

# **NATIONAL SOCIAL ASSISTANCE PROGRAMME**

**MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)**

**PUBLIC ACCOUNTS COMMITTEE  
(2023-24)**

**ONE HUNDRED AND FORTY-SECOND REPORT**

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**SEVENTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**ONE HUNDRED AND FOURTY-  
SECOND REPORT**

**PUBLIC ACCOUNTS COMMITTEE  
(2023-24)**

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PROGRAMME**

**MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)**



*Presented to Hon'ble Speaker, Lok Sabha on: 29.04.2024*

*Presented to Lok Sabha on:*

*Laid in Rajya Sabha on:*

**LOK SABHA SECRETARIAT  
NEW DELHI**

**April, 2024 /Vaisakha, 1946 (Saka)**

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# **COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE**

**(2023-24)**

**Shri Adhir Ranjan Chowdhury - Chairperson**

## **MEMBERS**

### **LOK SABHA**

2. Shri Subhash Chandra Baheria
3. Shri ThalikkottaiRajuthevar Baalu
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Pratap Chandra Sarangi
7. Shri Vishnu Dayal Ram
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Dr. Satya Pal Singh
11. Shri Rajiv Ranjan Singh alias Lalan Singh
12. Shri Jayant Sinha
13. Shri Balashowry Vallabhaneni
14. Shri Ram Kripal Yadav
15. Vacant<sup>1</sup>

### **RAJYA SABHA**

16. Shri Shaktisinh Gohil
17. Dr. K Laxman
18. Shri Derek O'Brien
19. ShriTiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Vacant<sup>2</sup>

### **SECRETARIAT**

1. Dr. Sanjeev Sharma -Joint Secretary
2. Shri Partha Goswami -Director
3. Dr. Faiz Ahmad -Under Secretary
4. Shri. Prakhar Prakash Anand -Assistant Committee Officer

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<sup>1</sup> Shri Brijendra Singh resigned w.e.f 12 March 2024

<sup>2</sup> Dr. Sudhanshu Trivedi retired from Rajya Sabha w.e.f. 2 April 2024

## INTRODUCTION

I, the Chairperson, Public Accounts Committee (2023-24) having been authorised by the Committee, do present this One Hundred and Fourty-second Report (Seventeenth Lok Sabha) on “National Social Assistance Programme” based on C&AG Report No. 10 of 2023, relating to the Ministry of Rural Development (Department of Rural Development).

2. The Report of the Comptroller and Auditor General of India was laid in the Parliament on 8<sup>th</sup> August, 2023.

3. The Public Accounts Committee (2023-2024), selected the aforesaid subject for detailed examination and took oral evidences of the representatives of the Ministry of Rural Development (Department of Rural Department) on the subject on 17<sup>th</sup> January, 2024 and 19<sup>th</sup> February, 2024. The Minutes of the sittings of the Committee are appended to the Report. The Committee considered and adopted the draft report on the subject *vide* digital circulation on 20<sup>th</sup> April 2024 and authorised the Chairperson to finalise the same and present it to the Hon'ble Speaker.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** and form Part-II of the Report.

5. The Committee would like to express their thanks to the representatives of the Ministry of Rural Development (Department of Development) for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

6. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the Office of the Comptroller and Auditor General of India.

NEW DELHI:  
April, 2024  
Chaitra, 1946 (*Saka*)

ADHIR RANJAN CHOWDHURY  
Chairperson,  
Public Accounts Committee

## I. INTRODUCTORY

This Report of the Committee is based on C&AG Report No.10 of 2023 on the subject, "National Social Assistance Programme".

### PARA 3.1

2. The Committee have learnt that Article 41 of the Constitution of India directs the State to provide public assistance to its citizens in case of unemployment, old age, sickness, disablement and in other cases of undeserved want within the limit of its economic capacity and development. Government of India launched the National Social Assistance programme (NSAP) to provide social security to the destitute, population living below the poverty line (BPL) and vulnerable groups in 1995. At present NSAP includes five sub-schemes, of which, three are pension schemes:-

- (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS),
- (ii) Indira Gandhi National Widow Pension Scheme (IGNWPS), and,
- (iii) Indira Gandhi National Disability Pension Scheme (IGNDPS).

The other two sub-schemes are not pension schemes, viz.

- (iv) National Family Benefit Scheme (NFBS) - a one-time assistance to the bereaved family in the event of death of the breadwinner, and,
- (v) Annapurna scheme - food security to the eligible old age persons who have remained uncovered under IGNOAPS.

