



**STANDING COMMITTEE ON  
URBAN AND RURAL DEVELOPMENT  
(2001)**

**THIRTEENTH LOK SABHA**

**MINISTRY OF URBAN DEVELOPMENT  
AND POVERTY ALLEVIATION**

**(DEPARTMENT OF URBAN EMPLOYMENT  
AND POVERTY ALLEVIATION)**

***DEMANDS FOR GRANTS  
2001-2002***

**TWENTY FOURTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***April, 2001/Chaitra, 1923 (Saka)***

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(2001-2002)***

**Presented to Lok Sabha on 20 April, 2001**

**Laid in Rajya Sabha on 20 April, 2001**



**LOK SABHA SECRETARIAT  
NEW DELHI  
*April, 2001/Chaitra, 1923 (Saka)***

**C.U. & R.D. No. 103**

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**COMPOSITION OF THE STANDING COMMITTEE ON  
URBAN AND RURAL DEVELOPMENT (2001)**

Shri Anant Gangaram Geete        -        *Chairman*

***MEMBERS***

***LOK SABHA***

2. Shri Mani Shankar Aiyar
3. Shri Padmanava Behera
4. Shri Jaswant Singh Bishnoi
5. Shri Ambati Brahmaniah
6. Shri Swadesh Chakraborty
7. Shri Haribhai Chaudhary
8. Shri Bal Krishna Chauhan
9. Prof. Kailasho Devi
10. Shrimati Hema Gamang
11. Shri Holkhomang Haokip
12. Shri R.L. Jalappa
13. Shri Babubhai K. Katara
14. Shri Madan Lal Khurana
15. Shri Shrichand Kriplani
16. Shri P.R. Kyndiah
17. Shri Bir Singh Mahato
18. Shri Punnulal Mohale
19. Dr. Ranjit Kumar Panja
20. Shri Ramchandra Paswan
21. Shri Chandresh Patel
22. Shri Dharam Raj Singh Patel
23. Prof. (Shrimati) A.K. Premajam
24. Shri Rajesh Ranjan
25. Shri Nikhilananda Sar
26. Shri Maheshwar Singh
27. Shri Chinmayanand Swami
28. Shri Sunder Lal Tiwari
29. Shri D. Venugopal
30. Shri Chintaman Wanaga

### ***RAJYA SABHA***

31. Shri S. Agniraj
32. Shrimati Shabana Azmi
33. Shri Karnendu Bhattacharjee
34. Shri N.R. Dasari
35. Shri R.S. Gavai
36. Prof. A. Lakshmisagar
37. Shri C. Apok Jamir
38. Shri Faqir Chand Mullana
39. Shri Onward L. Nongtdu
40. Shri A. Vijaya Raghavan
41. Shri N. Rajendran
42. Shri Solipeta Ramachandra Reddy
43. Shri Man Mohan Samal
44. Shri Suryabhan Patil Vahadane
45. Vacant

### ***SECRETARIAT***

- |    |                        |   |                    |
|----|------------------------|---|--------------------|
| 1. | Shri S.C. Rastogi      | - | Joint Secretary    |
| 2. | Shri K. Chakraborty    | - | Deputy Secretary   |
| 3. | Shrimati Sudesh Luthra | - | Under Secretary    |
| 4. | Shri P.V.L.N. Murthy   | - | Assistant Director |

## **ABBREVIATIONS**

ACA	-	Additional Central Assistance
BE	-	Budget Estimate
BMTPC	-	Building Material and Technology Promotion Council
BPL	-	Below Poverty Line
CBO	-	Community Based Organisation
DUs	-	Dwelling Units
DUDA	-	District Urban Development Agency
DWCUA	-	Development of Women and Children in Urban Areas
EWS	-	Economically Weaker Section
HFI	-	Housing Finance Institution
HUDCO	-	Housing and Urban Development Corporation
IIPA	-	Indian Institute of Public Administration
LIG	-	Low Income Group
MIS	-	Management Information System
NGO	-	Non-Governmental Organisation
NHB	-	National Housing Bank
NP	-	Non Plan
NSDP	-	National Slum Development Programme
RE	-	Revised Estimate
SJSRY	-	Swarna Jayanti Shahari Rozgar Yojana
SUDA	-	State Urban Development Agency
Ucs	-	Utilisation Certificates
UEPA	-	Urban Employment and Poverty Alleviation
UI	-	Urban Infrastructure
UNCHS	-	United Nations Centre for Human Settlements
UPA	-	Urban Poverty Alleviation
USEP	-	Urban Self Employment Programme
Uts	-	Union Territories
UWEP	-	Urban Wage Employment Programme



## **INTRODUCTION**

I, the Chairman of Standing Committee on Urban & Rural Development (2001) having been authorised by the Committee to submit the Report on their behalf, present the Twenty Fourth Report on Demands for Grants (2001-2002) of the Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation).

