

22

**STANDING COMMITTEE ON
RURAL DEVELOPMENT
(2005-2006)**

FOURTEENTH LOK SABHA

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

RURAL HOUSING

TWENTY-SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

TWENTY-SECOND REPORT
STANDING COMMITTEE ON
RURAL DEVELOPMENT
(2005-2006)

(FOURTEENTH LOK SABHA)

MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

RURAL HOUSING

Presented to Lok Sabha on 3.8.2006

Laid in Rajya Sabha on 3.8.2006



LOK SABHA SECRETARIAT
NEW DELHI

August, 2006/Sravana, 1928 (Saka)

C.R.D. No. 028

Price : Rs. 195.00

© 2006 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eleventh Edition) and Printed by Jainco Art India, New Delhi-110 005.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE (2004-05)	(v)
COMPOSITION OF THE COMMITTEE (2005-06)	(vii)
ABBREVIATIONS	(ix)
INTRODUCTION	(xiii)
REPORT	
CHAPTER I Introductory	1
CHAPTER II Housing Scenario in Rural Areas in the Country	3
(i) Rural Housing—Constitutional provisions ...	3
(ii) National Housing Policy	5
(iii) Estimated rural housing shortage in the country	9
(iv) Efforts made by the Government so far to end the shelterlessness in the country	12
(v) Action Plan to end the shelterlessness in the country	15
(vi) Review of the Centrally sponsored scheme for Housing	22
(vii) The schemes other than Indira Awaas Yojana	30
(viii) Availability of land for construction of houses for BPL persons under the grant based schemes of the Government specifically Indira Awaas Yojana	33
CHAPTER III Rural Housing Finance	36
(i) Quantum of housing loan in rural areas ..	36
(ii) The role of National Housing Bank (NHB) in rural housing finance	36
	(i)

	PAGE
(iii) Separate National Housing Bank for rural areas	37
(iv) Rate of interest and limit of refinance	38
(v) Rate of interest charged by Banks and various financial institutions for housing from individuals in rural areas	39
(vi) Rate of recovery of housing loan advanced by Commercial, Cooperative and Regional Rural Banks	41
(vii) Role of NABARD in housing finance	41
(viii) Implementation of Golden Jubilee Rural Housing Finance Scheme (GJRHFS)	47
(ix) The performance of GJRHFS	49
(x) Role of HUDCO in housing finance	51
(xi) Equity of HUDCO	53
(xii) Role of HUDCO under different housing programmes	55
(xiii) Problems encountered by HUDCO	56
(xiv) Role of Commercial Banks in the field of Rural Housing	58
(xv) Various aspects linking Institutional Credit flow for housing in rural areas particularly in abaadi areas	64
Problems related to non-availability of the title deeds in respect of land/houses in rural areas particularly in abaadi areas	64
(xvi) The work done with regard to maintenance and updation of land records under the Centrally Sponsored Schemes <i>viz.</i> (i) Strengthening of Revenue Administration and Updation of Land Records (SRA&ULR) and (ii) Computerisation of Land Records ...	66
(xvii) Role of Housing Finance Companies and Cooperative Sector Institutions	71

	PAGE
CHAPTER IV Technology for Rural Housing	73
A. Need for dissemination of appropriate technology and use of local materials.....	73
(a) Role of BMTPC	74
(b) Role of CBRI in providing technology through R&D	77
(c) Role of CAPART	79
(d) Rural Building Centre Scheme.....	79
(e) Technology Resource Centres.....	81
(f) Mechanism to review the work done by different agencies in the field of R&D in housing in rural areas	81
B. Need for dissemination of Disaster Proof Technology	84
(a) Effects of natural disasters on total housing stock.....	84
(b) Role of HUDCO	85
(c) Role of BMTPC	86
APPENDICES	
I. Total population and estimated rural housing shortage as per 2001 census	89
II. Statement showing year-wise target group-wise houses constructed under IAY	90
III. Statement showing year-wise houses provided to non SC/ST on total target	91
IV. Year-wise physical and financial progress under IAY since inception	92
V. Year-wise Central allocation and its percentage increase under IAY since inception to date	93
VI. Position of opening balances with various State Governments since 1996-97 to 2005-06 under IAY	95
	(iii)

	PAGE
VII. The highlights of the audit para [CAG Report No. 3 of 2003]	98
VIII. Interest rates on housing loans of some of Major Banks and Housing Finance Companies	100
IX. HUDCO's contribution towards Rural Housing during 8th, 9th and 10th Plan periods	104
X. Progress made by the housing cooperatives in rural areas as on 31 March, 2005	105
XI. Status of approved Rural Building Centres.....	106
XII. List of experts/representatives of organizations/ individuals who appeared before the Committee	109
XIII. Minutes of the Sixth Sitting of the Committee held on 3 November, 2004	110
XIV. Minutes of the Second Sitting of the Committee held on 14 September, 2005.....	112
XV. Minutes of the Third Sitting of the Committee held on 14 September, 2005	115
XVI. Minutes of the Fourth Sitting of the Committee held on 15 September, 2005.....	117
XVII. Minutes of the Fifth Sitting of the Committee held on 3 October, 2005	120
XVIII. Minutes of the Sixth Sitting of the Committee held on 3 October, 2005	123
XIX. Minutes of the Tenth Sitting of the Committee held on 9 January, 2006	125
XX. Minutes of the Eleventh Sitting of the Committee held on 9 January, 2006.....	128
XXI. Minutes of the Twenty-second Sitting of the Committee held on 14 July, 2006.....	130
XXII. Minutes of the Twenty-third Sitting of the Committee held on 1 August, 2006	133
XXIII. Statement of observations/recommendations	135

COMPOSITION OF THE STANDING COMMITTEE ON
RURAL DEVELOPMENT (2004-2005)

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri V. Kishore Chandra S. Deo
3. Shri Sandeep Dikshit
4. Shri L. Ganesan
5. Shri Mohan Jena
6. Shri Shrichand Kriplani
7. Shri Subhash Maharia
8. Shri Hannan Mollah
9. Shri Dawa Narbula
10. Shri A.F. Golam Osmani
11. Shri K.C. Pallani Shamy
12. Shri Anna Saheb M.K. Patil
13. Shrimati Tejaswini Seeramesh
14. Shri P. Chalapathi Rao
15. Shri S. Sudhakar Reddy
16. Shri Nikhilananda Sar
17. Shri Mohan Singh
18. Shri Sita Ram Singh
19. Shri D.C. Srikantappa
20. Shri Bagun Sumbrai
21. Shri Mitrasen Yadav

Rajya Sabha

22. Kumari Nirmala Deshpande
23. Shri Ghanshyam Chandra Kharwar
24. Prof. Alka Balram Kshatriya
25. Shri Penumalli Madhu
- @26. Vacant
27. Shri Kalraj Mishra
28. Dr. Chandan Mitra
- *29. Vacant
30. Dr. Faguni Ram
31. Prof. R.B.S. Varma

SECRETARIAT

- | | | |
|---------------------------|---|--------------------------|
| 1. Shri P.D.T. Achary | — | <i>Secretary</i> |
| 2. Shri V. K. Sharma | — | <i>Joint Secretary</i> |
| 3. Shrimati Sudesh Luthra | — | <i>Deputy Secretary</i> |
| 4. Shri A. K. Shah | — | <i>Under Secretary</i> |
| 5. Shri Sundar Prasad Das | — | <i>Executive Officer</i> |

*Vice Shri Keshubhai S. Patel ceased to be a member of the Committee *w.e.f.* 22 March, 2005 consequent upon his resignation from the membership of Standing Committee on Rural Development.

@Vice Shri Stephen Marandi ceased to be a member of Rajya Sabha *w.e.f.* 16 March, 2005 consequent upon his election to the Jharkhand Legislative Assembly *vide* Rajya Sabha Secretariat notification No. R S 10/2005-T dated 11 April, 2005.

COMPOSITION OF THE STANDING COMMITTEE ON
RURAL DEVELOPMENT (2005-2006)

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri V. Kishore Chandra S. Deo
3. Shri Sandeep Dikshit
4. Shri L. Ganesan
5. Shri Mohan Jena
6. Shri Shrichand Kriplani
7. Shri Subhash Maharia
8. Shri Hannan Mollah
9. Shri Dawa Narbula
10. Shri A.F. Golam Osmani
11. Shri K.C. Pallani Shamy
- *12. Shri Prabodh Panda
- @13. Shri Dharmendra Pradhan
14. Shrimati Tejaswini Seeramesh
15. Shri P. Chalpathi Rao
16. Shri Nikhilananda Sar
17. Shri Mohan Singh
18. Shri Sita Ram Singh
19. Shri D.C. Srikantappa
20. Shri Bagun Sumbrai
21. Shri Mitrasen Yadav

*Hon'ble Speaker has changed the nomination of Shri Prabodh Panda, MP (LS) from Standing Committee on Water Resources to Standing Committee on Rural Development *vide* para no. 1580, Lok Sabha Bulletin Part-II dated 23 August, 2005.

@Nominated by Hon'ble Speaker *vide* para no. 2495, Lok Sabha Bulletin Part-II dated 31 May, 2006.

Rajya Sabha

- #22. Shri Balihari
- 23. Kumari Nirmala Deshpande
- #24. Shri Vinay Katiyar
- 25. Prof. Alka Balram Kshatriya
- 26. Shri Penumalli Madhu
- #27. Shri Kalraj Mishra
- 28. Dr. Chandan Mitra
- 29. Dr. Gyan Prakash Pilonia
- #30. Kumari Sushila Tiriya
- 31. Vacant

SECRETARIAT

- 1. Shri S.K. Sharma — *Additional Secretary*
- 2. Shri P.K. Grover — *Joint Secretary*
- 3. Shrimati Sudesh Luthra — *Deputy Secretary*
- 4. Shri A.K. Shah — *Under Secretary*
- 5. Shri Sundar Prasad Das — *Executive Officer*

#Nominated by Hon'ble Chairman, Rajya Sabha *vide* para no. 43153, Rajya Sabha Parliamentary Bulletin Part-II dated 5 June, 2006.

ABBREVIATIONS

ACA	—	Additional Central Assistance
ACHF	—	Apex Cooperative Housing Federation
APL	—	Above Poverty Line
ARDB	—	Agriculture Rural Development Bank
BE	—	Budget Estimates
BPL	—	Below Poverty Line
BMTPC	—	Building Materials and Technology Promotion Council
CAG	—	Comptroller and Auditor General of India
CAPART	—	Council for Advancement of People's Action and Rural Technology
CBRI	—	Central Building Research Institute
CCSS	—	Credit-cum-subsidy Scheme
CLR	—	Computerisation of Land Records
CPWD	—	Central Public Works Department
CSIR	—	Council for Scientific and Industrial Research
DLM	—	District Level Monitoring
DoRD	—	Department of Rural Development
DRDA	—	District Rural Development Agency
DU	—	Dwelling Units
EAS	—	Employment Assurance Scheme
EMI	—	Equated Monthly Installment
ETC	—	Extension Training Centre
EWS	—	Economically Weaker Section
GDP	—	Gross Domestic Product
GJRHFS	—	Golden Jubilee Rural Housing Finance Scheme
GKY	—	Ganga Kalyan Yojana
HUDCO	—	Housing and Urban Development Corporation Limited
HFC	—	Housing Finance Company
HFI	—	Housing Finance Institution
HLC	—	High Level Committee
IAY	—	Indira Awaas Yojana
ICAR	—	Indian Council for Agricultural Research
IEC	—	Information, Education and Communication
IRDP	—	Integrated Rural Development Programme
JGSY	—	Jawahar Gram Samridhi Yojana

JRY	—	Jawahar Rozgar Yojana
MPR	—	Monthly Progress Report
MNP	—	Minimum Needs Programme
NABARD	—	National Bank for Agriculture and Rural Development
NC	—	Not Covered
NCHF	—	National Cooperative Housing Federation of India
NHB	—	National Housing Bank
NIRD	—	National Institute of Rural Development
NLM	—	National Level Monitors
NSSO	—	National Sample Survey Organisation
PC	—	Public Cooperation regarding promotion of Voluntary Action in Rural Development
PLI	—	Primary Lending Institution
PMGY	—	Prime Minister's Gramodaya Yojana
PMGSY	—	Pradhan Mantri Gram Sadak Yojana
PNB	—	Punjab National Bank
PURA	—	Provision of Urban Amenities in Rural Areas
PRIs	—	Panchayati Raj Institutions
RBC	—	Rural Building Centres
RBI	—	Reserve Bank of India
RC	—	Regional Committees of CAPART
RE	—	Revised Estimates
RH	—	Rural Housing Schemes
RLEGP	—	Rural Landless Employment Guarantee Programme
Rs.	—	Rupees
SAY	—	Samagra Awaas Yojana
SHG	—	Self Help Group
SGRY	—	Sampoorna Grameen Rozgar Yojana
SGSY	—	Swarnjayanti Gram Swarozgar Yojana
SIDBI	—	Small Industries Development Bank of India
SIRD	—	State Institute of Rural Development
SITRA	—	Supply of Improved Tool Kits to Rural Artisans
SRA & ULR	—	Strengthening of Revenue Administration and Updation of Land Records
SVO	—	Support Voluntary Organisations
TRC	—	Technology Resource Centre
TRYSEM	—	Training of Rural Youth for Self-Employment
UC	—	Utilisation Certificate
UP	—	Uttar Pradesh
UT	—	Union territory
ZP	—	Zilla Parishad

(x)

INTRODUCTION

I, the Chairman of the Standing Committee on Rural Development (2005-06) having been authorized by the Committee to submit the Report on their behalf, present the Twenty-second Report on 'Rural Housing'.

2. The Committee during their course of examination of Demands for Grants of the different years have examined the various issues related to Centrally Sponsored Schemes in the field of Rural Housing, particularly Indira Awaas Yojana. The Committee (2004-05) felt that detailed analysis with regard to the various issues related to Rural Housing was necessary to review the efforts made by the Union Government in this regard. In this scenario, the Committee (2004-05) selected the said subject for examination and report to Parliament. However, the Committee could not complete the examination due to paucity of time. Subsequently, the Committee (2005-06) took up the subject and decided to examine it from the stage the earlier Committee had left. The Committee invited memoranda from experts/public/organizations through print and electronic media. 483 memoranda were received by the Secretariat. The scrutiny of the memoranda indicated that 178 were in regional language and 156 were not related to the subject. Thus 149 memoranda related to the subject were examined and the Committee heard the views of selected experts/organizations and individuals etc. The list of experts who were called for oral evidence has been given in Appendix-XII. The Committee also sought information and heard the views of representatives of various organizations involved in the field of R&D in technology and dissemination of information *viz.* CAPART, BMTPC, HUDCO and CBRI at their sitting held on 14th September, 2005. Besides, the Committee sought information and heard the views of the representatives of various agencies involved in refinance for rural housing *viz.* NHB, NABARD, LIC, SIDBI etc. at their sitting held on 15th September, 2005. The Committee also sought information and heard the views of some of the leading Commercial Banks *viz.* State Bank of India, Punjab National Bank, Bank of Maharashtra, Canara Bank and Dena Bank at their sitting held on 9th January, 2006. National Cooperative Housing Federation of India (NCHF) also furnished the requisite information for the benefit of the Committee with regard to the role of Rural Housing. Besides, the Department of Rural Development (Ministry of

Rural Development) *i.e.* the Nodal Ministry/Department in the field of rural housing submitted detailed information in response to various sets of list of points. The Committee were briefed about the various aspects related to rural housing by the representatives of the aforesaid Department at their sitting held on 3rd November, 2004. The Committee took evidence of the aforesaid Department at their sitting held on 14th July, 2006. The Committee were also benefited by the written information provided by Banking Division (Ministry of Finance) on the various aspects related to Rural Housing Finance. The Committee also took oral evidence of the representatives of Banking Division (Ministry of Finance) at their sitting held on 9th January, 2006. The representatives of RBI and NHB were also present at the said sitting. The Committee were greatly benefited from the views/suggestions furnished by the aforesaid agencies/Departments/experts/organizations and Ministries/Departments of the Union Government.

3. The Committee considered and adopted the Report at their sitting held on 1 August, 2006.

4. The Committee place on record their deep appreciation of the work done by the earlier Committee *i.e.* the then Committee on Rural Development (2004-05).

5. The Committee express their thanks to all the Ministries/Banks/Organisations/Experts as indicated in Para 2 above who furnished the written information or tendered evidence before the Committee.

6. The Committee would like to place on record their sense of deep appreciation for the invaluable assistance rendered by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
2 August, 2006
11 Sravana, 1928 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

CHAPTER I

INTRODUCTORY

Food, clothing and shelter are the basic three requirements of each individual. Therefore, shelter occupies a primary position in human existence.

1.2 As indicated in the Annual Report (2005-2006) of the Ministry of Rural Development, shelter is a basic requirement for human survival and a well serviced house is the foundation for quality living. Ownership of a house provides significant economic security and dignity in society to an individual. In the case of a shelterless, below poverty line person of rural areas, possession of a house brings about a profound social change in his existence, endowing him with an identity, providing his family with sense of security, thereby integrating him with his immediate social milieu. House ownership enhances the basic confidence of a BPL household. A house with basic amenities like safe and adequate water, sanitation, safety and energy can be termed as basic right of every individual in a civilised society.

1.3 In India more than 72 per cent of population is rural and as such the need for rural housing is many times greater than the need for urban housing. To supplement the efforts made by the State Governments to address to the problem of shelterlessness in rural areas in the country, a flagship programme Indira Awaas Yojana was launched during the year 1985 as part of wage employment programme since 1985 to 1989 and then from 1989 to 1996 as part of Jawahar Rozgar Yojana. The programme is being implemented independently from 1st January, 1996. So far, 146 lakh houses could be constructed with the expenditure of Rs. 26,669.64 crore. Besides, efforts to address the problem of shelterlessness are being made under the different small schemes of the Department of Rural Development and by HUDCO, CAPART and various non-Government organizations etc. Besides, State Governments are making efforts in this regard. In spite of the massive investment made in the field of rural housing, Government data as per 2001 census indicate that out of total rural population of 7416.06 lakh, the housing shortage in rural areas is 148.25 lakh. Besides, 9 lakh shelterless households are added to the housing shortage every year. As per the data furnished by National Housing Bank in rural areas only 36 per cent houses are pucca houses which means 64 per cent houses require frequent maintenance and eventual replacement

over a period of 5 to 10 years. As against this 77 per cent urban houses are pucca houses. Thus the challenge before the Government to end the shelterlessness in rural areas in the country is great.

1.4 The Committee while examining the Demands for Grants of the different years have examined the various issues related to Centrally Sponsored Schemes related to rural housing, particularly Indira Awaas Yojana. The Committee (2004-2005) felt that detailed analysis with regard to the various issues with rural housing was necessary to review the efforts made by the Union Government.

1.5 In the aforesaid background the Committee (2004-05) selected the subject 'Rural Housing' for examination and report. However, due to paucity of time, examination of the subject could not be completed and was continued by the Standing Committee (2005-06) from the stage the earlier Committee had left. The Committee have held ten sittings and examined in detail various issues related to the subject. Initially, the views of experts/public/organizations were invited through print and electronic media. Out of 483 memoranda received by the Secretariat, 178 were in regional language and 156 were not related to the subject. Thus 149 memoranda were related to the subject. The Committee heard the views of selected experts/organizations and individuals etc. the details of which have been given in the *Appendix-XII* on the subject. Besides the Committee sought information and heard the views of the representatives of various Government Organisations related to the subject *viz.* CAPART, NHB, HUDCO, BMTPC, CBRI, LIC, NABARD, followed by the oral evidence of some of the leading Commercial Banks *viz.* State Bank of India, Punjab National Bank, Bank of Maharashtra, Canara Bank and Dena Bank and Ministry of Finance (Banking Division) on the subject. Besides the detailed written information was provided by all these agencies, Department of Rural Development and Ministry of Finance (Banking Division) on the various issues related to rural housing. The Committee were also benefitted by the information furnished by the National Cooperative Housing Federation of India (NCHF). The Committee had two meetings with the nodal Ministry of Rural Development, one for the purpose of briefing on the subject and one for taking oral evidence. Based on the feedback received from the aforesaid sources the Committee have dealt with various issues related to rural housing in the three chapters of the Report *viz.* Housing Scenario in rural areas in the country, Rural Housing Finance and Technology for Rural Housing. The detailed analysis with regard to various aspects related to the subject has been done in the subsequent paras of the report.

CHAPTER II

HOUSING SCENARIO IN RURAL AREAS IN THE COUNTRY

(i) Rural housing—Constitutional provisions

Housing is a basic human need. The various issues related to addressing to the problem of shelterlessness in rural areas of the country have been dealt with in detail in the various chapters of the report. While examining the subject "Rural Housing" the Committee have found that the Department of Rural Development (Ministry of Rural Development) *i.e.* the nodal Ministry dealing with the subject has responded to some of the important issues (except the grant based schemes) by stating that housing is a State subject. As analyzed in the later parts of the report, Union Government is supplementing the efforts of the State Governments by various grant based schemes for the BPL persons in the country.

2.2 So far as the Constitutional provisions with regard to rural housing are concerned, the subject does not find place in either of the three lists *viz.* Union List, State List and Concurrent List of Seventh Schedule of the Constitution. However, different issues related to housing have been indicated at various entries of different lists, the details of which have been indicated as below :—

List-II—State List

- | | |
|----------|---|
| Entry 5 | Local government, that is to say, the constitution and powers of municipal corporations, improvement trusts, district boards, mining settlement authorities and other local authorities for the purpose of local self-government or village administration. |
| Entry 17 | Water, that is to say, water supplies, irrigation and canals, drainage and embankments, water storage and water power subject to the provisions of entry 56 of List-I. |
| Entry 18 | Land, that is to say, rights in or over land, land tenures including the relation of landlord and tenant, and the collection of rents; transfer and alienation of agricultural land; land improvement and agricultural loans; colonisation. |

- Entry 45 Land revenue, including the assessment and collection of revenue, the maintenance of land records, survey for revenue purposes and records of rights, and alienation of revenues.
- Entry 46 Taxes on agricultural income.
- Entry 49 Taxes on lands and buildings.
- Entry 63 Rates of stamp duty in respect of documents other than those specified in the provisions of List I with regard to rates of stamp duty.

List-III—Concurrent List

- Entry 44 Stamp duties other than duties or fees collected by means of judicial stamps, but not including rates of stamp duty.

2.3 The erstwhile Standing Committee on Urban and Rural Development (Tenth Lok Sabha) while examining National Housing Policy, May 1992 in their Fourth Report had observed that such kind of fragmented arrangement of power have posed question about the nature, functioning and necessity of coordination in the field of housing. The Committee had recommended to the Government to explore the possibilities to include housing as a subject in the Concurrent List of the Seventh Schedule of the Constitution through a Constitution amendment.

2.4 Whereas Rural Housing as such has not been indicated in either of the three lists of Seventh Schedule of the Constitution, the subject finds place at Entry No. 10 of Eleventh Schedule of the Constitution. Eleventh Schedule refers to the 29 functions that have to be devolved to Panchayats to enable them to function as institutions of self-government in pursuance of Article 243G of the Constitution.

2.5 The Committee find that the Union Ministry of Rural Development *i.e.* the nodal Ministry for dealing with subject Rural Housing, in response to some of the issues raised by the Committee with regard to the subject has stated that rural housing is a State subject and as such it is the responsibility of the State Governments. The Committee find from the position as indicated above that rural housing as such do not find place in either of the three lists *viz.* Union List, State List and Concurrent List of Seventh Schedule of the Constitution. Various items related to rural housing have been dealt with in a fragmented manner in the State and Concurrent List.

Further the Committee also note that rural housing finds place only in the Eleventh Schedule of the Constitution as one of the 29 subjects that need to be devolved to Panchayats in pursuance of Article 243G of the Constitution. The Committee observe that whereas various sources of revenue like land revenue, stamp duty, taxes of land and buildings etc. find place in State and Concurrent List, as indicated above, the rural housing has been indicated as the responsibility of Panchayati Raj Institutions as per the Eleventh Schedule of the Constitution. The Committee further observe that a lot has to be done for financial empowerment of Panchayats by various State Governments. In this scenario, the Committee share the observation of the erstwhile Standing Committee on Urban and Rural Development whereby the Committee had observed that such kind of fragmented arrangement of power has posed questions about the nature of functioning and necessity of coordination in the field of housing. Housing for the poor, weaker and disadvantaged sections of the society is the responsibility of State as well as Union Government. Union Government is supplementing the efforts made by State Governments in this regard. The Committee feel that there is a need to review the Constitutional position with regard to rural housing and would like to reiterate the recommendation made by the earlier Committee. The Committee would like the Government to explore the possibility to include housing as a subject in the Concurrent List of the Seventh Schedule of the Constitution through the Constitutional amendment.

(ii) National Housing Policy

2.6 National Housing and Habitat Policy, 1998 addresses to the issues concerning housing in both rural and urban areas. In the said policy certain legal and regulatory reforms have been specified indicating the role of the Union Government as a facilitator.

2.7 National Housing and Habitat Policy, 1998 aims at :

- (i) Creation of surplus in housing stock either on rental or ownership basis,
- (ii) Providing quality and cost effective shelter options, especially to the vulnerable groups and the poor,
- (iii) Ensuring that housing, along with the supporting services, is treated as a priority and at par with infrastructure sector,
- (iv) Removing legal, financial and administrative barriers for facilitating access to land, finance and technology,

- (v) Forging strong partnership between private, public and cooperative sectors to enhance the capacity of the construction industry to participate in every sphere of housing and habitat development,
- (vi) Using technology for modernising the housing sector to increase efficiency, productivity, energy efficiency and quality, and
- (vii) Empowering the Panchayati Raj Institutions and village cooperatives to mobilise credit for adding to the housing stock.

2.8 The Department of Rural Development in response to the issues raised by the Committee has stated that National Housing and Habitat Policy, 1998 is the subject matter of Ministry of Urban Development and Poverty Alleviation and most of the points are concerning urban housing. For the rural housing only point (i) and (vii) are relevant. Further when the attention of the Department was drawn towards a news item whereby the media has reported that the National Housing and Habitat Policy, 2005 is in the process of being finalized and wants a leading role for the private sector for the construction of group housing on a large scale for various weaker sections of the society. It was stated that the said policy relates to construction in urban areas only.

2.9 As per the existing position, there is a combined housing policy for rural and urban areas. In view of the fact that the new policy relates to only urban areas, when the Department was enquired whether any effort is being made to draft a separate rural housing policy for rural areas, the Department has informed that initiatives in this regard are being taken.

Definition of House

2.10 As per the information furnished by the Department of Rural Development, the following definitions of a house is taken into consideration:

Pucca House: Houses with wall and roof made of permanent material. Wall can be G.I. Metal, Asbestos sheets, Burnt bricks, Stone or Concrete. Roof can be made of Tiles, Slate, G.I. Metal, Asbestos sheets, Brick, stone or Concrete.

Kutcha House: Houses with wall and roof made of temporary material. Wall can be made of Grass, Thatch, Bamboo etc. Plastic, Polythene, Mud, Unburnt brick or wood. Roof can be made of Grass, Thatch, Bamboo, Wood, Mud, unburnt brick or polythene.

Semi-pucca House: Either wall or roof is made of permanent material (and the either having been made of temporary material).

The definition of family and specification of a house

2.11 Under Indira Awaas Yojana (IAY) being implemented by the Department of Rural Development, assistance for constructing one house is provided to a BPL family. A family consists of wife, husband and unmarried children. As regards the specification of a house, it has been stated that under Indira Awaas Yojana, the minimum covered area is 20 square metres. The house includes a smokeless chulha and a sanitary latrine.

2.12 The Committee understand from the position as indicated above that at present there is a combined policy for rural and urban areas in the country. The Committee are concerned to note the response of the Department whereby the Department has simply stated that various objectives set under the housing policy *viz.* removing legal, financial and administrative barriers for facilitating access to land, finance and technology, creation of surplus in housing stock, forming strong partnership between private, public and cooperative sectors to enhance the capacity of the construction industry, modernization are not concerned with rural housing. The Committee find that as per the existing position, the housing in rural areas means only *kutcha* and *pucca* minimum required *jhopri* type structure. It seems as if there is no vision to reform the position of housing in rural areas. On the one hand initiatives like 'Providing Urban Amenities to Rural Areas (PURA)' are being taken by the Government, on the other hand, there is least concern to improve the housing position in rural areas.

2.13 The rural housing is perceived to be people's responsibility. The role of the Government is limited to grant based schemes like Indira Awaas Yojana under which some sort of financial assistance is provided to the beneficiary without ensuring the other pre-requisites required for construction of a house. The quality of construction is the least concern of the Government. Housing in

rural areas is considered to be simply construction of a house by the user himself with the traditionally known technologies. Adequate attention is not being paid to facilitate various resources, lending facility, infrastructure etc. by the Government in this regard.

2.14 The Committee understand that the Department is in the process of formulating a separate policy for rural areas. The Committee strongly recommend that while formulating the policy, it should be ensured that the role of the Government is not limited to grant based schemes and the policy addresses to the needs and aspirations of all sections of the society in rural areas in the country. The policy should address to the various areas related to housing which have been examined in detail in the subsequent chapters of the Report.

2.15 While examining the various aspects related to rural housing, the Committee note that foremost issue to be considered is what is a house. The Committee are constrained to note the definition of the house according to which houses constructed with permanent concrete material is pucca house whereas houses constructed with some of the traditional temporary material is kutcha house and houses constructed with the mixed permanent and temporary material is the semi-pucca house. The Committee are of the view that the aforesaid definition of housing considers a house only as a structure of four walls and a roof for a family. It ignores the fact that the residents of a house need various facilities like infrastructure facilities, water, sanitation, sewage disposal arrangements, transport, security etc. In the rural context it is much more important to relate the housing with the work place because in rural areas most of the population is dependent upon agriculture. Housing need to be integrated with the habitat development. Besides providing a place to live for the family, the house in the rural areas acts as an additional place for the livelihood work of the family. It is a place where agricultural implements are kept and crops/seeds stock is stored. Besides it is much more important to ensure the structural safety of the building in which the families live. It is important to integrate housing with all these related issues.

2.16 The Committee further find that as per the definition of a house as given by the Government pucca house is a house constructed with concrete material etc. *i.e.* the permanent material and a kutcha house is a house constructed with some of the traditional material like thatch, bamboo etc. *i.e.* temporary material for construction. The Committee note that with the advancement of

technology, it has become possible to construct durable house with the traditional material of construction, the detailed analysis in this aspect has been done in the later part of the report. Here the Committee may like to state that this definition of the house is responsible for the mind set of the people in rural areas according to which only the concrete houses are considered to be durable houses and least attention is being paid to construct houses with low cost locally available material. Besides there is an urgent need to consider housing in the light of the structure of Panchayati Raj Institutions as envisaged under Part IX of the Constitution. Housing needs to be integrated with various developmental programmes of the Government specifically the National Rural Employment Guarantee Legislation and Bharat Nirman. Keeping all these aspects in view there is an urgent need to change the definition of the housing in the context of rural areas. The Committee urge the Department to take the desired action in this regard.

(iii) Estimated rural housing shortage in the country

2.17 The need for housing is universal. In India more than 72 per cent of population is rural. Thus the need for rural housing is many times greater than the need for urban housing. In spite of the efforts made by the Union Government and massive investment, the details of which have been indicated in the subsequent paras of the report, Government data as per 2001 census indicate that out of the total rural population of 7416.60 lakh the housing shortage in rural areas is 148.25 lakh. The State-wise data of total population and estimated rural housing shortage as per 2001 census has been indicated in *Appendix-I*. Critical analysis of the data indicates that maximum housing shortage is in the following States:

Bihar	:	42.10 lakh
Assam	:	22.41 lakh
Andhra Pradesh	:	13.50 lakh
Uttar Pradesh	:	13.24 lakh
North-East except Assam	:	6.37 lakh

2.18 If the data of shortage is compared to total rural population, the percentage of housing shortage in these States is as under :

Bihar	:	5 per cent
Assam	:	9 per cent
Andhra Pradesh	:	3 per cent
Uttar Pradesh	:	1 per cent
North-East except Assam	:	6 per cent

2.19 When asked the reasons for having maximum number of houseless persons in the aforesaid States, the Department of Rural Development (Ministry of Rural Development), the nodal Department of the Union Government for the purpose of rural housing has submitted that the main reason for having maximum number of houseless persons in the aforesaid States could be the higher rate of population growth, slow economic growth and poverty due to which the poor people are unable to find resources to construct or purchase a house. Further when asked as to whether there is any linkage between a family being BPL and having no shelter, the Department has responded that the shelterless households in rural areas are most likely to belong to the BPL category. Further substantiating this during the course of oral evidence the Secretary of the Department stated as under:

“We do not have the information as to how much houseless are BPL and APL. Our houseless figure is drawn from the Census. But as you are aware the Census data is secret. They will not tell you which person has been counted as houseless and which person has been counted as rich or poor.

xxxx What it means (BPL data) in terms of houseless and non-houseless, that data is still not available with us. When we do a sample survey, we actually do not have a column. Our poverty household survey is fairly old. We have to do one more now. There, we do not have a category which actually distinguishes between a person with a house and a person without a house. xxxx NSS Survey does not cover housing.”

The data regarding housing shortage during the last three decades

2.20 The housing shortage data as indicated in the document furnished by National Housing Bank was as under:

Year	(Nos. in million)
1981	16.30
1991	14.67
2001	13.80

2.21 As regards the reason for decrease in the number of shelterless persons as per NHB, the backlog of rural housing has come down not because enough houses have been built in rural areas but mostly because of rural influx into large urban areas where rural population

are shifting en-block in search of gainful employment opportunities. NHB has substantiated this argument by stating that Delhi Metropolitan Region alone receives an equivalent of 10 to 30 villages each year deserting the rural hinterland. As per the opinion of the Department of Rural Development, the reduction in housing shortage is to some extent due to construction of IAY houses.

Annual demand adding to the data of shelterlessness as per 2001 Census

2.22 As per the Government estimates, about 9 lakh shelterless households are added to the housing shortage every year. If the annual incremental shortage is added, there will be a need to construct 161 lakh of houses during 11th Plan.

2.23 Besides Centrally Sponsored Schemes, State Governments have their own schemes for meeting the shortage of houses in rural area. When asked how the data of shortage and annual clearance of the backlog is calculated specifically when the houses are constructed under different Central and State Sector Schemes, the Department has submitted that the basis for calculating the housing shortage is the 2001 Census. Houses constructed under IAY from the year 2001-02 onwards are subtracted from this shortage whereas the additional requirement of houses due to congestion and bifurcation of families as also the houses damaged by natural calamities are added to this figure. As an estimate, about 9 lakh shelterless households are added to the housing shortage every year.

Relation between housing activity and employment

2.24 As per a document of NHB, a study by CBRI indicates that the Government's present target of construction of 13 lakh houses, each of 20 square metre plinth area, is expected to create employment for an equivalent of 8.6 lakh people every year. The study also shows that about 62 per cent of the requirement is for unskilled labour thereby meaning immediate job creation for as many people without investment in training.

Condition of houses in rural areas

2.25 As stated by NHB, out of the available housing stock in rural areas, only 36 per cent houses are *pucca* houses, which means 64 per cent houses require frequent maintenance and eventual replacement over a period of 5 to 10 years. As against this, 77 per cent urban house are *pucca* houses.

