

**13**

**STANDING COMMITTEE ON  
URBAN DEVELOPMENT  
(2016-2017)**

*SIXTEENTH LOK SABHA*

**MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION**

**DEMANDS FOR GRANTS  
(2016-2017)**

{Action Taken by the Government on the Observations/Recommendations contained in the Tenth Report (Sixteenth Lok Sabha) of the Standing Committee on Urban Development on Demands for Grants (2016-2017) of the Ministry of Housing and Urban Poverty Alleviation}

**THIRTEENTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**THIRTEENTH REPORT**

**STANDING COMMITTEE ON**

**URBAN DEVELOPMENT**

**(2016-2017)**

*(SIXTEENTH LOK SABHA)*

**MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION**

**DEMANDS FOR GRANTS**

{Action Taken by the Government on the Observations/Recommendations contained in the Tenth Report (Sixteenth Lok Sabha) of the Standing Committee on Urban Development on Demands for Grants (2016-2017) of the Ministry of Housing and Urban Poverty Alleviation}

**Presented to Lok Sabha on .....**

**Laid in Rajya Sabha on .....**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

23 December, 2016, 02 Pausa 1937 (Saka)

C.U.D No. 99

Price: Rs. ....

(C) 2016 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fifteenth Edition) and printed by .....

## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE .....	(iii)
INTRODUCTION .....	(v)
CHAPTER I	1
CHAPTER II	REPORT.....
CHAPTER III	<b>Observations/Recommendations which have been accepted by the Government</b>
CHAPTER III	<b>Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies</b>
CHAPTER IV	<b>Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration</b>
CHAPTER V	<b>Observations/Recommendations in respect of which final replies of the Government are still awaited</b>

### ANNEXURES

- I. Minutes of the 5<sup>th</sup> Sitting of the Standing Committee on Urban Development(2016-17) held on 23.12.2016.
- II. Analysis of the Action Taken by the Government on the recommendations is contained in the Tenth Report(16<sup>th</sup> Lok Sabha).

**COMPOSITION OF THE STANDING COMMITTEE ON  
URBAN DEVELOPMENT (2016-2017)**

*Shri Pinaki Misra - Chairperson*

**MEMBERS**

**LOK SABHA**

2. Shri Ramesh Bidhuri
3. Shri Ram Charan Bohra
4. Shri Charanjeet Singh Rori
5. Shri Ashok Shankarrao Chavan
6. Dr. Dharam Vira Gandhi
7. Shri Dilip Mansukhlal Gandhi
8. Shri Maheish Girri
9. Shri R.Gopalakrishnan
10. Shri Choudhury Mohan Jatua
11. Shri Srinivas Kesineni Nani
12. Smt. Meenakshi Lekhi
13. Shri P.C. Mohan
14. Shri K. Parasuraman
15. Shri Kapil Moreshwar Patil
16. Shri Alok Sanjar
17. Shri Rahul Ramesh Shewale
18. Shri Brijbhushan Sharan Singh
19. Prof. K. V. Thomas
20. Shri Parvesh Sahib Singh Verma
21. Shri Pardhan Baruah

**RAJYA SABHA**

22. Shri R.S. Bharathi
23. Dr. Subhash Chandra
24. Shri Husain Dalwai
25. Shri Anil Desai
26. Shri Parvez Hashmi
27. Shri K. G. Kenye
28. Shri Mahesh Poddar
29. Shri K.C. Ramamurthy
30. Shri Ajay Sancheti
31. Shri Dharamapuri Srinivas

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri D.S Malha - Director
3. Ms. Amita Walia - Additional Director
4. Shri Anil Kumar - Under Secretary

## INTRODUCTION

I, the Chairman of the Standing Committee on Urban Development (2016-2017) having been authorized by the Committee to submit the Report on their behalf, present the 13<sup>th</sup> Report (16<sup>th</sup> Lok Sabha) on the action taken by the Government on the Observations/Recommendations contained in the Tenth Report (16<sup>th</sup> Lok Sabha) of the Standing Committee on Urban Development on "Demands for Grants (2016-2017) " of the Ministry of Urban Development.

2. The Tenth Report was presented to Lok Sabha on 25 April, 2016 and laid on the table of Rajya Sabha on 25 April, 2016. Replies of the Government to all the recommendations contained in the Report were received in August 2016.

3. The Standing Committee on Urban Development considered and adopted this Report at their sitting held on 23 December, 2016

4. An analysis of the action taken by the Government on the recommendations contained in the Eleventh Report (Sixteenth Lok Sabha) of the Committee is given at Annexure-II.

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

**NEW DELHI;**

**23 December, 2016**  
**02 Pausa, 1937 (Saka)**

**PINAKI MISRA**  
**Chairperson,**  
**Standing Committee on Urban Development**

(v)

## CHAPTER I

### REPORT

This Report of the Standing Committee on Urban Development (2016-17) deals with the action taken by the Government on the recommendations contained in their Tenth Report (Sixteenth Lok Sabha) on Demands for Grants (2016-17) of the Ministry of Housing and Urban Poverty Alleviation which was presented to Lok Sabha on 25 April, 2016.

1.2 Action Taken Notes have been received from the Government in respect of all the 18 recommendations contained in the Report. These have been categorized as follows:

- (i) Recommendations/Observations, which have been accepted by the Government. (Chapter-II):

Recommendation Serial Nos. 1, 2, 3, 4,5, 6,7, 9, 11,12,13,14,15,17 and 18

(Total -15)

(Chapter-II)

- (ii) Recommendations/Observations, which the Committee do not desire to pursue in view of Government's replies. (Chapter-III):

Recommendation Serial Nos. 8 and 10

(Total -02)

(Chapter-III)

- (iii) Recommendations/Observations, in respect of which replies of Government have not been accepted by the Committee (Chapter-IV):

Recommendation Serial No. 16

(Total -01)

(Chapter-IV)

- (iv) Recommendations/Observations, in respect of which final replies of the Government are still awaited (Chapter-V):

Recommendation Serial Nos. Nil

(Total -Nil)

Chapter-V)

1.3 The Committee desire that specific replies to the Comments of the Committee as contained in Chapter-I and also final action taken replies to all the recommendations placed under Chapter-V of this Report may be furnished to them at the earliest and in any case, not later than three months of the presentation of this Report.



1.4 The Committee will now deal with the action taken by the Government on some of their recommendations in the succeeding paragraphs.

### **Recommendation (Serial No.2)**

#### **NEED TO CHECK HUGE REDUCTIONS IN ALLOCATIONS OF MINISTRY OF HUPA AT RE STAGE.**

1.5 The Committee have recommended as under:

"The Committee observe that there are huge reductions in the Revised Estimates vis-a-vis corresponding Budget Estimates (BE) of Ministry of HUPA continuously from the first year of 12<sup>th</sup> Five Year Plan (2012-17), viz., 2012-13 to the fourth year of the Plan, i.e., 2015-16. The BE (2012-13) of Rs.1155.00 crore had been reduced to Rs.950.00 crore at RE stage, (17% decline) BE (2013-14) of Rs. 1460.00 crore has been reduced as RE of Rs. 1200.00 crore (17.8 % decline); BE (2014-15) of Rs. 6000.00 crore was reduced to Rs. 3400.00 crore at RE (43% decline), and BE (2015-16) of Rs. 5625.30 crore has been reduced to Rs. 1952.00 crore at RE stage (65% decline).

The Committee are dismayed to note this kind of perennially inconsistent budgeting done by Ministry of HUPA and/or Ministry of Finance year after year. They are also pained to see that all their earlier recommendations to get enhanced funding to the Ministry of HUPA not only fall on deaf ears, but also go into the dustbin without yielding any positive outcome. The Committee also feel that the Ministry of HUPA and at times Ministry of Finance in exercise of their financial, executive powers are solely responsible for such higher, unrealistic and misformed projections/allocations made at the time of presenting General Budget before the Parliament year after year for the urban poor and homeless by providing Rs. 6000.00 crore or even more as Budget Estimates of Ministry of HUPA. The Committee further observe that the attractive and rosy higher allocations made in favour of the Ministry of HUPA ironically fades away just after six months of presentation of the General Budget to the Parliament at Revised Estimates stage. As a matter of fact, the allocation of Rs.6000.00 crore or Rs.5625.30 crore which were committed by the Government and duly passed by Parliament, only remains as a token piece of paper as it gets drastically reduced to Rs.3400.00 crore or Rs. 1952.00 crore, i.e., reduced by 43% and 65%, respectively, at the RE stage which comes at the middle of every financial year. The Projections for allocations actually reflect the underlying policy and the plan of the Ministry emphasizing the focal areas. These deviations in allocation at RE stage compels the Ministry to redraw the contours. Since half the year is already gone and much of their valuable time is lost, the Ministry has to replan, leading to slowdown in implementation of the policies/schemes. This in turn leads to non-achievement of targets.

The Committee, in view of the paradoxical and ironical, budgeting practices practised by the Ministry of HUPA/Ministry of Finance, which depicts a complete volteface from the financial commitments of Ministry of HUPA and Ministry of Finance towards homeless and poor human resources of the country before the Parliament, strongly urge the Government to depart from such unhealthy Budgeting practice year after year.

The Committee also recommend that the Ministry of HUPA should focus to enhance their budgeting skills to avoid making of such unforeseen Budget Estimates in their favour which force them to back out from their own projections after every six months at RE stage, year after year, and also urge the Ministry of Finance not to slash the BEs, upto 40 to 65% arbitrarily at RE stage every year, against the pressing needs of the Ministry of HUPA. In the instant case,

the Ministry of HUPA should actively pursue the Ministry of Finance for enhanced allocation at RE stage to meet their projected targets during the year."

### **Reply of the Government**

1.6 In their written reply, the Ministry have stated as follows:

"Ministry of Finance is the nodal Ministry in so far as budgetary procedures are concerned.

In FY 2015-16, reduction of allocation was made by M/o Finance at RE stage based on the expenditure incurred upto Sep, 2015. In fact, PMAY (U) was launched in June, 2015 and the Ministry started receiving proposals for central assistance only from Oct-Nov, 2015.

Due to larger demand, Ministry requested for enhancement of RE allocation and M/o Finance allowed enhancement of Rs. 500.00 crore from Rs. 1452.00 crore to Rs. 1952.00 crore, as against Ministry's request for restoration of BE 2015-16 or at least Rs. 2500.00 crore for PMAY (U). Due to insufficient provision at RE 2015-16, there was a committed liability of Rs. 2397.00 crore for the projects considered under PMAY (U) during FY 2015-16 for release of 1<sup>st</sup> installment.

In the Current year, against a demand of Rs. 3650.00 crore for PMAY (U), an enhanced allocation of Rs. 5075.00 crore has been made. In June, 2015, the plan expenditure was only 0.23% of BE 15-16; in June 2016, plan expenditure has reached 21.43% of the plan budget. Hence, MoHUPA is taking active steps to ensure utilization of its plan budget in 2016-17.

Further enhancement will be sought at supplementary stages/RE stage based on requirement."

### **Comments of the Committee**

**1.7 In order to meet the shortage of funds in Ministry of Housing and Poverty Alleviation, the Committee would like to be apprised as to whether the Ministry of Housing and Urban Poverty Alleviation has actively pursued with the Ministry of Finance for enhanced allocation at RE stage to meet their projected targets during the year as had been recommended by the Committee along with details of its final outcome achieved.**

### **Recommendation (Serial No.3)**

#### **NEED TO CHECK UNDER-UTILIZATION OF FUNDS BY ENHANCING THE CAPACITY TO HAVE 100% UTILIZATION**

1.8 The Committee have recommended as under:

"The Committee observe that the Actual Expenditure of the Ministry of HUPA is showing under-utilization trend as there is never 100% financial targets achieved by them during each of the last three years. The percentage of Actual Expenditure against BE is reported to be 73.88% (2013-14), 45.25 % (2014-15) and 31.21% (2015-16), whereas, it is 89.89% (2013-14), 79.86% (2014-15) and 89.95% (2015-16) against RE of each of the three years, respectively. Thus, the percentage of shortfall is 10.11% (2013-14), 20.14% (2014-15) and 10.05% (2015-16) against the respective Revised Estimates.

The Committee are not satisfied with the Actual Expenditure capacity of the Ministry which has been running vital mega projects/programmes, namely PMAY (U)- Housing For All by 2022, In-Situ slum development, pending project of JNNURM and RAY, CLSS for housing and DAY-National Urban Livelihood Mission (NULM), etc., meant for upliftment of Economically Weaker Section/Below Poverty Line, Urban Population.

The Committee also observe that the Revised Estimates of the Ministry are already reduced by 40 % to 60 % from the Budget Estimates initially allocated in favour of the Ministry and yet they are not able to spend 100% of the 40% to 60% reduced RE. This trend indicates the scope for enhancing financial management skills of all these concerned and engaged in implementation of the Projects at Centre, State/UT and ULBs level under the guidance of the representatives of the Ministry. The Committee are aware that there is a considerable time lag involved in the implementation of schemes right from the stage of conceptualisation to identifying the various components/beneficiaries and obtaining approval. The Committee, however, do not approve of the 60 per cent of the time of the Plan period being consumed for formulating the major schemes, leaving just two years for implementation. They are, therefore, of the considered view that the vast time lag between the identification and approval of the schemes conceptualized be curtailed substantially so that adequate time is left for their implementation within the stipulated timelines so as to achieve the intended goals.

The Committee in view of the above observation, urge the Ministry to improve upon the utilization of their allocated funds for achievement of 100% financial targets of the very meager RE. The Committee feel that it is high time the Ministry streamlined their Plan of expenditure on major schemes and made endeavour to maximize the utilization of the earmarked funds every year so that they have a strong ground to get the desired enhanced allocation from Ministry of Finance to give much needed thrust on housing and urban poverty alleviation.

The Committee feel that it is high time that the Ministry of Finance sets up a task force to study the advisability of continuance of the time honoured procedure of BE/RE projections. A historic analysis of the financial as well as performance targets and achievements can be mounted to study whether some changes could be introduced in the periodicity of estimates (BE and RE) as well as provisioning of the required flexibility to the administrative ministries for pooling the budgeted grants and strategising the pace of performance across sectors such that a totality of large unutilised funds and under performance do not continue to plague the whole exercise of budgeting."

### **Reply of the Government**

1.9 In their written reply, the Ministry have stated as follows:

"The recommendation of the Committee is noted. For enhanced allocation, the Ministry will take up with M/o Finance at appropriate stage. MoHUPA has taken active steps to utilize its plan budget. This is evidenced by the fact that 21.43% of the planned budget has been spent till June, 2016 as compared to 0.23% upto June, 2015."

### Comments of the Committee

1.10 The Committee note that while responding about the underutilization of funds, the Ministry has remained silent about setting up a taskforce to study the advisability of continuance of the time honoured procedure of BE/RE projection and whether some changes could be introduced in the periodicity of estimates (BE/RE) as well as provisioning of the required flexibility to the administrative Ministries for pooling the budgeted grants and strategizing the pace of performance across sectors such that a totality of large unutilised funds and underperformance do not continue to plague the whole exercise of budgeting. The Committee would like to reiterate their earlier recommendation in this regard and be apprised of the status so far.

### **Recommendation (Serial No.4)**

#### **NEW FUNDING PATTERN AND ITS ADVERSE IMPACT ON THE ACHIEVEMENT OF FINANCIAL/PHYSICAL TARGETS OF THE SCHEMES OF THE MINISTRY OF HUPA**

1.11 The Committee have recommended as under:

"The Committee note that JNNURM as well as RAY Schemes of HUPA have been subsumed into Pradhan Mantri Awas Yojana, all these schemes intend to provide housing for poor. They also find that the period of JNNURM was from December, 2005 to March, 2012. The Mission period was extended till 31<sup>st</sup> March, 2015 for completion of on-going projects. The concern of the representatives of people about the completion of on-going projects was addressed with approval for further extension of Mission upto 31<sup>st</sup> March, 2017 to complete on-going projects approved till 31.03.2012. This approval was received in May 2015 itself. However, the concern of the Committee in completion of the on-going projects under these Schemes, subsumed under PMAY(U) is the funding pattern.