2. Demands for Grants have been examined by the Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation) on 4<sup>th</sup> April, 2001.

4. The Report was considered and adopted by the Committee at their sitting held on 17<sup>th</sup> April, 2001.

5. The Committee wish to express their thanks to the Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation) for placing before them the requisite material in connection with the examination of the subject.

6. The Committee wish to express their thanks to the officers of the Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation) who appeared before the Committee and placed their considered views.

7. They would also like to place on record their sense of deep appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

**NEW DELHI;**  
**19 April, 2001**  
**29 Chaitra, 1923 (Saka)**

**ANANT GANGARAM GEETE**  
**Chairman,**  
**Standing Committee on Urban**  
**and Rural Development.**

## ***REPORT***

### **CHAPTER I**

#### **INTRODUCTORY**

The erstwhile Ministry of Urban Employment and Poverty Alleviation was merged with Ministry of Urban Development on 27.5.2000 and renamed as Department of Urban Employment and Poverty Alleviation in the Ministry of Urban Development and Poverty Alleviation.

1.2 The Department of Urban Employment and Poverty Alleviation is mainly entrusted with the responsibilities pertaining to:

- (i) Formulation of housing policy and programme (except rural Housing), review of implementation of Plan Schemes etc.
- (ii) Implementation of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) w.e.f. 1.12.1997.
- (iii) Human settlements including UN Commission for Human Settlements, International cooperation and technical assistance in the field of Housing and Human settlements.
- (iv) Administrative control of public sector undertakings viz. HUDCO Ltd. and Hindustan Prefab Ltd.

1.3 Apart from the above major responsibilities, the Department is also entrusted with the task of monitoring the implementation of the National Slum Development Programme (NSDP) which was launched in August, 1996 to provide an additionality to normal central assistance to the States/UTs for the purpose of Slum Development.

1.4 The estimated strength of establishment of the Department as on 1<sup>st</sup> March, 2001 stands at 126 with a provision of Rs.211.80 lakh for 2001-02.

#### **Analysis of Demands for Grants (2001-02)**

##### **Budget at a Glance**

	<u>(Rs. in crore)</u>		
	Revenue	Capital	Total
Charged	-	-	-
Voted	213.27	184.00	397.27

1.5 A total provision of Rs.397.27 crore for 2001-2002 has been made in respect of this Department under Demand No.83. The detailed Demands for Grants of the Ministry were laid in Lok Sabha on 20<sup>th</sup> March, 2001.

1.6 The overall BE 2001-2002 under Demand No.83 (Voted) is Rs.397.27 crore (Gross) both Plan and Non-Plan. The respective provisions on the Revenue and Capital sides are Rs.213.27 crore and Rs.184.00 crore. The relevant break-up of Plan and Non-Plan provision is Rs.380.00 crore and Rs.17.27 crore. The details of financial requirements for different programme/activity-wise and object/head-wise classifications are shown in **Appendix-I**.

1.7 The comparative budget allocations of the Department during 2000-01 and 2001-02 and Budget Estimates and actuals for 1999-2000 are given below:

<b>Comparative Budget Proposals</b>									
<b>(Rs. in crore)</b>									
	1999-2000		2000-2001		2000-2001		2001-2002		Total
	BE		BE		RE		BE		
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
	(Actuals)						(% variation over BE 2000-2001)		
Revenue	195.00 (131.76)	9.32 (4.09)	224.50	9.51	113.00	7.55	206.00	7.27	213.27
Capital	150.00 (150.00)	10.00 (7.00)	155.00	10.00	159.00	10.00	174.00	10.00	184.00
Total	345.00 (281.76)	19.32 (11.09)	379.50	19.51	272.00	17.55	380.00 (0.13)	17.27 (-11.48)	397.27

1.8 It is seen from the above comparative statement that on the Revenue side, (Plan) there has been a decline of Rs.18.50 crore (about 8.24%) in BE 2001-02 over BE 2000-01 which was at Rs.224.50 crore. On the non-plan side (Revenue side), there has been a decrease of Rs.2.24 core (about -23.55%) in BE 2001-2002, which was at Rs.9.51 crore in BE 2000-01. Although in the capital section, the allocation at Rs.174.00 crore in BE 2001-02 shows an increase of Rs.19 crore (about 12.26%) over that of Rs.155 crore in BE 2000-01 on the plan side, while on the non-plan side there is no change in BE figures i.e. of Rs.10 crore of 2001-02 over that of 2000-2001.

