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

**SIXTEENTH LOK SABHA**

**MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION**

**[Action Taken by the Government on the recommendations contained in  
the Sixteenth Report (Sixteenth Lok Sabha) of the Standing Committee on  
Urban Development on Demands for Grants (2017-2018)]**

**TWENTIETH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**August, 2017/ Sravana 1939 (Saka)**

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**Presented to Lok Sabha on 10.08.2017**

**Laid in Rajya Sabha on 10.08.2017**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

August, 2017/ Sravana 1939 (Saka)

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**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
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29. Shri K.C. Ramamurthy
30. Shri Ajay Sancheti
31. Shri Dharamapuri Srinivas

## **SECRETARIAT**

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Ms. Amita Walia - Additional Director
3. Smt. Reena Gopalakrishnan - Deputy Secretary
4. Sh. Mukesh Kumar - Executive Asstt.

(iv)

## INTRODUCTION

I, the Chairperson of the Standing Committee on Urban Development (2016-2017) having been authorized by the Committee, present this Twentieth Report (16<sup>th</sup> Lok Sabha) on the action taken by the Government on the Observations/Recommendations contained in the Sixteenth Report (16<sup>th</sup> Lok Sabha) of the Committee on 'Demands for Grants (2017-2018)' of the Ministry of Housing and Urban Poverty Alleviation.

2. The Sixteenth Report was presented to Lok Sabha on 17<sup>th</sup> March, 2016 and laid on the table of Rajya Sabha on same date. The Action Taken Replies of the Government to all the recommendations contained in the Report were received on 18<sup>th</sup> July, 2017.

3. The Committee considered and adopted this Report at their sitting held on 9<sup>th</sup> August, 2017.

4. An analysis of the action taken by the Government on the recommendations contained in the Sixteenth 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.

**EW DELHI;**  
**9<sup>th</sup> August, 2017**  
**18<sup>th</sup> Sravana, 1939 (Saka)**

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

## 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 Sixteenth Report (Sixteenth Lok Sabha) on Demands for Grants (2017-18) of the Ministry of Housing and Urban Poverty Alleviation which was presented to Lok Sabha on 17<sup>th</sup> March, 2017.

1.2 Action Taken Notes have been received from the Government in respect of all the 14 recommendations contained in the Report. These have been categorized as follows:

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

Recommendation Serial Nos.1, 2, 3, 4, 6, 9, 10, 11, 12, 13 and 14

(Total -11)

(Chapter-II)

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

Recommendation Serial No. Nil

(Total -0)

(Chapter-III)

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

Recommendation Serial Nos. 5, 7 and 8

(Total -03)

(Chapter-IV)

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

Recommendation Serial No. Nil

(Total - 0)

(Chapter-V)



**1.3 The Committee desire that specific replies to the Comments of the Committee as contained in Chapter-I of this Report may be furnished to them at the earliest and in any case, not later than three months from 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 No.5**

#### **ALLOCATION FOR CREDIT LINKED SUBSIDY SCHEME (CLSS) FOR ECONOMICALLY WEAKER SECTION (EWS) AND LOWER INCOME GROUP (LIG)**

1.5 The Committee in their 16<sup>th</sup> Report had recommended as under:

"The Committee while examining the DFG (2017-18) of M/o HUPA, observe that the BE(2017-18) under CLSS(EWS/LIG) has been reduced to Rs. 400.00 crore from the BE/RE(2016-17) of Rs.475.00 crore. Moreover, a new sub-component, named, CLSS for Middle Income Group (MIG) under Pradhan Mantri Awas Yojna(Urban)-PMAY(U) has been introduced pursuant to the address to the nation by the Hon'ble Prime Minister on 31.12.2016, and it is to be implemented w.e.f. 01.01.2017. However, detailed guidelines will be issued after clearance is received from the Election Commission of India (ECI). Nevertheless, the BE (2017-18) for CLSS (MIG) has been kept at Rs. 1000.00 crore.

Having observed the above, the Committee feel that the very purpose and objective of PMAY (U) with all its 4 components, which has been primarily meant to cater to the needs of EWS/LIG segment of the urban areas, who are homeless or living in slums and in inhuman living conditions, has seemingly and prima-facie diverted its focus and attention from original EWS/LIG segment to MIG segment of the urban society now. However, the M/o HUPA has assured the Committee that there is no diversion of funds or dilution of intent as the target groups are distinct and the income segments are different. A large outlay for the MIG only points to the fact that the income segment and, as a corollary, the loan amounts are higher. A reduced outlay for CLSS for EWS/LIG has been kept only as a matter of caution at the BE Stage.

The Committee are well aware that the Ministry, year after year, has been invariably getting drastically reduced outlay at the RE Stage. In spite of this hard fact, they seems to have ignored it and their statement that they have every intention to seek more funds, at the RE stage, is hardly satisfactory and acceptable.

The Committee, in view of the above stated intentional reduced outlay provisions of CLSS for EWS/LIG by the Ministry, would like to caution them that this sort of unfair allocation in disfavour of EWS/LIG segments, who have been deprived of even fundamental and basic amenities and necessities of human life for ages, is not acceptable to the Committee.

The Committee, therefore, urge and recommend to the M/o HUPA as well as M/o Finance to provide higher allocations in favour of EWS/LIG segments under CLSS for EWS/LIG and for all the relevant Schemes meant for real upliftment of urban poor at RE/BE stages, henceforth, to justify and live upto the very nomenclature of the Ministry concerned."

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

"It may be mentioned here that under the PMAY(U) mission guidelines, Economically Weaker Section (EWS) category of beneficiaries is eligible for assistance in all four verticals of the Missions whereas Low Income Group (LIG) & Middle Income Group category is eligible under only CLSS component of the Mission. The funds of Rs. 400.00 cr. allocated under PMAY(U) mission for CLSS would entirely be utilized to support the construction of EWS/LIG houses.

Also, the Ministry has every intention to seek more funds at the RE stage under CLSS component as per requirement projected at the appropriate time by the Central Nodal Agencies (CNAs)."

**1.7 The Committee had observed in their original recommendation that the Credit Linked Subsidy Scheme (CLSS) for Economically Weaker Section (EWS) category of beneficiaries has been reduced to Rs. 400.00 crore from Rs.475.00 crore in BE (2017-18). At the same time, a new sub-component, named, CLSS for Middle Income Group (MIG) has been introduced with an allocation of Rs. 1000.00 crore. In view of this, the Committee had recommended that the focus of PMAY(U) scheme should not shift away from the EWS segment to MIG segment as this would ultimately result in depriving the economically weaker segments of their right to basic amenities. In reply, the Ministry have stated that the EWS category of beneficiaries is eligible for assistance in all four verticals of the Missions whereas Low Income Group (LIG) & Middle Income Group category is eligible under only CLSS component of the Mission. However, the Committee is apprehensive whether the EWS segment would be able to compete with the MIG segment in obtaining funds. The Committee is of the considered opinion that with increasing urban migration, the need for affordable housing in cities for EWS**

sections is all the more felt and to achieve the mission 'Housing for All by 2022', Government support is indispensable for EWS and LIG segments. Any reduction/diversion of funds from EWS component of PMAY(U) would be detrimental to the fulfillment of its goals. The Committee, therefore, reiterate that sufficient funds for EWS/LIG components of PMAY(U), should be provided for at BE stage itself and a focused approach on disbursement of the same to the needy in this segment be ensured.

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

#### **TEAM OF WELL TRAINED AGENTS FOR THE PROMOTION AND SUCCESS OF PMAY(U)**

1.8 The Committee had recommended in their original Report as under:

"The Committee observe that the number of EWS/LIG houses provided under Credit Linked Subsidy Scheme (CLSS) during 2015-16 to 21 States (other than NE States) is 5907 houses; to 7 NE States is 24 houses; and to 7 UTs is 70 houses. Similarly, during 2016-17 (till 13th February, 2017), 13875 EWS/LIG houses have been provided to 21 States; 52 such houses to 7 NE States; and 72 houses to 7 UTs. Thus, in total 6001 EWS/LIG houses were provided under CLSS during 2015-16 and a total of 13999 EWS/LIG houses have been provided till 13.2.2017.

