

**INDIRA AWAAS YOJANA**

**MINISTRY OF RURAL DEVELOPMENT**

**PUBLIC ACCOUNTS COMMITTEE  
(2015-16)**

**FORTY THIRD REPORT**

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**SIXTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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**PUBLIC ACCOUNTS COMMITTEE**  
**(2015-16)**

(SIXTEENTH LOK SABHA)

**INDIRA AWAAS YOJANA**

MINISTRY OF RURAL DEVELOPMENT



*Presented to Lok Sabha on: 28.4.2016*

*Laid in Rajya Sabha on: 28.04.2016*

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

April, 2016 /Vaisakha, 1938 (Saka)

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\* To be appended at the time of printing

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2015-16)**

**Prof. K.V. Thomas**

**Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri S.S. Ahluwalia
3. Shri Sudip Bandyopadhyay
4. Shri Ranjit Singh Brahmura
5. Shri Nishikant Dubey
6. Shri Gajanan Kirtikar
7. Shri Bhartruhari Mahtab
8. Shri Ramesh Pokhriyal "Nishank"
9. Shri Neiphiu Rio
10. Shri Dushyant Singh
11. Shri Janardan Singh Sigriwal
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar Udasi
15. Dr. P. Venugopal

**RAJYA SABHA**

16. Shri Naresh Agrawal
17. Shri Satyavrat Chaturvedi
18. Shri Anil Madhav Dave
19. Shri Vijay Goel
20. Shri Bhubaneswar Kalita
21. Shri Shantaram Naik
22. Shri Sukhendu Sekhar Roy

**SECRETARIAT**

1. Shri A.K. Singh - Additional Secretary
2. Shri Tirthankar Das - Additional Director
3. Shri Paolienlal Haokip - Deputy Secretary
4. Shri Ashikho Alema - Executive Assistant

**Composition of Sub-Committee – IV [Non-compliance by Ministries/ Departments in timely submission of Action Taken Notes on the Non-selected Audit Paragraphs (Civil and other Ministries)] of the Public Accounts Committee (2015-16)**

Convenor	:	1.	Shri Bhartruhari Mahtab
Alternate Convenor	:	2.	Shri Gajanan Kirtikar
Members	:	3.	Shri Nishikant Dubey
		4.	Shri Shiv Kumar Udasi
		5.	Shri Anil Madhav Dave

## INTRODUCTION

I, the Chairperson, Public Accounts Committee (2015-16), having been authorised by the Committee, do present this Forty Third Report (Sixteenth Lok Sabha) on 'Indira Awaas Yojana' based on C&AG Report No. 37 of 2014, Union Government (Civil) relating to the Ministry of Rural Development.

2. The Report of the Comptroller and Auditor General of India was laid on the Table of the House on 19<sup>th</sup> December, 2014.

3. The Public Accounts Committee (2015-16) took up the subject for detailed examination and report. The Sub-Committee-IV of PAC took evidence of the representatives of the Ministry of Rural Development on the subject at their sitting held on 1<sup>st</sup> February, 2016. Based on the evidence a draft Report was prepared and finalised by the Sub-Committee and placed before the Committee for their consideration.

4. The Committee considered and adopted this draft Report at their sitting held on 25<sup>th</sup> April, 2016. Minutes of the sittings are appended to the Report.

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

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

7. The Committee place on record their appreciation of the assistance rendered to them in the matter by the office of the Comptroller and Auditor General of India.

NEW DELHI;  
26 April, 2016  
06 Vaisakha, 1938 (Saka)

PROF. K.V. THOMAS  
Chairperson,  
Public Accounts Committee

## REPORT

### PART - I

#### I INTRODUCTORY

C&AG presented a Performance Audit Report No. 37 of 2014 on Indira Awaas Yojana to Parliament, which was automatically referred to the Public Accounts Committee. Accordingly, based on the findings of Audit, the Committee took up the subject for detailed examination.

2. Indira Awaas Yojana (IAY) is a flagship scheme of the Ministry of Rural Development which has been providing assistance to BPL families who are either houseless or having inadequate housing facilities, for constructing a safe and durable shelter. IAY was introduced in June 1985 as a sub-scheme of Rural Landless Employment Guarantee Programme (RLEGP) with the objective to help the poor in rural areas to construct/ upgrade their dwelling units. The IAY was a part of Jawahar Rozgar Yojana (JRY) from April 1989 and implemented as an independent scheme from January 1996. The beneficiaries under the IAY are SC/ST, freed bonded labourers, minorities in the BPL category and other below poverty line non-SC/ST rural households, widows and next of kin to defense personnel/ paramilitary forces killed in action residing in rural areas (irrespective of their income criteria), ex-serviceman and retired members of paramilitary forces fulfilling other conditions viz. the beneficiary should be houseless person or have kutchha house and residing in rural area.

#### II IDENTIFICATION AND SELECTION OF BENEFICIARIES

3. In their Report, Audit have pointed out that actual housing shortage(essential for identification of beneficiaries) was not assessed in 14 states viz. Andhra Pradesh, Arunachal Pradesh, Goa, Haryana, Himachal Pradesh, Jharkhand, Kerala, Maharashtra, Manipur, Meghalaya, Nagaland,

Uttarakhand, West Bengal and Punjab (three districts). Audit had also observed (audited data covering 168 districts from 27 states and four union territories for the period from April 2008 to March 2013) that several ineligible beneficiaries were selected. In 12 states, 36,751 non- BPL families were given assistance of Rs.89.15 crore. In 11 states, 10,184 ineligible beneficiaries were selected and Rs.31.73 crore was paid to them. In seven States, 33,536 beneficiaries were selected from outside the permanent IAY waitlists and paid assistance of Rs.138.02 crore. In eight States, 1,654 beneficiaries who received assistance of Rs. 5.37 crore, already had *pucca* houses. In eight States, 5,824 beneficiaries were selected more than once and payment of Rs.14.67 crore was made to them. In six states, allotment of dwelling units in the name of female members of the household was not preferred.

4. During oral evidence, the representatives of the Ministry of Rural Development submitted as follows;

"In many States, the BPL list is very old, sometimes of 2000, sometimes of 2002. Most of the States have the list of 2002. They have become extremely suspect now. Many people have moved up; many people have moved down; and new families have been created. So, there is a need for revisiting the beneficiary list so as to what should be the basis. Many States have also exhausted the BPL list. What the Ministry has now decided is this. Now, the socio-economic census data is already available and it is finalised in almost 95 per cent of the Districts. It is our decision, now, to use SECC as the basis for identification of beneficiaries because that is transparent; that is objective. We have set up a Committee under the chairmanship of Shri Sumit Bose, former Finance Secretary with experts like Prof. Himanshu of JNU, Ms. Rinku Murgai of World Bank and Prof. Mahindra Dev of Indira Gandhi Institute of Development



Research to actually give us some guidance about how we should identify the beneficiaries because there are several deprivation criteria in the SECC. So, they are expected to give their advice within the next two weeks. After that, we will circulate the procedure for identification taking SECC as the base to the States. Therefore, from 2016-17 onwards, the Ministry will use not the old BPL list but the SECC as the basis of beneficiary selection. Even at that stage, we have decided that first a draft list should be made available and then, all the stakeholders should be requested to submit whether there is still some inaccuracy, some wrongful exclusion, wrongful inclusion. So, second case will be done. Also, an Appellate Forum will be there. In case, somebody feels that he has wrongfully been excluded, he can also appeal in the Appellate Forum. So, we are trying to address the issue of wrongful selection through this method. We do believe that the SECC has been largely used in most States for implementation of NFSA and their experience has been fairly satisfactory."

