY(U) stands at 1.23 crore, less than what was envisaged by the Mission itself. In their response, the Ministry deposed before the Committee that the housing shortage was based on estimation whereas PMAY-U adopted a demand driven approach by letting the States and Union Territories to assess the housing needs under four verticals of PMAY(U). The Ministry has accepted that they had not conducted any independent urban housing need assessment study. The Committee feel that being a demand-driven scheme, there are chances that some homeless people who did not fulfil the eligibility conditions for the scheme or due to other impediments like maximum contribution from individuals, requirement of land etc., could not avail the benefit. The Committee, therefore, recommend that the Ministry could conduct an impact assessment study of the scheme to find out the ground realities i.e. its benefits, gaps and shortcomings. The Ministry, may thereafter, explore the feasibility of either extending the existing scheme with modifications based on impact assessment study or to formulate another such scheme to benefit the urban poor at large so as to achieve the Government of India's objective of "Housing for All".

4.2 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

"After launch of Pradhan Mantri Awas Yojana – Urban (PMAY-U) in 2015, States/UTs with their respective Urban Local Bodies were entrusted to assess the actual demand in their jurisdiction, without imposing any ceiling with universal coverage and ensure no eligible beneficiary is left out, so as to achieve the vision of Housing for All. As per the demand survey conducted by States/UTs, a demand of 1.12 crore houses was assessed initially. However, during the course of implementation of the scheme, more people became eligible and same

were approved accordingly under the scheme. All the project proposals submitted by the States/UTs has been sanctioned by the Ministry and no further proposal are pending. The Union Cabinet has approved continuation of PMAY(U) up to 31st December 2024 for all verticals, except Credit Linked Subsidy Scheme (CLSS) vertical so as to complete all the houses sanctioned under the scheme without changing the funding pattern and implementation methodology”.

Comments of the Committee

(Please see Para 1.7 of Chapter-I of the Report)

Recommendations (Sl. No. 8)

SHIFTING OF FOCUS ON ‘OUTCOME’ RATHER THAN ‘OUTPUT’

4.4 The Committee have been apprised that there are a total of 5,13,654 ‘unoccupied’ houses under AHP vertical of PMAY(U). The Ministry has explained that as per standard practices, construction in AHP vertical is taken up block by block where each block consists of multiple dwelling units. The Ministry has accepted that as soon as the block gets completed, Mission acknowledges the completion of number of houses but, such completed dwelling units are unsafe for occupancy due to ongoing on-site construction activities including infrastructure facilities for other remaining blocks. Such blocks/units become habitable only once all the on-site construction activities get over including physical and social infrastructure facility. Further, the completion time of AHP houses generally takes 24 months to 36 months. Moreover, the occupancy of AHP houses is also based on the completion of the whole project in all respect such as availability of water, sewerage, electricity and other social amenities along with issuance of Completion Certificate by the ULB. Location of the projects can be one reason but the major reason for dwellings to be unoccupied.

The Committee are given to understand that the physical completion of houses, pending completion of the entire project and pending availability of basic amenities, is being counted as ‘completed’ houses. The Ministry without ensuring the livability and occupancy of the houses which is the actual target of the Mission is focusing on merely ‘output’. The Committee strongly feel that this approach of the Ministry is misleading. The Ministry being the nodal agency should show the result in terms of outcome, that is, the number of houses actually occupied by beneficiaries and not merely output in term of houses completed.

4.5 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“Land and colonization being the State subjects, all housing schemes are implemented by respective State/UT governments. MoHUA is supplementing the efforts of States/UTs through providing Central Assistance under PMAY-U. As per the schemes’ architecture, the Central Assistance is provided in instalments for construction of house as per the progress of the project in stages. Provision of basic infrastructure is done by ULBs/implementing agencies from their own funds or converging with other Central/State schemes. Financial buoyancy of these institutions acts as a limiting factor causing delay in provision of infrastructure. Occupancy of house in AHP projects is a gradual process which includes steps such as completion of house followed by provision of infrastructure and allotment of houses, final payment of beneficiary share and occupancy. Moreover, States/UTs face challenges of occupancy such as beneficiaries moving to the completed projects sites citing issues related to occupation, transport, education of children etc.