The Committee are aware that although CLSS is one of the four components of PMAY(U), yet, the progress of this important component is very low and far below the high expectation of the M/o HUPA as well as this Committee. Even if, the year 2015-16 is considered as the initial year of launching of PMAY(U) and its 4 components and the lower figure of 6001 EWS/LIG houses under CLSS is put aside, and the figure of about 14000 EWS/LIG houses provided during 2016-17 is taken as an average annual achievement in a year's time, it may be presumed that about 70000(±) EWS/LIG houses may be provided throughout India in the remaining period of 5 years for implementation of PMAY(U)-Housing for All by 2022 Mission. And, the actual requirement or shortage of houses as per initial estimates, is of 18.78 million or about 2 crore houses, subject to final assessment being estimated by States/UTs.

The Committee are very much apprehensive of the success of PMAY(U) and its 4 components, including, CLSS, with the above pace of progress, viz., only about 14000 EWS/LIG houses have been provided in the current year.

The Committee, in view of the above, therefore, urge the M/o HUPA to explore the feasibility of developing some initiatives which may be taken at their end at the earliest, for the optimum level of achievements in each of the 4

components of PMAY(U). One such initiative could be that a strong team of Well Trained Agents may be created and developed, who may be provided with all the information and inputs relating to CLSS and other 3 components of PMAY(U) viz., (i) "In Situ" Slum Redevelopment(ISSR); (ii) Affordable Housing in Partnership with public or private sector(AHP); and (iii) Beneficiary-led individual houses construction/enhancements(BLC), and they are trained to canvass and convince the urban poor and homeless about the benefits provided by the Government of India through its PMAY(U)-HFA by 2022 Mission and bring in the applications of those interested to avail the benefits under CLSS to their local PLIs, and like-wise become instrumental in promoting other three components of the PMAY(U) among the concerned urban clients. And, for this service of theirs, they may be provided certain fixed commission or incentive per-application or per-beneficiary, similar to the age old established Agent System working for LIC and GIC companies in India. The Committee are of the view that rather than always be at the waiting end for would be customers to reach to the PLIs who are seldom interested for providing EWS/LIG loans to the poorer sections of the vulnerable urban society, the enthusiastic team of well trained agents should reach to the prospective applicants under CLSS, BLC and AHP, etc. Other aggressive awareness campaign should also be taken up through audio, video and print media to create awareness amongst the EWS/LIG/MIG target groups to avail of the benefits of this scheme in large numbers."

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

"In the FY 2016-17, PMAY (U) Mission has provided approval to 10,27,350 dwelling units upto 31.03.2017, of which 22,607 beneficiaries have been provided interest subsidy under CLSS of Rs. 418.89 crores.

State Level Technical Cells and City Level Technical Cells manned with different competencies like planning, engineering, social mobilization, financial planning etc. have been set up in different States/UTs to enhance capacity in operational areas in partnership with Urban Local Bodies who canvass and spread awareness at ward level. The provision of fixed commission agents may not be implementable to curtail any speculation or false promises to potential beneficiaries. CNAs and PLIs are actively involved in reaching out to potential beneficiaries through their existing marketing networks.

Further MoHUPA has devised an integrated media strategy through audio, video, TV, print media, social media etc. to create awareness amongst the EWS/LIG/MIG target groups to avail of the benefits of this scheme."

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

**1.10 The Committee, while noting that only about 14000 EWS/LIG houses have been provided in the financial year 2016-17, had expressed their apprehension about the success of PMAY(U) Mission and its 4 components, including, Credit**

**Linked Subsidy Scheme (CLSS). They, therefore, had recommended that a strong team of well trained agents be established to popularize the scheme and act as a link between the needy urban poor and the government. But, the Ministry have stated in their reply that the provision of fixed commission agents may not be implementable and instead, they have set up State Level/ City Level Technical Cells for canvassing purpose along with an integrated media strategy to popularize the scheme. However, the Committee are of the opinion that these steps of the Ministry may succeed in popularizing this scheme but are not sufficient to bring the needy poor to the government, as they are unaware of whom to contact and how to make an application to avail benefits under this scheme. Therefore, the Committee reiterate their earlier recommendation that an enthusiastic team of well trained Field Agents who could act as the bridge between the needy urban poor and the government may be created for effective fulfillment of the vision of 'Housing For All by 2022'. Commission for such a Field Agent may be linked with the successful closure of a beneficiary's case.**

#### **Recommendation (Serial No.8)**

#### **COMPLAINTS REGARDING COLLECTION OF CASH FROM THE POOR FOR PROVIDING EWS/LIG HOUSES**

1.11 The Committee had recommended as under:

"The Committee are perturbed to note cases of fraud and cheating taking place in many cities including NCR of Delhi for allocation of houses under Pradhan Mantri Awas Yojana(Urban) with fake propaganda that a house could be booked by just paying Rs. 150 by unscrupulous elements and fraud NGOs etc. The Committee are of the considered opinion that such cases should be immediately investigated and deterred so that poor people are not cheated.

The Committee further noted that a lot of bogus builders/developers are apparently registering and enlisting a lot of consumers for allotment of EWS/LIG house in the name of Affordable Housing Scheme under the mission "Housing For All by 2022."

The Committee strongly caution and recommend that the M/o HUPA should immediately swing into action and get such complaints thoroughly investigated in all States and UTs as one of their prime scheme, named , PMAY(U) is being misused for illegal money-making by some corrupt-minded

anti-social elements. Any delay in catching those involved, will give them liberty to rob millions of more poor and have-nots of the society. If unchecked, poor and homeless masses will feel cheated and betrayed and also it will be difficult for them to trust any of the Government schemes henceforth.

The Committee also recommend that M/o HUPA should ensure that no fraud is executed by the fake developers/builders in the name of Affordable Housing Scheme/Land Pooling Policy in various States of India.

The Committee desire that aggressive awareness programmes through visual and print media should be launched immediately to educate and inform common people to beware of such fraudulent persons/NGOs, on the lines of the awareness drive relating to non-divulgence of any of the personal bank A/c, ATM card, PIN/CVV number, password of email, etc., to any unknown person asking for such details."

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

"The suggestions of the Committee have been noted. Following actions have been taken by this Ministry to avoid fraud and cheating by fake developers/builders in the name of affordable housing scheme:

- A disclaimer has been posted on the website of the Ministry intimating general public that this Ministry has not authorized any private entity or person to collect money as a consideration for availing of any benefit under the PMAY (U) Mission.
- State/UT Governments have been requested to issue disclaimer/public notice cautioning the general public about unscrupulous individuals/ entities from cheating the general public.
- This Ministry is in the process to publish public notice in leading newspapers cautioning the general public about unscrupulous individuals/ entities from cheating the general public.
- This Ministry has also requested to all States/UTs to propagate and promote the facility of online application using the platform of Common Service Centre for registration under the Scheme to citizens. Further CSC through its weekly newsletter has also published the matter for awareness of the citizens. CSC has also written to all District Collectors to monitor online applications through CSC so that more people may avail the benefit under PMAY(U)."

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

**1.13 In view of the proliferation of incidents of fraud and cheating by fake developers/builders in the name of Pradhan Mantri Awas Yojana(Urban), the Committee had recommended that the Ministry of Housing and Urban Poverty Alleviation should get all such complaints investigated and ensure that no poor is**

**betrayed by bogus developers/builders in the name of affordable housing scheme. It is observed that the Ministry have taken an array of steps to spread awareness about fraud being committed in the name of PMAY(U) viz., posting a disclaimer on the website of the Ministry; requesting the States/UTs to issue public notice cautioning the general public; urging the States/UTs to promote the facility of online application for registration under the Scheme; initiating the process to publish public notice in leading newspapers cautioning the general public about unscrupulous individuals/ entities, etc. However, the Committee feel that a lot more needs to be done and it is extremely important to identify/punish those bogus builders/developers or anybody else who have misused the name of this flagship programme of the Government for illegal monetary gain. They, therefore, desire that the Ministry should take strict punitive action against those found guilty which may act as a deterrent in the recurrence of such incidents and uphold the faith of the poor in government schemes.**

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

#### **SHELTERS FOR URBAN HOMELESS UNDER DAY-NULM**

1.14 The Committee had recommended as under:

"The Committee observe that one of the component under DAY-NULM is 'Shelters for Urban Homeless'. Under this component, a total of 1340 shelters were planned by the States/UTs for two years, i.e., 2014-15 and 2015-16, out of which 846 shelters for urban homeless were sanctioned by the States/UTs. Further, during 2016-17, a total of 761 shelters were planned by the States/UTs, out of which only 390 shelters have been sanctioned by them. As on 31.01.2017, a total of 658 shelters in various States/UTs are operational under DAY-NULM since the inception of this programme. As is evident from the above, that in the year 2014-15 and 2015-16, the percentage of sanctioned shelters is 63.13 % and 36.87 % of planned shelters, remained un-sanctioned. Similarly, the percentage of sanctioned shelters is even lower during 2016-17, i.e., only 51.24% shelters sanctioned and 49.76 % planned shelters remained un-sanctioned. However, the percentage of operational shelters is only 31.31% out of the total planned 2101 shelters since 2014-15 to 2016-17 (till 31.01.2017). Whereas, the percentage of operational shelters against the total sanctioned shelters during 2014-17, is only 53.23%, viz., 1236 sanctioned shelters vs. 658 operational shelters.