2.26 When asked for the data with regard to *kutcha* houses, the Department initially submitted that no data with regard to the number of *kutcha* houses is maintained. As per the data furnished by NHB, 11.40 million houses are non-serviceable *kutcha*/temporary houses. When the attention of the Department was drawn towards the data being maintained by NHB, the Department stated that 1.17 crore households are living in unserviceable *kutcha* houses. Regarding different data with regard to shelterless persons and *kutcha* houses, the Secretary during the course of oral evidence stated as under:

“Both the NHB and we have depended upon the Census figures. There is no difference between their figure and our figure on two issues. According to Census, 11.4 million houses are actually non-serviceable *kutcha* houses. We are counting them for houses. We are not actually saying those houses are not part of the housing shortage. Then, there are 3.2 million which we add to that which is basically the number of households who are living together in a common house. That will bring the figure up to 14.6 million. This is the 146 (lakh) figure. To this, we are also adding 3 lakh which are basically the houseless population as intimated by the Census. That is how we came to this figure of 148-149 (lakh). HUDCO has also estimated an additionality on account of obsolescence factor which they have built into their report which we do not take into account.”

(iv) Efforts made by the Government so far to end the shelterlessness in the country

2.27 The Department of Rural Development has informed that so far 146 lakh houses could be constructed under Indira Awaas Yojana with an expenditure of Rs. 26,669.64 crore. Besides under the Credit-cum-Subsidy Scheme only 0.8 lakh houses could be constructed. When asked the Department of Rural Development has informed that so far 146 lakh houses could be constructed under Indira Awaas Yojana with an expenditure of Rs.26,669.64 crore. Besides under the credit-cum-subsidy scheme only 0.8 lakh houses could be constructed. For the position of outlay earmarked under housing schemes of the Department, the Department has stated as under:

“Indira Awaas Yojana (IAY) was implemented from 1985 to 1989 as a part of Wage Employment Programme called Rural Landless Employment Guarantee Programme (RLEGP) and from 1989 to 1996 as a part of Jawahar Rozgar Yojana (JRY). The Programme is being implemented independently from 01 January,1996. During

1999-2000, other Schemes such as Innovative Stream of Rural Housing & Habitat Development, Rural Building Centres (RBCs) and Samgra Awaas Yojana (SAY) were introduced. However, these Schemes are discontinued from 1 April, 2004. The outlay earmarked under each of the Five Year Plan since 1985 *i.e.*, from Seventh Five Year Plan onwards is given as under:

Sl. No.	Five Year Plans	Total Outlay/Release (including State share) (Rs. in lakh)	Targeted (In number)	House constructed/ Upgraded (In number)
1.	7th Plan (1985-1990)	75894.90	746648	705966
2.	Annual Plans (1990-1992)	31448.18	242558	389099
3.	8th Plan (1992-1997)	377272.92	3021898	2625781
4.	9th Plan (1997-2002)	973468.55	5515484	4874392
5.	10th Plan (First three years and current year) As on 15.12.2005	1162076.778	4361341	5044883

Note: Outlay/Release during Ninth Five Year Plan and Tenth Five Year Plan is inclusive of fund released to other Schemes such as Innovative Stream of Rural Housing and Habitat Development, Rural Building Centres (RBCs) and Samgra Awaas Yojana (SAY)."

2.28 When asked about the reasons for shortfall in achievement of targets during Seventh, Eighth, Ninth and Tenth Plan, particularly when the financial achievement in all the plans excluding Tenth Plan is almost 100 per cent, the Department has stated that achievement of targets may be due to the fact that a substantial number of houses remain incomplete at the end of the year/Plan which are completed during the next year/Plan. However, during the annual plan period the achievement was more than the target. Similarly during the last year 2005-06 the physical achievement was 107 per cent.

2.29 Further when enquired as to whether the data of houses constructed include the number of houses for which allocation for upgradation has been made, the Department has clarified that the number of houses constructed include the number of houses upgraded.

The targets given under IAY

2.30 As per the guidelines of IAY, the target groups for houses under the IAY are below poverty line households living in the rural areas belonging to Scheduled Castes/Scheduled Tribes, freed bonded labourers and non-SC/ST BPL rural households, widows and next of-kin to defence personnel/paramilitary forces killed in action residing in rural areas (irrespective of their income criteria), ex-Servicemen and retired member of paramilitary forces fulfilling the other conditions.

2.31 The data indicating the percentage-wise houses constructed for SC/ST, non-SC/ST and other category of persons since 1996-97 has been indicated at *Appendix-II and III*. It could be seen from *Appendix-II* that 32.99 per cent of houses were provided to non-SC/ST category. In non-SC/ST category too 88,527 houses were provided to some disadvantageous category of persons *viz.* freed bonded labourers, physically mentally challenged, ex-Serviceman and war widows.

2.32 Committee find from the data provided by the Department that so far 146 lakh houses could be constructed under the flagship programme of the Department *i.e.* Indira Awaas Yojana with an expenditure of Rs. 26,669.64 crore. In addition to it, a small number of houses have been constructed under different small schemes of the Department like credit-cum-subsidy scheme, Innovative Stream for Rural Housing and Habitat Development etc. Besides, State Governments have their own schemes to provide houses to shelterless persons in rural areas. In spite of the massive investment made so far the Government's data indicate that housing shortage in rural areas is 148.25 lakh as per 2001 Census. The housing shortage is maximum in Assam and North-Eastern States. Further if the estimated annual incremental shortage is added the data of shelterlessness would be to the tune of 161 lakhs during Eleventh Plan. Not only that, the position of available housing stock is also not very good. As per the estimates of National Housing Bank only 36 per cent houses in rural areas are *pucca* houses which means 64 per cent houses require frequent maintenance and eventual replacement over a period of 5 to 10 years. The Committee also note that against 36 per cent of the *pucca* houses in rural areas, in urban areas the position is much more better where 77 per cent houses have been reported to be *pucca* houses. In this scenario, the Committee conclude that there is a great challenge before the Government to end shelterlessness in the country particularly in rural areas. The Department has to work in a mission mode with the effective planning and strategy for implementation to meet this challenge.

Besides, there is an urgent need to chalk out a strategy to deal with the problem in the States particularly Assam and North Eastern States where the shortage is maximum.

2.33 As regards the methodology to find out the number of shelterless persons in rural areas in the country, the Committee note that the Department relies on the data of 2001 Census. To find out the status of shelterlessness in the years after 2001, the method for finding out the data is that the number of houses constructed under IAY are subtracted from the initial shortage as per 2001 Census whereas the additional requirement of houses *i.e.* around 9 lakh shelterless households is added to this figure. The Committee note that besides Indira Awaas Yojana as indicated above, the houses are being constructed for shelterless persons under various other schemes of Union Government as well as the schemes of the State Governments. Various financial institutions, NGOs etc. may also be contributing in this regard. The system of calculating the data of shelterlessness after 2001 Census solely depends upon the Indira Awaas Yojana. In this scenario, the Committee find that there is an urgent need to have some system whereby the position of shelterlessness is calculated at the ground level. Panchayati Raj Institutions can play an important role in this regard. The Committee would like to emphasize that there should be some system of periodic calculation of data with regard to shelterlessness at the village level so as to have some authentic information about the ground situation in this regard. The said data may help the Government to analyse the performance of various schemes as well as this can be helpful in future planning.

(v) Action Plan to end the shelterlessness in the country

2.34 As stated in the earlier part of the report so far 146 lakh houses could be constructed under Indira Awaas Yojana with an expenditure of Rs.26,669.64 crore. Besides under the credit-cum-subsidy scheme only 0.8 lakh houses were constructed and under innovative stream for rural housing 7,448 houses could be constructed. The targets to end shelterlessness in the country have been set under the different plans.

2.35 National Housing and Habitat Policy of 1998 envisaged that two million houses will be constructed every year with the emphasis on poor and deprived sections of the society. Out of the targeted 20 lakh houses per year, 13 lakh houses are required to be constructed in the rural areas. Out of these 13 lakh houses targeted for the rural

area, 9.60 lakh houses were required to be constructed by the Ministry of Rural Development in addition to its normal ongoing programme. Balance houses were required to be constructed by HUDCO (3.00 lakh) and NHB (0.40 lakh). The year-wise number of houses constructed under the scheme implemented by the Ministry of Rural Development in the rural areas, for BPL households since 1998 is given as under :

Year	Number of houses constructed under Rural Housing Scheme
1997-1998	770936
1998-1999	835770
1999-2000	925679
2000-2001	1170926
2001-2002	1171081
2002-2003	1548641
2003-2004	1361230
2004-2005	1516222
2005-2006	618790

2.36 HUDCO was able to assist for the construction of 68.39 lakh units during this period and out of which 38.55 lakh housing units for natural calamity and 29.84 lakhs for normal areas and NHB constructed 13.42 lakh units. Besides, 7448 houses under Innovative Stream and 0.85 lakh houses were constructed under credit-cum-subsidy scheme which has been discontinued.

2.37 The construction of houses in rural areas is one of the four components of the ambitious programme 'Bharat Nirman', under which 60 lakh houses are to be constructed during the period of four years of Bharat Nirman starting from 2005-06.

2.38 The Union Government in different plans had set objectives to end all shelterlessness in the country. As indicated in the CAG Report No. 3 of 2003, against the target of 109.53 lakh housing units set during Ninth Plan, only 50.34 lakh houses were constructed or upgraded as on March, 2002 under various rural housing schemes. It has also been stated in the audit report that the objectives of the National Housing Policy to provide housing for all and that of the special action plan to end all shelterlessness by the Ninth Five Year Plan were largely defeated.

Houses constructed since 1998-99

2.39 The Department has informed that HUDCO has been entrusted with the responsibility of providing loan assistance for construction of 6 lakh houses in rural areas every year, out of 13 lakh houses envisaged under the programme 'Housing for All'. HUDCO during the period for 1998-99 to 2004-05 could construct houses to the tune of 68.39 lakh which included 38.55 lakh houses were for National Calamities. Only 29.84 lakh units were constructed for rural category.

Requirement of outlay during 11th Plan

2.40 As per the estimates furnished by NHB an average cost of construction of a house has been estimated as Rs. 1,50,000. Besides, per unit cost of upgradation of a house has been estimated as Rs. 50,000. As per the estimates of NHB Rs. 1,86,000 crore would be required to address to the problem.

2.41 As per 2001 census shortage of housing stock as per Government's data is to the tune of 148 lakhs. Further, if the estimated annual incremental shortage is added, there will be a need to construct 161 lakhs of houses during 11th plan for which Rs. 55,000 crore would be required.

2.42 During the four years period from 2005-06 to 2008-09, 60 lakh houses are targeted to be constructed under Bharat Nirman. As stated by the Department while examining Demands for Grants 2006-07 at the end of 2008-09 the net shortage would be of 104 lakh houses.

2.43 To end shelterlessness during the Eleventh Plan period the Department has now submitted that considering revision of the unit cost the total estimated budgetary outlay of Rs. 55,000 crore would be required during the Eleventh Plan period to address and eliminate the feature of rural shelterlessness.

2.44 During the course of oral evidence with the representatives of NABARD the Committee were informed as under:

"Roughly the shortfall in rural housing is of the order of about 14 million, which roughly translates in to 3.2 million for new houses and 11 million for repair of old houses. *****On an average loan size of Rs. one lakh, which I feel is what would be their ground level loan size, then we are roughly talking of Rs. 1,46,000 crore. If we divide Rs. 1,46,000 crore by five, which we say is a plan period, then we will get a figure of around Rs. 37,000 crore."

2.44A The existing allocation of resources during the four years under IAY are as under:

Year	(Rs. in crore)
2002-03	1692.95
2003-04	1900.00
2004-05	2900.00
2005-06	2750.00
2006-07	2920.00

2.45 Percentage allocation of GDP for rural housing since 1985-86 is given below:

Sl.No.	Year	Allocation Central+State (Rs. in crore)	GDP (Rs. in crore)	Per cent of GDP in Rural Housing
1.	1985-86	131.86	513990	0.03
2.	1986-87	165.11	236257	0.03
3.	1987-88	165.13	556778	0.03
4.	1988-89	139.66	615098	0.02
5.	1989-90	157.18	656331	0.02
6.	1990-91	157.24	692871	0.02
7.	1991-92	157.24	701863	0.02
8.	1992-93	223.96	737792	0.03
9.	1993-94	318.12	781345	0.04
10.	1994-95	437.69	838031	0.05
11.	1995-96	1368.34	899563	0.15
12.	1996-97	1424.61	970082	0.15
13.	1997-98	1440.85	1016595	0.14
14.	1998-99	1854.62	1082748	0.17
15.	1999-2000	2132.35	1148368	0.19
16.	2000-2001	2150.60	1198592	0.18
17.	2001-2002	2156.25	1267833	0.17
18.	2002-2003(Q)	2207.43	1318321	0.17
19.	2003-2004(Adv)	2492.75	1424507	0.17

2.46 The percentage allocation of GDP for rural housing decreased from 0.03 per cent in 1985-86 to 0.02 per cent in 1988-89. It remained stagnant till the year 1991-92 and then continuously increased up to 1996-97 when it reached just to 0.15 per cent. It increased to 0.19 per cent in 1999-2000. There is marginal decrease since then and ultimately during the year 2003-04 it is 0.17 per cent. Thus the allocation from the year 1985-86 to 2003-04 *i.e.* during the 18 years of planning the percentage allocation of GDP has increased from 0.03 per cent to 0.17 per cent. However, since, 1998-99, the allocation is almost stagnant at 0.17 per cent except in 1999-2000 and 2000-2001 where there was marginal increase of one per cent.

2.47 The Committee find that the targets to end the shelterlessness in rural areas in the country were earlier fixed during 9th Plan in pursuance of the objectives set under National Housing and Habitat Policy of 1998. The targets could not be achieved and further spilled over to 10th Plan and now to 11th Plan. Further under the ambitious programme Bharat Nirman, housing is one of the component and 60 lakh houses are planned during four years starting from the year 2005-06. Even if the Government succeeds to construct 60 lakh houses by 2008-09 *i.e.* the target period of Bharat Nirman, 101 lakh houses would still be left to be constructed as per the Government's own data. To achieve the objective of eradicating shelterlessness, the Government thus needs to construct balance 101 lakh houses during the remaining three years of Eleventh Plan period (excluding Bharat Nirman period of two years). The annual backlog which needs to be cleared is to the tune of more than 30 lakh houses

2.48 To add to what has been stated above, the Committee note that as per the Government planning, the instrument to end the shelterlessness is Indira Awaas Yojana, which targets to provide houses to BPL category of persons. The following factors substantiate how difficult it is to achieve the objectives of shelterlessness depending only upon the flagship programme Indira Awaas Yojana since the Yojana targets shelterlessness in a partial way:

- (i) Under Indira Awaas Yojana, 20 per cent of the outlay can be used for upgradation. Actually, around one third of the total number of houses constructed under IAY are upgraded houses, the analysis of which has been given in the subsequent part of the Report.

- (ii) 5 per cent of the outlay under IAY can be earmarked for natural calamities. Thus the effective outlay to end shelterlessness is further reduced by 5 per cent.
- (iii) IAY targets certain disadvantaged category of BPL persons. As per the data furnished by the Department only 32.99 per cent of the houses were provided to non SC/ST category. Under non SC/ST category too 88,527 houses were provided to some disadvantaged category of persons *viz.* freed bonded labourers, physically mentally challenged, ex-servicemen and war-widows.
- (iv) The Committee have repeatedly been recommending in their respective Reports about the faulty system of preparing list of BPL persons by various State Governments. Not only that the recent data of BPL persons are not available as the results of BPL Census 2002 are still to be made available by the various State Governments. The arbitrary cut off limits imposed by Planning Commission further aggravates the position and the genuine poorest of the poor are being deprived of the benefits envisaged under different Schemes of the Department.
- (v) There is no methodology to coordinate the data at the ground level with regard to number of houses constructed for poor with the assistance provided by various sources *viz.* State Governments, financial institutions, NGOs etc.

2.49 In view of the aforesaid scenario, the Committee deplore the way the planning with regard to providing houses to all in rural areas is being done under the different Five Year Plans. The Committee would like to emphasize that while formulating the strategy for Eleventh Plan the Department first of all should get the data of shelterlessness as well as action plans from the different State Governments. The plans of the different State Governments should be chalked out from bottom to top approach *i.e.* the data as well as action plan of village Panchayats should be combined to get the district plans and the district level plans should be combined to have the State level plan.

2.50 The Committee further note that as per the estimates made by National Housing Bank to end shelterlessness by the end of Eleventh Five Year Plan, Rs. 1,86,000 crore would be required. NHB has estimated an average cost of construction of a dwelling unit as

Rs. 1.50 lakh. Further as per the estimates of NABARD Rs. 1,46,000 crore would be needed to meet the shortfall in rural houses. The Department consider the average cost of construction of per dwelling unit as Rs. 1.50 lakh in rural areas as estimated by NHB on a higher side. The Committee note that even if the estimates of Department of Rural Development are taken into consideration, Rs. 55,000 crore would be required by the end of Eleventh Plan. Thus the annual requirement of funds as per the Government's own estimates will be around Rs. 11,000 crore per year. The existing allocation of resources is merely Rs. 2,920 crore *i.e.* the allocation made during 2006-07. The Committee find that with the meagre allocation of resources, it is not possible to end the shelterlessness in the country. Further the Committee note the trend of percentage allocation of GDP in rural housing in the country as indicated earlier. Percentage allocation of GDP for rural housing which was 0.17 per cent during the year 1998-99, increased to 0.19 per cent during 1999-2000 and then decreased to 0.18 and subsequently to 0.17 per cent during the following two years. Then, it is stagnating at 0.17 per cent since 2001-02 to 2003-04 (upto which the data is made available to the Committee). The Committee feel that to achieve the targets there is an urgent need to accord priority to substantially step up the allocation for rural housing. Besides, a multi-pronged strategy involving the different institutions involved with the task, the detailed analysis of which is made in the subsequent part of the report is the only answer to tackle the problem of shelterlessness in the rural areas.

2.51 The Committee further find that there is a strong relation between the construction activity and employment generation and economic development of an area. Moreover, there is a relation between the economic standard of a family and the type of house that it occupies. Housing activity in a way triggers employment opportunity which may enhance the per capita income of a family in an area which further may improve the demand of housing. Not only that effective housing activity can be instrumental to arrest migration of population from rural to urban areas. Thus the Committee perceive that there is an urgent need for effective Government funding along with other initiatives like improving lending for rural housing which has been addressed in detail in the later part of the report. Here the Committee may like to emphasize to the Government to pay more attention to rural housing since it can be a major instrument for providing employment to unemployed persons in rural areas. The housing activity can be a major source of providing employment under the ambitious programme of the Government *i.e.* National Rural Employment Guarantee Scheme.

(vi) Review of the Centrally Sponsored Scheme for Housing

Rural housing initiatives since independence

2.52 The Union Government has taken major initiatives to provide habitations to the poor, the weaker sections and disadvantaged sections of the society in rural areas in the country under different plans through grant based schemes. The rural housing initiatives and infrastructure development issue had been addressed through various schemes formulated by the Union Government in different Plans like Food for Work Programme, National Rural Employment Guarantee Programme, Rural Landless Employment Guarantee Programme (RLEGP), JRY, EAS, JGSY etc.

2.53 Indira Awaas Yojana (IAY) was launched during 1985-86 as a sub-scheme of RLEGP and continued as a sub-scheme of JRY, since April 1989. Six per cent of the total JRY funds were allocated for implementation of IAY. From the year 1993-94, the scope of IAY was extended to cover non-Scheduled Castes/Scheduled Tribes below the poverty line (BPL families) in rural areas.

Plan-wise/Year-wise Physical and Financial progress under IAY

2.54 The Plan-wise/Year-wise physical and financial progress under IAY has been given at *Appendix-IV*. The allocation and houses constructed under different plans are as under:—

Plan	Allocation (Rs. in crore)	Houses constructed
Seventh Plan (1985-86 to 1989-90)	758.94	705966
Annual Plan (1992-93 and 1991-92)	314.48	389099
Eighth Plan (1992-93 to 1996-97)	3772.72	2625781
Ninth Plan (1997-98 to 2001-02)	9734.68	4874392
Tenth Five Year Plan Total till 2004-05	11620.76	5044883

2.55 The gap between the target and achievement under different plans are as below:—

Target	138879.29 houses
Achievement	116671.71 houses

2.56 Year-wise Central allocation and its percentage increase since inception to date has been given at Appendix V. It could be seen from the Appendix-V that there was zero per cent enhancement during Seventh Five Year Plan and Annual Plan. However, during Eighth Five Year Plan the percentage increase over the last plan was 397.02 per cent. Further during Ninth Plan the percentage increase was 147.38 per cent. During Tenth Five Year Plan the percentage increase was 55.68 per cent.

Position of opening balances with various State Governments

2.57 The position of opening balances with various State Governments since 1996-97 to 2005-06 has been given at *Appendix VI*. The total year-wise opening balance position is as below:—

Year	Opening balance (Rs. in crore)
1996-97	198.44
1997-98	372.23
1998-99	352.41
1999-00	501.02
2000-01	569.27
2001-02	541.99
2002-03	821.43
2003-04	445.07
2004-05	477.74
2005-06	935.89

2.58 It could be seen from the aforesaid data that the opening balances are continuously increasing from 1996-97 to 2002-03. However, during 2003-04 the opening balance reduced to half of the amount indicated during 2002-03 but then it slightly increased during 2004-05 and again in 2005-06 the amount has nearly doubled.

Per unit assistance under IAY

2.59 The IAY came into operation from 1985-86 and cost of single IAY unit in the year 1985-86 was fixed at Rs. 10,200 and Rs. 12,000 in hilly/difficult areas. The cost norms revised again are as indicated below:—

Year	Normal	Hilly/Difficult areas
1985-86	10,200	12,000
1990 (Since 04.06.1990)	12,700	14,500
1996 (01.08.1994)	14,000	15,800
1996 (01.08.1996)	20,000	22,000
2004 (01.01.2004)	25,000	27,500

Per unit assistance for latrine and smokeless chulha

2.60 The IAY is in operation since 1985-86. The sanitary component was for Rs. 1,200 per house. The cost of Sanitary Latrine and Smokeless Chulha were further revised to Rs. 1,400 per house with effect from June, 1990 and again on 1st January, 1994 it was revised to Rs. 1,500 per house. With effect from 1 August, 1996 the cost of sanitary latrine and smokeless chulha has been merged with the unit cost .

2.61 When asked about the basis of fixed rate of assistance under IAY, the Department has replied that rates of assistance are fixed based on the cost of material taken etc.

Per unit cost of construction of a house in rural areas

2.62 As per the estimates furnished by NHB, per unit cost of construction of a house has been estimated as Rs. 1,50,000. Besides the per unit cost of upgradation of a house has been estimated as Rs. 50,000. The experts during the course of evidence submitted before the Committee that the estimate of NHB for Rs. 1,50,000 is very much on higher side. Besides most of the experts were of the view that a durable house cannot be constructed with the outlay provided under Indira Awaas Yojana. The Department of Rural Development has submitted that an estimated outlay of about Rs. 40,000-50,000 per unit in plain areas and Rs. 50,000-60,000 per unit in hilly/difficult areas is required for construction of a durable house.

The major issues involved with the implementation of Indira Awaas Yojana

2.63 The data with regard to number of houses which have been provided upgradation assistance have been given by the Department of Rural Development. As submitted by the Department, 2087634 houses have been upgraded from the year 2000-01 to 2005-06. It has been mentioned that no separate data for upgradation of houses prior to 2000-01 is available. It is further added that the number of houses constructed/upgraded from 2000-01 to 2005-06 is as under:—

Total Houses Constructed and Upgraded under IAY

Year	Houses constructed	Houses upgraded	Total No. of Houses constructed/ upgraded
2000-2001	835055	335871	1170926
2001-2002	833447	337634	1171081
2002-2003	1179261	369380	1548641
2003-2004	1004960	356270	1361230
2004-2005	1130820	385412	1516232
2005-2006	682015	303067	985082
Total	5665558	2087634	7753192

2.64 The data indicates that almost one-third of the total number of houses for which assistance has been provided under Indira Awaas Yojana have been upgraded. Thus the scheme addresses to the issue of shelterlessness in a partial way.

Evaluation of Indira Awaas Yojana

2.65 Indira Awaas Yojana is being implemented since 1985-86. Since then no impact assessment study has so far been conducted exclusively for IAY as replied by the Department. Some of the impact assessment studies have been conducted for rural development programmes including IAY. The findings of the study with respect to IAY point to serious discrepancies in the implementation of the programme. Some of the deficiencies pointed out include benefits given to ineligible beneficiaries, construction by contractors, long time taken for the sanction and disbursement of loan, inadequate allocation, no use of

IAY houses, no sanitary latrine, separate kitchen or smokeless chulha in the houses constructed under IAY etc. Further, the Department has informed that a concurrent evaluation study was undertaken during 1998. Besides, Comptroller and Auditor General of India (CAG) Report 3 of 2003 pointed out serious deficiencies in the implementation of the Yojana. The highlights of the audit para have been given in *Appendix VII*. The major irregularities pointed out by CAG include:—

- (i) Overlapping of the objectives of multiple rural housing schemes
- (ii) Misdirected targeting of beneficiaries
- (iii) Construction of houses through contractors
- (iv) Non uniform fund transfer system
- (v) Diversion of funds beyond the scope of the programme
- (vi) Construction of smokeless chulhas and sanitary latrines found only in respect of 50 per cent and 57 per cent of houses respectively
- (vii) In 17 States and 2 Union territories 37.75 per cent of the allotments were made in favour of male members
- (viii) Non-maintenance of inventories of construction/upgradation in 26 States and 2 Union territories and inadequate and ineffective monitoring of the implementation and execution of the programme at Central and State levels.

2.66 The Standing Committee while examining Demands for Grants of the year 2004-05 had found that no attempt has been made to verify the houses constructed under Indira Awaas Yojana since inception. The Committee recommended to the Department to initiate a study to verify the existence of the houses constructed under Indira Awaas Yojana without further wastage of time (refer para 3.93 of Third Report).

2.67 As regards the issue of Indira Awaas Yojana houses in the name of female member the Department has clarified that if there is no eligible female member in the family available/alive, house can also be allotted to the male member of a BPL family. The Department has substantiated by indicating the data during the year 2005-06, according to which 78 per cent of the total houses constructed have been allotted either in the name of a female member or in the joint name of husband and wife. As regards the construction of chulhas and sanitary latrines, the Department has clarified that acceptance of

uses of toilets and smokeless chulha is not uniform, hence the beneficiaries have to be persuaded by the DRDAs to construct a sanitary latrine and smokeless chulha along with an IAY house. However, a provision has been made under the guidelines according to which in case the beneficiary does not construct a latrine or install a smokeless chulha, Rs. 600 for latrine and Rs. 100 for chulha is deducted from the total subsidy to be provided to such beneficiary.

2.68 As regards the other issues relating to infrastructure facilities to be provided to IAY beneficiaries, when the attention of the Department was drawn towards these facts the Department has shifted the onus on the beneficiaries. The Department has stated that IAY houses are constructed by the BPL beneficiaries on their own plots scattered through the village. Where the houses are constructed in clusters, the other amenities are provided by the line departments. However, no such study has been undertaken to know the status of infrastructure available in the IAY houses. As regards the use of local material and cost-effective disaster resistant and environment friendly technology the Department has again shifted the onus to the beneficiaries and stated that the beneficiary is free to construct his own house by using material of his own choice.

2.69 The Committee find that various initiatives have been taken by the Government since Independence to address the housing problem of poorest of the poor in rural areas in the country. Since 1985-86 one of the important programmes ' Indira Awaas Yojana' was launched as a sub-scheme of RLEGP. Massive investments have been made under Indira Awaas Yojana under different plans. The plan-wise allocation as given above indicates that there is considerable enhancement in each plan as compared to the previous plan. Although there is considerable enhancement of allocation during each plan the percentage enhancement has decreased since Ninth Plan. The percentage enhancement which was 397.02 per cent during Eighth Plan reduced to 147.38 per cent during Ninth Plan and then during Tenth Plan the percentage enhancement is 55.68 per cent. The Committee further note that the existing per unit assistance under Indira Awaas Yojana is Rs. 25,000 in normal and Rs. 27,500 in hilly and difficult areas. As regards the pace of enhancement of allocation, the Committee note that during 21 years of implementation of Indira Awaas Yojana (since 1985-86) the per unit allocation has merely been enhanced a little more than double of the assistance. The Department has stated that the basis of fixed rate of assistance is cost of material etc. The Committee note that the enhancement in per unit of assistance is much lower than the rate of enhancement

in terms of cost of material etc. The Committee find that the existing per unit assistance is not sufficient to construct a durable house. The Committee also note that National Housing Bank has estimated the minimum cost of construction of a house in rural areas as Rs. 1,50,000.00 crore. They also note that as per the Department of Rural Development's own estimates, minimum required outlay is Rs. 40,000-50,000 in plain areas and Rs. 50,000-60,000 in hilly/difficult areas for construction of a durable house. The Committee feel that one of the major reasons for lower quality of construction of IAY houses is the inadequate assistance provided *i.e.* far below the cost of construction. The Committee, therefore, strongly recommend to the Government to enhance the per unit assistance from the existing rate to Rs. 50,000 in plain areas and Rs. 60,000 in hilly/difficult areas. Besides the assistance provided for upgradation of a house should be enhanced from Rs. 12,500 to Rs. 20,000. The Committee would also like to strongly recommend to the Government to enhance the allocation during Eleventh Five Year Plan considerably so that the number of houses constructed during each year of the plan do not in any case reduce to the number of houses constructed during the previous years and further the construction of houses should match to the targets fixed under the ambitious programmes of the Department.

2.70 The Committee further note that there are serious irregularities in implementation of Indira Awaas Yojana as pointed out in Comptroller and Auditor General of India Report 3 of 2003. The irregularities include diversion of funds, overlapping of the objectives of multiple rural housing schemes, misdirecting targeting of beneficiaries, construction of houses through contractors etc. The details of the various irregularities pointed out by CAG have been indicated at Appendix VII. The Committee would like to be apprised of the action taken on each of the issues pointed out by CAG so as to enable them to review the position and comment further in this regard.

2.71 One of the irregularities as pointed out by CAG Report is that construction of smokeless chulhas and sanitary latrines were found in respect of 50 per cent and 57 per cent of houses respectively. The Committee are constrained to note the comment of the Department on the aforesaid irregularities as pointed out by CAG. The Department has shifted the responsibility to DRDAs who are supposed to persuade the beneficiary in this regard. The Committee are further unhappy to note the provision made in the guidelines whereby in case the beneficiary does not construct a latrine or install

a smokeless chulha, a meagre amount of Rs. 600 for latrine and Rs. 100 for chulha is deducted from the total subsidy provided to such beneficiary. The Committee while examining the Demands for Grants (2006-07) of the Department of the Department of Drinking Water Supply have been informed that only 38 per cent of the rural households could so far provided with sanitation facilities. The Committee were also informed that only 80 per cent of the toilets constructed under Government schemes are actually being used. The Committee conclude that no efforts are being made to ensure the quality houses under the Government schemes. The Committee also take strong objection to the provisions made in the guidelines whereby the defaulter has merely to pay a meagre penalty and can easily forgo the provisions made in the guidelines for smokeless chulhas and toilets. The Committee strongly recommend to the Department to ensure that the provisions of smokeless chulhas and toilets are mandatorily followed by the beneficiaries failing which the beneficiary should be deprived of the allocation made under Indira Awaas Yojana. The existing provision in the guidelines should suitably be revised.

2.72 The Committee are further constrained to note the replies of the Department whereby the onus of use of appropriate construction technologies and land material, use of disaster proof technology in the calamity prone areas has been shifted to beneficiaries. As regards infrastructure the onus has again been shifted to the beneficiaries or the line departments in that area. It is really a matter of concern that safety and securities of families and houses have not been accorded any importance in the disaster prone areas. Safe individual houses can minimize disaster losses to a great extent. The Committee also find that whereas houses constructed with HUDCO assistance have to mandatorily use the disaster proof technology/ material (the analysis has been made in the subsequent part of the report) no such provision exists under IAY houses. The Committee are unable to understand the rationale behind leaving the responsibility of using disaster proof technology to the beneficiaries. If this is the condition of the houses constructed with the 100 per cent Government assistance (Central + State Government's assistance in the ratio of 75:25), the fate of the remaining housing stock can be well imagined. The Committee strongly recommend to the Government to revise the guidelines and make the use of disaster proof material/technology as mandatory for the IAY houses. Besides, as regards the infrastructure arrangement, the Committee feel that there should be some sort of linkage between the various schemes of the Government rural schemes like Pradhan Mantri Gram Sadak Yojana (PMSGY), Employment Guarantee

Scheme, SGSY etc. The proper coordination can ensure the adequate infrastructure to the houses constructed under IAY scheme. The Committee disapprove the tendency of the Department to shift the onus to the beneficiaries or to some other agency whereas the houses are being constructed with the Union Government's assistance. The Committee urge the Department to take the desired action in this regard and apprise the Committee accordingly.

2.73 The Committee further note that IAY was launched during the year 1985-86. Since the 21 years of its inception, no village based impact assessment study of different rural housing schemes have been done by the Department. Besides, the Committee while examining the Demands for Grants of the year 2004-05 had found that no attempt has been made to verify the houses constructed under IAY since inception. The Committee had recommended (refer para 3.93 of Third Report - 14th Lok Sabha) to initiate a study without further wastage of time. The Committee deplore the way the Yojana is being implemented and strongly recommend to initiate a village based impact assessment study under which different aspects *viz.* the existing condition of houses constructed under IAY and other Government schemes, satisfaction level of beneficiaries, condition of infrastructure, the comparative analysis of the houses constructed with the help of different agencies *viz.* NGOs, Banks, IAY etc. should be done. Such a study would help the Government to analyse the realistic position with regard to the houses constructed with the assistance provided by the Government.

(vii) The schemes other than Indira Awaas Yojana

2.74 Some of the sub-schemes with the different objectives were introduced during 1999 and 2000-2001. The details of these schemes is indicated as under :—

- (i) Innovative Stream for Rural Housing and Habitat Development – During 1999-2000, a Rural Housing Scheme namely Innovative Stream for Rural Housing and Habitat Development was launched with an objective of promoting and propagating cost effective and environment friendly, construction technologies, materials and designs for sustainable rural human settlements consistent with agro-climatic variation and natural disaster proneness. The Scheme was being implemented on project basis. Among those who applied for assistance under the Scheme included recognized educations/technical institutions, corporate

bodies, autonomous societies, State Governments, Development Institutions and Credible NGOs with proven track record and experience in the field of Rural Housing. The maximum permissible assistance for Governmental agencies was Rs. 50 lakh.

- (ii) Rural Building Centres (RBCs) – To address the primary objectives of technology transfer, information dissemination, skill upgradation through training of rural masons, plumbers etc. and production of cost effective and environment friendly material, this project based Demand Driven Scheme of setting up Rural Building Centres (RBCs) was launched with effect from 1 April,1999. For setting up a Rural Building Centres (RBCs), a total Central Grant of Rs. 15 lakh is provided in three installments. The Scheme for setting up these Centres was to be implemented and monitored by the Ministry with the assistance of HUDCO, who was already implementing such a scheme for the Urban Sector.
- (iii) Samagra Awaas Yojana (SAY) – This Scheme was launched in 1999-2000. The scheme specifically aimed at providing convergence to activities such as construction of houses, sanitation facilities and drinking water and sustainable induction of technology, IEC and innovative areas. Initially, the scheme was implemented in one block each of 25 districts in 24 States and one Union territory.

No separate allocation was made for this scheme and the funds were released under the budget provisions of Indira Awaas Yojana (IAY). This scheme was merged with the Indira Awaas Yojana from the year 2002-2003.