The Committee found that the Ministry of Rural Development (MoRD) released NSAP funds based on the estimated number of beneficiaries under the NSAP sub-schemes to the Consolidated Fund of State/UT. NSAP is being implemented in both rural as well as urban areas by respective State Governments and UT Administrations. State/UT may utilize three per cent of the funds allotted for administrative expenses while remaining funds were to be utilized for pension disbursement and family benefit payment. The number of beneficiaries which can be covered under each sub-scheme through Central Funds in each State/UT has been fixed by MoRD based on the population figures of Census, 2001 and poverty ratio determined by the planning commission in 2004-05. In case, the State/UT has more deserving beneficiaries exceeding the cap on number of beneficiaries, the State/UT has the option to give them pension from its own resources. The Committee have noted that during 2017-21, Government of India allocated ₹ 34,432 crore for NSAP. Further, States and UTs also allocated ₹ 1,09,573 crore as additional assistance for pension and for coverage of additional beneficiaries. NSAP reached out to 2.83 crore beneficiaries annually through central allocations and additional 1.82 crore beneficiaries through States/UTs funds on an average per year during 2017-21. NSAP aims to provide basic financial support to old age, widow and severely disabled persons from BPL list as well as to BPL families in case of death of primary breadwinner. The beneficiaries were to be selected from the BPL list till the

Socio-Economic Caste Census (SECC) was finalized; however, the Committee have noted that the beneficiaries are being selected from BPL list even after finalization of SECC data even though these BPL lists are not being regularly updated. The Government of India is allocating NSAP funds as per cap fixed by MoRD asking the States/UTs to cover additional beneficiaries from their own resources.

3. The Scheme aims universal coverage through proactive identification; however, the Committee have found that NSAP is being implemented in demand-driven mode as the benefits were provided to only those beneficiaries who applied for it. Due to non-verification of existing beneficiaries as well as due to lack of data cleaning, verification and authentication, cases of ineligible beneficiaries drawing benefits were noticed in many States/UTs. Further, in many States/UTs, pension was not being paid on monthly basis. The Committee have found that the Scheme is not fully Direct Benefit Transfer (DBT) compliant as pension is being paid in cash in some States. There were cases of over-payment, short-payment and multiple pension payments noticed in many States/UTs.

4. In the light of the fact that the current population of India is around 1.4 billion, and considering the absence of a fresh population census, when the Committee desired to know as to how does the Ministry plan to ensure that the schemes adequately cover the uncovered section of the population and whether there are any initiatives or proposals in place to address this gap, the Ministry replied as under:

“At present NSAP schemes cater about 3 crore beneficiaries (2.97 crore pensioners). The allocation of funds under NSAP schemes to States/ UTs is done on the basis of ceiling of beneficiaries (State Cap) or the number of beneficiaries digitized on the NSAP portal, whichever is lower. For calculating the State Cap for each State/UT, the population figures as per the census of 2001 and the poverty ratio (2004-05) determined by NITI Aayog (erstwhile Planning Commission) have been taken into account. The ceiling/cap on the number of beneficiaries was intimated to all the States/UTs vide this Department's letter dated 8th November 2012, which was revised in Sept, 2022 in regard to three pension schemes. As per NSAP Guidelines, if there are more deserving beneficiaries in a State, the State has the option to give them pension from its own resources. As per latest information collected from States/UTs, around 5.86 crore additional beneficiaries are covered by States/UTs through their pension schemes. At present, there is no proposal to increase the coverage of beneficiaries under NSAP schemes.”

5. When the Committee wanted to apprise about any plans to update the criteria used for allocating funds and determining the State Cap in the light of the population increase and potential changes in poverty ratios since the last census in 2001, and any

schemes to remain responsive to the changing demographic and economic landscape, the Ministry stated as under:

“As stated above, allocation of funds under NSAP schemes to States/ UTs is done on the basis of ceiling of beneficiaries (State Cap) or the number of beneficiaries digitized on the NSAP portal, whichever is lower. At present, there is no proposal of increasing coverage of beneficiaries (State Cap). However, as per NSAP Guidelines, if there are more deserving beneficiaries in a State, the State has the option to give them pension from its own resources. As per latest information collected from States/UTs, around 5.86 crore additional beneficiaries are covered by States/UTs through their pension schemes.”

6. Considering the concerns raised about the fairness and inclusivity of the current allocation methodology, when the Committee enquired the Ministry about the steps being taken by them to conduct a comprehensive review of the NSAP schemes to ensure that a larger proportion of the needy and poverty-stricken population is not left out, the Ministry replied as below:

“As stated above, allocation of funds under NSAP schemes to States/ UTs is done on the basis of ceiling of beneficiaries (State Cap) or the number of beneficiaries digitized on the NSAP portal, whichever is lower. Further, as per NSAP Guidelines, if there are more deserving beneficiaries in a State, the State has the option to give them pension from its own resources. As per latest information collected from States/UTs, around 5.86 crore additional beneficiaries are covered by States/UTs through their pension schemes.”