The Committee, in view of the low percentage of achievement so far the operational shelters are concerned during 3 years time, strongly urge and recommend the nodal M/o HUPA to pursue vigorously and persuade all the States/UTs concerned for opening and maintaining more and more shelters for

urban Homeless to reach the 100% achievement level at least against the sanctioned Shelters every year, in the fulfillment of the very objective of the scheme, i.e., to provide shelters to urban Homeless, for their Welfare."

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

"Ministry of Housing and Urban Poverty Alleviation has been taking up the matter consistently with the states/ UTs to improve the rate of operationalization of shelters sanctioned. Video conferences have been held with all states where the requirement of achievement of targets in terms of shelters was emphasized. The states have been requested to conduct survey of urban homeless and prepare annual action plans to accommodate them in new/ refurbished shelters as per the mission guidelines.

One of the reasons for slow rate of operationalization of shelters is ongoing construction of majority of shelters. To address this, the M/o HUPA has placed on its website the model designs of shelters for construction and has advised them to consider adoption of pre-fab technology for faster construction.

Albeit this, the recommendation of the Committee has been noted for compliance."

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

**1.16 The Committee, in view of the low percentage of achievement in the 'Shelters for Urban Homeless' component under DAY-NULM during the last three years had recommended the nodal Ministry to persuade all the States/UTs for opening and maintaining more and more shelters for urban homeless towards fulfilling the very objectives of the scheme. It is observed that the Ministry have been consistently taking up this matter with the States/UTs through video conferencing, etc., to speed-up the construction of urban shelters. However, the efforts do not seem to bear much fruit and the rate of operationalization of shelters is very slow. The Committee, therefore, urge the Ministry to focus on States/UTs which are lagging behind in the construction/operationalization of shelters by devising a time bound targeted approach and intimate this Committee about the achievements made in this regard within three months from the date of presentation of this Report.**



## CHAPTER II

### RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation (Serial No.1)

#### **SYMBOLIC INCREASE OF BUDGET ESTIMATES(2017-18) OF M/O HUPA**

The Committee note that the BE (2016-17) of Rs. 5411.00 crore was provided to M/o HUPA which has been said to increase to Rs. 6406.00 crore as BE (2017-18), i.e., an increase of Rs. 995.00 crore from the current year Budget Estimates. In terms of percentage, the increase is claimed to be of 18.38%.

The introduction of the new Sub-Component CLSS for MIG, under existing CLSS has provision of Rs. 1000.00 crore in BE (2017-18) which led to an increase of BE (17-18). This amount of Rs.1000 crore will exclusively be used for this Scheme and only Rs.5504 crore will be left with the Ministry, which is lesser than Rs.5411 crore of previous year, for all practical purposes viz., current schemes/sub-schemes of the Ministry. This increase will not have any advantage to overall Ministry of HUPA budget. This increase is merely due to introduction of new component.

The Committee, therefore, disagree with the facile statement of the representative of Ministry of HUPA that there is an increase of 18.38% in BE(2017-18) over BE(2016-17), as this kind of increase is nothing but a token increase which is of little use for any of the existing and ongoing Schemes/sub-schemes of the Ministry. It is intended for a new and yet to be made operational sub-component under the main scheme which appear more speculative in nature than anything substantive.

The Committee, therefore, strongly urge the Ministry of Finance and Ministry of HUPA to depart from such Budgeting practices in which not even 10 to 12 per cent minimum inflation rate/trends or devaluation of money is considered to be added in the next year Budget Estimates over the current year BE and have in fact actually reduced budget over previous year. They unanimously recommend for a real increased Budgetary provisions to be provided henceforth in favour of Ministry of HUPA,

responsible for fulfilling aspirations and expectations of millions of urban poor and homeless. They also emphasize that Rs. 1000 crore earmarked for CLSS for MIG should be utilized for the stated purpose. The Ministry should proactively create awareness among the target group/potential beneficiaries so that they come forward and take advantage of the Scheme.

### **Reply of the Government**

2.2 In the FY 2016-17, an amount of Rs. 4400.00 crore was allocated for PMAY (U) scheme (except CLSS component of PMAY (U) for which additional allocation of Rs. 475.00 crore was made). Taking into consideration of liabilities of FY 2016-17, HFA Directorate proposed to enhance the Budget for the FY 2017-18 by 10% (i.e. Rs. 4840.00) of the allocation of FY 2016-17. However, an amount of Rs. 4550.90 crore has been allocated for PMAY (U) scheme for the FY 2017-18 (except CLSS component of PMAY (U) for which additional allocation of Rs. 1400.00 crore (Rs. 400.00 crore for EWS/LIG and RS. 1000.00 crore for MIG) has been made).

Further, as the extended period of JNNURM was upto 31.03.2017, no budgetary allocation has been made for this scheme in FY 2017-18.

With regard to creation of awareness among the target group/potential beneficiaries, it is stated that meetings and workshops are regularly held at City and State levels to explain the salient features of the PMAY (U) Mission. The personnel of the Project Management Unit set up under the Mission and other senior officers of the Ministry also visit States/UTs to interact with the various stakeholders. Regular interactions also take place with the State/UT officials through Video Conferencing, review meetings and meetings of Central Sanctioning and Monitoring Committee etc. To publicise the Credit Linked Subsidy Scheme (CLSS) component of the mission, radio spots have been broadcast in eleven languages, including Hindi. Social media, printed booklets/leaflets and the medium of street plays have also been used effectively to disseminate information to various stakeholders so that the target group/potential beneficiaries can take the advantage of the scheme.

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

### **REDUCTION OF BUDGETARY PROVISIONS AT THE RE STAGE**

2.3 The Committee observe that the BE(2012-13) of Rs.1155.00 crore, BE(2013-14) of Rs. 1460.00 crore, BE(2014-15) of Rs.6000.00 crore, BE(2015-16) of Rs.5625.30 crore, and BE(2016-17) of Rs.5411.00 crore have been reduced at Revised Estimates stage as RE(2012-13) of Rs.950.00 crore, RE(2013-14) of Rs. 1200.00 crore, RE(2014-15) of Rs.3400.00, RE(2015-16) of Rs. 1952.00 crore, and RE(2016-17) of Rs.5285.00 crore, respectively. Thus, the reduction of Rs.205.00 crore in(2012-13), Rs.260.00 crore in (2013-14), Rs. 2600.00 crore in (2014-15), of Rs. 3673.00 crore in (2015-16), and of Rs. 130.00 crore in (2016-17), has been recorded. It can be clearly seen that Budget Estimates as proposed and presented by the MoF in favour of M/o HUPA every year and also passed by the Parliament year after year, gets massively reduced. This indicates that the entire budgetary process and planning needs serious rethinking.

The Committee are of the considered view that this unhappy practice of reducing the Budget Estimates of M/o HUPA every year at the RE stage by the MoF, adversely affects the pace and progress of the ongoing Schemes/Programmes of the Ministry. The Committee, therefore, recommend and disapprove of this practice of sharp reduction of the BE at the RE stage, on the Ministry concerned and strongly recommend that M/o Finance should henceforth practice to honour their own committed BE and ensure that cut, if required should be an exception and not the rule. Even if there is necessity for reduction of BE at RE, specific, justified and concrete reasons should be spelt out. In fact with the pre-ponement in date of the budget and other budgetary reforms the MoF should be able to plan and rationally allocate budget to the Ministries, specifically to this Ministry as priority areas including the scheme 'Housing for All' fall under jurisdiction of HUPA at BE stage itself so that it does not affect the smooth implementation of the ongoing schemes and projects. The Committee desire that the views of the Committee be duly conveyed to MoF by HUPA.

### **Reply of the Government**

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

In the FY 2016-17, an amount of Rs. 4,400.00 crore was allocated for PMAY (U) scheme which was reduced to Rs. 4342.43 crore at RE stage according to the funds provided to this Ministry at RE stage by M/o Finance.

