

# INDIRA AWAAS YOJANA

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their 43<sup>rd</sup> Report (16<sup>th</sup> Lok Sabha)]

MINISTRY OF RURAL DEVELOPMENT

PUBLIC ACCOUNTS COMMITTEE  
(2016-17)

SEVENTY-SIXTH REPORT

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SIXTEENTH LOK SABHA



LOK SABHA SECRETARIAT  
NEW DELHI

PAC NO. 2109

# SEVENTY-SIXTH REPORT

## PUBLIC ACCOUNTS COMMITTEE (2016-17)

(SIXTEENTH LOK SABHA)

### INDIRA AWAAS YOJANA

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-third Report (16<sup>th</sup> Lok Sabha)]

#### MINISTRY OF RURAL DEVELOPMENT



Presented to Speaker, Lok Sabha on:

29.04.2017

Presented to Lok Sabha on:

18.7.2017

Laid in Rajya Sabha on:

18.7.2017

LOK SABHA SECRETARIAT  
NEW DELHI

April, 2017 /Vaisakha, 1939 (Saka)

## CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2016-17)	(iii)
COMPOSITION OF THE SUB-COMMITTEE IV (NON COMPLIANCE) OF THE PUBLIC ACCOUNTS COMMITTEE	(iv)
INTRODUCTION .....	(v)
CHAPTER I      Report .....	1
CHAPTER II*    Observations/Recommendations which have been accepted by the Government .....	
CHAPTER III*    Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government .....	
CHAPTER IV*    Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration .....	
CHAPTER V*    Observations/Recommendations in respect of which the Government have furnished interim replies .....	

## APPENDICES\*

- I      Minutes of the 12<sup>th</sup> Sitting of Sub-Committee IV (Non-Compliance) of the PAC (2016-17) held on 24<sup>th</sup> April, 2017.
- II     Minutes of the 30<sup>th</sup> Sitting of Public Accounts Committee (2016-17) held on 24<sup>th</sup> April, 2017.
- II     Analysis of the Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their Forty-third Report (Sixteenth Lok Sabha)

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\*Not appended to the cyclostyled copy of the Report.

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2017-18)

Shri Mallikarjun Kharge                      Chairperson

MEMBERS

LOK SABHA

2. Shri Sudip Bandyopadhyay
3. Shri Subhash Chandra Baheria
4. Shri Prem Singh Chandumajra
5. Shri Nishikant Dubey
6. Shri Gajanan Chandrakant Kirtikar
7. Shri Bhartruhari Mahtab
8. Smt. Riti Pathak
9. Shri Neiphiu Rioh
10. Shri Abhishek Singh
11. Prof. Ram Shanker
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar C. Udasi
15. Dr. P. Venugopal

RAJYA SABHA

16. Shri Naresh Agrawal
17. Shri Satyavrat Chaturvedi
18. Shri Bhubaneswar Kalita
19. Shri Shantaram Naik
20. Shri Sukhendu Sekhar Roy
21. Shri Ajay Sancheti
22. Shri Bhupender Yadav

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2016-17)**

Prof. K.V. Thomas

Chairperson

**MEMBERS**

**LOK SABHA**

2. Shri Sudip Bandyopadhyay
3. Shri Prem Singh Chandumajra
4. Shri Nishikant Dubey
5. Prof. Richard Hay
6. Shri Gajanan Chandrakant Kirtikar
7. Shri Bhartruhari Mahtab
8. Smt. Riti Pathak
9. Shri Neelhu Rio
10. Shri Janardan Singh Sigiwal
11. Shri Abhishek Singh
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar C. Udasi
15. Dr. P. Venugopal

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18. Shri Bhupender Yadav
19. Shri Bhubaneswar Kalita
20. Shri Shantaram Naik
21. Shri Sukhendu Sekhar Roy
22. Shri Ajay Sancheti

**SECRETARIAT**

- |                           |                        |
|---------------------------|------------------------|
| 1. Shri A.K. Singh        | - Additional Secretary |
| 2. Shri S.C. Chaudhary    | - Joint Secretary      |
| 3. Shri T. Jayakumar      | - Director             |
| 4. Shri Paolienlal Haokip | - Deputy Secretary     |
| 5. Shri Ashiko Alerno     | - Committee Assistant  |

COMPOSITION OF THE SUB-COMMITTEE - IV -[CIVIL MINISTRIES AND NON-COMPLIANCE OF TIMELY SUBMISSION OF ACTION TAKEN NOTES] OF THE PUBLIC ACCOUNTS COMMITTEE (2016-17)

Convenor	:	1.	Shri Bhartruhari Mahtab
Alternate Convenor	:	2.	Shri Gajanan Chandrakant Kirtikar
Members	:	3.	Shri Nishikant Dubey
		4.	Dr. P. Venugopal
		5.	Shri Ajay Sancheti
		6.	Shri Shivkumar C. Udasi

## INTRODUCTION

1. I, the Chairperson, Public Accounts Committee (2016-17), having been authorised by the Committee, do present this Seventy-sixth Report (Sixteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-third (Sixteenth Lok Sabha) on "Indira Awas Yojana" relating to Ministry of Rural Development.

2. The Forty-third Report was presented to Lok Sabha/laid in Rajya Sabha on 28 April, 2016. Replies of the Government to all the Observations/Recommendations contained in the Report were received. The Public Accounts Committee considered and adopted the Seventy-sixth Report at their sitting held on 24 April, 2017. Minutes of the sitting are given at Appendix I.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

4. 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.

5. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Forty-third Report (Sixteenth Lok Sabha) is given at Appendix-II.

NEW DELHI;  
26 April, 2016  
6 Vaishaka, 1939 (Saka)

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

## REPORT

### PART - I

#### INTRODUCTORY

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations and Recommendations of the Committee contained in their Forty Third Report (16<sup>th</sup> Lok Sabha) on "Indira Awaas Yojana" based on C&AG Report No. 37 of 2014, Union Government (Civil), relating to Ministry of Rural Development.

2. The Forty Third Report (16<sup>th</sup> Lok Sabha), which was presented to Lok Sabha and laid in Rajya Sabha on 28<sup>th</sup> April, 2016 contained 14 Observations and Recommendations. Action Taken Notes in respect of all the Observations and Recommendations have been received from the Ministry of Rural Development and are broadly categorized as under:

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

*Para Nos. 1-10, 12-14*

Total: 13  
Chapter - II

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

*Para Nos. Nil*

Total: Nil  
Chapter - III

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

*Para Nos. Nil*

Total: Nil  
Chapter - IV

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies:

*Para Nos. 11*

Total: 1  
Chapter - V



3. In their Forty Third Report, the Committee examined the Indira Awaas Yojana of the Ministry of Rural Development and highlighted various deficiencies in the implementation of IAY, like;

- i) Inaccuracies in the identification, prioritization and selection of beneficiaries of the Indira Awaas Yojana (IAY);
- ii) Delays in the construction and completion of houses sanctioned under IAY;
- iii) Use of low quality material in the construction of houses;
- iv) Non-adherence to guidelines of IAY in the construction of the houses;
- v) Non-incorporation of a syllabus on cultural and aesthetic traits of different regions in mason training curriculum;
- vi) Weak financial management and misuse of IAY funds;
- vii) Lack of a robust monitoring mechanism both at the Central, State and District level; and
- viii) Mismanagement of the Homestead Scheme.