Under AHP vertical, the Ministry counts the houses completed in one block as “Completed” but the project is considered to be completed only after completion of all houses in the project along with provision of infrastructure facilities for the entire project. However, MoHUA is consistently following up with the respective State/UT governments for expediting completion of infrastructure and speedy occupancy of houses in AHP projects to achieve the outcome. Further, MoHUA has also been coordinating with State/UT authorities to ensure that trunk infrastructure works such as road, sewage, water supply, electricity is taken up parallelly”.

Comments of the Committee

(Please see Para No.1.16 of Chapter-I of the Report)

Recommendations (Sl. No. 11)

ENSURING INVOLVEMENT OF MPS/MLAS IN HOUSING PROJECTS

4.7 The Committee have learnt that PMAY(U) scheme has provisioned to conduct demand survey and prepare HFAPoAs with involvement of elected representatives including Hon’ble MPs/MLAs of respective areas. Urban Local Bodies (ULBs) are required to ensure that Hon’ble MPs/MLAs are consulted and their views are taken into account while finalizing the HFAPoAs and AIPs and include households of all sections of the society without any prejudice with equal opportunity to all. The Committee have been apprised that the views of local MP/MLAs are sought by ULBs and inclusion of eligible beneficiaries are done on their request. The Ministry has issued directions to the States/UTs

to constitute District Level Advisory and Monitoring Committee (DLAMC) for Urban Development under the chairpersonship of an elected representative. The DLAMC is responsible to oversee, review and monitor the urban missions viz. a) Swachh Bharat Mission (Urban) b) Atal Mission for Rejuvenation and Urban Transformation (AMRUT) c) Heritage City Development and Augmentation Yojana (HRIDAY) d) Pradhan Mantri Awas Yojana (PMAY)- (Urban) e) Deendayal Antyodaya Yojana-National Urban Livelihood Mission (NULM).

However, despite above written provisions, the Committee have observed that the elected representatives are neither involved at the ground level nor their views taken into account while formulation of policy or its implementation. The Committee, therefore, exhort the Ministry to seek compliance report from the State and UT governments regarding regular involvement of local MPs/MLAs in all the meetings held at ULB or State level on PMAY(U) and furnish the same to this Committee.

4.8 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“As per the scheme guidelines, the role of local elected representatives including Hon’ble MPs & MLAs is crucial and it is envisaged that their view and suggestions are adequately factored in at each stage starting from planning to implementation and monitoring of the scheme. The Hon’ble MPs representing the district are the Chairpersons or Co-chairpersons of District Development Coordination and Monitoring Committee (DISHA) so as to get their directions and suggestions for implementation of the Scheme as per the guidelines and resolution of conflicts of any kind. The role of elected representatives is crucial and their constant involvement and guidance to the programs is essential for successfully delivering the desired outcomes in an inclusive and sustainable manner. States/UTs have also been directed to constitute District Level Advisory and Monitoring Committee (DLAMC) for Urban Development under the chairpersonship of an elected representative to oversee, review and monitor the urban missions including PMAY-Urban. The committee also undertakes site visits to the project areas and meet the beneficiaries to assess the impact and progress of the scheme.

The directions/suggestions of local MP/MLAs and other elected representatives are always considered important in the scheme and their role in decision making is crucial. In Many States, Hon’ble MP are ex-officio member of Urban Local Bodies also”.

Comments of the Committee

(Please see Para 1.19 of Chapter-I of the Report)

Recommendations (Sl. No. 15)

SOCIAL AUDIT

4.10 The Committee have been informed that Social Audit of 5-10% of the sanctioned PMAY(U) projects under BLC, AHP and ISSR verticals is to be done using random sampling technique through agencies selected by States/UTs through a competitive bidding process. Conducting Social Audit is mandatory for States/UTs for release of third 59 instalment of Central Assistance for all PMAY-U projects under BLC, AHP and ISSR verticals. MoHUA provides 100% financial assistance to States/UTs for undertaking social audit based on the Social Audit Plan submitted by the States/UTs.”