- (iv) Credit-cum-subsidy Scheme – This sub-Scheme was introduced *w.e.f.* 1 April,1999. Under the scheme, the target group were rural households having annual income of upto Rs. 32,000. Preference was to be given to the rural BPL families. 60 per cent of the funds allocated under this Scheme were as subsidy for the construction of houses for SCs, STs and freed bonded labourers. This Scheme was also shared on 75:25 basis between the Centre and the States. Now this Scheme has been merged with the main IAY Scheme from the current financial year. Upto 20 per cent of the total funds under the IAY could be utilized for upgradation of existing *kutchha* houses and towards subsidy for construction of houses with credit from Banks/Financial Institutions. Under the Scheme, the loan component was increased to Rs. 50,000 and subsidy component to Rs. 12,500 per household.

- (v) The Pradhan Mantri Gramodya Yojana of which Gramin Awaas (rural housing) was one of the components was launched during 2000-01 in replacement of an existing scheme of providing Additional Central Assistance (ACA) for Basic Minimum Services under State Plans. The Ministry of Rural Development was the nodal Ministry for implementation of the scheme and funds were to be released by the Ministry of Finance on its recommendations. The fund transfer was in the form of 30 per cent grant and 70 per cent loan to the States other than the Special Category States, which were entitled to 90 per cent grant and 10 per cent loan.

2.75 The Department of Rural Development has informed that main objective of the Rural Housing Schemes is to provide assistance for construction of houses to cover the maximum number of BPL families in rural areas.

2.76 The Department of Rural Development has informed that keeping in view, the recommendation of Parliamentary Standing Committee and to give more thrust to IAY to cover the maximum number of shelterless BPL families in rural areas, it was decided to discontinue/merge the small schemes like Innovative Stream for Rural Housing & Habitat Development and Samagra Awaas Yojana (SAY) with the main IAY scheme so that maximum funds can be made available under the IAY and to avoid multiplicity of various Schemes to achieve the same objective/goal.

2.77 The Committee find that various schemes meant to achieve the different objectives were initiated during 1999-2000 and 2000-01 the details of which have been indicated as above. The schemes could not achieve the desired objectives and as such have been discontinued/merged with IAY. The Committee find that the objectives of different schemes as envisaged were quite different from those of IAY. 'Innovative Stream for Rural Housing and Habitat Development' was launched with an objective of promoting and propagating cost effective technologies and upto Rs. 50 lakh was to be provided to NGOs, Development Institutions, Corporate Bodies, State Government etc. 'Rural Building Centre Scheme' was launched for setting up Rural Building Centres and Samagra Awaas Yojana aimed at convergence of activities such as construction of house, sanitation, drinking water etc. Credit-cum-subsidy Scheme was for rural households having annual income upto Rs. 32 thousand per year. The Committee fail to understand how the objectives set under

different schemes would be achieved with their merger with IAY without changing the basic parameters of IAY. In this scenario, the Committee deplore the way new schemes with different objectives are being launched and then discontinued. The Committee have repeatedly been recommending in their respective reports for proper planning before launching new schemes. The Committee while disapproving the way new schemes are launched without proper planning would like to be apprised of the efforts made by the Department for the effective implementation of these schemes. Besides, the Committee would like to be informed how the laudable objectives set under the different schemes are now planned to be achieved as the merger with IAY without changing the basic parameter, cannot yield the set objectives under these schemes.

(viii) Availability of land for construction of houses for BPL persons under the grant based schemes of the Government specifically Indira Awaas Yojana

2.78 The Department of Rural Development has informed that under Indira Awaas Yojana, about 90per cent of the beneficiaries construct a house on the plot already available with them. Where the plot is not available, it is for the State Government/Gram Panchayat to allot a land to a beneficiary selected for Indira Awaas Yojana. The Department has further stated that availability of Government land for rural housing is a growing problem. If the private land is to be acquired for the purpose, money again may be a problem.

2.79 As per the Concurrent Evaluation of Indira Awaas Yojana done during the year 1998-99 at the all India level, 83per cent of the houses in the States and 91per cent of the Union Territories are constructed on land owned by beneficiaries. The proportion of such houses ranges from 93per cent to 99.8per cent in all the North-Eastern States. In Tripura, Mizoram and Nagaland, virtually all houses are built on beneficiary's plots. Clustered houses form about 10per cent of the overall sample. In Maharashtra and Madhya Pradesh, a third of the houses are found constructed in clusters. The percentage of clustered houses is relatively more (23per cent) in Tamil Nadu and Gujarat too. Barring Andaman and Nicobar Islands and Dadra and Nagar Haveli, in other Union territories, almost all the houses are built on plots owned by beneficiaries.

2.80 When asked whether any thought has been given by various State Governments and Union territory Administrations for having land Banks for providing houses by the Government to BPL persons, the

Department has stated that no provision has been made for the purpose under the programme.

2.81 The Committee find from the position as indicated above that the benefits of Government grant based schemes meant for rural housing are being taken by the persons who have land. However, the landless persons who may be the poorest of the poor in the area are being deprived of the benefits of the schemes specifically Indira Awaas Yojana. As admitted by the Department and revealed by Concurrent Evaluation, around 90 per cent of the Indira Awaas Yojana houses are built on the land owned by beneficiaries. Providing land to the landless persons is the biggest challenge to address the problem of shelterlessness in rural areas in the country. While appreciating the fact that land is a State subject and it is the responsibility of the State Government to provide land to the landless poorest of the poor for the construction of a minimum required shelter, the Committee feel that there is an urgent need to provide some sort of guidelines through the national policy of the Government.

The Committee would in this regard like to draw the attention of the Department on various recommendations made in report on Demands for Grants for the year 2006-07 of the Department of Rural Development. The Committee had appreciated the initiative taken by the Department to instruct the State Governments to prepare the waitlist of Indira Awaas Yojana as per the rank of BPL list and display it at the prominent places Further, while examining the Demands for Grants (2006-07) of the Department of Land Resources, the Committee had recommended to explore the possibility of using wastelands for setting up agricultural universities and for constructing houses under Government schemes for the landless persons in consultation with various State Governments.

2.82 The Committee are at a loss to understand how the houses as per the priority list of BPL persons could be provided in case the beneficiary does not have land. In view of this scenario, the Committee are of the opinion that there is an urgent need to explore the possibility of providing land to landless persons for construction of a shelter. The Committee feel that most of the land in rural areas might be belonging to Gram Panchayat/State Governments and as such the possibility of providing land to BPL persons for the purpose of housing may be examined. Besides, the aforesaid recommendation of the Committee with regard to using wasteland may also be examined in consultation with the State Governments, the

Department of Land Resources and the Ministry of Panchayati Raj and viable solution in this regard should be arrived at. Further, as regards acquisition of private land, the Committee would like to recommend to the Government to explore the possibility of inviting private sector in the field of rural housing with the condition that a certain percentage of houses are mandatorily provided for the BPL category of persons.

2.83 Besides, the Committee note that Land Acquisition Act which addresses to various issues related to acquisition of land for public purpose is an old Act of 1894. The Committee have repeatedly been recommending to amend the aforesaid legislation in their respective reports. The Committee reiterate their earlier recommendation to expedite the amendment of the aforesaid legislation so that the process of acquisition of land may become easier and it may facilitate land being made available by various State Governments for construction of houses for BPL persons. With the aforesaid initiatives State Governments should also be persuaded to have the land Banks from where land could be allocated for construction of houses for BPL persons. Such a mechanism would help the State Governments to address the problem of shelterlessness in a planned and systematic way. Necessary guidelines in this regard should be issued to the State Governments. Besides, suitable provisions may be made in the housing policy, which the Department has proposed to formulate in the near future.

CHAPTER III

RURAL HOUSING FINANCE

(i) Quantum of housing loan in rural areas

As per the data furnished by National Housing Bank during the year 2001-02, total loan given amounted to Rs. 23,858 crore. In the year 2003-04 it rose to Rs. 54,000 crore and in 2004-05 it came to Rs. 75,000 crore. Out of this, lending to the rural areas is 10-11 per cent and the rest of the lending is mostly in urban and semi-urban areas.

3.2 A study conducted by NHB has revealed that 68 per cent of the loan in recent constructions came from non-institutional sources such as money lenders (40 per cent) and friends (20 per cent). Banks contributed 22 per cent of the loan amount whereas Government loans and subsidies provided only 34 per cent of the total loan.

When asked the reasons for formal lending not picking up in rural housing, the Department has stated that rural households are too poor and lack creditworthiness to avail loan from the Banks or other financial institutions.

(ii) The role of National Housing Bank (NHB) in rural housing finance

3.3 National Housing Bank was set up in 1988 under the Act of Parliament *i.e.* National Housing Bank Act, 1987 as a principal agency to promote housing finance institutions both at local and regional levels. National Housing Bank is the apex Bank in the area of housing and connected with the development of housing, regulation for housing finance companies and promotional affairs for housing.

3.4 As per information given by NHB – Institution-wise flow of credit for housing in rural areas during the last four years is as under:

(Rs. in crore)

Institutions/Years	2001-02	2002-03	2003-04	2004-05
Public Sector Bank	1781.24	2131.00	4492.82	4105.72
Housing Finance Companies	1293.93	1671.00	1848.34	2331.37
Co-operative Sector Institutions	171.03	14.34	12.64	3.86
Total	3246.03	3816.34	6353.82	6440.95

(iii) Separate National Housing Bank for rural areas

3.5 National Housing Bank at present provides refinance to financial institutions for housing in urban as well as rural areas. The experts who appeared before the Committee were of the view that there should be a separate National Housing Bank for rural areas. On this issue Banking Division commented as under:

“NHB was set up in 1988 under the NHB Act, 1987 as a principal agency to promote housing finance institutions both at local and regional levels and to provide financial and other support to such institutions in the field. Accordingly, NHB has been providing financial support in the form of equity participation and refinance to develop a sound, healthy, viable and cost effective housing finance system to cater to housing credit needs of all segments of the population, including in rural areas. NHB has been giving emphasis on encouraging the Banks and other HFI's to increase their lending for housing in rural areas. In this direction, NHB has issued guidelines for participation in the equity of HFCs to the extent of 50 per cent of their paid up capital if the proposed HFC is set up for providing housing loans in rural areas. Besides, NHB has also been providing refinance support to Banks and other HFCs at concessional rates to encourage lending in rural areas.”

3.6 To augment the resources of NHB for providing housing loan in rural areas NHB has suggested for National Shelter Fund and National Risk Fund. The detailed suggestions in this regard are as under:—

“*National Shelter Fund* – Fiscal benefits as available for housing under Sections 24 & 80C are not being generally availed by majority of the rural population/borrowers. Therefore, the effective rate of interest on housing loans for borrowers in rural areas is made available at rates lower than the rates as applicable in urban areas. Therefore, there is need to set up a National Shelter Fund (NSF) under the aegis of NHB, with initial contribution of Rs. 500 crore by the Government. For enlarging the resource base of NSF to cover the target group largely in rural areas, tax free Rural Housing Bonds are allowed, on tap. To encourage public at large to participate and invest in such instruments to achieve the national level endeavour of improving the habitat conditions in rural areas, an investment upto Rs. 20,000 be allowed as eligible deduction over and above the limits prescribed under

Section 80C of I.T. Act. For this purpose a separate Section under 80C if I.T. Act be incorporated. NHB through this National Shelter Fund will provide refinance support to the PLIs at lower rates having adequate cushion to cover the PLIs operational costs.

National Risk Fund- As lending for housing rural areas is perceived as comparatively risky, it is suggested that a "Risk Fund" for providing credit risk cover to PLIs, be set up under the aegis of NHB, with the initial contribution of Rs. 500 crore by the Government. For enlarging this fund, the lending institutions may annually contribute 1 per cent of their total housing loans disbursed in rural areas to be eligible for covering their credit risk. Government may issue necessary notification making it compulsory for Banks and other HFIs."

(iv) Rate of interest and limit of refinance

3.7 The Committee during deliberations with some of the leading Commercial Banks *viz.* State Bank of India, Punjab National Bank, Canara Bank, Dena Bank, Bank of Maharashtra have found that for refinance, NHB has set a limit of Rs. 1,000 crore to each Bank. The Committee also found that while some of the Banks were not availing refinance facility like PNB and Canara Bank, who have their own cheaper resources, SBI has desired that the Bank should get more refinance from NHB. The representatives of SBI during the course of oral evidence submitted that whereas the total housing finance loan was to the tune of Rs. 28,000 crore, the refinance made available to them is just of Rs. 1,000 crore. On the issue the representative of RBI during the course of oral evidence submitted as under :

"It is a policy not to give it to one basket. There is something called exposure limit; that means you do not give loans to one borrower, more than 15 per cent of the total capital; and to a group borrower, not more than 40 per cent of the total capital. The idea is that a few borrowers should not be taking such a big chunk of Bank's credit. So, this will be applicable for individual borrowers. It has nothing to do with housing sector. I am not able to understand how this limit is coming in the way of a Bank giving loans. For example, the State Bank of India is lending to a financial company, which in turn is lending to individuals; the State Bank is limited from having that exposure in respect of that particular financial company. It can give it to individuals through other units, indirectly. Is it that they find this limit coming in the way of doing that? xxxxx"

“I appreciate the concern of the Banks now that the incremental CD ratio is going beyond 100 per cent, there may be a problem with the Banks and they may be going in for further deposits. But NHB has also a limiting factor in the sense that whatever resources available with them, they also can go to the market and raise bonds from the market.”

3.8 The comparative rate of interest charged by various agencies like NHB, NABARD for refinance and rates charged by LIC on loan to State Governments have been given at *Appendix-VIII*. It could be seen therefrom that lowest rate of refinance is being offered by NABARD *i.e.* 6 per cent upto Rs. 50,000 and above Rs. 50,000, 6 per cent for North Eastern States, Sikkim, Andman & Nicobar Islands and from other States it is 6.25 per cent. NHB refines at the rate of 6.25 to 6.75 per cent (fixed to lending institution depending upon tenure) and 6.30 per cent to 6.50 per cent (floating to lending institutions depending upon tenure).

3.9 NHB has informed the Committee that they provide refinance for housing a concessional rate. The normal rate is 6.75 per cent but for housing loan in rural areas, the rate is 6.25 per cent which is half a per cent less than the normal lending rate.

(v) Rate of interest charged by Banks and various financial institutions for housing from individuals in rural areas

3.10 The comparative rate of interest charged by various Banks and other Housing Finance Companies from individuals has been given at *Appendix-VIII*. It could be seen therefrom that the rate of interest varies between 7.5 per cent to 10.75 per cent (fixed) and between 7 per cent to 9 per cent (floating) in case of Public Sector Banks. With regard to other housing finance companies, the rate varies between 8 per cent to 10.5 per cent (fixed). Further, for private sector and foreign Banks, the rate of interest varies between 8 per cent to 11 per cent (fixed) and 7.5 per cent to 8.5 per cent (floating). There is a sharp variation between the rate of interest charged for housing loan in rural areas. The lending institutions are charging rate of interest in the range of 7.5 per cent to 11 per cent (fixed rates) and 7 per cent to 9 per cent (floating rates) depending upon the tenure of the loan.

3.11 As regards the rate of interest charged by Cooperative Banks, and Regional Rural Banks the Banking Division has informed that Cooperative Banks stood deregulated *w.e.f.* 29 April, 2002 and all States/ Central Cooperative Banks are free to determine their lending rates

taking into account their cost of funds, towards cost etc. Further substantiating the different rates of interest charged by Banks, the representative of Reserve Bank of India during the course of oral evidence stated as under:

“Interest rates are by and large fixed by the Banks’ own Board. But the Reserve Bank has said that for small loans, that is, upto Rs. 2 lakh, the Bank should not charge more than the prime lending rate. The prime lending rate in many of the Banks is more than 0.25 per cent. So, we are really not talking about those the charges on the housing loans. It is ranging between 8 per cent fixed and 8.75 for floating rate currently. Some of the Banks are charging little bit less than that. They are charging 7.5 per cent. For floating rates, they have gone up to 9 per cent as well. The RRBs are having 8.5 per cent to 9 per cent and the cooperative Banks are also charging between 8 and 9.25 per cent. So, it seems to me that the range of interest rates which the Banks are charging for housing loan is between 8 per cent to 9.25 per cent. Why are they charging these rates when for all other loans, they are prepared to charge lower interest rate – it is Bank’s own decision, but between rural and urban areas, Banks are not making any different in the interest rates.”

“The policy that we have followed for the last 15 years, ever since the financial sector reforms started is towards moving away from administered interest rates. The expectation is that as there are more Banks coming into the fray, the interest rates will go down as it has happened in housing financing. The interest rates in housing financing are today amongst the lowest interest rates in the system for individual loans, personal loans.”

3.12 When asked whether there is a need to make uniform loan rates for rural housing all over the country by Commercial Banks, the Department of Rural Development has submitted that there is a lower rate for rural housing by Commercial Banks. Further the Department has stated that in case the loan is refinanced by NHB or NABARD, they can ensure that the lower rate of interest percolate to the beneficiaries, by calling for necessary details of loanee and the interest charged by the Bank. The Department has also informed that the Government is examining the proposal of NHB for providing 3 per cent subsidy in the rate of interest to Banks and financial institutions. This will introduce greater credit inflow in rural housing and will serve to provide housing loans to rural poor at comparatively lower rate.

(vi) Rate of recovery of housing loan advanced by Commercial, Cooperative and Regional Rural Banks

3.13 When asked about the rate of recovery of housing loan advanced by these Banks, Banking Division has informed as under:-

“Based on details available in Report on Trend and Progress of Housing in India, for the year ended June 2004, the asset quality and recovery performance of Commercial Banks and Cooperative Banks are furnished below :

(a) Commercial Bank

About 47 per cent of the total retail loans by Schedule Commercial Banks are housing loans and net NPAs as percentage of outstanding housing loans is the least at 1.4 per cent as at the end of June 2004.

(b) Cooperative Banks

As per the information available from Cooperative institutions, while aggregate position is not available, the recovery position has declined in case of Punjab Apex Co-operative Housing Federation (ACHF) and Kerala ACHF, during the year 2003-04 as compared to the year 2002-03, while it has improved in case of Pondicherry ACHF and Kerala Agriculture and Rural Development Bank (ARDB).

NHB’s recovery from Banks under the GJRHFS scheme is 100 per cent”

3.14 The leading Commercial Banks called for evidence before the Committee informed that the rate of recovery for lending in rural areas was very good. The representative of Punjab National Bank during the course of oral evidence stated that recovery of housing loan was 92 per cent. He also stated that the balance of 8 per cent was not NPA or bad loan. It may be an account of overdue. The Chairman, SBI during the course of oral evidence brought into the knowledge of the Committee an interesting instance which motivated the Bank to start ‘Sahayog Scheme’ for housing focusing on Self-Help Groups. It was an instance when a member of the self help group enquired why housing loan was not provided to them when they were honestly repaying loan advanced to them.

(vii) Role of NABARD in housing finance

3.15 NABARD has been providing refinance to Banks at a concessional rate of interest and NABARD’s Rural Housing Refinance

Scheme has been operationalised *w.e.f.* 1 April, 2001. The detailed activities of NABARD in this regard are as follows:-

Area of coverage

3.16 NABARD supports refinancing of loans for housing by Banks in "Rural" areas, *i.e.* the area comprising village/s (including town/s), the population of which does not exceed 50,000 as per 1991 Census. As regards co-operatives, the refinance scheme is applicable to the entire area of operation of the Bank.

Eligible clientele

3.17 Borrowers of Banks can be individuals, co-operative housing societies, public/local bodies, housing boards/housing development authorities/improvement trusts, NGOs/Voluntary Agencies and Housing Finance Companies registered with National Housing Bank (NHB). Financing under Golden Jubilee Rural Housing Scheme and schemes of Government of India (Ministry of Rural Development) are also eligible for refinance.

Eligible components

3.18 The financing can be towards construction of new dwelling/repairs and renovation of existing houses, rainwater harvesting structures, sanitary improvements, wastewater management, environment protection etc. for good living conditions and for common infrastructural purposes like road, street lights, commercial complex etc. under housing colonies in rural areas.

Quantum of Loan

3.19 Quantum of Bank loan eligible for refinance for new houses has been increased upto Rs.15 lakh and for repairs/renovation upto Rs. 5 lakh.

3.20 Refinance is available to Banks upto 90 per cent of loans (100 per cent to SCARDBs) and under Automatic Refinance Facility (ARF) upto Rs.10 lakh both for Commercial Banks and Cooperative Banks.

Repayment period and rate of interest on refinance

3.21 Maximum repayment period for new houses is 15 years and for repairs/renovation 7 years. Moratorium period of 18 months is allowed. The rate of interest on refinance is 6 per cent for Bank loan upto Rs. 50,000 (and irrespective of size of loan in North Eastern States, Sikkim and A&N Islands) and 6.25 per cent for loans above Rs. 50,000.

Physical progress

3.22 Flow of refinance from NABARD has so far helped in construction of nearly 2.28 lakh new units in rural areas besides assisting around 2.08 lakh units towards renovation, repairs, extension, provision of sanitation, rainwater harvesting structures, etc.

Flow of refinance

3.23 Flow of refinance in the last four years from NABARD to Banks is as given in table below:

(Rs. in crore)

Year	Amount	Growth (per cent)	Cumulative Flow of Refinance
2001-2002	501.86	—	501.86
2002-2003	769.53	53	1,271.39
2003-2004	1,030.23	32.6	2,301.62
2004-2005	1,276.94	24	3,578.56

3.24 No. of units constructed out of NABARD's Refinance are as under:

(Rs. in crore)

	2001-02		2002-03		2003-04		2004-05		Cumulative upto end March 2005	
	Units	Amt.	Units	Amt.	Units	Amt.	Units	Amt.	Units	Amt.
New	43,856	370.16	53,849	457.48	44,018	563.70	86,207	895.75	2,27,930	2,281.40
Repairs	23,333	131.70	64,512	312.05	34,354	466.54	86,258	381.19	2,08,457	1,297.16
Total	67,189	501.86	1,18,361	769.53	78,372	1,030.24	1,72,465	1,276.94	4,36,387	3,578.56

Rate of interest for refinance

Slab	Loan size	NE States, Sikkim and A&N Islands	Other States
I	Upto Rs. 50,000	6.00	6.00
II	Above Rs. 50,000	6.00	6.25

3.25 As stated in the earlier part of the Report, 161 lakh houses would be needed during Eleventh Plan period to end the shelterlessness in rural areas in the country. As per the Government's own estimates, Rs. 55,000 crore would be required to tackle the problem. Further as per the NHB estimates, only 36 per cent housing stock in the rural areas are *pucca* houses which means 64 per cent require frequent maintenance and eventual replacement over a period of 5 to 10 years. The real problem to be addressed with regard to housing in rural areas may be much grim. To tackle this problem the grant based schemes like Indira Awaas Yojana (IAY) are not sufficient. Besides in rural areas the problem of housing needs to be addressed keeping in view the overall position of the population in rural areas. There may be three sections of Society *viz*

- (i) Affluent rich farmer,
- (ii) Middle Class, and
- (iii) Rural poor *i.e.* BPL persons in rural areas

3.26 Indira Awaas Yojana to some extent addresses the problem of shelterlessness in rural areas in the country. As stated in the earlier part of the Report even Indira Awaas Yojana, addresses the housing problem of BPL category of persons in a partial way. To take care of the needs of the other sections of the society affordable lending for housing can play an important role.

3.27 From the data made available by National Housing Bank the Committee find that although during the period 2001-05, the housing loan disbursed by PLIs has doubled from Rs. 3246.03 crore in 2001-02 to Rs.6440.95 crore during 2004-05, it is still not comparable to the boom in lending for housing witnessed in urban areas. The data indicated by NHB is self evident according to which, lending to rural areas during the period 2001-05 is just 10-11 per cent of the total lending. The Committee understand that even today, the rural people depend on the mercy of the landlords who charge heavy rate of interest on the borrowings and exploit the rural people.

3.28 The Committee observe that to some extent the Government is responsible for this plight of the rural people. Even when the recovery-rate for the lending in rural areas is almost hundred per cent which has been admitted by Commercial Banks, Banking Division and NHB, the Department of Rural Development which is the nodal Department to deal with the various aspects for rural housing has doubted the creditworthiness of rural poor. The

Department has stated that rural people are poor and cannot avail of loan from Banks or financial institutions. The Committee fail to understand, if that is the position why the rural poor are borrowing from the lenders at exorbitant rate of interest. The real problem is the mindset of the financial institutions. Even when the rural poor have proved their trustworthiness as is evident from the excellent rate of recovery, the financial institutions are not coming forward to help the rural poor. The Committee are moved by the instance quoted by the representative of SBI. The simple query of an honest rural helpless customer, (why the Bank was not giving housing loan when they are repaying the loan honestly?) was instrumental in launching a housing scheme for housing by SBI *i.e.* SBI Sahyog Niwas. The Committee strongly recommend to the Department to take this matter seriously with Reserve Bank of India, Ministry of Finance (Banking Division), NHB, Commercial Banks and all other concerned and take all the desired action to extend the formal lending and make housing loan affordable to the rural poor.

3.29 The Committee find that NHB and NABARD are the main agencies of Government of India involved in refinancing of housing loan to different financial institutions. NABARD is refinancing at the lowest rate of interest *i.e.* 6 per cent upto Rs. 50,000 and 6.25 per cent for the amount exceeding Rs. 50,000. However in case of North-Eastern States, Sikkim, Andaman & Nicobar Islands, the rate of refinance is 6 per cent even above Rs.50,000. In case of NHB, the main agency which has the mandate for rural housing, the rate of refinance is 6.25 per cent. The Committee find that the problem of shelterlessness is most acute in North Eastern States. The issue has been examined in detail in the preceding part of the report. Whereas NABARD is providing 0.25 per cent lower rate of refinance to North-Eastern States and Sikkim and also to Andaman & Nicobar Islands, no such benefit has been given to these States by NHB. The Committee feel that the relaxation in the rate of refinance to the aforesaid States should also be provided by NHB on the lines of NABARD.

3.30 As regards the rate of interest charged by various financial institutions with regard to lending for rural housing, the Committee find that there is sharp variation. The rate of interest varies between 7.5 per cent to 10.75 per cent (fixed) and between 7 per cent to 9 per cent (floating) in case of Public Sector Banks. With regard to other housing finance companies, the rate varies between 8 per cent to 10.5 per cent (fixed). Further, for private sector and foreign Banks, the rate of interest varies between 8 per cent to 11 per cent (fixed) and 7.5 per cent to 8.5 per cent (floating).

The Committee find from the position of rate of interest and refinance as indicated above that whereas refinance at lower rate of interest is being made available to certain financial institutions by NHB and NABARD, the benefit of getting refinance at lower rate is not being percolated to the poorest of the poor in rural areas in the country. Besides the Committee also note that there is variation of around 3 per cent of rate of interest between the minimum and the maximum rate of interest charged for housing from the poor in rural areas. The Committee find that even 1 per cent of rate of interest matters a lot to the poorest of the poor in the country. In this scenario, while appreciating the policy of the Government to move away from administered interest rates, the Committee feel that some sort of regulation is necessary in case of the housing loan being made available to the poor in rural areas in the country especially when these institutions are getting the benefit of lower rate of refinance from certain Government Institutions like NHB and NABARD.

3.31 The Committee also find that on the issue being raised during the course of oral evidence of the representatives of Department of Rural Development, the Department has informed that the Government is examining the proposal of National Housing Bank for providing 3 per cent subsidy in the rate of interest to Banks and financial institutions in order to introduce greater credit flow in rural housing and to provide housing loans to rural poor at comparatively lower rates. The Committee appreciate the aforesaid gesture of the National Housing Bank and would like the Department to finalize the issue in consultation with National Housing Bank, Reserve Bank, Banking Division and all other concerned expeditiously. The observations made by the Committee in the preceding para with regard to the differential rate of interest of refinance and rate of interest charged from individuals may also be kept in view while taking decision in this regard.

3.32 Some of the experts who appeared before the Committee were of the view that there should be a separate National Housing Bank for rural areas. The mandate of NHB has been to promote housing finance institutions and to provide financial and other support to such institutions in the field of housing. The data given by NHB indicates that only 10 to 11 per cent of the lending for housing could be made available to rural areas. The role played by the Public Sector Banks who have wider coverage in rural areas has also not been upto the desired level. Keeping in view the scenario of shelterlessness in rural areas in the country there is an urgent

need to give more focused attention to the issues related to institutional finance. The suggestions given by NHB for creation of a National Shelter Fund and National Risk Fund to augment the resources of NHB may be critically analysed by the Department. In view of this the Committee recommend to the Government to analyse the role of NHB critically in the context of housing in rural areas and consider either to extend the activities of NHB in the rural sector or set up a separate National Housing Bank for rural areas. The Department of Rural Development should deliberate this issue in consultation with the Reserve Bank of India and Ministry of Finance (Banking Division). The Committee may be informed about the decision taken in this regard.

3.33 The Committee find from the deliberations with the Commercial Banks that the existing limit of refinance to each financial institution is Rs. 1,000 crore. As per the Reserve Bank of India such limit has been fixed to diversify the risk. The Committee further note that whereas some of the Public Sector Banks are not availing of the refinancing facility, the refinance limit is falling short in case of other Banks. State Bank of India which has the largest number of Branches in India, has requested to extend this limit. The Committee while appreciating the policy of the Government not to give the refinance to one basket and to diversify the risk, feel that some consideration should be given to the size of the Bank *i.e.* the network of Branches it has in rural areas. Besides, when some of the Banks are not availing of the refinance facility, the other Banks who are availing of and fall short of the refinance can be provided more refinance. The Committee also note that the interest rates which have been at the lowest in the recent past have started moving upwards. In view of the rising interest scenario the financial institutions may lack liquidity and their own resources may be costlier and may need more refinance facility from the Government agencies like NHB and NABARD. The Government should analyse the position in view of the recent scenario, keeping in view the aforesaid observation of the Committee regarding limit of refinance. The Committee may be kept apprised of the decision taken in this regard.

(viii) Implementation of Golden Jubilee Rural Housing Finance Scheme (GJRHFS)

3.34 NHB is the nodal agency under the Ministry of Finance to coordinate rural housing in general. The information provided by them with regard to the implementation of GJRHFS is given in the subsequent para.

3.35 NHB formulated the Golden Jubilee Rural Housing Finance Scheme (GJRHFS) in 1997 which was launched by the Hon'ble Finance Minister on the occasion of the Golden Jubilee of the country's Independence. The scheme in particular aims to address the problem of housing shortage in the rural areas through improved access to institutional housing finance which would enable an individual to build a modest house or improve or add to his existing dwelling unit in rural areas.

The scheme envisages lending with due regard to the viability and Banking of the cases, without any compromise in the appraisal techniques and norms followed by the lending institutions. The Scheme is being implemented through Scheduled Public Sector Commercial Banks, Scheduled State Co-operative Banks, Regional Rural Banks, dedicated housing finance institutions, *viz.* Housing Finance Companies (HFCs) and the Apex Co-operative Housing Finance Societies (ACHFSs) as also through the Agriculture Rural Development Banks (ARDBs).

Rural Areas

3.36 Under the scheme, housing loans may be given for construction, purchase or improvement of houses in the rural areas. "Rural area" for this purpose, is based on the definition as stipulated by the Reserve Bank of India under the NABARD Act and is as under:

"area comprised in any village including the area comprised in any town, the population of which does not exceed 50,000 as per 1991 census"

Monitoring of the Scheme and Submission of Returns

3.37 In view of the importance attached to the Scheme, NHB has been reviewing the performance of the scheme by way of quarterly information being reported by the Primary Lending Institutions and by organizing review meetings on a periodic basis. NHB has been keeping the Government of India and the RBI informed of the developments under the Scheme. Progress of the scheme is also monitored at the State Level Banker' Committee meetings where review of progress under GJRHFS is a regular agenda item.

Marketing and Publicity

3.38 To ensure successful achievement of the target under the Scheme, NHB has taken several initiatives, as under:

- (a) To increase awareness of the Scheme, NHB has made available to the primary lending institutions, brochures and posters regarding the Scheme in various languages, for prominent display and distribution to the public; and

- (b) NHB is also extending training facilities to HFCs/Banks to build up their capacity to deliver rural housing credit.

Refinance by NHB

3.39 Refinance from NHB is offered to the eligible institutions in respect of loans extended by them in terms of the GJRHFS, for acquiring or constructing new dwelling units up to a maximum limit of Rs.10 lakh. Besides, refinance is also available to eligible institutions in respect of loans extended by them for upgradation/major to existing units as per the terms and conditions specified by the refinance scheme from time to time.

3.40 NHB has been encouraging flow of funds to the rural sector by giving 25 bps concessions over the normal refinance rates for lending to rural areas under Golden Jubilee Rural Housing Refinance Scheme (GJRHRS) effective from July 2002.

(ix) The performance of GJRHFS

3.41 Government of India sets the national targets under the scheme. NHB being the monitoring agency allocates the annual targets to the implementing agencies *i.e.* scheduled commercial Banks, housing finance companies and cooperative sector institutions. As stated by NHB during the first year of operation of the scheme *i.e.* during the first five years of operation of the Scheme (April 1997 – March 1998), a national target of financing of 50,000 dwelling units was set which was achieved fully and over 50,000 rural housing loans were granted. The targets under the scheme has been increased in a phased manner over the years from 50,000 in 1997-98 to 2,25,000 in 2004-05 and further to 2,75,000 in 2005-06. During the period 1997–2005, a total of approximately 13.45 lakh dwelling units have been financed as against the target of financing of 13.25 lakh dwelling units indicating achievement of 101 per cent. The progress under the scheme during the different years has been as follows:

(No. of dwelling units)

Year	Target	Achievement	Percentage Achieved
1	2	3	4
1997-1998	50,000	51,272	102
1998-1999	1,00,000	1,25,731	125

1	2	3	4
1999-2000	1,25,000	1,41,363	113
2000-2001	1,50,000	1,58,426	105
2001-2002	1,75,000	1,87,268	107
2002-2003	2,25,000	1,78,200	79
2003-2004	2,50,000	2,43,753	97
2004-2005	2,50,000	2,58,562	103
Total	13,25,000	13,44,575	101

Progress during 2005-06

3.42 A target of financing of 2,75,000 dwelling units has been set as a national goal under the Scheme. During the first quarter *i.e.* April-June, 2005 a total of 63,975 dwelling units have been financed by the Primary Lending Institutions (PLIs). Thus, during the period 1997-June, 2005, a total of 14.09 lakh dwelling units have been financed under the Scheme.

3.43 The disbursements to eligible Primary Lending Institutions under GJRHFS since its implementation in 1997-98 are as follows:

(Rs. in crore)

Year	Amount
1997-1998	95.40
1998-1999	229.49
1999-2000	239.59
2000-2001	261.50
2001-2002	222.20
2002-2003	335.96
2003-2004	1700.88
2004-2005	3536.16
Total	6621.18

3.44 Besides augmenting funds to GJRHFS, NHB is also financing to Agriculture and Rural Development Banks by subscribing to their special housing debentures.

3.45 The Committee find that the Golden Jubilee Rural Housing Finance Scheme (GJRHFS) was formulated in the year 1997 and the scheme aims to address the problem of housing shortage in the rural areas through improved access to institutional housing finance. The scheme is being implemented through Scheduled Public Sector Commercial Banks, Scheduled State Co-operative Banks, Regional Rural Banks, dedicated housing finance institutions *viz.* Housing Finance Companies (HFCs), Apex Cooperative Housing Finance Societies (ACHFSs) as also through the Agriculture Rural Development Banks (ARDBs). The scheme is applicable in a rural area, the population of which does not exceed 50,000 as per 1991 census. As regards the performance of the scheme, the achievement as compared to the targets is more than 100 per cent since 1997 till date. Under the scheme, Rs. 6621.18 crore has been disbursed to eligible primary lending institutions. The Committee note that GJRHFS is the only scheme of the Government of India related to lending for housing. Although the performance of the scheme *vis-a-vis* targets is quite satisfactory, as indicated in the data given by NHB, the targets fixed under the scheme are quite low. A total number of 13,25,000 dwelling units have been financed from 1997 to 2005. During the year 2005-06, the targets were fixed at 2,75,000 dwelling units. As informed by NHB, Government of India sets the national targets under the scheme. The Committee are of the view that the targets set under the scheme are too low keeping in view the scenario of shelterlessness in the country. The Committee strongly recommend to the Government to enhance the targets under the scheme considerably especially when the achievement of targets has been quite impressive. The enhancement of targets would further put pressure on different Public Sector Banks, Cooperatives and RRBs and other financial institutions involved with the scheme to extend more loans for housing in rural areas. This will help to address the problem of rural housing to some extent.