During the FY 2016-17, an additional requirement of Rs. 1000.00 crore for PMAY (U) scheme was submitted to M/o Finance in the 2<sup>nd</sup> Batch of Supplementary/ RE stage but the same was not considered by M/o Finance, although Finance Ministry was requested at the highest level to enhance the budgetary provision so as to avoid financial crunch in achieving the objectives of the PMAY (U)-HFA Mission.

In the FY 2017-18, an amount of Rs.4550.90 crore has been allocated for three verticals (except CLSS) of the PMAY (U) scheme.

Further enhancement in allocation will be sought at supplementary stages/RE stage based on requirement. Views of the Committee about reduction of budget every year at the RE stage by M/o Finance for priority areas of schemes being run by Ministry of HUPA have also been conveyed to M/o Finance.

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

#### **M/O HUPA REQUIRES UPGRADATION OF EXISTING BUDGETARY SKILLS AND MANAGEMENT**

2.5 The Committee observe that the M/o HUPA have been regularly getting less than their proposed outlay. There is always a huge gap between what they asked for and what they got as BE from 2012-13 till 2017-18. It is evident from the fact that in 2012-13 they got Rs. 1581.00 crore less than what they had requested for, in 2013-14, Rs.261.00 crore less, in 2014-15, Rs. 862.56 crore less, in 2015-16, Rs. 1508.88 crore

less than proposed. However, trend got reversed in the year 2016-17 and 2017-18 when they got a BE of Rs.913.00 crore and 677.34 crore more than what they proposed, respectively.

The Committee are of the considered view and recommend that this phenomena is indicative of the emerging need of introspection and a better evaluation of existing Budgetary Skills and Management strategies and certainly requires an upgradation of the same at the end of M/o HUPA. The Committee would like M/o HUPA to propose a realistic outlay in future so that the MoF is convinced about the Ministry's requirement.

### **Reply of the Government**

2.6 The recommendation of the Committee about realistic outlay in future is noted. Programme Division prepares the Budget Estimates on the basis of liabilities created/ to be created in the concerned financial year under the on-going schemes being run by this Ministry. On this basis, budget proposals are forwarded to Ministry of Finance for approval.

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

#### **EXPENDITURE CAPACITY OF M/O HUPA**

2.7 The Committee find that actual expenditure has been consistently less than the Revised Estimates. The actual expenditure of Rs. 930.11 crore (2012-13) was against the RE of Rs. 950.00 crore(97.99%); Rs. 1078.79 crore (2013-14) against the RE of Rs.1200.00 crore(89.8%); Rs. 2715.42 crore (2014-15) against the RE of Rs. 3400.00 crore(79.8); Rs.1750.64 crore (2015-16) against the RE of 1952.00 crore(89.69); and Rs. 4794.59 crore (2016-17- upto 29.1.2017) against the RE of Rs. 5270.10 crore(90.9%). As the RE has been slashed in almost all of these years the gap between BE and actual expenditure is much more. The point of concern for the Committee is that if the Ministry is not able to spend even the reduced RE to its fullest level, then what is the use of seeking more funds at BE level. In fact, in case the Ministry is unable to spend their RE it brings out a clear case for the MoF to reduce the allocations for the

next year as instead of blocking scarce resources in this Ministry it could be utilised elsewhere.

The Committee, in view of the above, urge and recommend the Ministry to enhance their actual expenditure capabilities by proving their merits with optimum and 100% utilization of their meager RE with a Zero financial and physical shortfall in any of their Schemes, every year to dispel the doubts about their financial and corresponding physical achievement capabilities. The Committee are hopeful that the Ministry, with pre-ponement of budget and budgetary process (as is the objective) will be able to utilize their funds fully.

### **Reply of the Government**

2.8 In the FY 2016-17, an amount of Rs. 4,400.00 crore was allocated for PMAY (U) scheme which was reduced to Rs. 4342.43 crore at RE stage of which Rs. 4335.10 crore (around 98.5%) was released. Besides, funds allocated under the CLSS of PMAY (U) which is a Central Sector Scheme was 100% utilized. Out of Rs. 4936.10 crore provided in RE 2016-17 for PMAY (U) Umbrella scheme, Rs. 4882.5746 crore was spent which works out to 98.9%. The Ministry is taking steps to utilize the budget allocation in FY 2017-18 in full.

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

#### **STRENGTHENING THE ROLE OF THE PUBLIC SECTOR BANKS(PSBS) FOR IMPLEMENTATION OF CLSS FOR EWS/LIG/MIG UNDER PMAY(U)**

2.9 The Committee observe during examination of DFG (2017-18) of M/o HUPA that many of the States are languishing badly so far as the details of houses provided to EWS/LIG during 2015-16 and 2016-17, till 13.02.2017, under CLSS is concerned. States of Bihar, Goa, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Odisha, Uttrakhand, Assam, Manipur, Meghalaya, Mizoram, Nagaland Sikkim etc., have either been provided less than 10 EWS/LIG houses during 2016-17 and remaining States of the above have been provided less than 50 such houses during 2015-16 and 2016-17. Further, States of Arunachal Pradesh, Tripura have zero allocation among UTs while Andaman & Nicobar Island, Daman & Diu and Lakshadweep have zero EWS/LIG under CLSS; Chandigarh and Puducherry having less than 5 and Delhi and Dadra & Nagar Haveli are having less than 50 figures at their credit.

The Committee are concerned with respect to the less than satisfactory performance of both the Central Nodal Agencies (CNAs), namely, National Housing Bank(NHB) and HUDCO associated with the task of sanctioning and releasing housing loan subsidy to the PSBs/PLIs/HFCs under CLSS component of PMAY(U), and desired to be apprised about the reasons for less number of EWS/LIG houses or NIL number of such houses in the above stated States/UTs.

The Committee are apprised by the Representative of the M/o HUPA during evidence that as the CLSS is a Central Sector Scheme and the State Government's role is actually more in mobilizing the beneficiaries and approaching the financial institutions for this assistance. Whereas about 80 to 90 per cent of the funding under CLSS being made by the Housing Finance Companies(HFCs), the Public Sector Banks(PSBs) are still 9 to 10 per cent. Since the PSBs are more largely present and prevalent in the States with a larger coverage, there arises the need for the greater support of PSBs to address the aspirations of the urban poor (EWS/LIG) and homeless people.

The Committee in this regard also wish to point out that they have already recommended in their 10th Report on DFG(2016-17) of M/o HUPA last year that the M/o HUPA, HUDCO and NHB should vigorously pursue all the issues with DFS, i.e,(i) at least 3% of the 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 lakh 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). The Committee feel that to 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) by 2022. However, the first two issues recommended and reiterated above are reported to be still pending with the Department of Financial Services.

The Committee, therefore, strongly recommend and urge the HUPA to take up the matter with MoF to intervene and issue immediate directions in this regard to all its PSBs/PLIs to play a proactive role and lend all their support and cooperation in disbursement of more and more housing loans to EWS/LIG/MIG applicants under

CLSS of PMAY(U). They desire M/o HUPA to pursue MoF/DFS to provide approval and clearance to both the aforesaid earlier recommendations of the Committee namely, (i) at least 3% of the Priority Sector Lending for loans of dwelling units costing not more than Rs. 16 lakh; and (ii) inclusion, with due weightage, of lending of home loans less than Rs. 15 lakh under CLSS component, as a part of Key Performance Indicators (KPIs) of the Banks so as to strengthen the role of PSBs in a big way to make CLSS-PMAY(U) a grand success. The Committee also advise the M/o HUPA and both the CNAs, namely, NHB and HUDCO to vigorously pursue all the above stated and recommended issues with the DFS/MoF in their favour for quicker implementation of the same without wasting any further time.

### **Reply of the Government**

2.10 The Ministry is actively pursuing the recommendations made by the Committee. These issues were discussed in a meeting in the PMO on 07.03.2017. Record of Discussions (RoD) has also been circulated to DFS.

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

#### **VENDING POLICY FOR CLARITY AND TRANSPARENCY**

2.11 The Committee observe that 'No Vending Zones' have been demarcated in many places/areas of NCR of Delhi and other cities of the States/UTs. Unfortunately, there has been a constant violation of No Vending Zones. Thus, this violation and presence of vendors causes great deal of encroachment of footpaths/pavements on both sides of the roads. Moreover, presence of vendors on both sides of roads wherever little footpaths/pavements are there, can be frequently witnessed throughout the city/walled-city of NCR of Delhi and other cities. At most of the places, more than half of the PWD roads have been encroached by the Street Vendors, causing huge traffic jams and consequent air/noise pollution, wasting of millions of man-hours per annum due to being trapped in traffic jams by commuters/passers-by, and above all, total infringement of the Right to Passage of one and all, i.e., whether residents of the area or people passing through that area, besides, adversely affecting the business of local shopkeepers.



