

**COMMITTEE ON ESTIMATES  
(2013-2014)  
(FIFTEENTH LOK SABHA)**

**MINISTRY OF RURAL DEVELOPMENT**

**NATIONAL SOCIAL ASSISTANCE PROGRAMME**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**January, 2014/Pausha, 1935 (Saka)**

**THIRTY FOURTH REPORT**

**COMMITTEE ON ESTIMATES**

**(2013-2014)**

**(FIFTEENTH LOK SABHA)**

**MINISTRY OF RURAL DEVELOPMENT**

**NATIONAL SOCIAL ASSISTANCE PROGRAMME**

Presented to Lok Sabha on the 5<sup>th</sup> February, 2014



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**January, 2014/Pausha, 1935 (Saka)**

## CONTENTS

	Page	
<b>COMPOSITION OF THE COMMITTEE ON ESTIMATES (2013-14)</b>	(iii)	
<b>INTRODUCTION</b>	(iv)	
<b>PART- I</b>		
<b>BACKGROUND ANALYSIS</b>		
<b>CHAPTER - I</b>	<b>Introductory</b>	
	(i) NSAP since inception	1
	(ii) Developments during the last five years	4
	(iii) Review of NSAP	6
<b>CHAPTER – II</b>	<b>Schemes of NSAP</b>	
	(i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	7
	(ii) Indira Gandhi National Widow Pension Scheme (IGNWPS)	9
	(iii) Indira Gandhi National Disability Pension Scheme (IGNDPS)	11
	(iv) National Family Benefit Scheme (NFBS)	13
	(v) Annapurna Scheme	14
<b>Chapter – III</b>	<b>Implementation of NSAP</b>	
	(i) Quantum of Assistance	16
	(ii) Criteria for identification and selection of the beneficiaries	16
	(iii) Allocation and disbursement of funds	19
	(iv) Pension benefits - Mode of delivery and periodic review	23
	(v) Formulation of Guidelines for implementation of NSAP	28
	(vi) Monitoring/grievance redressal mechanism	29

## **PART – II**

<b>OBSERVATIONS/ RECOMMENDATIONS OF THE COMMITTEE</b>	<b>32</b>
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### **ANNEXURES**

(i)	Main recommendations of the Task Force appointed by the Ministry of Rural Development	38
(ii)	Information on Beneficiaries of Old Age Pension, 80 years and above (2012-13)	41
(iii)	State Pension in addition to NSAP Pension/ State contribution under pension schemes of NSAP	42
(iv)	State-wise details of expenditure and number of beneficiaries under National Social Assistance Programme (NSAP) in 2011-2012	43
(v)	Details of complaints of mismanagement and/or misappropriation	44

### **APPENDICES**

(i)	Minutes of the Sitting of the Committee held on 18.09.2013	45
(ii)	Minutes of the Sitting of the Committee held on 27.12.2013	47

## **COMPOSITION OF THE COMMITTEE ON ESTIMATES (2013-14)**

Shri Francisco Sardinha – Chairman

### **Members**

- 2 Smt. Harsimrat Kaur Badal
- 3 Smt. Bijoya Chakravarty
- 4 Shri Harish Chaudhary
- 5 Shri Khagen Das
- 6 Shri Pralhad Joshi
- 7 Shri Bapi Raju Kanumuru
- 8 Shri Chandrakant Khaire
- 9 Dr. Thokchom Meinya
- 10 Dr. Sanjeev Ganesh Naik
- 11 Kum. Meenakshi Natrajan
- 12 Shri Prabodh Panda
- 13 Dr. Vinay Kumar Pandey “Vinnu”
- 14 Shri Jagdish Singh Rana
- 15 Shri R. Sambasiva Rao
- 16 Shri Subodh Kant Sahai
- 17 Vacant
- 18 Shri S. Semmalai
- 19 Shri Arjun Charan Sethi
- 20 Shri M.I. Shanavas
- 21 Shri Adhi Sankar
- 22 Shri Rajiv Ranjan (Lalan) Singh
- 23 Shri Neeraj Shekhar
- 24 Shri Ganesh Singh
- 25 Shri Ijyaraj Singh
- 26 Shri Jagada Nand Singh
- 27 Shri Radha Mohan Singh
- 28 Smt. Annu Tandon
- 29 Shri Mukul Wasnik
- 30 Shri Om Prakash Yadav

### **SECRETARIAT**

1. Shri A. Louis Martin - Joint Secretary
2. Smt. Anita B. Panda - Director
3. Shri Srinivasulu Gunda - Additional Director
4. Shri U.C. Bharadwaj - Deputy Secretary

## **INTRODUCTION**

I, the Chairman of Committee on Estimates (2013-14) having been authorized by the Committee to submit the Report on their behalf, present this Thirty Fourth Report on 'National Social Assistance Programme' pertaining to the Ministry of Rural Development (Department of Rural Development).

2. The Committee took the oral evidence of the representatives of the Ministry of Rural Development (Department of Rural Development) on 18.09.2013.

3. The draft Report on the subject was considered and adopted by the Committee at their sitting held on 27.12.2013.

4. The Committee wish to express their thanks to the representatives of the Ministry of Rural Development (Department of Rural Development), who appeared before them and placed their considered views on the subject. The Committee also wish to thank them for furnishing the information required in connection with examination of the subject.

**New Delhi;  
8 January, 2014  
18 Pausha, 1935 (S)**

**FRANCISCO SARDINHA,  
CHAIRMAN,  
COMMITTEE ON ESTIMATES.**

## **PART-I**

### **BACKGROUND ANALYSIS**

#### **CHAPTER – I**

##### **INTRODUCTORY**

###### **(I) NSAP since inception**

Directive Principles of State Policy enshrined in the Constitution of India enjoin upon the State to undertake within its means a number of welfare measures. Article 41 of the Constitution of India directs the State to provide public assistance to its citizens in case of unemployment, old age, sickness and disablement and in other cases of undeserved want within the limit of its economic capacity and development. It is in accordance with these noble principles that the Government of India introduced National Social Assistance Programme (NSAP) in 1995 as a Centrally Sponsored Scheme under which 100 per cent Central assistance is extended to the States/UTs to provide the benefits in accordance with the norms, guidelines and conditions laid down by the Central Government.

1.2 NSAP is a social assistance programme for poor households-for the aged, widows, disabled and in the case of death of the breadwinner, thereby aiming at ensuring minimum national standards in addition to the benefits that the States are providing or might provide in future. The intention in providing hundred per cent Central assistance is to ensure that social protection to the beneficiaries is available throughout the country. States are free to add on and expand their coverage.

1.3 The National Social Assistance Programme (NSAP) which came into effect on 15 August, 1995, at inception, comprised of National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS) and National Maternity Benefit Scheme

(NMBS). The scale of benefit and eligibility for various schemes of NSAP, when first started, were as follows:

- (i) National Old Age Pension Scheme (NOAPS): ₹ 75/- per month was provided per beneficiary for destitutes above 65 years. The scheme covered destitute persons having little or no regular means of subsistence from his/ her own sources of income or through financial support from family members or other sources. In order to determine destitution, the criteria, if any, currently in force in the State/ UT Governments were to be followed.
- (ii) National Family Benefit Scheme (NFBS): A grant of ₹ 5000/- in case of death due to natural causes and ₹ 10000/- in case of accidental death of the “primary breadwinner” was provided to the bereaved household under this scheme. The primary breadwinner as specified in the scheme, whether male or female, had to be a member of the household whose earning contributed substantially to the total household income. The death of such a primary breadwinner occurring whilst he or she is in the age group of 18 to 64 years i.e. more than 18 years of age and less than 65 years of age, makes the family eligible to receive grants under the scheme. In 1998, the amount of benefit under NFBS was raised to ₹ 10000/- in case of death due to natural causes as well as accidental causes.
- (iii) National Maternity Benefit Scheme (NMBS): Under the scheme of ₹ 300 per pregnancy upto the first two live births was provided. The beneficiary should belong to a household Below the Poverty Line (BPL) according to the criteria prescribed by Government of India. The assistance under the National Maternity Benefit Scheme which was at ₹ 300/-, was increased to ₹ 500/- per pregnancy. In consultation with Planning Commission, National Maternity Benefit Scheme was transferred to Ministry of Health and Family Welfare from the Financial Year 2001-2002.