5. When asked about the seven primary deprivation criteria for SECC, the Ministry replied as follows;

"The seven primary deprivation criteria for identification of BPL households in rural areas using SECC 2011, as approved by the Union Cabinet, are listed below:-

- i. Households with only one room with kutchha walls and kutchha roof
- ii. Households with no adult member between age 16 to 59
- iii. Female headed households with no adult male member between age 16 to 59

- iv. Households with no literate adult above 25 years
- v. SC/ST households
- vi. Households with any disabled member and no able bodied adult member
- vii. Landless Households deriving the major part of their income from manual casual labour”

6. The representatives of the Ministry also stated as under;

“I would like to clarify that there will be no BPL list on the basis of SECC. For different programmes, we will use different deprivation criteria and NFSA list is also being drawn from SECC but there will be no BPL”

“.....we may have a different beneficiary selection procedure for different programmes. The same list need not be applicable for all programmes. Like for housing, houselessness and type of house ownership will be the main criteria whereas for NRLM, Rural Livelihood Mission, we can have a more inclusive approach of deprivation. So, that is the idea. One size fits all will not be the approach. We will have more flexible criteria.”

7. When asked about the deprivation criteria for the identification and selection of IAY beneficiaries, the Ministry replied as follows;

“It is proposed that identification and selection of IAY beneficiaries will be done on the basis of parameters related to housing and socio economic deprivation. As such, all households which are houseless or living in zero/one/two room kutcha houses will constitute the universe of eligible beneficiaries and be categorised as distinct groups. Within these groups, further

prioritization will be based on automatic inclusion parameters and cumulative deprivation scores which will be calculated on the basis of primary deprivation parameters listed previously. Separate priority lists will be generated Gram Panchayat wise for SC, ST and others based on the above procedure. The proposed procedure is undergoing review by an Expert Group and will be finalised based upon the recommendations of the Group."

8. When enquired about the mechanism to ensure compliance to the guidelines and deprivation criteria for the identification and selection of IAY beneficiaries, the Ministry replied as follows;

"To ensure that all States comply with the guidelines and deprivation criteria for the identification and selection of IAY beneficiaries, Gram Panchayat (GP) wise priority lists will be system generated by software designed for identifying beneficiaries as per the criteria. All MIS personnel working at state level will be trained on the software. Simultaneously, Ministry will also develop lists using the software to cross check the lists generated by States.

Gram Sabhas will be given the power to remove or elevate households in the annual select list, derived from the priority list, after recording proper justification for the same. Once the annual select list is approved by the Gram Sabha, it will be widely disseminated. A window period will be provided for raising of objections which will be considered by an Appellate Committee set at the district level. The final approved annual select list would be aggregated at the State level for further monitoring. The same would then be updated on AwaasSoft to show changes made to the system generated priority list which would form the basis of

monitoring by the Ministry. These recommendations are under examination by an Expert committee. Final directions will be issued on approval by the committee and competent authority.”

9. When asked about the latest status of finalizing the priority lists and whether all States/ UTs have uploaded their priority lists on AwaasSoft, the Ministry replied as follows:

“The procedure for generating priority lists based on SECC 2011 is being reviewed by an Expert Group and will be finalised based upon the recommendations of the Group. Finalisation of priority list and uploading on AwaasSoft will take place subsequently”

10. The Ministry had also furnished latest details on the number of beneficiaries registered since 2013-14 and number of beneficiaries identified, targets achieved and under progress (Annexure-A).

### **III CONSTRUCTION OF HOUSES AND QUALITY**

11. In their Report, Audit have pointed out that though the Working Group under the Planning Commission on Rural Housing had fixed the targets of construction of 170 lakh houses under the IAY for 2008-13, only 128.92 lakh houses (75.84 per cent against Working Group target) were constructed during the period. Audit also pointed out cases of delay in completion of houses beyond stipulated time limit of two years in numerous cases. In 48 selected districts of nine states viz. Assam, Bihar, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Maharashtra, Meghalaya and Rajasthan, 61,293 houses remained incomplete despite a lapse of more than two years which resulted in unfruitful expenditure of Rs.150.22 crore in respect of these incomplete houses. Audit also

came across cases of IAY houses being abandoned even after receiving full amount by the beneficiaries; cases where beneficiaries having got first instalment neither claimed nor were paid the second instalment of the IAY assistance; engagement of contractors in contravention of the IAY guidelines (e.g. 2188 cases in Andaman & Nicobar Islands) etc.

12. It has been stated by the Ministry that the States had reported that 34.63 lakh houses were under construction. Out of these, 22.35 lakh were houses sanctioned in 2013-14 and 2014-15. These houses had to be completed within the next six months to one year, by which time the maximum prescribed time for completion expires. Another 12.28 lakh, sanctioned prior to 2013-14 were yet to be completed.

13. When asked about the latest status of the completion of 22.35 lakh houses that were sanctioned in 2013-14 and have to be completed during the 2014-15 and 12.28 lakh houses that were sanctioned prior to 2013-14, the Ministry replied as follows:

“As per figures reported by States on IAY-MIS, out of all houses sanctioned in 2013-14, 11.01 lakh houses are completed as on 26.02.2016. The actual figures of houses completed on ground could be much higher in view of reporting gaps and inability of States to upload data on AwaasSoft. The Ministry has directed all States to update progress pertaining to financial year 2013-14 and 2014-15 on AwaasSoft by 31.03.2016. Most States have informed that majority of houses sanctioned prior to 2013-14 have been completed on ground.”

14. To keep track of available vacant sites and various stages of construction of houses and ensure quality materials being used for construction, the Ministry had developed an android based mobile application – ‘AwaasApp’ and hosted on

several platforms including Google Playstore for wider access. The app is currently being used by thirteen States to carry out inspections. To plug the loophole of transmission connectivity deficit in rural area the Ministry are working towards improving the functionality in future versions of the App by developing offline modules for data capture and transmission.

15. In regard to ensuring the construction of houses as per the IAY guidelines and use of quality materials for construction, the Ministry replied as follows:

“As per IAY guidelines, the State government should put in place a system of quality monitoring to guide and assist the beneficiary in achieving satisfactory quality of house construction. States have been facilitated to employ Technical experts at the state level by allowing the use of administrative funds for the same. The Ministry only plays the role of a facilitator in ensuring the State has adequate wherewithal at its disposal to ensure quality houses are being constructed under the scheme.”

16. The Ministry have stated that in an effort to improve construction of houses and housing designs, they are bringing a catalogue of designs appropriate for different locations. The Ministry had also started a large mason training programme in collaboration with the State Governments. Keeping in mind the diverse traditional and cultural sensitivities, the Ministry, in collaboration with UNDP and IIT, Delhi had initiated an exercise to catalogue locally appropriate, cost effective technologies and housing typologies for different zones in 18 states of India. The zoning for respective States was done based on climate, topography, cultural and traditional housing practices and vulnerability to disasters. The State-wise compendiums, which have designs, drawings and estimates appropriate to each region are being developed in consultation with local officials, beneficiaries and Panchayati Raj functionaries. The Ministry have

stated that they are also developing a curriculum for the mason training program to comply with the requirements of National Sector Skills Council, which do not allow for variations. However, in future additional curriculum would be developed to ensure that relevant local context and traditional housing practices are preserved. The Ministry further stated that Design catalogues had been developed for three States viz; Tripura, Meghalaya and Maharashtra and catalogues for the remaining states would be developed after completion of the documentation exercise and due vetting by local people, administration and Technical Institutes. The catalogues for all 18 states are expected to be finalized and ready for release by December 2016.