4. The Action Taken Notes furnished by the Ministry of Rural Development in respect of all Observations and Recommendations of the Committee have been reproduced in the relevant Chapters of this Report. The Committee will now deal with the Action Taken by the Government on the Observations and Recommendations made in the Original Report which either need reiteration or merit comments.

## EXPEDITIOUS COMPLETION OF CONSTRUCTION OF SANCTIONED HOUSES

(Recommendation Para No.4)

5. In their Forty Third Report, the Committee found that out of all houses sanctioned in 2013-14 under IAY, 11.01 lakh houses were completed as on 26.02.2016 and majority of houses sanctioned prior to 2013-14 have been completed on ground. The Ministry had also 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 and had directed all States to update progress pertaining to financial year 2013-14 and 2014-15 on AwaasSoft as on 31.03.2016. The Committee were 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 had neither completed the target set nor furnished a clear status of the implementation of IAY. They felt that since the houses under the IAY were constructed for the marginalised 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, recommended that the Ministry expedite the completion of all houses sanctioned in 2013-14 and prior to 2013-14 and desired to be apprised of the status of implementation of IAY.

6. The Ministry of Rural Development in their Action Taken Note have stated as under;

"The need for closure under IAY to enable a smooth transition to PMAY-G has been time and again impressed upon States. They have been directed to make an assessment of the number of incomplete IAY houses and expedite construction of the same through resource mobilisation, technical facilitation, performance incentives and robust monitoring. To ensure that States/UTs have sufficient funds to undertake

completion of houses pertaining to previous years, funds have been released to them as committed liabilities. During the presentation of the Annual Action Plan under PMAY-G, most States have committed to complete construction of pending IAY houses by the end of FY 2016-17.

As reported by State/UTs, 18.24 lakh houses sanctioned under IAY in year 2013-14 and 2014-15 were incomplete as on 01.04.2016 (Annexure I). Almost 4 lakh houses sanctioned in those two years have been completed in the first half of the current financial year as per reports available on AwaasSoft. Further, approx. 3.2 lakh houses sanctioned in years prior to FY 2013-14 have also been completed in the current financial year.

Though AwaasSoft has been made the sole platform for reporting and monitoring progress under the scheme from 1st April, 2015, its use has been constrained by inadequate digital infrastructure and lack of capacity at the State level both in terms of dedicated manpower or hardware. This has resulted in reporting gaps which are being addressed by facilitating States to enter data on AwaasSoft through workshops, regular training and development of user friendly modules to capture past transactions. As on date, only AwaasSoft reporting is acceptable and real time reports pertaining to progress made in completion of IAY houses are available in the public domain on the MIS."

The Ministry have furnished a statement on the status of incomplete houses as on 21.10.2016 which is placed at Annexure II.

7. The Committee note the efforts undertaken by the Ministry in completing 11 lakh houses in the first half of financial year 2016-17. The Committee find that during the presentation of the Annual Action Plan under Pradhan Mantri Awas Yojana - Gramin (PMAY-G), most of the States have committed to completing all pending IAY houses by the end of financial year 2016-17. The status of completion/non-completion of houses

during 2013-16 shows that out of the total sanction of 68322224 houses while the Ministry could complete 3192856, the houses yet to be completed 3639368. Similarly, none of the houses sanctioned during 2013-16 in Andaman Nicobar, Haveli, Daman & Diu, Lakshadweep and Puducherry could be completed. This state of affairs depict that the success rate of the Ministry in achieving its target is less than fifty percent and in few cases even to an abysmal zero percent. The Committee observe with serious concern that the District Development Coordination and Monitoring Committees (DISHA) which are supposed to meet at least once every quarter have not met even once in 2016 except in the States of Jharkhan and Rajasthan. The Committee, therefore, desire that the Ministry to come up with a robust mechanism to fast track its completion of construction of pending houses, ensure regular meeting of DISHA and strengthen the reporting and monitoring mechanism.

#### QUALITY OF CONSTRUCTIONS

(Recommendation Para No. 5)

8. In their Forty Third Report, the Committee noted that the Ministry had 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 beneficiaries of the scheme. The Committee recommended in their Report that efforts in that direction be boosted and that the National Institute of Rural Development be engaged to develop more housing designs which are of good quality, using locally available affordable materials and to provide expertise to State Governments.

9. The Ministry of Rural Development in their Action Taken Note have stated under;

"To make available a wide menu of house design typologies to PMAY-G beneficiaries, the Ministry in collaboration with UNDP and IIT,

Delhi has initiated an exercise to catalogue locally appropriate, cost effective technologies and housing typologies for different zones in 18 States of India. In each State different House-zones have been identified and this has been 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 to ensure wide ranging acceptability and adoptability. The same is being shared on a digital platform to enhance outreach through the Rural Housing Knowledge Network (RHKN) web portal.

Field studies have been conducted in all the 18 states viz. Bihar, Odisha, Maharashtra, Meghalaya, Tripura, West Bengal, Assam, Uttar Pradesh, Madhya Pradesh, Jharkhand, Sikkim, Manipur, Chhattisgarh, Jammu & Kashmir, Uttarakhand, Rajasthan, Himachal Pradesh and Mizoram. House typology designs have been finalized in 12 States viz., Tripura, Meghalaya, Maharashtra, Rajasthan Odisha, West Bengal, Assam, Jharkhand, Manipur, Chhattisgarh, Mizoram and Himachal Pradesh. Demonstration houses, as per the identified house typology, have been constructed in the States of Tripura and Maharashtra.

Apart from the above, several States have taken their own initiative in developing house design typologies to increase the choices available to beneficiaries and optimise use of resources in the construction of houses.

The recommendation of the Committee to engage NIRD to develop more housing designs and provide expertise to State governments has been noted for compliance. The proposal to exhibit models and State-wise catalogues depicting different housing typologies within NIRD, thereby making NIRD the repository of all knowledge gathered during the exercise to document design typologies, is under the consideration of the Ministry.