1.4 1<sup>st</sup> April, 2000, a new Scheme known as Annapurna Scheme was launched. This Scheme aimed at provided food security to meet the requirement of those senior citizens who, though eligible, have remained uncovered under the NOAPS. Under the Annapurna Scheme, 10 kgs of foodgrains per month are provided free of cost to the



beneficiary. The number of persons to be benefited from the Scheme are, in the first instance, 20 per cent of the persons eligible to receive pension under NOAPS in States/UTs.

1.5 The Ministry of Rural Development have stated that in the National Development Council Meeting held in January, 1997, several Chief Ministers of States suggested for transfer of the Centrally Sponsored Schemes to States. It was emphasized that in principle Centrally Sponsored Schemes should be confined to schemes of an inter-State character on selected national priorities, where central supervision is essential for effective implementation. As a result of the review by the Planning Commission in consultation with MoRD, it was decided to transfer NSAP to the State Plans. Accordingly, NSAP was transferred to State Plan from the year 2002-2003.

1.6 With this change, the funds for the implementation of these schemes are now being released as Additional Central Assistance (ACA) to the States by the Ministry of Finance and by Ministry of Home Affairs to Union Territories in a combined allocation of all the schemes under NSAP.

1.7 The Gram Panchayats/ Municipalities are expected to play an active role in the identification of beneficiaries under NSAP. The State Governments communicate eligibility criteria to the Gram Panchayats/ Municipalities so that identification can take place in the Gram Sabhas by the Gram Panchayats and in the neighbourhood/ mohalla committee by the Municipalities in line with criteria for identification.

1.8 Panchayati Raj Institutions at Panchayat and District level are involved in the implementation of the Schemes. As per the Guidelines issued by the Ministry, the Gram Panchayats/Municipalities will continue to play an active role in the identification of the beneficiaries under the Schemes. Apart from the disbursement of benefits through the Accounts of the beneficiary in Banks or in Post Office Savings Banks or through Postal Money Order, the assistance under the Schemes may also be disbursed in public meetings such as Gram Sabha Meetings in rural areas and by Neighbourhood/Mohalla

Committees in urban areas. The Panchayats and Municipalities may also be involved in monitoring and in following up delays in sanctions and disbursement.

1.9 In the year 2006, the amount of old age pension was increased from ₹ 75/- per month to ₹ 200/- per month in accordance with the announcement made by the Hon'ble Finance Minister in his budget speech for the year 2006-07.

1.10 In September, 2007, the criteria for eligibility for Old Age Pension was revised. In place of "destitute", old persons of 65 years of age and above belonging to BPL family would be eligible for Old Age Pension. In Scheme was also renamed as Indira Gandhi National Old Age Pension Scheme (IGNOAPS).

1.11 States have been directed to disburse pension through bank/post office account where feasible. At present States are adopting different modes of disbursement of pension which include cash, money order, post office and bank account, depending on convenience of beneficiaries and feasibility.

## **(II) Developments during last Five Years**

1.12 During a presentation before the Committee on 18 September, 2013, the Ministry provided a brief overview of NSAP schemes, in terms of number of beneficiaries, in the last 5 years i.e. from 2008-09 to 2012-13, as under:

- 1.65 crore in 2008-09
- 2.16 crore in 2009-10
- 2.26 crore in 2010-11
- 2.69 crore in 2011-12
- 3 crore in 2012-13

**(i) Introduction of Indira Gandhi National Widow Pension Scheme (IGNWPS) and Indira Gandhi National Disability Pension Scheme (IGNDPS)-2009**

1.13 NSAP was expanded in 2009 to cover more vulnerable groups. In February, 2009, two new pension schemes namely Indira Gandhi National Widow Pension Scheme (IGNWPS) and Indira Gandhi National Disability Pension Scheme (IGNDPS) were introduced to provide pension to widows in the age group of 40-64 years and belonging to household living below the poverty line (BPL) and to persons suffering from severe or multiple disabilities in the age group of 18-64 years and belonging to household living below the poverty line (BPL) @ ₹ 200/- p.m. per beneficiary. Beneficiaries of the above two schemes were covered under Indira Gandhi National Old Age Pension Scheme (IGNOAPS) on attaining age of 65 years.

**(ii). Reduction of Eligibility Age under IGNOAPS from 65 years to 60 years and Increase in Pension amount for beneficiary of 80 years or above**

1.14 The eligibility age for pension under IGNOAPS has been reduced to 60 years w.e.f. 1<sup>st</sup> April, 2011 and the rate of pension under IGNOAPS was increased to ₹ 500/- per month per beneficiary for those beneficiaries of age 80 years and above. Accordingly, the upper age limit for receipt of pension under Indira Gandhi National Widow Pension Scheme (IGNWPS) and Indira Gandhi National Disability Pension Scheme (IGNDPS) was reduced to 59 years.

**(iii). Increase in Pension amount under IGNWPS and IGNDPS and modification in eligibility criteria and assistance under NFBS.**

1.15 The amount of pension under IGNWPS and IGNDPS has been increased to ₹ 300/- and the upper age limit for receipt of pension under IGNWPS and IGNDPS has been modified from 59 years to 79 years, beyond which they stand migrated to IGNOAPS. Further, w.e.f. 18<sup>th</sup> October, 2012, the amount of assistance under National

Family Benefit Scheme (NFBS) has been increased to ₹ 20,000/- and the eligibility age under NFBS has been modified from 18-64 years to 18-59 years.

### **III. Review of NSAP**

1.16 NSAP presently comprises five schemes viz (1) Indira Gandhi National Old Age Pension Scheme (IGNOAPS) (2) Indira Gandhi National Widow Pension Scheme (IGNWPS) (3) Indira Gandhi National Disability Pension Scheme (IGNDPS) (4) National Family Benefit Scheme (NFBS) (5) Annapurna Scheme. These are discussed in detail in the succeeding chapters.

1.17 A task force was constituted by the Ministry of Rural Development in November, 2012 under the Chairmanship of Dr. Mihir Shah, Member Planning Commission to come up with a proposal for a comprehensive National Social Assistance Programme. The Task Force submitted its report in March, 2013. The main recommendations of the Task Force are brought out in **Annexure-I**.

## CHAPTER - II

### Schemes of NSAP

As per the Ministry, Central fund allocation is made in the form of Additional Central Assistance under NSAP and directly released to the Consolidated Fund of States/ UTs and as such no fund allocation is made scheme-wise by the Central Government.

#### **(i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS)**

2.1 As per the Annual Report (2012– 2013) of the Ministry, the Government of India (GOI) on 13 September, 2007 removed the word 'destitutes' and modified the eligibility criteria for grant of old age pension to persons aged 65 years or higher and belonging to a household below the poverty line according to the criteria prescribed by the Government of India. With this modification, National Old Age Pension Scheme (NOAPS) was renamed as Indira Gandhi National Old Age Pension Scheme (IGNOAPS). Under NOAPS, 87.09 lakh beneficiaries were covered during 2006-07. However, with the modification of eligibility criteria to cover all persons living below the poverty line, as per last report till December 2012, the number of beneficiaries under Indira Gandhi National Old Age Pension Scheme (IGNOAPS) has increased to 223 lakh. W.e.f. 1.4.2011 under IGNOAPS the eligibility for old age pension has been reduced from 65 years to 60 years and the amount of pension has been raised from ₹ 200 to ₹ 500 per month for those who are 80 years or above. The number of beneficiaries covered under this scheme during the last four years is as under:

(In Lakhs)

2009-10	2010-11	2011-12	2012-13
16333578	17059756	21384404	22712043

2.2 In response to a query as to whether the IGNOAP Scheme is household or individual specific, the Secretary, MoRD while deposing before the Committee on 18.09.2013, stated as under:

“Sir, it depends on an individual level. It is not a household entitlement. If there are two people and both of them are 60, they are both individually entitled.”

2.3 In a written reply to a post evidence query as to whether the benefits are given to all the eligible persons in a BPL family under IGNOPAS and IGNDPS, the Ministry stated that the pensions under the IGNOPAS and IGNDPS are individual entitlements and all eligible individuals in a BPL family are eligible for benefits under the schemes.

2.4 In response to a written reply to a query as to the rationale for higher amount of pension (₹ 500) to those who are 80 years and above, Ministry of Rural Development submitted in written as under:

“As a matter of policy, the higher amount of pension is fixed for those who are 80 years and above. This is at par with the principle adopted for retired Government servants as per the VI<sup>th</sup> Pay Commission.”