The Committee apprehend that large-scale corrupt practices are going on, especially in NCR of Delhi and other Metropolitan Cities, wherein, class of 'Thekedars' and 'Touts' have been freely and actively indulging in owning at least 10 to 20 Street Vendors spots/places in the names of some false or fabricated persons/individuals shown as street vendors in the Municipalities'/ULBs records and, then, offer/sell those street vendors' spots/places to the Street Vendors on weekly/monthly rental basis, thus, making a hefty illegal income out of street vending Business based on corrupt/illegal practices.

The Committee also note that composition of the Town Vending Committee consists of 50% official Members, 40% street vendors duly elected among total street vendors of the area, and 10 % representatives of the NGOs.

The Committee are of the considered opinion that these NGOs involved are actually the vendors' groups with vested interests who actually promote street vending. The Committee desire that traders of the area should also be given due representation in the composition of the Town Vending Committee so that they can safeguard and protect the rights of the existing market to avoid a 'market outside the market' situation at present.

The Committee, in view of the above scenario, strongly recommend that there is an immediate need for comprehensive rework/in-depth relook/review of the Vending Policy and the relevant Acts, etc., by the M/o HUPA, in order to bring more clarity and transparency in the Vending Policy and in the relevant Acts thereon, putting a legitimate ending/settlement to issues, such as: (i) constant violation of no vending zones, (ii) encroachments of footpaths/pavements/PWD Roads, etc., meant for pedestrians to walk by and for traffic to pass by; (iii) infringement of Right to Passage;(iv) change in the composition of the Town Vending Committee giving due representation to the local traders of the area; and (v) illegal benami or bogus holding and capturing of 10 to 20 Street Vendors places/thallas/spots by the thekedars/touts, who are collecting and making money out of the legitimate income of the actual vendors, as rent/fees, etc., along with all the relevant issues involved therein and incidental thereto.

## **Reply of the Government**

2.12 The Street Vendors Act, 2014 provides for states/UTs to form Town Vending Committee which will ensure that all existing street vendors, identified in the survey, are accommodated in the vending zones subject to the laid down norm in accordance with the plan for street vending and the holding capacity of the vending zones. Further, where any area or space has been earmarked as no-vending zone, no street vendor shall carry out any vending activities in that zone. Every local authority shall in consultation with the planning authority and on the recommendation of the Town Vending Committee, once in five years, prepare a plan for Street Vending. The provisions of Act are implemented by the concerned State Government.

To facilitate the right of commuters to move freely and use roads without any impediments, the provisions of Act are to be implemented by the State Government/ local authorities as per the street vending plan.

To implement the provisions of the Act, the State Governments are to frame a Scheme laying down the criteria for issuing certificate of street vending. The M/o HUPA has circulated a Model Scheme which, inter-alia, provides that the certificate of vending can't be leased, rented or sold to any other person. An undertaking in this respect shall be submitted by the street vendor to the TVC. Further, the certificate of vending shall have photograph of the vendor and of the spouse and/or dependent children provided that they are engaged in vending. These provisions are to ensure that only the genuine vendors get the certificate of vending. However, keeping in view the recommendations of Standing Committee, this Ministry proposes to issue an advisory to the States/ UTs reiterating the provisions to ensure that the vending certificates are issued to only the genuine vendors.

As regards giving representation to the local traders of the area, appropriate provisions are already contained in the Street Vendors Act which mandates that the Town Vending Committee will, *inter-alia*, consist of members representative of market associations, traders associations, etc. Therefore, the representation of the traders

association in the Town Vending Committee has duly been taken care of by the provisions of the Act.

## Recommendation (Serial No.10)

### **POOR PERFORMANCE/PHYSICAL PROGRESS FOR CONSTRUCTION OF HOUSES**

2.13 The Committee observe that the number of houses sanctioned for construction since 2007 till 15th February, 2017, under various Schemes being implemented by M/o HUPA is reported to be 28,04,070 in all the States/UTs except in UTs of A&N Islands and Lakshadweep, where no house have been sanctioned during the aforesaid period. The total number of houses constructed is reported to be 11,35,055; the total number of houses occupied is 9,54,034 and the total number of houses under construction is 5,64,172.

The Committee further observe that in case, out of total number of houses sanctioned, the total number of houses constructed, are subtracted, viz.,  $28,04,070(-)11,35,055(=)16,69,015$  houses. Further, in case, the total number of houses constructed, and, the total number of houses under construction are added together, viz.,  $11,35,055(+)+5,64,172(=)16,99,227$  houses. Thus, in case, the figure of 16,69,015 is subtracted from the figure of 16,99,227, a difference of 30212 houses is evident which are neither completed, nor are under construction out of the total number of houses sanctioned during the above stated period.

The Committee would like to be apprised about these 30212 houses along with the justification of such a poor performance/physical progress for construction of houses under various Schemes being implemented by M/o HUPA since 2007, till date.

The Committee, in view of the above, recommend that M/o HUPA whose prime task/mandate is to get their housing Schemes meant for urban poor and homeless, implemented in the States/UTs, should relook at their unsatisfactory performance relating to sanctioned housing projects and introspect in-depth to improve and enhance their existing pursuing and persuasion skills to achieve better implementation outcome/responses from the concerned States/UTs. They are also advised to contemplate to do some comprehensive overhauling of their usual practice of working and develop some innovative ways to handle the prime task of getting their

Centrally Sponsored Urban Housing and Poverty Alleviation Schemes implemented in and by all the States/UTs with optimum achievement level achieved in a time bound manner.

### **Reply of the Government**

2.14 It is submitted that in case, out of total number of houses sanctioned (28,04,070) and the total number of houses constructed (11,35,055), are subtracted, the figure of 16,69,015 is the number of houses which are either under construction or not yet started. Whereas, addition of the total number of houses constructed (11,35,055) and the total number of houses under construction (5,64,172) will give the figure of number of houses for which work has been started under different schemes irrespective of their present status i.e. completed/under-construction.

For clarity about number of housing units constructed, under-construction and yet to be started under various schemes being implemented by M/o HUPA since 2007 to till date..

The Ministry reviews status of ongoing projects including basic infrastructure development under the scheme through Quarterly and Monthly Progress Reports, in the meetings of Central Sanctioning and Monitoring Committee (CSMC) and review meetings at the level of Secretary (HUPA). Through these reviews, State/UT Governments are advised to complete the ongoing projects with basic infrastructure as early as possible and within the project gestation period. While considering projects under PMAY (U) scheme for a city, availability of encumbrance free land and progress of old schemes is also taken into account invariably.

Also, at the time of claiming the third and final installment of 20 % of the Central assistance for the projects accepted under the PMAY(Urban) mission, the State Government is also required to give an undertaking to the effect that the houses have been completed with the requisite infrastructure, particularly (i) power supply (ii) water supply and (iii) drainage/sanitation.

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

### **PLACEMENT OF TRAINED CANDIDATES UNDER EST&P COMPONENT OF DAY-NULM**

2.15 The Committee observe that under Employment through Skill Training and Placement (EST&P) component of Deendayal Antyodaya Yojana- National Urban Livelihoods Mission(DAY-NULM), the number of candidates Trained is reported to be 3,54,827 against a target of 3,30,684 candidates. That means the percentage-wise achievement is 107.30% during the year 2016-17. However, on analyzing statistics of candidates trained and placed, it was found that except for J&K, Tamil Nadu, Tripura, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu, NCT of Delhi and Puducherry, where no candidate has been trained during 2016-17, in remaining States/UT where 3,54,827 candidates have been trained, only 61,656 candidates, against a target of 2,48,379, have been placed for employment in the concerned States/UT with the exception of Arunachal Pradesh, Goa, Haryana, Manipur, Mizoram, Punjab, Rajasthan and Sikkim, where no candidate has been placed against their respective number of trained candidates. The percentage-wise achievement comes to only 24.62% for candidates placed during 2016-17.

The Committee are concerned to observe the very low percentage of placement of the trained candidates indicating that only about 25 candidates out of every 100 candidates who got skill training under various activities of their choice got an opportunity to earn their livelihood during the said period of the current financial year.