10. In their updated Action Taken Note, the Ministry have stated as under:

"Development of house design typologies and preparation of State-wise catalogues has been taken up by the Ministry in collaboration with UNDP and IIT Delhi in 18 States and is expected to be completed by December, 2016. The State-wise catalogues and house models will be exhibited in NIRD soon thereafter. In the remaining States, the exercise will be taken up in the future. Many States have taken their own initiative in developing house design typologies to increase choices available to PMAY-G beneficiaries. NIRD is expected to serve as a repository for all knowledge gathered by the Ministry and States."

11. The Committee note that the Ministry in collaboration with United Nations Development Programme (UNDP) and IIT, Delhi has initiated an exercise to catalogue locally appropriate, cost effective technologies and housing typologies for different zones in 18 States of India and which is expected to be completed by December, 2016, after which State wise catalogues and house models would be exhibited in National Institute of Rural Development (NIRD). The Committee desire to be apprised whether the exercise of cataloguing has been completed as expected i.e December, 2016 and made available to the NIRD. The Committee recommend that the Ministry should undertake the task of cataloguing locally appropriate, cost effective technologies and housing typologies in the remaining States, without any delay so as to develop an extensive and comprehensive data on the efficient and cost effective housing. The Committee also note that many States have taken their own initiative in developing house design typologies to increase choices available to PMAY-G beneficiaries. The Committee desire that details of best adaptable house design typologies being developed by the individual States may also be incorporated in NIRD.

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

(Recommendation Para No.6)

12. In their Forty Third Report the Committee noted that the current curriculum for the mason training programme being developed in the country to comply with the requirement of National Sector Skills Council, do not allow the variations. The Committee viewed that given the dynamics of cultural, traditional and regional diversity in the country, enforcing a uniform curriculum for the mason training programme across the country was not ideal. The cultural and traditional sensitivity of the region/ community need to be taken into consideration while formulating the curriculum. The Committee, therefore, desired that, apart from the uniform curriculum, being developed as per the National Sector Skills Council, the Ministry ought to 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. The Committee desired to be apprised of the action taken in this regard.

13. The Ministry of Rural Development in their Action Taken Note have stated as under;

"The process of incorporating competencies required for the job profile of a Rural Mason into the National Skills Qualification Framework has been completed. Qualification Pack (QP) for 'Rural Masons' has been developed by the Ministry in collaboration with Construction Skill Development Council of India (CSDCI) and approved by National Skill Development Corporation (NSDC). The QP will serve as a benchmark for imparting standardized training on conventional technologies to rural masons based on National Occupational standards. It is proposed by the Ministry that 30,000 rural masons will be trained and certified in accordance with the QP in the current financial year which will lead to

enhanced employability through skill development and ensure availability of skilled masons to accomplish the targets set under the scheme. Moreover, certification by NSDC will facilitate career growth and provide incentive for rural youth to consider masonry as a viable occupation.

Further, to cater to the requirement of the North East and other States and to incorporate cultural and aesthetic traits specific to the regions, the Ministry is also considering development of optional National Occupational Standards (NOS) and customizing the QP accordingly. The Ministry in collaboration with UNDP has already initiated work on devising optional NOS for bamboo and timber based construction. Similarly, the proposal to develop optional NOS for construction of houses incorporating disaster resilient technologies and practices is under the active consideration of National Disaster Management Authority (NDMA).

14. The Committee note that a Qualification Pack (QP) for 'Rural Masons' has been developed by the Ministry in collaboration with Construction Skill Development Corporation of India (CSDCI). The Committee observe the steps being under taken by the Ministry in introducing a benchmark QP for imparting standardised training on conventional technologies to rural masons based on the National Occupation Standards (NOS). The Committee also note that to cater to the requirement of North East and other States and to incorporate cultural and aesthetic traits specific to the regions, the Ministry is also considering for development of optional National Occupation Standards (NOS) and customizing the QP accordingly. The Committee are of the view that for a comprehensive, successful and effective implementation of PMAY-G, hitherto known as IAY, the optional NOS and the customized QP ought to have been introduced simultaneously. The Committee, therefore recommend that the Ministry finalise the optional NOS and the customized QP and introduced it alongside the NOS and the QP within six months of the presentation of this Report.



## REMEDIAL MEASURES ON MISUSE OF FUNDS

(Recommendation Para No. 8)

15. In their Forty Third Report, the Committee had observed that 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 chulah/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 expressed displeasure at the blatant violation of IAY guidelines and impressed upon the Ministry to initiate immediate necessary remedial measure and take disciplinary action against the responsible officials under the rules. The Committee further recommended the recovery of funds, wherever applicable, and desired to be apprised of the status of recovery of misappropriated funds, action taken against the officials and measures taken for strict compliance in future.

16. The Ministry of Rural Development in their Action Taken Note have stated as under;

"According to the previously furnished reply the State Governments of Rajasthan and Madhya Pradesh have intimated that amount worth Rs.1.33 cr and Rs.0.02 cr respectively, have been recovered from IAY funds which were previously diverted. The State Government of Jharkhand has informed that while Rs.0.18 cr has been recovered by DRDA, Ranchi, an amount worth Rs.0.12 cr is yet to be recovered from East Singhbhum district. 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. The updated position is being obtained from the respective States."

17. In their updated Action Taken Note, the Ministry have stated as under:

"Some of the concrete measures introduced by the Ministry to curb financial malpractices and misuse of funds include:-

- a) Transfer of all programme funds to a dedicated State Nodal Account (SNA) to improve monitoring, tracking and timely utilization of funds.
- b) Introduction of Direct Benefit Transfer (DBT) by enabling electronic transfer of assistance directly from the SNA to the beneficiary's account through generation of Fund Transfer Order (FTO).
- c) Payment of final instalment only after completion of house which is to be verified through geo referenced, time stamped photographs captured using AwaasApp.
- d) Submission of certificate by States/UTs certifying that administrative funds have only been expended on permissible heads while submitting proposal for release of central assistance.
- e) Aadhaar seeding of bank accounts of scheme beneficiaries, wherever possible.

However, the responsibility of taking action against erring officials in accordance with extant rules and regulations including initiating legal proceedings lies with the States/UTs as they are the implementing agencies of the scheme. The Ministry continuously reviews cases involving misuse of funds and pursues the matter with State/UTs for taking necessary action against erring officials.

The State Government of Assam has informed that in cases involving confirmed or suspected misappropriation, funds have been

recouped/recovered from all districts except two i.e. Sonitpur and Cachar. While recoupment proceedings have been initiated in Sonitpur, the Govt.'s order to recover misappropriated funds in Cachar worth Rs 0.64 crore has been stayed by the Hon'ble High Court upon filing of writ petition by the concerned BDO.