2.5 In a written reply to a query as to the number of people of age of 80 and above who are receiving old age pension and their percentage in the overall old age people' who are below the Poverty Line (BPL) in all the States and UTs (State/UT wise) for the last three years (year wise), the Ministry of Rural Development (Department of Rural development) furnished as follows:

“The rate of pension for the beneficiaries of 80 years and above under IGNOAPS has been increased WEF 01.04.2011.the number of beneficiaries under the schemes of NSAP for each of states is estimated based on available Census figure and poverty ratio intimated by the Planning Commission.

The number of old people of the age of 80 and above who are receiving old age pension and their percentage in the overall old age people who are Below the Poverty Line (BPL) for whom central assistance under IGNOAPS has been provided during 2012-13 are given as in **Annexure-II**”

It may be seen that that the percentage of pensioners of 80 years and above is 11.49%

2.6 Regarding the mechanism/process being followed for identification of beneficiaries and the official/agency of the Government responsible for finding out the age of the people for providing benefits under the scheme, the Ministry stated that State Governments are responsible for identification of beneficiaries and sanction of benefits is also done by the State Governments/UT Administration with the help of Gram Panchayats/ Municipalities.

2.7 To a specific query of the Committee whether there is any proposal to increase the old pension of ₹ 200/- being given to persons of 60 years and above, the Ministry specified as under:

“The Task Force constituted under the Chairmanship of Dr. Mihir Shah, Member, Planning Commission has recommended enhancement of Old Age Pension in a phased manner. The Ministry has prepared a draft EFC note for revision of NSAP Schemes keeping in view the recommendations made in the Task Force Report.”

## **(ii) Indira Gandhi National Widow Pension Scheme (IGNWPS)**

2.8 In February 2009, GOI is stated to have approved pension to BPL widows in the age group of 40-64 years @ ₹ 200 per month per beneficiary. Consequent upon the lowering of eligibility age under IGNOAPS from 65 years to 60 years w.e.f. 1.4.2011, the upper age limit under IGNWPS has been lowered from 64 years to 59 years. Besides, w.e.f. 1.10.2012 the amount of pension under IGNWPS has been increased to ₹ 300 per month and upper age limit has been increased to 79 years. Hence, IGNWPS is applicable to widows in the age group of 40-79 years and belonging to household living Below Poverty Line (BPL) as per criteria prescribed by Government of India. The number of beneficiaries covered under this scheme during the last four years is as under:

(In Lakhs)

2009-10	2010-11	2011-12	2012-13
3213467	3425390	3628467	4960887

2.9 In response to queries as to the rationale for making applicable the scheme to the widows in the specified age group of 40-64 years, the MoRD submitted in writing as under:

“When the Widow Pension Scheme was introduced, it was based on the presumption that widows in the age group of 40-64 will require assistance to look after themselves, their dependent children, as they have to run their household single handedly whereas younger widows have greater chance of earning for the family.

However, the task force has recommended inclusion of widows from 18 years onwards.”

2.10 The Ministry of Rural Development (Department of Rural Development) further stated in a written reply that the eligibility age group under IGNWPS was modified from 40-64 years to 40-79 years from 1/10/2012.

2.11 In a post evidence reply to a query regarding any proposal to include unmarried and abandoned women also under the scheme, Ministry of Rural Development (Department of Rural Development), in a written reply stated as under:

“The Task Force constituted under the Chairmanship of Dr. Mihir Shah, has recommended extending pension benefits to unmarried and abandoned women”

2.12 In a written reply to a query as to the views of the Government on the need for making applicable the scheme to all the widows irrespective of the age, The Ministry in a post evidence reply stated as under:

“ One of the recommendations the Task Force constituted under the Chairmanship of Dr. Mihir Shah is to revise eligibility norm for IGNWPS by reducing the minimum age from 40 years to 18 years.”



2.13 In response to a query as to whether the amount of pension to widows should be more than the amount given to old age people under IGNOAPS till they are 60 to enable them to take care of the family, the Ministry submitted in writing as under:-

“The Ministry is of the view that pension amount should be dignified under all pension schemes. For younger widows, all efforts need to be made to empower widows through Self Help Group (SHG) membership, training and skill development for self reliance through income generation schemes implemented by various Ministries.”

**(iii) Indira Gandhi National Disability Pension Scheme (IGNDPS)**

2.14 In February 2009, Government of India (GoI) has also approved pension under Indira Gandhi National Disability Pension Scheme (IGNDPS) for BPL persons with severe or multiple disabilities between the age group of 18-64 years @ ₹ 200 per month per beneficiary. Consequent upon the lowering of age under IGNOAPS from 65 years to 60 years in 2011 the upper age limit under IGNDPS has been lowered from 64 years to 59 years. With effect from 1.10.2012 the amount of pension under IGNDPS has been increased to ₹ 300 per month and upper age limit was been increased to 79 years. Hence, IGNDPS is applicable to persons with severe or multiple disabilities between the age group of 18-79 years and belonging to household living below poverty line (BPL) as per criteria prescribed by Government of India. The number of beneficiaries covered under this scheme during the last four years is as under:

(In Lakhs)

2009-10	2010-11	2011-12	2012-13
699680	729345	794249	743806

2.15 The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 defines “Persons with Disability” as a person suffering from not less than 40 % of any disability as certified by a medical authority.

2.16 In response to a post evidence query as to the basis of extending the benefits under the scheme to the persons with severe or multiple disabilities (80% and above) only from the BPL families especially in the light of the definition of disability as given in the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995, the Ministry of Rural Development, submitted as under:

“ The Persons with Disabilities (Equal Opportunities Protection of Rights and Full Participation) Act 1995 defines a “person with disability” as a person suffering from not less than 40% of any disability and certified by a medical authority... However, when the Scheme was introduced, it was according to section 56 (4) of the Act (Chapter XI) which defines “person with severe disability as 80% or more of one or more disabilities.”

2.17 In response to a query as to whether the extension of benefits under the scheme to persons with severe or multiple disabilities is leaving a number of disabled people out from the ambit of the scheme, the Secretary, Ministry of Rural Development, appearing before the Committee on 18.09.2103 stated as follows:

“Actually, currently, the definition of 80 per cent that we operate is leaving out a lot of people with disabilities those who are vulnerable; those who do not have sufficient income; and are below poverty line as a combination of these factors. Certainly, our Ministry would like to ensure that the PWD Act is implemented with respect to the pensions at 40 per cent disability, which is now the standard. Whether or not dwarfs come within its ambit is a medical interpretation. We will certainly take it up. If it is possible to do it, then this will solve the problem.”

2.18 To a specific query whether the Task Force constituted under the Chairmanship of Dr. Mihir Shah has recommended that all disabled people irrespective of age and persons with at least 40% disability instead the current level of 80% disability should be covered under the Scheme, the Ministry stated as under:

“The Task Force constituted under the Chairmanship of Dr. Mihir Shah has recommended that all disabled people irrespective of age and persons with at least 40% disability from current level of 80% disability should be covered under the Scheme”.

**(iv) National Family Benefit Scheme (NFBS)**

2.19 Since the inception of NSAP (NFBS) in 1995 a grant of ₹ 5000 in case of death due to natural causes and ₹ 10,000 in case of accidental death of the “primary breadwinner” was provided to the bereaved household under this scheme i.e. National Family Benefit Scheme (NFBS) as specified in the scheme, whether male or female, whose earning contributed substantially to the total household income. The death of such a primary breadwinner occurring whilst he or she was in the age group of 18 to 64 years i.e., more than 18 years of age and less than 65 years of age, made the family eligible to receive grants under the scheme. Subsequently, in 1998, the amount of benefit under NFBS was raised to ₹ 10,000 in case of death due to natural causes as well as accidental causes. Finally with effect from 18.10.2012 amount of assistance under NFBS has been increased to ₹ 20000 and upper age limit of death of primary breadwinner has been reduced to 59 years. Hence, NFBS is presently applicable in case of death of primary breadwinner in the age group of 18-59 years. The number of beneficiaries covered under this scheme during the last four years is as under:

(In Lakhs)

2009-10	2010-11	2011-12	2012-13
342809	335044	330240	386005

2.20 In response to query as to the rationale for making applicable the scheme in case of death of the primary bread winner in the age group of 18-59 years, the Secretary, Ministry of Rural development, appearing before the Committee on 18.09.2013 stated as follows:

“My understanding is that actually 18 to 59 was kept on the assumption which as hon. Member said may not be correct, but by 59 there would be another primary bread winner in that family. That may not always be the case. We appreciate the suggestion. We will take a look.”