7. It was informed to the Committee that there was a revision of the ceiling/cap in September 2022 for three pension schemes. In the light of this, when the Committee asked the Ministry to elaborate on the nature of these revisions and how they address the challenges raised regarding the outdated population figures and poverty ratios, the Ministry answered as under:

“The scheme-wise assistance under NSAP is sanctioned up to the number of digitized beneficiaries on NSAP portal or the State cap, whichever is lower. Over the years, with sustained efforts digitization reached to 96-97% of the total State ceiling/cap. To achieve 100% saturation under the pension schemes of the NSAP, the Department took the following two important policy decisions:

(i) In November 2021, States/UTs were given flexibility to re-allocate beneficiaries under the three pension schemes within the overall ceiling/ cap of the respective States/UTs.



(ii) In September, 2022, State Cap was revised up to the actual number of digitized beneficiaries in respect of the States/UTs which had digitization equal to or less than their ceiling in all the three pension schemes and the excess number of beneficiaries of these States/UTs consequent to this revision was re-allocated to States/UTs that had digitization equal to or higher than their State Cap in all the three pension schemes on a pro-rata basis. As a result, all the three pension schemes of under NSAP have achieved 100% saturation in Sept, 2022.”

8. Given the absence of a fresh population census, on being asked by the Committee whether Ministry have plans to collaborate with relevant authorities to estimate and incorporate more recent demographic data into the allocation and beneficiary determination process, they furnished as below:

“The Govt. while deciding the continuation of the NSAP schemes for the 15th Finance Commission cycle (2021-26), considered the proposal of expansion in coverage (by adopting SECC criteria of “Automatic Inclusion plus any two deprivations” in place of BPL criteria) as well. However, considering the available financial space, the Govt., approved the continuation of NSAP schemes in its present form. Hence, at present, the NSAP schemes cater around 3 crore beneficiaries with scheme-wise and State-wise cap. Further, as per NSAP Guidelines, if there are more deserving beneficiaries in a State, the State has the option to give them pension from its own resources. As per latest information collected from States/UTs, around 5.86 crore additional beneficiaries are covered by States/UTs through their pension schemes.”

9. Regarding the funds released under NFBS for the State of West Bengal, when the Committee asked the Ministry to clarify how the State Cap of 21,553 was determined, and whether this cap had been reviewed in recent years and what steps have been taken by the Ministry to ensure that State Caps are reflective of the actual number of deserving beneficiaries, they answered as below:

“For calculating the State Cap for each State/UT under NSAP schemes, the population figures as per census 2001 and poverty ratio (2004-05) determined by NITI Aayog (erstwhile Planning Commission) were taken into account. As per NSAP Guidelines, if there are more deserving beneficiaries in a State, the States have the option to give them pension from its own resources.”

10. Regarding the constant number of beneficiaries in the State of West Bengal for IGNOAPS, IGNWPS, and IGNUAPS, when the Committee asked the Ministry to provide insights into the process by which the State determines the allocation of benefits within the State Cap and whether there are any mechanisms in place to review and adjust these figures based on changing demographics or need, the Ministry stated as under:

“As per information given by West Bengal, beneficiaries for IGNOAPS, IGNWPS, IGNDPS in the state are selected by considering the latest socio-economic condition of SECC-2011 house listed persons by extensive physical verification in terms of inclusion indicators and deprivation indicators. The priority list of pensioners is prepared excluding the households as per exclusion criteria, by including the households as per inclusion indicators as well as by including the households having more number of deprivations. The details of eligible persons identified by the above process are digitized in the NSAP-PPS portal within the State CAP allotted by MoRD. Currently, the State is following the deprivation indicators of level 2, at least, for identification of eligible persons, besides considering the applications received under SAMBAL, UMANG App etc which are also verified physically following the same eligibility parameters.”

11. Given the State/UT-wise Cap on the number of beneficiaries under NSAP, when the Committee desired to be apprised about the ways to ensure that deserving individuals are not excluded from the schemes due to these caps and about plans, if any, to revise or update these caps to address the evolving needs of the population, the Ministry replied as under:

“Presently, NSAP schemes cater about 3 crore beneficiaries (2.97 crore pensioners). The allocation of funds under NSAP schemes to States/ UTs is done on the basis of ceiling of beneficiaries (State Cap) or the number of beneficiaries digitized on the NSAP portal, whichever is lower. For calculating the State Cap for each State/UT, the population figures as per the census of 2001 and the poverty ratio (2004-05) determined by NITI Aayog (erstwhile Planning Commission) have been taken into account. As per NSAP Guidelines, if there are more deserving beneficiaries in a State, the State has the option to give them pension from its own resources. As per latest information collected from States/UTs, around 5.86 crore additional beneficiaries are covered by States/UTs through their pension schemes.”