The Committee urge the M/o HUPA to look into this low percentage of placement of Trained candidates under EST&P component of DAY-NULM and take all possible steps and measures to improve upon the existing low level of employment generation of Skilled and Trained Candidates. The Committee further recommend that the M/o HUPA must have a thorough review of the various fields/activities in which the Candidates have been/are being trained, in order to know about the relevance of that skill and training as per the peculiarity and needs of the States/UTs.

The Committee recommend that the Ministry may modify their skill training programmes, based on the principle of demand, relevance and needs in a particular area, for obtaining better level of achievements in placement of trained candidates.

### **Reply of the Government**

2.16 The problem of poor placement has been recognized by the Ministry and amendments have been carried out in DAY-NULM guidelines from time to time to improve placement. The last instalment of funds to Skill Training Providers (STPs) is linked to their placement performance. Financial incentives are provided to Skill Training Providers (STPs) for higher placement. Similarly, guidelines provide for penalizing STPs on poor placement performance. Post placement support is being offered to enable the newly skilled candidates to settle in their new jobs/vocations.

The matter of poor placement has also been taken up regularly with the States/UTs. The Ministry has sent advisories to States/UTs to undertake skill training based on the Skill Gap Analysis (SGA) done by National Skill Development Corporation (NSDC) and/or Ministry of Small and Medium Enterprises (MSME) (vide letters No. K-14014/99/2014-UPA (FTS-14054) dated 6<sup>th</sup> May 2016 and K-14012/-2/2016-UPA (FTS-14980) dated 26th February 2016), so that candidates would be trained in sectors with higher gap leading to higher placement.

Views of other Ministries have also been sought regularly in meetings of the Executive Committee of DAY-NULM for improving placement of trained candidates.

The recommendation of the Committee has been noted for further efforts.

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

#### **SHELTERS FOR URBAN HOMELESS UNDER DAY-NULM**

2.17 The Committee observe that one of the component under DAY-NULM is 'Shelters for Urban Homeless'. Under this component, a total of 1340 shelters were planned by the States/UTs for two years, i.e., 2014-15 and 2015-16, out of which 846 shelters for urban homeless were sanctioned by the States/UTs. Further, during 2016-

17, a total of 761 shelters were planned by the States/UTs, out of which only 390 shelters have been sanctioned by them. As on 31.01.2017, a total of 658 shelters in various States/UTs are operational under DAY-NULM since the inception of this programme. As is evident from the above, that in the year 2014-15 and 2015-16, the percentage of sanctioned shelters is 63.13 % and 36.87 % of planned shelters, remained un-sanctioned. Similarly, the percentage of sanctioned shelters is even lower during 2016-17, i.e., only 51.24% shelters sanctioned and 49.76 % planned shelters remained un-sanctioned. However, the percentage of operational shelters is only 31.31% out of the total planned 2101 shelters since 2014-15 to 2016-17 (till 31.01.2017). Whereas, the percentage of operational shelters against the total sanctioned shelters during 2014-17, is only 53.23%, viz., 1236 sanctioned shelters vs. 658 operational shelters.

The Committee, in view of the low percentage of achievement so far the operational shelters are concerned during 3 years time, strongly urge and recommend the nodal M/o HUPA to pursue vigorously and persuade all the States/UTs concerned for opening and maintaining more and more shelters for urban Homeless to reach the 100% achievement level at least against the sanctioned Shelters every year, in the fulfillment of the very objective of the scheme, i.e., to provide shelters to urban Homeless, for their Welfare.

### **Reply of the Government**

2.18 Ministry of Housing and Urban Poverty Alleviation has been taking up the matter consistently with the states/ UTs to improve the rate of operationalization of shelters sanctioned. Video conferences have been held with all states where the requirement of achievement of targets in terms of shelters was emphasized. The states have been requested to conduct survey of urban homeless and prepare annual action plans to accommodate them in new/ refurbished shelters as per the mission guidelines.

One of the reasons for slow rate of operationalization of shelters is ongoing construction of majority of shelters. To address this, the M/o HUPA has placed on its



website the model designs of shelters for construction and has advised them to consider adoption of pre-fab technology for faster construction.

Albeit this, the recommendation of the Committee has been noted for compliance.

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

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

#### **NEED FOR CREATION AND IMPLEMENTATION OF A NATIONAL POLICY ON MANDATORY USE OF FLY ASH BRICKS IN ALL GOVERNMENT AND PRIVATE CONSTRUCTION**

2.20 The Committee are aware that around 17000 tonnes of fly Ash is generated from nearly 20 different industries, including, power plants, steel plants, pharma companies among other. However, only about 30 to 40% of the generated fly ash is being used for manufacturing fly ash bricks for construction. Ministry of Environment and Forests have published a Notification on 3<sup>rd</sup> November, 2009, under Environment(Protection)Act, 1986 wherein the Central Government, issued directions for restricting the excavation of top soil for manufacture of bricks and promoting the 100% utilization of fly ash in the manufacture of building materials and in construction activity within a specified radius of one hundred kilometers from coal or lignite based thermal power plants.

The Committee observe that despite, the above Notification, which says that the provisions of this Notification shall be applicable to all construction agencies of Central or States or Local Government and private or public sector...; the implementation of the same is far below the desired level and needs to be enhanced.

The Committee are of the considered opinion that since fly ash is being accumulated as waste material in large quantity near thermal power plants, steel plants, etc., and creating serious environmental pollution problems, its utilization as main raw material in the manufacture of fly ash bricks and pavement tiles, etc., will not only create ample opportunities for its proper and useful disposal, but also, help in, environmental pollution control to a greater extent in the surrounding areas of power

plants. Further, apart from the above environmental problems, the brick industry has also been posing other serious problems, owing to more than 180 billion tonnes of common burnt clay bricks being consumed annually, approximately over 340 billion tones of clay-- about 5000 acres for bricks manufacture of top layer of soil dug out, making that much land unfertile for a long period, soil erosion, emission from coal burning or fire woods which causes deforestation, etc., are some of the serious problems, which will invariably affect the food security of the country.

The Committee also feel that there is genuine need for popularizing the use of fly ash bricks in the public and private construction sector and among the masses with relevant information as there is a misconception among buyers that conventional clay bricks are better, though in fact fly ash bricks are much stronger than clay bricks and are cost effective too.

The Committee, in view of the above scenario strongly recommend that M/o HUPA should come up with a National Policy with provisions of mandatory use of fly ash bricks and other products in all the Government and Private construction projects, in all the States/UTs and impress upon M/o UD that they should immediately issue necessary directions among others to CPWD, NBCC and DDA for mandatory use of fly ash bricks in all their construction projects, henceforth. They also recommend that M/o HUPA should include a relevant clause/section in all of their MoUs signed with States/UTs in all of their urban housing projects, with respect to mandatory use of fly ash bricks in those projects. They further recommend that organizations like BMTPC and Hindustan Prefab Limited(HPL) must play a proactive role in doing necessary R&D to develop better technologies, and cost effective techniques and methods for producing environment and human-friendly stronger fly ash bricks/products for use in all construction projects. They can also educate and inform the urban managers, Government construction agencies, builders, realtors, as well as common man with factual details about the durability and low cost benefits accrued by using fly ash bricks and products in building/housing construction.

### **Reply of the Government**

2.21 In this regard, it may kindly be noted that Ministry of Environment and Forest Principal Notification of 1999, as amended vide notification dated 27<sup>th</sup> August, 2003 has, vide, specified the use of 100% Fly ash based bricks/ products in construction projects within 100 kms radius of Coal or Lignite based Thermal Power Plants. This 100% use of Fly ash bricks/products of total brick requirement by construction agencies was to be achieved latest by August 31, 2007. This Principal notification has recently been amended vide notification dated 25<sup>th</sup> January, 2016 to extend the mandatory use of Fly ash based products in construction projects to 300 kms radius of Thermal Power Plants (TPP). The time line to comply with provisions of recent notification is December 31, 2017. The concerned State Govt. is the enforcing and monitoring agency for ensuring compliance as per the Notification.

All State Public and Private Construction agencies of various States/UTs and Central Construction Agencies including CPWD, NBCC & DDA are covered under the provisions of this notification. In view of this, it is felt that a separate policy by M/o HUPA, GoI may not be required. Use of Fly Ash based products beyond 300 kms radius may not be viable. Further, Technology Sub-Mission set up under PMAY facilitates adoption of green materials & technologies & Fly Ash brick is one of the green materials.