2.21 In a post evidence query as to the basis for fixing the specified age group of 18-59 years for the purpose of the scheme, the Ministry stated as under:

“At the time of inception in 1995, NFBS was applicable in case of death of primary breadwinner in the age group of 18-64 years which was modified to 18-59 years in the year 2011 after the eligibility of old age pension was reduced from 65 years to 60 years. This age group is considered as the earning group and further upper age limit is linked to the lower age limit for old age pension.”

2.22 To a specific query of the Committee whether the Government are in favour of fixing two separate criteria - one for those in the age group of 18-59 years and the other for those in the age group of either below 18 years and above 59 years, the Ministry replied as under:

“No, sir, the Government proposes to retain the present criteria as the basis of the assistance is loss of a breadwinner in a BPL Family.”

**(v) Annapurna Scheme**

2.23 The Annapurna Scheme was introduced from 1.4.2000 with the objective of providing food security to meet the requirement of those senior citizens who, though eligible, remained uncovered under the then National Old Age Pension Scheme (NOAPS). NOAPS and Annapurna Scheme were applicable to destitute persons who were 65 years or higher. Under the Annapurna Scheme 10 kg of food grain is provided free of cost to the beneficiaries. Since the number of persons to be benefitted from the scheme was 20% of the persons eligible to receive old age pension, there was a ceiling (13.76 lakh) for the Annapurna beneficiaries as well. The number of beneficiaries covered under this scheme during the last four years is as under:

(In Lakhs)

2009-10	2010-11	2011-12	2012-13
1015655	958419	778682	824001

2.24 On 13.9.2007 the eligibility criterion under Old Age Pension Scheme was modified from 'a person who is destitute' to 'a person living below the poverty line (BPL)'. The scheme has been named as Indira Gandhi National Old Age Pension Scheme (IGNOAPS) and launched from 19.11.2007, and all old age persons of 65 years and above belonging to below Poverty Line (BPL) families are eligible for pension including the then existing NOAPS and Annapurna beneficiaries.

2.25 However, the existing beneficiaries of Annapurna as on 19.11.2007 continued to receive food grain as per directions of the Supreme Court dated 27<sup>th</sup> April, 2004 in WP (Civil) 196/2001. Reportedly, after introduction of IGNOAPS, no new beneficiary can be included under Annapurna. The Ministry has filed I.A. No. 84/2008 in the above WP seeking permission to migrate Annapurna beneficiary to IGNOAPS. No order has been passed so far by the Hon'ble Supreme Court in this connection.

2.26 Under Annapurna, State Governments assess the requirement of food grains based upon the number of beneficiaries receiving benefit and communicate the same directly to the Department of Food & Civil Supplies who makes allocation of food grains for the State and releases it to the State Government, the payment for which is made directly by the State Government to Food Corporation of India (FCI) from the funds available under State Plan. Ministry of Rural Development is not involved in this process. However, the expenditure incurred by the State Governments and Union Territory Administration is reimbursed to them by way of ACA provided to them through the Ministry of Finance and Ministry of Home Affairs respectively.

### **CHAPTER – III**

#### **Implementation of NSAP**

##### **(i) Quantum of Assistance**

3.1 Central assistance for pension @ ₹ 200 per month per beneficiary in the age group of 60-79 years and Rs.500 per month for 80 years and above under IGNOAPS, Rs. 300 per month under IGNWPS for those in the age group of 40-79, ₹ 300 under IGDPS for those in the age group of 18-79 years and a lump sum amount of ₹ 20,000/- in case of death of a primary bread earner between 18-59 years, in a BPL family under NFBS, are provided. Under Annapurna 10 kg of free food grain for each destitute above the age of 60 years is provided.

3.2 Details of monthly State pension per pensioner as furnished by the Ministry of Rural Development are enclosed in **Annexure-III**. It may be observed therefrom that most of the States provide monthly State pension which varies from ₹ 50 to ₹ 1800 per month under IGNOAPS. While in Goa, the State pension is ₹ 1800 in some North-Eastern States like Assam, Mizoram and Meghalaya, the State pension is as little as ₹ 50. There are four States viz. Andhra Pradesh, Bihar, Arunachal Pradesh and Manipur which do not appear to have their own pension schemes. According to the Department of Rural Development, States/ UTs are disbursing at least central assistance being provided.

**(ii) Criteria for identification and selection of the beneficiaries**

3.3 Apprising the Committee of the criteria for selection of the beneficiaries, and the merits / demerits of the extant selection criteria, the Secretary, MoRD stated during the oral evidence held on 18.09.2013 as follows:

“the actual process is currently like this. The Planning Commission estimates the poverty line and the State-wise percentages. That gives a total number of people in each State who could be included in the BPL list. Based on this number, the BPL survey was conducted. It was conducted in 1988 and also in 2002. It is now currently being conducted where the actual individuals are identified and included in the BPL list.”

3.4 Admitting that the extant process of selection of the beneficiaries is faulty and hence requires streamlining, the Secretary, MoRD further stated as under:

“In the past the process of selection of people for the BPL list was usually faulty. In many cases deserving people got left out and undeserving people got left in, and there is no doubt about it, and we acknowledge it. In the current list, we are trying to bring those changes. But as the system stands,

the BPL list is prepared by the State within the numbers that are allocated for purpose of poverty determined on the basis of the Planning Commission percentages, and then within that, subject to the eligibility of that particular Scheme, people are chosen.

For instance, for the Old Age Pension, those within the BPL list who crossed the age of 60 are picked up as the eligible people. Similarly, for the purpose of Widow Pension, those in the BPL list who are widows and above the age of 40 become eligible for the purpose of the Widow Pension. The same is the case with the Disability Pension. Those who are 80 per cent disabled and who are included in the BPL list are included for purpose of this pension.”

3.5 The Secretary further submitted *inter-alia* as under:-

“We are also quite aware that the criterion for selection of the beneficiaries is slightly flawed..... the current exercise for working out the BPL list is based on a very elaborate process. The Hon’ble Members would be aware that we are currently undertaking what is called Socio-Economic Caste Census, where for the first time, we are using the digitised database, where specific criteria for inclusion, exclusion and deprivation are being mentioned. It is capable of being used for a variety of purposes. Once that is concluded, we will very accurately throw up the exact list of widows. Of course, it has to be updated from time to time. It will throw up the exact list of people, who are beyond 60; and it will throw up the list of people with disability.

Therefore, at the end of that particular process, we hope to have a much better system of delivery of the services. We are constantly working on improving this. We will take the suggestions of the Hon’ble Members onboard and we will work on it.”

3.6 In response to a query whether there is any proposal to change the existing basic eligibility criteria i.e. persons belonging to Below Poverty Line (BPL) families to persons belonging to families whose income is below a specified amount, the MoRD stated in a written reply:

“At present there is no proposal to change the existing basic eligibility criteria i.e. persons belonging to Below Poverty Line (BPL) families as in all Social Security and poverty alleviation schemes, BPL criteria is adopted. However, Socio-Economic and Caste Census (SECC) is under progress and as soon as it is finalised, the criteria based on SECC parameters would be used and the coverage under NSAP is expected to increase.”

3.7 The Socio-Economic and Caste Census (SECC) is being undertaken by the Office of Registrar General of India, under the Ministry of Home Affairs through the State Governments and UT Administrations, with the technical and financial help from Central Government. It is observed from the information furnished by the MoRD that out of 35 States and UTs, 19 have completed the SECC, (out of which Haryana, Daman & Diu, Lakshadweep and Nagaland had published their draft lists) as on 22.10.2013 and the work is in progress in 16 States/UTs.

3.8 During the oral evidence, the Committee desired to know the impact of NSAP on the socio-economic condition of the poor living in rural areas. They expressed concern over the continuous migration of poor people to urban areas particularly metropolitan cities and consequently pose beggary menace there. They felt that a study needs to be undertaken by the Government in this regard. The Secretary, Ministry of Rural Development submitted as under:

“Sir, I take the hon. Member’s point. My only submission is that it is actually an interface between a rural and urban area. So, it is actually a little difficult for us to ourselves do a study, but we will certainly talk to the Ministry of Urban Development. A joint study of cause and effect needs to be done with both Ministries jointly doing this. We will certainly do something to conduct this study.”