The State Government of Jharkhand has informed that in cases involving confirmed or suspected misappropriation, an amount of Rs 9.19 lakh out of Rs 9.58 lakh has been recovered from Deoghar district and the recovery of remaining Rs 0.39 lakh is in process. The fund release status of diverted amount worth Rs 0.12 crore in East Singhbhum district is being tracked by the State."

18. The Committee note that the Ministry have initiated action to recover previously diverted funds from the State Governments of Rajasthan, Madhya Pradesh, Jharkhand and Assam and action is being taken to recover remaining recoverable diverted funds. The Committee observe the measures being taken by the Ministry to curb financial malpractices and misuse of funds, like transfer of all programme funds to a dedicated State Nodal Account (SNA) to improve monitoring, tracking and timely utilization of funds, introduction of Direct Benefit Transfer (DBT), payment of final instalment of funds only after geo reference and time stamp verification photographs of completion of construction, submission of certificates by States/UTs certifying that administrative funds have only been expended on permissible heads and Aadhaar seeding of bank accounts of scheme beneficiaries. The Committee, however are distressed to note that in regard to taking action against erring officials on the misuse of funds, the Ministry have stated that the responsibility of taking action against erring officials in accordance with extant rules and regulations including initiating legal proceedings lies with the States/UTs as they are the implementing agencies of the scheme. The Committee, while viewing that the Ministry are

reviewing the cases involving misuse of funds and pursuing the matter with concerned States/UTs for taking necessary action against erring officials, are of the considered opinion that it is the responsibility of the Ministry to hold the implementing agency accountable, in this case concerned States/UTs, for any misuse of fund in a centrally sponsored scheme like IAY, and press for an expeditious settlement of all cases and accordingly penalise the guilty. The Committee, therefore, desire that the Ministry fix a deadline for resolution all cases under examination by the States/UTs and vigorously pursue the States/UTs to take stringent action against the culprits to set an example so that misuse of funds are prevented in PMAY-G. They further recommend that States/UTs that fail to fix responsibilities for misuse of funds may be denied further assistance till they comply with the directions of the Ministry. The Committee desire a report on the final status of all cases on misuse of IAY funds be submitted within six months of the presentation of this Report.

#### REMEDIAL MEASURES ON THE MISMANAGEMENT OF HOMESTEAD SCHEME

##### (Recommendation Para No.14)

19. In their Forty Third Report, the Committee noted that the Homestead scheme is a demand driven scheme and 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 the 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. The Committee were appalled at the gross violation of the scheme guidelines and recommended 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 desired that the Ministry issue a

circular to all concerned officials for strict adherence and compliance to the guidelines in future.

20. The Ministry of Rural Development in their Action Taken Note have stated as under;

"The recommendation of the Committee to constitute an Enquiry committee to investigate the irregularities observed in the erstwhile Homestead scheme under IAY has been noted for compliance. Proposal for deputing a team of National Level Monitors (NLM) to inquire into the same is under the active consideration in the Ministry. Based on the findings of the NLM, necessary action will be taken against erring officials. Once the Framework for Implementation of PMAY-G has been finalised, the Ministry will advise all concerned officials for strict adherence and compliance of the guidelines.

21. In their updated Action Taken Note, the Ministry have stated as under:

"The proposal for deputing a team of NLMs is under the consideration of the Ministry. It is proposed that the team will conduct the enquiry and finalise its findings by 31st March, 2017."

22. The Committee note that in compliance to its recommendation to constitute an Enquiry Committee to enquire into the diversion from the guidelines of the Homestead Scheme, the Ministry are deputing a team of National Level Monitors (NLMs) to investigate into the irregularities observed in the erstwhile Homestead Scheme under the IAY. The Ministry assured the Committee to conduct an enquiry and finalise their findings by 31<sup>st</sup> March, 2017 and take necessary action against the erring officials. Pointing out that the deadline of the commitment of the Ministry had lapsed, the Committee desire to be apprised of the findings of the NLMs and actions taken by the Ministry against the guilty officials within four months of the presentation of this Report. In order to strengthen the

monitoring system and ensure non-diversion from scheme guidelines, the Committee further desire that the recommendations of NLMs be taken under advisement while implementing the new scheme, PMAY-G:

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## CHAPTER II

### OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Observation/Recommendation

#### 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 the prioritised beneficiary list for the scheme based on the relevant deprivation parameters of the seven deprivation criteria is going to be used for implementation of the scheme soon. The Committee desire that the drawing up of the beneficiaries list as planned should be expedited with maximum leverage of IT (AwaasSoft) for transparency. The Committee, therefore, recommend that 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 finalising 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.

[Para 1]

## Action Taken

In pursuance of the Cabinet decision pertaining to the use of Socio Economic and Caste Census (SECC) 2011 data in Pradhan Mantri Awaas Yojana- Gramin (PMAY-G), detailed instructions regarding the procedure for identification and selection of beneficiaries based on SECC were issued by the Ministry to all State/UTs in April, 2016. The procedure entailed use of objectively verifiable norms and parameters to determine eligibility under the scheme, thereby reducing scope for discretion in selection and ensuring assistance is provided to genuinely deprived and deserving households. The universe of eligible beneficiaries under PMAY-G consists of all houseless households and households living in zero, one or two room kutcha houses as per SECC 2011. Within the universe, priority is assigned on the basis of parameters reflecting housing and socio-economic deprivation. To ensure that households having the wherewithal and resources to construct their own houses are not provided assistance under the scheme, there is automatic exclusion of households satisfying certain criteria (provided in Annexure I). Meanwhile households belonging to the most deprived and marginalised sections of the society, also referred to as automatically included households, are elevated while assigning priority. The priority lists, thus generated, are verified by the Gram Sabha which is entrusted with the responsibility of removing households which are not eligible. Further, any grievance pertaining to unfair removal or prioritisation is dealt with and resolved by the Appellate Committee constituted at the district level. After the process of grievance redressal is concluded, the final priority list is published and widely disseminated. Therefore, sufficient checks and safeguards have been built into the process to ensure that only deserving households i.e. households which are deprived and lack basic housing amenities, are selected to receive assistance under the scheme.

As desired by the Committee, system generated priority lists are being used to ensure transparency in the process of identification of eligible beneficiaries under PMAY-G. The facility to access system generated priority



lists has been made available on AwaasSoft- the MIS portal of the Rural Housing scheme. A separate module has been designed to capture various steps involved in the process of verification of system generated priority lists by Gram Sabhas and Grievance Redressal by the Appellate Committee thereon. For the verification process to be considered duly completed, it is mandatory that the Gram Sabha (GS) resolution be uploaded on AwaasSoft. Further, all State/UTs are required to enter the list of households removed by the GS during verification along with reasons on AwaasSoft. Reports on progress made in verifying and identifying eligible beneficiaries are available in the public domain on the MIS.