12. On being asked by the Committee to elaborate on the criteria used to determine the State Cap for beneficiaries under NSAP schemes and how often are these criteria reviewed, and whether there is any flexibility for States/UTs to propose adjustments based on their specific demographic and economic circumstances, the Ministry elaborated as below:

“Ceiling/Cap of beneficiaries was introduced with the inception of the Programme in 1995. At the time of launch of NSAP, the Cap was 1.03 crore beneficiaries. Based on population projections and poverty ratios, it was revised from time to time. The existing Cap is based on the population figures as per the census of 2001 and the poverty ratio (2004-05) determined by NITI Aayog (erstwhile Planning Commission). The Govt. while deciding the continuation of the NSAP schemes for the 15th Finance Commission cycle (2021-26), considered the proposal of expansion in coverage (by adopting SECC criteria of

“Automatic Inclusion plus any two deprivations” in place of BPL criteria) as well. However, considering the available financial space, the Govt., approved the continuation of NSAP schemes in its present form. However, as per NSAP Guidelines, if there are more deserving beneficiaries in a State, the State has the option to give them pension from its own resources. As per latest information collected from States/UTs, around 5.86 crore additional beneficiaries are covered by States/UTs through their pension schemes.”

13. As per the Ministry’s information, about 4.7 crore additional beneficiaries covered by States/UTs through their pension schemes. Keeping this fact in view, when the Committee asked the Ministry to provide details on the nature and scope of these state-run pension schemes, and whether there are plans to integrate or align them more closely with NSAP for a coordinated approach, they answered as below:

“As per latest information collected from States/UTs, around 5.86 crore additional beneficiaries are covered by States/UTs through their pension schemes. At present, there is no plan to integrate state run pension schemes with NSAP schemes.”

14. According to para 2.4.1 of NSAP guidelines, the States/UTs were strongly urged to provide an additional amount, at least an equivalent amount to the assistance provided by the Central Government so that the beneficiaries can get a decent level of assistance. Accordingly, while some States/UTs were covering lesser number of beneficiaries than the cap, many States/UTs were covering beneficiaries beyond the said cap.

15. When the Committee enquired from the Ministry to provide more details on the frequency and process of updating the beneficiary database on the NSAP portal by States/ UTs and asked whether there are any challenges or bottlenecks encountered in maintaining an accurate and up-to-date database, and whether there are measures in place to address them, the Ministry stated as below:

“Beneficiaries data has been uploaded by all State/UTs on NSAP-PPS portal. Only 17 States/UT are updating beneficiaries through NSAP-PPS portal through login access provided. Other states having their own state MIS are updating beneficiaries data through web service provided to State/UT.”

16. Considering the importance of accurate beneficiary figures, when the Ministry was asked by the Committee that whether they have any plans to conduct an extensive review and audit of the current beneficiary database to ensure its accuracy and completeness and how do the Ministry verify the information provided by States/UTs to maintain the integrity of the data, they furnished as under:

“At present, authenticated Aadhaar data of around 87% NSAP pensioners have been seeded, almost all States are DBT compliant and optimizing transactions

under APB mode to ensure transfer of benefits only to eligible beneficiaries. Further, Aadhaar based Digital Life Certificate is in process of implementation to check the aliveness of each and every beneficiary. MobileApp based solution has been developed and it is in Implementation stage in 4-5 States on pilot basis.”

17. The Government considered the proposal for expansion in coverage during the 15th Finance Commission cycle but opted for continuation in the present form due to financial constraints. In the light of this when the Committee asked the Ministry to provide insights into the specific financial considerations and constraints that led to this decision, the Ministry replied as below:

“The salient features of the proposal of revamping NSAP considered by the Govt. at the time of deciding continuation of NSAP schemes for 15<sup>th</sup> Finance Commission cycle (202126) are as under:

- Identification of beneficiaries on the basis of SECC (Automatic Inclusion and any two Deprivations). Number of beneficiaries to increase from 2.98 crore to 4.85 crore based on Automatic Inclusion (AI) plus any two deprivation indicators;
- Minimum pension rates to be enhanced for elderly and widow pensioners from Rs.200/- to Rs.800/- per month and for Divyang from Rs.300/- to Rs.1000/- per month. For the elderly of 80+, it was proposed to be enhanced from Rs.500 to Rs.1200;
- Revamped Scheme to be made Centrally Sponsored Scheme (CSS) with 60:40 sharing arrangement with the States. For, North Eastern States and Hilly regions, the sharing arrangements to be on the basis of 90:10.
- One-time lump sum amount of Rs.20,000 on the death of primary breadwinner to be enhanced to Rs.80,000.