The Committee note that there is a marked change in the funding pattern from the financial year 2015-16 as per the instructions issued by Ministry of Finance with regard to Central: State share for implementation of Centrally Sponsored Schemes of the Ministry. The Committee further observe that the old funding pattern, as per Scheme guidelines for Central: State under RAY [Subsumed under Housing for All (Urban)] were stated to be 75:25 for Cities/UAs with population of less than 5 lakh which has been changed to 60:40 as per New Funding Pattern. Similarly, the funding pattern with regard to BSUP component of JNNURM which was 90:10 for Cities/Towns in NE States and 80:20 for other Cities with less than one million population has been replaced as 80:20 and 50:50, respectively. So far IHSDP (JNNURM) is concerned, it has been changed to 50:50 from the old one as 80:20 for all States/UTs and has become 80:20 for NE and Special Category States from the earlier pattern of 90:10.

The Committee during examination of the DFG (2016-17) of the Ministry of HUPA were informed that one of the major reasons for having continuous shortfall in achievement of financial targets during last three years, i.e., from 2013-14 to 2015-16 is that "at time States are unable to raise anticipated fund requirement due to implementation bottlenecks." Further, the

Ministry also highlighted among other reasons of having financial shortfall, that actual releases against projects were further reduced due to change in funding pattern (50:50) for States and 80:20 for NE States against 80:20 and 90:10, respectively in Financial Year 2015-16.

The Committee strongly feel that both the above stated reasons for financial shortfall as per the statement of the Ministry of HUPA may act as an eye-opener for the Central Government/Ministry of Finance as to how the States, which were, already unable to raise their anticipated fund requirement towards their share as per old funding pattern are further burdened with imposition of new funding pattern which demands 30% more funds by the concerned implementing States.

The Committee consisting of Representatives of various States, UTs as Member of Parliament are very well aware of the financial conditions of their respective States/UTs and the adverse impact this new imposed funding pattern that has been created on the implementation of the on-going Schemes in their States/UTs as they are finding it extremely difficult to cope up with this new funding pattern for it is adding on the financial burden on them and has become an example of further burdening the already over burdened. The Committee, therefore, urge the Ministry of Finance to reconsider their decision on changing the old funding pattern with the new one and should issue fresh instructions at the earliest regarding restoration and continuation of the old funding pattern with retrospective effect, viz., from the date of change of the old funding pattern, for smooth and hurdle-free implementation of on-going projects of JNNURM and RAY under present PMAY (U)-HFA (U) now, by the concerned States/UTs, as this will certainly be in favour of the Centrally Sponsored Schemes and implementing States/UTs as well. This will support the State Governments to expeditiously complete such projects. The Committee desire the Ministry of HUPA should enthusiastically pursue the matter of getting the old funding pattern restored with the Ministry of Finance till positive outcome achieved in this regard under intimation of the progress made in this regard, to the Committee. The Committee also strongly recommend that the Ministry should try not to make frequent change of schemes relating to same objectives/beneficiaries since it leads to confusion and lack of focus and direction."

#### **Reply of the Government**

1.12 In their written reply, the Ministry have stated as follows:

"The Ministry has already taken up the matter with Ministry of Finance for restoration of old funding pattern, however, the same could not materialize as yet. As advised by the committee, Ministry will pursue the matter with M/o Finance."

#### **Comments of the Committee**

**1.13 The Committee would like to reiterate their recommendation regarding restoration and continuation of the old funding pattern with retrospective effect, viz., from the date of change of the old funding pattern for smooth and hurdle-free implementation of on-going projects of JNNURM and RAY under PMAY(U)-HFA(U) now, by the concerned States/UTs and desire that the Ministry of HUPA should enthusiastically pursue the Ministry of Finance till positive outcome are achieved in this regard. The Committee be kept apprised.**

## **Recommendation (Serial No.5)**

### **COMPLETION OF ALL PENDING JNNURM PROJECTS IRRESPECTIVE OF THEIR COMPLETION STAGE**

1.14 The Committee have recommended as under:

"Jawaharlal Nehru Urban Renewal Mission (JNNURM) was launched on 3<sup>rd</sup> December, 2005 for assisting State Governments in providing housing and basic services to urban poor/slum dwellers in 65 select cities under the sub mission- Basic Services to Urban Poor(BSUP) and Integrated Housing and Slum Development Programme (IHSDP) in other cities. This mission was launched for a period of 7 years from 2005-06, however, it was extended upto 31<sup>st</sup> March, 2017 for completion of ongoing work only in projects sanctioned upto 31<sup>st</sup> March, 2012.

Time and again, the Committee have emphasized on the fact that hundreds of projects approved under this mission, have not been able to be completed because Centre has stopped the funds. The Committee does not concur with the explanations of the Ministry, in its depositions, that the funds have been stopped owing to the inability on the part of the States to carry out municipal reforms and several projects were less than 50% completed. The Committee are of the considered view that any amount invested in projects under this mission, by the States, is out of public money. If we allow those partly completed projects to die for want of funds, then it amounts to sheer national wastage of scarce resources.

The Committee further opine that Urbanization is an inevitable process. Cities act as magnets, attracting capital, resources, talent and labour from all around. As urban population increase, the size of cities in India will swell even more. The need of revitalization of urban infrastructure today, is therefore, felt all the more. JNNURM was an important scheme for ensuring creation of urban infrastructure. In this context, the Committee recommend that all viable projects, approved under JNNURM, at whichever stage of completion, must be allowed to be completed under the same funding pattern as it was earlier approved.

The Committee also note that JNNURM had both housing and infrastructure components. While the housing component has been taken care of by PMAY(Urban) scheme, infrastructure component has not been taken care of. Urban population is increasing by leaps and bounds. The need of urban infrastructure creation is more than ever before. Keeping this in view the Committee recommend that a new scheme for urban infrastructure creation should be initiated and all viable pending JNNURM projects, other than housing, be allowed to be completed."

### **Reply of the Government**

1.15 In their written reply, the Ministry have stated as follows:

"On-going projects sanctioned upto 31.03.2012 under JNNURM which include basic infrastructure are being allowed to be completed by 31.03.2017.

Under the schemes of PMAY(U), central assistance is provided for housing only on per unit basis and not for infrastructure. States are required to provide infrastructure under PMAY(U)

either through their own fund/ Finance Commission grant or through convergence with other schemes of the State/UT Govts or Central Government."

### **Comments of the Committee**

**1.16 The Committee are not satisfied with reply of the Government which is merely repetition of the old replies furnished by the Ministry of Housing and Urban Poverty Alleviation at the time of examination of their DFG(2016-17) before the Committee in March-April, 2016. Moreover, the reply of the Government does not indicate any action being taken/efforts being made by the concerned Ministry on both the points/issues covered under recommendation of the Committee. The Committee, therefore, reiterate their earlier recommendation regarding completion of all the pending JNNURM projects irrespective of their completion stage under the same funding pattern as it was earlier approved. The Committee further reiterate that a new scheme for urban infrastructure creation should be initiated and all viable pending JNNURM projects, other than housing be allowed to be completed. The Committee would like to be apprised about the final action taken by the Government on both the aspects of the recommendation of the Committee through final action taken replies of the nodal Ministry.**

### **Recommendation (Serial No.6)**

#### **HOUSING LOANS UNDER CLSS COMPONENT OF PMAY(U) NEED TO BE AS A PART OF KEY PERFORMANCE INDICATORS (KPIs) OF THE BANKS, HFCs/PLIs**

1.17 The Committee have recommended as under:

"The Committee note that Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana (Urban) is an important component of the Mission, which is being implemented as a Central Sector Scheme right from the start of the Mission across the country in all statutory towns. Under CLSS, the beneficiaries of Economically Weaker Section (EWS) having household annual income upto Rs. 3.00 lakh and Low Income Group (LIG) having household annual income between Rs. 3.00 lakh and Rs. 6.00 lakh, subject to their being otherwise eligible under the scheme, can avail of interest subsidy at the rate of 6.5% on the housing loans upto Rs. 6.00 lakh from Banks, Housing Finance Companies and other such institutions for a tenure of 15 years or actual tenure of loan whichever is earlier. The Net Present Value (NPV) of the interest subsidy will be calculated at a discounted rate of 9%.

The Committee further note that in terms of PMAY(Urban) Scheme guidelines, Housing and Urban Development Corporation Ltd., (HUDCO) and National Housing Bank(NHB) have been the Central Nodal Agencies (CNAs) for implementation of CLSS and these CNAs have signed Memorandum of Understanding (MoU) with 177 Primary Lending Institutions (PLIs).

The Committee are unhappy to observe that as per NHB, banks are not very active in providing small scale loans. Reduction in outstanding housing loans to the low income segments reflects that the housing loans to weaker sections is decreasing every year upto Rs. 2 Lakh-from 2% to 1% upto Rs. 5 Lakh-from 14% to 9% upto Rs. 10 Lakh from 34% to 26% during 2012-13 to 2013-14, and should be a matter of concern for all the implementing Ministries/CNAs. Consequently, Ministry of HUPA has been taking up the issue of giving special attention to loans to lower segment. It had requested for earmarking of at least 3% of Priority Sector Lending for loans of dwelling units costing not more than Rs. 16 lakh.

Furthermore, the Steering Committee for monitoring the progress of the Credit Linked Subsidy Scheme, at its meeting held on 8<sup>th</sup> October, 2015 noted that the home loan portfolio allocation by PLIs to the below Rs. 10 lakh category is less than 2%. The need for banks to cater to this segment was noted by the Committee. In order to increase banks' lending towards low ticket loans, the Committee desire that the Department of Financial Services (DFS) would examine the issue of inclusion (with due weightage) of lending of home loans less than Rs. 15 lakh or loans under CLSS component, as a part of Key Performance Indicators (KPIs) of the banks.

The Committee are of the opinion that unless implementation and execution of the scheme by PLIs/HFCs is included in the mandatory list of Key Performer Indicators (KPIs) of the banks, there may be very little hope to reverse the decreasing trends of loans to EWS/LIG segments. The Committee, therefore, recommend that the Ministry of HUPA, HUDCO and NHB should vigorously pursue all the issues, i.e, (i) at least 3% of Priority Sector Lending for loans of dwelling units costing not more than Rs. 16 lakh; (ii) inclusion, with due weightage, of lending of home loans less than Rs. 15 lakhs under CLSS component, as a part of Key Performance Indicators(KPIs) of the banks; and (iii) Monitoring of the progress of the scheme through State Level Bankers Committee (SLBC), with the DFS and obtain positive outcome in this regard for better performance of CLSS which will not only safeguard the interest of the weaker sections but also prove a landmark in promoting PMAY (U)-HFA (U). The Committee desire to be apprised of the outcome in this regard within three months time from the date of presentation of this Report."

#### **Reply of the Government**

1.18 In their written reply, the Ministry have stated as follows:

"MoHUPA has noted the recommendations. It is, however, to be noted that Department of Financial Services (DFS) is the administrative Ministry to take up with the Reserve Bank of India (RBI) with regard to earmarking at least 3% of Priority Sector Lending for loans of dwelling units costing not more than Rs. 16 lakhs. As regards, inclusion of lending of home loans less than Rs 15 lakhs under Credit-Linked Subsidy Scheme (CLSS) component as a part of Key Performance Indicators of the banks, it would be for DFS being the administrative Ministry to take up the matter. These issues have already been taken up by MoHUPA with Department of Financial Services (DFS) .DFS has informed the MoHUPA that monitoring of the progress of CLSS has been included as an agenda of State Level Bankers' Committee (SLBC) meetings."

#### **Comments of the Committee**

**1.19 The Committee observe from the reply of the Government that the Ministry of Housing and Urban Poverty Alleviation has already taken up the issues of (i) earmarking at least 3% of priority sector lending for Loans of dwelling units costing not more than Rs. 16 lakh; and, (ii) inclusion of lending home loans, less than Rs. 15 lakh under Credit-Linked Subsidy Scheme (CLSS) component as a part of Key Performance Indicators of the Banks; with the Department of Financial Services, Ministry of Finance, who is the administrative Ministry to take up the issues with Reserve Bank of India (RBI) for implementation as per the recommendation of the Committee. The Committee would like to be apprised of the further progress and final outcome achieved in both the issues through the final action taken replies of the Government.**



## **Recommendation (Serial No.12)**

### **TAX EXEMPTION AND THE COST OF AFFORDABLE HOUSES**

1.20 The Committee have recommended as under:

"The Committee note that in order to boost the sluggishness in the construction sector in addition to exemption from levy of service tax, one of the measures taken is 100% deduction for profits to an undertaking from a housing project for flats up to 30 square meters in four metro cities and 60 square meters in other cities, subject to Minimum Alternate Tax (MAT). On the apprehension of the Committee, if this provision could be misused by the builders, the Ministry reasoned that since the developers would be tax exempted (except paying MAT), they may, in all possibility pass on a certain portion of tax saved to ultimate buyers in the form of reduced cost of dwelling units. The Committee further note that the final cost of flats built under Pradhan Mantri Awas Yojana (PMAY) has not been capped and the cap is only on the area of dwelling unit.

The Committee are not convinced with assumption of the Ministry, and are of the firm opinion that unless there is a strict conditions imposed by law, builders are not likely to pass on the tax exemption profit to the buyers. The Committee desire, it should be made mandatory for the builders to pass on some pre-decided part of the tax exemption benefit to the buyers. The Committee further recommend that some provision should be made to cap the final cost of the flat as per area or else, the builders may charge the buyers whimsically and the scheme of affordable housing will be no longer affordable for the poorer sections of the society, thus, defeating the very purpose and intention of the scheme."

#### **Reply of the Government**

1.21 In their written reply, the Ministry have stated as follows:

"The recommendations have been noted and forwarded to Ministry of Finance."

#### **Comments of the Committee**

**1.22 The Committee are not satisfied with the stereotyped one liner action taken reply of the Government wherein they have stated the recommendations have been noted and forwarded to Ministry of Finance. The Committee in their original recommendation have stated that the Committee are not convinced with assumption of the Ministry, and are of the firm opinion that unless there is a strict condition imposed by law, builders are not likely to pass on the tax exemption profit to the buyers. That they desire, it should be made mandatory for the builders to pass on some pre-decided part of the tax-emption benefit to the buyers. The Committee had further recommended that some provision should be made to cap the final cost of the flat as per area or else, the builders may charge the buyers whimsically and the Scheme of affordable housing will be no longer affordable for the poorer sections of the society, thus defeating the very purpose and intention of the Scheme. The Committee feel that as more than 7 months have already passed since the above recommendation was presented to the Parliament, the**

Committee be apprised of the actual outcome of this "noted by the Ministry and forwarded to the M/o Finance, recommendation", through the final action taken reply of the Government.

Apart from the above appraisal to be provided to the Committee, they wish to point out that although the Ministry of Finance has provided tax-exemption to an undertaking builders under the housing project for flats up to 30 square meters in four metro cities and 60 square meters in other cities, yet, it may also be well within the domain of the Nodal Ministry of HUPA, who are the Apex Body to frame policies for the welfare of the urban poorer peoples' housing and livelihood needs, to decide, to frame the suitable rule with regard to making it mandatory for the builders to pass on some pre-decided part of the tax-exemption benefit to the buyers and also making some provision to cap the final cost of the flat as per area, as have been recommended by the Committee in their original recommendation in this regard.

The Committee, therefore, reiterate their earlier recommendations and urge the M/o HUPA and M/o Finance to expedite the implementation of the same at the earliest under intimation to the them for not only the actual welfare and benefits of the poorer sections of the society but also, saving their own scheme of affordable housing from getting it defeated by the very purpose and objective its nomenclature stands for.

#### **Recommendation (Serial No.15)**

#### **PMAY- (URBAN)- HOUSING FOR ALL BY 2022**

1.23 The Committee have recommended as under:

"The Committee note that PMAY-(Urban) launched on 25<sup>th</sup> June, 2015, is a novel scheme for ensuring housing for all in urban areas by 2022. States/UTs will have flexibility to include in the Mission the cities and areas of their choice. This mission supports construction of EWS houses upto 30 sq. meters carpet area with basic civil infrastructure. It defines EWS as a family with annual income upto Rs. 3 lakh and LIG as a family with annual income between Rs. 3 to 6 lakh.

The Committee further note that this mission has also subsumed 183 project of Rajiv Awas Yojna and Rajiv Rinn Yojana under one of its components named Credit Linked Subsidy Scheme (CLSS). The objective of the PMAY (Urban) Mission is to assist the State/UT Governments through their implementing agencies in providing pucca houses to all eligible families/beneficiaries by 2022. As per deposition of the Ministry, the housing shortage is estimated at 2 crore by the year 2022.