The Committee's recommendation that an online complaint facility to receive reports of deserving but deprived beneficiaries, undeserving beneficiaries, delay in disbursement, etc. not only while finalising 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 always open to scrutiny has been noted for compliance and is under development.

#### **Vetting Comment**

Annexure 1 was not found enclosed. Ministry may apprise the PAC the timelines for the operationalisation of online complaint facility.

#### **Updated reply of the Ministry**

Annexure is enclosed. The Ministry is in the process of developing an online complaint facility for PMAY-G by March, 2017. However, a link to Centralized Public Grievance Redress and Monitoring System (CPGRAMS) has already been provided in the rural housing website where all such matters, as pointed out by PAC, can be taken up.

## Observation/Recommendation

### 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 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 the 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, and covering as many in each list as possible within the grant amount available or allocated to that state of that year. This will ensure equal distribution of benefits across all geographical regions:

[Para 2]

### Action Taken

As per the instructions issued by the Ministry, the Gram Sabha (GS) is entrusted with the responsibility of verifying system generated priority lists and removing undeserving households which do not come under the purview of eligibility under the scheme. The grounds for removal of a household is to be clearly stated in the GS resolution. The task of prioritising households tied on the

same deprivation scores has also been assigned to the GS. The GS does not have the authority to add households to the priority list. However, it may endorse deserving but left out households for inclusion by recording the same in the GS resolution. For the verification process to be considered duly completed, it is mandatory that the GS resolution containing information on deletion, prioritisation, suggested additions and attendance be uploaded on AwaasSoft. The same can be monitored and tracked through reports available in the public domain on the MIS.

To maintain fairness in allocation by ensuring that limited budgetary resources are channelised towards the most deprived, allocation of targets under PMAY-G is being done by giving maximum weightage to housing shortage in the State/UT as per SECC, 2011. In the spirit of cooperative federalism, the task of distribution of district/block/GP wise targets has been assigned to the States to provide them with functional autonomy in distributing targets keeping in view their needs and challenges. However, minimum 60% of the annual target would be earmarked for SC/ST categories. Further, all State/UTs have been directed to cover houseless and landless households in the first year of implementation of PMAY-G as far as possible. Secondly, instructions have been issued to saturate villages identified under Sansad Adarsh Gram Yojana (SAGY), National Rurban Mission (NRuM), Deen Dayal Antyodaya Yojana-NRLM, villages with strong woman SHGs and ODF villages with PMAY-G houses on priority.

Once priority lists are finalised and Gram Panchayat (GP) wise targets have been entered on AwaasSoft by the State/UTs, the Annual Select List will be system generated. It will automatically feature all the households which have been ranked the highest in the priority list. As desired by the committee, the annual select list will begin with the top household in the priority list and go down till the target assigned to the GP for that particular year is reached. No flexibility will be allowed to the State/UTs to make changes to the system generated Annual Select list by shifting/jumping households.

## Vetting Comment

No comments.

## Observation/Recommendation

### 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.

[Para 3]

## Action Taken

The issue of completion of pending IAY houses has been taken up with all States and is being constantly pursued and reviewed at all levels in the Ministry.

Series of meetings have been held with the Chief Ministers and Chief Secretaries of States to review progress and push for completion of backlog houses. As a result, more than 11 lakh pending IAY houses have been completed in the first half of FY 2016-17. During the presentation of the 'Annual Action Plan under PMAY-G, most States have committed to complete construction of pending IAY houses by the end of FY 2016-17.

The Committee's recommendation to make AwaasApp mandatory as a tool of inspection has been incorporated into the Framework for Implementation of PMAY-G which is currently under finalisation. The application empowers officials and citizens to capture and upload geo-referenced, time and date stamped photographs of the house at various stages of construction thereby reducing time lags in verification. AwaasApp is accessible to all Smartphone users and can be downloaded free of cost from Google Playstore or Mobile Seva Appstore. As on date, 16 states are using AwaasApp for monitoring purpose. The Ministry is working towards improving the functionality in future versions of the App based on user feedback. An offline module for data capture and transmission has been developed to address concerns regarding connectivity deficit in rural areas. Regular training on the features available in AwaasApp is being imparted to MIS officials from various States to increase and optimise usage of the application. Further, capturing of geo-referenced photographs using AwaasApp and uploading of the same on AwaasSoft has been made mandatory under the scheme of PMAY-G for release of assistance to the beneficiaries.

The Ministry has directed all State/UTs to set up and strengthen Programme Management Units (PMUs) by engaging dedicated personnel and field level functionaries using administrative funds available under the scheme to ensure effective monitoring of progress of house construction. Initiatives like training of rural masons, tagging of field level functionaries to houses, development of house design typologies and production of local materials in convergence with MGNREGA or otherwise have also been introduced to build overall capacity and provide necessary technical facilitation to beneficiaries to

expedite construction. It is also proposed that houses of old and infirm beneficiaries will get constructed during the on the job training of rural masons.

#### Vetting Comment

No comments.

#### Observation/Recommendation

#### 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 construction for the marginalised 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 implementation of IAY.

[Para 4]

### Action Taken

The need for closure under IAY to enable a smooth transition to PMAY-G has been time and again impressed upon States. They have been directed to make an assessment of the number of incomplete IAY houses and expedite construction of the same through resource mobilisation, technical facilitation, performance incentives and robust monitoring. To ensure that States/UTs have sufficient funds to undertake completion of houses pertaining to previous years, funds have been released to them as committed liabilities. During the presentation of the Annual Action Plan under PMAY-G, most States have committed to complete construction of pending IAY houses by the end of FY 2016-17.

As reported by State/UTs, 18.24 lakh houses sanctioned under IAY in year 2013-14 and 2014-15 were incomplete as on 01.04.2016 (Annexure 2). Almost 4 lakh houses sanctioned in these two years have been completed in the first half of the current financial year as per reports available on AwaasSoft. Further, approx. 3.2 lakh houses sanctioned in years prior to FY 2013-14 have also been completed in the current financial year.

Though AwaasSoft has been made the sole platform for reporting and monitoring progress under the scheme from 1st April, 2015, its use has been constrained by inadequate digital infrastructure and lack of capacity at the State level both in terms of dedicated manpower or hardware. This has resulted in reporting gaps which are being addressed by facilitating States to enter data on AwaasSoft through workshops, regular training and development of user friendly modules to capture past transactions. As on date, only AwaasSoft reporting is acceptable and real time reports pertaining to progress made in completion of IAY houses are available in the public domain on the MIS.