Further, as regards the construction of houses under PMAY, M/o HUPA envisage use of new alternate technologies for fast delivery of houses. It recommended eight prospective emerging technologies for mass housing during launch of HFA, for use of same by various States/UTs. In all these technologies, there is no use of bricks.

In this regard, Ministry of Urban Development, GoI has issued Office Memorandum dated 28<sup>th</sup> December, 2016 specifying that the three new technologies may be mandatorily adopted for all projects across the country by CPWD, DDA and NBCC, irrespective of location & project cost with effect from 1st April, 2017. The three technologies are namely;

- i) Monolithic concrete construction system using Aluminium formwork

- ii) Industrialized 3-s system using Cellular light weight concrete slab & Pre cast columns (Precast/Prefab), and
- iii) Monolithic concrete construction system using Plastic-Aluminium formwork.

The three technologies are out of eight prospective technologies recommended by M/o HUPA, GoI with no use of bricks.

Under technology Sub mission, the green materials as Fly Ash are also being promoted. Further, CPWD in its Schedule of Rate (DSR) has included the Rate & specification for Fly Ash bricks & Clay-Fly Ash bricks for facilitating the use of such bricks by it and other construction agencies.

Regarding recommendation of the Committee to include a relevant clause/section in all its MoUs with States/UTs, w.r.t. mandatory use of Fly Ash bricks, the matter would be examined for appropriate action in this regard.

Further, In the Urban housing projects, States need to ensure the compliance of all mandatory provisions which also includes the mandatory use of Fly Ash bricks/ products as per the provision of the MoEF Notification.

BMTPC has been engaged in the promotion of fly ash bricks/ products. However, as recommended by the Committee, BMTPC would be advised to lay more focus in this area.

BMTPC has also conducted several workshops, training programmes in the past for construction agencies, ULBs, builders etc. regarding advantages of Fly Ash bricks/ products.

HPL does not undertake R&D work to develop technologies, however, it does organize various events like exhibitions, workshops for various stakeholders to propagate the technologies for wider adoption. Although, use of fly ash has been part of the discussion exercises organized by HPL, specific thrust would be given by informing the stakeholders on the benefits of using fly ash bricks and products in the construction.

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

## **Envisaging active Private Sector participation and Investment in Affordable Housing Scheme under PMAY(U)**

2.22 The Committee find that Government has approved construction of over 16 lakh affordable houses under PMAY(Urban). The construction of houses will have an investment of about Rs. 90,000 crore for which an assistance of Rs. 25,000 crore has been approved. The Government in 2016-17 Budget had granted infrastructure status to affordable housing so as to motivate participation of builders. The Government have also announced two new slabs of interest subvention under PMAY(U). Earlier the subsidy was allowed to people earning upto Rs. 6 lakhs per annum only but now it has been extended to cover people with annual income of upto Rs. 18 lakh. Further, home buyers in income bracket upto Rs.12 lakh and 18 lakh will be eligible for 4% and 3% interest rate subsidy, respectively. The Committee, however, gather that the private sector participation is totally missing and that not a single proposal has come from private builder so far. The Committee are of the firm opinion that the M/o HUPA will have to make efforts to draw and include the private sector participation not only to meet their ambitious target of constructing 16 lakh affordable houses under PMAY(U) but also to finance the required investment for the same (Rs. 90,000 crore of which only Rs.25,000 crore Central assistance would be provided). A big role for private sector in PMAY(U) is definitely needed to be envisaged. The Committee, therefore, urge the M/o HUPA to consult developers, bankers and housing finance companies to investigate glitches in private participation under PMAY(U), delve on the reasons thereof such as density norms, aligning State Housing Policies with definition of the Central Government affordable housing policy, proximity to the main cities, etc. They emphasize and recommend that the Ministry should try and address these issues for inclusive participation and investment from the private sector.

### **Reply of the Government**

2.23 The framework for private sector participation under PMAY(U) mission in PPP mode is already detailed in the scheme guidelines. To seek enhanced participation of private developers, the idea of privately owned land proponents under the PMAY(U) is being explored. The matter is under consideration essentially to ensure that a uniform

and consistent stand is evolved which would be applicable to all States / UTs participating in the mission.

**CHAPTER III**

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

**NIL**

## CHAPTER IV

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

#### Recommendation (Serial No.5)

#### ALLOCATION FOR CREDIT LINKED SUBSIDY SCHEME(CLSS) FOR ECONOMICALLY WEAKER SECTION(EWS) AND LOWER INCOME GROUP(LIG)

The Committee while examining the DFG (2017-18) of M/o HUPA, observe that the BE(2017-18) under CLSS(EWS/LIG) has been reduced to Rs. 400.00 crore from the BE/RE(2016-17) of Rs.475.00 crore. Moreover, a new sub-component, named, CLSS for Middle Income Group (MIG) under Pradhan Mantri Awas Yojna(Urban)-PMAY(U) has been introduced pursuant to the address to the nation by the Hon'ble Prime Minister on 31.12.2016, and it is to be implemented w.e.f. 01.01.2017. However, detailed guidelines will be issued after clearance is received from the Election Commission of India (ECI). Nevertheless, the BE (2017-18) for CLSS (MIG) has been kept at Rs. 1000.00 crore.

Having observed the above, the Committee feel that the very purpose and objective of PMAY (U) with all its 4 components, which has been primarily meant to cater to the needs of EWS/LIG segment of the urban areas, who are homeless or living in slums and in inhuman living conditions, has seemingly and prima-facie diverted its focus and attention from original EWS/LIG segment to MIG segment of the urban society now. However, the M/o HUPA has assured the Committee that there is no diversion of funds or dilution of intent as the target groups are distinct and the income segments are different. A large outlay for the MIG only points to the fact that the income segment and, as a corollary, the loan amounts are higher. A reduced outlay for CLSS for EWS/LIG has been kept only as a matter of caution at the BE Stage.

The Committee are well aware that the Ministry, year after year, has been invariably getting drastically reduced outlay at the RE Stage. In spite of this hard fact,



they seems to have ignored it and their statement that they have every intention to seek more funds, at the RE stage, is hardly satisfactory and acceptable.

The Committee, in view of the above stated intentional reduced outlay provisions of CLSS for EWS/LIG by the Ministry, would like to caution them that this sort of unfair allocation in disfavour of EWS/LIG segments, who have been deprived of even fundamental and basic amenities and necessities of human life for ages, is not acceptable to the Committee.

The Committee, therefore, urge and recommend to the M/o HUPA as well as M/o Finance to provide higher allocations in favour of EWS/LIG segments under CLSS for EWS/LIG and for all the relevant Schemes meant for real upliftment of urban poor at RE/BE stages, henceforth, to justify and live upto the very nomenclature of the Ministry concerned.

### **Reply of the Government**

4.2 It may be mentioned here that under the PMAY(U) mission guidelines, Economically Weaker Section (EWS) category of beneficiaries is eligible for assistance in all four verticals of the Missions whereas Low Income Group (LIG) & Middle Income Group category is eligible under only CLSS component of the Mission. The funds of Rs. 400.00 cr. allocated under PMAY(U) mission for CLSS would entirely be utilized to support the construction of EWS/LIG houses.

Also, the Ministry has every intention to seek more funds at the RE stage under CLSS component as per requirement projected at the appropriate time by the Central Nodal Agencies (CNAs).

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

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

**TEAM OF WELL TRAINED AGENTS FOR THE PROMOTION AND SUCCESS OF PMAY(U)**

4.4 The Committee observe that the number of EWS/LIG houses provided under Credit Linked Subsidy Scheme (CLSS) during 2015-16 to 21 States(other than NE States) is 5907 houses; to 7 NE States is 24 houses; and to 7 UTs is 70 houses. Similarly, during 2016-17 (till 13th February, 2017), 13875 EWS/LIG houses have been provided to 21 States; 52 such houses to 7 NE States; and 72 houses to 7 UTs. Thus, in total 6001 EWS/LIG houses were provided under CLSS during 2015-16 and a total of 13999 EWS/LIG houses have been provided till 13.2.2017.

The Committee are aware that although CLSS is one of the four components of PMAY(U), yet, the progress of this important component is very low and far below the high expectation of the M/o HUPA as well as this Committee. Even if, the year 2015-16 is considered as the initial year of launching of PMAY(U) and its 4 components and the lower figure of 6001 EWS/LIG houses under CLSS is put aside, and the figure of about 14000 EWS/LIG houses provided during 2016-17 is taken as an average annual achievement in a year's time, it may be presumed that about 70000(±) EWS/LIG houses may be provided throughout India in the remaining period of 5 years for implementation of PMAY(U)-Housing for All by 2022 Mission. And, the actual requirement or shortage of houses as per initial estimates, is of 18.78 million or about 2 crore houses, subject to final assessment being estimated by States/UTs.