1.9 The allocations proposed for 2001-02 in respect of some major schemes/programmes *vis-à-vis* the BE and RE 2000-01 and BE 2001-02 are indicated below:

(Rs. in crore)				
Sl No.	Programme/Scheme	BE 2000-2001	RE 2000-2001	BE 2001-2002
<b><u>Revenue Section</u></b>				
1.	SJSRY	168.00	95.03	168.00
2.	Night Shelter Scheme	3.40	3.40	4.56
<b><u>Capital Section</u></b>				
1.	Equity to HUDCO for Housing	155.00	155.00	155.00

1.10 The Department stated that against an actual expenditure of Rs.123.00 crore in 1999-2000, the expenditure incurred upto February, 2001 under SJSRY stands at Rs.33.53 crore. While under the Night Shelter Scheme and Equity to HUDCO for Housing the budgeted amounts have been fully spent/released.

1.11 The Department stated that the reduction of BE provision in Revenue side (Plan) from Rs.224.50 crore to RE of Rs.113.00 crore during 2000-01 is attributed mainly to the provision of Rs.38.00 crore made for the North-Eastern region which was not allowed at the RE stage. The other major reduction was in the outlay under SJSRY Scheme under MH-3601 (from Rs.158 crore in BE 2000-2001 to Rs.85.00 crore in RE 2000-2001) which could *inter-alia* be attributed to comparatively slow progress of expenditure.

1.12 The reasons for reduced outlay in Revenue Expenditure on Plan side in BE 2001-02 *vis-à-vis* BE 2000-01 is mainly due to 50% of the budget provision of Rs.38.00 crore for the North-Eastern region which was earlier shown entirely on the Revenue side during 2000-2001 has now been shown to the extent of Rs.19.00 crore on the Revenue side and the balance of Rs.19.00 crore on the capital side during 2001-02.

1.13 Asked if tardy implementation of schemes was the prime reason for reduced outlay at RE stage and the steps taken to arrest this trend, the Department in a note stated that it is a fact that until the RE stage the expenditure incurred had not been commensurate to the BE provision. The estimates for RE stage were decided in November, 2000. During the year 2001-02 every effort will be made to utilise the allocated provision.

1.14 On the question of slow implementation of the schemes, the Secretary of the Department clarified during evidence that largely it was due to slow implementation and performance has not been satisfactory. The main reason, however, was that in the self-employment component of SJSRY, the Banks are not too keen to advance loans to the beneficiaries due to varied reasons.

#### **Allocation for North Eastern Areas**

1.15 A new provision of Rs.38 crore was provided under Major Head 2552 (Plan) in the Budget Estimates 2000-01 of the Department for the projects/schemes for the benefit of North Eastern region and Sikkim being in the nature of lumpsum non-lapsable provision.

1.16 The RE 2000-01 under this head shows 'NIL' provision. In BE 2001-02 this has been reduced to Rs.19 crore (in Revenue Section), while a new provision of Rs.19 crore has been made under Major Head 4552 (Plan) in the capital section.

1.17 10% of the Plan allocation is required to be earmarked for North Eastern region as per the existing instructions. The provision of 10% has been made on an overall basis and not under each and every scheme as all the schemes do not cover North Eastern region. The amount remaining unutilised is to be transferred to the non-lapsable Central Pool of Resources for the North Eastern region and Sikkim. The provision has been kept under Revenue and Capital to meet the requirement under the respective sections.

1.18 When asked the reasons for 'NIL' provision under this head for RE 2000-01, the Department stated in reply that as no requirement of funds under the head was envisaged, the RE provision was shown as 'NIL'.

1.19 When asked further why a provision of Rs.19 crore each has been made in both the Revenue and Capital Sections for BE 2001-02 under the same nomenclature, the Ministry stated in a written reply:

“As per the rules, re-appropriation of funds, if any, cannot be made from Revenue to Capital and vice-versa. During 2001-02, the provision has been shown both under the Revenue and Capital Sections so that this can be utilised/re-appropriated to meet additional requirement under the respective section(s), if necessary.”

1.20 When asked about the details of projects on hand where this allocation was likely to be spent during 2001-02 under both heads of accounts, the Ministry in reply stated:

“The amount could be spent under the existing schemes namely SJSRY etc. or it will also ultimately be surrendered for transfer to the non-lapsable Central Pool of resources for North Eastern region and Sikkim.”