#### **IV FINANCIAL MANAGEMENT**

17. The IAY is funded on cost-sharing basis between the Central Government and the State Governments in the ratio of 75:25. However, in the case of North-Eastern States, funding is in the ratio of 90:10 whereas to Union Territories, the entire funds are provided by the Central Government.

18. Audit observed that due to slow pace of utilization/ underutilization of funds by the States, there was deduction of Rs.2,451.84 crore from their due Central allocation. Corresponding States' share on account of Central share deduction which would have been contributed by them worked out to be Rs.810.08 crore. This resulted in denial of assistance to 7.25 lakh targeted beneficiaries. Audit also pointed out that multiple bank accounts were operated in selected districts, blocks and Gram Panchayats in Bihar, Jammu & Kashmir, Manipur, Punjab, Rajasthan and Uttar Pradesh for keeping the IAY funds against the provision of maintaining an exclusive separate saving account in nationalized/scheduled or cooperative bank or a post office. Audit further highlighted diversion of IAY funds of Rs.37.12 crore towards other schemes/programmes in 13 states and two UTs and expenditure of Rs.2.20 crore on inadmissible items in seven states, cases of

misappropriation of Rs.4.91 crore in Assam, Bihar and Jharkhand and suspected cases of misappropriation of Rs.9.76 crore in nine states, unauthorised deduction of Rs.139.37 crore on account of administrative charges, non-construction/non-installation of smokeless *chulha*/sanitary latrine/IAY logo, etc. from payment due to beneficiaries in three states and under payment of Rs.19.07 crore in six states and double/excess payment of Rs.7.16 crore to the IAY beneficiaries was observed in three states.

19. When asked about the action taken against those beneficiaries who have misused IAY funds and erring officials who have released funds to ineligible beneficiaries, the Ministry replied as follows:

"The State Government has the option of blacklisting such beneficiaries on AwaasSoft so as to ensure that the beneficiary does not receive further financial assistance. Further, the State is also advised to recover the amount from the beneficiaries wherever it is possible to do so. In case of erring officials, the State Governments are advised to take departmental actions for recovery of the amount. The State is entrusted with the responsibility for taking action against erring officials in accordance with prevalent rules and regulations and depending upon the gravity of the case, criminal proceedings are initiated against the officials."

20. Diversion of IAY fund to other Schemes amounting to Rs. 37.12 crore in 13 States was reported by Audit, out of which, Rs.28.40 crore was reported to have been recovered. An amount of Rs.9.72 crore was remaining at the time of Audit and an amount of Rs. 9.37 crore have since been recouped to IAY account by 9 States. Recovery of the remaining amount had been taken up with the States of Rajasthan, Assam, Jharkhand and Madhya Pradesh.



21. When asked about the latest status on the recovery of IAY funds, which were diverted to other Schemes, from the States of Rajasthan, Assam, Jharkhand and Madhya Pradesh, the Ministry replied as follows:

"State Governments of Rajasthan and Madhya Pradesh have intimated that amount worth 1.33 cr and 0.02 cr respectively, have been recovered from IAY funds which were previously diverted. The State government of Jharkhand has informed that while 0.18 cr has been recovered by DRDA, Ranchi, an amount worth 0.12 cr is yet to be recovered from East Singhbhum District. However, the State has instructed the District to take concrete action against diverted funds. Reply has also been received from the State Government of Assam intimating that funds have been recovered in four, while action is underway in the remaining districts."

22. The Ministry submitted the following reasons for low absorption of IAY funds; i) After taking first installment, the beneficiaries delay the start of the house and do not become eligible for further installment, ii) beneficiaries utilize the funds for short terms consumption and thus do not qualify for 2<sup>nd</sup> installment.

23. In regard to ensuring that timely commencement of construction of the houses after the funds were released, the Ministry replied as follows:

"The Ministry has been working towards strengthening the monitoring mechanism and providing requisite technical facilitation to ensure that beneficiaries do not delay construction once funds are released. States have been facilitated to employ dedicated personnel for monitoring and technical support at various levels through enabling guidelines which allow administrative funds to be used for the same. States have also been advised to tag houses to a grass root level functionary who is responsible for tracking and

facilitating its construction. Some states have started providing incentives to field functionaries and beneficiaries to ensure timely completion of houses after receipt of grants.

The accuracy of data uploaded is ensured by corresponding uploading of photograph of each stage of house construction on AwaasSoft after verification by the inspector. The inherent checks in the software do not allow Fund Transfer Orders (FTOs) to be generated for further installments till the inspection for the previous stage is completed and supported by photographs. Inspection through the mobile App further ensures that the photographs are geo referenced and time stamped.

Also under IAY guidelines, State Governments have been advised to randomly inspect 10 % of houses at block level and 2% at the district level to allow cross verification of data being uploaded on AwaasSoft.”

## **V MONITORING AND EVALUATION**

24. Audit in their Report has observed that Monitoring at the Central as well as States level was deficient against the stipulated norms. Regular monitoring at the Central level through National Level Monitors (NLMs) could not cover all the districts of the country in the years 2008-09 to 2012-13 where the IAY was being implemented and there was also ineffective follow up action on NLM reports. The Ministry launched a web-based management information system (MIS) called *AwaasSoft* to capture beneficiary-wise data to monitor the IAY. This tool was meant for management, reports generation, keeping tracks of funds released, progress in construction of houses and convergence of all the envisaged benefits but not made fully functional. Further, there was no specific mechanism to verify

the authenticity of data uploaded at GP/block/DRDA level. Moreover, stipulated State Level Vigilance and Monitoring Committees (SLVMCs) meetings were not held and in contravention of IAY guidelines, in 22 states, social audit of the IAY was not conducted to monitor the implementation of IAY at the ground level.

25. During oral evidence the representatives of the Ministry had stated the Ministry do not have the capacity to undertake detailed follow-up action review of all 648 District Vigilance and Monitoring Committee across the country. Respective State Governments follow it up with the district and take necessary action. The Ministry only intervene in exceptional cases that were brought to their notice. The Ministry however informed the Committee that monitoring at a State-level is a feasible option.

26. When asked about the role and involvement of Central Government in monitoring and vigilance mechanism, the Ministry replied as follows:

“The Ministry has a system of deputing NLMs to the districts for review of overall progress of RD programmes at regular intervals which include IAY also. In addition to that, officials from the Ministry designated as Area Officers visit the States/UTs at regular intervals to review the progress of implementation of RD programmes. In reported cases of misappropriation of funds or action contrary to scheme guidelines, special teams are deputed for further investigation. Additionally, to encourage active public participation in ensuring accountability, social audit has also been made mandatory under IAY for which 1% of the administrative expenditure has been earmarked for the purpose.”

“.....Direct Benefit Transfer (DBT) has been introduced in IAY from the current financial year to cut down on leakages, inefficiencies and delays in payment of assistance. Payment to

beneficiaries' sanctioned houses under IAY is being credited directly to beneficiaries' account from the State nodal account through the AwaasSoft-PFMS platform to ensure faster and seamless transfer of funds electronically. This has led to greater financial control and improved tracking of funds by reducing the number of intermediaries involved. The issue of funds being parked at various levels of administration has been largely resolved.