(x) Role of HUDCO in housing finance

3.46 HUDCO provides loan assistance to State Housing Boards, Co-operative Societies and various other public sector organisations for implementation of rural housing programmes.

3.47 HUDCO's financial assistance is extended through Housing Scheme for Landless/Landed category and Village *Abaadi* Improvement Scheme. HUDCO is also extending finance for repairs and renewal, shelter up gradation, site and services scheme etc. for the benefit of EWS/LIG category.

3.48 HUDCO is providing assistance to people belonging to EWS category for construction of houses at 7.75 per cent (floating) rate of interest, with an extent of finance upto 90 per cent of project cost and repayment period of upto 15 years.

3.49 Further HUDCO is also extending finance at a concessional rate of interest of 7.25 per cent (floating) for EWS housing schemes for categories such as widows, SCs/STs, Physically handicapped, single women above 35 years of age and natural calamities affected areas, which is further reduced to 7.00 per cent and 6.75 per cent in cases of bulk loans of more than Rs.50 crore and Rs.100 crore respectively.

3.50 HUDCO started its rural housing activity from 1977-78 by extending assistance for construction/upgradation of rural houses. Over the last 28 years, HUDCO has sanctioned 2473 schemes with a loan amount of Rs. 7089.17 crore for construction of 93.04 lakh dwelling units in various States of the country (as on 31.07.2005).

3.51 Details of the number of schemes/loan amount and Dwelling Units sanctioned during 8th, 9th and 10th Plan (upto 31.03.2005) are as given below:—

(Rs. in crore)

Five Year Plans	No. of Schemes*	Project cost*	Loan amount sanctioned*	Loan amount released*	DUs sanctioned*
8th	530	1354.34	799.03	482.03	957053
9th	823	7497.61	4419.29	2441.88	5362867
10th	30	4087.48	3024.89	922.90	1820363

* The No. of schemes, project cost, loan amount and DUs sanctioned are gross sanctioned during the period.

3.52 Year wise details are enclosed at *Appendix-IX*.

3.53 HUDCO's financial assistance for rural housing schemes is available to all the States and Union territories and HUDCO has been earmarking 15 per cent of its total annual allocations for EWS Rural Housing, which would further be distributed between States based on area and population. However, these allocations are indicative only, and States are provided financial assistance based on their demand.

3.54 As on 31 March, 2005, HUDCO has sanctioned 1,185 (net) schemes with a total loan amount of Rs. 6,362.66 crore for construction of 70,52,360 dwelling units.

3.55 HUDCO's normal rural housing programmes by and large caters to the EWS category. Since the States/borrowing agencies are availing financial assistance from HUDCO for implementation of Rural Housing Programme as per the State Housing Programme, and as such, States/borrowing agencies are making reservations for various vulnerable groups *e.g.* SC/ST, Disabled, Women, etc. accordingly.

3.56 HUDCO has informed that there is a lack of participation by a number of States resulting in uneven geographical distribution of HUDCO's loan assistance. The States of Andhra Pradesh, Kerala, Karnataka, Orissa, Tamil Nadu and West Bengal have taken up the programme in a big way. The other States like Gujarat, HP, Jharkhand, Maharashtra, UP and Rajasthan have also taken up the programme with HUDCO's assistance.

(xi) Equity to HUDCO

3.57 As per the Performance Budget 2004-05 of the Department of Rural Development, in order to meet the requirement of Economically Weaker Sections (EWS) and Lower Income Groups (LIG) sections in rural areas and to improve the outreach of housing finance in rural areas, it was decided to increase the equity support from the Department to HUDCO from Rs. 5 crore in the 8th Plan (1992-1997) to Rs. 253 crore during 9th Plan (1997-2002).

3.58 As per the 3rd Report of the Committee—14th Lok Sabha (pp. 44-45), equity support from Department of Rural Development is provided to HUDCO to garner and mobilize additional resources (approximately eight times the size of the equity contribution) from the market. The funds so leveraged are to be utilized exclusively for financing the construction of additional rural housing units over and above what HUDCO normally finances through their existing resources. Details of equity support provided by Department of Rural Development to HUDCO since 1998-1999 and expected return there on are as under :—

Year	Equity Support	Return/Dividends	Required mobilization of additional revenues (Eight times of equity support)
1	2	3	4
1998-1999	50	—	400
1999-2000	150	4.23	1200

1	2	3	4
2000-2001	100	5.40	800
2001-2002	50	5.75	400
2002-2003	50	11.72	400
2003-2004	10	Not yet received	80
2004-2005	5	N.A.	40
Total	415	27.10	3320

3.59 The representative of HUDCO during the course of oral evidence stated that HUDCO has now been declared as 'Navratna' and as such Government has stopped providing equity.

3.60 Since 1998-99, HUDCO has received additional equity support of Rs. 415 crore from MoRD, against which, HUDCO has sanctioned a loan of Rs. 7055.90 crore for construction of 68.39 lakh rural houses through various schemes in rural areas and released loan of Rs. 3280.83 crore during 1998-99 to 2004-05. Further, during 2005-06, HUDCO has also released an amount of Rs. 29 crore for rural housing and as such the total release is Rs. 3309.83 crore. Taking into consideration the withdrawal/revisions in the sanctioned units, during the above period, the cumulative units sanctioned by HUDCO stands at 59.75 lakh (net) out of which 33 lakh units are reported to be completed and 11.02 lakh units are under progress (as on 31.03.2005) and as such HUDCO is yet to be released the balance amount due under schemes for which units are in progress or yet to be taken up.

3.61 It can be seen from the above, that HUDCO has sanctioned loan for rural housing 16 times the equity received from MoRD and disbursed loan to the tune of approximately 8 times the equity received. Details of equity received and resources mobilized are as given below:—

Year	Total equity	Equity received from MoRD	Resources mobilized
1998-99	181.00	50.00	3200.98
1999-00	321.00	150.00	3461.06
2000-01	280.00	100.00	4666.17
2001-02	230.00	50.00	3970.18
2002-03	255.00	50.00	3188.74
2003-04	235.00	10.00	5668.65
Total	1502.60	410.00	24155.78

3.62 Besides this, equity of Rs. 5 crore was also received by HUDCO from MoRD during 8th five year plan.

(xii) Role of HUDCO under the different ambitious programmes of the Government concerning Rural Housing

3.63 Under the Housing Programme of Government of India (for providing 13 lakh dwelling units in rural areas and 7 lakh units in urban areas), HUDCO has been entrusted with the responsibility of providing loan assistance for construction of 6 lakh houses in rural areas every year, out of 13 lakh houses envisaged under the programme.

3.64 The representative of HUDCO during the course of oral evidence while elaborating on the role of HUDCO under the ambitious programme of the Government stated as under:

“Out of 60 lakh houses to be constructed under Bharat Nirman, HUDCO has been given a quota of 6 lakh and for the rest the Ministry allocates directly . xxxx xxx earlier seven lakh was to be done by urban and 13 lakh by rural. Out of this six lakh was given to HUDCO and seven lakh was given directly to other agencies.”

3.65 The achievement under Rural Housing from 1998-1999 to 2004-2005 (as on 31.3.2005) is indicated below:

Year	DUs Sanctioned		
	Normal	Natural Calamities	Total
1998-1999	6.59	6.45	13.04
1999-2000	4.56	5.50	10.06
2000-2001	2.98	20.78	23.76
2001-2002	3.33	0	3.33
2002-2003	4.13	0	4.13
2003-2004	5.42	0	5.42
2004-2005	2.83	5.82	8.65
Total	29.84	38.55	68.39

3.66 However, taking into consideration the withdrawal/revisions in the sanctioned units during the above period, the cumulative units

sanctioned by HUDCO stands at 59.75 lakhs (net) out of which 33.00 lakh units are reported to be completed and 11.02 lakh units are under progress (as on 31.3.2005).

(xiii) Problems encountered by HUDCO

3.67 Though, HUDCO has been extending financial assistance for various schemes for rural housing, the major problems being faced by HUDCO in sustaining rural operations are as given below:

- a. Lack of participation by all the States resulting in uneven geographical distribution of schemes.
- b. Poor recovery rate of loans by Government agencies has led to declining demand.
- c. Non availability of Government Guarantee, Budgetary provision for repayment of HUDCO loan.
- d. In most of the States, there are no separate State level agencies for taking up Rural Housing Programme.
- e. Lack of interest of the State Government/Government agencies towards HUDCO's loan based Rural Housing Programme in view of on going Indira Awaas Yojana and Innovative Stream of Rural Housing and Habitat Development Scheme (now closed), which are 100 per cent subsidised schemes, promoted by Ministry of Rural Development.

3.68 HUDCO and its Regional offices located in most of the State Capitals are impressing upon the State Governments to avail financial assistance from HUDCO, which is available at a concessional rate of interest for Rural Housing as well as also impressing upon the State Governments the need for creation of separate State level agencies for taking up Rural Housing Programme.

3.69 The Committee note that HUDCO started rural housing activity from 1977-78 and since then HUDCO has sanctioned 2473 schemes with loan amounting to Rs. 7089.17 crore for construction of 93.04 lakh dwelling units in various States of the country up to 31st July 2005. Further, the data given by HUDCO for the work done during 8th, 9th and 10th Plan indicate that there is sharp decline in the number of schemes during 10th Plan as compared to 9th Plan. Against 823 schemes taken up during 9th Plan, during the first 3 years of 10th Plan, only 30 schemes have been taken by HUDCO. Further, the Committee note that there is

sharp difference between the loan amount sanctioned and loan amount released during different plans. During 10th Plan, whereas 3024.89 crore has been indicated as loan amount sanctioned, the amount released for the said period is only Rs. 922.90 crore. The Committee would like the Department to explain the reasons for decline in the activities of HUDCO during 10th Plan and also the difference between the loan amount sanctioned and released during different plans.

3.70 The Committee further find that equity support was being provided to HUDCO since 1998-99 and up to the year 2004-05, Rs. 415 crore was provided as equity by the Department of Rural Development. Against this equity, HUDCO was to garner and mobilize additional resources (approximately 8 times the size of the equity contribution) from the market. The funds so leveraged were to be utilized exclusively for financing the construction of additional rural housing units over and above what HUDCO normally finances through their existing resources. The Committee further observe that HUDCO has now been declared as 'Navratna' and as such Government has stopped providing equity. The Committee apprehend that the stoppage of the equity support may adversely affect the activities of HUDCO in the field of rural housing for the poorest of the poor in the country. In view of this, the Committee would like the Department to analyze the position and find out ways and means to support HUDCO's programme for rural housing.

3.71 The Committee further find that HUDCO has been entrusted with the responsibility of providing loan assistance under various ambitious programmes of the Department of Rural Development. Under the housing programmes of Government in providing 13 lakh dwelling units in rural areas and 7 lakh units in urban areas, HUDCO has been entrusted with the responsibility of providing loan assistance for construction of 6 lakh houses in rural areas. Further, out of 60 lakh houses to be constructed under Bharat Nirman, HUDCO has been given a quota of 6 lakh. As regards the performance of HUDCO with regard to targets provided under different ambitious programmes up to 2004-05, HUDCO has sanctioned 68.39 lakh dwelling units out of which 29.84 lakh dwelling units are for normal area and 38.55 lakh units for areas affected by natural calamities. The Committee observe that the major portion of the dwelling units sanctioned by HUDCO relates to natural calamities and as such HUDCO's contribution to the task of addressing to the problem of shelterlessness is limited. Keeping in view this scenario, the Committee recommend to the Department to review the position in this regard so that the goals set under different ambitious programmes are achieved.

3.72 Another problem pointed out by HUDCO is that in most of the States there is no separate State level agency for taking up rural housing schemes. The Committee recommend that the Department should have consultations with various State Governments and find out ways and means to address the various difficulties encountered by HUDCO. In this regard, the Department first of all should get the information about States where State level agencies for taking up housing activity do not exist. Such States should be persuaded to constitute State level agencies so as to give focused attention to rural housing. The Committee may be kept apprised about the action taken by the Department in this regard.

3.73 HUDCO has informed that there is a lack of participation by a number of States resulting in uneven geographical distribution of HUDCO's loan assistance. The States of Andhra Pradesh, Kerala, Karnataka, Orissa, Tamilnadu, West Bengal, Gujarat, Himachal Pradesh, Jharkhand, Maharashtra, Uttar Pradesh and Rajasthan have taken up the programme in a big way. Further, HUDCO has informed that poor recovery rate of loan by Government agencies has led to declining demand. Interesting point raised by HUDCO is lack of interest of the State Government/Government agencies in HUDCO's loan based rural housing programme in view of the ongoing Indira Awaas Yojana which is 100 per cent subsidy based programme and under which 75 per cent of the allocation is being provided by the Union Government. The Committee would like the Department to analyze the aforesaid issues as pointed out by HUDCO critically. The Committee may be informed about the reaction of the Department in this regard so as to enable the Committee to recommend further in this regard.

(xiv) Role of Commercial Banks in the field of Rural Housing

3.74 As per information given by Ministry of Finance (Banking Division) in pursuance of National Housing Policy of Central Government, RBI, issued detailed guidelines to ensure orderly growth of housing loan portfolio of Banks. With a view to enable Banks to play a catalytic role in housing finance, the following housing finance limits are considered as Priority Sector Advances:

Direct Finance

- (i) Loans up to Rs. 15 lakh in rural, semi-urban, urban and metropolitan areas for construction of houses by individuals, with the approval of their Boards, excluding loans granted to their own employees.
- (ii) Loans upto Rs. 1 lakh in rural and urban areas and Rs. 2 lakh in urban areas for repairs to damaged houses for individuals.

- (iii) Loans granted by Banks up to Rs. 5 lakh to individuals desirous of acquiring or constructing new dwelling units and up to Rs. 50,000 for upgradation of major repairs to the existing units in rural areas under Special Rural Housing Scheme of NHB.
- (iv) Loans granted by Banks in rural areas under the Special Rural Housing Scheme of NHB will also be considered as part of priority sector advances subject to the limits specified under (i) and (ii) above *i.e.*, upto Rs. 15 lakh for acquiring/ construction of a new house and upto Rs. 1 lakh for repairs/ upgradation of an existing house.

Indirect Finance

- (v) Assistance given to any governmental agency for construction of houses, or net slum clearance and rehabilitation of slum dwellers, subject to a ceiling of Rs. 5 lakh of loan amount per housing unit.
- (vi) Assistance given to a non-governmental agency approved by the National Housing Bank for the purpose of refinance for construction of houses or for slum clearance and rehabilitation of slum dwellers, subject to a ceiling of Rs. 5 lakh of loan amount per housing unit.

3.75 At the micro level Commercial and Cooperative Banks and Regional Rural Banks have great access to rural masses in the rural areas. NHB has informed the Committee that Commercial Banks have a very good reach in rural areas. They are already very much engaged in agriculture finance and there is no problem in that. But in the field of rural housing, they are not doing well. When asked about the quantum of housing loan disbursed by Commercial, Cooperative and Regional Rural Banks for the purpose of housing, the Ministry of Finance (Banking Division) has informed as under:—

“RBI does not capture data relating to credit flow to rural housing, rate of interest for housing loans in rural areas, rate of recovery of housing loans. However, data on housing loans (No. of account and Amount Outstanding) of public sector Banks under priority sector for the last four years as on March 2002, 2003, 2004 and 2005 are as under:

(amount in Rs. Lakh)

March 2002		March 2003		March 2004		March 2005*	
No. of A/c	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.
747972	2502662	1147028	3870272	1617832	5664729	2048318	7879149

*Provisional

3.76 Some of the highlights of the lending by leading Commercial Banks in the field of rural housing as examined by the Committee are given below:

Role of State Bank of India in the field of Rural Housing

3.77 The representatives of State Banks of India during the course of oral evidence informed the Committee that out of total disbursement of Rs. 28,320 crore, housing loan of Rs. 2,902 *i.e.* around 10-12 per cent has been disbursed in rural areas by SBI. The major schemes of the State Bank of India for the rural housing are as under:—

(i) **SBI-Gram Niwas Scheme** which provides for sanction of rural home loans upto Rs. 2 lakh in rural areas. It has several distinct features like:

- a. waiver of security requirements upto Rs. 0.50 lakh;
- b. repayment of instalments either by EMIs or in quarterly/ half yearly/yearly instalments coinciding with the harvest season;
- c. concessional interest rate @0.25 per cent below regular home loan rates;
- d. financing purchase of work/cattle shed as part of project cost;
- f. simple estimates for loans upto Rs. 0.50 lakh and standardized rates for different type of structures *viz.* tiled roofing, concrete roofing etc.;
- g. low margin requirements (10 per cent);
- h. waiver of processing fee;
- i. standard rates for various types of construction etc.;

(ii) **SBI-Sahyog Niwas Home Loans** provides for sanction of home loans to members of SHGs with a good track record for two years with the following distinct features:

- a. loan amount upto 10 times of the savings of the corpus of SHG (subject to a maximum of Rs. 0.50 lakh per member of SHG);
- b. waiver of processing fee, simplified security norms: (only group guarantee of SHG members);
- c. long repayment tenure upto 15 years; and

- d. concessional interest rate @ 0.25 per cent below applicable home loan interest rates.

3.78 The extensive branch network comprising a large number of rural and semi-urban branches located in every nook and corner of the country are being optimally leveraged to make available home loans in rural areas at affordable cost and in a hassle free manner.

(iii) **SBI-Tribal Plus scheme** is tailor made to meet the requirements of home loan borrowers in tribal areas where there are some restrictions on transfer/alienation of the land which render it difficult to create mortgage of the property, by sanction of loans against other securities including Third Party Guarantee. The scheme has been recently modified with the following enhanced features:

- a. agriculturists, businessmen, professionals and self employed are now brought within the ambit of the scheme to broad base the coverage;
- b. maximum loan amount Rs.10 lakh, subject to 36 times Net Monthly Income for employees and 2 times Net Annual Income for others;
- c. maximum repayment period increased to 15 years;
- d. moratorium period increased to 18 months;
- e. processing fee reduced to 0.30 per cent;
- f. free personal accident insurance coverage;
- g. optional Group Insurance Coverage.

Role of Punjab National Bank

3.79 CMD of Punjab National Bank during the course of oral evidence submitted the following data with regard to loans disbursed by PNB for the purpose of rural housing:—

Year	Amount (Rs. in crore)
2001-02	95.00
2002-03	128.00
2003-04	184.00
2004-05	200.00

3.80 As regards the recovery rate, the representatives of PNB informed that the recovery rate of housing loan was 92 per cent. He also stated that the balance 8 per cent was not NPA or bad loan. It may be on account of overdue. The representatives also informed the Committee that due to good liquidity, they have not availed of the facility of refinance.

Role of Bank of Maharashtra

3.81 The CMD, Bank of Maharashtra during the course of oral evidence informed the Committee about some of the unique features of the Bank with regard to lending for rural areas. He informed that during festival season, the rate of interest that Bank charge from customers is 1 per cent below the existing rate of interest. He further informed the Committee about the Kisan Gold Card. He informed that there are three to four things which are embedded on this card and rural housing is one of the components and no collateral security is required in this regard for drawing Rs. 50 thousand. On this representatives of RBI during the course of oral evidence stated as under:—

“Recently, the RBI has advised, only about 10-15 days ago, asking the Banks to introduce a general purpose credit card for all customers in the rural and semi-urban branches, where 50 per cent of the loan amount will be a part of the priority sector. This will not be linked to any other thing. The idea is that just like in the urban areas you can have a credit card from Banks where you can draw up to certain amount and once you repay, again you can draw up to the same amount. Similarly, in the kisan credit card, a farmer or any person in the rural, semi-urban branch can go to the branch, draw money up to Rs. 50,000 and when he repays, he can again draw back. If the Bank is happy with his performance, it can even increase the limit, but up to an amount of Rs. 50,000, it will be treated as a part of the priority sector. We expect that this product will overcome the problem of documentation procedure and it will become very popular in the rural areas. We expect many more Banks to implement it actually in the days to come.”

3.82 The Committee note that Commercial, Co-operative and Regional Rural Banks have great access to rural masses in the rural areas as these Banks have a large number of branches in these areas. As stated by NHB, these Banks are very much engaged in agricultural finance. However, in the field of rural housing, these Banks are not

doing so well. As regards the data with regard to credit flow to rural housing, the Ministry of Finance Banking Division has informed that the number of accounts which were 7,47,972 during March 2002 have enhanced to 20,48,318 during March 2005. The Committee during deliberations with some of the leading Commercial Banks have found that some of the laudable initiatives have been taken by these Banks to make the housing loan attractive for rural areas. Under State Bank of India 'Gram Niwas Scheme', there is waiver of security requirement upto Rs. 50,000. Under State Bank of India Sahyog Niwas home loan, concessional interest rate @ 0.25 per cent below applicable home loan interest rates, have been provided and loan amount up to 10 times the savings of the corpus of self help groups subject to a maximum of Rs. 50,000 per member of SHG is provided. Another scheme of the State Bank of India *i.e.*, SBI Tribal Plus has been formulated keeping in view the peculiar property rights in tribal areas and the provision of loan against other securities including third party guarantee has been made. Similarly, the representatives of Bank of Maharashtra informed that during festival season, the rate of interest charged from housing loan is one per cent below the existing rate of interest. Despite these laudable initiatives taken by the various Commercial Banks, the data of loan amount sanctioned during different years is not very impressive. For example, Punjab National Bank, a leading Bank in North India has disbursed only Rs. 184 crore and Rs.200 crore during the year 2003-04 and 2004-05 respectively.

3.83 The various aspects limiting institutional credit flow for housing in rural areas have been analyzed in the following chapter of the report. Here the Committee observe that there is an urgent need to enhance the credit flow for housing in rural areas and Banks can play a very important role in this regard. There is an urgent need to deliberate on the various issues involved in the housing finance in consultation with Reserve Bank, Banking Division and Commercial Banks, National Housing Banks and all other concerned. Besides, housing loan needs to be linked with various other centrally sponsored schemes which ensure income for the rural poor like SGSY, Rural Employment Guarantee Scheme etc. Besides, the recovery schedule should be drawn according to crop cycle of the farmers. There is an urgent need to take the necessary steps for publicity of the various schemes of these Banks. The illiterate people in rural areas residing in interior and backward areas need different publicity campaigns to inform them about the various aspects of the housing scheme. As in the case of urban areas, housing melas could be arranged in rural areas where people could be informed of these

schemes. To make the schemes more popular and effective, there is an urgent need for a proper coordination between District/Block Level Officials and the Panchayati Raj institutions. The Committee strongly recommend to take the desired action in consultation with all concerned to ensure a greater role of these Banks in the field of lending in rural areas.

3.84 The Committee find from the information provided by the Bank of Maharashtra that on the Kisan Gold Card one of the components embedded is rural housing and Rs. 50,000 can be provided without any collateral security. Further, the representative of Reserve Bank has informed the Committee that RBI has recently advised the Banks to introduce a General Purpose Card for all customers in rural areas. Any person having this card can draw money upto Rs. 50,000 and when he repays he can again drawback. The Committee feel that the aforesaid guidelines if implemented by Banks on the lines of Bank of Maharashtra can provide a great relief to the rural poor and the amount of Rs. 50,000 drawn by virtue of credit card, if used for housing purpose can solve the problem of housing to some extent. As stated by the representative of RBI, said provision will overcome the problem of documentation procedure. The Committee strongly recommend to the Government to instruct the RBI to pursue these guidelines with Commercial Banks and the said provision should be made mandatory for all the Banks. The Committee may be informed about the follow up action in this regard.

- (xv) Various aspects linking Institutional Credit flow for housing in rural areas
- (xvi) Problems related to non-availability of the title deeds in respect of land/houses in rural areas particularly in *abaadi*/areas.

3.85 NHB has suggested that there is a need to create an enabling legal environment. In the rural areas for land records, some kind of revenue records are present. But for *abaadi* areas there are no land records. People are living in the ancestral houses for centuries but there is no title deed. In some cases they pay house tax that in some way serve as a token title. The suggestion to the problem given by NHB is that if people in rural areas are allowed to create a charge on the property by declaration as on an affidavit that he is the owner of that property and create a charge in favour of the Banks which can be attested by a local body or Gram Panchayat or some body, thereafter, immediately it will help. An example has been given of the Act of

West Bengal. For agricultural land by declaration the charge can be created. To further safeguard the creditor's interest for any dispute/default in title deeds, the document submitted can be provided with the title insurance cover. A new insurance scheme called "Title Insurance Scheme" for the purpose is considered. This will not only help in solving the issue of non-availability of clear land title but shall also effectively result in reconciliation of land records in *abaadi* areas. As the proposed scheme would attract one time premium, it could be shared by the Government and the primary lending institutions.

3.86 In North Eastern States the position of land records is different from other States. NHB has suggested that an undertaking from Village Councils for necessary action for recovery of loan instalments, disposal of house in case of default etc., be obtained. Alternatively, in case of default by the borrowers, payment to PLIs may be made by Village Councils/Village Development Boards funds and they may recover the same from the borrowers at later stage or through disposal of house.

3.87 Similar views have been expressed by experts, Commercial Banks and other organizations who tendered evidence before the Committee. Besides, *Abaadi* lands, similar problems exists in Laldora/Proramboku areas which makes the title verification and creation of charge difficult/costlier (in view of higher stamp duties for creation of registered mortgage in the absence of title deeds for creation of registered mortgage of the title deed for creation of equitable mortgage).

3.88 The reference was made by NHB and various other witnesses to an act of West Bengal Government where for agricultural lending they have got an act which says that by declaration the charge can be created.

3.89 The representative of the NHB during the course of oral evidence further submitted that the suggestion has been examined by the Ministry of Finance and Law. The feeling is that this Act has to be passed by the respective States and it could be passed by the Centre.

3.90 The Department of Rural Development while responding to the above issue has stated that it is for the Banks/financial institutions as to whether they would accept a declaration on affidavit about the charge on property or not. Under IAY, about 90 per cent of the beneficiaries construct a house on the plot already available with them. Where the plot is not available, it is for the State Government/Gram

Panchayat to allot a plot of land to a beneficiary selected for an IAY house.

3.91 The Department of Rural Development has further informed that, of late, the State Government of Uttar Pradesh has enacted the Uttar Pradesh Agricultural Credit (Amendment) Ordinance, 2005 wherein the construction of a house for personal use in rural areas on *abaadi* land or repair, modernization or extension thereof and purchase, storage and acquisition of non conventional or alternate energy plant and machinery or matters connected therewith shall be deemed to be an agricultural purpose for the purpose of this Act. Further, the Department has stated that it will be desirable to have a Title Insurance Scheme and also an amendment in the NHB Act to accept loanee declaration as title for mortgage. It would serve as a personal guarantee for the benefit of institutional finance.

3.92 To safeguard the creditors interest for any dispute/default in title deeds NHB has stated that a new insurance scheme called 'Title Insurance Scheme' is considered which will not only help in solving the issue of non-availability of clear and title but shall also effectively result in reconciliation of land records in *abaadi* areas. NHB has stated that the proposed scheme would attract one time premium, it could be shared by the Government and the primary lending institutions.

(xvi) The work done with regard to maintenance and updation of land records under the Centrally Sponsored Schemes viz. (i) Strengthening of Revenue Administration and updation of Land Records (SRA&ULR) and (ii) Computerisation of Land Records

3.93 The aforesaid two laudable programmes have been initiated by the Department of Land Resources and a lot of work has been done under these programmes. As intimated by the Department under Computerization of Land Records Scheme, the following work has been done:

"Since inception of the Scheme, out of 593 districts of the country, 582 districts have been sanctioned. 3236 Tehsil/Taluk/Block/Anchal have been sanctioned under the Scheme out of which 1915 Tehsil/Taluk/Block are issuing computerized copy of Record of Rights to the land owners on demand. For close & effective monitoring of the Scheme & redressal of landowners grievances, 471 Revenue Sub-Divisions have also been sanctioned under the Scheme. Since inception Rs. 322,88 crore have been released to the States and UT Administrations"

3.94 While examining Demands for Grants (2006-07) of the Department of Land Resources a laudable idea of linking computerized land records information with the lending Bankers was given by the Secretary. The extract from the recommendation made by the Committee in 19th Report (2006-07) have been given as below:

“The Committee further note the laudable idea given by the Secretary, Department of Rural Development whereby a thought is being given to link up the land record information with the computers of the lending Bankers so that the farmer does not even need to procure the copy of land records every time. The Bankers can access the land record directly without any charge. The Committee appreciate the idea and feel that if it is made possible, it will help the general public specifically farmers. Not only it will reduce the transaction cost, but also would be a great relief for the poor persons whose applications are rejected by the Banks due to non-availability of proper copy of land records. Besides, the assistance under various Centrally Sponsored Schemes provided through Banks like Swarnajayanti Gram Swarozgar Yojana (SGSY) can easily be made available.”

3.95 As regards the position of land records in North Eastern States the Committee in their aforesaid Report had made the following observations:

“The Committee find that the system of land records and land administration prevalent in the rest of the country does not exist in the hilly and tribal areas of North Eastern States. In most of the areas even the cadastral survey has not been done and so no land records exist. With regard to the programme ‘Computerisation of Land Records’, the Committee have been informed that the basic data entry work in the States of Assam, Manipur, Mizoram, Nagaland, Arunachal Pradesh and Tripura has already started. The Committee observe that Computerisation of Land Records is not possible when the basic data of land records is not available in an area. In this situation the Committee wonder how the programme of Computerisation of Land Records is progressing when even the cadastral survey in these States has not been done and no land records exist. The clarification in this regard may be furnished to enable the Committee to review the position of Computerisation of Land Records and SRA & ULR schemes in North Eastern States.”

3.96 The Committee find that to get the credit from Banks and other financial institutions, the customer has to mortgage his property. The clear title of the land on which the customer desires to construct house is required to avail of housing loan from the Bankers/financial institutions. Lack of clear title is the basic impediment for extending housing loan in rural areas as has been highlighted by NHB and other organizations who appeared before the Committee. In *abaadi* areas, the problem is still worse as in these areas there are no land records and people are living in the ancestral houses for centuries without any title deed. The people pay house tax which in some way serve as token title. Further, in North Eastern States the position of land records is quite different where the land is in the name of Community.

To solve the aforesaid problems various land reforms initiatives need to be taken by the various State Governments. In case of *abaadi* land the State Governments need to be persuaded to give the clear title to the owners of the land who have been living there for centuries. Further to address this problem, NHB, various organization, experts and Commercial Banks who appeared before the Committee have made reference to an act of West Bengal in which the provision has been made to create a charge by declaration for agricultural land. Besides, the reference has also been made to an act of Uttar Pradesh wherein the construction of a house for personal use in rural areas on *abaadi* land or repair, modernization or alternate energy plan and machinery or matters connected therewith shall be deemed to be an agricultural purpose for this act. NHB and other organizations and experts were of the view that similar initiatives need to be taken by other State Governments. The Committee while noting the aforesaid position strongly recommend to the Department to study the position of various States acts which provide a solution to the problem of title for the purpose of getting loan in rural areas. The initiatives taken by some of the State Governments need to be replicated in other State Governments. While noting that land is a State subject and the initiatives need to be taken by the State Governments, the Committee find that the Union Government has to persuade to the State Governments and provide guidelines and model laws after studying the various State laws in light of the aforesaid observations made by the Committee. The initiatives taken in this regard may be informed to the Committee.

3.97 The Committee further note that laudable initiatives have been taken by the Union Government under the two schemes (i) Centrally Sponsored Schemes viz. Strengthening of Revenue

Administration and Updation of Land Records (SRA&ULR) and (ii) Computerisation of Land Records. The land records maintained properly and updated periodically can make the lending for housing in rural areas much smoother. The Committee have repeatedly been emphasizing on ensuring the basic data with regard to land records in rural areas. Unless the core information with regard to land records is made available no purpose will be served by computerizing the land records under the said schemes. The Committee have repeatedly been stressing for some sort of coordination between these two schemes. The Committee while reiterating their earlier observations in this regard would like the Department to continue these efforts in a bigger way which may be quite helpful in solving the various impediments for lending for housing in rural areas.

3.98 The Committee further would like to draw the attention of the Department to their recommendation made with regard to laudable idea given by the Secretary, Department of Rural Development during the course of oral evidence held in connection with the examination of Demands for Grants (2006-07). The Secretary had suggested to link up the land record information with the computers with lending Bankers so that the rural people do not even need to procure the copy of the land records every time. The Bankers can access the land records directly without any charge. The Committee strongly recommend to the Department to see how this idea can be made practicable under the existing schemes of land records. If implemented it can make the lending process easier and cheaper. While recommending in this regard, the Committee may like to highlight their observation with regard to updation of land records as made above. Unless the land records are correct and reflect the actual ground situation, no system of computerization or linking the computerized data with the lending banks can work. The Committee would like the Department to pay more emphasis on updation of land records so that the benefits of the schemes meant to computerize the land records can actually be availed of by the rural people. Keeping in view the aforesaid observation, the Department may take the necessary action and apprise the Committee accordingly.

3.99 The Committee further note that in the context of rural areas the issue of security for lending for housing need to be analysed in a different way specifically for the poorest of the poor. This category of persons need much lesser amount as compared to the housing loan in urban areas. Some sort of security provision other than mortgage of land can be explored for getting loan for housing in

rural areas. The Committee may also like to highlight here that whereas for the purchase of costly movable items like air conditioners, cars, Banks and other financial institutions are providing loan without any security, in case of meagre loan for construction of a house in rural areas these institutions require mortgage. There is an urgent need to relax these requirements on a loan upto some limit which may be say Rs.1 lakh or so. The Committee appreciate the fact that Banks and other financial institutions are Commercial organisations and the risk of repayment may be the major argument by these institutions. In this regard also the Committee may like to highlight almost 100 per cent recovery rate in case of lending made available by some of the Commercial Banks in rural areas as has been stated in the earlier part of the report. The linking of housing loan with certain employment generating Government schemes may be another solution in this regard. In case of SGSY the credibility of groups may be considered as security for the loan to be extended to an individual member of the group whereas the liability to repay the loan should rest with the individual member. Such initiatives need to be deliberated with Commercial Banks and other financial institutions. The Committee would like the Department to undertake desired consultation with the all concerned and inform the Committee about the follow up action in this regard.

3.100 The Committee further note that NHB has suggested the 'Title Insurance Scheme' to safeguard the creditors interest for any dispute/default in title deeds. It has also been proposed that the premium for this scheme can be shared by the Government and the primary lending institutions since it would attract one time premium.

3.101 The Committee recommend to analyse the aforesaid scheme in consultation with the Ministry of Finance and NHB and inform the Committee about the final outcome to enable them to analyse the position further and comment in this regard.

NHB during the course of deliberations with the Committee has informed that they have taken up the issue of rationalisation of stamp duty charges for creation of mortgage with various State Governments. A few States have reduced these charges to a nominal level whereas most of the States are yet to accede to this request of NHB. NHB has suggested that the stamp duty charges on creation of simple mortgages be reduced to 0.50 per cent (as prevalent in the State of Maharashtra, Gujarat and Karnataka) across the States with a maximum cap of registration fee to be fixed at nominal rates say Rs.200. The Committee appreciate the initiatives taken by NHB and

would like it to continue further in persuading the State Governments in this regard. Besides the Committee feel that the Department of Rural Development has also the responsibility to persuade the State Governments to bring the land reforms and the issue of rationalization of stamp duty and registration charges should be taken up with the State Governments vigorously.