The Committee are perplexed to note that the revised PMAY guidelines, defines a beneficiary family as "A beneficiary family will comprise husband, wife, unmarried sons or unmarried daughters. The beneficiary family should not own a pucca house either in his/her name or in the name of any members of his/her family in any part of India to be eligible to receive Central assistance under the Mission". They are of firm view that this stipulation might rule out a majority of needy people in urban areas from benefits of this scheme, because most of the persons have a house in some form in their village or remote areas from where they have migrated. Further the bulk of immigrating population (to the cities), constitute labourers, non

skilled and semi-skilled workers whose income is much less than the house rent in any decent colony of a city. In this scenario, such immigrating population is forced to live in slums and squatter settlements, thereby aggravating the problem of slums. Thus, the entire objective of this Mission might be defeated owing to this rule. Therefore, the Committee recommend that the Ministry should explore the feasibility of doing away/dilute this condition of "Pucca House". In the opinion of the Committee non-allotment of house to a person owning any pucca house or land within the limits of that city or any city, might be a better proposition provided that a beneficiary is not allotted more than one house anywhere in India, under this mission.

The Committee also recommend that the Ministry may put adequate emphasis in popularizing this scheme, through visual media, print media, hoarding, etc., so that the intended beneficiaries are made aware about this scheme and it becomes a success, in all States/UTs, on the line of 'Swachh Bharat Abhiyan'. Keeping in view the objective of Housing for All by 2022 in Urban areas, the Committee agreeing with the view of the Ministry, recommend that the BE of Rs. 4875 crore allocated for PMAY(U) and its four components may be enhanced suitably at the RE stage so that this mission fructifies. The Committee also express its apprehension that this ambitious Mission of "Housing for All by 2022" in urban areas does not meet the same fate as that of an earlier popular Mission, namely, "Health for All by 2014" for want of necessary funds, proper execution of the Scheme at the States/UTs level and generation of its awareness among intended beneficiaries as well as other stakeholders. The Committee also caution the Ministry to monitor regularly and curb the practice that the beneficiary should not sublet their pucca house and start living in squatter and slum settlements.

The Committee further note that National Urban Rental Housing Policy, 2015, is in offing. They desire that finalization and implementation of this policy should be expedited so that urban poor could afford to stay in good environment and the problem of slums also could be addressed to some extent. The Committee are aware that for example, Punjab has 14.02% of slums in the urban areas. Out of the total statutory towns, 71 have reported slums in various districts of the state and the Punjab government has forwarded the Detailed Project Reports (DPRs) regarding construction of Dwelling Units for Slum Dwellers in Bhatinda and other cities of Punjab which have not been taken cognizance of by the Ministry. Similarly, in case of Haryana as per 2001 Census, 49 of the Statutory Towns have reported to have slums which have increased to 75 as per 2011 Census, i.e., an increase of 26 Statutory towns reported to have slums mushroomed over a decade indicating about 33 % increase of slum population in urban Haryana. The Committee strongly recommend that the Ministry should consider all the DPRs received from the state of Punjab, Haryana as well as the other states expeditiously in interest of Urban Poor/Slum Dwellers.

### **Reply of the Government**

1.24 In their written reply, the Ministry have stated as follows:

"The observations and concerns raised by the Committee regarding PMAY(U) mission have been noted. As regards DPRs pertaining to Bhatinda are concerned, it is stated that one proposal relating to In-situ Slum Redevelopment (ISSR) in Bhatinda for construction of 1280 EWS houses has been accepted by the Central Sanctioning and Monitoring Committee in its meeting held on 28.04.2016, at a total project cost of Rs. 12.80 crore. Apart from the proposal

already considered by the CSMC, the State Government of Punjab has also written to the Ministry indicating that actions have been initiated at the State level under the different verticals of the PMAY(Urban) Mission. As and when further proposals are received from the State, these will be considered in terms of the scheme guidelines.

It is clarified that no proposal has been received from the State Government of Haryana as on 08.07.2016.

MoHUPA has drafted a National Urban Rental Housing Policy, 2016 which will facilitate creation of rental housing for various segments of income through Social Rental Housing and Market Driven Rental Housing. The special focus is on affordability of vulnerable groups and urban poor through providing such facilities for most vulnerable and need based rental housing for special target groups. The policy also envisages to address the issues related to informal sector rental housing and looks forward for institutionalisation of informal rental housing by creating a conducive environment for gradual shift from informal to semi formal and eventual merger with formal rental housing market.

A National Consultation with all stakeholders was held on 04.12.2015 and comments/suggestions received so far, have been incorporated in the National Rental Housing Policy. The process of Inter-ministerial consultations is underway."

#### **Comments of the Committee**

**1.25 The Committee are not satisfied with the tendency and habit of the Ministry concerned to give incomplete and half-hearted submission of their action taken reply as therein they have totally ignored and left out first four vital recommendations on various aspects/issues out of total six issues recommended in the original recommendation No. 15 of the 10<sup>th</sup> Report of the Committee (2015-16). The first four vital issues recommended by the Committee and totally ignored by the concerned Ministry are, namely, (i) the Committee recommend that the Ministry should explore the feasibility of doing away/dilute the condition of "Pucca House," as in their opinion non-allotment of a house to a person owing any Pucca house or land within the limits of that city or any city, might be a better proposition provided that a beneficiary is not allotted more than one house anywhere in India, under PMAY (U) Mission; (ii) The Committee also recommend that the Ministry may put adequate emphasis in popularizing this Scheme, through visual media, print media, hoarding, etc., so that the intended beneficiaries are made aware about this scheme, and it becomes a success, in all the States/UTs, on the line of 'Swachh Bharat Abhiyan,; (iii) The Committee recommend that the BE of Rs. 4875 crore allocated for PMAY(U) and its four components may be enhanced suitably at the RE stage so that this mission fructifies; and, (iv) the Committee also caution the Ministry to monitor regularly and curb the practice that the beneficiary should not sublet their Pucca house and start living in squatter and slum settlements.**

**In view of the above, the Committee desire the Government to furnish and provide complete action taken/final action taken replies covering each and every issue recommended by the Committee. The Committee, therefore, reiterate their original recommendation demanding complete reply on all the four left out recommended issues**

**as well as updated reply on the remaining two other recommended issues through the final action taken replies of the Government.**

**Recommendation (Serial No.16)**

**CENTRAL GOVERNMENT EMPLOYEES WELFARE HOUSING ORGANISATION (CGEWHO)**

1.26 The Committee have recommended as under:

"The objective of CGEWHO is to undertake social welfare schemes on 'No Profit-No Loss' basis, for the Central Government Employees serving and retired both, spouses of the deceased Central Government employees and employees in service of this Society, and spouses in case of deceased employees, by inter-alia promoting the construction of houses, and providing all possible help and required inputs, to achieve this object.

The Committee further note that organisation derives its funds from non-plan expenditure of the Ministry and the proposed budget for the year 2013-14 onwards was Rs. 10 lakh per year. The Committee was informed that the beneficiaries under the CGEWHO housing schemes are categorized under three Priority lists, i.e., Priority- I, II & III and are accorded priority in allotment accordingly, thereby autonomous bodies of the Government, are kept in 2<sup>nd</sup> Priority. Lok Sabha Secretariat and Rajya Sabha Secretariat being the Autonomous Bodies are also kept under the 2<sup>nd</sup> Priority.

The Committee are of the opinion that the Central Govt. Employees, after retirement, have to vacate their Govt. allotted flats and have to look for an alternate home thereafter. CGEWHO housing schemes can certainly provide an opportunity to own a first home and support retiring Govt. employees/ autonomous bodies/PSUs employees in their old age which is a good welfare measure.

The Committee are aware that a number of complaints/representations have been addressed to the Chief of CGEWHO by the employees of Lok Sabha Secretariat/Rajya Sabha Secretariat whenever they were deprived of a chance to apply under the announced scheme of the CGEWHO in the NCR of Delhi and other places during last decade and half, as the Scheme was opened for Priority-I category only, and all their representations were rejected by the office of CGEWHO on the ground of ineligibility under Priority-I.

The Committee are of the considered view that the Constitution of India brings the Indian Parliament on equal basis as the Executive, viz., the Central Government under the Parliamentary Democratic System which also confers all financial powers to Lok Sabha/Parliament who authorise the Executive/Central Government to incur expenses from the Consolidated Fund of India. The Committee, therefore, unanimously recommend that the Ministry should ensure that all the three Secretariats of the Parliament, namely, all the employees of President Estate Secretariat, Rajya Sabha Secretariat and Lok Sabha Secretariat, should be given equal treatment as that of the Central Government employees and should be included under Priority-I category at the earliest, under appraisal of the progress in the implementation of the recommendation, to the Committee."

### Reply of the Government

1.27 In their written reply, the Ministry have stated as follows:

"The matter of including employees of all the three Secretariats of the Parliament, viz. President Estate Secretariat, Lok Sabha Secretariat and Rajya Sabha Secretariat in the eligibility-I Category of CGEWHO will be taken up as per existing Rules and Regulation of CGEWHO."

### Comments of the Committee

1.28 The Committee are dismayed to observe from the highly unsatisfactory action taken reply of the Government wherein virtually neither any action has been taken at all by them, nor, the crux of the original considered view and unanimous recommendation of this Committee have been heeded to for its actual implementation, as their action taken reply have stated that the matter of including employees of all the three Secretariats of the Parliament, viz., President Estate Secretariat, Rajya Sabha Secretariat and Lok Sabha Secretariat in the eligibility-I category of CGEWHO will be taken up as per existing Rules and Regulation of CGEWHO. The Committee had already observed the age old injustice being done on all the employees of all the three Secretariats of the Parliament as stated above because of the biased and unfair age old existing Rules and Regulations which do not cover them under eligibility-I category of CGEWHO and had recommended to reverse the injustice so caused by modifying the Rules and Regulations, accordingly, in tune with the recommendation of the Committee. The Committee once again and most emphatically reiterate their earlier recommendation that the Ministry should ensure that employees of all the three Secretariats of the Parliament, namely, all the employees of President Estate Secretariat, Rajya Sabha Secretariat and Lok Sabha Secretariat, should be given equal treatment as that of the Central Government employees and should be included under Priority-I category, immediately, without any further delay, by making necessary amendments/modifications in the existing Rules and Regulations of the CGEWHO in order to Honour the Constitution of India which brings the Indian Parliament on equal basis/standing as the Executive, viz., the Central Government under the Parliamentary Democratic System which also confers all the financial powers to Lok Sabha/Parliament who authorise the Executive/Central Government to incur expenses from the Consolidated Fund of India. The Committee also wish to be apprised about the final favorable outcome in this regard.

### **Recommendation (Serial No.18)**

#### HINDUSTAN PREFAB LIMITED

1.29 The Committee have recommended as under:

"The Committee note that Hindustan Prefab Limited was incorporated in 1953. In the 61 years of its existence, it has built a wide spectrum of civil engineering structures using both conventional in-situ as well as prefab techniques. HPL thus became a fully integrated company with modern prefabrication facilities. HPL is currently providing Project Management Consultancy (PMC) for construction of projects in 15 States awarded to it through various State Governments and its agencies. One of the mandates of HPL is dust free construction through prefab technologies.

The Committee strongly feel that dust particles continue to largely contribute to rising pollution levels, create health problems, particularly for those with respiratory problems, cause environmental degradation, including air and water pollution, create host of problems including visibility, create unsafe working conditions and increase costs associated with the loss of materials or additional work involved. The Committee came to know that dust and fine particle generation from construction and demolition activities can be substantially reduced through carefully selected mitigation techniques and effective management. The most effective technique is to control dust at source and prevent it from becoming airborne. The Committee are apprised that HPL uses (a) large panel fully prefab system, composite roofing system using precast beams, partial prefab system using cast-in-site walls and precast roofs and totally cast-in-situ system using small precast elements. Although HPL has used the large panel fully prefab system, it believes in economizing costs further by using partial prefab system to suit the economy of the country. The Committee note that HPL is currently engaged as a Project Management Consultant (PMC) for undertaking projects using both conventional and prefab technologies and they have built a wide spectrum of civil engineering structures and has also supplied components for the building industry and the national railways.

During the recent study tour to Trivandrum in Jan 2016, the Committee had observed that HPL are executing the Housing projects under Rajiv Awas Yojna with traditional construction methods like brick and mortar. The Committee were surprised to note that they were not using any prefab technology for construction of those housing projects which was desired from them. In-fact the Committee are of the considered opinion that large paneled buildings can be built very fast and this could be one of the methods for solving the housing problem in the country. These buildings do not require elaborate up-keep expenditure. The use of precast concrete elements for roofing and flooring can greatly accelerate the pace of construction and make site supervision relatively easier, resulting in saving of essential raw materials, thus economizing on the overall construction costs.

The Committee strongly recommend that Ministry of HUPA should make concerted efforts and strive proactively to complete all the construction projects without cost and time overrun by adopting Prefab technologies and minimizing environmental consequences including dust pollution. They, therefore, desire the Ministry to create awareness and popularize these technologies through seminars, video conferencing and advertisements. The Committee expects the Hindustan Prefab Ltd. to act as a technology hub and incubation centre for prefab technologies.

The Committee are well aware that there is a large scale construction in cities like Dubai, Shanghai, New York, London, Singapore and Beijing, etc., and the sky scrapers come up within no time while being dust free and completely safe. The Committee appreciate such dust free, eco-friendly technology which leads to such expeditious construction. The Committee are of the firm view that India should also adopt such dust free technology in all their Government constructions. They strongly recommend that henceforth, all Government buildings, where the Government is a vendor, should adopt prefab technology, use of precast elements for roofing and flooring as a role model. This will greatly accelerate the pace of construction and minimise adverse environmental consequences including heavy reduction in dust pollution. They also desire that the Government should be pro-active in introducing this technology and replace traditional construction method like brick and mortar. The Ministry should also take care about the use of eco-friendly technologies at the time of demolition activities by controlling dust at source preventing it from becoming air borne."

## Reply of the Government

1.30 In their written reply, the Ministry have stated as follows:

"Hindustan Prefab Limited provides PMC for construction projects using both conventional and prefab technologies. The decision to use the technologies rests with the clients. However HPL on its part has been advocating adoption of prefab technologies in the respective projects. Based on aggressive initiative for propagating prefab technology and with the support of the Ministry, the acceptability of the users has gone up significantly in recent past. HPL has been receiving several requests from different stakeholders for incorporating the same in their projects. HPL is executing pre-engineered building project for construction of hostel and staff quarters for NIT, Jote in Arunachal Pradesh where pre-engineered structure is made of Steel Members with EPS Panel being provided as walls and PUF insulated sandwich panels are used as corrugated roof sheets. In the current year also HPL has taken up construction of Motor Training Institute at Rewa for MPPWD and police camp at Kolkata for Coal India Limited using prefab technology. The organization has also used prefab technologies in works for construction of over 10500 schools toilets under "Swachh Bharat Abhiyaan". The company is hopeful of getting major prefab works in the coming year.

Being the premier organization in Prefab, HPL has been actively taking up Government agencies, manufacturers and other stakeholders in the sector regularly towards promotion of prefab sector.

Towards sensitizing the stakeholders on the emerging technologies for mass housing to support 'Housing For All by 2022', a number of events including conferences, round tables, exhibitions were organized during 2015-16 which witnessed a wide participation from all stakeholders. HPL has also put up demonstration units in various exhibitions in Delhi, Bhopal and Jaipur towards showcasing prefab technology as an option in the ambitious agenda of 'Housing For All by 2022'. HPL intends to organise such seminars and workshops at regular intervals to create awareness towards increasing use of prefab technology in construction industry.

Besides a housing technological park inside the office complex is being set up consisting of sample flats displaying and promoting different technologies like precast, EPS, GRFC, LGS etc. which are economical as well as reduces the construction time drastically. This will also act as a technology hub for prefab technologies.

Dust emissions from construction and other civil engineering activities are common in case of construction through conventional technology. The problem can be reduced substantially by adopting prefab technology in construction wherein the manufacturing process is done in controlled environment of factory and only a small component is executed at site. Prefab techniques are environmental friendly way of building with optimum use of materials, recycling of waste products, less noise and dust etc.

### **HPL's efforts towards prefab development as under:**

Being the premier organization in Prefab, HPL is mandated by its Memorandum of Association to perform the distinct role for advocacy and promotion of prefab technology. During the year 2015-16, HPL has been engaged towards fulfilment of its role as a sectoral leader in prefab sector:

- I. Through advocacy role towards becoming a knowledge hub for the sector.
- II. Through taking up construction projects using prefab and other emerging technologies.