3.9 With regard to assessment of the reach of various schemes of NSAP to the intended beneficiaries, the Ministry, in a written reply submitted as under:

“Schemes under NSAP are meant for most vulnerable section of the society i.e. old aged, widows, disabled belonging to BPL families. Poverty ratio as intimated by the Planning Commission is adopted for estimation of likely beneficiaries under NSAP. However, to the extent that there may be deficiencies in estimation of the poverty ratio and the state wise caps derived there from, it is possible that not all intended beneficiaries may be covered, additionally, and more importantly , errors and deficiencies in actual, duplication of persons with in the states wise cap are likely to having resulted in the BPL lists to range up degrees in different states. In the year 2012-13, about 3 crore beneficiaries were reported as covered by States/UTs against the estimated number of 3.29 crore. Hence, States have reported 91% coverage against the estimated number.”



3.10 In a post evidence specific query as to whether the implementation of various schemes provide succor to vulnerable sections of the society resulted in beggary, the Ministry of Rural Development (Department of Rural Development) stated as follows:

“Schemes under NSAP are aimed at bringing most vulnerable sections of the society under the social security net and hence may result in decrease in beggary. However, this Ministry has no data to suggest direct linkage between NSAP schemes and decrease in beggary.”

**(iii) Allocation and disbursement of funds**

3.11 Apprising the Committee of the nature of assistance given under NSAP and the modalities of transfer of funds given to the States, during the oral evidence held on 18.09.13, the Secretary, MoRD stated as follows:

“The Social Assistance Programme, is in the nature of Additional Central Assistance and it is released in the form of installments directly by the Ministry of Finance to States into the Consolidated Fund of the State and in respect of Union Territories by the Ministry of Home Affairs to the Consolidated Fund of Union Territories. The respective demands of these two Ministries reflect the Budgetary requirements and the actual release and management of the accounting is done by these two Ministries and essentially the role of the Ministry of Rural Development is to facilitate States for the purpose of ensuring that the entitlements and eligibilities under the programme are properly managed.

3.12 Adding further on the issue, the Secretary stated as under:

“As it is the Additional Central Assistance, actually it is a hundred per cent grant as far as the Centre is concerned.”

3.13 Explaining the difference in funds flow under Centrally Sponsored Scheme (CSS) and Additional Central Assistance (ACA), the Secretary stated as follows:

“The difference between the two primarily for fund movement is that while in a Centrally Sponsored Scheme the fund flow is determined as part of the scheme, in Additional Central Assistance scheme the fund has to essentially go into the State Consolidated Fund and form part of the general revenue of the

State and then it is separately budgeted after it is voted by the State Legislature for the same purpose”

3.14 On being asked whether the Ministry would provide scheme-wise/sub head-wise funds under NSAP for all schemes, which was in vogue before the conversion of NSAP into Additional Central Assistance (ACA) Scheme in 1997, the Secretary, MoRD during the course of oral evidence replied as under:

“This is a very valid point..... Actually, earlier it was a Centrally Sponsored Scheme. Then, in the meeting of the National Development Council, many Chief Ministers said that fund should actually come into the State Budget and be budgeted by the State. Therefore, it was converted from a Centrally Sponsored Scheme into an Additional Central Assistance..... But, it does not really create an accounting problem because whatever the amount is, that has been given to the State, the State is bound to give a utilization certificate for the expenditure of that fund.”

3.15 On this issue, the Ministry further informed in writing as under:

“The releases of the Additional Central Assistance (ACA) to the States/UTs is made automatically by the Ministry of Finance in equal Instalments on a monthly basis until December of the financial year. However, the release of ACA for the last Quarter of the financial year i.e. for the three months of January, February and March would depend upon the reporting of satisfactory progress of implementation of the Schemes and utilization of funds by the States/UTs. At least 50% of the ACA funds released must be utilised by the States and UTs by 31st December of the financial year so that the ACA for the remaining three months of that financial year, i.e. January, February and March could be released. Before release of funds for the last Quarter, the State/UTs shall also furnish Utilisation Certificate for the funds released during the previous financial year to the Ministry of Rural Development. The utilisation position as on this cut-off date must be reported by the States/UTs by 15th January to the Ministry of Rural Development, who after examination of these reports, will make suitable recommendation to the Ministry of Finance regarding the release of ACA for the three months of the last Quarter.”

3.16 As per procedure, the ACA funds released under the Scheme must be passed on to the Implementing Agencies within a month after the release of funds by the Centre.

3.17 The States/UTs will have the flexibility to implement the Schemes through any State Government Department. They will, however, designate a Nodal Secretary at the State Level to report the progress of implementation by coordinating with different departments concerned with the implementation of the Schemes. The progress of implementation of the Schemes is to be reported through Quarterly Reports in a given monitoring format by 15<sup>th</sup> of the month of the following Quarter. Non-reporting of the physical and financial progress reports will be construed as lack of progress and, therefore, may result in the non-release of ACA for the last Quarter of the financial year. Since the ACA allocations for the Schemes lapse at the end of the financial year, these Instalments cannot be released during the next financial year, even if a State Government reports progress subsequent to the cut-off dates, fixed as above.

3.18 After the transfer of NSAP to State Plan, funds are released as Additional Central Assistance (ACA) to the States by the Ministry of Finance and by Ministry of Home Affairs to Union Territories in a combined allocation for all the schemes under NSAP. The release of funds to States under NSAP has increased from ₹ 4500 crore in 2008-09 to ₹ 6596.47 crore in 2011-12 and ₹ 7884.56 crore in year 2012-13. For the year 2013-14, ₹ 9614.51 crore has been allocated for NSAP. The year-wise releases made and expenditure reported and the number of beneficiaries covered scheme-wise by States under NSAP for the year 2011-12 furnished to the Committee is given at **Annexure-IV**.

3.19 Apprising the Committee of the utilization of the allocated funds under various schemes of NSAP by the State Governments during the last five years, the Secretary, MoRD during the oral evidence held on 18.09.2013 stated as follows:

“It is quite clear that by and large the States are well-equipped to handle the scheme. The expenditure is 84.19 or 104 per cent of the budgeted or the revised estimates. Also, it is addressing a very great felt need. The Hon. Committee has clearly said that this is a very key programme as part of the social safety net for vulnerable sections who are unable to earn their own



				S		na			es (in Cr.)
2009-10	5200.00	5155.50	4914.88	16356058	342809	1015655	321467	699680	2.16
2010-11	5162.00	5162.00	5352.36	17081556	335044	958419	3425390	729345	2.25
2011-12	6596.47	6596.47	6188.67	21384404	330240	778682	3628467	794249	2.69
2012-13	8447.30	7884.56	4855.77	22318295	2910109	824001	4130876	743806	3.09

3.23 In addition to the above, the Ministry, citing the projections of intended beneficiaries and total budgetary outlay as given by the Task Force constituted under the Chairmanship of Dr. Mihir Shah, Member, Planning Commission, to suggest comprehensive NSAP in their Report, submitted in March, 2013 as under:

“Coverage is expected to increase from 265 lakhs to 814 lakhs beneficiaries, benefitting an additional 549 lakh beneficiaries. The total budgetary outlay required for all the 5 schemes would progressively increase from ₹ 14369 crore in 2013-14 to ₹ 55496 crore in 2016-17. The total financial implication for the 12<sup>th</sup> Plan Period is estimated to be ₹ 131626 crore”.

**(iv) Pension benefits – Mode of delivery and Periodic review**

3.24 The Ministry of Rural Development has informed that as part of the Government’s decision to ensure (Direct Benefit Transfer) DBT and as per decision of the National Committee on DBT, in the Phase II roll out from 1<sup>st</sup> July, 2013, the 3 Pension Schemes of NSAP – IGNOAPS, IGWPS and IGNDPS were added. In all the 3 Direct Benefit Transfer (DBT) Pension Schemes under NSAP, disbursement is being done through different modes namely – bank accounts, post office accounts, money order, each – depending on feasibility. It was decided that initially those pensioners who had bank accounts, would be receiving pensions through DBT, since electronic transfer of funds was possible in the case of banks.

3.25 In order to make DBT operational, States were directed to complete digitization of Pensioners data with complete details. The Pensioners also have to be enrolled for Adhaar number. This has to be followed by authentication of bank account. The Ministry

along with State Governments had reportedly launched a drive to undertake this exercise as per guidelines of Planning Commission and through regular follow up (meetings, workshop, video conference). Since the launch from 1.7.2013, 121 districts in 26 States and UTs had been covered. The achievement in data digitization in the 121 districts was to the extent of 80 %. As per latest reports, an amount of Rs. 77.41 crore has been disbursed to the account of 19.90 lakh pensioners through DBT. This has ensured timely disbursement, eliminating multiple levels of transfer as well as updation of beneficiary data through the digitization process.