Total annual fund requirement for the Centre upon revamping the NSAP schemes was estimated to be approximately Rs.37,000 crore i.e. around 4 times of the current annual budget outlay for NSAP schemes and therefore, the Govt. approved continuation of the NSAP schemes in its existing form till 2021-26.”

18. Given the reliance on population figures from the census of 2001 and poverty ratios from 2004-05, when asked by the Committee whether there are any plans to expedite the process of conducting a fresh population census and updating poverty ratios to ensure more accurate and contemporary data for future allocations, the Ministry answered as under:

“The Govt. while deciding the continuation of the NSAP schemes for the 15th Finance Commission cycle (2021-26), considered the proposal of expansion in coverage (by adopting SECC criteria of “Automatic Inclusion plus any two deprivations” in place of BPL criteria) as well. However, considering the available financial space, the Govt., approved the continuation of NSAP schemes in its present form. Hence, at present, the NSAP schemes cater around 3 crore beneficiaries with scheme-wise and State-wise cap. Further, as per NSAP Guidelines, if there are more deserving beneficiaries in a State, the State has the option to give them pension from its own resources. As per latest information collected from States/UTs, around 5.86 crore additional beneficiaries are covered by States/UTs through their pension schemes.”

19. The Ministry has mentioned about the development of NSAP-PPS by NIC for beneficiary details. On being further asked by the Committee to elaborate on the functionalities and features of NSAP-PPS and how it contributes to the accuracy and efficiency of the beneficiary database, the Ministry replied as follows:

“NSAP-PPS is beneficiary management system developed by NIC-MoRD which is linked with Public Financial Management System(PFMS) and UIDAI for Aadhaar authentication and is compliant to the Information Technology & Aadhaar Act 2016. 17 States are generating the pension payment order monthly by NSAP-PPS and disburse pension in their respective A/c through Direct Benefit Transfer (DBT). PFMS ensures Bank/PO A/c details with respective Banks/POs before transferring pension in beneficiaries A/c. It also keeps track of each and every transactions i.e success/failed. NSAP-PPS is in built of arrear pension calculation method and automatic inclusion of 80 plus beneficiaries for higher assistance in monthly pension computation on NSAP-PPS system.”

20. Upon being further enquired by the Committee as to how does the Ministry ensure that States/UTs use the NSAP-PPS effectively, and also are there any training or capacity-building programs in place to enhance the capabilities of States/UTs in managing and updating the beneficiary database, they replied as below:

“Physical Training on on-boarding NSAP-PPS was provided to field officers of State/UTs. Training through VC's was also conducted in past to a few states on their request.”

21. Considering the proposal to adopt SECC criteria for expansion in coverage during the 15th Finance Commission cycle, when the Committee asked the Ministry to provide details on how this criteria change would have impacted the beneficiary database and whether it is still under consideration for future implementations, they stated as below:

“The Govt. while deciding the continuation of the NSAP schemes for the 15th Finance Commission cycle (2021-26), considered the proposal of revamping NSAP schemes. Among various proposals, the proposal of identification of beneficiaries on the basis of SECC (Automatic Inclusion and any two Deprivations) was also considered. As per the proposal, number of beneficiaries was proposed to increase from 2.98 crore to 4.85 crore based on Automatic Inclusion (AI) plus any two deprivation indicators. However, considering the available financial space, the Govt., approved the continuation of NSAP schemes in its present form. Hence, at present, no proposal of expanding beneficiary coverage is under consideration. However, as per NSAP Guidelines, if there are more deserving beneficiaries in a State, the State has the option to give them pension from its own resources. As per latest information collected from States/UTs, around 5.86 crore additional beneficiaries are covered by States/UTs through their pension schemes.”

22. The Committee learnt that in the absence of separate databases of beneficiaries for NSAP and State/UT schemes, the possibility of same beneficiary availing benefit from both NSAP and pension scheme of State/UT cannot be ruled out. Further, non-segregation of finances of NSAP and State/UT scheme hinders the separate accounting of NSAP and desired transparency under both set of schemes. Interest earned on grant-in-aid received for NSAP, unspent balance at the end of the year could also not be ascertained due to consolidated maintenance of funds.

23. On being asked to provide specific details on the challenges or reasons cited by the states that are lagging behind in completing the demarcation/flagging process for NSAP beneficiaries and whether there are any common issues identified, and also what support or guidance is being offered to expedite the process, the Ministry stated as under:

“Department through various correspondences and meetings have been pursuing with the States/ UTs to complete the process of demarcation/flagging of NSAP beneficiaries at the earliest. As on 23.01.2024, under IGNOAPS, 10 States are yet to complete the process of demarcation/flagging of NSAP beneficiaries. Similarly, 18 States and 14 States are yet to complete the process under IGNWPS and IGNDPS, respectively.”