## **I. Through advocacy role**

The Prefab Sector is going to play a very significant role for the success of the Government's Mission of "Housing for All by 2022" towards addressing the challenge of construction of over two crores houses in the next seven years since achieving such high levels of housing delivery would not be feasible through conventional construction technologies alone. Towards sensitizing the stakeholders on the emerging technologies for mass housing, a number of events including conferences, round tables, exhibitions were organized with a wide participation from all stakeholders which gave a fillip of the sector towards contributing to the mission of "Housing for All by 2022".

### **a. Seminars on Prefab**

- HPL with the support of BMTPC organised a seminar on the Role of Prefab Sector in "Housing for All by 2022" on 12th October, 2015. The seminar showcased large number of emerging technologies, which could be effectively implemented for increasing housing delivery in our country besides providing a platform to the stakeholders to share the experience of these emerging technologies.
- The next event in the series was held on 22nd January, 2016 wherein the focus was on RCC precast construction, which has emerged as one of the most appropriate solutions for mass housing. The interactive session was followed by site visit to enable the stakeholders in the prefab sector to have a first-hand experience on the actual construction and the fabrication units deploying the precast technologies on a very large scale.
- To address lack of awareness amongst planners, architects, engineers and user community at large etc. on standardization in building dimension and components coupled with absence of the technologies, a Brain Storming Session was held on 8th February, 2016 towards compiling an action plan for possible policy framework that could help the growth of prefab sector.
- On 11<sup>th</sup> March 2016 CBRI and HPL have jointly organised a round table on "Structural issues in prefab housing" at Roorkee for detailed deliberations on the structural issues in prefab housing and works towards resolving the issues.

These seminars received a very enthusiastic response from the participants and HPL has been able to create awareness towards the need of synergetic action by all stakeholders of the emerging technologies for achieving the Govt.'s goal of 'Housing For All by 2022'.

### **b. Exhibitions on Prefab**

Besides above HPL has also participated in exhibitions for demonstration of prefab technology:

- HPL had set up a demonstration unit at the India International Trade Fair – 2015 showcasing prefab technology as an option in the ambitious agenda of 'Housing For All by 2022' from 14th to 28th November 2015. Various innovative technologies and cost effective and sustainable building materials were also displayed.
- Similar display was also made in the Jaipur Municipalika Meet from 9th to 11th December 2015 where HPL also bagged the "Award of Excellence in Best outdoor pavilion" category.

HPL participated in 5<sup>th</sup> Vigyan Mela in Bhopal showcasing its activities in science & technology and Sustainable growth with the theme of 'Swachh Bharat' from 19<sup>th</sup> to 22<sup>nd</sup> February 2016.

- A permanent exhibition displaying various prefab technology options for supporting the 'Housing For All' is being put up in HPL's office at Jangpura, New Delhi.

## **II. Through taking up major construction projects**

HPL has significantly increased its focus on prefab activities in the last one year. Besides playing its advocacy role for prefab, HPL has also continued to pursue more projects to be undertaken using prefab and other emerging technologies in the projects awarded to HPL. For this the organization has taken up with various potential clients for adoption of prefab technologies in their respective projects. Based on these efforts, HPL is executing pre-engineered building project for construction of hostel and staff quarters for NIT, Jote in Arunachal Pradesh for a cost of nearly Rs. 60 cr. Pre-engineered structure is made of Steel Member with EPS Panel being provided as walls and PUF insulated sandwich panels are used as corrugated roof sheets.

Further HPL has used partial prefab technology in construction of nearly 10500 toilets in schools under Swachh Bharat Abhiyaan across the country for various CPSEs under their CSR with a cost of approx. Rs. 200 cr. where construction up to plinth level has been taken up through conventional method and superstructure is constructed by using Prefab Sandwich Concrete Panels & PPGI roof with MS doors.

Besides discussions with many State Level Agencies like Jharia Rehab Development Authority, Andhra Pradesh State Housing Board, Government of Bihar, etc, and Public Sector undertakings like Central Coal Fields Limited, Northern Coal Fields etc. are already underway. HPL expects to undertake significant quantum of housing projects using prefab technology.

By organizing these seminars and exhibitions, HPL has been able to develop for itself in the prefab sector, where it is now recognized as an Industry leader, bringing together all stakeholders and leading the sector.

### **E-Course**

In order to create awareness and capacity building on new technologies, Govt. of India has proposed to develop E-course highlighting the need for new and emerging technologies. In line with this, HPL has undertaken the responsibility to develop a module on 'Prefabricated Concrete Construction' in association with IGNOU.

### **Prefab Technology park in HPL Premises**

As a step towards promoting the prefab technology, a 'Prefab Technology Park' is being set up in HPL premises, New Delhi for disseminating information on emerging construction technology, sustainable building material for cost effective and faster construction. Spread in the area of approx. two acres, the technology park will provide a platform to various Innovative prefabricated technologies namely PEB, Monolithic EPS, Polypropylene Honeycomb, Precast Technology, Production on Site Precast Concrete, PUF Wall & Roof Pane, GFRG, K-Span Technology, LGSF, Monolithic Concrete Shear Wall, EPS with Speed Floor, LGS and Wooden Construction have been demonstrated at one platform in the Technology Park.

A brochure giving a glimpse of the technologies showcased in the technology Park is attached.

### **Future Plans for prefab sector.**

HPL shall continue to enhance its focus on prefab sector towards making HPL a predominantly prefab company through its sectoral leadership and projects to be undertaken through the following activities:

- Taking up PMCs for prefab works;

- Leveraging CSR for promotion of Prefab, e.g. toilets in schools etc.;
- To play an active role in Central Govt. agenda of “Providing Housing For All by 2022”;
- Playing advocacy role through associations with industry bodies, professional organizations, State Governments, BIS, etc;
- Exploring options for getting into manufacturing of housing components through JV route.;
- Through skill upgradation in prefab sector in association with various academic and training institutions. ;
- Taking up effective role in disaster mitigation, transit shelter, and rehabilitation colonies through prefab housing in association with the Ministry of HUPA, NDMA, SDMAs and State Governments.

### **Eco-Friendly Technologies**

Prefab construction is recommended for energy efficiency and sustainable construction and the use of prefab/precast technology can easily increase the construction pace and make site supervision relatively easier, resulting in saving of essential construction raw material and yet cost effective. Traditional construction methods require extra materials that lead to increased waste. However, since prefabricated sub-assemblies are constructed in a factory, extra materials can be recycled in-house. This is a considerable improvement over sending waste directly to a landfill from a traditional construction site. Also, the controlled environment of a factory allows for more accurate construction, tighter joints and better air filtration, which in turn allows for better wall insulation and an increase in energy efficiency.

Prefab construction is famous for its capacity to use recycled products. The recycled or reclaimed projects are mostly used in interior decoration of any prefab construction. Using the surplus steel, metals or CDW (Construction and Demolition Waste) for recycling, the prefab construction scores extra pollution free goals. Entire prefab construction takes place in the closed factory giving complete freedom to adapt the recycling process for maximum times.

Use of prefab technologies can be delivered in a much shorter duration with better quality, being environmental friendly. They are eco-friendly as cement and other raw materials used at site are reduces dust level which is normally associated with construction resulting in reduction of dust, air pollution and increases the air quality for human consumption."

### **Comments of the Committee**

**1.31 The Committee are concerned with the casual and lackadaisical submission of the action taken replies of the Government with regard to major issues/matters/remedial measures urged/adviced and recommended by the Parliamentary Standing Committee on Urban Development through their vital recommendations as contained in their various Reports. Corroborating this factual position and the above observation of the Committee, they once again wish to point out that there are five major sub-recommendations as contained in their original Recommendation No. 18 of their 10th Report (2015-16) on scrutiny of DFG (2016-17) of M/o HUPA. However, the action taken reply of the Government only covers extensively on HPL, its various activities/roles, its future plans, and about the benefits of the prefab-technologies. Thus, completely over-looking at least four vital sub-recommendations, namely, (i) that the Ministry of HUPA should make concerted efforts and strive proactively to complete all the construction projects without cost and time overrun by adopting prefab technologies and minimizing environmental**

consequences including dust pollution; (ii) that they strongly recommend that henceforth, all Government buildings, where the Government is a vendor, should adopt prefab technology, use of precast elements for roofing and flooring as a role model as this will greatly accelerate the pace of construction and minimize adverse environmental consequences including heavy reduction in dust pollution; (iii) that the Government should be pro-active in introducing this technology and replace traditional construction method like brick and mortar; and, (iv) that the Ministry should also take care about the use of eco-friendly technologies at the time of demolition activities by controlling dust at source preventing it from becoming air borne.

As the above stated four sub-recommendations remained untouched and unanswered in the action taken reply of the Government, the Committee reiterate their earlier recommendation and demand urgent attention of the Ministry concerned over the above stated left out sub-recommendations and desire to be apprised of the action taken by the Government on each of the issues recommended by them through the final action taken reply of the Government.

## CHAPTER II

### RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation (Serial No.1)

#### **NEED TO PROVIDE ENHANCED BUDGET TO THE MINISTRY OF HUPA AT RE STAGE**

2.1 The Ministry of HUPA is entrusted with responsibility of formulation of housing policy and programmes, implementation of urban employment and urban poverty alleviation and policy, planning and monitoring matter related to human settlements and urban development including slum clearance schemes. To support these endeavors of the Ministry Rs. 5411 crore have been allocated for 2016-17 out of which Rs. 5400 crore are under Plan head and Rs. 11 crore are for non-plan.

The Committee observe that there is a marked reduction in the Plan allocations made to Ministry of HUPA at Budget Estimates stage from the year 2014-15 when their allocation was Rs.6000 crore which got reduced in the year 2015-16 to Rs. 5625.00 crore, i.e., Rs. 375.00 crore less than the previous year allocation which further got reduced in the year 2016-17 to Rs.5400.00 crore, viz., Rs. 225.00 crore less than the previous year (2015-16).

The Committee feel that this kind of reduced allocation is not in harmony with the thrust Government seems to want to provide to its ambitious project 'Housing for All by 2022' and other programmes of the Ministry which are meant for urban poverty reduction/alleviation. They also observe that Housing sector is fourth largest employment generating sector and for every lakh invested in the housing 2.69 to 4.06 new jobs are created in the economy with its induced effect. The Committee strongly feel Government should use all their powers to practically eradicate the curse of poverty and homelessness to provide real freedom to the million of its people from the clutches of poverty and state of homelessness.

The Committee were also given to understand during evidence by the representatives of the Ministry of HUPA that there is a potential demand of 50 lakh houses next year for which about 20000 housing loans are expected to be provided. There is a committed liability of Rs.2400 crore for the already sanctioned/accepted projects, so practically only Rs. 2000 crore can be utilized for Pradhan Mantri Awas Yojana during 2016-17. Therefore, Rs. 4400.00 crore provided for Pradhan Mantri Awas Yojna (PMAY) Urban - Housing for All-(HFA)- Urban may not be adequate at all and the Ministry in their evidence before the Committee has in fact stressed that they actually require Rs.8815.00 crore as an enhanced budget.

The Committee, therefore, strongly recommend and urge the Ministry of Finance to provide an enhanced budget at the Revised Budget stage, in addition to the earlier allocated BE of Rs.5400.00 crore, so that, the vital schemes/programmes of Ministry of HUPA which are also the thrust areas of the Govt., may not suffer for want of required wherewithal. This will ensure that the Ministry of HUPA successfully implements their Schemes/Programmes and achieve the desired objectives.

## **Reply of the Government**

2.2 The Ministry agrees with the recommendation of the committee and supplementary demand will be made during current financial year, after assessing requirement of fund at RE 2016-17 stage.

The potential demand in 2016-17 is estimated at 15 lakh (fifteen lakh) dwelling units and not 50 lakhs as noted above.

### **Recommendation (Serial No.2)**

#### **NEED TO CHECK HUGE REDUCTIONS IN ALLOCATIONS OF MINISTRY OF HUPA AT RE STAGE.**

2.3 The Committee observe that there are huge reductions in the Revised Estimates vis-a-vis corresponding Budget Estimates (BE) of Ministry of HUPA continuously from the first year of 12<sup>th</sup> Five Year Plan (2012-17), viz., 2012-13 to the fourth year of the Plan, i.e., 2015-16. The BE (2012-13) of Rs.1155.00 crore had been reduced to Rs.950.00 crore at RE stage, (17% decline) BE (2013-14) of Rs. 1460.00 crore has been reduced as RE of Rs. 1200.00 crore (17.8 % decline); BE (2014-15) of Rs. 6000.00 crore was reduced to Rs. 3400.00 crore at RE (43% decline), and BE (2015-16) of Rs. 5625.30 crore has been reduced to Rs. 1952.00 crore at RE stage (65% decline).

The Committee are dismayed to note this kind of perennially inconsistent budgeting done by Ministry of HUPA and/or Ministry of Finance year after year. They are also pained to see that all their earlier recommendations to get enhanced funding to the Ministry of HUPA not only fall on deaf ears, but also go into the dustbin without yielding any positive outcome. The Committee also feel that the Ministry of HUPA and at times Ministry of Finance in exercise of their financial, executive powers are solely responsible for such higher, unrealistic and misformed projections/allocations made at the time of presenting General Budget before the Parliament year after year for the urban poor and homeless by providing Rs. 6000.00 crore or even more as Budget Estimates of Ministry of HUPA. The Committee further observe that the attractive and rosy higher allocations made in favour of the Ministry of HUPA ironically fades away just after six months of presentation of the General Budget to the Parliament at Revised Estimates stage. As a matter of fact, the allocation of Rs.6000.00 crore or Rs.5625.30 crore which were committed by the Government and duly passed by Parliament, only remains as a token piece of paper as it gets drastically reduced to Rs.3400.00 crore or Rs. 1952.00 crore, i.e., reduced by 43% and 65%, respectively, at the RE stage which comes at the middle of every financial year. The Projections for allocations actually reflect the underlying policy and the plan of the Ministry emphasizing the focal areas. These deviations in allocation at RE stage compels the Ministry to redraw the contours. Since half the year is already gone and much of their valuable time is lost, the Ministry has to replan, leading to slowdown in implementation of the policies/schemes. This in turn leads to non-achievement of targets.

The Committee, in view of the paradoxical and ironical, budgeting practices practised by the Ministry of HUPA/Ministry of Finance, which depicts a complete volteface from the financial commitments of Ministry of HUPA and Ministry of Finance towards homeless and poor human resources of the country before the Parliament, strongly urge the Government to depart from such unhealthy Budgeting practice year after year.

The Committee also recommend that the Ministry of HUPA should focus to enhance their budgeting skills to avoid making of such unforeseen Budget Estimates in their favour which

force them to back out from their own projections after every six months at RE stage, year after year, and also urge the Ministry of Finance not to slash the BEs, upto 40 to 65% arbitrarily at RE stage every year, against the pressing needs of the Ministry of HUPA. In the instant case, the Ministry of HUPA should actively pursue the Ministry of Finance for enhanced allocation at RE stage to meet their projected targets during the year.

### **Reply of the Government**

2.4 Ministry of Finance is the nodal Ministry in so far as budgetary procedures are concerned.

In FY 2015-16, reduction of allocation was made by M/o Finance at RE stage based on the expenditure incurred upto Sep, 2015. In fact, PMAY (U) was launched in June, 2015 and the Ministry started receiving proposals for central assistance only from Oct-Nov, 2015.

Due to larger demand, Ministry requested for enhancement of RE allocation and M/o Finance allowed enhancement of Rs. 500.00 crore from Rs. 1452.00 crore to Rs. 1952.00 crore, as against Ministry's request for restoration of BE 2015-16 or at least Rs. 2500.00 crore for PMAY (U). Due to insufficient provision at RE 2015-16, there was a committed liability of Rs. 2397.00 crore for the projects considered under PMAY (U) during FY 2015-16 for release of 1<sup>st</sup> installment.

In the Current year, against a demand of Rs. 3650.00 crore for PMAY (U), an enhanced allocation of Rs. 5075.00 crore has been made. In June, 2015, the plan expenditure was only 0.23% of BE 15-16; in June 2016, plan expenditure has reached 21.43% of the plan budget. Hence, MoHUPA is taking active steps to ensure utilization of its plan budget in 2016-17.

Further enhancement will be sought at supplementary stages/RE stage based on requirement.