### **Vetting Comment**

Annexure 2 was not found enclosed. Latest status of incomplete houses sanctioned under IAY may be enclosed in the final reply.

### **Updated reply of the Ministry**

Annexure is enclosed. Status of incomplete houses as on 21.10.2016 is enclosed (Annexure III).

### **Observation/Recommendation**

#### **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 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.

[Para 5]

### **Action Taken**

To make available a wide menu of house design typologies to PMAY-G beneficiaries, the Ministry in collaboration with UNDP and IIT, Delhi has initiated an exercise to catalogue locally appropriate, cost effective technologies and housing typologies for different zones in 18 states of India. In each state different House zones have been identified and this has been 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 to ensure wide ranging acceptability and adoptability. The same is being shared on a digital platform to enhance outreach through the Rural Housing Knowledge Network (RHKN) web portal.

Field studies have been conducted in all the 18 states viz. Bihar, Odisha, Maharashtra, Meghalaya, Tripura, West Bengal, Assam, Uttar Pradesh, Madhya Pradesh, Jharkhand, Sikkim, Manipur, Chhattisgarh, Jammu & Kashmir, Uttarakhand, Rajasthan, Himachal Pradesh and Mizoram. House typology designs have been finalized in 12 States viz., Tripura, Meghalaya, Maharashtra, Rajasthan, Odisha, West Bengal, Assam, Jharkhand, Manipur, Chhattisgarh, Mizoram and Himachal Pradesh. Demonstration houses, as per the identified house typology, have been constructed in the States of Tripura and Maharashtra.

Apart from the above, several States have taken their own initiative in developing house design typologies to increase the choices available to beneficiaries and optimise use of resources in the construction of houses.

The recommendation of the Committee to engage NIRD to develop more housing designs and provide expertise to state governments has been noted for compliance. The proposal to exhibit models and state wise catalogues depicting different housing typologies within NIRD, thereby making NIRD the repository of all knowledge gathered during the exercise to document design typologies, is under the consideration of the Ministry.

#### **Vetting Comment**

PAC may be apprised of the timeline for engaging NIRD to develop housing design and providing expertise to state government.

#### **Updated reply of the Ministry**

Development of house design typologies and preparation of state wise catalogues has been taken up by the Ministry in collaboration with UNDP and IIT

Delhi in 18 States and is expected to be completed by December, 2016. The state wise catalogues and house models will be exhibited in NIRD soon thereafter. In the remaining States, the exercise will be taken up in the future. Many States have taken their own initiative in developing house design typologies to increase choices available to PMAY-G beneficiaries. NIRD is expected to serve as a repository for all knowledge gathered by the Ministry and States.

#### Observation/Recommendation

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

The Committee note that the current curriculum for the mason training programme being developed in the country to comply with the requirement of National Sector Skills council, do not allow the 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 programme 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 along side the implementation of the uniform curriculum in the region. Action taken in this regard may be intimated to the committee.

[Para 6]

### Action Taken

The process of incorporating competencies required for the job profile of a Rural Mason into the National Skills Qualification Framework has been completed. Qualification Pack (QP) for 'Rural Masons' has been developed by the Ministry in collaboration with Construction Skill Development Council of India (CSDCI) and approved by National Skill Development Corporation (NSDC). The QP will serve as a benchmark for imparting standardized training on conventional technologies to rural masons based on National Occupational standards. It is proposed by the Ministry that 30,000 rural masons will be trained and certified in accordance with the QP in the current financial year which will lead to enhanced employability through skill development and ensure availability of skilled masons to accomplish the targets set under the scheme. Moreover, certification by NSDC will facilitate career growth and provide incentive for rural youth to consider masonry as a viable occupation.

Further, to cater to the requirement of the North East and other States and to incorporate cultural and aesthetic traits specific to the regions, the Ministry is also considering development of optional National Occupational Standards (NOS) and customizing the QP accordingly. The Ministry in collaboration with UNDP has already initiated work on devising optional NOS for bamboo and timber based construction. Similarly, the proposal to develop optional NOS for construction of houses incorporating disaster resilient technologies and practices is under the active consideration of National Disaster Management Authority (NDMA).

### Vetting Comment

No comments.

## Observation/Recommendation

### PRO-BENEFICIARY APPROACH IN FINANCIAL MANAGEMENT

The Committee note that after the first instalment, the beneficiaries delay construction of the house or utilise the funds for short term consumption and thus become ineligible for second instalment. The Committee also note that State Governments have the option to blacklist the beneficiaries in AwaasSoft, in case of the 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 economic situation and 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 funds 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.

[Para 7]

### Action Taken

In pursuance of the Committee's recommendation to adopt a pro-beneficiary approach, the Ministry has issued enabling guidelines/directives to State/UTs to expedite completion. Firstly, all State/UTs have been advised to

strengthen implementation monitoring by setting up and augmenting Programme Management Units (PMUs) by engaging dedicated personnel and field functionaries using administrative funds available under the scheme. Secondly, to ensure completion, State/UTs are being encouraged to tag or map field functionaries to each beneficiary who will be entrusted not only with regular monitoring of house construction but also facilitate the beneficiary. Thirdly, construction of houses for beneficiaries who lack the wherewithal and are not in a position to get the house constructed on their own may be taken up by the State government including as a part of the mason training program under PMAY-G. Fourthly, local production of construction material may be taken up in convergence with MGNREGA and made available to beneficiaries at concessional rates.

The draft Framework for Implementation of PMAY-G provides a maximum period of 18 months from the date of sanction to completion of house construction. Further, the State/UT governments can provide required necessary support services to beneficiaries to ensure completion of houses within the defined time period.

#### Vetting Comment

No comments.

#### Observation/Recommendation

##### 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 chulah/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 provision of the scheme. The Committee express displeasure at such blatant violation of IAY guidelines. The Committee wish to impress upon the Ministry to initiate immediate necessary remedial measure 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.

[Para 8]

#### Action Taken

According to the previously furnished reply the 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. 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. The updated position is being obtained from the respective States.

#### Vetting Comment

Ministry has not addressed PAC's recommendation regarding initiating action against the erring officials and the concrete measures to be taken for strict compliance in future.

Further, latest status of state-wise recovery done as on date and recovery yet to be done, with the reasons thereof, may be included in the final reply.

### Updated reply of the Ministry

Some of the concrete measures introduced by the Ministry to curb financial malpractices and misuse of funds include:-

- 1) Transfer of all programme funds to a dedicated State Nodal Account (SNA) to improve monitoring, tracking and timely utilization of funds.
- 2) Introduction of Direct Benefit Transfer (DBT) by enabling electronic transfer of assistance directly from the SNA to the beneficiary's account through generation of Fund Transfer Order (FTO).
- 3) Payment of final instalment only after completion of house which is to be verified through geo referenced, time stamped photographs captured using AwaasApp.
- 4) Submission of certificate by State/UTs certifying that administrative funds have only been expended on permissible heads while submitting proposal for release of central assistance.
- 5) Aadhaar seeding of bank accounts of scheme beneficiaries, wherever possible.