The Committee have noted that so far 21 States/UTs namely Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Jharkhand, Kerala, Karnataka, Madhya Pradesh, Mizoram, Manipur, Meghalaya, Nagaland, Odisha, Puducherry, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand and West Bengal are carrying out Social Audit as per the scheme guidelines. The remaining States/UTs are in the process of conducting Social Audit. The Committee feel that as social audit is a pre-requisite for release of final instalment of Central Assistance for PMAY-U Projects, the Ministry should impress upon the State Governments/UT administrations the need to complete the requirement at the earliest and inform the Committee the latest status of fulfilment of Social Audit stipulation by States/UTs within a period of 3 months of presentation of the Report.

4.11 In their Action Taken Reply, the Ministry of Housing and Urban Affairs have stated as follows:-

“So far, in addition to the 21 States/UTs mentioned above, 5 more States/UTs namely Punjab, Maharashtra, Haryana, Himachal Pradesh and Rajasthan have also engaged an Independent Facilitating Agencies for conducting the Social Audit under PMAY-U”.

Comments of the Committee

(Please refer Para No.1.25 of Chapter-I of the Report)

CHAPTER V

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

"Nil"

New Delhi

RAJIV RANJAN SINGH

ALIAS LALAN SINGH

05 December, 2023

Chairperson,

14 Agrahayana, 1945

Standing Committee on Housing and Urban Affairs

STANDING COMMITTEE ON HOUSING AND URBAN AFFAIRS

Minutes of the second sitting of the Standing Committee on Housing and Urban Affairs held on Tuesday, 31 October, 2023

The Committee sat from 1530 hours to 1700 hours in Committee Room 'D', Ground Floor, Parliament House Annexe Building, New Delhi.

PRESENT

Shri Rajiv Ranjan Singh *alias* Lalan Singh - Chairperson

Members

Lok Sabha

2. Shri Benny Behanan
3. Shri Ramcharan Bohra
4. Shri Hibi Eden
5. Shri Syed Imtiaz Jaleel
6. Shri Hasnain Masoodi
7. Shri S. Ramalingam
8. Shri MVV Satyanarayana

Rajya Sabha

9. Shri R. Girirajan
10. Smt Jebi Mather Hisham
11. Shri Ram Chander Jangra
12. Shri Kumar Ketkar
13. Dr. K. Laxman
14. Shri S. Niranjan Reddy
15. Dr. Kalpana Saini

Secretariat

- | | |
|--------------------------|------------------|
| 1. Smt. Archana Pathania | Director |
| 2. Ms Swati Parwal | Deputy Secretary |

2. At the outset, Hon'ble Chairperson welcomed Members of the Standing Committee on Housing and Urban Affairs to the Sitting of the Committee and thereafter took up for consideration the Draft Report on Action taken by the Government on the recommendations contained in the Seventeenth Report (Seventeenth Lok Sabha) of the Standing Committee on Housing and Urban Affairs on the subject 'Evaluation of implementation of Pradhan Mantri Awas Yojana (Urban)' and adopted the Draft Report without any modification.

* * * * *

* matter not related with the report

The Committee then adjourned.

[Vide para 4 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE SEVENTEENTH REPORT (SEVENTEENTH LOK SABHA) ON THE SUBJECT, ' EVALUATION OF IMPLEMENTATION OF PRADHAN MANTRI AWAS YOJANA (URBAN)''.

I.	Total number of recommendations	15
II.	Recommendations/Observations which have been accepted by the Government:	10
	Recommendation Nos. 3, 4, 5, 6, 7, 9, 10, 12, 13 & 14	
	Percentage to total recommendations	(66.66%)
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:	01
	Recommendation No. 2	
	Percentage to total recommendations	(6.66 %)
IV.	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:	04
	Recommendation Nos. 1, 8, 11 & 15	
	Percentage to total recommendations	(26.66 %)
V.	Recommendations/Observations in respect of which final replies of the Government are still awaited	Nil
	Percentage to total recommendations	(0 %)