(xvii) Role of Housing Finance Companies and Cooperative Sector Institutions

3.102 The details of credit flow for housing by Housing Finance companies and Cooperative Sector Institutions has been given in the preceding part of the report. It could be seen from the data made available there that the housing finance companies could enhance their credit flow from Rs. 1,293.93 crore during 2001-02 to Rs. 2,331.37 crore during the year 2004-05. With regard to cooperative sector institutions the credit flow has drastically reduced Rs. 171.03 crore during the year 2001-02 to Rs. 3.86 crore during the year 2004-05.

3.103 The State-wise number of member housing cooperatives and number of houses completed as on 31st March, 05 as furnished by National Cooperative Federation of India has been given in Appendix-X. As per the data made available by the said federation so far 5880 cooperatives could construct 9,21,751 houses in rural areas. The State-wise analysis indicate that in Gujarat, Maharashtra and Rajasthan the cooperatives have done more work.

3.104 When asked about the steps taken by the Department of Rural Development to involve cooperative sector in the field of rural housing, the Department has given a vague reply stating that IAY house are constructed by beneficiaries and implementing agency is DRDA. No other agency is involved.

3.105 The Committee note that whereas there is some improvement in the flow of credit by housing finance companies in the field of rural housing, credit flow by cooperatives is reducing drastically as could be seen from the data indicated above. The credit flow of housing finance companies has almost doubled during the year 2004-05 as compared to the year 2001-02. However, in case of cooperative sector institutions, the credit flow has reduced from Rs. 171.03 crore in year 2001-02 to a negligible amount of Rs. 3.86 crore during the year 2004-05. Further, with regard to the number of housing cooperatives operating in different States, the Committee find that in some of the States like Gujarat, Maharashtra and Rajasthan a good number of cooperatives are working. As regards

the role of nodal Department of Rural Development for the purpose of housing, the Committee are constrained to note the vague reply on the issue of involving cooperatives, that excepting DRDA no other agency is involved under IAY. It seems that for the Department of Rural Development the only responsibility is towards Indira Awaas Yojana. The Committee feel that being the nodal Ministry/Department it is the responsibility of the Department of Rural Development to coordinate the activities being undertaken by different agencies in the field of rural housing so as to have an overall scenario of the subject. The Committee recommend to the Department to analyse the performance of cooperatives in the aforesaid States where these are functioning well. There is an urgent need to study how more cooperatives can be involved in rural areas. Besides, more stress need to be given to housing finance companies. These issues should be dealt with in tandem with the initiatives taken by the Government to bridge the urban rural divide particularly the initiatives being taken through PURA.

CHAPTER IV

TECHNOLOGY FOR RURAL HOUSING

The National Housing and Habitat Policy, 1998 had viewed shelter in its broadest sense *i.e.* a dwelling unit not merely as four walls and a roof, but a sustainable unit in harmony with the environment it is located in. Recognising that housing is not merely a matter of construction alone the policy called for addressing in a holistic fashion, issues of land, credit, technology, designs and materials for the rural housing sector.

4.2 When asked by the Committee about the information on the various Central/State Government/semi-Government/autonomous organisations and agencies/undertakings/ boards/ private agencies etc. involved in the field of construction, R&D in housing, Building materials with special emphasis to marketing of building material, building material standardisation and its cost effectiveness and quality control, disaster resistant technology etc. the Department has replied that the required information is not being maintained in the Ministry.

4.3 As per the data furnished by NHB, out of the available housing stock in rural areas, only 36 per cent houses are *pucca* houses, which means 64 per cent houses require frequent maintenance and eventual replacement – over a period of five to ten years.

4.4 Further as indicated by NHB, 11.40 millions houses are non-serviceable *kutcha*/ temporary houses. Appropriate technology and its timely transfer therefore, can play a greater role for providing quality to the rural houses as well as ending shelterlessness in a targeted timeframe.

4.5 In this chapter, two aspects relating to technology for rural housing have been covered. First aspect is the need for appropriate technology and use of local materials in rural housing. Second aspect is the need for disaster proof technology for such houses.

A. Need for dissemination of appropriate technology and use of local materials

4.6 As per the guidelines of Indira Awaas Yojana, only the grant based scheme of rural housing is being implemented by the Department

of Rural Development. Efforts should be made to utilise, to the maximum possible extent, local materials and cost effective disaster resistant and environment friendly technologies developed by various institutions. Zila Parishad/DRDA should contact various organisations/institutions for seeking expert information on innovative technologies, materials, designs and methods to help beneficiaries in the construction/upgradation of durable, cost effective and disaster resistant houses. Help of Building Centres may also be taken to get the information on cost effective technologies/materials and conducting training for rural artisans. The State Governments may also arrange to make available information on cost effective environment friendly technologies, materials, designs etc., at district/block level. It has further been mentioned that this information should only be for guidance and any other suitable location specific technology can be adopted by the beneficiaries.

4.7 As per the Concurrent Evaluation, close to 55 per cent of the houses constructed under IAY in Kerala and Maharashtra have not used the local material for construction of houses.

4.8 The Committee heard the views of eminent experts in the field of building material and technology for rural housing and various Government Organisations like Building Material and Technology Promotion Council (BMTPC), Central Building Research Institute (CBRI), Housing and Urban Development Corporation (HUDCO) and Council for Advancement of People's Action for Rural Technology (CAPART).

(a) Role of BMTPC

4.9 During the course of examination the BMTPC has informed that they have taken several initiatives to promote low cost housing in the country. The Council is promoting effective utilisation of industrial wastes with special emphasis on fly ash and agricultural wastes for innovative building materials/components. Some of the popular projects developed by the BMTPC with joint efforts of Research & Development Institutions include:

- i. development of fly ash – jute-polymer door panels at RRL, Bhopal;
- ii. development of industrial products and unprocessed micro fillers (Fly Ash, Granulated blast furnace slag, silica fume and marble dust) for making cost effective mortar, at CBRI, Roorkee;

- iii. development of rice husk ash, a super pozzolanic material from Rice Husk at Regional Research Laboratory, Thiruvananthapuram, Rice Husk is one of the major industrial waste available in our country and Ash produced from it under controlled conditions can be used as substitute for Silica Fume in High Performance concrete;
- iv. support of the characterisation centre at RRL, Bhopal;
- v. structural members based on coir cement composite for supporting roofs in low cost houses;
- vi. r-wood and M-wood door shutters for metallurgical wastes;
- vii. glass fibre Reinforced Polymer doors and door frames;
- viii. bamboo Mat Corrugated Roofing Sheets;
- ix. laminated splint lumber panel doors and door frame from popular wood;
- x. veneer laminated lumber panel door and doors frame from poplar wood;
- xi. red Mud Polymer fibre door shutters;
- xii. paint based on Fly Ash and other wastes;
- xiii. glass Ceramic products for Floor Tiles using wastes (three types) from Aluminium industry;
- xiv. building Materials from Marble industry waste;
- xv. Cementitious Binder and building blocks from Acetylene plant wastes; and
- xvi. panel products from Banana leaf sheath.

4.10 The Council is actively involved in developing bamboo based technology and is currently working for promotion of bamboo applications in North-East Region. The Council is also establishing Bamboo Mat Production Centres in the States of Assam, Tripura, Mizoram and Meghalaya. Regarding the Research and Development in the field of innovative technologies for construction of rural houses, the Committee were informed that BMTPC, CSIR have developed the following innovative technologies:

- a. developed and promoted about thirty machines for the production of cost effective and environment friendly building components. These easy to operate machines are helpful in employment generation in rural sector and fulfilling the demand of cost effective rural housing;

- b. provided technological as well as financial support to the various rural Building Centres in the form of machines for the development of cost effective and environment friendly building components. These rural building centres are acting as a base for propagation of these cost effective technologies in rural sector;
- c. structural members based on coir cement composite for supporting roofs in low cost houses;
- d. r-wood and M-wood door shutters for metallurgical wastes;
- e. design and evaluation methodology for ferro-cement roofing members;
- f. design and construction of cyclone resistant technology for houses;
- g. eco-friendly rubber wood flush door shutter. Eco-friendly solid core poplar wood flush door shutters;
- h. finger jointing and shaping technology;
 - i. micro Concrete Roofing Tiles;
 - j. Ferro-cement Roofing Channels – suitable for earthquake/ cyclone prone areas;
- k. Glass fibre Reinforced Polymer doors and door frames;
 - l. Bamboo Mat Corrugated Roofing Sheets;
- m. Laminated splint lumber panel doors and door frames from rubber wood;
- n. Veneer laminated lumber panel door and doors frame from poplar wood;
- o. Red Mud/Fly Ash, Polymer, fibre, door shutters;
- p. Paint based on Fly Ash and other wastes;
- q. Glass Ceramic products for Floor Tiles using wastes from Aluminium industry;
- r. Building Materials from Marble Industry waste;
- s. Cementitious Binder and building blocks from Acetylene plant waste;
- t. Rigid PVC – Foam Board and Sheet;
- u. Panel products from Banana leaf sheath; and

- v. Establishment of a national facility for Characterisation of Building Materials set up at Regional Research Laboratory, Bhopal as a joint project of BMTPC, CSIR and DST to promote building material technologies on agro-industrial wastes.

4.11 During the course of evidence the representative of BMTPC has informed the Committee that BMTPC has taken up demand and supply related building material works in Gujarat, Uttar Pradesh, Andhra Pradesh, Kerala and Maharashtra. It has studied the trend and practices of Rural Housing Building Technology in Orissa and Punjab so that improvement in this regard can be made. The Council has developed 30 different kinds of specific machines through which cost effective building component and building material can be prepared at a lower cost. There are several places of the country in which demonstration centres and production units have been established.

4.12 On the issue of the steps taken by BMTPC for availability and affordability of their available technologies among the rural masses the witness stated as under:

“I would like to make a comment on the affordability. We say that if we use the combination of these technologies, there will be a cost reduction of about 20-25 per cent depending upon whether we are using the technology on the wall, roof, column, flooring, door frame, window frame etc.”

4.13 On being further asked whether BMTPC was able to transfer technology from lab to land the representative admitted candidly before the Committee that the concept of ‘Lab to Land’ did not progress as per desired expectations.

(b) Role of CBRI in providing technology through R&D

4.14 CBRI is an establishment of the Council of Scientific and Industrial Research, New Delhi and is conducting the following R&D programmes in the field of rural housing and environment:

- Design of Rural houses appropriate to the socio-economic and cultural pattern of society in villages,
- Housing layout and village planning guidelines,
- Use of locally available traditional materials and their improvement,

- Development of alternative building materials based on agro-industrial wastes and raw materials,
- Improved construction techniques for traditional houses,
- Low cost construction techniques for durable houses,
- Improvement in sanitary conditions and drainage,
- Earthquake/Cyclone/Landslide/Fire resistant Rural Housing,
- Prevention of fire spread and subsequent losses of life and property,
- Enhancement of employment opportunities by upgrading the available skills in construction methods,
- Employment generation through adoption of low vast construction technologies and materials in housing schemes,
- Increasing the role of women in low cost rural housing programmes,
- Organizing training programmes for trainers, such as technicians and supervisory staff,
- Extension of relevant rural housing techniques and materials to villages through out the country by publishing literature, participation in exhibitions/rural fairs, organizing training programmes on site demonstrations, technical guidance to rural development agencies in the selection and proper field implementation of innovative techniques,
- Database generation of heritage buildings,
- Sustainable development of hilly towns,
- Design concept for EWS and LIG housing,
- Expert system for computer aided architectural design and evaluation,
- Housing complex for the national institute for the visually handicapped,
- Norms for housing for senior citizens, and
- Industrial buildings.

4.15 The CBRI has further informed that the core area of Research and Development undertaken is in the field of shelter planning, building materials, structural and foundation engineering, disaster mitigation including fire engineering and process development.

4.16 When the attention of the witness was drawn to the issue of appropriate technology not being used in the houses constructed under IAY, the representative of CBRI while agreeing to the observation of the Committee during the course of evidence stated that already less amount of money is provided in IAY programme and as such scope of incorporation of appropriate technology is to be assessed afresh and the amount given under Indira Awaas Yojana has to be increased.

(c) Role of CAPART

During the course of examination CAPART has informed that the role of CAPART is limited to promotion, transfer, dissemination of cost effective technologies for rural housing under the scheme of Innovative Stream for Rural Housing and Habitat Development being implemented since 1999-2000 on project basis, which has now been discontinued.

4.17 During the course of oral evidence the representative of CAPART, informed the Committee that for promotion of appropriate technology, CAPART has done work on some of the technologies like, Mud Block house, Treatment of coconut leaf thatch for longevity, Fire Retardant thatch, etc. The representative of CAPART further informed the Committee that multiple agencies are involved in the task of rural housing. Thus there is a need for holistic approach on the entire issue of rural housing. The use of local material should be made compulsory. The representative gave the instance of North-Eastern States where 90 per cent of the material used for construction of houses like iron, tin etc. is brought from the outside.

Development Alternatives, a NGO during the course of oral evidence informed the Committee about the work done by the organisation in the field of research and dissemination of cost effective technology for rural housing.

(d) Rural Building Centre Scheme

4.18 As regards the steps taken by the Department so far to transfer the cost effective, disaster proof and environment friendly technology from lab to land, the Department has informed that the 'Rural Building Centre Scheme' was started *w.e.f.* 1 April, 1999 for technology transfer through training, production and supply of cost effective and environment friendly building material in rural areas. The said scheme has been discontinued. The work done under the scheme is as under:

"Rural Building Centres (RBCs) are established under the supervision and technical guidance of HUDCO and funds are

released in three instalments after verification by HUDCO and receipt of Utilisation Certificate and Audit Reports etc. The Scheme was implemented and monitored by the Ministry of Rural Development with the assistance of Housing and Urban Development Corporation Limited (HUDCO). As per the information given in 3rd Report – 14th Lok Sabha [p. 48] of the Committee the Union Government had released more than Rs. 1.8 crore for RBCs. In total 85 RBCs had been approved against which only 54 RBCs could become functional by September, 2005. Rural Building Centres (RBCs) were expected to be completed within a period of two years. However, no such deadline could be fixed for construction and functioning of all the RBCs approved so far. The status of approved Rural Building Centres is given at *Appendix-XI*. In this connection it came out during the course of examination that as per National Housing Bank estimates need for technology support through Rural Building Centres is very much essential keeping in view the nature of housing needs and operations in rural areas. The NHB has also stated that the applicant for rural building centre is encouraged to source atleast 30 per cent of the cost from their own resources. Activity-wise break-up of grant-in-aid was as follows:

- | | |
|--------------------|--------------|
| - Land Development | Rs. 1.5 lakh |
| - Building | Rs. 4.5 lakh |
| - Equipment | Rs. 5 lakh |
| - Training | Rs. 2 lakh |
| - Overheads | Rs. 2 lakh |
- Land development will not include purchase of land, levelling, and construction of compound wall. It can include procuring water/electricity connections, construction of road link etc.
 - Overheads include underwriting of water and electricity charges for a maximum period of one year.
 - The equipment purchased should be consistent with the specifications of the BMTPC.
 - The design, technology and materials used in the construction of the building should be cost-effective and environment-friendly.
 - The grant-in-aid will be disbursed in three instalments of 40-40-20 ratio.

- The RBCs will be monitored by the Ministry of Rural Development through HUDCO.

About 1.2 to 2 acres of land is required for setting up an RBCs. Rural Building Centre Scheme has been discontinued/merged with IAY *w.e.f.* 1.4.2004.”

4.19 Further on the question of use of this technology in the implementation of IAY, the Department has stated that the houses under IAY are constructed by the beneficiaries themselves. However the CBRI can supply the cost effective and environment friendly building material provisions by it to the IAY beneficiaries.

(e) Technology Resource Centres

4.20 The Committee have been informed by CAPART that in the whole country there are 22 Technology Resource Centres, there is one centre in each State excluding some of the States. These technology Centres act like mother NGOs. The name of States/UTs where there are no Technology Resource Centres are Assam, Bihar, Chandigarh, Chhattisgarh, Jammu & Kashmir, Haryana, Goa, Punjab, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Pondicherry, Sikkim, Uttar Pradesh, Delhi.

(f) Mechanism to review the work done by different agencies in the field of R & D in housing in rural areas

4.21 When asked whether there is any mechanism to review the work done by the various agencies in the field of R & D in housing for rural areas the Department of Rural development has informed that there is no such mechanism in the ministry or CAPART. However, BMTPC during the course of oral evidence has informed that BMTPC is inter-Ministerial organization. Personnel working in different Ministries *viz.* Rural Development, Environment, Forest, Urban Development as well as HUDCO and CPWD work on deputation with BMTPC. The council implements inter-ministerial task. During the course of oral evidence the representative of BMTPC submitted as under:

“The role of our organisation is to promote development, production and standardisation and large scale application of waste based materials. xxxxx the main objective of BMTPC was to identify technologies which have been developed by various research laboratories in the country like IITs, other R&D bodies, and universities, and use the concept of ‘lab to land’ and bring

them for fruition in terms of enterprises. The technologies developed in the research laboratories are usually at the level of bench-scale. What we normally do is to upgrade the technology, be it through a prototype development center or a mini manufacturing unit. We are in constant contact with the research laboratories of the CSIR, the IITs and other bodies of the Government.”

4.22 The Committee deliberated the issues related to appropriate and cost effective and environment friendly technologies for rural housing with various institutions like BMTPC, CBRI, CAPART, HUDCO and various experts. The Committee during the deliberations have found that laudable work is being done by these institutions. Some of the NGOs like Development Alternatives are also doing commendable work in this field. Besides, CSIR, the premier institute for industrial research, I.I.Ts. and other bodies of Government are doing research in this field and have developed various innovative technologies in the field of rural housing. BMTPC is an inter-Ministerial organization and personnel working in different Ministries which include the Ministry of Rural Development work on deputation with BMTPC. The research done by various research laboratories is upgraded either through a prototype development center or a mini manufacturing unit by CAPART. Various popular projects have been developed by BMTPC with joint efforts of Research and Development Institutions. As regards, the system of dissemination of information CAPART identifies the technologies and after identifying the NGOs, the CAPART send them for training. So far, only 644 persons identified by 10 NGOs who have experience on housing have been trained in various building construction technologies by these NGOs. The Building Construction Technology was disseminated in Bihar, Uttar Pradesh, Maharashtra, Himachal Pradesh, Tamil Nadu, Kerala, Madhya Pradesh, Karnataka, Uttaranchal, Jharkhand, Andhra Pradesh, Chhattisgarh, Orissa, Rajasthan and West Bengal with the efforts of CAPART. As per the information provided by CAPART only 995 houses have been constructed by the initiatives of CAPART.

Besides, the aforesaid mechanism to disseminate the technology there are 22 Technology Resource Centers which act like mother NGOs. The Committee feel that inspite of having the mechanism of dissemination of information through CAPART adequate work has not been done in this regard. The data furnished by CAPART *i.e.* only 995 houses could be constructed by the dissemination process, speaks volumes about the inadequacy of dissemination process.

4.23 On the issue of dissemination strategy, the Committee feel that different agencies are working independently and the commendable work done by these agencies could not be used for the benefit of rural poor. The Committee strongly recommend to the Department to analyse the scenario of dissemination of technology in the country and take the desired steps in this regard. Besides there is an urgent need to set up Technology Resource Center at district level. The publicity with regard to activities of Technology Resource Centres should be given so that the rural people are aware of the technology options available and can take benefit of these options.

4.24 The Committee note that there is no system to review the work done by various agencies in the field of R&D in housing for rural areas. The Department of Rural Development which is the nodal Department for rural housing and CAPART which has the mandate for advancement of rural technology have no mechanism to review the work done by these agencies in the field of R&D. Besides the Committee are constrained to note that the Department has not bothered even to maintain the information with regard to various Central/State Government/semi-Government/autonomous organisations and agencies/undertakings/ boards/ private agencies etc. involved in the field of Construction, R&D in housing. The Committee feel that there is an urgent need to have some mechanism to review the work done by various agencies in the field of R&D so that the strategy to transfer the technology from lab to land can be evolved for the benefit of rural people. The Committee would like to recommend to the Department to take action in this regard and inform the Committee accordingly.

4.25 The Committee further find that as per guidelines of the flagship programme Indira Awaas Yojana, Zila Parishad/DRDAs should contact various organizations/institutions for seeking expert opinion on innovative technologies material design etc. Besides it has been indicated in guidelines that State Governments may also arrange to make available information on cost effective environment friendly technology material design etc. It has further been mentioned by the Department that this information should only be guidance and any suitable location specific technology can be adopted by the beneficiaries. The Committee note that whereas 75 per cent assistance under IAY is being provided by the Union Government the onus of constructing quality houses has been shifted to State Governments/ Zila Parishads/DRDAs or beneficiaries. There is no way where by the beneficiaries could be made aware of the technology options

available for them. The Committee find that as per the Concurrent Evaluation, close to 55 per cent of the houses constructed under IAY in Kerala and Maharashtra have not used the local material for construction of houses. The Committee feel that the aforesaid provision in the guidelines is responsible for non use of cost effective and environment friendly technology by the beneficiaries. Under IAY guidelines it should be made mandatory to use the cost effective and environment friendly technology.

4.26 While recommending for compulsory use of cost effective technology the Committee feel that there is an urgent need to make technical skill/material available to the beneficiaries. Besides, Technology Resource Centre at district level as recommended above there should be one cost effective material Mart at the block level so as to help the beneficiaries. The Committee recommend to the Department to take the necessary action in this regard.

4.27 The Committee further note that under the 'Rural Building Center Scheme', rural building centers were to be established under the guidance of HUDCO. 85 RBCs were approved against which 54 RBCs could become functional by September, 2005 in the aforesaid scheme. However the Department has informed that the aforesaid scheme has been merged/discontinued from April 1, 2004. The Committee would like to be apprised of the status of the remaining RBCs which were approved but could not become functional. Besides, the Committee may be apprised how the objective of the scheme would be achieved by merging or discontinuing the scheme.

B. Need for dissemination of Disaster Proof Technology

(a) Effects of natural disasters on total housing stock

4.28 As per the 29th Report – 13th Lok Sabha of the erstwhile Standing Committee on Urban and Rural Development increasing frequency of different natural hazards adversely affects 1 per cent of the total Housing stock every year. Almost 54 per cent of the country is vulnerable to damage due to earthquakes (both moderate and severe); 8.4 per cent of the area is prone to be affected by cyclonic winds and storms; 5 per cent is likely to be flood affected. The houses, buildings and infrastructure in these regions are under constant threat of natural calamities. There is also a vulnerability atlas of India developed by the Building Material Technology Promotion Council (BMTPC), which contains hazard maps for earthquakes, cyclone/wind and flood prone areas for each State and Union territory. The said atlas also contains district-wise vulnerability tables.

4.29 As per the guidelines of IAY the site of IAY houses, to the extent possible should not be located in disaster prone areas *for example* frequently floodable areas. Therefore, the Ministry of Rural Development through the provisions of guidelines of IAY has excluded disaster prone areas and floodable areas from construction of IAY houses.

4.30 When asked about the implementation of this provision of guidelines, the Department has replied that as per the guidelines of Indira Awaas Yojana (IAY), the beneficiary is required to construct his house on the land available with him in the main habitation (in place of old construction). However, if the land is not available with the beneficiaries, the State Governments are required to provide land at a place, which is not a disaster prone area. These guidelines are invariably followed by the Governments.

(b) Role of HUDCO

4.31 The representative of HUDCO during the course of oral evidence while elaborating the work done with regard to cost effective, user friendly and disaster resistant technology stated as under:

“HUDCO encourages use of cost effective, user friendly and disaster resistant technologies for the schemes financed by it in urban and rural areas and the various technologies identified by various research institutes are being propagated through its network of urban and rural building centres as well as through various demonstration projects being constructed with various central funds all over the country *i.e.* school cum cyclone shelter in various coastal areas of the Orissa, Earthquake resistant structures in Chamoli (Uttaranchal), Gujarat (Bhuj) and Latur (Maharashtra). Besides this, HUDCO is also distributing pamphlets to the individuals for different regions in different regional languages indicating DO’s and DON’T’s to be kept in mind while constructing their houses as preventive measures for minimizing the effect of natural calamities/disasters such as earthquake, cyclone etc.”

The representative of HUDCO during the course of oral evidence stated that for the houses constructed with HUDCO assistance, it is mandatory to use disaster proof technology.

4.32 It came out during the course of examination that at present there is no mechanism to inform the rural masses properly about the existing research and development as well as technology available on

rural housing so that they can come forward to avail the existing opportunities. In this connection outlining the role of HUDCO in publicity about various aspects of technology among the masses a representative of HUDCO stated as under:

“As regards how do we let people know about our schemes, we propagate through our Regional Offices and State Governments. We write to the State Governments and State agencies also that these are the schemes which HUDCO is offering. Whenever there is a need, we call all the concerned agencies to our local offices particularly when there is any calamity, we play more active role to fill that gap. That is how our schemes reach to the people through State Governments and local Governments. xxxxx We reach the rural people through States and local agencies. These local agencies are development authorities, municipal corporations, housing boards, rural housing corporations, etc.”

(c) Role of BMTPC

4.33 During the course of examination the BMTPC has stated that BMTPC is an organisation under the Ministry of Urban Employment and Poverty Alleviation and India being a natural disaster prone sub-continent, the Council brought out the vulnerability Atlas of India, which has worked as helping tool for the decision makers in making paradigm shift from post-disaster response to pre-disaster pro-active planning and strategies. To promote practical application and use of the Vulnerability Atlas, the Council is currently making all out efforts for establishing Techno-Legal Regimes in different disaster prone States of the Country. Several States have amended their building bye-laws by incorporating disaster resistant features. The Council has undertaken rapid damage assessment studies which include the earthquake of Uttarkashi (1991), Latur (1993), Jabalpur (1997), Chamoli (1999), Gujarat (2001) and cyclones in Andhra Pradesh (1996), Gujarat (1998), Orissa (1999) and floods in Punjab and Haryana (1996). Guidelines for improving earthquake and cyclone resistance of housing have also been brought out by Council. Guidelines for Planning and Design of Housing in Geo-Climate Hazard Zones in India have also been prepared. To help in post-earthquake reconstruction programme, BMTPC has undertaken retrofitting of few buildings of high public visibility. The Council jointly with Gujarat State Disaster Management Authority has also undertaken construction of 484 model buildings in 484 villages to demonstrate disaster resistant technologies. These buildings are serving as Disaster Management Centres at local level and help in disseminating disaster related technologies and methodologies to make human settlements safer against natural hazards.

4.34 As an extension of Vulnerability Atlas of India, BMTPC has also formulated Landslides Hazard Zonation Atlas of India to guide proactive actions required for safety of buildings and infrastructure development in landslides prone regions of the country. Further, the Council has provided design options using alternative technologies to Ministry of Home Affairs, for rehabilitation work in Andaman and Nicobar Islands affected recently by Tsunami. The Council is also providing technological support for reconstruction of houses in Tsunami affected areas of Tamil Nadu.

4.35 The Committee are alarmed to note that over 67.4 per cent area of the country is vulnerable to natural disasters like earthquakes (54 per cent), cyclonic winds and storms (8.4 per cent) and by floods (5 per cent). As such houses, buildings and infrastructure in these regions are prone to such vagaries of nature. The Committee find that under the guidelines of Indira Awaas Yojana (IAY) the site of IAY houses, to the extent possible should not be located in the disaster prone areas for example floodable areas. The Committee further note that as per the guidelines the beneficiary is required to construct the house on the land available with him. However if the land is not available with the beneficiary the State Governments are required to provide land at a place which is not a disaster prone area. The Committee find that as per the guidelines of IAY the onus of using disaster proof technology has been shifted to the beneficiaries or the State Government. The Committee are at a loss to understand how the State Government would ensure that the land provided for IAY houses do not fall in the vulnerable category when the 67.4 per cent area of the country is vulnerable to natural disasters. The Committee feel that the aforesaid guidelines do not address to the issue of threat to houses by natural disasters in a right way. The answer to this issue is to make the use of disaster proof technology compulsory for the houses constructed with the Government assistance. The issue has been dealt in detail in the preceding part of the report where the Committee have recommended to make the use of disaster proof technology mandatory as has been done by HUDCO in the house constructed with their assistance. Committee may here like to recommend to review the existing policy in this regard in consultation with other institutions working in this field and take the desired action.

4.36 Another area that has attracted the attention of the Committee is lack of awareness among the masses especially the rural poor about disaster proof technology developed by HUDCO and details regarding Vulnerability Atlas brought out by BMTPC.

The Committee are constrained to find that whatever awareness drive launched by institutions like HUDCO with State Governments, local bodies, housing boards, rural housing corporations have been made is hardly adequate to accomplish the benefits arising out of such Disaster Proof Technology and Vulnerability Atlas details. The Committee therefore recommend that nodal Ministry of Rural Development should take up the issue with the BMTPC and HUDCO so that benefits of disaster proof technology can be availed of by rural poor.

4.37 The Committee find that the BMTPC has done a commendable work for ensuring suitable policy initiatives by the State Governments and dissemination of disaster proof technology to the post disaster areas. In pursuance of the issue with the State Governments, several States have amended their building by laws by incorporating disaster resistant features. The Council has done a laudable work in post earthquake area of Gujarat and as well as post Tsunami areas in Tamil Nadu. The Committee feel that similar initiatives to set up the Disaster Management Centers at local level in all the disaster prone areas are necessary. The Department in consultation with BMTPC should find out ways and means to ensure dissemination of technology available with regard to construction of disaster proof houses as well as retrofitting of existing housing stock in the vulnerable areas.

NEW DELHI;
2 August, 2006
11 Sravana, 1928 (Saka)

KALYAN SINGH,
Chairman,
Standing Committee on
Rural Development.

APPENDIX I

STATE-WISE RURAL POPULATION AND ESTIMATED RURAL HOUSING SHORTAGE

Sl. No.	State/Union territory	Total Rural Population as per 2001 census (in lakhs)	Estimated Rural Housing shortage as per 2001 Census (in lakhs)
1.	Bihar	741.99	42.10
2.	Assam	232.48	22.41
3.	Andhra Pradesh	552.23	13.50
4.	Uttar Pradesh	1315.40	13.24
5.	West Bengal	577.34	9.74
6.	Gujarat	316.97	6.74
7.	Maharashtra	557.32	6.12
8.	Orissa	312.10	6.56
9.	Karnataka	348.14	4.37
10.	Tamil Nadu	348.69	4.31
11.	Kerala	235.71	2.61
12.	Rajasthan	432.67	2.59
13.	Madhya Pradesh	442.82	2.08
14.	Chhattisgarh	166.20	1.16
15.	Jharkhand	209.22	1.06
16.	Jammu & Kashmir	75.64	0.93
17.	Punjab	160.43	0.75
18.	Uttaranchal	63.09	0.54
19.	Haryana	149.68	0.56
20.	Himachal Pradesh	54.82	0.16
21.	Goa	6.75	0.07
22.	N.E. Except Assam	97.54	6.37
23.	Union territories	19.25	0.28
	Total	7416.48	148.25

APPENDIX II

**STATEMENT SHOWING YEAR-WISE/TARGET GROUP-WISE
HOUSES CONSTRUCTED UNDER IAY**

(Unit in Nos.)

Sl. No.	Year	Annual Targets	Number of Houses constructed for					
			SC	ST	Freed Bonded Labourers	Physically Mentally challenged	Ex-Service Men	War Widow
1.	1996-1997	1223560	416708	174365	972	0	0	0
2.	1997-1998	718326	372892	176380	—	—	—	—
3.	1998-1999	987470	409781	165767	—	834	—	—
4.	1999-2000	1271619	328059	195235	—	3196	—	588
5.	2000-2001	1244320	536794	225087	—	5747	—	678
6.	2001-2002	1293753	533161	213500	121	6377	279	—
7.	2002-2003	1314431	708632	247588	442	11471	527	0
8.	2003-2004	1484554	589473	255044	111	11173	357	0
9.	2004-2005	1462356	662070	276490	3880	16390	1389	944
10.	2005-2006	1441241	660771	278590	2970	18658	634	789
	Total	12541630	5318341	2208046	8496	73846	3186	2999

APPENDIX III

STATEMENT SHOWING YEAR-WISE HOUSES PROVIDED TO NON SC/ST ON TOTAL TARGET

(Unit in Nos.)