24. Upon being further probed, given the repeated requests and reminders to states/UTs, whether there are any consequences or penalties outlined for non-compliance or delays in completing the demarcation/flagging process and how do the Ministry ensure accountability and adherence to timelines, the Ministry responded as below:

“The concerned States/UTs are being requested regularly to complete the process at the earliest. The matter is taken up during the meeting of Nodal Officers and periodic Performance Review Committee (PRC) meetings, etc.”

25. When the Committee further asked that whether there are performance benchmarks or targets set for states/UTs regarding the completion of the demarcation/flagging process and how do the Ministry assess the progress of each state, and whether there are any incentives or recognitions for those states that demonstrate exemplary performance, the Ministry stated as under:

“NSAP Division monitoring the progress of flagging status in each NSAP scheme regularly. States has been facilitated the interface for flagging beneficiaries in NSAP-PPS database. States/ UTs, have been requested to demarcate/flag NSAP beneficiaries in NSAP-PPS portal from time to time. States/UTs are at different stages of flagging of beneficiaries. As on 23.01.2024, under IGNOAPS, 10 States are yet to complete the process of demarcation/flagging of NSAP beneficiaries. Similarly, 18 States and 14 States are yet to complete the process under IGNWPS and IGNDPS, respectively.”

26. Considering the urgency expressed in the ATN to accomplish the task by December 2023, when the Committee enquired what measures are in place to monitor the progress of the states in real-time, and how frequently is the progress reviewed, the Ministry responded as below:

“The concerned States/UTs are being requested regularly to complete the process of segregation of beneficiaries on NSAP portal quickly. The matter is taken up during the meeting of Nodal Officers and periodic Performance Review Committee (PRC) meetings, etc.”

27. When the Committee asked the Ministry to provide insights into the specific actions or strategies it employs to assist states/UTs in overcoming challenges and expediting the demarcation/flagging process and also whether there are any capacity-building initiatives or best practice sharing mechanisms in place, it stated:

“States/ UTs have been requested to demarcate/flag NSAP beneficiaries in NSAP-PPS portal from time to time. NIC-DoRD assists the States/ UTs in case of any technical requirement/ clarification.”

28. Further when enquired by the Committee as to how uniformity and standardization are ensured in the demarcation/flagging process across states/UTs and whether there are guidelines or protocols provided to states to ensure consistency in the implementation of this task, the Ministry responded as below:

“States/ UTs have been requested to demarcate/flag NSAP beneficiaries in NSAP-PPS portal from time to time. NIC-DoRD assists the States/ UTs in case of any technical requirement/ clarification.”

29. The Committee also found that according to NSAP guidelines, the States/UTs were required to maintain a database of eligible beneficiaries and upload it in the public domain. The beneficiary data should include all the details of the beneficiary including his/her photograph. The States should take efforts to achieve universal coverage of eligible beneficiaries by proactive identification of beneficiaries from the BPL lists by reaching out to their households. Though the beneficiaries were to be identified from the BPL lists, in many States/UTs, BPL lists were not maintained by implementing departments. Further, most of the States were not preparing database of eligible beneficiaries as envisaged.

30. On being questioned whether there are any identified challenges or common issues faced by states, including West Bengal and Chhattisgarh, in preparing and maintaining the database of eligible beneficiaries and how these challenges are addressed and improvements facilitated, the Ministry replied as below:

“West Bengal and Chhattisgarh both the states are on-boarded on NSAP-PPS portal and have digitized data of potential beneficiaries under NSAP on the portal. NIC-DoRD provides suitable assistance in case of any issue is raised by States in maintaining database.”

31. Further when the Committee asked the Ministry to elaborate on the process of annual physical verification conducted in West Bengal, including the specific criteria used to identify beneficiaries and the role of Gram Panchayat officials in the verification process, they illustrated as below:

“As reported by state of West Bengal, verification teams comprising of employees of Gram Panchayat (Executive Assistant, Secretary, Sahayak etc) are formed at Gram Panchayat level for door to door physical verification of all the existing-eligible beneficiaries. During physical verification the Gram Panchayat personnel verify the living status and/or the existence of the beneficiary at the recorded address and check Aadhaar details, bank account details, disability percentage certificates and the marital status (for widow pensioners). The current status of the beneficiaries, as verified, is updated in the NSAP-PPS portal by Block Development Offices. This entire process of Annual Physical Verification is done under supervision of senior officers of Sub-Division level and District level.