1.21 The evaluation in respect of some of the major schemes/programmes under implementation/monitored by the Department of Urban Employment and Poverty Alleviation are discussed in subsequent chapters.

**1.22 A close scrutiny of the allocations made in Demands for Grants of the Department of Urban Employment and Poverty Alleviation reveals that as compared to an allocation of Rs.399.01 crore in BE 2000-01, the outlay at Rs.397.27 crore shows an overall cut of Rs.1.74 crore. While the plan and non-plan outlay (Revenue section) at Rs.206 crore and Rs.7.27 crore in BE 2001-02 shows a reduction of 8.24%, and 23.55% respectively, the Plan outlay (Capital section) at Rs.174 crore in BE 2001-02 shows an increase of 12.26% and the non-plan outlay at Rs.10 crore shows no change over the BE figures of 2000-01. The Committee further, note that though the outlay for the major schemes of SJSRY at Rs.168 crore for BE 2001-02 shows no change *vis-à-vis* the outlay in BE 2000-01, they are deeply constrained to note that expenditure figures upto February, 2001 in respect of SJSRY at Rs.33.53 crore out of a reduced RE 2000-01 of Rs.95.03 crore do not portray a healthy picture of the state of implementation of a major programme being implemented by the Department.**

**1.23 The Committee, however, observe with regret that reduction of outlay at RE stage on plan side to an extent of Rs.73 crore in respect of SJSRY alone is the major reason for slashing of RE 2000-01 figures which again according to the Ministry is attributed to comparatively slow progress of**

implementation of the Yojana and the indifferent attitude of bankers. On the other hand, the expenditure figures as at the end of February, 2001 in respect of SJSRY at Rs.33.53 crore out of a reduced RE of Rs.95.03 crore present quite an alarming scenario. The acceptance by the Ministry that until the RE stage i.e. end November, 2000, the expenditure incurred had not been commensurate with the provision made in BE 2000-01 speaks volumes about the state of affairs in the Department. The Committee, therefore, are of the considered view that steps need to be taken urgently to arrest this trend of lower utilisation also avoid the ignominy of getting the allocations slashed drastically by the Ministry of Finance at RE stage which also would have a negative impact on the implementation of various schemes by the Ministry. They also desire that urgent steps be taken to speed up implementation of SJSRY.

1.24 The Committee further, observe that a new provision of earmarking 10% of overall plan allocations amounting to Rs.38 crore for North Eastern regions and Sikkim in the nature of lumpsum non-lapsable amount was started with BE 2000-01. However, they regret to find that for RE 2000-01 a 'NIL' provision has been shown on the plea that requirement of funds was not envisaged at RE stage. Again, for BE 2001-02, this allocation was split into two and a provision of Rs.19 crore each was made under two heads of account both in the Revenue and Capital sections. The Committee are dismayed to find that this was done to circumvent the rules which prevent re-appropriation of funds from Revenue to Capital and *vice-versa* and also that this could be utilised/re-appropriated to meet additional requirement for other schemes etc. The Committee view this matter very seriously since as on date, there are no separate projects on hand where this allocation could be spent in the North Eastern region and Sikkim. The Committee also feel that it would be better to do away with such frivolous items of expenditure which might result in wasteful expenditure or duplication as the Ministry themselves have stated that this provision could also be spent under the existing schemes like SJSRY. The Committee recommend that the amount earmarked for North Eastern States and Sikkim should be allocated State-wise between all North Eastern States and Sikkim separately instead of bulk allocation which does not present a clear picture in this respect. They, therefore, also recommend that the Ministry should earnestly explore possibilities of formulating some scheme(s) for North Eastern region separately so that some development takes place in this hitherto neglected region and it is brought at par with the national mainstream. The Committee would like to be apprised of the steps taken in this regard.

## **CHAPTER II**

### **SCHEMES IMPLEMENTED/MONITORED BY THE DEPARTMENT**

The Department of Urban Employment and Poverty Alleviation is responsible for taking steps to alleviate urban poverty-a major challenge staring us calling for a new imaginative approach with the ultimate objective to feed, educate, house and employ the millions of impoverished dwellers in towns/cities.