Further, in addition to online monitoring, National level Monitors and Area Officers of the Ministry are also required to visit IAY houses during the field visits, to the extent possible. Based on their findings, actionable points are taken up with the States. The Ministry facilitates the States to set up robust monitoring mechanisms by allowing the use of administrative funds for bearing expenses related to monitoring, hardware/software procurement and hiring personnel for MIS, etc."

27. When asked about the monitoring mechanism in place to ensure proper utilization of funds released for construction of houses under the Scheme, the Ministry replied as follows:

"As per IAY guidelines, all data regarding beneficiaries, progress of construction and release of funds including photographs and inspection reports shall be placed on AwaasSoft and would form the basis for follow up on both the financial and physical progress of the scheme. The physical progress in construction would be monitored through the photographs which are to be uploaded every quarter. This would allow tracking of progress and ensure that funds are being utilised for house construction. However, due to lack of

inspection staff at the field level and poor online connectivity, quarterly uploading of photographs has not been possible. To facilitate the same, a mobile app – 'AwaasApp' has been developed and the Ministry is working towards improving the functionality in future versions of the app by developing offline modules for data storage and transmission which would operate even with limited bandwidth. In order to reduce the delay in inspections, states have been advised to tag houses to a grass root level functionary who is responsible for tracking the construction of the house and bear the expenses for the same from administrative funds. MIS is also used by officials in Central Government to monitor progress in states.

Further, under IAY guideline, the State Government has been advised to randomly inspect 10 % of houses at the block level and 2% at the district level to effectively monitor progress. National level Monitors and Area Officers of the Ministry are also required to visit IAY houses during the field visits, to the extent possible. Performance Review Committee meetings of the Ministry are held at regular intervals wherein policy makers interact with the Ministry and discuss various issues related to implementation of the programmes. In addition to this, nodal officers designated for implementation of IAY also meet at regular intervals under the Chairmanship of senior officers of the Ministry to review the progress of the programme. Video conferencing with the State Governments is done at regular intervals to review the financial and physical progress of the programme."

28. The Ministry had also stated that poor online connectivity, lack of training on the software, multiple systems of reporting and unwillingness to hire dedicated staff for data entry in IAY are the reasons behind the slow pace of data uploading. However from this year onwards no manual reports would be accepted. It is expected that States would take necessary measures to overcome these constraints and data would be captured regularly as all transactions will happen online on AwaasSoft. Audit also pointed out that, the State of Arunachal Pradesh was not using AwaasSoft.

29. When asked the reason behind the non-usage of AwaasSoft by the State of Arunachal Pradesh and the measures taken for compliance by all States, the Ministry replied as follows:

“From 1st April, 2015 AwaasSoft has been made the sole platform for reporting and monitoring of progress under IAY. Further, the introduction of Direct Benefit Transfer (DBT) through the AwaasSoft PFMS platform has ensured that most States have come on board AwaasSoft for implementation of the scheme. Existing constraints at the Centre in scaling up the programme have been addressed through augmentation of server capacity. States have been facilitated to employ dedicated personnel for MIS officials entry at the Block, District and State level through enabling advisories, which allow administrative funds to be used for the same. Regular training of State officials handling the MIS are organized when demanded by the State government and at times based on assessment by the Ministry on capacity constraints in the State. Additionally, data entry workshops are being held in States which require assistance in uploading data for previous years. However some states, especially in hilly regions in North Eastern states have constraints in uploading data. They have been advised to upload

data from District Level instead of block level till connectivity improves.”

“The non-usage of AwaasSoft in the State of Arunachal Pradesh has been due to capacity constraints and connectivity challenges in rural areas. Further, the State had requested that the software be customized to meet operational requirements such as capturing payments to vendor for procurement of CGI sheets. The software has since been customized to meet the requirements of the State. In order to address capacity constraints, a two day training workshop was held in NIRD&PR, NERC, Guwahati on 21<sup>st</sup>-22<sup>nd</sup> January, 2016 to provide MIS and data entry officials from Arunachal Pradesh hands on training for effectively using the MIS. Since then considerable progress has been made by the state in registering and sanctioning beneficiaries on AwaasSoft during the current financial year. The State has been advised to take up data entry at the district Headquarters to overcome connectivity challenges.”

30. When asked whether training programmes were conducted on the use of the software, the Ministry replied as follows:

“The Ministry has conducted training workshops in most States to build capacity among the state MIS officials and data entry operators to effectively use the MIS and realize its potential.”

31. In regard to the verification mechanism in place to ensure the accuracy of data is uploaded via AwaasSoft, the Ministry replied as follows:

“The accuracy of data uploaded is ensured by corresponding uploading of photograph of each stage of house construction on AwaasSoft after verification by the inspector. The inherent checks in

the software do not allow Fund Transfer Orders (FTOs) to be generated for further installments till the inspection for the previous stage is completed and supported by photographs. Inspection through the mobile App further ensures that the photographs are geo referenced and time stamped.

Also under IAY guidelines, State Governments have been advised to randomly inspect 10 % of houses at block level and 2% at the district level to allow cross verification of data being uploaded on AwaasSoft.”

32. On scrutiny of the replies of the Ministry, the Committee found shortfalls like inadequacy of unit assistance, poor quality of workmanship affecting the durability of houses, lack of technical facilitation, weak monitoring mechanisms, opaque mechanism for selection of beneficiaries, exhaustion of BPL lists in some states, lack of enthusiasm for DRI loans and absence of holistic habitat planning etc. in the smooth and efficient implementation of IAY.

33. When enquired about the remedial measures/actions initiated to mitigate the loopholes and expedite the implementation of the Scheme, the Ministry replied as follows:

“In 2015-16, some of the major initiatives which have been introduced in IAY to check loopholes and expedite implementation of the Scheme are described below:-

i) **Leveraging e-governance solutions for improving implementation**

End to end e- governance solutions are being used to effectively monitor physical and financial progress under IAY.



- **Direct Benefit Transfer (DBT)** has been implemented in IAY to cut down on leakages, inefficiencies and delays in payment of assistance. Payment to beneficiaries' sanctioned houses in 2015-16 is being credited directly to beneficiaries' account from the State nodal account through the AwaasSoft-PFMS platform to ensure faster and seamless transfer of funds electronically. This has led to greater financial control and improved tracking of funds by reducing the number of intermediaries involved. The issue of funds being parked at various levels of administration has been largely resolved.
- An android enabled **mobile application** for inspection of houses has been launched and hosted on several platforms for wider access. The application empowers citizens to capture and upload geo referenced and time stamped photographs of the house at various stages of construction thereby reducing time lags in verification.

**ii) Increasing transparency in beneficiary selection**

The process of evolving comprehensive guidelines for use of **SECC data** for selection of IAY beneficiaries has been initiated. This will be a game changer in terms of transparency and will reduce scope for discretion in selection. The procedure devised will mark a **paradigm shift from the concept of BPL** and expand coverage to include all families suffering from housing deprivation.

**iii) Enhancing employability of Rural Masons through Skill Development**

Concerted efforts have been made towards developing a framework for **certification and assessment of Rural**

**Masons.** The process of incorporating competencies required for the job profile of a Rural Mason into the National Skills Qualification Framework is currently underway. Apart from enhancing employability and career growth, certification will signal quality and provide incentive for rural youth to consider masonry as a viable occupation.