The Committee are very much apprehensive of the success of PMAY(U) and its 4 components, including, CLSS, with the above pace of progress, viz., only about 14000 EWS/LIG houses have been provided in the current year.

The Committee, in view of the above, therefore, urge the M/o HUPA to explore the feasibility of developing some initiatives which may be taken at their end at the earliest, for the optimum level of achievements in each of the 4 components of PMAY(U). One such initiative could be that a strong team of Well Trained Agents may be created and developed, who may be provided with all the information and inputs relating to CLSS and other 3 components of PMAY(U) viz., (i) "In Situ" Slum Redevelopment(ISSR); (ii) Affordable Housing in Partnership with public or private sector(AHP); and (iii) Beneficiary-led individual houses construction/enhancements(BLC), and they are trained to canvass and convince the

urban poor and homeless about the benefits provided by the Government of India through its PMAY(U)-HFA by 2022 Mission and bring in the applications of those interested to avail the benefits under CLSS to their local PLIs, and like-wise become instrumental in promoting other three components of the PMAY(U) among the concerned urban clients. And, for this service of theirs, they may be provided certain fixed commission or incentive per-application or per-beneficiary, similar to the age old established Agent System working for LIC and GIC companies in India. The Committee are of the view that rather than always be at the waiting end for would be customers to reach to the PLIs who are seldom interested for providing EWS/LIG loans to the poorer sections of the vulnerable urban society, the enthusiastic team of well trained agents should reach to the prospective applicants under CLSS, BLC and AHP, etc. Other aggressive awareness campaign should also be taken up through audio, video and print media to create awareness amongst the EWS/LIG/MIG target groups to avail of the benefits of this scheme in large numbers.

### **Reply of the Government**

4.5 In the FY 2016-17, PMAY (U) Mission has provided approval to 10,27,350 dwelling units upto 31.03.2017, of which 22,607 beneficiaries have been provided interest subsidy under CLSS of Rs. 418.89 crores.

State Level Technical Cells and City Level Technical Cells manned with different competencies like planning, engineering, social mobilization, financial planning etc. have been set up in different States/UTs to enhance capacity in operational areas in partnership with Urban Local Bodies who canvass and spread awareness at ward level. The provision of fixed commission agents may not be implementable to curtail any speculation or false promises to potential beneficiaries. CNAs and PLIs are actively involved in reaching out to potential beneficiaries through their existing marketing networks.

Further MoHUPA has devised an integrated media strategy through audio, video, TV, print media, social media etc. to create awareness amongst the EWS/LIG/MIG target groups to avail of the benefits of this scheme.

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

### **Recommendation No.8**

#### **COMPLAINTS REGARDING COLLECTION OF CASH FROM THE POOR FOR PROVIDING EWS/LIG HOUSES**

4.7 The committee are perturbed to note cases of fraud and cheating taking place in many cities including NCR of Delhi for allocation of houses under Pradhan Mantri Awas Yojana(Urban) with fake propaganda that a house could be booked by just paying Rs. 150 by unscrupulous elements and fraud NGOs etc. The Committee are of the considered opinion that such cases should be immediately investigated and deterred so that poor people are not cheated.

The Committee further noted that a lot of bogus builders/developers are apparently registering and enlisting a lot of consumers for allotment of EWS/LIG house in the name of Affordable Housing Scheme under the mission "Housing For All by 2022."

The Committee strongly caution and recommend that the M/o HUPA should immediately swing into action and get such complaints thoroughly investigated in all States and UTs as one of their prime scheme, named , PMAY(U) is being misused for illegal money-making by some corrupt-minded anti-social elements. Any delay in catching those involved, will give them liberty to rob millions of more poors and have-nots of the society. If unchecked, poor and homeless masses will feel cheated and betrayed and also it will be difficult for them to trust any of the Government schemes henceforth.

The Committee also recommend that M/o HUPA should ensure that no fraud is executed by the fake developers/builders in the name of Affordable Housing Scheme/Land Pooling Policy in various States of India.

The Committee desire that aggressive awareness programmes through visual and print media should be launched immediately to educate and inform common people to beware of such fraudulent persons/NGOs, on the lines of the awareness drive relating to non-divulgence of any of the personal bank A/c, ATM card, PIN/CVV number, password of email, etc., to any unknown person asking for such details.

### **Reply of the Government**

4.8 The suggestions of the Committee have been noted. Following actions have been taken by this Ministry to avoid fraud and cheating by fake developers/builders in the name of affordable housing scheme:

- A disclaimer has been posted on the website of the Ministry intimating general public that this Ministry has not authorized any private entity or person to collect money as a consideration for availing of any benefit under the PMAY (U) Mission.
- State/UT Governments have been requested to issue disclaimer/public notice cautioning the general public about unscrupulous individuals/ entities from cheating the general public.
- This Ministry is in the process to publish public notice in leading newspapers cautioning the general public about unscrupulous individuals/ entities from cheating the general public.
- This Ministry has also requested to all States/UTs to propagate and promote the facility of online application using the platform of Common Service Centre for registration under the Scheme to citizens. Further CSC through its weekly newsletter has also published the matter for awareness of the citizens. CSC has also written to all District Collectors to monitor online applications through CSC so that more people may avail the benefit under PMAY(U).

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

**CHAPTER V**

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

**-Nil-**

**NEW DELHI;**

**9<sup>th</sup> August, 2017  
18<sup>th</sup> Sravana, 1939 (Saka)**

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

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

**MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE HELD ON**

**WEDNESDAY, 9<sup>TH</sup> AUGUST, 2017.**

The Committee sat from 1000 hrs. to 1055 hrs. in Committee Room No.4, A Block, Extension to Parliament Annexe Building, New Delhi.

**PRESENT**

**Shri Pinaki Misra - Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri Maheish Girri
3. Shri P.C. Mohan
4. Shri K. Parasuraman
5. Shri Kapil Moreshwar Patil
6. Shri Alok Sanjar
7. Shri Rahul Ramesh Shewale
8. Prof. K. V. Thomas
9. Shri Parvesh Sahib Singh Verma

**RAJYA SABHA**

10. Shri Anil Desai
11. Shri Mahesh Poddar
12. Shri K.C. Ramamurthy
13. Shri Ajay Sancheti

**SECRETARIAT**

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Ms. Amita Walia - Additional Director
3. Smt. Reena Gopalakrishnan - Deputy Secretary



2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee.
3. The Committee then took up for consideration the following draft Reports :
  - (i) Eighteenth Report on Action Taken on the 12<sup>th</sup> Report (16<sup>th</sup> Lok Sabha) on 'Modernization of Directorate of Printing, Government of India Stationery Office and Department of Publication'
  - (ii) Nineteenth Report on Action Taken on the 15<sup>th</sup> Report (16<sup>th</sup> Lok Sabha) on 'Demands for Grants (2017-18)' of the Ministry of Urban Development, and;
  - (iii) Twentieth Report on Action Taken on 16<sup>th</sup> Report (16<sup>th</sup> Lok Sabha) on 'Demands for Grants (2017-18)' of the Ministry of Housing and Urban Poverty Alleviation.
4. After some deliberation, the Committee adopted the above draft Reports without any modifications and authorized the Chairperson to finalize them and present the Reports to Parliament.

**The Committee then adjourned.**

[Vide para 4 of the Introduction]

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

<b>I.</b>	<b>Total number of recommendations</b>	<b>14</b>
<b>II.</b>	<b>Recommendations/Observations which have been accepted by the Government:</b>	<b>11</b>
	<b>Recommendation Nos. 1, 2, 3, 4, 6, 9, 10, 11, 12, 13 and 14.</b>	
	<b>Percentage to total recommendations</b>	<b>(78.57 %)</b>
<b>III.</b>	<b>Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:</b>	<b>0</b>
	<b>Percentage to total recommendations</b>	<b>(0%)</b>
<b>IV.</b>	<b>Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:</b>	<b>03</b>
	<b>Recommendation Nos. 5,7 and 8</b>	
	<b>Percentage to total recommendations</b>	<b>(21.42%)</b>
<b>V.</b>	<b>Recommendations/Observations in respect of which final replies of the Government are still awaited:</b>	<b>0</b>
	<b>Recommendation No. Nil</b>	
	<b>Percentage to total recommendations</b>	<b>(0%)</b>