The records of ineligible beneficiaries arising out of death, lack of permanent residential status or changed marital condition (due to remarriage of widow) are marked as discontinued in the NSAP-PPS portal. The resultant Gaps are filled up by newly identified eligible persons subsequently.”

32. Given the identified gap in West Bengal due to the annual physical verification process, when the Committee enquired about the steps taken to ensure that deserving beneficiaries are not excluded from the NSAP schemes and whether there are



mechanisms in place for periodic reviews and adjustments to address such gaps, the Ministry replied as under:

“As reported by state of West Bengal, due care is taken during Annual Physical Verification to ensure that deserving existing beneficiary is not excluded from getting the benefits under NSAP. For this reason, valid documentary evidences like death certificates are relied upon in case of dead beneficiaries. If any of the discontinued migrated beneficiaries return to his recorded address to reside permanently, the pension is reactivated in the portal after physical verification. The Gaps that remain are filled up by newly identified eligible persons within the State CAP.”

33. Further when the Committee asked the Ministry about the ways in which they verify the accuracy and reliability of the data submitted by states/UTs, especially considering the variations in approaches to beneficiary identification and database maintenance across different regions, they replied as below:

“Identification of beneficiary is the responsibility of the respective State/UT. This Department allocates funds to the State/UT as per State Cap or digitized number of beneficiaries on NSAP portal, whichever is lower.

## PART-II

### OBSERVATIONS / RECOMMENDATIONS OF THE COMMITTEE

#### INTRODUCTORY

1. The Committee learn that the National Social Assistance Programme (NSAP), launched by the Ministry of Rural Development 27 years ago, stands as a crucial pillar in providing social assistance to the marginalized sections of society, including the elderly, disabled, widows, and families affected by the loss of the primary breadwinner. Over the years, NSAP has served as a lifeline for millions of beneficiaries, offering essential financial support in times of need. However, a recent audit of the program has unearthed several critical issues plaguing its implementation across states and union territories. The Committee specially note several shortcomings in the implementation of this scheme such as lack of verification and authentication processes, leading to instances of ineligible beneficiaries wrongfully accessing benefits in many regions. Moreover, deficiencies in data cleaning and maintenance have resulted in overpayments, short payments, and even instances of multiple pension disbursements in various states and union territories. Furthermore, the non-uniform implementation of NSAP, particularly the National Family Benefit Scheme (NFBS), has left eligible beneficiaries in certain areas deprived of their entitled benefits. In light of these findings, the Committee has undertaken a comprehensive review of the NSAP to identify systemic challenges and formulate recommendations aimed at enhancing the efficiency, transparency, and inclusivity of the program and ensure that NSAP fulfills its mandate of providing social assistance to those in need across the nation. Consequent to the sifting of all the material and information available before them mainly from the written information and depositions made by the Ministry, Committee have made certain observations and recommendations which are contained in the succeeding paragraphs of this part of the Report.

#### Revamping database for Resource Allocation

2. The Committee note from audit observation that the NSAP's criteria for determining state caps for beneficiaries is based on outdated data from the

census of 2001 and poverty ratios from 2004-05 which may not accurately reflect the current demographic and economic circumstances of states. The Ministry's reliance on historical data limits its ability to address the evolving needs of the population. Access to more accurate and contemporary data is essential for informed decision-making and resource allocation. This reliance on outdated population figures and poverty ratios underscores the importance of expediting the process of adopting data from the latest population census and updating poverty ratios. In the light of the above, the Committee recommend the Ministry to consider conducting periodic reviews and updates of the criteria used to determine state caps, incorporating more recent data sources to ensure accuracy and relevance. The Committee also note that the allocation of NSAP funds based on population figures from the 2001 census and poverty ratios from 2004-05 also fails to account for demographic changes and evolving poverty dynamics and thereby potentially leads to misallocation of resources and exclusion of deserving beneficiaries. Hence, the Committee, in no uncertain words recommend that the Ministry need to conduct a comprehensive review of the NSAP allocation methodology to update state caps based on the latest demographic data and poverty indicators. The Ministry should also explore options for revising allocation criteria to better reflect the needs of the population.