Sl. No.	Year	Annual Targets	Total houses constructed	Number of Houses provided to Non SC/ST	Percentage of Houses Provided to Non SC/ST on Target
1.	1996-1997	1223560	806290	215217	17.59
2.	1997-1998	718326	770936	221664	30.86
3.	1998-1999	987470	835770	260222	26.35
4.	1999-2000	1271619	925679	302385	23.78
5.	2000-2001	1244320	1170926	409045	32.87
6.	2001-2002	1293753	1171081	424420	32.81
7.	2002-2003	1314431	1548641	592421	45.07
8.	2003-2004	1484554	1361230	516713	34.81
9.	2004-2005	1562356	1521305	582745	37.30
10.	2005-2006	1441241	1551703	6123342	42.49
	Total	12541630	11663561	4137174	32.99

APPENDIX IV

YEAR-WISE FINANCIAL AND PHYSICAL PROGRESS UNDER IAY SINCE INCEPTION

Year	Expenditure (Rs. in Crore)	Houses Built (Nos.)
1985-86	57.93	51252
1986-87	149.18	160197
1987-88	235.37	169302
1988-89	149.65	139192
1989-90	188.50	186023
1990-91	213.07	181800
1991-92	263.01	207299
1992-93	238.81	192585
1993-94	481.00	372535
1994-95	500.38	390482
1995-96	1166.36	863889
1996-97	1835.92	806290
1997-98	1591.48	770936
1998-99	1803.88	835770
1999-2000	1907.63	925679
2000-01	2185.80	1170926
2001-02	2149.55	1171081
2002-03	2794.96	1548641
2003-04	2580.09	1361200
2004-05 upto 31 Jan. 05	1871.72	851256
2005-06	NA	NA
2006-07	NA	NA

APPENDIX V
INDIRA AWAAS YOJANA
YEAR-WISE CENTRAL ALLOCATION AND ITS PERCENTAGE
INCREASE SINCE INCEPTION OF DATE

(Rs. in lakh)

Year	Central Allocation	Amount increased on last year allocation	Percentage increased/ decrease on last year allocation
1	2	3	4
Seventh Five Year Plan			
1985-86	10553.84	0.00	0.00
1986-87	13214.80	2660.96	25.21
1987-88	13216.40	1.60	0.01
1988-89	11178.02	-2038.38	-15.42
1989-90	12579.82	1401.80	12.54
Total	60742.88	0.00	0.00
Annual Plan			
1990-91	12582.29	2.47	0.02
1991-92	12582.29	0.00	0.00
Total	25164.58	0.00	0.00
Eighth Five Year Plan			
1992-93	17921.10	5338.81	42.43
1993-94	25460.00	7538.90	42.08
1994-95	35025.66	9565.66	37.57
1995-96	109499.00	74473.34	212.63
1996-97	114000.00	4501.00	4.11
Total	301905.76	241162.88	397.02

1	2	3	4
Ninth Five Year Plan			
1997-98	115300.00	1300.00	1.14
1998-99	148400.00	33100.00	28.71
1999-2000	160000.00	11600.00	7.82
2000-2001	161369.00	1369.00	0.86
2001-2002	161800.00	431.00	0.27
Total	746869.00	444963.24	147.38
Tenth Five Year Plan			
2002-2003	165640.00	3840.00	2.37
2003-2004	187050.00	21410.00	12.93
2004-2005	246067.00	59017.00	31.55
2005-2006	273240.00	27193.00	11.04
2006-2007	290753.00	17513.00	6.41
	1162760.00	415881.00	55.68

APPENDIX VI

POSITION OF OPENING BALANCE WITH VARIOUS STATE GOVERNMENTS SINCE 1996-97 TO 2005-06 UNDER IAY

Sl. No.	Name of the States/UTs	Opening balance at the starting of financial year during the year											
		1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06		
1	2	3	4	5	6	7	8	9	10	11	12		
1.	Andhra Pradesh	560.93	6424.43	3568.42	2268.57	1292.87	1220.70	2082.47	1690.60	926.90	1520.07		
2.	Arunachal Pradesh	74.51	201.74	100.99	130.36	245.99	344.88	252.61	445.40	296.07	625.60		
3.	Assam	99.91	1366.52	532.13	817.72	4629.36	4180.94	3660.39	2183.72	2878.35	3924.08		
4.	Bihar	3277.42	3441.83	8633.21	10801.96	16964.15	15288.22	16695.00	16650.11	17107.35	59713.51		
5.	Chhattisgarh	0.00	0.00	0.00	0.00	796.23	307.93	303.88	192.56	376.27	303.85		
6.	Goa	76.14	100.59	0.00	0.00	37.76	16.03	19.11	32.68	42.33	1.54		
7.	Gujarat	212.25	0.00	464.84	681.81	500.42	380.94	374.19	383.23	145.93	745.15		
8.	Haryana	136.91	0.00	243.10	582.24	178.26	71.30	17.15	9.00	7.31	167.76		
9.	Himachal Pradesh	111.41	19.67	66.53	253.62	13.21	-25.44	96.81	70.60	135.68	188.60		
10.	Jammu & Kashmir	582.96	721.97	403.07	498.67	133.61	66.52	26.92	84.18	36.43	41.666		
11.	Jharkhand	0.00	0.00	0.00	0.00	5045.75	4030.13	3493.18	3421.37	5416.77	6733.06		

9	1	2	3	4	5	6	7	8	9	10	11	12
	12.	Karnataka	1952.91	2072.92	2394.69	3799.40	3307.88	2094.79	2460.44	2014.28	2878.56	4075.59
	13.	Kerala	201.46	322.79	91.31	449.48	546.76	410.13	690.79	447.17	540.49	834.29
	14.	Madhya Pradesh	2644.71	5536.51	3855.05	3425.63	1893.96	162.66	-276.06	606.42	841.17	1086.70
	15.	Maharashtra	1501.13	0.00	3544.59	6072.58	3443.47	2773.95	1492.23	1765.91	1798.89	793.31
	16.	Manipur	10.73	285.78	0.00	85.90	55.54	56.51	142.90	88.71	116.14	174.38
	17.	Meghalaya	38.07	0.00	0.00	125.36	179.16	172.02	58.96	156.11	189.00	106.23
	18.	Mizoram	0.00	0.00	2.53	6.66	71.95	10.57	24.69	7.25	108.07	57.73
	19.	Nagaland	0.00	344.14	0.00	186.96	110.71	45.97	136.91	61.70	19.39	45.40
	20.	Orissa	1420.35	2373.47	1556.66	3511.51	4373.50	14294.27	40941.34	6030.81	4116.06	3692.10
	21.	Punjab	0.00	377.75	118.93	157.28	156.77	83.31	68.56	104.89	40.93	46.98
	22.	Rajasthan	3416.53	2129.72	1100.36	2727.70	1278.68	885.14	580.76	517.85	669.38	769.70
	23.	Sikkim	11.64	0.00	9.06	30.76	21.52	61.87	19.61	82.33	32.33	69.39
	24.	Tamil Nadu	7688.38	1012.60	707.23	539.64	272.12	444.59	388.05	376.13	187.88	357.47
	25.	Tripura	0.00	0.00	9.94	95.18	22.28	0.00	419.89	909.74	8.42	42.35

1	2	3	4	5	6	7	8	9	10	11	12
26.	Uttar Pradesh	1220.17	4900.16	4181.05	7731.83	6110.78	2528.13	2254.68	2018.29	1999.75	4062.35
27.	Uttaranchal	0.00	0.00	0.00	0.00	1293.35	1046.37	338.48	208.85	1261.57	640.64
28.	West Bengal	1450.95	5458.65	3597.49	5048.781	3872.14	3085.34	5099.54	3766.33	5497.11	3325.86
29.	A&N Islands	8.11	0.00	29.16	0.50	0.15	129.47	244.35	119.56	65.34	310.50
30.	D&N Haveli	2.61	19.54	10.36	36.28	35.54	0.17	18.46	24.14	0.33	10.22
31.	Daman & Diu	15.83	8.27	2.25	2.25	1.71	10.96	7.33	7.35	7.35	4.35
32.	Lakshadweep	28.16	28.05	17.60	6.91	1.25	1.70	0.27	0.02	0.11	0.11
33.	Pondicherry	0.00	76.29	0.00	25.97	39.91	18.77	8.71	29.81	28.30	118.05
	Total	19844.23	37223.49	35240.55	50101.54	56926.74	54198.84	84142.60	44507.11	4773.96	93588.58

APPENDIX VII

THE HIGHLIGHTS OF THE CAG REPORT NO. 3 OF 2003

CHAPTER III : MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT

Rural Housing

Rural Housing Schemes, which aimed to remove shelterlessness by the end of the Ninth Five Year Plan failed to achieve the desired success. As against the target of 109.53 lakh housing units, only 50.34 lakh houses were constructed/upgraded as of March 2002. The multiplicity of schemes without proper linkages led to overlapping of objectives and failed to ensure convergence of various interrelated activities for providing cost effective and hygienic rural houses. Misdirected targeting resulted in expenditure of Rs. 58.56 crore on ineligible beneficiaries. There were instances of excess payment of Rs. 7.38 crore to the beneficiaries depriving the eligible beneficiaries to that extent. Payment to the beneficiaries less than the prescribed norms led to under payment of Rs. 42.11 crore in 10 States and one Union Territory. Contrary to the guidelines of the scheme Rs. 198.55 crore were spent through contractors depriving the beneficiaries of their involvement in construction of houses. Basic amenities like smokeless chulah and snaitary latrine intended to promote healthy environment and hygienic habitations in rural areas were not provided in almost fifty per cent of the houses. Rs. 1162 crore released for rural housing was not spent on the programme. Poor fund management led to large amounts being diverted or retained in deposits, misappropriation of funds and expenditure in excess of the approved norms. Inadequate and inefficient monitoring of the programme, both at the Ministry and State levels failed to enhance the quality of the delivery mechanism thus raising questions on the willingness and efforts of the agencies involved in accomplishing the objective of ending shelterlessness by the end of Ninth Plan Period.

Highlights

The objectives of the National Housing Policy to provide 'Housing for all' and that of the Special Action Plan to end all shelterlessness by the Ninth Five Year Plan were largely defeated. Against the target of 109.53 lakh housing units, only 50.34 lakh houses were constructed or upgraded as of March 2002 under various Rural Housing Schemes.

Overlapping objectives of multiple Rural Housing Schemes blurred the focus on providing cost-effective, hygienic rural houses. No genuine effort appeared to have been made for convergence of the activities of various schemes to achieve the desired objectives.

Targeting of beneficiaries was misdirected resulting in selection of 34,542 ineligible beneficiaries utilising funds to the extent of Rs. 58.56 crore in 19 States and one Union territory. In seven States, beneficiaries were allotted houses on the recommendations of MPs/MLAs, District authorities, Sarpanches, etc.

The system of fund transfer to beneficiaries was not uniform. In 10 States and one Union territory, Rs. 7.38 crore were paid in excess of the prescribed norms whereas short payment of Rs. 42.11 crore was made in 10 States and one Union territory.

In 16 States, Rs. 198.55 crore were spent on construction of houses through contractors, defeating the objective of involvement of beneficiaries in the construction with the objective of ensuring cost-effectiveness and quality.

Rs. 171.56 crore were diverted to activities and schemes beyond the scope of the programme in 21 States and one Union Territory. In 20 States, Rs. 682.97 crore were drawn and retained in civil deposits, fixed deposits, and in treasuries outside Government account. Advances of Rs. 222.81 crore paid to implementing agencies were pending adjustment. Suspected misappropriation amounted to Rs. 1.83 crore in five States and Rs. 4.04 crore were spent on unapproved works. Such leakages, besides reducing the actual expenditure on the programme by 31.55 per cent, adversely affected its implementation.

In 20 States and 2 Union Territories, smokeless chulahs and sanitary latrines were provided in only 50 per cent and 57 per cent respectively of the houses constructed, thus depriving a large section of the beneficiaries of a clean, pollution-free environment and hygienic habitations.

In 17 States and 2 Union territories, 37.75 per cent of the allotments were made in favour of male members, defeating the objective of empowerment of rural women.

In 26 States and 2 Union territories, inventories of constructed/ upgraded houses were not maintained in the absence of which verification of actual construction of the houses and the extent to which the benefits reached the target group was rendered difficult.

Monitoring of the implementation and execution of the programme was inadequate and ineffective both at Central and State levels.

Evaluation of impact of the programme was not conducted in almost all the States.

APPENDIX VIII

INTEREST RATES ON HOUSING LOANS OF SOME MAJOR BANKS AND HOUSING FINANCE COMPANIES

Sl.No.	Institutions	Fixed Roi	Floating Roi
1	2	3	4
Housing Finance Companies			
1.	Canfin Homes Ltd.	8.0%-9.25%	7.5%-8.5%
2.	Dewan Housing Finance Corporation Ltd.	8.0%-9.25%	7.5%-9.0%
3.	LIC Housing Finance Ltd.	8.25%-9.0%	7.5%-8.25%
4.	Housing Development Finance Corporation Ltd.	8.75%	8.00%
5.	BHW Birla Home Finance Ltd.	8.0% & 7.0%	7.50%
6.	IDBI Home Finance Ltd.	8.50%	8.00%
7.	GRUH Finance Ltd.	8.75%-10%	7.25%-10.0%
8.	PNB Housing Finance Ltd.	8.50%	7.5%-8.25%
9.	Corpbank Homes Ltd.	8.0-8.5%	7.5%-8.5%
10.	GIC Housing Finance Ltd.	9.75%-10.0%	7.75%-8.25%
11.	Weizman Homes Ltd.	9.5%-10.5%	8.5%-10.0%
Public Sector Banks			
1.	Bank of Baroda	9%-9.5%	8%-8.5%
2.	Bank of India	8.0%-8.75%	7.25%-8.25%
3.	Canara Bank	8.0%-9.25%	7.5%-8.0%
4.	Corporation Bank	8.5%	7.5%-8.5%
5.	State Bank of India	8.5%-9.25%	8.0%-8.75%
6.	State Bank of Travancore	8.0%-9.25%	7.5%-8.5%
7.	State Bank of Hyderabad	8.0%-9.0%	7.5%-8.5%
8.	State Bank of Saurashtra	7.75%-8.5%	7.5%-8.25%

1	2	3	4
9.	Union Bank of India	7.75%-9.0%	7.5%-8.5%
10.	Dena Bank	8.5%-9.5%	7.0%-8.0%
11.	Indian Bank	8.0%-9.25%	7.5%-8.25%
12.	Indian Overseas Bank	8.25%-10.75%	7.25%-9.0%
13.	Vijaya Bank	7.5%-8.75%	7.0%-8.25%
14.	Oriental Bank of Commerce	8.25%-9.0%	7.25%-8.0%
15.	Punjab National Bank	9.25%-11.0%	7.75%-9.0%
16.	Syndicate Bank	8.0%-9.0%	7.25%-8.25%
17.	Andhra Bank	7.5%-8.75%	7.25%-8.25%
18.	Allahabad Bank	8.5%-9.75%	7.5%-8.75%
19.	United Bank of India	9.0%-9.75%	9.0% (min.)
20.	Punjab & Sind Bank	—	7.0%-8.75%
Private Sector & Foreign Banks			
1.	ICICI Bank	9.00%	8.00%
2.	UTI Bank	9.25%-10.0%	7.50%
3.	Standard Chartered Bank	8.25%-9.0%	8.25%
4.	Bank of Punjab	8.0%-11.0%	7.75%-8.75%
5.	IDBI Bank	8.25%-8.5%	8.00%

The term structure ranges upto 25 years and the interest rates vary across the terms.
Roi—Rate of interest.

RATE OF INTEREST ON HOUSING LOANS BY
HOUSING FINANCE INSTITUTIONS

- (i) Rates charged by HUDCO from individuals.
- Upto 15 years 7.75 (floating) finance upto 90 per cent of project cost
- 7.25 per cent (floating) for widows, SCs/STs, physically handicapped, single women above 35 years of age.
- 7 per cent (floating) from National Calamity affected areas of bulk loan of more than Rs. 50 crore.
- 6.75 per cent (floating) from National calamity affected areas of bulk loans of more than Rs. 100 crore.
- (ii) Rates charged by NHB on refinance to the PLIs under rural housing refinance scheme (p. 17 NHB LoP replies)
- 6.25 per cent to 6.75 per cent (fixed) to lending institutions depending upon tenure.
- 6.30 per cent to 6.50 per cent (floating) to lending institutions depending upon tenure.
- Lending Institutions are charging the following rate from the individuals.
- 7.50 per cent to 9.75 per cent (fixed) depending upon tenure
- 7 per cent to 9.25 per cent (floating) depending upon tenure
- (iii) Rates charged by LIC on loans to State Governments and to individuals through LIC Housing Finance Limited.

State Governments

	Special Category States	Other States
2003-04	8.5 per cent (net of release rate)	9 per cent (net of release rate)
2004-05	7.5 per cent (net of release rate)	8 per cent (net of release rate)

Special category States include Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttaranchal.

Rate of interest charged from individuals borrowers by LIC Housing Finance Ltd.

	Rate
Floating rate	8 per cent
Flexible 5 years	9 per cent
Fixed rate	9.5 per cent
Fixed – 3 years	8.7 5per cent

(iv) Rate of interest for refinancing to lending institutions (by NABARD) (pp. 8-9 *w.e.f.* 16 March, 2004)

Slab	Loan size (Rs.)	North-Eastern States Sikkim, Andaman, Mizoram islands	Other States	Note
I	upto 50,000	6 per cent	6 per cent	NABARD gives loans to: (i) Commercial Banks (ii) Regional Rural Banks (iii) State Cooperative Agriculture & Rural Development Banks (iv) Scheduled Primary Urban Cooperative Banks. These 5 types of institutions charge individuals, the interest rates depending on their respective cost of funds, cost of management and risk perceptions.
II	above 50,000	6 per cent	6.25 per cent	

The rate of interest on NABARD refinance scheme on Rural Housing is lower as compared to other purposes in slab of Rs. 2 lakh and above.

APPENDIX IX

HUDCO'S CONTRIBUTION TOWARDS RURAL HOUSING DURING 8TH, 9TH & 10TH FIVE YEAR PLAN

(Rs. in crore)

Year	No. of Schemes	Project Cost	Loan Amt. Sanctioned	DUs Sanctioned
8th Plan Period				
1992-93	84	188.41	85.35	139667
1993-94	113	272.53	143.04	233428
1994-95	113	251.76	153.15	170641
1995-96	102	247.10	162.34	174418
1996-97	118	394.55	255.15	238899
9th Plan Period				
1997-98	196	617.36	388.11	343598
1998-99	397	1826.27	978.49	1304072
1999-00	132	2101.79	1477.42	1006253
2000-01	70	2128.97	1080.72	2375817
2001-02	28	823.22	494.55	333127
10th Plan Priod				
2002-03	16	787.21	431.48	413078
2003-04	8	951.85	590.91	542428
2004-05	6	2348.42	2002.50	864857

The yearwise No. of schemes, project cost, loan sanction and dwelling unit are gross sanctioned during that year.

APPENDIX X

PROGRESS MADE BY HOUSING COOPERATIVES IN RURAL
AREAS AS ON 31ST MARCH, 2005

Apex Federation	No. of Member Housing Cooperatives	No. Houses Completed
Andhra Pradesh	-NA-	14701
Assam	273	4707
Bihar	-	-
Chandigarh	-	-
Chhattisgarh	3	-NA
Delhi	-	-
Goa	100	1300
Gujarat	1556	-NA
Haryana	35	3400
Himachal Pradesh	10	112
Jammu & Kashmir	16	464
Karnataka	121	2392
Kerala	-	-
Madhya Pradesh	-	-
Maharashtra	1826	-NA
Manipur	133	608
Meghalaya	29	146
Orissa	63	13547
Pondicherry	8	1712
Punjab	136	76600
Rajasthan	1094	-NA-
Tamil Nadu	196	797062
Uttar Pradesh	-	-
West Bengal	281	5000
Total	5880	921751

APPENDIX XI
STATUS OF APPROVED RURAL BUILDING CENTRE
(UNDER MoRD GRANT)

(Rs. in lakh)

Sl. No.	Name of the State/ Union territory	2	3	4	5	6	7	8	9	10	11	12	13
		Sanctioned RBCs	Functioning RBCs	Sanctioned RBCs	Documents more than 6 months	Pen. amount	Released amount	Utilisation Certificate Received	UC pending	Training imparted	Works executed	Production made	
1.	Andhra Pradesh	-	9	-	-	132.95	92.2						
2.	Andaman & Nicobar, UT	-	-	-	-	-	-						
3.	Arunachal Pradesh	-	1	-	-	15	6						
4.	Assam	-	3	1	-	45							
5.	Bihar	-	5	3	-	75	54	46	8	277	500.6	7	
6.	Chandigarh, UT	-	-	-	-	-							
7.	Chhattisgarh	-	-	-	-	-							
8.	D&N Haveli, UT	-	-	-	-	-							
9.	Daman & Diu, UT	-	-	-	-	-							
10.	Delhi, UT	-	-	-	-	-							

1	2	3	4	5	6	7	8	9	10	11	12	13
11.	Goa	-	-	-	-	-	-	-	-	-	-	-
12.	Gujarat	-	12	-	-	175.72	78.81	77.36	1.45	4248	1090.8	94.65
13.	Haryana	-	3	2	-	40.5	26.4	26.4	-	57	28	5.5
14.	Himachal Pradesh	-	4	2	-	55.1	32.08	23.58	8.5	120	17	10
15.	Jammu & Kashmir	-	2	2	-	30	21	21	-	102	9.29	5.52
16.	Jharkhand	-	1	-	-	15	-	-	-	-	-	-
17.	Karnataka	-	6	5	-	90	54	45	9	1766	372.12	235.27
18.	Kerala	-	-	-	-	-	-	-	-	-	-	-
19.	Lakshadweep, UT	-	-	-	-	-	-	-	-	-	-	-
20.	Madhya Pradesh	-	7	6	-	100	80.8	67.2	13.6	1298	78.42	30.33
21.	Maharashtra	-	1	1	-	15	12	12	-	28	5	-
22.	Manipur	-	1	1	-	15	15	12	3	60	-	1
23.	Meghalaya	-	-	-	-	-	-	-	-	-	-	-
24.	Mizoram	-	-	-	-	-	-	-	-	-	-	-
25.	Nagaland	-	2	-	-	30	18	12	6	-	-	-

1	2	3	4	5	6	7	8	9	10	11	12	13
26.	Orissa	-	9	7	-	135	74.3	59.83	14.47	415	110.39	41.18
27.	Pondicherry, UT	-	-	-	-	-	-	-	-	-	-	-
28.	Punjab	-	-	-	-	-	-	-	-	-	-	-
29.	Rajasthan	-	1	1	-	15	12	12	-	307	-	1.5
30.	Sikkim	-	-	-	-	-	-	-	-	-	-	-
31.	Tamil Nadu	-	2	2	-	30	30	30	-	536	26.43	0.2
32.	Tripura	-	-	-	-	-	-	-	-	-	-	-
33.	Uttar Pradesh	-	7	4	2	105	60	45	15	278	23	14
34.	Uttaranchal	-	3	2	-	45	33	23	10	144	40.4	23
35.	West Bengal	-	1	-	1	15	-	-	-	-	-	-
	Total	80	54	3	3	1179.27	729.59	608.57	121.02	11112	2782.93	948.56

During 2005-06

Sanctioned/Amount

Functional

Total Released

UC Received

Total grant received from MoRD:Rs. 763.58 lakh

Balance fund with HUDCO: Rs. 3,98700 lakh

*Rs. 30 lakh has been released to IIT-Delhi on 10.8.2005 from MoRD fund

*Rs. 300 against DD charges

Training imparted 3285

Works executed Rs. 506.67 lakh

Product. made Rs. 148.49 lakh

APPENDIX XII

STANDING COMMITTEE ON RURAL DEVELOPMENT

THE LIST OF EXPERTS/ REPRESENTATIVES OF ORGANISATIONS/ INDIVIDUALS WHO APPEARED BEFORE THE COMMITTEE

Sl.No.	Name of the experts/organizations
1.	Confederation of Indian Industry (CII) (i) Shri S.R. Gupta, Executive Director, Lupin Human Welfare and Research Foundation (ii) Shri Shekhar Borker, Head (Northern Region), Aditya Birla Group (iii) Shri N.B. Mathur, Advisor, CII (iv) Shri Raju Damle, Consultant (Water Management), CII
2.	Development Alternatives (i) Shri Surinder Sahnii (ii) Shrimati Indira Man Singh (iii) Shrimati Mona Anand
3.	Individual (i) Shri Ramesh Kumar (ii) Shri Saurabh Arora
4.	Schumacher Society (i) Dr. D.K. Giri (ii) Shri N.M. Prusty
5.	Associated Chamber of Commerce and Industry (ASSOCHAM) (i) Shrimati Rama Bhagat (ii) Shri Siddharth Singh (iii) Dr. Vijay Vancheswar

APPENDIX XIII

COMMITTEE ON RURAL DEVELOPMENT (2004-05)

MINUTES OF THE SIXTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 3RD NOVEMBER, 2004

The Committee sat from 1500 hrs. to 1700 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Sandeep Dikshit
3. Shri Mohan Jena
4. Shri Subhash Maharia
5. Shri Hannan Mollah
6. Shri Dawa Narbula
7. Shri A.F. Golam Osmani
8. Shri K.C. Palanisamy
9. Shrimati Tejaswini Seeramesh
10. Shri S. Sudhakar Reddy
11. Shri Nikhilananda Sar
12. Shri Mohan Singh
13. Shri Sita Ram Singh
14. Shri D.C. Srikantappa
15. Shri Bagun Sumbrai
16. Shri Mitrasen Yadav

Rajya Sabha

17. Kumari Nirmala Deshpande
18. Prof. Alka Balram Kshatriya
19. Shri Penumalli Madhu
20. Shri Kalraj Mishra
21. Prof. R.B.S. Varma

SECRETARIAT

1. Shri V.K. Sharma — *Joint Secretary*
2. Shrimati Sudesh Luthra — *Deputy Secretary*
3. Shri A.K. Shah — *Assistant Director*

Representatives of Ministry of Rural Development (Department of Rural Development)

1. Shri M. Shankar, Secretary (RD)
2. Shri Wilfred Lakra, Joint Secretary (RH)
3. Smt. Lalitha Kumar, Joint Secretary (LR)
4. Shri Avtar Singh Sahota, Director (RH)
5. Shri S.D. Meena, Director (LR)

2. At the outset the Chairman welcomed the members and the representatives of the Ministry of Rural Development (Department of Rural Development) to the sitting of the Committee convened for the purpose of briefing by the representatives of the aforesaid Ministry on the subject "Rural Housing". He then drew the attention of the representatives of the Ministry to the provision of direction 55(1) of the 'Directions by the Speaker'.

3. Thereafter the Secretary briefed the Committee about the scenario of rural housing with special reference to Centrally sponsored Scheme, 'Indira Awaas Yojana'. The members raised various queries which were responded to by the Secretary.

The representatives of the Ministry then withdrew.

4. The Committee thereafter noted that the subject 'Rural Housing' related to general masses and as such decided that the views of experts/organizations/interested groups and the public at large should be invited by advertisement through print and electronic media.

5. The Chairman thereafter informed the Committee that Hon'ble Speaker had sanctioned the study visit of the Committee to Khajuraho, Varanasi and Lucknow from 17 to 22 November 2004. After deliberations, the Committee decided that the aforesaid study visit should be postponed and the Committee would undertake the study visit from 22nd to 27th November 2004 at the aforesaid places instead of 17th to 22nd November, 2004.

A verbatim record of the proceeding was kept.

The Committee then adjourned.

APPENDIX XIV

COMMITTEE ON RURAL DEVELOPMENT (2005-06)

MINUTES OF THE SECOND SITTING OF THE COMMITTEE HELD ON WEDNESDAY THE 14 SEPTEMBER, 2005

The Committee sat from 1100 hrs. to 1315 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri V. Kishore Chandra S. Deo
3. Shri Mohan Jena
4. Shri Hannan Mollah
5. Shri Dawa Narbula
6. Shri A.F. Golam Osmani
7. Shri Prabodh Panda
8. Shrimati Tejaswini Seeramesh
9. Shri Nikhilananda Sar
10. Shri D.C. Srikantappa
11. Shri Bagun Sumbrai

Rajya Sabha

12. Kumari Nirmala Deshpande
13. Shri Ghanshyam Chandra Kharwar
14. Shri Kalraj Mishra
15. Dr. Chandan Mitra
16. Dr. Gyan Prakash Pilonia
17. Dr. Faguni Ram

SECRETARIAT

1. Shrimati Sudesh Luthra — *Deputy Secretary*
2. Shri A.K. Shah — *Under Secretary*
3. Shrimati Gurjeet Kaur — *Assistant Director*

Representatives of Government Organisations

I. Housing and Urban Development Corporation Limited (HUDCO)

1. Dr. P.S. Rana, Chairman and Managing Director
2. Shri T. Prabhakaran, Director (Finance)
3. Shrimati Manorama Dutta, Executive Director (Operations)

II. Building Materials and Technology Promotion Council (BMTPC)

1. Shri R.K. Celly, Executive Director
2. Shri J.K. Prasad, Chief (Building Materials)
3. Shri I.J.S. Sidhu, P.M.T.
4. Shri S.K. Gupta, Deputy Chief (TDE&R)

III. Central Building Research Institute (CBRI)

1. Dr. N.K. Garg, Senior Scientist

2. At the outset, the Chairman, welcomed the members to the sitting of the Committee and felicitated newly nominated members of the Committee Shri Prabodh Panda, MP, Lok Sabha and Dr. Gyan Prakash Pilania, MP, Rajya Sabha. He also felicitated Smt. Vanga Geetha, MP Rajya Sabha in absentia on her nomination as member of the Committee. Thereafter, the Hon'ble Chairman drew the attention of members of the Committee to the decision taken at the sitting of the Committee held on 11 August, 2005 to constitute two sub-committees for examination of the subjects taken by the Committee for examination during 2005-2006. Hon'ble Chairman informed the Committee that the Committee had selected subjects on the issues related to general public at large and as such a large number of individuals/experts had been/would be called for hearing their views. He expressed the view that for effective discussion on the subject it was desirable that the whole Committee took the evidence and maximum number of members participated in the deliberations. The Committee, therefore, reviewed their earlier decision in this regard and decided that the subjects would be examined by the whole Committee.

(Thereafter, the representatives of various Government organisations were called in to tender evidence)

3. The Committee took evidence of the representatives of the following Government Organisations on 'Rural Housing' at the time specified against each.

Names of the Government Organisations	(Duration)	
	From	To
I. Housing and Urban Development Corporation Limited (HUDCO)	1100 hrs.	1140 hrs.
II. Building Materials and Technology Promotion Council (BMTPC)	1140 hrs.	1220 hrs.
III. Central Building Research Institute (CBRI)	1220 hrs.	1315 hrs.

4. The Chairman welcomed the witnesses and drew their attention to the provisions of direction 55(1) of the 'Directions by the Speaker.' The witnesses were then asked to depose before the Committee.

The main issues that came up for discussion with the representatives of Housing and Urban Development Corporation Limited (HUDCO) included the role of HUDCO in rural housing, work done by HUDCO in natural calamities in rural areas, need for regional development instead of development in terms of urban and rural sector, etc.

The main issues that came up for discussion with the representatives of Building Materials and Technology Promotion Council (BMTPC) and Central Building Research Institute (CBRI) included the research being done to provide cost effective and disaster proof technology for construction of houses in rural areas, dissemination of such technology from lab to land, the need to enhance the assistance allowed for construction and upgradation of houses in rural areas under Indira Awaas Yojana (IAY). Members raised clarificatory queries and the representatives of aforesaid Government Organisations assured to send written replies to the issues on which the information was not readily available.

A verbatim record of the proceedings was kept.

The Committee then adjourned to meet again at 1430 hrs.

APPENDIX XV

COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

MINUTES OF THE THIRD SITTING OF THE COMMITTEE HELD ON WEDNESDAY THE 14 SEPTEMBER, 2005

The Committee sat from 1430 hrs. to 1515 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri V. Kishore Chandra S. Deo
3. Shri Mohan Jena
4. Shri Hannan Mollah
5. Shri Dawa Narbula
6. Shri A.F. Golam Osmani
7. Shri Prabodh Panda
8. Shrimati Tejaswini Seeramesh
9. Shri Nikhilananda Sar
10. Shri D.C. Srikantappa
11. Shri Bagun Sumbrai

Rajya Sabha

12. Kumari Nirmala Deshpande
13. Shri Ghanshyam Chandra Kharwar
14. Prof. Alka Balram Kshatriya
15. Shri Kalraj Mishra
16. Dr. Chandan Mitra
17. Dr. Gyan Prakash Pilonia
18. Dr. Faguni Ram

SECRETARIAT

1. Shrimati Sudesh Luthra — *Deputy Secretary*
2. Shri A.K. Shah — *Under Secretary*
3. Shrimati Gurjeet Kaur — *Assistant Director*

Representatives of Council for Advancement of People's Action and Rural Technology (CAPART)

1. Dr. Kamal Taori, Director General
2. Shri A. Bhattacharya, Deputy Director General
3. Shri A.K. Angurana, Deputy Director General

2. The Committee resumed the discussion on the subject 'Rural Housing' and took oral evidence of the representatives of Council for Advancement of People's Action and Rural Technology (CAPART) from 1430 hrs. to 1515 hrs.

3. The Chairman welcomed the witnesses and drew their attention to direction 55(1) of the 'Directions by the Speaker'. The witnesses were then asked to depose before the Committee. The main issues that came up for discussion included the need for transparency in selection of Non-Government Organisations (NGOs), steps require to be taken for transfer of technologies in the field of rural housing, etc. Members raised clarificatory queries and the representatives of CAPART assured to send written replies to the issues on which the information was not readily available with them.

A verbatim record of the proceedings was kept.

*The Committee then adjourned to meet again on
15 September, 2005 at 1100 hrs.*

APPENDIX XVI

COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

MINUTES OF THE FOURTH SITTING OF THE COMMITTEE
HELD ON THURSDAY, THE 15TH SEPTEMBER, 2005

The Committee sat from 1100 hrs. to 1330 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri V. Kishore Chandra S. Deo
3. Shri Mohan Jena
4. Shri Subhash Maharia
5. Shri Hannan Mollah
6. Shri Dawa Narbula
7. Shri Prabodh Panda
8. Shrimati Tejaswini Seeramesh
9. Shri Nikhilananda Sar
10. Shri D.C. Srikantappa
11. Shri Bagun Sumbrai

Rajya Sabha

12. Kumari Nirmala Deshpande
13. Shri Ghanshyam Chandra Kharwar
14. Shri Kalraj Mishra
15. Dr. Chandan Mitra
16. Dr. Gyan Prakash Pilonia
17. Dr. Faguni Ram
18. Prof. R.B.S. Varma

SECRETARIAT

1. Shrimati Sudesh Luthra — *Deputy Secretary*
2. Shri A.K. Shah — *Under Secretary*
3. Shrimati Gurjeet Kaur — *Assistant Director*

Representatives of Government Organisations

I. National Housing Bank (NHB)

1. Shri P.K. Gupta, Chairman & Managing Director
2. Shri R.V. Verma, Executive Director
3. Shri Surendra Kumar, Executive Director
4. Shri P.K. Kaul, General Manager

II. Small Industries Development Bank of India (SIDBI)

1. Shri Rakesh Rewari, Chief General Manager
2. Shri A. Vikraman, Chief General Manager

III. Life Insurance Corporation Ltd. (LIC)

1. Shri Sushobhan Sarker, Executive Director (Investment)
2. Shri Sharad Shrivastava, General Manager (LIC Housing Finance)

IV. National Bank for Agriculture and Rural Development (NABARD)

1. Shri Y.S.P. Thorat, Chairman & Managing Director
2. Shri S.K. Mitra, Executive Director

2. The Committee resumed the discussion on the subject 'Rural Housing' and took oral evidence of the representatives of the following Government Organisations involved in the field of housing finance in rural areas at the time specified against each:

Sl.No.	Names of the Government Organisations	Duration	
		From	To
1.	National Housing Bank (NHB)	1115 hrs.	1215 hrs.
2.	Small Industries Development Bank of India (SIDBI)	1215 hrs.	1230 hrs.
3.	Life Insurance Corporation of India Ltd. (LIC)	1230 hrs.	1245 hrs.
4.	National Bank for Agriculture and Rural Development (NABARD)	1245 hrs.	1330 hrs.

3. The Chairman welcomed the witnesses and drew their attention to direction 55(1) of the 'Directions by the Speaker'. The witnesses were then asked to depose before the Committee. The main issues that came up for discussion with the representatives of various financial organisations involved in rural housing finance *inter alia* were need for formulating a National Rural Policy for housing, formation of National Rural Housing Bank for catering to the needs of rural poor in the country, the rate of interest charged for loans advanced to individuals as well as for refinancing the organisations which cater to the need of rural housing finance, the problems related to security, absence of clear title to the land on which the houses are to be constructed, etc.

4. Members raised clarificatory queries and the representatives of aforesaid Government Organisations assured to send written replies to the issues on which the information was not readily available.

5. The Committee thereafter decided that the next sitting of the Committee might be convened on Monday, 3 October, 2005.

A verbatim record of the proceedings was kept.

The Committee then adjourned.

APPENDIX XVII

COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

MINUTES OF THE FIFTH SITTING OF THE COMMITTEE HELD ON MONDAY, THE 3RD OCTOBER, 2005

The Committee sat from 1100 hrs. to 1315 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Srichand Kriplani
3. Shri Subhash Maharia
4. Shri Hannan Mollah
5. Shri A.F. Golam Osmani
6. Shri Prabodh Panda
7. Shrimati Tejaswini Seeramesh
8. Shri P. Chalapathi Rao
9. Shri Nikhilananda Sar
10. Shri D.C. Srikantappa
11. Shri Bagun Sumbrai
12. Shri Mitrasen Yadav

Rajya Sabha

13. Kumari Nirmala Deshpande
14. Shri Penumalli Madhu
15. Shri Kalraj Mishra
16. Dr. Chandan Mitra
17. Dr. Gyan Prakash Pilonia
18. Dr. Faguni Ram
19. Prof. R.B.S. Varma

SECRETARIAT

1. Shri V.K. Sharma — *Joint Secretary*
2. Shrimati Sudesh Luthra — *Deputy Secretary*
3. Shri A.K. Shah — *Under Secretary*
4. Shrimati Gurjeet Kaur — *Assistant Director*

Representatives of Experts, NGOs and Individuals

I. Confederation of Indian Industry (CII)

1. Shri S.R. Gupta, Executive Director, Lupin Human Welfare and Research Foundation
2. Shri Shekhar Borker, Head (Northern Region), Aditya Birla Group
3. Shri N.B. Mathur, Adviser, CII
4. Shri Raju Damle, Consultant (Water Management), CII

II. Development Alternatives

1. Shri Surinder Sahnii
2. Shrimati Indira Man Singh
3. Shrimati Mona Anand

III. Individual

1. Shri Ramesh Kumar
2. Shri Saurabh Arora

IV. Schumacher Society

1. Dr. D.K. Giri
2. Shri N.M. Prusty

2. At the outset, the Chairman welcomed the members to the sitting of the Committee and informed that the sitting has been convened to take oral evidence of selected experts, organisations and individuals on the subject 'Rural Housing'.