2.5 For comments of the Committee please see para No. 1.7 of Chapter-I of the Report.

### **Recommendation (Serial No.3)**

#### **NEED TO CHECK UNDER-UTILIZATION OF FUNDS BY ENHANCING THE CAPACITY TO HAVE 100% UTILIZATION**

2.6 The Committee observe that the Actual Expenditure of the Ministry of HUPA is showing under-utilization trend as there is never 100% financial targets achieved by them during each of the last three years. The percentage of Actual Expenditure against BE is reported to be 73.88% (2013-14), 45.25 % (2014-15) and 31.21% (2015-16), whereas, it is 89.89% (2013-14), 79.86% (2014-15) and 89.95% (2015-16) against RE of each of the three years, respectively. Thus, the percentage of shortfall is 10.11% (2013-14), 20.14% (2014-15) and 10.05% (2015-16) against the respective Revised Estimates.

The Committee are not satisfied with the Actual Expenditure capacity of the Ministry which has been running vital mega projects/programmes, namely PMAY (U)- Housing For All by 2022, In-Situ slum development, pending project of JNNURM and RAY, CLSS for housing and DAY-National Urban Livelihood Mission (NULM), etc., meant for upliftment of Economically Weaker Section/Below Poverty Line, Urban Population.

The Committee also observe that the Revised Estimates of the Ministry are already reduced by 40 % to 60 % from the Budget Estimates initially allocated in favour of the Ministry and yet they are not able to spend 100% of the 40% to 60% reduced RE. This trend indicates the scope for enhancing financial management skills of all these concerned and engaged in implementation of the Projects at Centre, State/UT and ULBs level under the guidance of the representatives of the Ministry. The Committee are aware that there is a considerable time lag involved in the implementation of schemes right from the stage of conceptualisation to identifying the various components/beneficiaries and obtaining approval. The Committee, however, do not approve of the 60 per cent of the time of the Plan period being consumed for formulating the major schemes, leaving just two years for implementation. They are, therefore, of the considered view that the vast time lag between the identification and approval of the schemes conceptualized be curtailed substantially so that adequate time is left for their implementation within the stipulated timelines so as to achieve the intended goals.

The Committee in view of the above observation, urge the Ministry to improve upon the utilization of their allocated funds for achievement of 100% financial targets of the very meager RE. The Committee feel that it is high time the Ministry streamlined their Plan of expenditure on major schemes and made endeavour to maximize the utilization of the earmarked funds every year so that they have a strong ground to get the desired enhanced allocation from Ministry of Finance to give much needed thrust on housing and urban poverty alleviation.

The Committee feel that it is high time that the Ministry of Finance sets up a task force to study the advisability of continuance of the time honoured procedure of BE/RE projections. A historic analysis of the financial as well as performance targets and achievements can be mounted to study whether some changes could be introduced in the periodicity of estimates (BE and RE) as well as provisioning of the required flexibility to the administrative ministries for pooling the budgeted grants and strategising the pace of performance across sectors such that a totality of large unutilised funds and under performance do not continue to plague the whole exercise of budgeting."

### **Reply of the Government**

2.7 The recommendation of the Committee is noted. For enhanced allocation, the Ministry will take up with M/o Finance at appropriate stage. MoHUPA has taken active steps to utilize its plan budget. This is evidenced by the fact that 21.43% of the planned budget has been spent till June, 2016 as compared to 0.23% upto June, 2015.

2.8 For comments of the Committee please see para No. 1.10 of Chapter-I of the Report.

### **Recommendation (Serial No.4)**

#### **NEW FUNDING PATTERN AND ITS ADVERSE IMPACT ON THE ACHIEVEMENT OF FINANCIAL/PHYSICAL TARGETS OF THE SCHEMES OF THE MINISTRY OF HUPA**

2.9 The Committee note that JNNURM as well as RAY Schemes of HUPA have been subsumed into Pradhan Mantri Awas Yojana, all these schemes intend to provide housing for poor. They also find that the period of JNNURM was from December, 2005 to March, 2012. The



Mission period was extended till 31<sup>st</sup> March, 2015 for completion of on-going projects. The concern of the representatives of people about the completion of on-going projects was addressed with approval for further extension of Mission upto 31<sup>st</sup> March, 2017 to complete on-going projects approved till 31.03.2012. This approval was received in May 2015 itself. However, the concern of the Committee in completion of the on-going projects under these Schemes, subsumed under PMAY(U) is the funding pattern.

The Committee note that there is a marked change in the funding pattern from the financial year 2015-16 as per the instructions issued by Ministry of Finance with regard to Central: State share for implementation of Centrally Sponsored Schemes of the Ministry. The Committee further observe that the old funding pattern, as per Scheme guidelines for Central: State under RAY [Subsumed under Housing for All (Urban)] were stated to be 75:25 for Cities/UAs with population of less than 5 lakh which has been changed to 60:40 as per New Funding Pattern. Similarly, the funding pattern with regard to BSUP component of JNNURM which was 90:10 for Cities/Towns in NE States and 80:20 for other Cities with less than one million population has been replaced as 80:20 and 50:50, respectively. So far IHSDP (JNNURM) is concerned, it has been changed to 50:50 from the old one as 80:20 for all States/UTs and has become 80:20 for NE and Special Category States from the earlier pattern of 90:10.

The Committee during examination of the DFG (2016-17) of the Ministry of HUPA were informed that one of the major reasons for having continuous shortfall in achievement of financial targets during last three years, i.e., from 2013-14 to 2015-16 is that "at time States are unable to raise anticipated fund requirement due to implementation bottlenecks." Further, the Ministry also highlighted among other reasons of having financial shortfall, that actual releases against projects were further reduced due to change in funding pattern (50:50) for States and 80:20 for NE States against 80:20 and 90:10, respectively in Financial Year 2015-16.

The Committee strongly feel that both the above stated reasons for financial shortfall as per the statement of the Ministry of HUPA may act as an eye-opener for the Central Government/Ministry of Finance as to how the States, which were, already unable to raise their anticipated fund requirement towards their share as per old funding pattern are further burdened with imposition of new funding pattern which demands 30% more funds by the concerned implementing States.

The Committee consisting of Representatives of various States, UTs as Member of Parliament are very well aware of the financial conditions of their respective States/UTs and the adverse impact this new imposed funding pattern that has been created on the implementation of the on-going Schemes in their States/UTs as they are finding it extremely difficult to cope up with this new funding pattern for it is adding on the financial burden on them and has become an example of further burdening the already over burdened. The Committee, therefore, urge the Ministry of Finance to reconsider their decision on changing the old funding pattern with the new one and should issue fresh instructions at the earliest regarding restoration and continuation of the old funding pattern with retrospective effect, viz., from the date of change of the old funding pattern, for smooth and hurdle-free implementation of on-going projects of JNNURM and RAY under present PMAY (U)-HFA (U) now, by the concerned States/UTs, as this will certainly be in favour of the Centrally Sponsored Schemes and implementing States/UTs as well. This will support the State Governments to expeditiously complete such projects. The Committee desire

the Ministry of HUPA should enthusiastically pursue the matter of getting the old funding pattern restored with the Ministry of Finance till positive outcome achieved in this regard under intimation of the progress made in this regard, to the Committee. The Committee also strongly recommend that the Ministry should try not to make frequent change of schemes relating to same objectives/beneficiaries since it leads to confusion and lack of focus and direction."

### **Reply of the Government**

2.10 The Ministry has already taken up the matter with Ministry of Finance for restoration of old funding pattern, however, the same could not materialize as yet. As advised by the committee, Ministry will pursue the matter with M/o Finance."

2.11 For comments of the Committee please see para No. 1.13 of Chapter-I of the Report.

### **Recommendation (Serial No.5)**

#### **COMPLETION OF ALL PENDING JNNURM PROJECTS IRRESPECTIVE OF THEIR COMPLETION STAGE**

2.12 Jawaharlal Nehru Urban Renewal Mission (JNNURM) was launched on 3<sup>rd</sup> December, 2005 for assisting State Governments in providing housing and basic services to urban poor/slum dwellers in 65 select cities under the sub mission- Basic Services to Urban Poor(BSUP) and Integrated Housing and Slum Development Programme (IHSDP) in other cities. This mission was launched for a period of 7 years from 2005-06, however, it was extended upto 31<sup>st</sup> March, 2017 for completion of ongoing work only in projects sanctioned upto 31<sup>st</sup> March, 2012.

Time and again, the Committee have emphasized on the fact that hundreds of projects approved under this mission, have not been able to be completed because Centre has stopped the funds. The Committee does not concur with the explanations of the Ministry, in its depositions, that the funds have been stopped owing to the inability on the part of the States to carry out municipal reforms and several projects were less than 50% completed. The Committee are of the considered view that any amount invested in projects under this mission, by the States, is out of public money. If we allow those partly completed projects to die for want of funds, then it amounts to sheer national wastage of scarce resources.

The Committee further opine that Urbanization is an inevitable process. Cities act as magnets, attracting capital, resources, talent and labour from all around. As urban population increase, the size of cities in India will swell even more. The need of revitalization of urban infrastructure today, is therefore, felt all the more. JNNURM was an important scheme for ensuring creation of urban infrastructure. In this context, the Committee recommend that all viable projects, approved under JNNURM, at whichever stage of completion, must be allowed to be completed under the same funding pattern as it was earlier approved.

The Committee also note that JNNURM had both housing and infrastructure components. While the housing component has been taken care of by PMAY(Urban) scheme, infrastructure

component has not been taken care of. Urban population is increasing by leaps and bounds. The need of urban infrastructure creation is more than ever before. Keeping this in view the Committee recommend that a new scheme for urban infrastructure creation should be initiated and all viable pending JNNURM projects, other than housing, be allowed to be completed."

### **Reply of the Government**

2.13 On-going projects sanctioned upto 31.03.2012 under JNNURM which include basic infrastructure are being allowed to be completed by 31.03.2017.

Under the schemes of PMAY (U), central assistance is provided for housing only on per unit basis and not for infrastructure. States are required to provide infrastructure under PMAY (U) either through their own fund/ Finance Commission grant or through convergence with other schemes of the State/UT Govts or Central Government."

2.14 For comments of the Committee please see para No. 1.16 of Chapter-I of the Report.

### **Recommendation (Serial No.6)**

#### **HOUSING LOANS UNDER CLSS COMPONENT OF PMAY(U) NEED TO BE AS A PART OF KEY PERFORMANCE INDICATORS (KPIs) OF THE BANKS, HFCs/PLIs**

2.15 The Committee note that Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana (Urban) is an important component of the Mission, which is being implemented as a Central Sector Scheme right from the start of the Mission across the country in all statutory towns. Under CLSS, the beneficiaries of Economically Weaker Section (EWS) having household annual income upto Rs. 3.00 lakh and Low Income Group (LIG) having household annual income between Rs. 3.00 lakh and Rs. 6.00 lakh, subject to their being otherwise eligible under the scheme, can avail of interest subsidy at the rate of 6.5% on the housing loans upto Rs. 6.00 lakh from Banks, Housing Finance Companies and other such institutions for a tenure of 15 years or actual tenure of loan whichever is earlier. The Net Present Value (NPV) of the interest subsidy will be calculated at a discounted rate of 9%.

The Committee further note that in terms of PMAY(Urban) Scheme guidelines, Housing and Urban Development Corporation Ltd., (HUDCO) and National Housing Bank(NHB) have been the Central Nodal Agencies (CNAs) for implementation of CLSS and these CNAs have signed Memorandum of Understanding (MoU) with 177 Primary Lending Institutions (PLIs).

The Committee are unhappy to observe that as per NHB, banks are not very active in providing small scale loans. Reduction in outstanding housing loans to the low income segments reflects that the housing loans to weaker sections is decreasing every year upto Rs. 2 Lakh-from 2% to 1% upto Rs. 5 Lakh-from 14% to 9% upto Rs. 10 Lakh from 34% to 26% during 2012-13 to 2013-14, and should be a matter of concern for all the implementing Ministries/CNAs. Consequently, Ministry of HUPA has been taking up the issue of giving special attention to

loans to lower segment. It had requested for earmarking of at least 3% of Priority Sector Lending for loans of dwelling units costing not more than Rs. 16 lakh.

Furthermore, the Steering Committee for monitoring the progress of the Credit Linked Subsidy Scheme, at its meeting held on 8<sup>th</sup> October, 2015 noted that the home loan portfolio allocation by PLIs to the below Rs. 10 lakh category is less than 2%. The need for banks to cater to this segment was noted by the Committee. In order to increase banks' lending towards low ticket loans, the Committee desire that the Department of Financial Services (DFS) would examine the issue of inclusion (with due weightage) of lending of home loans less than Rs. 15 lakh or loans under CLSS component, as a part of Key Performance Indicators (KPIs) of the banks.

The Committee are of the opinion that unless implementation and execution of the scheme by PLIs/HFCs is included in the mandatory list of Key Performer Indicators (KPIs) of the banks, there may be very little hope to reverse the decreasing trends of loans to EWS/LIG segments. The Committee, therefore, recommend that the Ministry of HUPA, HUDCO and NHB should vigorously pursue all the issues, i.e, (i) at least 3% of Priority Sector Lending for loans of dwelling units costing not more than Rs. 16 lakh; (ii) inclusion, with due weightage, of lending of home loans less than Rs. 15 lakhs under CLSS component, as a part of Key Performance Indicators(KPIs) of the banks; and (iii) Monitoring of the progress of the scheme through State Level Bankers Committee (SLBC), with the DFS and obtain positive outcome in this regard for better performance of CLSS which will not only safeguard the interest of the weaker sections but also prove a landmark in promoting PMAY (U)-HFA (U). The Committee desire to be apprised of the outcome in this regard within three months time from the date of presentation of this Report.

### **Reply of the Government**

2.16 MoHUPA has noted the recommendations. It is, however, to be noted that Department of Financial Services (DFS) is the administrative Ministry to take up with the Reserve Bank of India (RBI) with regard to earmarking at least 3% of Priority Sector Lending for loans of dwelling units costing not more than Rs. 16 lakhs. As regards, inclusion of lending of home loans less than Rs 15 lakhs under Credit-Linked Subsidy Scheme (CLSS) component as a part of Key Performance Indicators of the banks, it would be for DFS being the administrative Ministry to take up the matter. These issues have already been taken up by MoHUPA with Department of Financial Services (DFS) .DFS has informed the MoHUPA that monitoring of the progress of CLSS has been included as an agenda of State Level Bankers' Committee (SLBC) meetings.

2.17 For comments of the Committee please see para No. 1.19 of Chapter-I of the Report.

### **Recommendation (Serial No.7)**

#### **FAILURE OF THE MINISTRY OF HUPA IN PROVIDING BASIC DATA RELATING TO THEIR OWN SCHEME-CLSS, TO THE PARLIAMENTARY COMMITTEE**

2.18 The Committee observe that Credit Linked Subsidy Scheme (CLSS) is a component under Pradhan Mantri Awas Yojna (Urban)- Housing for All (Urban)-PMAY (U)-HFA (U) Mission

of the Ministry of HUPA launched on 26.06.2015. National Housing Bank (NHB) and Housing Urban Development Corporation (HUDCO) are the Central Nodal Agencies (CNAs) for CLSS under which an eligible EWS/LIG applicant can avail of interest subsidy @ of 6.5% on housing loans upto Rs. 6.00 lakh from Banks, Housing Finance Companies (HFCs) and other such institutions.

The Committee during examination of DFG (2016-17) of M/o- HUPA desired to know some basic data with regard to the No. of applications received, rejected, granted loans, pending and since when and the reasons for rejection/pendency for a longer time, if any, etc., under CLSS since the day of its implementation. Contrary to the desire of the Committee, the Ministry submitted that the data related to the total No. of applications received, rejected, pending and the reasons for rejections and pendency, etc. by Banks/PLIs is not available with NHB and HUDCO as this information is spread over all the PLIs across the Country and this information is not maintained by the CNAs. The Committee are also informed by the Ministry that CLSS is not being operated as a separate scheme by the PLIs but rather it is a subset of the whole set of housing loan applications received by the PLIs. There is, thus, no electronic database maintained separately for CLSS related housing loan application. Eligible beneficiaries under CLSS are filtered from the overall loan applications received by the banks. However, on the request of the Ministry, Indian Bank Association (IBA) has simplified and circulated to all the Public Sector Banks (PSBs) the application form and documentation required for availing the housing loan under CLSS so that the EWS/LIG categories do not face hardships while applying for housing loans with the PLIs.