However, the responsibility of taking action against erring officials in accordance with extant rules and regulations including initiating legal proceedings lies with the State/UTs as they are the implementing agencies of the scheme. The Ministry continuously reviews cases involving misuse of funds and pursues the matter with State/UTs for taking necessary action against erring officials.

The State Government of Assam has informed that in cases involving confirmed or suspected misappropriation, funds have been recouped/recovered

from all districts except two i.e. Sonitpur and Cachar. While recoupment proceedings have been initiated in Sonitpur, the Govt.'s order to recover misappropriated funds in Cachar worth Rs 0.64 crore has been stayed by the Hon'ble High Court upon filing of writ petition by the concerned BDO.

The State Government of Jharkhand has informed that in cases involving confirmed or suspected misappropriation, an amount of Rs 9.19 lakh out of Rs 9.58 lakh has been recovered from Deoghar district and the recovery of remaining Rs 0.39 lakh is in process. The fund release status of diverted amount worth Rs 0.12 crore in East Singhbhum district is being tracked by the State.

#### Observation/Recommendation

#### 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 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 organisations or recognised Non-governmental Organisations operating in the concerned areas, increased leverage of IT for real time monitoring by adding more features in the Awaassoft, launching schemes specific online complaints system, etc. This, the Committee, feel will result in objective assessment of the



cases of implementation and will give a definite boost to monitoring and evaluation.

[Para 9]

#### Action Taken

The Committee's suggestion that the Ministry examine ways and means to further strengthen central monitoring of the scheme is being actively pursued. The Ministry is in the process of constituting a National Technical Support Agency (NTSA) for the Rural Housing Scheme on the lines of National Rural Roads Development Agency (NRRDA) constituted to provide technical facilitation to Pradhan Mantri Gram Sadak Yojana (PMGSY). Along with providing technical inputs for improving administration of the scheme, the agency will have the mandate for strengthening the central monitoring mechanism under the scheme of PMAY-G. It will be the nodal agency for coordinating the efforts towards effective e governance solutions for augmenting the present system of on field verification. Secondly, a dashboard to provide customized information for monitoring, tracking and reporting of house construction by various stakeholders involved in the implementation of the scheme is currently under development. The module is being designed to provide data on key parameters in an accessible and user friendly manner through effective data visualization. Future development of the dashboard would involve integrating it with the geographical information system developed on the basis of geo referenced data made available through 'AwaasApp'. Thirdly, the provision to engage IIT/NIT or any other institute of repute as State Technical Support Agency, conduct assessment and evaluation studies, provide service charges to Community Based Organisations and recognised Non government Organisations for reviewing and monitoring quality of construction using administrative funds available under the scheme has been incorporated into the Framework for Implementation of PMAY-G. Lastly, the outline and contours of an online complaint facility have already

been conceptualised and the proposal to develop the facility through a third party is under the active consideration of the Ministry.

#### **Vetting Comment**

Ministry may apprise the PAC of the timeline of constitution of NTSA and operationalization of dashboard as well as online complaint facility.

#### **Updated reply of the Ministry**

The NTSA is expected to be constituted by June, 2017.

Dashboard is expected to be developed by November, 2016.

The Ministry is in the process of developing an online complaint facility for PMAY-G by March, 2017. However, a link to Centralized Public Grievance Redress and Monitoring System (CPGRAMS) has already been provided in the rural housing website where all such matters, as pointed out by PAC, can be taken up.

#### **Observation/Recommendation**

##### **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 construction under the scheme. The Committee also note that the 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 the 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 recommendation made by the concerned Committee.

[Para 10]

#### Action Taken

Vigilance and Monitoring Committee (VMC) is restructured as District Development Coordination and Monitoring Committee (DISHA) fulfilling the objective of ensuring a better coordination among all the elected representatives in Parliament, State Legislatures and Local Governments (Panchayati Raj Institutions/Municipal Bodies) for efficient and time-bound development and for effective monitoring (Guidelines Attached). The dates of conducting DISHA meetings in districts have been pre-fixed at the Ministry's level to ensure that meetings are timely conducted.

A separate Monitoring Cell already exist in the Ministry for monitoring and ensuring that the Vigilance and Monitoring Committee (VMC), renamed DISHA, meetings are held regularly at the State and District levels and there is necessary follow up on the recommendations made therein.

#### Verifying Comment

Guideline mentioned in the reply was not found attached.

Ministry stated that dates of conducting DISHA meeting in districts had been prefixed at the Ministry's level. Ministry may further apprise the PAC of the following.

- a) What is the maximum gap between two meeting of DISHA
- b) Are the dates of meeting pre-fixed for each and every district separately by Ministry?

- c) Are the meeting held strictly according to dates provided by the Ministry?

Ministry may provide a list of actual meeting held between January and March 2016 in two districts each from Rajasthan, Assam and Jharkhand.

#### Updated reply of the Ministry

Guidelines have been attached (Annexure IV).

The Ministry has constituted District Development Co-ordination and Monitoring Committee (DISHA) in June 2016 replacing the District and Vigilance and Monitoring Committee. As per DISHA guidelines, meetings should be held at least once in every Quarter. The amended guidelines suggest that the meeting may be arranged on any day during third week of April, July, October and February.

It is further submitted that in case of erstwhile District Level Vigilance and Monitoring Committee (VMC), fixed days were prescribed for meetings. As per the guidelines, District Level VMC meetings were to be held on fixed days as mentioned below:

- a) Last Saturday of May
- b) Last Saturday of August
- c) Last Saturday of November
- d) Last Saturday of February

A statement indicating details of meetings of District Level Vigilance and Monitoring Committee held between January 2016 and March, 2016 in the State of Rajasthan and Jharkhand is enclosed (Annexure V). During the period District level VMC meeting has not been reported from the State of Assam.

## Observation/Recommendation

### 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 facilities; 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 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.