**iv) Enabling convergence with schemes**

Real time link between IAY-MIS and MIS of other flagship schemes has been developed to facilitate convergence and enable the beneficiary to access additional resources for house construction. This has helped in synergizing complementary provisions of different welfare schemes.”

34. The Ministry further stated that they are in the process of conducting a concurrent Evaluation and Impact Assessment Study of Indira Awaas Yojana (IAY) and the terms of reference for the study are under finalization.

35. When asked whether socio-economic impact assessment of the IAY was ever conducted, the Ministry replied as follows:

“National level evaluation study on the implementation and impact of Indira Awaas Yojana (IAY) was undertaken by the Department of Social Work, University of Delhi on behalf of the Planning Commission, Government of India, in 2009. Data has been collected from selected 12 states. Primary data was collected from the IAY beneficiaries, non-beneficiaries, village officials, block officials, district level officers (DRDA) and state level. Focused group discussions were also conducted at village level for qualitative data collection.

In recent years, an impact assessment study of Saranda Action Plan has been carried out by IIM, Ranchi and submitted to the Ministry in March, 2014. The study reveals that impact of houses constructed under IAY on the standard of living of villagers in Saranda forest is very significant. It provides them a sense of security, more space of living, and comfort with visit of guest/relatives, improved social status etc. and now they can focus on other issues like education of children, health problems and other social commitments.

A study was published by NIRD in 2015 for houses allotted to minority community and its major findings is that apart from the sense of ownership of a housing structure, the same gives a special status to the beneficiary. A sense of pride was conspicuous with most of the beneficiaries because of increased social status, improved relationship with neighbours and their kith and kin and increased privacy for women folk in a beneficiary household. A housing structure also reduced the drudgery of the beneficiary and his family members which gave ample time for participation in social activities."

## VI CONVERGENCE OF SCHEMES

36. IAY envisaged convergence activities with other Government of India schemes, i.e. Total Sanitation Campaign for construction of sanitary latrines in the IAY houses; Rajiv Gandhi Grameen Vidhyutikaran Yojana for providing electricity; National Rural Water Supply Programme for providing drinking water; Differential Rate of Interest scheme for availing loan facility; Insurance Policies for rural BPL families and rural landless families and job cards under Mahatma Gandhi National Rural Employment Guarantee Scheme, so that the possible

benefits under these schemes could be extended to the IAY beneficiaries. Audit noted that sanitary latrines were constructed only in 25.48 lakh (23.68 per cent) out of 107.58 lakh houses for the entire country during the period 2009-10 to 2012-13 leaving a shortfall of 76.32 per cent. Audit also noted that in 21 states, the IAY was not converged with RGGVY for providing free electricity connections. In 24 States/UT, IAY beneficiaries were deprived of the benefits of convergence with National Rural Water Supply Programme (NRWSP). Loan facility under DRI scheme was not availed by beneficiaries in 13 states due to lack of initiatives by states/DRDAs to co-ordinate with financial institutions to make available the credit facility to beneficiaries. In 21 states/UTs, convergence of the insurance schemes Janshree Bima with the IAY for rural BPL families and Aam Aadmi Bima for the benefit of rural landless families was not ensured.

37. When asked about the action taken in regard to convergence with Differential Rate of Interest Scheme for the beneficiaries, the representatives of the Ministry stated as under:

“This is again a very good point that you have raised. Even after the inadequacy of the Central and State grant for the house, we should find a method so that the beneficiary can access bank loan at an affordable rate for better quality house. We have had some discussion with the Secretary, Department of Financial Services. We are working out some arrangements by which upto Rs.20000 bank loan should be available to these beneficiaries at an affordable cost. To what extent the rate will be worked out. We are still in discussion in this regard. But the National Housing Bank has evinced interest. Even HUDCO is supportive of this initiative. Hopefully, for 2016-17, supplemental funding to the extent of Rs.20000 will be available to the beneficiaries from banks.

As was mentioned that the amount that is given is not adequate so they have to arrange some finance. To help them out, we had a discussion with the National Housing Bank. The National Housing Bank had convened a meeting of the banks and housing finance companies and discussed it with them. We asked them as to why they are not able to give loans. They gave a few reasons for it. Then, we met with the State Governments. Now, we are trying to arrange meetings between the National Housing Bank and State Governments."

The Ministry further replied as follows;

"Only SC and ST's are eligible to avail loans under the DRI scheme. Further, it is the responsibility of the banks to undertake due diligence in accordance with their established procedure to assess the beneficiaries repayment capacity before loan is disbursed."

38. During the oral evidence the representatives of the Ministry submitted that under the Deen Dayal Upadhyaya Gram Jyoti Yojana no fresh household connection is given in electrified villages. Though the Ministry was unable to provide household connection houses built under Indira Awaas Yojana in the electrified villages, a list of the beneficiary was made available to Discoms.

39. When asked about the steps taken to bring about efficient convergence of IAY and Deen Dayal Upadhyaya Gram Jyoti Yojana in future, the Ministry replies as follows:

"The Ministry is currently in discussion with the Ministry of Power for working out the modality for enabling convergence with Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY). As a

beginning the list of beneficiaries from 2012-13 to 2014-15 has been shared with the Ministry of Power to be passed on to Discoms who are participating in the DDUGJY."

40. In regard to the plan of action to plug the loopholes pointed out by Audit with regard to convergence of IAY with other Central Schemes i.e Total Sanitation Campaign for construction of sanitary latrines, National Rural Water Supply Programme (NRWSP) for providing drinking water, Insurance Policies for rural BPL families and rural landless families and job cards under MNRREGS for IAY beneficiaries, the Ministry replied as follows:

"To ensure post facto monitoring of convergence with Swachh Bharat Mission Grameen- SBM (G), the SBM unique ID numbers are being captured on AwaasSoft, wherever available, during the time of registration of beneficiary. From 1<sup>st</sup> April, 2015, seeding of NREGA job card number has been made mandatory for sanction of IAY house in AwaasSoft. Real time web link has been developed with NREGASoft (the MGNREGA MIS) to allow creation of a NREGA work against each IAY house sanctioned. This has ensured that a beneficiary is able to claim his/her entitlement of 90/95 days of paid unskilled labour for construction of IAY house under convergence with MGNREGA. In respect of National Rural Water Supply Programme (NRWSP) the modalities of convergence are still being worked out. To ensure that rural BPL families are able to reap the benefits of insurance coverage extended under Pradhan Mantri Jan Dhan Yojana (PMJDY), an advisory has been issued to all States / UTs to undertake a drive to get PMJDY accounts opened for all those beneficiaries who do not have a bank account in a nearby bank branch."

## VII SCHEMES FOR HOMESTEAD SITES

41. As part of the IAY, a scheme for providing homestead sites to those rural BPL households who neither possessed agriculture land nor a house site, was launched in August 2009. Against the proposed Central allocation of Rs.1,000 crore, Rs.347.47 crore was released to nine states based on the proposals sent by these states to the Ministry. Audit found that this scheme was not implemented in 17 states/UTs viz. Assam, Arunachal Pradesh, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Tamil Nadu, Uttarakhand, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep during 2009-13. Funds were released to Andhra Pradesh, Bihar, Karnataka, Kerala, Maharashtra, Rajasthan and Uttar Pradesh under the scheme without identification/possession of land by the states.