The Committee are not satisfied with the explanation of the Ministry in this regard and are pained to acknowledge that in spite of the Ministry being an apex authority of GOI at the national level for formulation of housing policy and programme, administering of Plan Scheme, collection and dissemination of data on housing etc., not only, has the Ministry failed to administer their own Central Sector Plan Scheme, namely, CLSS, but also, do not have mechanism to collect basic data on one of the component (CLSS) of their Primary Housing Scheme, PMAY (U) - HFA(U).

The Committee are of the view that although PLIs are considering CLSS applications as a subset of the whole set of housing loan applications received by them, it is wrong to say that PLIs are not operating CLSS as a separate scheme. As a matter of fact, the moment eligible beneficiaries under CLSS are filtered from the overall loan applications received by the Banks, the filtered ones automatically have come under a separate housing loan scheme having different eligibility criteria and entirely different set of norms regarding interest subsidy, capping of loan amount, tenure, area of the house, etc. Moreover, as per the submission of the Ministry, a simplified application form and documentation required for availing the housing loan under CLSS have also said to be circulated to all the PSBs by the IBA which also proves beyond doubt that PLIs are supposed to obtain a separate application form and documentation from an eligible beneficiary who wishes to have housing loans under CLSS.

The Committee, in view of the above, not only disagree with the justification of the Ministry for not maintaining and providing the desired information on CLSS, but also, feel unhappy at the lackadaisical and careless approach and tendency of the Ministry in administering their Plan Schemes and recommend that they should exercise their power in the direction of passing

immediate instructions/guidelines to CNAs/IBA/DFS/PLIs and all concerned for implementation of CLSS that now onwards, all the desired data, such as, (i) No. of CLSS applications received (with date), No. of loan sanctioned with amount out of total applications received, No. of applications rejected, No. of applications pending on a given date and since when, reasons for rejecting applications after confirming the eligibility of the beneficiaries under CLSS and reasons for longer pendency of applications for more than 2 months, etc., should be maintained and forwarded by PLIs/HFCs concerned to CNAs in a form of a quarterly progress report on CLSS. The delinquency, if any, in this regard, be made accountable and penalized. The Committee advice the Ministry to get a uniformly suitable software developed and circulated in this regard to all concerned for better administering and monitoring of CLSS, so that the present failure of the Ministry in this regard is converted into success. The progress in the matter may be brought before the Committee within a period of 3 months.

### **Reply of the Government**

2.19 As pointed out by the Hon'ble Committee in paragraph 4 (last line), data of the eligible beneficiary who wishes to have housing loans under CLSS, is maintained by the Central Nodal Agencies (CNAs). Once an applicant under CLSS is considered eligible for interest subsidy further tracking of the application filled up for the purpose is available with the respective PLIs. This process is part of the due diligence process of the PLIs. Subsequently, when the claim is raised by the PLI with the CNA for release of interest subsidy, from that stage onwards, data is tracked electronically by the CNAs.

Tracking of the status from the stage an application is submitted to the PLI where the eligibility of the individual for the housing loan under CLSS is being determined, would require the DFS to issue appropriate instructions.

National Housing Bank, which is one of two CNAs under Credit Linked Subsidy Scheme, is working on developing suitable software to enable tracking of applications received by Primary Lending Institutions(PLIs) under Credit Linked Subsidy Scheme. Department of Financial Services has also been addressed on the issue to ensure that a system is in place for data entry at branch level of the PLIs, once the software is in place.

### **Recommendation (Serial No.9)**

#### **SUPPORT TO URBAN STREET VENDORS**

2.20 The Committee note that one of the component of DAY-NULM scheme is to provide support to Urban Street Vendors for carrying their vocational activities. After the promulgation of the 'Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014', the States/UTs have started vendor identification survey in their respective States/UTs. As informed by the Ministry, out of 475 cities that started the survey, 277 cities have already completed the survey and out of 5,85,485 street vendors identified, only 1,50,521 ID cards have been issued. The Committee further observe that the States/UTs of Assam, Goa, Gujarat, Sikkim, Tripura, Andaman and Nicobar Islands, Dadra and Nagar Haveli, Daman and Diu, Puducherry and Delhi

have not started the survey even in a single city. The Committee feel that this is a most regrettable state of affairs.

The Committee appreciate that Ministry have been regularly pursuing with the States/UTs for implementation of the provisions of the said Act, however, they are concerned to find that the some States/UTs have not taken up the issue at all and the work of conducting survey and the process of issuing the ID cards is not going on the required pace. With a view to meeting the requirement of target, it is imperative that all the ground work relating to survey for identification of street vendors and issuance of ID cards to them are completed within a definite time-frame so as to avoid time and cost overrun. The Committee desire that the Ministry pursue the non-participating and non-responsive States to clearly spell out their difficulty/apprehension/priorities in non-implementation of the scheme/survey in identification of vendors/issuance of ID cards. The Committee impress upon the Ministry to initiate urgent requisite measures and pursue States/UTs so as to ensure the timely completion of survey and issuance of ID cards to the Street Vendors, thereafter moving further for credit enablement, skill development and micro-enterprise development for them.

#### **Reply of the Government**

2.21 The recommendation of the Committee is noted The Ministry will constantly pursue with the States/UTs for framing Rules and Scheme under the Street Vending Act, 2014 and completion of street vendors' survey at the earliest.

#### **Recommendation (Serial No.11)**

#### **BUILDING MATERIALS AND TECHNOLOGY PROMOTION COUNCIL (BMTPC)**

2.22 The Committee note that the Building Material and Technology Promotion Council (BMTPC), an autonomous organization under the aegis of Ministry of HUPA, has expertise in identification, promotion and dissemination of new building materials and construction technologies for housing. This Council has been allocated a sum of Rs. 5.00 crore. In the Budget Estimate of 2016-17 as against the Revised Estimates of Rs. 13.00 crore and BE of Rs. 5.00 crore during 2015-16. The Committee also observe that the entire amount of Rs. 13 crore has been spent by BMTPC during 2015-16 and they had proposed an outlay of Rs. 15 crore for 2016-17.

The Committee fail to understand that in the era of eco-friendly and energy efficient technologies to achieve dust free construction why the allocation for the Council has been reduced to only 38%, i.e., Rs. 5 crore for 2016-17 from Rs. 13 crore (2015-16) even with 100% utilization.

Since BMTPC has also been designated as Secretariat of Technology sub-mission under Pradhan Mantri Awas Yojana (PMAY)(U) to provide support in identification, evaluation and adoption of new technologies by States, it definitely requires more funds to perform its duties. Moreover, the last self assessment review by the Council conducted in 2003 and a Board review in February, 2016 reflects the positive impact in the construction and building materials industry and assessment suggest that the BMTPC fully qualifies for Expenditure Reforms Commission(ERC) type of assistance. The Committee, therefore, desire that the allocation to

BMTPC should be increased to at least Rs. 15 crore at RE stage 2016-17 as proposed by them initially so as to achieve the objective of bridging gap between the laboratory development and large scale field application of cost effective, environment-friendly and energy-efficient, innovative building materials and disaster resistant construction technology.

### **Reply of the Government**

2.23 The original Budget Estimates for the year 2015-16 was Rs. 5.00 crore. It was, however, revised to Rs.13 crore with an additional grant of Rs. 8.00 crore to undertake specific activity of constructing Demonstration Housing Projects in various States with new/emerging eco-friendly and energy efficient technologies. Since there are no pending requests received from the States for the year 2016-17 to undertake demonstration housing projects, the allocation for BMTPC has been kept Rs. 5.00 crore. However, as and when BMTPC undertakes new demonstration projects and other technical activities requiring financial support, Ministry of HUPA is committed to extend the support.

### **Recommendation (Serial No.12)**

#### **TAX EXEMPTION AND THE COST OF AFFORDABLE HOUSES**

2.24 The Committee note that in order to boost the sluggishness in the construction sector in addition to exemption from levy of service tax, one of the measures taken is 100% deduction for profits to an undertaking from a housing project for flats up to 30 square meters in four metro cities and 60 square meters in other cities, subject to Minimum Alternate Tax (MAT). On the apprehension of the Committee, if this provision could be misused by the builders, the Ministry reasoned that since the developers would be tax exempted (except paying MAT), they may, in all possibility pass on a certain portion of tax saved to ultimate buyers in the form of reduced cost of dwelling units. The Committee further note that the final cost of flats built under Pradhan Mantri Awas Yojana (PMAY) has not been capped and the cap is only on the area of dwelling unit.

The Committee are not convinced with assumption of the Ministry, and are of the firm opinion that unless there is a strict conditions imposed by law, builders are not likely to pass on the tax exemption profit to the buyers. The Committee desire, it should be made mandatory for the builders to pass on some pre-decided part of the tax exemption benefit to the buyers. The Committee further recommend that some provision should be made to cap the final cost of the flat as per area or else, the builders may charge the buyers whimsically and the scheme of affordable housing will be no longer affordable for the poorer sections of the society, thus, defeating the very purpose and intention of the scheme."

### **Reply of the Government**

2.25 The recommendations have been noted and forwarded to Ministry of Finance.

2.26 For comments of the Committee please see para No. 1.22 of Chapter-I of the Report.



## **Recommendation (Serial No.13)**

### **OBSERVATIONS/RECOMMENDATIONS No. 13 URBAN MIGRATION**

2.27 The Committee note that one of the mandate given to Ministry of HUPA is the planning and monitoring of matters related to slum clearance schemes and the Jhuggi and Jhopri Removal Schemes, except for NCT of Delhi. As per Census of India 2001 and 2011, the slum population has been enumerated at 52.37 million and 65.49 million, respectively. The growth percentage of urban population which was 31.51 in 2001 over 1991, has slightly increased to 31.80 in 2011 over 200, whereas, Total Population and its growth during the same period has come down considerably, i.e., from 21.54 growth percentage in 2001 over 1991 which came down to 17.68 growth percentage in 2011 over 2001. One of the very significant reasons for increasing urban population and thereby increase in slums may be attributed to urban migration.

The Committee have been informed during the evidence that a working group on migration with 13 Members has been set up in July, 2015. The Committee are of the considered view that without seriously looking into urban migration from rural areas its actual causes and remedial measures found to check the same, we are only engaging in ad hoc patch work. Therefore, this issue should be taken on top priority basis. The Committee further recommend that appropriate measures need to be taken to address the existing data gaps in the surveys conducted by NSSO, since the Committee feel that much of the data offered during evidence, for instance with regard to Delhi, appears to be prime facie incorrect. The Ministry of HUPA should take up the matter with Ministry of Statistics and Programme Implementation to collect relevant data about education and skills of the labour and out migrants to deploy them appropriately on skilled works. The Committee feel that only after understanding the reasons for migration and analyzing its fallout and assessing the impacts of migration on housing, slums and infrastructure, the Ministry can work in a better way to ameliorate otherwise deplorable conditions of millions of urban poor."

### **Reply of the Government**

2.28 The Working Group on Migration has noted the existing data gaps. It appreciates that availability of credible data is critical to develop a robust understanding about migration, including, inter alia, the reasons people migrate, major sources and destinations, sectors of employment, conditions of living. The Working Group is examining data and data collection processes from the Census of India, as well as the National Sample Survey Office and will make specific suggestions in this regard.

Further, Ministry of HUPA has issued an OM (No. O-17034/18/2015-H / FTS –12940 dated 10th February 2016- copy enclosed at Annexure) with a request to provide inputs as listed by 20th Feb 2016 Notes on survey frame of NSS employment unemployment survey and queried whether it covers households living at work sites, whether any modifications to survey design are contemplated to capture short-term migration at destination and/or source. Response from National Sample Survey Organisation, MoPSI is awaited.

In view of the recommendation given by the Standing Committee (SC), Ministry of HUPA shall accordingly made a request to MOPSI to take necessary action to collect relevant data about education and skills of the labour and out migrants.

### **Recommendation (Serial No.14)**

#### **UNOCCUPIED DWELLING UNITS UNDER JNNURM SCHEME**

2.29 The Committee have been informed that under BSUP and IHSDP missions of JNNURM, Rs.6243.09 crore including Central share of Rs.3212.19 crore has been spent on constructing Dwelling Units under this Mission. Further, altogether 12,48,501 Dwelling Units (DUs) have been sanctioned thus far, of which 10,05,949 have been constructed out of which 8,07,656 have been occupied by the beneficiaries, which means that 2,28,925 DUs, i.e., 23% of total constructed DUs are unoccupied despite the fact that there are lakhs of homeless people in urban areas who are struggling to get a roof over their head. The Committee are not satisfied by the explanation of the Ministry that this is a dynamic/fluctuating figure which keeps changing, allotment of DUs is the prerogative of States, etc. The issues of livelihood near the residence, infrastructure, transportation, beneficiary share have also been other impediments. The Committee are of the view that infrastructure development and distant location of the dwelling units are the main reasons for non-occupancy. Therefore, they recommend that locality issues may be taken into consideration before selecting/approving the site for construction. And also infrastructure should be developed before offering the occupancy.

The Committee desire that all constructed DUs, after overcoming these impediments, are disbursed to the needy beneficiaries, at the earliest possible, else it might degenerate owing to disuse, for example, what has happened to the dwellings at Faridabad, Haryana which is highly regrettable. The unoccupied DUs may also fall in the hands of criminal elements/miscreants who might misuse it, thereby leading to sheer wastage of public money/shelter to antisocial activities. The Committee further recommend that the lessons learnt from JNNURM scheme in context of unoccupancy may be applied to while constructing houses under PMAY(U) as well.

#### **Reply of the Government**

2.30 It is humbly submitted that in the earlier schemes of the Ministry including JNNURM, the States/UTs were invariably advised to go in for in situ slum redevelopment as the first option. It is only where in situ redevelopment was not possible, States/UTs were to explore the option of relocation. This focus on in situ redevelopment was essentially to ensure that the livelihoods of the beneficiaries was not adversely affected.

Under the PMAY (Urban) Mission also, the focus continues and the Ministry gives primary consideration to in situ slum redevelopment as the first option rather than relocation. Even in cases where relocation is opted for by the States/UTs, the ULBs/city Governments are advised to ensure that livelihood issues are suitably addressed including by leveraging benefits from other schemes of the Ministry, where possible.

It is also submitted that the identification of beneficiaries and allotment of houses under the PMAY (Urban) is the responsibility of the States/UTs concerned. Also, at the level of Ministry while considering proposals for Central assistance, States/UTs are invariably required to commit

availability of requisite infrastructure in the project proposals approved by them, so that possibility of livelihoods being affected is precluded.

### **Recommendation (Serial No.15)**

#### **PMAY- (URBAN)- HOUSING FOR ALL BY 2022**

2.31 The Committee note that PMAY-(Urban) launched on 25<sup>th</sup> June, 2015, is a novel scheme for ensuring housing for all in urban areas by 2022. States/UTs will have flexibility to include in the Mission the cities and areas of their choice. This mission supports construction of EWS houses upto 30 sq. meters carpet area with basic civil infrastructure. It defines EWS as a family with annual income upto Rs. 3 lakh and LIG as a family with annual income between Rs. 3 to 6 lakh.

The Committee further note that this mission has also subsumed 183 project of Rajiv Awas Yojna and Rajiv Rinn Yojana under one of its components named Credit Linked Subsidy Scheme (CLSS). The objective of the PMAY (Urban) Mission is to assist the State/UT Governments through their implementing agencies in providing pucca houses to all eligible families/beneficiaries by 2022. As per deposition of the Ministry, the housing shortage is estimated at 2 crore by the year 2022.

The Committee are perplexed to note that the revised PMAY guidelines, defines a beneficiary family as "A beneficiary family will comprise husband, wife, unmarried sons or unmarried daughters. The beneficiary family should not own a pucca house either in his/her name or in the name of any members of his/her family in any part of India to be eligible to receive Central assistance under the Mission". They are of firm view that this stipulation might rule out a majority of needy people in urban areas from benefits of this scheme, because most of the persons have a house in some form in their village or remote areas from where they have migrated. Further the bulk of immigrating population (to the cities), constitute labourers, non skilled and semi-skilled workers whose income is much less than the house rent in any decent colony of a city. In this scenario, such immigrating population is forced to live in slums and squatter settlements, thereby aggravating the problem of slums. Thus, the entire objective of this Mission might be defeated owing to this rule. Therefore, the Committee recommend that the Ministry should explore the feasibility of doing away/dilute this condition of " Pucca House". In the opinion of the Committee non-allotment of house to a person owning any pucca house or land within the limits of that city or any city, might be a better proposition provided that a beneficiary is not allotted more than one house anywhere in India, under this mission.