3. The Committee, thereafter, took evidence of the representatives of the following organisations/experts/individuals on 'Rural Housing' at the time specified against each :

	Names of the Government Organisations	(Duration)	
		From	To
I.	Confederation of Indian Industry (CII)	1110 hrs.	1145 hrs.
II.	Development Alternatives	1145 hrs.	1220 hrs.
III.	Shri Ramesh Kumar	1220 hrs.	1235 hrs.
IV.	Schumacher Society	1235 hrs.	1315 hrs.

4. The Chairman welcomed the witnesses and drew their attention to the provisions of Direction 55(1) of the 'Directions by the Speaker'. The witnesses then deposed before the Committee on various aspects of rural housing *viz.* need for a separate housing policy for rural areas, implementation of Centrally Sponsored Schemes of rural housing, cost effective and disaster proof technology, housing in calamity affected areas, role of private sector and housing finance etc. The members raised various queries and the witnesses responded to the queries of the members. Valuable suggestions emerged during the deliberations.

A verbatim record of the proceedings was kept.

The Committee then adjourned to meet again at 1500 hrs.

APPENDIX XVIII

COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

MINUTES OF THE SIXTH SITTING OF THE COMMITTEE HELD ON MONDAY, THE 3RD OCTOBER, 2005

The Committee sat from 1500 hrs. to 1600 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Srichand Kriplani
3. Shri Subhash Maharia
4. Shri Hannan Mollah
5. Shri A.F. Golam Osmani
6. Shri Prabodh Panda
7. Shrimati Tejaswini Seeramesh
8. Shri P. Chalapathi Rao
9. Shri Nikhilananda Sar
10. Shri Mohan Singh
11. Shri D.C. Srikantappa
12. Shri Bagun Sumbrai
13. Shri Mitrasen Yadav

Rajya Sabha

14. Kumari Nirmala Deshpande
15. Shri Penumalli Madhu
16. Dr. Chandan Mitra
17. Dr. Gyan Prakash Pilonia
18. Dr. Faguni Ram
19. Prof. R.B.S. Varma

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shrimati Sudesh Luthra — *Deputy Secretary*
3. Shri A.K. Shah — *Under Secretary*
4. Shrimati Gurjeet Kaur — *Assistant Director*

Representatives of Associated Chamber of Commerce and Industry (ASSOCHAM)

1. Shrimati Roma Bhagat
2. Shri Siddharth Singh
3. Dr. Vijay Vancheswar

2. The Committee resumed the evidence on the subject 'Rural Housing' and took oral evidence of the representatives of Associated Chamber of Commerce and Industry (ASSOCHAM).

3. The Chairman welcomed the witnesses and drew their attention to direction 55(1) of the 'Directions by the Speaker'. The witnesses were then asked to depose before the Committee.

4. The representatives of ASSOCHAM made valuable suggestions on the issue of micro financing for rural housing. They suggested that Grameen Banks could play a key role in this regard on the Bangladesh model. Besides by integrating housing finance with the rural development schemes like SGSY and Employment Guarantee Schemes, the problem of recovery of loan could be solved. Panchayats role was also crucial in this regard. Integrated development and infrastructure development were crucial for involving private sector in the field of rural housing. The members raised various queries and the representatives of ASSOCHAM replied to the same.

5. The Committee thereafter decided that the next sitting of the Committee might be convened on Thursday, the 27 October, 2005.

6. A verbatim record of the proceedings was kept.

The Committee then adjourned.

APPENDIX XIX

COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

MINUTES OF THE TENTH SITTING OF THE COMMITTEE HELD ON MONDAY, THE 9 JANUARY, 2006

The Committee sat from 1100 hrs. to 1315 hrs. in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mohan Jena
3. Shri Hannan Mollah
4. Shri A.F. Golam Osmani
5. Shri Prabodh Panda
6. Shrimati Tejaswini Seeramesh
7. Shri P. Chalapathi Rao
8. Shri Nikhilananda Sar
9. Shri Mohan Singh
10. Shri Bagun Sumbrai
11. Shri Mitrasen Yadav

Rajya Sabha

12. Prof. Alka Balram Kshatriya
13. Shri Kalraj Mishra
14. Dr. Chandan Mitra
15. Dr. Gyan Prakash Pilonia
16. Dr. Faguni Ram
17. Prof. R.B.S. Varma

SECRETARIAT

1. Shrimati Sudesh Luthra — *Deputy Secretary*
2. Shri A.K. Shah — *Under Secretary*

WITNESSES

Representative of State Bank of India

Shri A.K. Puruwar, Chairman

Representatives of Punjab National Bank

1. Shri S.C. Gupta, Chairman and Managing Director
2. Shri U.S. Bhargawa, General Manager

Representatives of Bank of Maharashtra

1. Shri S.C. Basu, Chairman and Managing Director
2. Shri K. Parthasarthy, General Manager (Rural Finance)

Representatives of Canara Bank

1. Shri M.B.N. Rao, Chairman and Managing Director
2. Shri T.Y. Prabhu, General Manager, Delhi

Representatives of Dena Bank

1. Shri U.S. Kohli, Executive Director
2. Shri Anandi Lal, General Manager (Retail and Priority)

2. At the outset, the Chairman, welcomed the members to the sitting of the Committee and extended New Year greetings to members of the Committee. Thereafter he apprised the Committee about the status of the examination of the subject of 'Rural Housing' and that the Committee had so far taken evidence of Public Sector Organisations like NHB, HUDCO, BMTPC, CBRI, CAPART, SIDBI and NABARD etc. and selected experts on the subject. During the deliberations it had been found that although the lending for housing had increased substantially over the last four to five years, yet the housing activity remained confined to semi-urban and urban areas only. Since Commercial Banks had the reach to masses in rural areas in the country, the Banks could play a key role in the field of lending for housing.

3. The Committee then took evidence of the representatives of following leading Commercial Banks on the subject 'Rural Housing' at the time specified against each:

Names of the Commercial banks	From	To
State Bank of India	1100 hrs.	1145 hrs.
Punjab National Bank	1150 hrs.	1215 hrs.
Bank of Maharashtra	1215 hrs.	1250 hrs.
Canara Bank	1250 hrs.	1300 hrs.
Dena Bank	1300 hrs.	1315 hrs.

4. Before the witnesses were asked to depose before the Committee, the Chairman welcomed them and drew the attention of each of the witnesses to the provisions of Direction 55(1) of the 'Directions by the Speaker'.

5. The witnesses who deposed before the Committee apprised the Committee about the role of their Banks in lending for housing in rural areas. The representatives responded to the various queries of members of the Committee. The various issues deliberated included, the rate of interest on which re-finance was being made available to Commercial Banks by NHB and NABARD and the rate of interest charged from individuals, various problems being faced by Commercial Banks in lending for housing *viz.* the absence of title of land, higher rate of Stamp Duty etc. Various suggestions like creation of charge on the property on which the house is to be constructed on the lines of legislation enacted by the State of West Bengal to tackle the problem of title of property, reduction of rate of Stamp Duty, publicity to various programmes related to housing loans in rural areas etc. emerged during the deliberations. On some of the issues to which detailed information was required, the representatives were asked to send the same to the Secretariat at the earliest.

6. A verbatim record of the proceedings was kept.

The Committee then adjourned for lunch to meet again at 1530 hrs.

APPENDIX XX

COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE
HELD ON MONDAY, THE 9 JANUARY, 2006

The Committee sat from 1500 hrs. to 1645 hrs. in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mohan Jena
3. Shri Hannan Mollah
4. Shri Dawa Narbula
5. Shri A.F. Golam Osmani
6. Shri Prabodh Panda
7. Shrimati Tejaswini Seeramesh
8. Shri P. Chalapathi Rao
9. Shri Nikhilananda Sar
10. Shri Mohan Singh
11. Shri Bagun Sumbrai
12. Shri Mitrasen Yadav

Rajya Sabha

13. Prof. Alka Balram Kshatriya
14. Shri Kalraj Mishra
15. Dr. Chandan Mitra
16. Dr. Gyan Prakash Pilonia
17. Dr. Faguni Ram
18. Prof. R.B.S. Varma

SECRETARIAT

1. Shrimati Sudesh Luthra — *Deputy Secretary*
2. Shri A.K. Shah — *Under Secretary*

WITNESSES

Representative of Banking Division (Ministry of Finance)

1. Shri Amitabh Verma, Joint Director

Representatives of Reserve Bank of India

1. Shrimati Usha Thorat, Deputy Governor
2. Shri G. Srinivasan, Chief General Manager

Representatives of National Housing Bank

1. Shri Surinder Kumar, Executive Director
2. Shri P.K. Kaul, General Manager
3. Shri R.S. Garg, General Manager
4. Shri Lalit Kumar Asstt. General Manager

2. The Committee resumed discussion on the subject 'Rural Housing' and took evidence of the representatives of the Banking Division (Ministry of Finance). The representatives of Reserve Bank of India and National Housing Bank were also present during the sitting.

3. Before the representatives were asked to depose before the Committee, the Chairman welcomed them and drew their attention to the provisions of Direction 55(1) of the 'Direction by the Speaker'.

4. The Committee sought comments of the representatives on the various issues raised during the interaction with Commercial Banks in the meeting held in forenoon on the same day. The representatives furnished their views on various matters. The representatives also informed the Committee about the various steps taken so far to increase quantum of housing loan in rural areas. The representatives also responded to the various queries of members of the Committee.

5. A verbatim record of the proceedings was kept.

The Committee then adjourned.

APPENDIX XXI

COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

MINUTES OF THE TWENTY-SECOND SITTING OF THE
COMMITTEE HELD ON FRIDAY, THE 14 JULY, 2006

The Committee sat from 1500 hrs. to 1645 hrs. in Committee Room □'□B', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mohan Jena
3. Shri A.F. Golam Osmani
4. Shri Prabodh Panda
5. Shri Dharmendra Pradhan
6. Shrimati Tejaswini Seeramesh
7. Shri P. Chalpathi Rao
8. Shri Nikhilananda Sar
9. Shri Mohan Singh
10. Shri D.C. Srikantappa
11. Shri Bagun Sumbrai
12. Shri Mitrasen Yadav

Rajya Sabha

13. Shri Balihari
14. Kumari Nirmala Deshpande
15. Shri Vinay Katiyar
16. Prof. Alka Balram Kshatriya
17. Shri Kalraj Mishra
18. Dr. Gyan Prakash Pilonia

SECRETARIAT

1. Shri P.K. Grover — *Joint Secretary*
2. Shrimati Sudesh Luthra — *Deputy Secretary*
3. Shri A.K. Shah — *Under Secretary*

**Representatives of Department of Rural Development
(Ministry of Rural Development)**

1. Dr. Renuka Viswanathan, Secretary
2. Shri Atul Chaturvedi, Addl. Secretary and Financial Adviser
3. Shrimati Nilam Sawhney, Joint Secretary
4. Shrimati Smita Chugh, Joint Secretary
5. Shri A. Bhattacharyya, DDG, CAPART
6. Shrimati Lakshmi Prasad, DDG, CAPART

2. At the outset the Hon'ble Chairman welcomed the members to the sitting of the Committee. He thereafter informed the Committee that the subject 'Rural Housing' was initially taken by the Standing Committee 2004-05. However, the examination could not be finalized by the Committee due to paucity of time and the Standing Committee 2005-06 continued the examination of the subject from the stage earlier Committee had left. Hon'ble Chairman then apprised the Committee about the work done by the Committee so far on the subject. Initially, the views of experts/public/organizations were invited through print and electronic media. Out of 483 memoranda received by the Secretariat, 178 were in regional language and 156 not related to the subject, thus 149 memoranda were related to the subject. The Committee heard the views of selected experts/organizations and individuals etc. on the subject. Besides the Committee sought information/heard the views of the representatives of various Government organizations related to the subject *viz.*, HUDCO, BMTPC, CBRI, CAPART. The Committee also sought the information/heard the views of various organizations involved in the field of housing finance *viz.*, NHB, SIDBI, LIC, NABARD followed by the oral evidence of some of the Commercial Banks, and Ministry of Finance (Banking Division) on the subject.

3. The Hon'ble Chairman then welcomed the members to the sitting of the Committee and felicitated newly nominated members of the Committee Sarvashri Balihari, Vinay Katiyar, Kalraj Mishra, MPs, Rajya Sabha and Dharmendra Pradhan, MP, Lok Sabha. He also felicitated

Kumari Sushila Tiriya, MP, Rajya Sabha in absentia on her nomination as member of the Committee.

[The representatives of the Department of Rural Development were then called in]

The Chairman welcomed the representatives of the Department of Rural Development and drew their attention to the provisions of Direction 55(1) of the 'Directions by the Speaker'.

4. The Committee then took evidence of the representatives of the Department of Rural Development (Ministry of Rural Development) on the subject 'Rural Housing'. The main issues as raised during the discussion included, the overall scenario of housing in rural areas, efforts made by the Union Government to address to the problem of shelterlessness, the role of the Union Government as a facilitator to address to the needs and aspirations of all sections of the society with regard to providing shelter in rural areas. The other pertinent issues related to the subject such as facilitating lending facilities, infrastructure facilities, availability of land, etc. were also deliberated during the aforesaid sitting. The representatives of the Department responded to the queries of the members of the Committee. The representatives were asked to send the written replies to the points on which information was not readily available.

5. A verbatim record of the proceeding was kept.

The Committee then adjourned.

APPENDIX XXII

COMMITTEE ON RURAL DEVELOPMENT (2005-2006)

MINUTES OF THE TWENTY-THIRD SITTING OF THE
COMMITTEE HELD ON TUESDAY, THE 1ST AUGUST, 2006

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room 'E', Parliament House Annex, New Delhi.

PRESENT

Shri Kalyan Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Srichand Kriplani
3. Shri Subhash Maharia
4. Shri Hannan Mollah
5. Shri Dawa Narbula
6. Shri K.C. Pallani Shamy
7. Shri Dharmendra Pradhan
8. Shrimati Tejaswini Seeramesh
9. Shri Nikhilananda Sar
10. Shri D.C. Srikantappa
11. Shri Mitrasen Yadav

Rajya Sabha

12. Shri Balihari
13. Kumari Nirmala Deshpande
14. Prof. Alka Balram Kshatriya
15. Shri Penumalli Madhu
16. Shri Kalraj Mishra
17. Dr. Chandan Mitra
18. Dr. Gyan Prakash Pilonia
19. Kumari Sushila Tiriya

SECRETARIAT

1. Shri P.K. Grover — *Joint Secretary*
2. Shrimati Sudesh Luthra — *Deputy Secretary*
3. Shri A.K. Shah — *Under Secretary*

2. At the outset, the Chairman, welcomed the members to the sitting of the Committee. The Committee then took up for consideration the draft Report on the subject 'Rural Housing' of the Department of Rural Development (Ministry of Rural Development) and adopted the draft Report with a slight modification.

3. The Committee then authorized the Chairman to finalise the aforesaid draft Report on the basis of factual verification from the concerned Ministry/Department and present the same to both the Houses of Parliament.

4. The Committee placed on record the deep sense of appreciation for drafting an exhaustive and well placed report on the subject by the officials of Lok Sabha Secretariat.

The Committee then adjourned.

APPENDIX XXIII

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl.No.	Para No.	Observation/Recommendation
1	2	3
1	2.5	<p>The Committee find that the Union Ministry of Rural Development <i>i.e.</i> the nodal Ministry for dealing with subject Rural Housing, in response to some of the issues raised by the Committee with regard to the subject has stated that rural housing is a State subject and as such it is the responsibility of the State Government. The Committee find from the position as indicated above that rural housing as such do not find place in either of the three lists <i>viz</i> Union List, State List and Concurrent List of Seventh Schedule of the Constitution. Various items related to rural housing have been dealt with in a fragmented manner in the State and Concurrent List. Further the Committee also note that rural housing finds place only in the Eleventh Schedule of the Constitution as one of the 29 subjects that need to be devolved to Panchayats in pursuance of Article 243G of the Constitution. The Committee observe that whereas various sources of revenue like land revenue, stamp duty, taxes of land and buildings etc. find place in State and Concurrent List, as indicated above, the rural housing has been indicated as the responsibility of Panchayati Raj Institutions as per the Eleventh Schedule of the Constitution. The Committee further observe that a lot has to be done for financial empowerment of Panchayats by various State Governments.</p>

In this scenario, the Committee share the observation of the erstwhile Standing Committee on Urban and Rural Development whereby the Committee had observed that such kind of fragmented arrangement of power has posed questions about the nature of functioning and necessity of coordination in the field of housing. Housing for the poor, weaker and disadvantaged sections of the society is the responsibility of State as well as Union Government. Union Government is supplementing the efforts made by State Governments in this regard. The Committee feel that there is a need to review the Constitutional position with regard to rural housing and would like to reiterate the recommendation made by the earlier Committee. The Committee would like the Government to explore the possibility to include housing as a subject in the Concurrent List of the Seventh Schedule of the Constitution through the Constitutional amendment.

2.

2.12

The Committee understand from the position as indicated above that at present there is a combined policy for rural and urban areas in the country. The Committee are concerned to note the response of the Department whereby the Department has simply stated that various objectives set under the housing policy *viz* removing legal, financial and administrative barriers for facilitating access to land, finance and technology, creation of surplus in housing stock, forming strong partnership between private, public and cooperative sectors to enhance the capacity of the construction industry, modernization are not concerned with rural housing. The Committee find

1	2	3
		<p>that as per the existing position, the housing in rural areas means only <i>kutchha</i> and <i>pucca</i> minimum required <i>jhopri</i> type structure. It seems as if there is no vision to reform the position of housing in rural areas. On the one hand initiatives like 'Providing Urban Amenities to Rural Areas (PURA)' are being taken by the Government, on the other hand, there is least concern to improve the housing position in rural areas.</p>
3.	2.13	<p>The rural housing is perceived to be people's responsibility. The role of the Government is limited to grant based schemes like Indira Awaas Yojana under which some sort of financial assistance is provided to the beneficiary without ensuring the other pre-requisites required for construction of a house. The quality of construction is the least concern of the Government. Housing in rural areas is considered to be simply construction of a house by the user himself with the traditionally known technologies. Adequate attention is not being paid to facilitate various resources, lending facility, infrastructure etc. by the Government in this regard.</p>
4.	2.14	<p>The Committee understand that the Department is in the process of formulating a separate policy for rural areas. The Committee strongly recommend that while formulating the policy, it should be ensured that the role of the Government is not limited to grant based schemes and the policy addresses to the needs and aspirations of all sections of the society in rural areas in the country. The policy should address to the various areas related</p>

1	2	3
5.	2.15	<p>to housing which have been examined in detail in the subsequent chapters of the Report.</p> <p>While examining the various aspects related to rural housing, the Committee note that foremost issue to be considered is what is a house. The Committee are constrained to note the definition of the house according to which houses constructed with permanent concrete material is pucca house whereas houses constructed with some of the traditional temporary material is kutch house and houses constructed with the mixed permanent and temporary material is the semi-pucca house. The Committee are of the view that the aforesaid definition of housing considers a house only as a structure of four walls and a roof for a family. It ignores the fact that the residents of a house need various facilities like infrastructure facilities, water, sanitation, sewage disposal arrangements, transport, security etc. In the rural context it is much more important to relate the housing with the work place because in rural areas most of the population is dependent upon agriculture. Housing need to be integrated with the habitat development. Besides providing a place to live for the family, the house in the rural areas acts as an additional place for the livelihood work of the family. It is a place where agricultural implements are kept and crops/seeds stock is stored. Besides it is much more important to ensure the structural safety of the building in which the families live. It is important to integrate housing with all these related issues.</p>
6.	2.16	<p>The Committee further find that as per the definition of a house as given by the</p>

Government pucca house is a house constructed with concrete material etc. *i.e.* the permanent material and a kutch house is a house constructed with some of the traditional material like thatch, bamboo etc. *i.e.* temporary material for construction. The Committee note that with the advancement of technology, it has become possible to construct durable house with the traditional material of construction, the detailed analysis in this aspect has been done in the later part of the report. Here the Committee may like to state that this definition of the house is responsible for the mind set of the people in rural areas according to which only the concrete houses are considered to be durable houses and least attention is being paid to construct houses with low cost locally available material. Besides there is an urgent need to consider housing in the light of the structure of Panchayati Raj Institutions as envisaged under Part IX of the Constitution. Housing needs to be integrated with various developmental programmes of the Government specifically the National Rural Employment Guarantee Legislation and Bharat Nirman. Keeping all these aspects in view there is an urgent need to change the definition of the housing in the context of rural areas. The Committee urge the Department to take the desired action in this regard.

7. 2.32

Committee find from the data provided by the Department that so far 146 lakh houses could be constructed under the flagship programme of the Department *i.e.* Indira Awaas Yojana with an expenditure of Rs. 26,669.64 crore. In addition to it, a small number of houses have been constructed

under different small schemes of the Department like credit-cum-subsidy scheme, Innovative Stream for Rural Housing and Habitat Development etc. Besides, State Governments have their own schemes to provide houses to shelterless persons in rural areas. In spite of the massive investment made so far the Government's data indicate that housing shortage in rural areas is 148.25 lakh as per 2001 Census. The housing shortage is maximum in Assam and North-Eastern States. Further if the estimated annual incremental shortage is added the data of shelterlessness would be to the tune of 161 lakhs during Eleventh Plan. Not only that, the position of available housing stock is also not very good. As per the estimates of National Housing Bank only 36 per cent houses in rural areas are *pucca* houses which means 64 per cent houses require frequent maintenance and eventual replacement over a period of 5 to 10 years. The Committee also note that against 36 per cent of the *pucca* houses in rural areas, in urban areas the position is much more better where 77 per cent houses have been reported to be *pucca* houses. In this scenario, the Committee conclude that there is a great challenge before the Government to end shelterlessness in the country particularly in rural areas. The Department has to work in a mission mode with the effective planning and strategy for implementation to meet this challenge. Besides, there is an urgent need to chalk out a strategy to deal with the problem in the States particularly Assam and North Eastern States where the shortage is maximum.

8.

2.33

As regards the methodology to find out the number of shelterless persons in rural areas

in the country, the Committee note that the Department relies on the data of 2001 Census. To find out the status of shelterlessness in the years after 2001, the method for finding out the data is that the number of houses constructed under IAY are subtracted from the initial shortage as per 2001 Census whereas the additional requirement of houses *i.e.* around 9 lakh shelterless households is added to this figure. The Committee note that besides Indira Awaas Yojana as indicated above, the houses are being constructed for shelterless persons under various other schemes of Union Government as well as the schemes of the State Governments. Various financial institutions, NGOs etc. may also be contributing in this regard. The system of calculating the data of shelterlessness after 2001 Census solely depends upon the Indira Awaas Yojana. In this scenario, the Committee find that there is an urgent need to have some system whereby the position of shelterlessness is calculated at the ground level. Panchayati Raj Institutions can play an important role in this regard. The Committee would like to emphasize that there should be some system of periodic calculation of data with regard to shelterlessness at the village level so as to have some authentic information about the ground situation in this regard. The said data may help the Government to analyse the performance of various schemes as well as this can be helpful in future planning.

9.

2.47

The Committee find that the targets to end the shelterlessness in rural areas in the country were earlier fixed during 9th Plan in pursuance of the objectives set under National Housing and Habitat Policy of

1998. The targets could not be achieved and further spilled over to 10th Plan and now to 11th Plan. Further under the ambitious programme Bharat Nirman, housing is one of the component and 60 lakh houses are planned during four years starting from the year 2005-06. Even if the Government succeeds to construct 60 lakh houses by 2008-09 *i.e.* the target period of Bharat Nirman, 101 lakh houses would still be left to be constructed as per the Government's own data. To achieve the objective of eradicating shelterlessness, the Government thus needs to construct balance 101 lakh houses during the remaining three years of Eleventh Plan period (excluding Bharat Nirman period of two years). The annual backlog which needs to be cleared is to the tune of more than 30 lakh houses.

10.

2.48

To add to what has been stated above, the Committee note that as per the Government planning, the instrument to end the shelterlessness is Indira Awaas Yojana, which targets to provide houses to BPL category of persons. The following factors substantiate how difficult it is to achieve the objectives of shelterlessness depending only upon the flagship programme Indira Awaas Yojana since the Yojana targets shelterlessness in a partial way:

- (i) Under Indira Awaas Yojana, 20 per cent of the outlay can be used for upgradation. Actually, around one third of the total number of houses constructed under IAY are upgraded houses, the analysis of which has been given in the subsequent part of the Report.

-
- (ii) 5 per cent of the outlay under IAY can be earmarked for natural calamities. Thus the effective outlay to end shelterlessness is further reduced by 5 per cent.
- (iii) IAY targets certain disadvantaged category of BPL persons. As per the data furnished by the Department only 32.99 per cent of the houses were provided to non SC/ST category. Under non SC/ST category too 88,527 houses were provided to some disadvantaged category of persons *viz.* freed bonded labourers, physically mentally challenged, ex-servicemen and war-widows.
- (iv) The Committee have repeatedly been recommending in their respective Reports about the faulty system of preparing list of BPL persons by various State Governments. Not only that the recent data of BPL persons are not available as the results of BPL Census 2002 are still to be made available by the various State Governments. The arbitrary cut off limits imposed by Planning Commission further aggravates the position and the genuine poorest of the poor are being deprived of the benefits envisaged under different Schemes of the Department.

There is no methodology to coordinate the data at the ground level with regard to number of houses constructed for poor with the assistance provided by various sources *viz.* State Governments, financial institutions, NGOs etc.

1	2	3
11.	2.49	<p>In view of the aforesaid scenario, the Committee deplore the way the planning with regard to providing houses to all in rural areas is being done under the different Five Year Plans. The Committee would like to emphasize that while formulating the strategy for Eleventh Plan the Department first of all should get the data of shelterlessness as well as action plans from the different State Governments. The plans of the different State Governments should be chalked out from bottom to top approach <i>i.e.</i> the data as well as action plan of village Panchayats should be combined to get the district plans and the district level plans should be combined to have the State level plan.</p>
12.	2.50	<p>The Committee further note that as per the estimates made by National Housing Bank to end shelterlessness by the end of Eleventh Five Year Plan, Rs. 1,86,000 crore would be required. NHB has estimated an average cost of construction of a dwelling unit as Rs. 1.50 lakh. Further as per the estimates of NABARD Rs. 1,46,000 would be needed to meet the shortfall in rural houses. The Department consider the average cost of construction of per dwelling unit as Rs. 1.50 lakh in rural areas as estimated by NHB on a higher side. The Committee note that even if the estimates of Department of Rural Development are taken into consideration, Rs. 55,000 crore would be required by the end of Eleventh Plan. Thus the annual requirement of funds as per the Government's own estimates will be around 11,000 crore per year. The existing allocation of resources is merely Rs. 2,920 crore <i>i.e.</i> the allocation made during 2006-07. The Committee find that</p>

with the meagre allocation of resources, it is not possible to end the shelterlessness in the country. Further the Committee note the trend of percentage allocation of GDP in rural housing in the country as indicated earlier. Percentage allocation of GDP for rural housing which was 0.17 per cent during the year 1998-99, increased to 0.19 per cent during 1999-2000 and then decreased to 0.18 and subsequently to 0.17 per cent during the following two years. Then, it is stagnating at 0.17 per cent since 2001-02 to 2003-04 (upto which the data is made available to the Committee). The Committee feel that to achieve the targets there is an urgent need to accord priority to substantially step up the allocation for rural housing. Besides, a multi pronged strategy involving the different institutions involved with the task, the detailed analysis of which is made in the subsequent part of the report is the only answer to tackle the problem of shelterlessness in the rural areas.

13.

2.51

The Committee further find that there is a strong relation between the construction activity and employment generation and economic development of an area. Moreover, there is a relation between the economic standard of a family and the type of house that it occupies. Housing activity in a way triggers employment opportunity which may enhance the per capita income of a family in an area which further may improve the demand of housing. Not only that effective housing activity can be instrumental to arrest migration of population from rural to urban areas. Thus the Committee perceive that there is an urgent need for effective Government

funding along with other initiatives like improving lending for rural housing which has been addressed in detail in the later part of the report. Here the Committee may like to emphasize to the Government to pay more attention to rural housing since it can be a major instrument for providing employment to unemployed persons in rural areas. The housing activity can be a major source of providing employment under the ambitious programme of the Government *i.e.* National Rural Employment Guarantee Scheme.

14. 2.69

The Committee find that various initiatives have been taken by the Government since Independence to address the housing problem of poorest of the poor in rural areas in the country. Since 1985-86 one of the important programmes 'Indira Awaas Yojana' was launched as a sub-scheme of RLEGP. Massive investments have been made under Indira Awaas Yojana under different plans. The plan-wise allocation as given above indicates that there is considerable enhancement in each plan as compared to the previous plan. Although there is considerable enhancement of allocation during each plan the percentage enhancement has decreased since Ninth Plan. The percentage enhancement which was 397.02 per cent during Eighth Plan reduced to 147.38 per cent during Ninth Plan and then during Tenth Plan the percentage enhancement is 55.68 per cent. The Committee further note that the existing per unit assistance under Indira Awaas Yojana is Rs. 25,000 in normal and Rs. 27,500 in hilly and difficult areas. As regards the pace of enhancement of allocation, the Committee note that during

21 years of implementation of Indira Awaas Yojana (since 1985-86) the per unit allocation has merely been enhanced a little more than double of the assistance. The Department has stated that the basis of fixed rate of assistance is cost of material etc. The Committee note that the enhancement in per unit of assistance is much lower than the rate of enhancement in terms of cost of material etc. The Committee find that the existing per unit assistance is not sufficient to construct a durable house. The Committee also note that National Housing Bank has estimated the minimum cost of construction of a house in rural areas as Rs. 1,50,000. They also note that as per the Department of Rural Development's own estimates, minimum required outlay is Rs. 40,000-50,000 in plain areas and Rs. 50,000-60,000 in hilly/difficult areas for construction of a durable house. The Committee feel that one of the major reasons for lower quality of construction of IAY houses is the inadequate assistance provided *i.e.* far below the cost of construction. The Committee, therefore, strongly recommend to the Government to enhance the per unit assistance from the existing rate to Rs. 50,000 in plain areas and Rs. 60,000 in hilly/difficult areas. Besides the assistance provided for upgradation of a house should be enhanced from Rs. 12,500 to Rs. 20,000. The Committee would also like to strongly recommend to the Government to enhance the allocation during Eleventh Five Year Plan considerably so that the number of houses constructed during each year of the plan do not in any case reduce to the number of houses constructed during the previous years and further the construction of houses should match to the targets fixed

1	2	3
		under the ambitious programmes of the Department.
15.	2.70	The Committee further note that there are serious irregularities in implementation of Indira Awaas Yojana as pointed out in Comptroller and Auditor General of India Report 3 of 2003. The irregularities include diversion of funds, overlapping of the objectives of multiple rural housing schemes, misdirecting targeting of beneficiaries, construction of houses through contractors etc. The details of the various irregularities pointed out by CAG have been indicated at Appendix VII. The Committee would like to be apprised of the action taken on each of the issues pointed out by CAG so as to enable them to review the position and comment further in this regard.
16.	2.71	One of the irregularities as pointed out by CAG Report is that construction of smokeless chulhas and sanitary latrines were found in respect of 50 per cent and 57 per cent of houses respectively. The Committee are constrained to note the comment of the Department on the aforesaid irregularities as pointed out by CAG. The Department has shifted the responsibility to DRDAs who are supposed to persuade the beneficiary in this regard. The Committee are further unhappy to note the provision made in the guidelines whereby in case the beneficiary does not construct a latrine or install a smokeless chulha, a meagre amount of Rs. 600 for latrine and Rs. 100 for chulha is deducted from the total subsidy provided to such beneficiary. The Committee while examining the Demands for Grants (2006-07) of the

Department of Drinking Water Supply have been informed that only 38 per cent of the rural households could so far provided with sanitation facilities. The Committee were also informed that only 80 per cent of the toilets constructed under Government schemes are actually being used. The Committee conclude that no efforts are being made to ensure the quality houses under the Government schemes. The Committee also take strong objection to the provisions made in the guidelines whereby the defaulter has merely to pay a meagre penalty and can easily forgo the provisions made in the guidelines for smokeless chulhas and toilets. The Committee strongly recommend to the Department to ensure that the provisions of smokeless chulhas and toilets are mandatorily followed by the beneficiaries failing which the beneficiary should be deprived of the allocation made under Indira Awaas Yojana. The existing provision in the guidelines should suitably be revised.

17.

2.72

The Committee are further constrained to note the replies of the Department whereby the onus of use of appropriate construction technologies and land material, use of disaster proof technology in the calamity prone areas has been shifted to beneficiaries. As regards infrastructure the onus has again been shifted to the beneficiaries or the line departments in that area. It is really a matter of concern that safety and securities of families and houses have not been accorded any importance in the disaster prone areas. Safe individual houses can minimize disaster losses to a great extent. The Committee also find that whereas houses constructed with HUDCO

assistance have to mandatorily use the disaster proof technology/ material (the analysis has been made in the subsequent part of the report) no such provision exists under IAY houses. The Committee are unable to understand the rationale behind leaving the responsibility of using disaster proof technology to the beneficiaries. If this is the condition of the houses constructed with the 100 per cent Government assistance (Central + State Government's assistance in the ratio of 75:25), the fate of the remaining housing stock can be well imagined. The Committee strongly recommend to the Government to revise the guidelines and make the use of disaster proof material/technology as mandatory for the IAY houses. Besides, as regards the infrastructure arrangement, the Committee feel that there should be some sort of linkage between the various schemes of the Government rural schemes like Pradhan Mantri Gram Sadak Yojana (PMGSY), Employment Guarantee Scheme, SGSY etc. The proper coordination can ensure the adequate infrastructure to the houses constructed under IAY scheme. The Committee disapprove the tendency of the Department to shift the onus to the beneficiaries or to some other agency whereas the houses are being constructed with the Union Government's assistance. The Committee urge the Department to take the desired action in this regard and apprise the Committee accordingly.

18. 2.73

The Committee further note that IAY was launched during the year 1985-86. Since the 21 years of its inception, no village based impact assessment study of different rural housing schemes have been done by the

Department. Besides, the Committee while examining the Demands for Grants of the year 2004-05 had found that no attempt has been made to verify the houses constructed under IAY since inception. The Committee had recommended (refer para 3.93 of Third Report (14th Lok Sabha) to initiate a study without further wastage of time. The Committee deplore the way the Yojana is being implemented and strongly recommend to initiate a village based impact assessment study under which different aspects *viz.* the existing condition of houses constructed under IAY and other Government schemes, satisfaction level of beneficiaries, condition of infrastructure, the comparative analysis of the houses constructed with the help of different agencies *viz.* NGOs, Banks, IAY etc. should be done. Such a study would help the Government to analyse the realistic position with regard to the houses constructed with the assistance provided by the Government.

19.