3.26 In a written reply to a query as to how the Ministry ensure disbursement of benefits under various schemes of NSAP through DBT, in the light of the fact that many States have not initiated steps to disburse benefits through DBT, the Ministry of Rural Development submitted in writing as follows:

“From 1<sup>st</sup> July 2013, DBT under NSAP is rolled out for the beneficiaries getting pension through Bank Accounts. Many States are disbursing pension through other than bank accounts i.e. Post Office A/c, M.O. and Cash.

Two Conferences, one on 11.6.2013 with State Secretaries and District Collectors of 121 Pilot DBT Districts and another on 22.7.2013 with State Secretaries and CPSMS officials at Central as well as State Level were held to discuss the preparedness of State in implementation of DBT and prepare a road map ahead. States have been requested to take urgent steps for complete digitization of beneficiaries data. NIC has also been asked to make enabling provision in this regard in NSAP-MIS. Further, it is submitted that Bank accounts of 76 lakh NSAP beneficiaries have already been opened.”

3.27 During the presentation before the Committee, it was informed that Ministry has now taken a decision to expand DBT to all States, covering all districts. Necessary instructions have been issued to all States in this regard. The latest status of data digitization and fund transfer was furnished by the Ministry as follows:

- Digitisation – 63 %
- Beneficiaries with Bank A/c – 45 %
- Beneficiaries with Post Office A/c – 08 %
- Beneficiaries through Money Order – 15 %
- Beneficiaries through Cash – 32 %
- Aadhar Fedded in MIS – 04 %

3.28 Responding to the concern of the Committee regarding the need to improve the existing system of delivery of funds to the beneficiaries in a more efficient, cost effective, transparent and convenient way, the Secretary, MoRD appearing before the Committee on 18.09.2013, submitted as under:

“As a programme, the financial management of the programme as it is currently structured, the funds going from the Central Government to the State Government is working fairly well. I might mention to the hon. Committee that we are in the process of actually improving the delivery system of funds under this programme by introducing Direct Benefit Transfer. We have tried this out on a pilot basis in 121 districts where we have, with the cooperation of the State Governments, moved the Central share of the funds directly from the State Consolidated Fund into the bank account of the beneficiary and this has had two major impacts. One is that the process of delivery of the money and the corruption in that process, which is often a problem, has been greatly reduced because the entire amount goes into the bank and secondly, in many States the funds were flowing either intermittently or at very great intervals. Actually, some States like UP were giving pension funds once in six months.

Now, because of the introduction of the Direct Benefit Transfer, it is possible and we have done it. We have asked the States now to make the benchmark for transmission of pension as monthly to ensure timely disbursement.

We would like that every State transmits through DBT at least the Central pension, preferably also the State pension. We understand that in many States there is ways and means problem because of which they may not be able to transmit the State share. But, we have been telling the State to transmit the Central share and we have currently moved more than ₹ 77 crore in the current year through the Direct Benefit Transfer direct into the bank accounts of beneficiaries.”

3.29 However, citing practical constraints in effecting pension benefits through DBT mode, the Secretary, MoRD further added:

“Currently, the main limitation is that substantial numbers of beneficiaries are not having bank accounts. Either they have Post Office accounts or the State is giving it to them in cash or as Money Order. We are working on this end. We feel that working on this aspect is also something that will greatly benefit people. They have great difficulty in accessing funds. It is not easy for them to go to the bank or Post Office or to the central place to collect the cash. We are working not only in the aspect of increasing the amount available to them but also in improving the ease of access to the fund and make it easier for

them to get the money at their doorstep. So, this is the major initiative we are doing.”

3.30 Apprising the Committee of the efforts made by Ministry to change the mode of delivery of funds under the schemes from Money Order to Post Office mode, the Secretary, Rural Development during the oral evidence held on 18.09.13 stated that:

“There are many States who are currently in the money order mode. We have not disturbed them because given the current situation for post offices and banks, money order is actually very convenient to people because it reaches them at their doorsteps. We are not disturbing that. But we are asking States who are in cash mode to convert either to bank or post office or money order mode because cash mode is non-transparent and also prone to corruption”

3.31 In a post evidence reply to a query regarding specific States where the pension benefits are delivered through Money Order mode and the efforts made to persuade these States to switchover to transfers through DBT, the Ministry furnished as below:

“Gujarat, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Rajasthan, Tamil Nadu, Uttarakhand, West Bengal and Nagaland, are disbursing pension through Money Orders. This Ministry has been urging the State Governments to disburse pension through Bank/Post Office accounts of beneficiaries, wherever possible”.

3.32 On the occasion of the launching of the Indira Gandhi National Old Age Pension Scheme (IGNOAPS), it was indicated that all out efforts should be made to include details of every beneficiary in a computerized data base. In compliance of the said directions and also in order to increase the transparency and accountability in the implementation, it had been decided to computerize the data base of the beneficiaries under various schemes of NSAP. NIC has been accordingly entrusted with the project for developing comprehensive work flow enabled software. The software captures all the essential processes and includes registration of beneficiaries, sanction of pension, disbursement of pension, release of funds, verification, etc. The data of more than 1.9 crore beneficiaries has been uploaded by States on the NSAP website <http://nsap.nic.in>.



3.33 Apprising the Committee of the status on digitization of beneficiaries of various schemes under NSAP, the Secretary, Ministry of Rural Development, while deposing before the Committee on 18.09.13 stated as under:

“on the computerization aspect, I can say, at the outset, that recently over the last six or eight months we have taken a huge initiative in ensuring the full computerization of this programme and out of almost 2.9 crore beneficiaries, ..... over 1.9 crore beneficiaries are now entered in the database of the States. Now, we hope to be able to complete this over the next few months as preparatory to ensuring much more efficient and speedy transfer of Central funds to the beneficiaries under the programme”.

3.34 The Secretary added as under:

“Over the last year and a half we have launched a major computerisation initiative which is available at our website *nsap.nic.in*. It actually builds on the initiative several States have taken. Currently, as the position stands, some States have their own software; some States depend on our software; and there are one or two States who are not yet fully on any software and they are doing it without that software. We are in dialogue with them to either develop their software or to come over to our software.

The second aspect that we are doing is, where a State is using its own software, people do continue to use it, we are saying we have no objection. But, please see that the data that is in that software are also incorporated into our website, so that we have a complete data base of all the beneficiaries in the country who are receiving the central fund. We are in dialogue with the States. Many States have already started giving us the data. As I mentioned at the outset, out of 2.9 crore beneficiaries, 1.9 crore beneficiaries' basic data are in the website. We are currently in the process of putting the bank account number and the post office account number of beneficiaries into this data base. The bank account number, as soon as it is there and frozen, can be used to deliver the funds to the bank account. In the case of the post office account, currently it is not feasible because the post office system is outside the core banking solution. But, we are working with the Department of Posts to put in place a system that ensures that within the post office system also we will be able to deliver the pension to the sub-post office account of the beneficiary and then that system will also be available.”

3.35 In a post evidence query as to whether any timelines have been given for completion of digitisation of database of the beneficiaries, the Ministry of Rural Development stated as follows:

“Digitisation of database the beneficiaries is a continuous process. States are being instructed to continuously digitise the database as early as possible.”

**(v) Formulation of Guidelines for implementation of NSAP**

3.36 In response to a query as to whether guidelines have been issued at Central and State level for effective implementation of NSAP, the Secretary, Rural Development during evidence held on 18.09.13 stated as follows:

“... Because it is in the nature of Additional Central Assistance and not in the nature of Centrally Sponsored Scheme, the Ministry has not issued any detailed guidelines. Most of the guidelines are those which were applicable at a time when the programme was in the nature of Centrally Sponsored Scheme and they survived. But over a time, different States have made small variations in this and in terms of the requirement of the Additional Central Assistance, we have no objection to these variations so long as the basic and eligibility and entitlements of the funds are met. ”

3.37 Adding further on the issue, the Secretary, Rural Development stated as follows:

“I may apprise the hon. Committee that the Government has actually reviewed the position with regard to operation of the scheme as an ACA. There was a Committee headed by Shri B.K. Chaturvedi, who is Member, Planning Commission. Based on the recommendations of that Committee, the Cabinet has already taken a decision to convert NSAP back into a Centrally-sponsored scheme and this will be effective from next year. When that is done, we will of course be delivering the pensions as per the entitlements and eligibility, but we will also now be able to put down detailed guidelines on how to select people, how to redress grievance and how to ensure that funds are moved in time.”