The Committee also recommend that the Ministry may put adequate emphasis in popularizing this scheme, through visual media, print media, hoarding, etc., so that the intended beneficiaries are made aware about this scheme and it becomes a success, in all States/UTs, on the line of 'Swachh Bharat Abhiyan'. Keeping in view the objective of Housing for All by 2022 in Urban areas, the Committee agreeing with the view of the Ministry, recommend that the BE of Rs. 4875 crore allocated for PMAY(U) and its four components may be enhanced suitably at the RE stage so that this mission fructifies. The Committee also express its apprehension that this ambitious Mission of "Housing for All by 2022" in urban areas does not meet the same fate as that of an earlier popular Mission, namely, "Health for All by 2014" for want of necessary funds, proper execution of the Scheme at the States/UTs level and generation of its awareness among

intended beneficiaries as well as other stakeholders. The Committee also caution the Ministry to monitor regularly and curb the practice that the beneficiary should not sublet their pucca house and start living in squatter and slum settlements.

The Committee further note that National Urban Rental Housing Policy, 2015, is in offing. They desire that finalization and implementation of this policy should be expedited so that urban poor could afford to stay in good environment and the problem of slums also could be addressed to some extent. The Committee are aware that for example, Punjab has 14.02% of slums in the urban areas. Out of the total statutory towns, 71 have reported slums in various districts of the state and the Punjab government has forwarded the Detailed Project Reports (DPRs) regarding construction of Dwelling Units for Slum Dwellers in Bhatinda and other cities of Punjab which have not been taken cognizance of by the Ministry. Similarly, in case of Haryana as per 2001 Census, 49 of the Statutory Towns have reported to have slums which have increased to 75 as per 2011 Census, i.e., an increase of 26 Statutory towns reported to have slums mushroomed over a decade indicating about 33 % increase of slum population in urban Haryana. The Committee strongly recommend that the Ministry should consider all the DPRs received from the state of Punjab, Haryana as well as the other states expeditiously in interest of Urban Poor/Slum Dwellers.

#### **Reply of the Government**

2.32 The observations and concerns raised by the Committee regarding PMAY(U) mission have been noted. As regards DPRs pertaining to Bhatinda are concerned, it is stated that one proposal relating to In-situ Slum Redevelopment (ISSR) in Bhatinda for construction of 1280 EWS houses has been accepted by the Central Sanctioning and Monitoring Committee in its meeting held on 28.04.2016, at a total project cost of Rs. 12.80 crore. Apart from the proposal already considered by the CSMC, the State Government of Punjab has also written to the Ministry indicating that actions have been initiated at the State level under the different verticals of the PMAY(Urban) Mission. As and when further proposals are received from the State, these will be considered in terms of the scheme guidelines.

It is clarified that no proposal has been received from the State Government of Haryana as on 08.07.2016.

MoHUPA has drafted a National Urban Rental Housing Policy, 2016 which will facilitate creation of rental housing for various segments of income through Social Rental Housing and Market Driven Rental Housing. The special focus is on affordability of vulnerable groups and urban poor through providing such facilities for most vulnerable and need based rental housing for special target groups. The policy also envisages to address the issues related to informal sector rental housing and looks forward for institutionalisation of informal rental housing by creating a conducive environment for gradual shift from informal to semi formal and eventual merger with formal rental housing market.

A National Consultation with all stakeholders was held on 04.12.2015 and comments/suggestions received so far, have been incorporated in the National Rental Housing Policy. The process of Inter-ministerial consultations is underway.

2.33 For comments of the Committee please see para No. 1.25 of Chapter-I of the Report.

### **Recommendation (Serial No.17)**

#### **REAL ESTATE (REGULATION & DEVELOPMENT) ACT, 2016**

2.34 The Committee are happy to note that Real Estate (Regulation and Development) Act, 2016 has come into force, which is expected to help consumers move towards an accountable, transparent and fair deals in a sector well known for delays, frauds, overpricing and even worse with innocent consumers/buyers. This legislation aims at protecting the interest of buyers by creating State level "Real Estate Regulatory Authorities" to whom buyers can complain. The authorities have been empowered to punish or prosecute developers.

The Committee are concerned about the fate of all the Affordable Housing Schemes which have been sanctioned during the past years and are yet to be completed and they apprehend that those builders/promoters who have already started/initiated some work on the above said sanctioned projects, might try to get away by stating that this Act has come into force after the commencement of their projects. The Committee, therefore, recommend that the Ministry should ensure that this Act is implemented retrospectively with respect to all affordable housing projects initiated at any time in the past but not completed. Bringing these affordable housing projects within the ambit of this Act will ensure protection of interest of Economically Weaker Section and Low Income Group home buyers. The Committee also desire the Ministry to ensure that this Act is brought into force as soon as possible and the States/UTs Governments may be incentivised suitably for enacting their own State Acts on the basis of the Model Central Act and for timely constitution of Real Estate Regulatory Authority, as required under this Act. The Committee would like to be apprised of the Action Taken in this regard at the earliest."

#### **Reply of the Government**

2.35 The Ministry of HUPA has already notified the relevant sections of the Act for making of rules and establishment of Regulatory Authority and Appellate Tribunal with effect from 1<sup>st</sup> May, 2016. As a consequence, rules under this Act will have to be made within maximum six months and the Real Estate Authority and Tribunal established within one year from the above mentioned date. It is further informed that this is not a model Act but a Central law of Parliament."

### **Recommendation (Serial No.18)**

#### **HINDUSTAN PREFAB LIMITED**

2.36 The Committee note that Hindustan Prefab Limited was incorporated in 1953. In the 61 years of its existence, it has built a wide spectrum of civil engineering structures using both conventional in-situ as well as prefab techniques. HPL thus became a fully integrated company with modern prefabrication facilities. HPL is currently providing Project Management Consultancy (PMC) for construction of projects in 15 States awarded to it through various State Governments and its agencies. One of the mandates of HPL is dust free construction through prefab technologies.

The Committee strongly feel that dust particles continue to largely contribute to rising pollution levels, create health problems, particularly for those with respiratory problems, cause environmental degradation, including air and water pollution, create host of problems including visibility, create unsafe working conditions and increase costs associated with the loss of materials or additional work involved. The Committee came to know that dust and fine particle generation from construction and demolition activities can be substantially reduced through carefully selected mitigation techniques and effective management. The most effective technique is to control dust at source and prevent it from becoming airborne. The Committee are apprised that HPL uses (a) large panel fully prefab system, composite roofing system using precast beams, partial prefab system using cast-in-site walls and precast roofs and totally cast-in-situ system using small precast elements. Although HPL has used the large panel fully prefab system, it believes in economizing costs further by using partial prefab system to suit the economy of the country. The Committee note that HPL is currently engaged as a Project Management Consultant (PMC) for undertaking projects using both conventional and prefab technologies and they have built a wide spectrum of civil engineering structures and has also supplied components for the building industry and the national railways.

During the recent study tour to Trivandrum in Jan 2016, the Committee had observed that HPL are executing the Housing projects under Rajiv Awas Yojna with traditional construction methods like brick and mortar. The Committee were surprised to note that they were not using any prefab technology for construction of those housing projects which was desired from them. In-fact the Committee are of the considered opinion that large paneled buildings can be built very fast and this could be one of the methods for solving the housing problem in the country. These buildings do not require elaborate up-keep expenditure. The use of precast concrete elements for roofing and flooring can greatly accelerate the pace of construction and make site supervision relatively easier, resulting in saving of essential raw materials, thus economizing on the overall construction costs.

The Committee strongly recommend that Ministry of HUPA should make concerted efforts and strive proactively to complete all the construction projects without cost and time overrun by adopting Prefab technologies and minimizing environmental consequences including dust pollution. They, therefore, desire the Ministry to create awareness and popularize these technologies through seminars, video conferencing and advertisements. The Committee expects the Hindustan Prefab Ltd. to act as a technology hub and incubation centre for prefab technologies.

The Committee are well aware that there is a large scale construction in cities like Dubai, Shanghai, New York, London, Singapore and Beijing, etc., and the sky scrapers come up within no time while being dust free and completely safe. The Committee appreciate such dust free, eco-friendly technology which leads to such expeditious construction. The Committee are of the firm view that India should also adopt such dust free technology in all their Government constructions. They strongly recommend that henceforth, all Government buildings, where the Government is a vendor, should adopt prefab technology, use of precast elements for roofing and flooring as a role model. This will greatly accelerate the pace of construction and minimise adverse environmental consequences including heavy reduction in dust pollution. They also desire that the Government should be pro-active in introducing this technology and replace traditional construction method like brick and mortar. The Ministry should also take care about the use of eco-friendly technologies at the time of demolition activities by controlling dust at source preventing it from becoming air borne.

## Reply of the Government

2.37 Hindustan Prefab Limited provides PMC for construction projects using both conventional and prefab technologies. The decision to use the technologies rests with the clients. However HPL on its part has been advocating adoption of prefab technologies in the respective projects. Based on aggressive initiative for propagating prefab technology and with the support of the Ministry, the acceptability of the users has gone up significantly in recent past. HPL has been receiving several requests from different stakeholders for incorporating the same in their projects. HPL is executing pre-engineered building project for construction of hostel and staff quarters for NIT, Jote in Arunachal Pradesh where pre-engineered structure is made of Steel Members with EPS Panel being provided as walls and PUF insulated sandwich panels are used as corrugated roof sheets. In the current year also HPL has taken up construction of Motor Training Institute at Rewa for MPPWD and police camp at Kolkata for Coal India Limited using prefab technology. The organization has also used prefab technologies in works for construction of over 10500 schools toilets under "Swachh Bharat Abhiyaan". The company is hopeful of getting major prefab works in the coming year.

Being the premier organization in Prefab, HPL has been actively taking up Government agencies, manufacturers and other stakeholders in the sector regularly towards promotion of prefab sector.

Towards sensitizing the stakeholders on the emerging technologies for mass housing to support 'Housing For All by 2022', a number of events including conferences, round tables, exhibitions were organized during 2015-16 which witnessed a wide participation from all stakeholders. HPL has also put up demonstration units in various exhibitions in Delhi, Bhopal and Jaipur towards showcasing prefab technology as an option in the ambitious agenda of 'Housing For All by 2022'. HPL intends to organise such seminars and workshops at regular intervals to create awareness towards increasing use of prefab technology in construction industry.

Besides a housing technological park inside the office complex is being set up consisting of sample flats displaying and promoting different technologies like precast, EPS, GRFC, LGS etc. which are economical as well as reduces the construction time drastically. This will also act as a technology hub for prefab technologies.

Dust emissions from construction and other civil engineering activities are common in case of construction through conventional technology. The problem can be reduced substantially by adopting prefab technology in construction wherein the manufacturing process is done in controlled environment of factory and only a small component is executed at site. Prefab techniques are environmental friendly way of building with optimum use of materials, recycling of waste products, less noise and dust etc.

### **HPL's efforts towards prefab development as under:**

Being the premier organization in Prefab, HPL is mandated by its Memorandum of Association to perform the distinct role for advocacy and promotion of prefab technology. During the year 2015-16, HPL has been engaged towards fulfilment of its role as a sectoral leader in prefab sector:

- III. Through advocacy role towards becoming a knowledge hub for the sector.
- IV. Through taking up construction projects using prefab and other emerging technologies.

## **I. Through advocacy role**

The Prefab Sector is going to play a very significant role for the success of the Government's Mission of "Housing for All by 2022" towards addressing the challenge of construction of over two crores houses in the next seven years since achieving such high levels of housing delivery would not be feasible through conventional construction technologies alone. Towards sensitizing the stakeholders on the emerging technologies for mass housing, a number of events including conferences, round tables, exhibitions were organized with a wide participation from all stakeholders which gave a fillip of the sector towards contributing to the mission of "Housing for All by 2022".

### **c. Seminars on Prefab**

- HPL with the support of BMTPC organised a seminar on the Role of Prefab Sector in "Housing for All by 2022" on 12th October, 2015. The seminar showcased large number of emerging technologies, which could be effectively implemented for increasing housing delivery in our country besides providing a platform to the stakeholders to share the experience of these emerging technologies.
- The next event in the series was held on 22nd January, 2016 wherein the focus was on RCC precast construction, which has emerged as one of the most appropriate solutions for mass housing. The interactive session was followed by site visit to enable the stakeholders in the prefab sector to have a first-hand experience on the actual construction and the fabrication units deploying the precast technologies on a very large scale.
- To address lack of awareness amongst planners, architects, engineers and user community at large etc. on standardization in building dimension and components coupled with absence of the technologies, a Brain Storming Session was held on 8th February, 2016 towards compiling an action plan for possible policy framework that could help the growth of prefab sector.
- On 11<sup>th</sup> March 2016 CBRI and HPL have jointly organised a round table on "Structural issues in prefab housing" at Roorkee for detailed deliberations on the structural issues in prefab housing and works towards resolving the issues.

These seminars received a very enthusiastic response from the participants and HPL has been able to create awareness towards the need of synergetic action by all stakeholders of the emerging technologies for achieving the Govt.'s goal of 'Housing For All by 2022'.

### **d. Exhibitions on Prefab**

Besides above HPL has also participated in exhibitions for demonstration of prefab technology:

- HPL had set up a demonstration unit at the India International Trade Fair – 2015 showcasing prefab technology as an option in the ambitious agenda of 'Housing For All by 2022' from 14th to 28th November 2015. Various innovative technologies and cost effective and sustainable building materials were also displayed.
- Similar display was also made in the Jaipur Municipalika Meet from 9th to 11th December 2015 where HPL also bagged the "Award of Excellence in Best outdoor pavilion" category.

HPL participated in 5<sup>th</sup> Vigyan Mela in Bhopal showcasing its activities in science & technology and Sustainable growth with the theme of 'Swachh Bharat' from 19<sup>th</sup> to 22<sup>nd</sup> February 2016.

- A permanent exhibition displaying various prefab technology options for supporting the 'Housing For All' is being put up in HPL's office at Jangpura, New Delhi.



## **II. Through taking up major construction projects**

HPL has significantly increased its focus on prefab activities in the last one year. Besides playing its advocacy role for prefab, HPL has also continued to pursue more projects to be undertaken using prefab and other emerging technologies in the projects awarded to HPL. For this the organization has taken up with various potential clients for adoption of prefab technologies in their respective projects. Based on these efforts, HPL is executing pre-engineered building project for construction of hostel and staff quarters for NIT, Jote in Arunachal Pradesh for a cost of nearly Rs. 60 cr. Pre-engineered structure is made of Steel Member with EPS Panel being provided as walls and PUF insulated sandwich panels are used as corrugated roof sheets.

Further HPL has used partial prefab technology in construction of nearly 10500 toilets in schools under Swachh Bharat Abhiyaan across the country for various CPSEs under their CSR with a cost of approx. Rs. 200 cr. where construction up to plinth level has been taken up through conventional method and superstructure is constructed by using Prefab Sandwich Concrete Panels & PPGI roof with MS doors.

Besides discussions with many State Level Agencies like Jharia Rehab Development Authority, Andhra Pradesh State Housing Board, Government of Bihar, etc, and Public Sector undertakings like Central Coal Fields Limited, Northern Coal Fields etc. are already underway. HPL expects to undertake significant quantum of housing projects using prefab technology.

By organizing these seminars and exhibitions, HPL has been able to develop for itself in the prefab sector, where it is now recognized as an Industry leader, bringing together all stakeholders and leading the sector.

## **E-Course**

In order to create awareness and capacity building on new technologies, Govt. of India has proposed to develop E-course highlighting the need for new and emerging technologies. In line with this, HPL has undertaken the responsibility to develop a module on 'Prefabricated Concrete Construction' in association with IGNOU.

### **Prefab Technology park in HPL Premises**

As a step towards promoting the prefab technology, a 'Prefab Technology Park' is being set up in HPL premises, New Delhi for disseminating information on emerging construction technology, sustainable building material for cost effective and faster construction. Spread in the area of approx. two acres, the technology park will provide a platform to various Innovative prefabricated technologies namely PEB, Monolithic EPS, Polypropylene Honeycomb, Precast Technology, Production on Site Precast Concrete, PUF Wall & Roof Pane, GFRG, K-Span Technology, LGSF, Monolithic Concrete Shear Wall, EPS with Speed Floor, LGS and Wooden Construction have been demonstrated at one platform in the Technology Park.