2.77

The Committee find that various schemes meant to achieve the different objectives were initiated during 1999-2000 and 2000-01 the details of which have been indicated as above. The schemes could not achieve the desired objectives and as such have been discontinued/merged with IAY. The Committee find that the objectives of different schemes as envisaged were quite different from those of IAY. 'Innovative Stream for Rural Housing and Habitat Development' was launched with an objective of promoting and propagating cost effective technologies and upto Rs. 50 lakh was to be provided to NGOs, Development Institutions, Corporate Bodies, State Government etc. 'Rural Building Centre

Scheme' was launched for setting up Rural Building Centres and Samagra Awaas Yojana aimed at convergence of activities such as construction of house, sanitation, drinking water etc. Credit-cum-subsidy Scheme was for rural households having annual income upto Rs. 32 thousand per year. The Committee fail to understand how the objectives set under different schemes would be achieved with their merger with IAY without changing the basic parameters of IAY. In this scenario, the Committee deplore the way new schemes with different objectives are being launched and then discontinued. The Committee have repeatedly been recommending in their respective reports for proper planning before launching new schemes. The Committee while disapproving the way new schemes are launched without proper planning would like to be apprised of the efforts made by the Department for the effective implementation of these schemes. Besides, the Committee would like to be informed how the laudable objectives set under the different schemes are now planned to be achieved as the merger with IAY without changing the basic parameter, cannot yield the set objectives under these schemes.

20. 2.81 The Committee find from the position as indicated above that the benefits of Government grant based schemes meant for rural housing are being taken by the persons who have land. However, the landless persons who may be the poorest of the poor in the area are being deprived of the benefits of the schemes specifically Indira Awaas Yojana. As admitted by the Department and revealed by Concurrent

Evaluation, around 90 per cent of the Indira Awaas Yojana houses are built on the land owned by beneficiaries. Providing land to the landless persons is the biggest challenge to address the problem of shelterlessness in rural areas in the country. While appreciating the fact that land is a State subject and it is the responsibility of the State Government to provide land to the landless poorest of the poor for the construction of a minimum required shelter, the Committee feel that there is an urgent need to provide some sort of guidelines through the national policy of the Government.

The Committee would in this regard like to draw the attention of the Department on various recommendations made in report on Demands for Grants for the year 2006-07 of the Department of Rural Development. The Committee had appreciated the initiative taken by the Department to instruct the State Governments to prepare the waitlist of Indira Awaas Yojana as per the rank of BPL list and display it at the prominent places. Further, while examining the Demands for Grants (2006-07) of the Department of Land Resources, the Committee had recommended to explore the possibility of using wastelands for setting up agricultural universities and for constructing houses under Government schemes for the landless persons in consultation with various State Governments.

21.

2.82

The Committee are at a loss to understand how the houses as per the priority list of BPL persons could be provided incase the beneficiary does not have land. In view of

this scenario, the Committee are of the opinion that there is an urgent need to explore the possibility of providing land to landless persons for construction of a shelter. The Committee feel that most of the land in rural areas might be belonging to Gram Panchayat/State Governments and as such the possibility of providing land to BPL persons for the purpose of housing may be examined. Besides, the aforesaid recommendation of the Committee with regard to using wasteland may also be examined in consultation with the State Governments, the Department of Land Resources and the Ministry of Panchayati Raj and viable solution in this regard should be arrived at. Further, as regards acquisition of private land, the Committee would like to recommend to the Government to explore the possibility of inviting private sector in the field of rural housing with the condition that a certain percentage of houses are mandatorily provided for the BPL category of persons.

22.

2.83

Besides, the Committee note that Land Acquisition Act which addresses to various issues related to acquisition of land for public purpose is an old Act of 1894. The Committee have repeatedly been recommending to amend the aforesaid legislation in their respective reports. The Committee reiterate their earlier recommendation to expedite the amendment of the aforesaid legislation so that the process of acquisition of land may become easier and it may facilitate land being made available by various State Governments for construction of houses for BPL persons. With the aforesaid initiatives State Governments should also be

persuaded to have the land Banks from where land could be allocated for construction of houses for BPL persons. Such a mechanism would help the State Governments to address the problem of shelterlessness in a planned and systematic way. Necessary guidelines in this regard should be issued to the State Governments. Besides, suitable provisions may be made in the housing policy, which the Department has proposed to formulate in the near future.

23.

3.25

As stated in the earlier part of the Report, 161 lakh houses would be needed during Eleventh Plan period to end the shelterlessness in rural areas in the country. As per the Government's own estimates, Rs. 55,000 crore would be required to tackle the problem. Further as per the NHB estimates, only 36 per cent housing stock in the rural areas are *pucca* houses which means 64 per cent require frequent maintenance and eventual replacement over a period of 5 to 10 years. The real problem to be addressed with regard to housing in rural areas may be much grim. To tackle this problem the grant based schemes like Indira Awaas Yojana (IAY) are not sufficient. Besides in rural areas the problem of housing needs to be addressed keeping in view the overall position of the population in rural areas. There may be three sections of Society *viz*

- (i) Affluent rich farmer,
- (ii) Middle Class, and
- (iii) Rural poor *i.e.* BPL persons in rural areas.

1	2	3
24.	3.26	<p>Indira Awaas Yojana to some extent addresses the problem of shelterlessness in rural areas in the country. As stated in the earlier part of the Report even Indira Awaas Yojana, addresses the housing problem of BPL category of persons in a partial way. To take care of the needs of the other sections of the society affordable lending for housing can play an important role.</p>
25.	3.27	<p>From the data made available by National Housing Bank the Committee find that although during the period 2001-05, the housing loan disbursed by PLIs has doubled from Rs.3246.03 crore in 2001-02 to Rs.6440.95 crore during 2004-05, it is still not comparable to the boom in lending for housing witnessed in urban areas. The data indicated by NHB is self evident according to which, lending to rural areas during the period 2001-05 is just 10-11 per cent of the total lending. The Committee understand that even today, the rural people depend on the mercy of the landlords who charge heavy rate of interest on the borrowings and exploit the rural people.</p>
26.	3.28	<p>The Committee observe that to some extent the Government is responsible for this plight of the rural people. Even when the recovery-rate for the lending in rural areas is almost hundred per cent which has been admitted by Commercial Banks, Banking Division and NHB, the Department of Rural Development which is the nodal Department to deal with the various aspects for rural housing has doubted the creditworthiness of rural poor. The Department has stated that rural people are poor and cannot avail of loan from Banks or financial institutions. The Committee fail</p>

to understand, if that is the position why the rural poor are borrowing from the lenders at exorbitant rate of interest. The real problem is the mindset of the financial institutions. Even when the rural poor have proved their trustworthiness as is evident from the excellent rate of recovery, the financial institutions are not coming forward to help the rural poor. The Committee are moved by the instance quoted by the representative of SBI. The simple query of an honest rural helpless customer, (why the Bank was not giving housing loan when they are repaying the loan honestly?) was instrumental in launching a housing scheme for housing by SBI *i.e.* SBI Sahyog Niwas. The Committee strongly recommend to the Department to take this matter seriously with Reserve Bank of India, Ministry of Finance (Banking Division), NHB, Commercial Banks and all other concerned and take all the desired action to extend the formal lending and make housing loan affordable to the rural poor.

27.

3.29

The Committee find that NHB and NABARD are the main agencies of Government of India involved in refinancing of housing loan to different financial institutions. NABARD is refinancing at the lowest rate of interest *i.e.* 6 per cent upto Rs. 50,000 and 6.25 per cent for the amount exceeding Rs. 50,000. However in case of North-Eastern States, Sikkim, Andaman & Nicobar Islands, the rate of refinance is 6 per cent even above Rs. 50,000. In case of NHB, the main agency which has the mandate for rural housing, the rate of refinance is 6.25 per cent. The Committee find that the problem of

shelterlessness is most acute in North-Eastern States. The issue has been examined in detail in the preceding part of the report. Whereas NABARD is providing 0.25 per cent lower rate of refinance to North-Eastern States and Sikkim and also to Andaman & Nicobar Islands, no such benefit has been given to these States by NHB. The Committee feel that the relaxation in the rate of refinance to the aforesaid States should also be provided by NHB on the lines of NABARD.

28. 3.30

As regards the rate of interest charged by various financial institutions with regard to lending for rural housing, the Committee find that there is sharp variation. The rate of interest varies between 7.5 per cent to 10.75 per cent (fixed) and between 7 per cent to 9 per cent (floating) in case of Public Sector Banks. With regard to other housing finance companies, the rate varies between 8 per cent to 10.5 per cent (fixed). Further, for private sector and foreign Banks, the rate of interest varies between 8 per cent to 11 per cent (fixed) and 7.5 per cent to 8.5 per cent (floating).

The Committee find from the position of rate of interest and refinance as indicated above that whereas refinance at lower rate of interest is being made available to certain financial institutions by NHB and NABARD, the benefit of getting refinance at lower rate is not being percolated to the poorest of the poor in rural areas in the country. Besides the Committee also note that there is variation of around 3 per cent of rate of interest between the minimum and the maximum rate of interest charged for housing from the poor in rural areas.

1	2	3
29.	3.31	<p>The Committee find that even 1 per cent of rate of interest matters a lot to the poorest of the poor in the country. In this scenario, while appreciating the policy of the Government to move away from administered interest rates, the Committee feel that some sort of regulation is necessary in case of the housing loan being made available to the poor in rural areas in the country especially when these institutions are getting the benefit of lower rate of refinance from certain Government Institutions like NHB and NABARD.</p>
30.	3.32	<p>The Committee also find that on the issue being raised during the course of oral evidence of the representatives of Department of Rural Development, the Department has informed that the Government is examining the proposal of National Housing Bank for providing 3 per cent subsidy in the rate of interest to Banks and financial institutions in order to introduce greater credit flow in rural housing and to provide housing loans to rural poor at comparatively lower rates. The Committee appreciate the aforesaid gesture of the National Housing Bank and would like the Department to finalize the issue in consultation with National Housing Bank, Reserve Bank, Banking Division and all other concerned expeditiously. The observations made by the Committee in the preceding para with regard to the differential rate of interest of refinance and rate of interest charged from individuals may also be kept in view while taking decision in this regard.</p> <p>Some of the experts who appeared before the Committee were of the view that there</p>

should be a separate National Housing Bank for rural areas. The mandate of NHB has been to promote housing finance institutions and to provide financial and other support to such institutions in the field of housing. The data given by NHB indicates that only 10 to 11 per cent of the lending for housing could be made available to rural areas. The role played by the Public Sector Banks who have wider coverage in rural areas has also not been upto the desired level. Keeping in view the scenario of shelterlessness in rural areas in the country there is an urgent need to give more focused attention to the issues related to institutional finance. The suggestions given by NHB for creation of a National Shelter Fund and National Risk Fund to augment the resources of NHB may be critically analysed by the Department. In view of this the Committee recommend to the Government to analyse the role of NHB critically in the context of housing in rural areas and consider either to extend the activities of NHB in the rural sector or set up a separate National Housing Bank for rural areas. The Department of Rural Development should deliberate this issue in consultation with the Reserve Bank of India and Ministry of Finance (Banking Division). The Committee may be informed about the decision taken in this regard.

31.

3.33

The Committee find from the deliberations with the Commercial Banks that the existing limit of refinance to each financial institution is Rs. 1,000 crore. As per the Reserve Bank of India such limit has been fixed to diversify the risk. The Committee further note that whereas some of the Public Sector Banks are not availing of the

refinancing facility, the refinance limit is falling short in case of other Banks. State Bank of India which has the largest number of Branches in India, has requested to extend this limit. The Committee while appreciating the policy of the Government not to give the refinance to one basket and to diversify the risk, feel that some consideration should be given to the size of the Bank *i.e.* the network of Branches it has in rural areas. Besides, when some of the Banks are not availing of the refinance facility, the other Banks who are availing of and fall short of the refinance can be provided more refinance. The Committee also note that the interest rates which have been at the lowest in the recent past have started moving upwards. In view of the rising interest scenario the financial institutions may lack liquidity and their own resources may be costlier and may need more refinance facility from the Government agencies like NHB and NABARD. The Government should analyse the position in view of the recent scenario, keeping in view the aforesaid observation of the Committee regarding limit of refinance. The Committee may be kept apprised of the decision taken in this regard.

32.

3.45

The Committee find that the Golden Jubilee Rural Housing Finance Scheme (GJRHFS) was formulated in the year 1997 and the scheme aims to address the problem of housing shortage in the rural areas through improved access to institutional housing finance. The scheme is being implemented through Scheduled Public Sector Commercial Banks, Scheduled State Co-operative Banks, Regional Rural Banks,

dedicated housing finance institutions *viz.* Housing Finance Companies (HFCs), Apex Cooperative Housing Finance Societies (ACHFS) as also through the Agriculture Rural Development Banks (ARDBs). The scheme is applicable in a rural area, the population of which does not exceed 50,000 as per 1991 census. As regards the performance of the scheme, the achievement as compared to the targets is more than 100 per cent since 1997 till date. Under the scheme, Rs. 6621.18 crore has been disbursed to eligible primary lending institutions. The Committee note that GJRHFS is the only scheme of the Government of India related to lending for housing. Although the performance of the scheme *vis-a-vis* targets is quite satisfactory, as indicated in the data given by NHB, the targets fixed under the scheme are quite low. A total number of 13,25,000 dwelling units have been financed from 1997 to 2005. During the year 2005-06, the targets were fixed at 2,75,000 dwelling units. As informed by NHB, Government of India sets the national targets under the scheme. The Committee are of the view that the targets set under the scheme are too low keeping in view the scenario of shelterlessness in the country. The Committee strongly recommend to the Government to enhance the targets under the scheme considerably especially when the achievement of targets has been quite impressive. The enhancement of targets would further put pressure on different Public Sector Banks, Cooperatives and RRBs and other financial institutions involved with the scheme to extend more loans for housing in rural areas. This will help to address the problem of rural housing to some extent.

1	2	3
33.	3.69	<p>The Committee note that HUDCO started rural housing activity from 1977-78 and since then HUDCO has sanctioned 2473 schemes with loan amounting to Rs. 7089.17 crore for construction of 93.04 lakh dwelling units in various States of the country up to 31st July 2005. Further, the data given by HUDCO for the work done during 8th, 9th and 10th Plan indicate that there is sharp decline in the number of schemes during 10th Plan as compared to 9th Plan. Against 823 schemes taken up during 9th Plan, during the first 3 years of 10th Plan, only 30 schemes have been taken by HUDCO. Further, the Committee note that there is sharp difference between the loan amount sanctioned and loan amount released during different plans. During 10th Plan, whereas 3024.89 crore has been indicated as loan amount sanctioned, the amount released for the said period is only Rs. 922.90 crore. The Committee would like the Department to explain the reasons for decline in the activities of HUDCO during 10th Plan and also the difference between the loan amount sanctioned and released during different plans.</p>
34.	3.70	<p>The Committee further find that equity support was being provided to HUDCO since 1998-99 and up to the year 2004-05, Rs. 415 crore was provided as equity by the Department of Rural Development. Against this equity, HUDCO was to garner and mobilize additional resources (approximately 8 times the size of the equity contribution) from the market. The funds so leveraged were to be utilized exclusively for financing the construction of additional rural housing units over and above what HUDCO normally finances</p>

through their existing resources. The Committee further observe that HUDCO has now been declared as 'Navratna' and as such Government has stopped providing equity. The Committee apprehend that the stoppage of the equity support may adversely affect the activities of HUDCO in the field of rural housing for the poorest of the poor in the country. In view of this, the Committee would like the Department to analyze the position and find out ways and means to support HUDCO's programme for rural housing.

35.

3.71

The Committee further find that HUDCO has been entrusted with the responsibility of providing loan assistance under various ambitious programmes of the Department of Rural Development. Under the housing programmes of Government in providing 13 lakh dwelling units in rural areas and 7 lakh units in urban areas, HUDCO has been entrusted with the responsibility of providing loan assistance for construction of 6 lakh houses in rural areas. Further, out of 60 lakh houses to be constructed under Bharat Nirman, HUDCO has been given a quota of 6 lakh. As regards the performance of HUDCO with regard to targets provided under different ambitious programmes up to 2004-05, HUDCO has sanctioned 68.39 lakh dwelling units out of which 29.84 lakh dwelling units are for normal area and 38.55 lakh units for areas affected by natural calamities. The Committee observe that the major portion of the dwelling units sanctioned by HUDCO relates to natural calamities and as such HUDCO's contribution to the task of addressing to the problem of shelterlessness is limited. Keeping in view

1	2	3
		<p>this scenario, the Committee recommend to the Department to review the position in this regard so that the goals set under different ambitious programmes are achieved.</p>
36.	3.72	<p>Another problem pointed out by HUDCO is that in most of the States there is no separate State level agency for taking up rural housing schemes. The Committee recommend that the Department should have consultations with various State Governments and find out ways and means to address the various difficulties encountered by HUDCO. In this regard, the Department first of all should get the information about States where State level agencies for taking up housing activity do not exist. Such States should be persuaded to constitute State level agencies so as to give focused attention to rural housing. The Committee may be kept apprised about the action taken by the Department in this regard.</p>
37.	3.73	<p>HUDCO has informed that there is a lack of participation by a number of States resulting in uneven geographical distribution of HUDCO's loan assistance. The States of Andhra Pradesh, Kerala, Karnataka, Orissa, Tamilnadu, West Bengal, Gujarat, Himachal Pradesh, Jharkhand, Maharashtra, Uttar Pradesh and Rajasthan have taken up the programme in a big way. Further, HUDCO has informed that poor recovery rate of loan by Government agencies has led to declining demand. Interesting point raised by HUDCO is lack of interest of the State Government/ Government agencies in HUDCO's loan based rural housing programme in view of</p>

the ongoing Indira Awaas Yojana which is 100 per cent subsidy based programme and under which 75 per cent of the allocation is being provided by the Union Government. The Committee would like the Department to analyze the aforesaid issues as pointed out by HUDCO critically. The Committee may be informed about the reaction of the Department in this regard so as to enable the Committee to recommend further in this regard.

38.

3.82

The Committee note that Commercial, Co-operative and Regional Rural Banks have great access to rural masses in the rural areas as these Banks have a large number of branches in these areas. As stated by NHB, these Banks are very much engaged in agricultural finance. However, in the field of rural housing, these Banks are not doing so well. As regards the data with regard to credit flow to rural housing, the Ministry of Finance Banking Division has informed that the number of accounts which were 7,47,972 during March 2002 have enhanced to 20,48,318 during March 2005. The Committee during deliberations with some of the leading Commercial Banks have found that some of the laudable initiatives have been taken by these Banks to make the housing loan attractive for rural areas. Under State Bank of India 'Gram Niwas Scheme', there is waiver of security requirement upto Rs. 50,000. Under State Bank of India Sahyog Niwas home loan, concessional interest rate @ 0.25 per cent below applicable home loan interest rates, have been provided and loan amount up to 10 times the savings of the corpus of self help groups subject to a maximum of Rs. 50,000 per member of SHG is provided.

Another scheme of the State Bank of India *i.e.*, SBI Tribal Plus has been formulated keeping in view the peculiar property rights in tribal areas and the provision of loan against other securities including third party guarantee has been made. Similarly, the representatives of Bank of Maharashtra informed that during festival season, the rate of interest charged from housing loan is 1 per cent below the existing rate of interest. Despite these laudable initiatives taken by the various Commercial Banks, the data of loan amount sanctioned during different years is not very impressive. For example, Punjab National Bank, a leading Bank in North India has disbursed only Rs. 184 crore and Rs. 200 crore during the year 2003-04 and 2004-05 respectively.

39.

3.83

The various aspects limiting institutional credit flow for housing in rural areas have been analyzed in the following chapter of the report. Here the Committee observe that there is an urgent need to enhance the credit flow for housing in rural areas and Banks can play a very important role in this regard. There is an urgent need to deliberate on the various issues involved in the housing finance in consultation with Reserve Bank, Banking Division and Commercial Banks, National Housing Banks and all other concerned. Besides, housing loan needs to be linked with various other centrally sponsored schemes which ensure income for the rural poor like SGSY, Rural Employment Guarantee Scheme etc. Besides, the recovery schedule should be drawn according to crop cycle of the farmers. There is an urgent need to take the necessary steps for publicity of the various schemes of these Banks. The

illiterate people in rural areas residing in interior and backward areas need different publicity campaigns to inform them about the various aspects of the housing scheme. As in the case of urban areas, housing melas could be arranged in rural areas where people could be informed of these schemes. To make the schemes more popular and effective, there is an urgent need for a proper coordination between District/Block Level Officials and the Panchayati Raj institutions. The Committee strongly recommend to take the desired action in consultation with all concerned to ensure a greater role of these Banks in the field of lending in rural areas.

40.

3.84

The Committee find from the information provided by the Bank of Maharashtra that on the Kisan Gold Card one of the components embedded is rural housing and Rs. 50,000 can be provided without any collateral security. Further, the representative of Reserve Bank has informed the Committee that RBI has recently advised the Banks to introduce a General Purpose Card for all customers in rural areas. Any person having this card can draw money upto Rs. 50,000 and when he repays he can again drawback. The Committee feel that the aforesaid guidelines if implemented by Banks on the lines of Bank of Maharashtra can provide a great relief to the rural poor and the amount of Rs. 50,000 drawn by virtue of credit card, if used for housing purpose can solve the problem of housing to some extent. As stated by the representative of RBI, said provision will overcome the problem of documentation procedure. The Committee strongly recommend to the Government to

1	2	3
		<p>instruct the RBI to pursue these guidelines with Commercial Banks and the said provision should be made mandatory for all the Banks. The Committee may be informed about the follow up action in this regard.</p>
41.	3.96	<p>The Committee find that to get the credit from Banks and other financial institutions, the customer has to mortgage his property. The clear title of the land on which the customer desires to construct house is required to avail of housing loan from the Bankers/financial institutions. Lack of clear title is the basic impediment for extending housing loan in rural areas as has been highlighted by NHB and other organizations who appeared before the Committee. In <i>abaadi</i> areas, the problem is still worse as in these areas there are no land records and people are living in the ancestral houses for centuries without any title deed. The people pay house tax which in some way serve as token title. Further, in North Eastern States the position of land records is quite different where the land is in the name of Community.</p> <p>To solve the aforesaid problems various land reforms initiatives need to be taken by the various State Governments. In case of <i>abaadi</i> land the State Governments need to be persuaded to give the clear title to the owners of the land who have been living there for centuries. Further to address this problem, NHB, various organization, experts and Commercial Banks who appeared before the Committee have made reference to an act of West Bengal in which the provision has been made to create a charge by declaration for agricultural land.</p>

Besides, the reference has also been made to an act of Uttar Pradesh wherein the construction of a house for personal use in rural areas on *abaadi* land or repair, modernization or alternate energy plan and machinery or matters connected therewith shall be deemed to be an agricultural purpose for this act. NHB and other organizations and experts were of the view that similar initiatives need to be taken by other State Governments. The Committee while noting the aforesaid position strongly recommend to the Department to study the position of various States acts which provide a solution to the problem of title for the purpose of getting loan in rural areas. The initiatives taken by some of the State Governments need to be replicated in other State Governments. While noting that land is a State subject and the initiatives need to be taken by the State Governments, the Committee find that the Union Government has to persuade to the State Governments and provide guidelines and model laws after studying the various State laws in light of the aforesaid observations made by the Committee. The initiatives taken in this regard may be informed to the Committee.

42.

3.97

The Committee further note that laudable initiatives have been taken by the Union Government under the two schemes (i) Centrally Sponsored Schemes *viz.* Strengthening of Revenue Administration and Updation of Land Records (SRA&ULR) and (ii) Computerisation of Land Records. The land records maintained properly and updated periodically can make the lending for housing in rural areas much smoother. The Committee have repeatedly been

emphasizing on ensuring the basic data with regard to land records in rural areas. Unless the core information with regard to land records is made available no purpose will be served by computerizing the land records under the said schemes. The Committee have repeatedly been stressing for some sort of coordination between these two schemes. The Committee while reiterating their earlier observations in this regard would like the Department to continue these efforts in a bigger way which may be quite helpful in solving the various impediments for lending for housing in rural areas.

43.

3.98

The Committee further would like to draw the attention of the Department to their recommendation made with regard to laudable idea given by the Secretary, Department of Rural Development during the course of oral evidence held in connection with the examination of Demands for Grants (2006-07). The Secretary had suggested to link up the land record information with the computers with lending Bankers so that the rural people do not even need to procure the copy of the land records every time. The Bankers can access the land records directly without any charge. The Committee strongly recommend to the Department to see how this idea can be made practicable under the existing schemes of land records. If implemented it can make the lending process easier and cheaper. While recommending in this regard, the Committee may like to highlight their observation with regard to updation of land records as made above. Unless the land records are correct and reflect the actual

ground situation, no system of computerization or linking the computerized data with the lending banks can work. The Committee would like the Department to pay more emphasis on updation of land records so that the benefits of the schemes meant to computerize the land records can actually be availed of by the rural people. Keeping in view the aforesaid observation, the Department may take the necessary action and apprise the Committee accordingly.

44.

3.99

The Committee further note that in the context of rural areas the issue of security for lending for housing need to be analysed in a different way specifically for the poorest of the poor. This category of persons need much lesser amount as compared to the housing loan in urban areas. Some sort of security provision other than mortgage of land can be explored for getting loan for housing in rural areas. The Committee may also like to highlight here that whereas for the purchase of costly movable items like air conditioners, cars, Banks and other financial institutions are providing loan without any security, in case of meagre loan for construction of a house in rural areas these institutions require mortgage. There is an urgent need to relax these requirements on a loan upto some limit which may be say Rs.1 lakh or so. The Committee appreciate the fact that Banks and other financial institutions are Commercial organisations and the risk of repayment may be the major argument by these institutions. In this regard also the Committee may like to highlight almost 100 per cent recovery rate in case of lending made available by some of the Commercial

Banks in rural areas as has been stated in the earlier part of the report. The linking of housing loan with certain employment generating Government schemes may be another solution in this regard. In case of SGSY the credibility of groups may be considered as security for the loan to be extended to an individual member of the group whereas the liability to repay the loan should rest with the individual member. Such initiatives need to be deliberated with Commercial Banks and other financial institutions. The Committee would like the Department to undertake desired consultation with the all concerned and inform the Committee about the follow up action in this regard.

45. 3.100 The Committee further note that NHB has suggested the 'Title Insurance Scheme' to safeguard the creditors interest for any dispute/default in title deeds. It has also been proposed that the premium for this scheme can be shared by the Government and the primary lending institutions since it would attract one time premium.
46. 3.101 The Committee recommend to analyse the aforesaid scheme in consultation with the Ministry of Finance and NHB and inform the Committee about the final outcome to enable them to analyse the position further and comment in this regard. NHB during the course of deliberations with the Committee has informed that they have taken up the issue of rationalisation of stamp duty charges for creation of mortgage with various State Governments. A few States have reduced these charges to a nominal level whereas most of the States are yet to accede to this request of

NHB. NHB has suggested that the stamp duty charges on creation of simple mortgages be reduced to 0.50 per cent (as prevalent in the State of Maharashtra, Gujarat and Karnataka) across the States with a maximum cap of registration fee to be fixed at nominal rates say Rs. 200. The Committee appreciate the initiatives taken by NHB and would like it to continue further in persuading the State Governments in this regard. Besides the Committee feel that the Department of Rural Development has also the responsibility to persuade the State Governments to bring the land reforms and the issue of rationalization of stamp duty and registration charges should be taken up with the State Governments vigorously.

47.

3.105

The Committee note that whereas there is some improvement in the flow of credit by housing finance companies in the field of rural housing, credit flow by cooperatives is reducing drastically as could be seen from the data indicated above. The credit flow of housing finance companies has almost doubled during the year 2004-05 as compared to the year 2001-02. However, in case of cooperative sector institutions, the credit flow has reduced from Rs. 171.03 crore in year 2001-02 to a negligible amount of Rs. 3.86 crore during the year 2004-05. Further, with regard to the number of housing cooperatives operating in different States, the Committee find that in some of the States like Gujarat, Maharashtra and Rajasthan a good number of cooperatives are working. As regards the role of nodal Department of Rural Development for the purpose of housing, the Committee are constrained to note the vague reply on the

issue of involving cooperatives, that excepting DRDA no other agency is involved under IAY. It seems that for the Department of Rural Development the only responsibility is towards Indira Awaas Yojana. The Committee feel that being the nodal Ministry/Department it is the responsibility of the Department of Rural Development to coordinate the activities being undertaken by different agencies in the field of rural housing so as to have an overall scenario of the subject. The Committee recommend to the Department to analyse the performance of cooperatives in the aforesaid States where these are functioning well. There is an urgent need to study how more cooperatives can be involved in rural areas. Besides, more stress need to be given to housing finance companies. These issues should be dealt with in tandem with the initiatives taken by the Government to bridge the urban rural divide particularly the initiatives being taken through PURA.

48.

4.22

The Committee deliberated the issues related to appropriate and cost effective and environment friendly technologies for rural housing with various institutions like BMTPC, CBRI, CAPART, HUDCO and various experts. The Committee during the deliberations have found that laudable work is being done by these institutions. Some of the NGOs like Development Alternatives are also doing commendable work in this field. Besides, CSIR, the premier institute for industrial research, I.I.Ts. and other bodies of Government are doing research in this field and have developed various innovative technologies in the field of rural housing. BMTPC is an inter-Ministerial

organization and personnel working in different Ministries which include the Ministry of Rural Development work on deputation with BMTPC. The research done by various research laboratories is upgraded either through a prototype development center or a mini manufacturing unit by CAPART. Various popular projects have been developed by BMTPC with joint efforts of Research and Development Institutions. As regards, the system of dissemination of information CAPART identifies the technologies and after identifying the NGOs, the CAPART send them for training. So far, only 644 persons identified by 10 NGOs who have experience on housing have been trained in various building construction technologies by these NGOs. The Building Construction Technology was disseminated in Bihar, Uttar Pradesh, Maharashtra, Himachal Pradesh, Tamil Nadu, Kerala, Madhya Pradesh, Karnataka, Uttaranchal, Jharkhand, Andhra Pradesh, Chhattisgarh, Orissa, Rajasthan and West Bengal with the efforts of CAPART. As per the information provided by CAPART only 995 houses have been constructed by the initiatives of CAPART.

Besides, the aforesaid mechanism to disseminate the technology there are 22 Technology Resource Centers which act like mother NGOs. The Committee feel that inspite of having the mechanism of dissemination of information through CAPART adequate work has not been done in this regard. The data furnished by CAPART *i.e.* only 995 houses could be constructed by the dissemination process, speaks volumes about the inadequacy of dissemination process.

1	2	3
49.	4.23	<p>On the issue of dissemination strategy, the Committee feel that different agencies are working independently and the commendable work done by these agencies could not be used for the benefit of rural poor. The Committee strongly recommend to the Department to analyse the scenario of dissemination of technology in the country and take the desired steps in this regard. Besides there is an urgent need to set up Technology Resource Center at district level. The publicity with regard to activities of Technology Resource Centres should be given so that the rural people are aware of the technology options available and can take benefit of these options.</p>
50.	4.24	<p>The Committee note that there is no system to review the work done by various agencies in the field of R&D in housing for rural areas. The Department of Rural Development which is the nodal Department for rural housing and CAPART which has the mandate for advancement of rural technology have no mechanism to review the work done by these agencies in the field of R&D. Besides the Committee are constrained to note that the Department has not bothered even to maintain the information with regard to various Central/ State Government /semi-Government/ autonomous organisations and agencies/ undertakings/ boards/ private agencies etc. involved in the field of Construction, R&D in housing. The Committee feel that there is an urgent need to have some mechanism to review the work done by various agencies in the field of R&D so that the strategy to transfer the technology from lab to land can be evolved for the benefit of</p>

1	2	3
		<p>rural people. The Committee would like to recommend to the Department to take action in this regard and inform the Committee accordingly.</p>
51.	4.25	<p>The Committee further find that as per guidelines of the flagship programme Indira Awaas Yojana, Zila Parshid/DRDAs should contact various organizations/institutions for seeking expert opinion on innovative technologies material design etc. Besides it has been indicated in guidelines that State Governments may also arrange to make available information on cost effective environment friendly technology material design etc. It has further been mentioned by the Department that this information should only be guidance and any suitable location specific technology can be adopted by the beneficiaries. The Committee note that whereas 75 per cent assistance under IAY is being provided by the Union Government the onus of constructing quality houses has been shifted to State Governments/Zila Parishads/DRDAs or beneficiaries. There is no way where by the beneficiaries could be made aware of the technology options available for them. The Committee find that as per the Concurrent Evaluation, close to 55 per cent of the houses constructed under IAY in Kerala and Maharashtra have not used the local material for construction of houses. The Committee feel that the aforesaid provision in the guidelines is responsible for none use of cost effective and environment friendly technology by the beneficiaries. Under IAY guidelines it should be made mandatory to use the cost effective and environment friendly technology.</p>

1	2	3
52.	4.26	While recommending for compulsory use of cost effective technology the Committee feel that there is an urgent need to make technical skill/material available to the beneficiaries. Besides, Technology Resource Center at district level as recommended above there should be one cost effective material Mart at the block level so as to help the beneficiaries. The Committee recommend to the Department to take the necessary action in this regard.
53.	4.27	The Committee further note that under the 'Rural Building Center Scheme', rural building centers were to be established under the guidance of HUDCO. 85 RBCs were approved against which 54 RBCs could become functional by September, 2005 in the aforesaid scheme. However the Department has informed that the aforesaid scheme has been merged/discontinued from April 1 , 2004. The Committee would like to be apprised of the status of the remaining RBCs which were approved but could not become functional. Besides, the Committee may be apprised how the objective of the scheme would be achieved by merging or discontinuing the scheme.
54.	4.35	The Committee are alarmed to note that over 67.4 per cent area of the country is vulnerable to natural disasters like earthquakes (54 per cent), cyclonic winds and storms (8.4 per cent) and by floods (5 per cent). As such houses, buildings and infrastructure in these regions are prone to such vagaries of nature. The Committee find that under the guidelines of Indira Awaas Yojana (IAY) the site of IAY houses, to the extent possible should not be located in the disaster prone areas for example

floodable areas. The Committee further note that as per the guidelines the beneficiary is required to construct the house on the land available with him. However if the land is not available with the beneficiary the State Governments are required to provide land at a place which is not a disaster prone area. The Committee find that as per the guidelines of IAY the onus of using disaster proof technology has been shifted to the beneficiaries or the State Government. The Committee are at a loss to understand how the State Government would ensure that the land provided for IAY houses do not fall in the vulnerable category when the 67.4 per cent area of the country is vulnerable to natural disasters. The Committee feel that the aforesaid guidelines do not address to the issue of threat to houses by natural disasters in a right way. The answer to this issue is to make the use of disaster proof technology compulsory for the houses constructed with the Government assistance. The issue has been dealt in detail in the preceding part of the report where the Committee have recommended to make the use of disaster proof technology mandatory as has been done by HUDCO in the house constructed with their assistance. Committee may here like to recommend to review the existing policy in this regard in consultation with other institutions working in this field and take the desired action.

55.

4.36

Another area that has attracted the attention of the Committee is lack of awareness among the masses especially the rural poor about disaster proof technology developed by HUDCO and details regarding Vulnerability Atlas brought out by BMTPC.

The Committee are constrained to find that whatever awareness drive launched by institutions like HUDCO with State Governments, local bodies, housing boards, rural housing corporations have been made is hardly adequate to accomplish the benefits arising out of such Disaster Proof Technology and Vulnerability Atlas details. The Committee therefore recommend that nodal Ministry of Rural Development should take up the issue with the BMTPC and HUDCO so that benefits of disaster proof technology can be availed of by rural poor.

56.

4.37

The Committee find that the BMTPC has done a commendable work for ensuring suitable policy initiatives by the State Governments and dissemination of disaster proof technology to the post disaster areas. In pursuance of the issue with the State Governments, several States have amended their building by laws by incorporating disaster resistant features. The Council has done a laudable work in post earthquake area of Gujarat and as well as post Tsunami areas in Tamil Nadu. The Committee feel that similar initiatives to set up the Disaster Management Centers at local level in all the disaster prone areas are necessary. The Department in consultation with BMTPC should find out ways and means to ensure dissemination of technology available with regard to construction of disaster proof houses as well as retrofitting of existing housing stock in the vulnerable areas.