42. During oral evidence, the representatives of the Ministry had reasoned that non-implementation of the scheme was due to the low unit cost. And the Ministry had moved a Cabinet note for revision of the current unit cost of Rs.70,000 for plain areas and Rs.75,000 for hilly areas with 60:40 funding ratio between centre and State.

43. When asked about the remedial actions taken in this regard, the Ministry replied as follows:

"The Homestead scheme is a demand driven scheme and the funds under this scheme are released only to those States which demand the same by submitting proposals in this regard along with requisite documents/certificates as per the scheme guidelines. The reason for non-operation of the Homestead scheme is its low unit cost. The State Governments say that Rs.20,000/- is insufficient for purchase of a plot of land required for construction of an IAY house."

The Ministry had further stated that;

“The request for enhancement of unit assistance is under the consideration of the Cabinet.”



**PART-II**  
**OBSERVATIONS/RECOMMENDATIONS**

The Committee, while examining the performance of the government with regard to the Indira Awaas Yojana scheme of rural housing based on the C&AG Report No. 37 of 2014 found that there have been serious shortcomings in areas such as identification and selection of beneficiaries of the scheme, construction and quality of work, financial management, monitoring and evaluation, convergence with other schemes, etc. where further improvements are required and remedial action needs to be taken. The Committee express their displeasure over the fact that although IAY was introduced in 1985 as part of RLEGP and implemented as an independent Scheme in 1996, when C&AG conducted a performance audit, many inefficiencies and shortcomings in the implementation of the scheme are left largely unattended. The Committee, therefore, observe that there is an-imperative need to revise the parameters of assessment of performance executive functionaries of the central government from the existing tilt towards timely utilization of budgetary grants to one of efficient and effective utilization of whatever amount utilized, thereby encouraging a system under which outcomes determine rating of performance rather than outgo. Keeping this as a backdrop, the Committee have made certain observations and recommendations on the following major aspects.

**1. IDENTIFICATION OF BENEFICIARIES**

The Committee are extremely disappointed to note that the IAY, launched as far back as 1985, was still lacking a proper basis for identification of target beneficiaries. Moreover, the fact that assessment has not been made about the actual housing shortage in 14 States even after the scheme had been running for almost 30 years portrays a serious

lapse and absence of planning and coordination with states by the Ministry. What is even more disturbing for the Committee to note is that several ineligible beneficiaries were selected to reap the benefit. The Committee further note that after the presentation of C&AG report, seven primary deprivation criteria for identification of BPL households in rural areas using Socio-Economic Caste Census, 2011, is being considered to identify deserving persons. The Committee note that a prioritized beneficiary list for the scheme based on the relevant deprivation parameters of the seven deprivation criteria is going to be used for implementing the scheme soon. The Committee desire that the drawing up of the beneficiary list as planned should be expedited with maximum leverage of IT (AwaasSoft) for transparency. The Committee, therefore, recommend that the Ministry should, over and above the planned transparency mechanisms, consider opening an online complaint facility to receive reports of deserving but deprived beneficiaries, undeserving beneficiaries, delay in disbursement, etc. not only while finalizing the list of beneficiaries receiving benefits, but during the course of the implementation of the scheme as well, so that inaccuracies in the list is open to scrutiny always. Action taken in this regard be intimated to this Committee.

## 2. SELECTION OF BENEFICIARIES

The Committee note with disdain that the Gram Sabha's powers are often exercised in part by the Sarpanch in matters of addition to and deletion from Beneficiary lists of the Scheme, and desire that efforts should be made to ensure that only the Gram Sabha and the village communities in the Sixth Schedule areas as a collective body exercise such right and no intervention should be made by any functionary. The Committee note that selection of beneficiaries under the new scheme of

things will already be partly taken care of during identification of beneficiaries of the scheme, since the identified beneficiaries would already appear in order of priority decided by their level of relevant deprivation, and shall be system generated. While this is believed to minimize human intervention, the Committee feel that in the reality of limited budgetary provisions in a given year, it may still be possible for implementing authorities to favour of a particular region or district during a particular year and deprive some other regions. The Committee therefore desire that while generating Gram Sabha-wise/ village community wise priority lists for use as the basis of prioritizing award of schemes, the Ministry should ensure that benefits are distributed to those at the top of the priority lists of all Gram Sabhas in a particular State, uniformly moving down the priority lists of all Gram Sabhas, and covering as many in each list as possible within the grant amount available or allocated to that state for that year. This will ensure equal distribution of benefits across all geographical regions.

### **3. CONSTRUCTION OF HOUSES UNDER IAY**

The Committee are constrained to note that actual complete construction of houses under IAY falls far short of the number of houses sanctioned and grants released. While the Ministry had informed during evidence that most States had informed them about most of the houses sanctioned prior to 2013-14 having been completed, they submitted that 12.28 lakh houses, sanctioned prior to 2013-14 were yet to be completed. Further, given that 22.35 lakh houses were sanctioned in 2013-14 and 2014-15, the figure of 12.28 lakh houses sanctioned prior to 2013-14 and yet to be completed is huge and implies serious gaps in implementation. The Committee note that 'AwaasApp' had been developed to enable inspection of progress in construction which is being used by 13 States. The

Committee recommend that 'AwaasApp' should be made mandatory in all States /UTs as a tool of inspection. The Committee also recommend that the Ministry should look into improving the mobile application to enable recording of GPS location of proposed housing sites which can be used to monitor actual construction later on after sanction and release of installments to check forged imagery of progress of construction. The Committee further recommend that the Ministry should take effective steps to strengthen monitoring of construction of houses so that the construction of houses under IAY do not fall short against the sanctioned number of houses.

#### 4. EXPEDITIOUS COMPLETION OF CONSTRUCTION OF SANCTIONED HOUSES

On scrutiny of the replies of the Ministry, the Committee find that out of all houses sanctioned in 2013-14 under IAY, 11.01 lakh houses are completed as on 26.02.2016 and majority of houses sanctioned prior to 2013-14 have been completed on ground. The Ministry, however, have stated that the actual figures of houses completed on ground could be much higher in view of reporting gaps and inability of the States to upload data on AwaasSoft. The Ministry have directed all States to update progress pertaining to financial year 2013-14 and 2014-15 on AwaasSoft as on 31.03.2016. The Committee are disappointed to find that despite the lapse of atleast 2-3 years and the introduction of AwaasSoft for uploading of updated data on the implementation of IAY, the Ministry have neither completed the target set nor furnished a clear status of the implementation of IAY. They feel that since the houses under the IAY are constructed for the marginalized sections of society, any delay in completion of construction of these houses will result in consequent denial of benefits to the poor and the deserving, who need them for bare minimum survival. The

Committee, therefore recommend that the Ministry expedite the completion of all houses sanctioned in 2013-14 and prior to 2013-14 and desire to be apprised of the status of the implementation of IAY.

5. QUALITY OF CONSTRUCTIONS

The Committee note that the Ministry have taken steps to develop catalogues of cost effective housing designs appropriate for specific areas or states to ensure quality of the houses that are built for the beneficiaries of the scheme. The Committee desire that efforts in that direction should be boosted and that the National Institute of Rural Development should be engaged to develop more housing designs which are of good quality, using locally available materials, and affordable, and to provide expertise to state governments.