[Para 12]

### Action Taken

Under the scheme of PMAY-G, convergence with MGNREGA (for providing support of 90 person days in plain areas and 95 person days in hilly states, difficult areas and IAP districts) and convergence with SBM (G) or any other dedicated source of funding for construction of toilet has been made mandatory. Accordingly, the Ministry has introduced various measures to operationalise benefits envisaged under convergence by effectively leveraging digital solutions. Real time web link has been developed with NREGASoft to

allow creation of a NREGA work against each IAY/PMAY-G house sanctioned. This will ensure that a beneficiary is able to claim his/her entitlement of 90/95 days of paid unskilled labour for construction of PMAY-G house under convergence with MGNREGA. To enable post facto monitoring of convergence with Swachh Bharat Mission Gramin- SBM (G), the SBM unique ID numbers are being captured on AwaasSoft, wherever available, during the time of registration of beneficiary. During the presentation of their Annual Action plan for FY 2016-17, most States have committed to construct Individual Household Latrines (IHLs) in all PMAY-G houses through convergence with SBM or MGNREGA. The Ministry is also encouraging State/UTs to take up production of construction material, including mud and fly ash blocks, in convergence with MGNREGA by including the same in the labour budget so that material for construction may be made available to PMAY-G beneficiaries at concessional rates.

Further convergence is proposed with schemes implemented by different Ministries for providing the basic amenities which are as follows:

- i. National Rural Drinking Water Programme (NRDWP) of Ministry of Drinking Water and Sanitation for access to safe drinking water.
- ii. Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Ministry of Power for electricity connection.
- iii. Pradhan Mantri Ujjwala Yojana (PMUY) of Ministry of Petroleum and Natural Gas for Gas connections.
- iv. Schemes of Ministry of New and Renewable Energy for Solar Lanterns, Solar Home Lighting Systems, Solar Street lighting systems and the National Bio-Mass Cookstoves Programme (NBCP) for family size bio-gas plants.
- v. Swachh Bharat Mission (G) or any other scheme of the State Government for Solid and Liquid Waste management.

The Ministry is taking up the issue of convergence proactively with other Ministries. The Ministry is working on the modalities for enabling convergence with National Rural Drinking Water Programme (NRDWP), Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Ujjwala Yojana (PMAUY) in consultation with the concerned Ministries/Departments.

Besides, the status of convergence with other schemes is captured on AwaasSoft as entered by the State Governments. The Annual Action Plan prepared by the States/UTs under PMAY-G, contain the component of ensuring convergence of the other schemes.

#### **Vetting Comment**

No comments.

#### **Observation/Recommendation**

##### **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.

[Para 13]

### Action Taken

The Committee is apprised that the erstwhile scheme of IAY has been restructured into Pradhan Mantri Awaas Yojana Gramin (PMAY-G) with effect from 1st April, 2016. PMAY-G has been introduced with a view to realise the vision of 'Housing for All by 2022' through a robust delivery and monitoring mechanism and improved scheme architecture. The mandate of PMAY-G entails construction of 1 crore houses in rural India at enhanced unit assistance of Rs 1.2 lakh in plain areas and Rs 1.3 lakh in difficult areas/hilly states/IAP districts in 3 years, i.e. by 2018-19.

In addition to the unit assistance of Rs 1.2 lakh in plain areas and Rs 1.3 lakh in difficult areas/hilly states/IAP districts, the beneficiary is entitled to receive Rs 12,000 for construction of a toilet under convergence with SBM (G) and is also entitled to 90/95 days of paid unskilled labour for construction of PMAY house under convergence with MGNREGA. This effectively increases the assistance provided under the scheme to approximately Rs 1.5 lakh/unit depending on the prevailing MGNREGA wages for unskilled labour. Moreover, the restructured scheme also has a provision for production of construction material including mud/ fly ash blocks, using funds from MGNREGA, for PMAY (G) beneficiaries. It is expected that the above measures will address this issue of inadequate unit assistance to a large extent.

The Homestead Incentives available for purchase of house site for landless beneficiaries under IAY is discontinued under PMAY-G. Under the restructured scheme, no provision has been made for providing assistance to beneficiaries for purchase of homestead. Instead, State/UTs have been entrusted with the responsibility of ensuring land to landless beneficiaries before sanctioning houses to eligible beneficiaries under PMAY-G. During the presentation of the Annual Action Plan for FY 2016-17 most States have agreed to provide land to houseless households and landless beneficiaries on a priority basis. Further, uploading of photographs of the vacant site along with GPS



coordinates has been made mandatory under PMAY-G which will allow tracking of progress made by State/UTs in this direction.

#### **Vetting Comment**

Ministry had not addressed the PAC recommendation regarding disbursement of funds in a staggered manner.

#### **Updated reply of the Ministry**

The Government of India is releasing funds to the State/UTs in two instalments under PMAY-G. The draft Framework for Implementation allows State/UTs to disburse assistance to the beneficiaries in instalments linked to pre defined stages of house construction.

#### **Observation/Recommendation**

#### **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 the 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.

[Para 14]

### Action Taken

The recommendation of the Committee to constitute an Enquiry committee to investigate the irregularities observed in the erstwhile Homestead scheme under IAY has been noted for compliance. Proposal for deputing a team of National Level Monitors (NLM) to inquire into the same is under the active consideration in the Ministry. Based on the findings of the NLM, necessary action will be taken against erring officials. Once the Framework for Implementation of PMAY-G has been finalised, the Ministry will advise all concerned officials for strict adherence and compliance of the guidelines.

### Vetting Comment

The exact timelines for constitution of Enquiry Committee may be included in the final reply.

### Updated reply of the Ministry

The proposal for deputing a team of NLMs is under the consideration of the Ministry. It is proposed that the team will conduct the enquiry and finalise its findings by 31<sup>st</sup> March, 2017.

### CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT  
DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE  
GOVERNMENT

-NIL-

#### CHAPTER IV

OBSERVATION/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF  
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND  
WHICH REQUIRE REITERATION

-NIL-

## CHAPTER V

### OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

#### Observation/Recommendation

#### 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 finalisation. 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.

[Para 11]

#### Action Taken

The Terms of References of the "Process Evaluation Study of IAY" has been finalized and the process of award of study is in progress.

#### Vetting Comment

As the action is still under progress, no comments.

NEW DELHI;  
26 April, 2016  
6 Vaishaka, 1939 (Saka)

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

**APPENDIX II**  
(Vide Para. 5 of Introduction)

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE  
OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE  
CONTAINED IN THEIR FORTY-THIRD REPORT (SIXTEENTH LOK SABHA)**

(i)	Total number of Observations/Recommendations	12
(ii)	Observations/Recommendations of the Committee which have been accepted by the Government Para Nos. 1-10 and 12-14	Total: 08 Percentage: 92.85 %
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government: Para Nos. -NIL-	Total: 02 Percentage: 0 %
(iv)	Observations/Recommendations in respect of which the replies of the Government have not been accepted by the Committee and which require reiteration. Para Nos. -NIL-	Total: 02 Percentage: 0 %
(v)	Observations/Recommendations in respect of which the Government have furnished interim replies  Para Nos. 11	Total: 0 Percentage: 7.14 %