3.38 In a post evidence reply as to the need for formulation of guidelines by Ministry of Rural Development in view of the change in the scheme from ACA to CSS, the Ministry stated as follows:

“The Central Government have recently approved the restructuring of Centrally Sponsored Schemes. Among the 5 CSS schemes of the Department of Rural Development, NSAP has also been included by the Planning Commission as a CSS. Following this decision, the Ministry will be required to formulate guidelines.”

**(vi) Monitoring/Grievance Redressal Mechanism**

3.39 With regard to the availability or otherwise of a mechanism at Central and State level to attend to the complaints of mismanagement/misappropriation in NSAP schemes, the MoRD in a written reply, stated as follows:

“NSAP is presently under State Plan and at ground level it is implemented by the State Government. Identification of beneficiaries, sanction and disbursement of benefits are done by the State Government. Complaints received in this Ministry are forwarded to State Government for taking necessary action. If required, complaints are forwarded to National Level Monitors (NLM) for conducting inquiries and their findings are sent to State Government for appropriate actions.

A checklist for the schemes under NSAP is provided to the National Level Monitors (NLMs) during their field visits. Each NLM is advised to visit the district, block and village level offices and meet the government functionaries, public representatives and the beneficiaries to get feedback on the implementation of the schemes under NSAP.

Details of complaints received in this Ministry of Rural Development and action taken in this regard since July, 2009 as furnished by the Ministry is given in **Annexure-V**”.

3.40 It may be seen from the details that there were nine complaints regarding irregularities in implementation of the schemes under NSAP during the last 4 years. In respect of two complaints received from Members of Parliament, National Level Monitor (NLM) was asked to inquire into the matter, who found that the complaints were partly true. Action on errant officials was reportedly taken on the two complaints. As regards other seven complaints, it is not clear why they were not referred to NLM for enquiry. It appears that these complaints were simply forwarded to concerned State Governments.

3.41 In response to a query as to the existence or otherwise of grievance redressal mechanism at Central and State levels , the Secretary, MoRD during the oral evidence on 18.09.13, stated as follows:

“To be honest, technically we see as funds transferred to the States and then it becomes a part of the State programme and so essentially it is for the State to manage the fund and ensure that it is adequately used. But, as the Ministry of Rural Development we are concerned with the poverty reduction, we are concerned with addressing the needs of the vulnerable sections. As it

was at one time a Centrally sponsored scheme, there are grievance redressal mechanisms available, which include the district administration and so on.

Recently, for the last few years, we have put in place a new grievance redressal mechanism which originated in NREGA, which is called **Social Audit**. In some States it has been already rolled out; some States are already using for this purpose and in other States we will be structuring the Social Audit mechanism to hear grievances of two kinds; one is people who are wrongly included or wrongly excluded from the list itself, and second is of people who are though in the beneficiary list, for some reason, did not get the full pension or in time. So, these two are new processes that we are working on. The Social Audit system is now being conceived as an independent mechanism to be funded by the Central Government. If that is approved by the Government and is implemented by the State, then it will provide a very robust grievance redressal mechanism at the local level with people's participation. This, we feel, will be very effective in ensuring that people's institutions themselves resolve locally the problems that these people face."

3.42 In a post evidence reply Ministry of Rural Development (Department of Rural Development) furnished the following salient features of **Social Audit** mechanism put in place to address the grievances of beneficiaries / non beneficiaries of various schemes of NSAP:

"Social audit is to be conducted by the Gram Sabha/Municipality at least once in every six months. Announcement of the Social Audit should be made by the District Officer at least 30 days in advance. For each Social Audit by the Gram Sabha, the Gram Sabha will elect for itself a Social Audit Committee comprising the current beneficiaries of the schemes under NSAP. The Gram Panchayat / Block/ District Officer shall ensure that all relevant information such as names, addresses, mode of disbursement of pension, amount of pension disbursed etc about the beneficiaries residing under the jurisdiction of that Gram Panchayat is made available to the Social Audit Committee at least 15 days in advance. The information has to be verified by the Committee if necessary by physically visiting the beneficiaries so as to ensure that no ineligible person would get the benefit"



## **PART - II**

### **OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE**

1. The National Social Assistance Programme (NSAP) which had three components when introduced in the year 1995, presently comprises five schemes viz (1) Indira Gandhi National Old Age Pension Scheme (IGNOAPS) (2) Indira Gandhi National Widow Pension Scheme (IGNWPS) (3) Indira Gandhi National Disability Pension Scheme (IGNDPS) (4) National Family Benefit Scheme (NFBS) and (5) Annapurna Scheme. The number of beneficiaries under NSAP has gone up from 2.16 crore in 2009-10 to 3.09 crore in 2012-13 and budgetary allocation increased from ₹ 5200 crore to ₹ 8447 crore during the corresponding years. The examination of the subject by the Committee reveals that NSAP suffers from a number of shortcomings in relation to eligibility criteria, identification of beneficiaries, quantum of assistance, grievance redressal etc. A Task Force appointed by the Ministry of Rural Development has looked into most of these issues and submitted its report in March, 2013. The Committee desire that the recommendations made by the Task Force be addressed expeditiously and the Committee be informed of the action taken thereon.

2. The Committee observe that ₹ 200 is given as pension under Indira Gandhi National Old Age Pension Scheme (IGNOAPS) for those in the age group of 60-79 and ₹ 500 for those 80 years and above of age; ₹ 300 is given under Indira Gandhi National Disability Pension Scheme (IGNDPS) for those between 18 and 79 years of age and ₹ 300 under Indira Gandhi National Widow Pension Scheme (IGNWPS) for widows between 40 and 79 years of age. The Committee feel that the current

level of pension under IGNOAPS is too small and inadequate. The Committee note that most of the States have their own pension schemes and the amount of pension under IGNOAPS varies from ₹ 50 to ₹ 1800. While in Goa, the State pension is ₹ 1800<sup>\*</sup>, in some North-Eastern States, it is as little as ₹ 50. There are four States viz. Andhra Pradesh, Bihar, Arunachal Pradesh and Manipur which do not have their own pension schemes. The Committee desire that the Central pension amount under NSAP should be indexed to inflation and raised in a phased manner from the current level. The Committee in this connection see no reason why Central pension under IGNOAPS should not be raised from ₹ 200 to ₹ 300 as given to pensioners under IGNDPS and IGNWPS. The Committee strongly recommend that as a first step, action should be taken to raise the pension amount under IGNOAPS to ₹ 300 w.e.f. 01.10.2012, the date the pension amount was raised to ₹ 300 under IGNDPS and IGNWPS.

3. The Committee observe that only those in the Below Poverty Line (BPL) category are eligible for availing pension under NSAP. The process of selection of persons for BPL list is, however, admittedly faulty as many deserving people are left out and undeserving people get included. According to the Secretary, Rural Development, Socio Economic Caste Census(SECC), currently being undertaken by the Registrar General of India through State Governments will bring out accurate list of eligible people and will lead to better system of service delivery. It is observed from the information furnished to the Committee that

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<sup>\*</sup> It is learnt that in Goa, the State Pension at present is ₹ 2000.

SECC has been completed in 19 out of 35 States/UTs and the work in the remaining States/UTs is in progress. The Committee hope that the SECC would be completed expeditiously. The Committee desire that selection of beneficiaries be based on SECC from the year 2014-15, when the NSAP will become a Centrally Sponsored Scheme.

4. Social audit system is now being conceived by the Ministry of Rural Development as a grievance redressal mechanism, to be conducted by the Gram Sabha/Municipality once in 6 months which would verify details of beneficiaries. This is a welcome move to ensure that only eligible persons get benefits under NSAP. The Committee desire that it should be ensured that the Social Audit mechanism is established in all the States and the social audit conducted at the earliest.

5. The minimum age criterion of 40 years for Indira Gandhi National Widow Pension Scheme (IGNWPS) appears to be unreasonable as widows in the age group of 18-40 years face difficulty in bringing up their children, especially in providing them education, in the absence of regular source of income. It may not be uncommon to find such widows sending their children of school going age to work, in order to supplement their income. The Committee feel that there should be incentive for widow re-marriage and until re-marriage, a widow should not be deprived of financial help because of her young age. The Committee, therefore, recommend that the benefits under IGNWPS should be extended to all the



widows. They also recommend that pension under IGNWPS should be increased to Rs. 1,000 per month per beneficiary.