6. INCORPORATION OF A SYLLABUS ON CULTURAL AND AESTHETIC TRAITS IN MASON TRAINING CURRICULUM

The Committee note that the current curriculum for the mason training program being developed in the country to comply with the requirement of National Sector Skills Council, do not allow for variations. The Committee are of the view that given the dynamics of cultural, traditional and regional diversity in the country, enforcing a uniform curriculum for the mason training program across the country is not ideal. The cultural and traditional sensitivity of the region/ community need to be taken into consideration while formulating the curriculum. The Committee, therefore, desire that, apart from the uniform curriculum, being developed as per the National Sector Skills Council, the Ministry may seek the advice of local masons and cultural experts and formulate a separate subject on cultural, traditional housing practices and aesthetic traits specific to the

region and introduce the subject alongside the implementation of the uniform curriculum in the region. Action taken in this regard may be intimated to the Committee.

#### **7. PRO-BENEFICIARY APPROACH IN FINANCIAL MANAGEMENT**

The Committee note that after the first installment, the beneficiaries delay construction of the house or utilize the funds for short term consumption and thus become ineligible for second installment. The Committee also note that State Governments have the option to blacklist the beneficiaries in AwaasSoft, for misuse and misappropriation of IAY fund to avoid further release of funds to these beneficiaries. The Committee are of the view that blacklisting the beneficiaries will only aggravate the already dire economic situation that had compelled these beneficiaries to use the funds for short term consumption. The Committee further observe that the Scheme envisages that construction be carried out by the beneficiary and the Government departments or agencies can give technical assistance or arrange for coordinated supply of material such as cement, steel or bricks or arrange for prefabricated components only if the beneficiary desires. The Committee recommend that rather than taking a radical stance and barring the erring beneficiaries from the Scheme, the Ministry need to take a pro-beneficiary approach on the matter, wherein such misuse of fund is avoided and the beneficiaries continue to reap the benefits of the Scheme. The Committee desire that the Ministry fix a time period, within which the beneficiaries are mandated to start the construction work. On expiry of the stipulated period, concerned Government department/agencies can engage contractors and begin construction work.

#### 8. REMEDIAL MEASURES ON MISUSE OF FUNDS

As pointed out by Audit, the Committee note several cases of operation of multiple bank accounts, diversion of IAY funds towards other schemes/programmes expenditure of funds on inadmissible items, misappropriation and suspected cases of misappropriation, unauthorised deduction of funds on account of administrative charges, non-construction/non-installation of smokeless chulha/sanitary latrine/IAY logo, under payment of funds to beneficiaries and double/excess payment of funds to the IAY beneficiaries, in contravention of the guidelines and provisions of the Scheme. The Committee express displeasure at such blatant violations of IAY guidelines. The Committee wish to impress upon the Ministry to initiate immediate necessary remedial measures and initiate disciplinary action against the responsible officials under the rules. The Committee further recommend the recovery of funds, wherever applicable, and desire to be apprised on the status of recovery of misappropriated funds, action taken against the officials and measures taken for strict compliance in future.

#### 9. MONITORING AND EVALUATION

The Committee note that in as many as 22 States stipulated State Level Vigilance and Monitoring Committee (SLVMC) meetings were not held and in contravention of IAY guidelines, social audit of the IAY was not conducted to monitor the implementation of IAY at the ground level. The Committee also note that the Ministry has left monitoring and evaluation largely to the concerned State governments, while prescribing Social Audit in the scheme guidelines and while engaging National Level Monitors and

Area Officers to monitor implementation of the scheme. They also note the introduction of Direct Benefit Transfer (DBT) and AwaasSoft to check parking and pilferage of funds and monitor physical progress of construction with geo referencing and time stamping features. The Committee, while appreciating the efforts, feel that the Ministry should examine ways and means to further strengthen central monitoring of the scheme, such as, requiring inspection reports of states to be attested by concerned Community-based organizations or recognized Non-governmental Organizations operating in the concerned areas, increased leverage of IT for real time monitoring by adding more features in the AwaasSoft, launching scheme specific online complaints system, etc. This, the Committee feel, will result in objective assessment of cases of implementation and will give a definite boost to monitoring and evaluation.

#### **10. ACTIVE CENTRAL MONITORING MECHANISM**

The Committee note that the State Government plays the primary role in the putting in place a system for quality monitoring to guide and assist the beneficiary in achieving satisfactory quality of house construction while the Ministry only play the role of a facilitator in ensuring the State has adequate infrastructure at its disposal to ensure quality houses are being constructed under the scheme. The Committee also note that District Vigilance and Monitoring Committee is responsible for ground level monitoring. To facilitate efficient monitoring over quality construction and tracking of fund flow, the Committee recommend setting up of a central monitoring cell under the charge of a senior officer in the Ministry for overall review and monitoring of all State level projects. They further desire that Central Monitoring Cell (CMC) should monitor and ensure that Vigilance and Monitoring Committee meetings are held regularly both at



the State and District levels and the CMC should also monitor the outcome of these meetings and follow-up the recommendations made by the concerned Committee.

#### **11. CONCURRENT EVALUATION**

The Committee are pleased to note that the Ministry is currently in the process of conducting a concurrent Evaluation and Impact Assessment Study of Indira Awaas Yojana (IAY) for which the terms of reference are under finalization. The Committee desire that the process may be expedited and a time frame of not more than 18 months be given for a country-wide evaluation and impact assessment, based on which further interventions through the scheme can be chalked out.

#### **12. CONVERGENCE OF IAY WITH OTHER SCHEMES**

The Committee note that IAY envisaged convergence activities with other Government of India schemes, i.e. Total Sanitation Campaign for construction of sanitary latrines in the IAY houses; Rajiv Gandhi Grameen Vidhyutikaran Yojana for providing electricity; National Rural Water Supply Programme for providing drinking water; Differential Rate of Interest scheme for availing loan facility; Insurance Policies for rural BPL families and rural landless families and job cards under Mahatma Gandhi National Rural Employment Guarantee Scheme, so that the possible benefits under these schemes could be extended to the IAY beneficiaries. The Committee also note that desired level of convergence has not been achieved. The Committee feel that the task of achieving desired level of convergence rests almost entirely and equally on the concerned central Ministries. So, while noting that the Ministry of Rural Development alone cannot take the blame for low level of convergence of scheme benefits to beneficiaries, the

Committee desire that as the nodal Ministry for rural progress, the Ministry must take more pro-active steps to engage other concerned Ministries/Departments to achieve maximum convergence of scheme benefits for the purpose of obtaining larger overall Impact.

13. PLAN OF ACTION ON HOMESTEAD SCHEME

The Committee note that the current funding of the unit cost is Rs.70,000 for plain areas and Rs.75,000 for hill states which is inadequate in the current economy. In this regard, a cabinet note for revision of the unit cost is under consideration. The Committee recommend the Ministry to put a plan of action in place regarding the percentage of funds to be allocated for acquiring land sites and obtaining other building materials and disburse the fund in a staggered manner accordingly when the new revised unit cost is approved for implementation. This will facilitate timely commencement and completion of construction and will get rid of any possible attempt towards misappropriation of fund, misuse of fund and procurement of inadmissible items. The Committee desire to be apprised of the action taken by the Ministry in this regard.

14. REMEDIAL MEASURES ON THE MISMANAGEMENT OF HOMESTEAD SCHEME

The Committee note that the Homestead scheme is a demand driven scheme. Funds under this scheme are released only to those States on demand after submission of proposals along with requisite documents/certificates as per the scheme guidelines. The Committee, however, observe that funds are released to Andhra Pradesh, Bihar, Karnataka, Kerala, Maharashtra, Rajasthan and Uttar Pradesh under the scheme without identification/ possession of land by the States. The

Committee are appalled at the gross violation of the Scheme guidelines and recommend the Ministry to constitute an Enquiry Committee to investigate the reasons for diversion from the Scheme guidelines and impose stringent penalty against the responsible officials. The Committee also desire that the Ministry issue a circular to all concerned officials for strict adherence and compliance to the guidelines in future.