### **Updating Beneficiary Lists for Effective Social Assistance**

3. The Committee note from audit observation that the Ministry's reliance on outdated BPL lists for beneficiary selection, even after the finalization of SECC data indicates a failure to update beneficiary lists regularly and thus makes transparency less meaningful. Despite considering proposals to expand coverage using SECC criteria during the 15th Finance Commission cycle, the Ministry approved the continuation of NSAP schemes in their present form due to financial constraints. The Ministry in their submission have stated that to make NSAP schemes more effective, transparent and result oriented, many efforts (policy reforms, increase in budgetary allocation, effective use of Information Technology, etc.) have been done. The Committee is of the opinion that the aforesaid outdated lists lead to the exclusion of deserving beneficiaries and undermines the program's effectiveness. Therefore, the Committee recommend

that the Ministry should mandate states to update beneficiary lists regularly using the latest available data including that of the SECC, to ensure accurate targeting of beneficiaries and prevent exclusion of deserving individuals. The Committee opine that timely availability of accurate data will enable better targeting of beneficiaries and allocation of resources. Furthermore, despite guidelines promoting universal coverage and transparency in beneficiary identification, many states/UTs do not maintain databases of eligible beneficiaries or make them public. This lack of transparency obstructs accountability and may result in errors like exclusion of beneficiaries. Here, the Committee recommend that the Ministry should enforce compliance with guidelines requiring states/UTs to maintain and publicly share databases of eligible beneficiaries. The Committee also opine that the Ministry need to undergo an exercise in order to ensure that pension benefits provided under the NSAP schemes are periodically examined to ascertain the efficacy of the amount provided as pension and to find out whether it is being revised as per subsistence based guidelines/directions in order to make it more meaningful. The Committee also desire to be apprised of the action initiated/taken in this regard at the earliest.

#### **Quantum of Assistance**

4. The Committee strongly feel that the current amount of pension being paid by the Central Government under the IGNOPS , IGNDPS and IGNWPS is too meager and grossly inadequate. Therefore, the Committee recommend that in the first instance the Ministry should increase the amount of pension under IGNOPS , IGNDPS and IGNWPS to Rs 1000 per month. For qualified beneficiaries aged over 80 years, the minimum pension should be increased to Rs 1200 per month within these schemes. Furthermore, the Committee desire that the pension amount under NSAP schemes should be indexed to inflation and reviewed every five years to ensure that deserving beneficiaries are not excluded due to financial limitations for the program's effectiveness in addressing poverty and social deprivation.

#### **Compliance with Direct Benefit Transfer**

5. The Committee while analyzing the replies of the Ministry observe that despite the program's aim for universal coverage through proactive identification,

NSAP is implemented in a demand-driven mode, with benefits provided only to those who apply. This approach contributes to non-verification of existing beneficiaries, resulting in cases of ineligible beneficiaries receiving benefits. The Ministry in their background note have submitted that the Aadhaar authentication and seeding of data of NSAP pensioners is over 86% of total NSAP pensioners. They also learn that the Department is making consistent efforts to achieve 100% Aadhaar seeding/authentication. The Committee also note the scheme's lack of full compliance with Direct Benefit Transfer (DBT) standards, including cash payments in some states that poses challenges such as over-payment, short-payment, and multiple pension payments, highlighting weaknesses in financial management and accountability. The Committee are of the view that NSAP should make transition from a demand-driven approach to proactive identification of beneficiaries, leveraging available data sources and technology for comprehensive beneficiary selection, verification, and authentication. While taking cognizance of all these facts, the Committee recommend the Ministry to prioritize achieving full DBT compliance across all states, ensuring that pension payments are made digitally to prevent leakages and improve transparency and accountability in benefit disbursement. The Committee also opine that feedback from the stakeholders should be taken to ascertain the effectiveness of implementation of various schemes under the NSAP.

#### **Addressing Disparities in Social Security Coverage**

6. The Committee note that there is a wide variation in beneficiary coverage among different states/UTs, with some covering fewer beneficiaries than the cap while others exceeding it. This matter raises concerns about fairness and equity in accessing social security benefits. Therefore, the Committee recommend that the Ministry should strive for more equitable coverage across states/UTs by addressing the discrepancies in beneficiary allocation and ensure that the deserving individuals receive sufficient support. Additionally, proactive efforts should be made to achieve universal coverage by identifying and reaching out to eligible households. Moreover, the Committee recommend conducting a third-party or independent audit of beneficiary inclusion and exclusion to ensure transparency and fairness in the process. It goes without saying here that it

would be in all fitness of things if such audit invariably figures in the public domain.

**Need for separate databases for NSAP and State/UT schemes**

7. The Committee note from audit observation that the absence of separate databases for NSAP and State/UT schemes, coupled with non-segregation of finances hinders transparency and accountability. The Committee observe that there are chances of the same beneficiary availing benefits from both NSAP and state/UT schemes. The Committee, therefore, recommend that the Ministry need to implement separate databases for NSAP and State/UT schemes to enhance transparency and accountability and for Improved Social Security Governance. They also recommend that the Ministry must also develop mechanisms to prevent the possibility of duplication of benefits and ensure efficient utilization of resources spread out to a wider outreach of the needy and vulnerable. The Committee also desire to be apprised of the positive steps initiated/taken in this regard.

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April, 2024  
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