A brochure giving a glimpse of the technologies showcased in the technology Park is attached.

### **Future Plans for prefab sector.**

HPL shall continue to enhance its focus on prefab sector towards making HPL a predominantly prefab company through its sectoral leadership and projects to be undertaken through the following activities:

- Taking up PMCs for prefab works;
- Leveraging CSR for promotion of Prefab, e.g. toilets in schools etc.;
- To play an active role in Central Govt. agenda of “Providing Housing For All by 2022”;
- Playing advocacy role through associations with industry bodies, professional organizations, State Governments, BIS, etc;
- Exploring options for getting into manufacturing of housing components through JV route.;
- Through skill upgradation in prefab sector in association with various academic and training institutions. ;
- Taking up effective role in disaster mitigation, transit shelter, and rehabilitation colonies through prefab housing in association with the Ministry of HUPA, NDMA, SDMA and State Governments.

### **Eco-Friendly Technologies**

Prefab construction is recommended for energy efficiency and sustainable construction and the use of prefab/precast technology can easily increase the construction pace and make site supervision relatively easier, resulting in saving of essential construction raw material and yet cost effective. Traditional construction methods require extra materials that lead to increased waste. However, since prefabricated sub-assemblies are constructed in a factory, extra materials can be recycled in-house. This is a considerable improvement over sending waste directly to a landfill from a traditional construction site. Also, the controlled environment of a factory allows for more accurate construction, tighter joints and better air filtration, which in turn allows for better wall insulation and an increase in energy efficiency.

Prefab construction is famous for its capacity to use recycled products. The recycled or reclaimed projects are mostly used in interior decoration of any prefab construction. Using the surplus steel, metals or CDW (Construction and Demolition Waste) for recycling, the prefab construction scores extra pollution free goals. Entire prefab construction takes place in the closed factory giving complete freedom to adapt the recycling process for maximum times.

Use of prefab technologies can be delivered in a much shorter duration with better quality, being environmental friendly. They are eco-friendly as cement and other raw materials used at site are reduces dust level which is normally associated with construction resulting in reduction of dust, air pollution and increases the air quality for human consumption."

2.38 For comments of the Committee please see para No. 1.31 of Chapter-I of the Report.

## CHAPTER III

### RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

#### Recommendation (Serial No.8)

##### **BUDGET ALLOCATION FOR DAY-NULM**

3.1 A scheme, 'Deendayal Antodaya Yojana (DAY)- National Urban Livelihoods Mission (NULM)' was launched by Ministry of HUPA in the 12<sup>th</sup> Five Year Plan replacing the then, 'Swarn Jayanti Shahari Rozgar Yojana (SJSRY)'. Budget Estimate under this scheme for 2016-17 is Rs. 300.00 crore as against RE(2015-16) of Rs. 261.30 crore. The Committee note that during 2013-14, Rs. 720.45 crore and in 2014-15, Rs. 697.34 crore were utilized and during last year i.e., 2015-16, the Ministry could spent Rs. 239.72 crore as against RE of Rs. 250 crore which amount to 95.89% expenditure. The Committee fail to understand as why this flagship scheme which has seven components to address, is receiving such a meager amount and why the allocation under DAY-NULM has been reduced by more than 65% for the year 2016-17 in comparison to 2013-14 and 2014-15. In fact the allocations to a particular sector/scheme is indicative of the underlying policy and thrust areas of Government. On one hand providing employment is one of the focal areas of the Government and on the other hand the allocation to the concerned area is being drastically slashed from 1003.00 crore in 2014-15 to a mere Rs. 510.00 crore in 2015-16 and further allocation stands at a mere Rs.300 crore for 2016-17. This only reflects the vague and confused strategy of Government in dealing with such a vital parameter of the economy. The Committee exhort the Ministry to get the support for this scheme in terms of greater resource allocation so that multifarious activities to be undertaken in this premier scheme are facilitated and encouraged in the interest of millions of urban unemployed people.

#### Reply of the Government

3.2 Total allocation for the DAY-NULM has been downsized to Rs 300.00 crores in 2016-17, as against Rs 510.00 crores in 2015-16 and Rs 1003.00 crores in 2014-15 due to huge unspent balance lying with the States/UTs. Around Rs 735 crores is the estimated unspent balance available with the States as on 1 April 2016. Thus, including the budgetary allocation of Rs 300 crore during 2016-17, a total of Rs 1029 crore is available with States for spending during 2016-17.

Besides, the share of central funding under DAY-NULM has been reduced from 75% to 60% (except Non – NER States and 3 Himalayan States) which has reduced requirement of central funds.

## **Recommendation (Serial No.10)**

### **SLUGGISH/NO PROGRESS FOR SOME STATES UNDER DAY-NULM-COMPONENT-SHELTER FOR URBAN HOMELESS (SUH)**

3.3 The Committee observe that one among the seven components of "Deendayal Antyodaya Yojana (DAY)-NULM" is 'Scheme of Shelter for Urban Homeless (SUH)'. The very objective and purpose of SUH is to ensure availability and access of the Urban homeless population to permanent shelters equipped with the basic infrastructure facilities like water supply, sanitation, safety and security. The No. of shelters sanctioned under NULM, since inception of the Mission, is 770 in 20 States against which only 270 shelters are operational in as few as 9 States. In remaining 11 states, namely, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Jammu & Kashmir, Kerala, Odisha, Punjab, Uttarakhand and Uttar Pradesh none of the SUH is reported to be operational and thus there is a shortfall of 500 SUH at the time of examination of DFG (20 16-17) of the Ministry.

The Committee are not satisfied with the explanation of the Ministry that construction of new shelters involves tendering process, construction phase, engaging staff for management the project is to be decided by the States/UTs and the Ministry have no say in this regard except for pursuing the States/UTs by writing letters to CMs and CSs of all States/UTs for timely completion of the sanctioned projects.

The Committee feel that the progress of the SUH scheme is extremely sluggish in the remaining 11 States in which SUH have been sanctioned. On the other hand rest of the 16 States/UTs have also not sanctioned any project proposals for SUH till 31<sup>st</sup> March, 2016. In spite of 29 State level workshops, 20, video conferences with States/UTs for effective implementation of NULM including SUH and writing a number of letters, 16 States/UTs have not responded at all, 20 States responded and 11 States out of those 20 States are not showing even a single shelter operational even after more than two and a half years time has passed from the day of implementation of the SUH.

The Committee have come across many such instances during examination of the DFGs of Ministry of HUPA where various schemes/programmes, namely, PMAY(U)-HFA(U) with all its four verticals/components or whether it is conducting survey for identification of street vendors, issuing them ID cards, constitution of Vendor Committee, etc., or even implementation of National Policy and its various aspects by States/UTs, there is no legal provision(s) or a full proof mechanism/safeguard available with the Central Ministry, in the instant case, Ministry of HUPA with respect to getting their Central Sector/Centrally Sponsored Schemes implemented in a time bound manner by all the States/UTs who have actually got the projects sanctioned by the Centre/Ministry of HUPA. The Committee has been apprised that so much so the rules of some Schemes/Acts/Policies are yet to be framed by many States/UTs, without which the survey of street vendors, is held up. Thus, in the absence of any such legal provisions/full proof mechanism in the MoUs/MoAs with regard to timelines and commitment to adhere to the decided timeline for implementation/completion of any Project/Scheme of the Ministry, many States/UTs either sleep over various aspects of implementation or proceed too sluggishly and half-heartedly in implementation of the sanctioned scheme in their States/UTs. The Ministry has no say with regard to getting time-bound implementation of their own sponsored schemes in

which they own 50% or even more financial powers/share to contribute. The Committee find that release of funds depend on Utilization Certificate but do not fulfil the purpose of implementation of schemes at ground level. In fact in few cases unspent balances of previous releases are with States/UTs but no progress is reported in implementation.

The Committee, in view of the above, and considering the professed helplessness of the Ministry in this regard, strongly recommend that the Ministry should constitute a High Power Action Committee of Experts (HPACE) and the prime task of the HPACE should be to explore and suggest the remedial ways and means and safeguards including legal, financial and administrative powers and its proper execution by the Ministry concerned for getting their Central Sector Schemes as well as Centrally Sponsored Schemes, implemented by the States/UTs in a time-bound manner. The timelines must be decided fairly by the Central Ministry concerned as the propounder and controller of the Schemes, in consultation with respective participating States/UTs, so that the Ministry is not feeling 'Helpless' with regard to the timely completion of their sanctioned projects as well as achievement of the set financial and physical targets for a financial years, by all States/UTs. The HPACE may also analyze the reasons for non-implementation of the schemes, State-wise, explore remedies by addressing those issues for those States/UTs which simply sleep over the implementation/unable to implement various provisions of the Central Acts/Policy in a time-bound manner which in turn becomes detrimental for the timely implementation of various schemes/programmes of the Ministry, as is in the case of Street Vendors Act, 2014 and setting up of SUHs. The Committee desire that the Ministry should pursue the matter with the concerned States/UTs at the highest level and impress upon them the utility of the Schemes to their States/UTs. The Committee would like to be apprised about the action taken by the Ministry in this regard at the earliest.

### **Reply of the Government**

3.4 Apart from NULM, the States/UTs are also running shelters for urban homeless from their own funds/schemes.

Since inception of the Mission, 815 shelters have been sanctioned under NULM in 20 States. Out of which, 336 shelters are operational in 13 States. Rest of the shelters are in different stages of construction. Out of 14 States/UTs where shelters have not been sanctioned, 6 States/UTs namely Goa, Sikkim, A & N Islands, Chandigarh, D & N Haveli and Daman & Diu have informed that no shelters are required under DAY-NULM. Rest of the 8 States have informed that they are under process of sanctioning the shelters under NULM.

In regard to the recommendation made by the Committee regarding constitution of High Power Action Committee of Experts (HPACE), it is mentioned that the Governing Council of DAY-NULM is in effect a HPACE. In the wake of restructuring of various Centrally Sponsored Schemes, progress regarding implementation of flagship Missions is being reviewed regularly in NITI Aayog. Also, mechanism regarding monitoring Departmental Action Plan of respective Ministries is being put in place by NITI Aayog. In view of this, adding another tier of Committee like HPACE does not appear necessary at this stage.

## CHAPTER IV

### RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### Recommendation (Serial No.16)

#### **CENTRAL GOVERNMENT EMPLOYEES WELFARE HOUSING ORGANISATION (CGEWHO)**

4.1 The objective of CGEWHO is to undertake social welfare schemes on 'No Profit-No Loss' basis, for the Central Government Employees serving and retired both, spouses of the deceased Central Government employees and employees in service of this Society, and spouses in case of deceased employees, by inter-alia promoting the construction of houses, and providing all possible help and required inputs, to achieve this object.

The Committee further note that organisation derives its funds from non-plan expenditure of the Ministry and the proposed budget for the year 2013-14 onwards was Rs. 10 lakh per year. The Committee was informed that the beneficiaries under the CGEWHO housing schemes are categorized under three Priority lists, i.e., Priority- I, II & III and are accorded priority in allotment accordingly, thereby autonomous bodies of the Government, are kept in 2<sup>nd</sup> Priority. Lok Sabha Secretariat and Rajya Sabha Secretariat being the Autonomous Bodies are also kept under the 2<sup>nd</sup> Priority.

The Committee are of the opinion that the Central Govt. Employees, after retirement, have to vacate their Govt. allotted flats and have to look for an alternate home thereafter. CGEWHO housing schemes can certainly provide an opportunity to own a first home and support retiring Govt. employees/ autonomous bodies/PSUs employees in their old age which is a good welfare measure.

The Committee are aware that a number of complaints/representations have been addressed to the Chief of CGEWHO by the employees of Lok Sabha Secretariat/Rajya Sabha Secretariat whenever they were deprived of a chance to apply under the announced scheme of the CGEWHO in the NCR of Delhi and other places during last decade and half, as the Scheme was opened for Priority-I category only, and all their representations were rejected by the office of CGEWHO on the ground of ineligibility under Priority-I.

The Committee are of the considered view that the Constitution of India brings the Indian Parliament on equal basis as the Executive, viz., the Central Government under the Parliamentary Democratic System which also confers all financial powers to Lok Sabha/Parliament who authorise the Executive/Central Government to incur expenses from the Consolidated Fund of India. The Committee, therefore, unanimously recommend that the Ministry should ensure that all the three Secretariats of the Parliament, namely, all the employees of President Estate Secretariat, Rajya Sabha Secretariat and Lok Sabha Secretariat, should be given equal treatment as that of the Central Government employees and should be included under Priority-I category at the earliest, under appraisal of the progress in the implementation of the recommendation, to the Committee."

### **Reply of the Government**

4.2 The matter of including employees of all the three Secretariats of the Parliament, viz. President Estate Secretariat, Lok Sabha Secretariat and Rajya Sabha Secretariat in the eligibility-I Category of CGEWHO will be taken up as per existing Rules and Regulation of CGEWHO.

4.3 For comments of the Committee please see para No. 1.28 of Chapter-I of the Report.

**CHAPTER V**

**RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT  
ARE STILL AWAITED**

**Nil**

**NEW DELHI;**

**23 December, 2016  
02 Pausa, 1936 (Saka)**

**Pinaki Misra  
Chairperson,  
Standing Committee on Urban Development**



**STANDING COMMITTEE ON URBAN DEVELOPMENT (2016-2017)**

MINUTES OF THE 5<sup>th</sup> SITTING OF THE COMMITTEE HELD ON MONDAY,  
23<sup>rd</sup> DECEMBER, 2016.

The Committee sat from 1430 hrs. to 1600 hrs. in Committee Room 'D'  
Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Pinaki Misra** - **Chairperson**

**MEMBERS**

**LOK SABHA**

2. Sh. Ram Charan Bohra
3. Sh. Ramesh Bidhuri
4. Sh. Dilip Mansukhlal Gandhi
5. Sh. Maheish Girri
6. Sh. R. Gopalakrishnan
7. Sh. Choudhury Mohan Jatua
8. Sh. Charanjeet Singh Rori
9. Smt. Meenakshi Lekhi
10. Sh. Alok Sanjar
11. Sh. Brijbhushan Sharan Singh
12. Sh. Parvesh Sahib Singh Verma

**RAJYA SABHA**

13. Sh. R. S. Bharthi
14. Sh. Anil Desai
15. Sh. Ajay Sancheti
16. Sh. Mahesh Poddar

**SECRETARIAT**

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri D.S. Malha - Director
3. Ms. Amita Walia - Additional Director

2. \*\*\*\*                      \*\*\*\*                      \*\*\*\*                      \*\*\*\*                      \*\*\*\*

3. \*\*\*\*                      \*\*\*\*                      \*\*\*\*                      \*\*\*\*                      \*\*\*\*

4. \*\*\*\*                      \*\*\*\*                      \*\*\*\*                      \*\*\*\*                      \*\*\*\*

5.        Thereafter, Hon'ble Chairperson and the Members of the Committee considered and adopted Action Taken Reports on Demands for Grants (2016-17) of Ministries of Urban Development and Housing & Urban Poverty Alleviation unanimously without any changes.

6.        A verbatim record of the proceedings of the sitting of the Committee has been kept.

**The Committee then adjourned.**

\*\*\*\* These portions of the Minutes do not relate to the Report of the Committee.

[Vide para 4 of the Introduction]

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE TENTH REPORT OF THE STANDING COMMITTEE ON URBAN DEVELOPMENT (SIXTEENTH LOK SABHA)**

<b>I.</b>	<b>Total number of recommendations</b>	<b>18</b>
<b>II.</b>	<b>Recommendations/Observations which have been accepted by the Government:</b>	<b>15</b>
	<b>Recommendation Nos. 1, 2, 3, 4, 5, 6, 7, 9, 11, 12, 13, 14, 15, 17 and 18</b>	
	<b>Percentage to total recommendations</b>	<b>(83.33%)</b>
<b>III.</b>	<b>Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:</b>	<b>02</b>
	<b>Recommendation Nos. 8 and 10</b>	
	<b>Percentage to total recommendations</b>	<b>(11.11%)</b>
<b>IV.</b>	<b>Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:</b>	<b>01</b>
	<b>Recommendation No. 16</b>	
	<b>Percentage to total recommendations</b>	<b>(5.55%)</b>
<b>V.</b>	<b>Recommendations/Observations in respect of which final replies of the Government are still awaited:</b>	
	<b>Recommendation No.</b>	<b>Nil</b>
	<b>Percentage to total recommendations</b>	<b>(0 %)</b>