NEW DELHI;  
26 April, 2016  
6 Vaisakha, 1938 (Saka)

PROF. K.V. THOMAS,  
Chairperson,  
Public Accounts Committee.



**Annexure - A**

Number of beneficiaries registered since 2013-14 and number of beneficiaries identified, targets achieved and under progress

<b>FY</b>	<b>Beneficiaries Identified</b>	<b>Targets</b>	<b>Houses sanctioned</b>	<b>Houses completed</b>
2013-14 <sup>^</sup>	27,82,179	24,80,715	18,91,447	15,92,367
2014-15 <sup>^</sup>	24,53,087	25,18,978	20,54,240	16,52,737
2015-16 <sup>*</sup>	32,75,234	20,79,146	19,68,352	8,50,346
<b>Total</b>	<b>85,10,500</b>	<b>70,78,839</b>	<b>59,14,039</b>	<b>40,95,450</b>

<sup>^</sup> Figures are as provided by States through online MPR/MIS

<sup>\*</sup> Figures are for IAY new construction as reported by States on AwaasSoft as on 25.02.2016



**Annexure-B****CONFIDENTIAL****MINUTES OF THE TENTH SITTING OF THE SUB-COMMITTEE-IV [(NON COMPLIANCE BY MINISTRIES/DEPARTMENTS IN TIMELY SUBMISSION OF ACTION TAKEN NOTES ON THE NON-SELECTED AUDIT PARAGRAPHS (CIVIL AND OTHER MINISTRIES)) OF THE PUBLIC ACCOUNTS COMMITTEE (2015-16) HELD ON 1<sup>ST</sup> FEBRUARY, 2016.**

The Sub-Committee sat on Monday, the 1<sup>st</sup> February, 2016 from 1130 hrs to 1300 hrs in Committee Room No. '139', Parliament House Annexe, New Delhi.

**PRESENT****Shri Bhartruhari Mahtab****Convenor****LOK SABHA**

- |                          |        |
|--------------------------|--------|
| 1. Shri Nishikant Dubey  | Member |
| 2. Shri Shiv Kumar Udasi | Member |

**LOK SABHA SECRETARIAT**

- |                           |                  |
|---------------------------|------------------|
| 1. Shri Paoliental Haokip | Deputy Secretary |
|---------------------------|------------------|

**REPRESENTATIVES OF THE MINISTRY OF RURAL DEVELOPMENT**

- |                           |                      |
|---------------------------|----------------------|
| 1. Shri J.K Mohapatra     | Secretary            |
| 2. Shri Amarjeet Sinha    | Additional Secretary |
| 3. Smt. Seema Bahuguna    | AS & FA              |
| 4. Shri Rajeev Sadanandan | Joint Secretary      |

2. At the outset, the Convenor welcomed the representatives of the Ministry of Rural Development to the sitting of the Sub-Committee-IV convened to take oral evidence of the representatives of the Ministry of Rural Development on non-compliance by the Ministry in timely submission of Action Taken Notes on non-selected Audit Paragraphs/Reports and Audit Report No.37 of 2014 on 'Indira Awaas Yojana' (IAY). The Convenor then sought to be apprised of the existing mechanism for timely submission of ATNs and efforts made in the recent years by the Ministry to ensure compliance in timely submission of remedial/corrective ATNs on Audit observations/recommendations.

3. In regard to the Audit Report No. 37 of 2014 on 'Indira Awaas Yojana' (IAY), the Convenor highlighted the findings of the Audit *vis-a-vis* selection of ineligible beneficiaries of IAY Scheme, weak financial management, diversion of fund and its recovery, inadequate monitoring and quality assessment of houses constructed under the Scheme, lack of awareness on convergence of the scheme, irregularities in the implementation of homestead scheme etc.

4. The Secretary, Ministry of Rural Development, in consonance with the Audit findings, conceded that there have been shortfalls like selection of ineligible beneficiaries of IAY scheme, misappropriation of fund and its recovery. The Committee were also apprised that from 2016-17, instead of using the 2002 BPL lists, Socio-Economic & Caste Census (SECC) data, which is being finalized, will be used for the identification of IAY scheme beneficiaries and an Appellate



Forum will be set up for appeals against any inaccuracy, wrongful exclusion/inclusion in the beneficiary list. For better financial management, a State level account has been put in place to rid of multiple accounts and ensure flow of funds directly to the account of the beneficiary. In regard to the monitoring mechanism, the Members of the Sub-Committee were informed that the web-based monitoring system has been strengthened and Awaas Software has become more operational and uploading of photographs *via* AwaasSoft has been made mandatory for release of second and subsequent instalments. The Committee were further apprised of the commitment of the Ministry towards ensuring quality, better design and cost-effective housing, efficient convergence of schemes, availability of bank loan at affordable costs for gap finance, fool proof data verification system, etc. The Members of Committee then offered suggestions on correct identification of beneficiaries, effective monitoring system, efficient convergence of schemes, enforcing stringent punishment for erring officials, etc.

5. The Convenor thereafter, thanked the representatives of Ministry of Rural Development for active participation and furnishing valuable information.

The witnesses then withdrew.

A copy of the verbatim proceedings was kept on record.

***The Sub-Committee then adjourned.***



**MINUTES OF THE TWELFTH SITTING OF THE SUB-COMMITTEE-IV  
OF PUBLIC ACCOUNTS COMMITTEE (2015-16) HELD ON 21<sup>ST</sup>  
APRIL, 2016.**

The Sub-Committee-IV of PAC sat from 1030 hrs. to 1115 hrs. on 21<sup>st</sup> April, 2016 in Room No. "51", Parliament House, New Delhi.

**PRESENT**

Shri Bhartruhari Mahtab - Convenor

**MEMBERS**

**LOK SABHA**

2. Shri Gajanan Kirtikar
3. Shri Nishikant Dubey

**RAJYA SABHA**

**LOK SABHA SECRETARIAT**

1. Shri T. Jayakumar - Director
2. Shri Tirthankar Das - Additional Director
3. Shri Paoliental Haokip - Deputy Secretary
4. Shri A.K. Yadav - Deputy Secretary

**REPRESENTATIVES FROM THE OFFICE OF THE COMPTROLLER AND  
AUDITOR GENERAL OF INDIA**

1. Shri Rakesh Jain - Deputy C&AG (RC)
2. Shri Mukesh P Singh - D.G (O/o DGACE)
3. Shri L.S. Singh - Principal Director (RC)

2. At the outset, the Convenor welcomed the Members to the Sitting of the Committee and apprised the Members that the sitting had been convened for consideration and adoption of the draft Report on the subject "Indira Awaas Yojana" based on C&AG Report No.37 of 2014. Thereafter, the Committee took up the draft Report for consideration.

3. The Convenor invited suggestions of the Members on the above mentioned draft Report. After discussing the contents of the draft Report, the Committee suggested minor changes/modifications in the draft Report.
4. The Committee, then, authorized the Convenor to finalise the Report in the light of the discussion and consequential changes arising out of factual verification by the Audit and present the same to the full Committee for consideration and adoption.

**The Committee then adjourned.**