6. The Committee observe that single, abandoned and divorcee women, find it hard to survive in the absence of regular employment/source of income. They feel that inclusion of these categories of women under IGNWPS by suitably enlarging its scope will enable them to lead a dignified life. The Committee, accordingly, recommend that single never married women above 40 years and abandoned and divorcee women, provided they do not get alimony and remain unemployed should be covered under the pension scheme.

7. The Persons With Disability (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (PWD Act, 1995) defines person with disability as a person suffering from not less than 40% of any disability. Indira Gandhi National Disability Pension Scheme (IGNDPS) however, covers only those who suffer from severe or multiple disabilities of 80% and above. IGNDPS as currently operated leaves out many BPL people with disabilities, who are vulnerable. The Committee are of the view that in consonance with the definition of the disabled persons as given in the PWD Act, 1995, all such persons with 40 % and above disability, should be covered under IGNDPS.

8. Another vulnerable section of the society which does not come under the purview of NSAP is 'dwarfs' born with physical infirmities and in most cases,

unable to find employment opportunities. They deserve to be brought under Social Security net. The Committee, therefore, recommend that the ambit of the scheme of IGNDPS should be suitably widened to include 'dwarfs' under the eligibility criterion.

9. The Committee find that 32% of the total 3.09 Crore beneficiaries are paid benefits under NSAP through cash which is susceptible to corruption. The Government have reportedly introduced Direct Benefit Transfer (DBT) scheme since 1.7.2013 on pilot basis covering almost 80% of the beneficiaries in 121 districts. Depositing before the Committee on 18.09.2013, the Secretary, Rural Development stated that basic data pertaining to 1.9 Crore beneficiaries have been uploaded into the database and that of the remaining beneficiaries will be uploaded over the next few months. Since the completion of digitization of database of all beneficiaries and extending the DBT to the entire country is likely to take sometime; the Committee desire that urgent steps be taken to ensure that mode of cash payment to beneficiaries under NSAP is switched over to other corruption-free modes at the earliest. Simultaneously, extending the DBT to the entire country for disbursement of NSAP benefits be completed within a time frame under intimation to the Committee.

10. The Committee received an impression that the Ministry of Rural Development is not pro-active in addressing the grievances under NSAP. There is no grievance redressal mechanism at the Central level to look into the grievances

under NSAP. The Committee find from the information furnished to them that out of 9 complaints received during the last four years, only two complaints received from Members of Parliament were forwarded to National Level Monitors (NLMs) for conducting inquiry which resulted in corrective steps and action against the errant officials. The Committee wonder why the Ministry of Rural Development did not send the remaining seven complaints to National Level Monitors for inquiry. The seven complaints were simply forwarded to State Governments concerned and the status of action thereon is not known. The Committee would like to know the details of seven complaints and like to be apprised as to why those complaints were not sent to NLM and what was the action taken by State Governments concerned in the matter.

11. The Committee are of the view that despite the existence of social security schemes providing pensions to specified disadvantaged sections of the society, the menace of begging is still persisting. The Committee believe that had the social security schemes been effective in taking care of the basic needs of the disadvantaged sections, the prevalence of beggary could have been arrested. The Committee, therefore, recommend that a time bound study, be conducted as to why despite NSAP beggary menace persists and take such remedial measures as may be necessary on the basis of the outcome of the study to ensure that NSAP yields desired results and the Committee be informed of the outcome.

New Delhi  
8 January, 2014  
18 Pausha, 1935 (Saka)

FRANCISCO SARDINHA  
Chairman  
Committee on Estimates

**MINUTES OF SEVENTH SITTING OF THE COMMITTEE ON ESTIMATES**  
**(2013-2014)**

The Committee sat on Wednesday, the 18<sup>th</sup> September, 2013 from 1100 hrs. to 1230 hrs. in Committee Room No. 62, Parliament House, New Delhi.

**PRESENT**

Shri Francisco Sardinha – Chairman

**Members**

- 2 Dr. Thokchom Meinya
- 3 Shri Prabodh Panda
- 4 Dr. Vinay Kumar Pandey 'Vinnu'
- 5 Smt. Yashodhara Raje Scindia
- 6 Shri S. Semmalai
- 7 Shri Adhi Shankar
8. Shri Jagdish Sharma
9. Shri Jagadanand Singh
10. Shri Radha Mohan Singh
11. Shri Mukul Wasnik
12. Shri Om Prakash Yadav

**SECRETARIAT**

1. Shri A. Louis Martin - Joint Secretary
2. Shri Srinivasulu Gunda - Additional Director
3. Dr. Yumnam Arun Kumar - Deputy Secretary
4. Shri Uttam Chand Bharadwaj - Deputy Secretary

**WITNESSES**

**Ministry of Rural Development (MoRD)**

1. Shri S. Vijay kumar- Secretary
2. Shri S.M. Vijayanand - Additional Secretary
3. Smt. Seema Bahuguna - Additional Secretary and FA

## **Ministry of Finance**

Shri V.M. Jain – Director ( Department of Expenditure)

2. At the outset, the Chairman welcomed the Members of the Committee and the representatives of the Ministry of Rural Development to the sitting of the Committee for taking oral evidence of the latter in connection with examination of the subject 'National Social Assistance Programme (NSAP)' and drew their attention to Direction 55(1) of 'Directions by the Speaker, Lok Sabha' regarding confidentiality of the proceedings of the sitting of the Committee.
3. The representatives of the Ministry of Rural Development (Department of Rural Development) then made a power point presentation on 'National Social Assistance Programme (NSAP). The presentation covered *inter alia* objectives, schemes, funding pattern, expansion of NSAP, data on state wise disbursements under Indira Gandhi national Old Age Pension Scheme ( IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS) and Indira Gandhi National disability Pension Scheme, eligibility criteria for availing the benefits under various schemes of NSAP , Financial performance of NSAP, recent improvements and reforms in NSAP, digitization of data on beneficiaries, disbursal; of benefits directly into the bank a/cs of the beneficiaries under Direct Benefit Transfer(DBT), etc .
4. Thereafter, the representatives responded to the queries raised by the Members on various issues.
5. In respect of the points which could not be covered during the discussion, the Chairman directed the representatives of the Ministry to furnish written replies within a week.
6. A verbatim record of the proceedings has been kept.

**The Committee then adjourned.**

**MINUTES OF TWENTY SECOND SITTING OF THE COMMITTEE ON ESTIMATES**  
**(2013-2014)**

The Committee sat on Friday, the 27<sup>th</sup> December, 2013 from 1100 to 1300 hrs. in Committee Room 'E', Parliament House Annexe (PHA), New Delhi.

**PRESENT**

Shri Francisco Sardinha – Chairman

**MEMBERS**

- 2 Shri Harish Choudhary
- 3 Shri Khagen Das
- 4 Shri Bapi Raju Kanumuru
- 5 Dr. Thokchom Meinya
- 6 Dr. Vinay Kumar Pandey
- 7 Shri R. Sambasiva Rao
- 8 Shri S. Semmalai
- 9 Shri M.I. Shanavas
- 10 Shri Rajiv Ranjan (Lalan) Singh
- 11 Shri Omprakash Yadav

**SECRETARIAT**

1. Smt. Anita B. Panda - Director
2. Shri Srinivasulu Gunda - Additional Director
3. Dr. Yumnam Arun Kumar - Deputy Secretary
4. Shri U.C. Bharadwaj - Deputy Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee.

3. The Committee then took up for consideration the draft Report on 'National Social Assistance Programme' pertaining to the Ministry of Rural Development (Department of Rural development) and adopted the same with the following modification/ amendments-

(i) Page no. 33, recommendation No. 2, Line 8  
Delete "suitably linked to Minimum wages and"

(ii) Page no. 33, recommendation 2, Line 12

Add "strongly" after "Committee"

(iii) Page no. 35, recommendation No. 5, Line 1

For "the entry age for availing benefits under IGWPS should be reduced to 18 years"

Substitute "the benefits under IGWPS should be extended to all the widows. They also recommend that pension under the IGWPS should be increased to Rs. 1000 per month per beneficiary.

(iv) Page no. 35, Recommendation No. 6, line no. 6

For "divorcee women above 18 years"

Substitute – "Divorcee women, provided they do not get alimony"

4. The Committee then authorized the Chairman to finalise the Report on the basis of factual verification by the concerned Ministry and present the same to the Lok Sabha.

5. \*\*\*\*\*

6. \*\*\*\*\*

7. \*\*\*\*\*

8. \*\*\*\*\*

**The Committee then adjourned.**