2.2 The Department is monitoring the implementation of the following major schemes/programmes:

(A) Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

(B) Night Shelter Scheme; and

(C) National Slum Development Programme (NSDP)

2.3 The evaluation of these schemes/programmes is discussed in the succeeding paragraphs.

#### **(A) Swarna Jayanti Shahari Rozgar Yojana (SJSRY)**

2.4 The Department of Urban Employment and Poverty Alleviation is monitoring w.e.f. 1.12.1997 the implementation of the Swarna Jayanti Shahari Rozgar Yojana (SJSRY) which consists of two special schemes, namely -

(a) The Urban Self Employment Programme (USEP)

(b) The Urban Wage Employment Programme (UWEP)

2.5 The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) seeks to provide gainful employment to the urban unemployed or underemployed through encouraging the setting up of self-employment ventures or provision of wage employment. This programme relies on creation of suitable community structures and delivery of inputs is through the medium of urban local bodies and such community structure.



2.6 The SJSRY is funded on a 75:25 basis between Centre and the State Governments.

**(a) The Urban Self Employment Programme (USEP)**

2.7 This programme has three components:-

- (i) Assistance to individual urban poor beneficiaries for setting up gainful self-employment ventures.
- (ii) Assistance to groups of urban poor women for setting up gainful self-employment ventures. This sub-scheme has been titled as “The Scheme for Development of Women and Children in the Urban Areas (DWCUA)”.
- (iii) Training of beneficiaries, potential beneficiaries and other persons associated with the urban employment programme for upgradation and acquisition of vocational and entrepreneurial skills.

2.8 The programme is applicable to all urban towns in India. The programme is implemented on a whole town basis with special emphasis on urban poor clusters.

**(b) The Urban Employment Programme (UWEP)**

2.9 This programme seeks to provide wage employment to beneficiaries living below the poverty line within the jurisdiction of urban local bodies by utilising their labour for construction of socially and economically useful public assets. Under the programme, there are no restrictions on educational qualification.

2.10 This programme applies to urban local bodies, having population less than 5 lakh as per the 1991 census. The material labour ratio for works under this programme is to be maintained at 60:40. The prevailing minimum wage rate, as notified from time to time for each area, has to be paid to beneficiaries under this programme.

2.11 The programme is dovetailed with the State sector EIUS scheme as well as the NSDP. This programme is not designed to either replace or substitute the EIUS, the NSDP, or any other State sector schemes.

### Financial performance under SJSRY

2.12 For the Ninth Plan (1997-2002), against an original proposal of Rs.4869 crore a sum of Rs.1009 crore was allocated by the Planning Commission for the Yojana while the actual allocations at the BE stage were Rs.893.15 crore only. Year wise allocations for SJSRY during the Ninth Plan are as under:

(Rs. in crore)

Year	Proposed by the Ministry	Allocation at BE stage	Actual Expenditure
1997-98 ---		188.00	174.63
1998-99 400		188.50	162.29
1999-2000 215		180.65	123.00
2000-2001 245		168.00	33.53*
2001-2002 250		168.00	---
Total	1110	893.15	493.45

\*Amount sanctioned for release to States upto February, 2001

2.13 Financial allocation to the States is made on the basis of incidence of urban poverty and per capita income as per Planning Commission norms. All India incidence of urban poverty is at 23.62% and the per capita per month income is Rs.454.11.

2.14 On the question of decreasing allocations for the Yojana over the last three years, the Department stated that since the States/UTs were having huge unspent balances of old UPA programmes, lesser amounts were proposed. The Planning Commission, however, provided decreased amounts/allocations.

2.15 On the question of under-utilisation of funds under the Yojana, the Department stated in a written note as below:

“From 1.12.97 to 31.3.2000, an amount of Rs.375.87 crore was released to the States/UTs under SJSRY. The States/UTs reported an unspent balance of funds amounting to Rs.561.89 crore as on 30.11.97 from old UPA programmes for utilisation under SJSRY w.e.f. 1.12.97. The States also reported the release of their share amounting to Rs.143.51 crore. Out of the total amount of Rs.1081.27 crore available with them, the States/UTs had reported an expenditure of Rs.650.28 crore (as on 28.2.2001). The utilisation of funds by them can thus be assessed as quite satisfactory.”

2.16 When asked the reasons for such low level of releases of funds as against amount provided at BE stage, the Department stated in reply that main reasons for low level of releases of funds during the year 2000-01 are:-

- (i) the unspent balances with the States/UTs; and
- (ii) the latest instructions issued by the Ministry of Finance to link release of funds with the utilisation certificates(UCs) for past releases.

2.17 The Department further asserted that the physical progress under different components of the Yojana may not be affected since a number of States/UTs are still having sufficient unspent balances with them, while others have been provided with more funds during the current financial year.

2.18 As on 30.11.97, Rs.500.83 crore (as reported by the Ministry during examination of Demands for Grants 2000-2001) remained unspent with the States while as on 15.3.2000, the closing balance of the unspent amount was Rs.498.71 crore. A statement showing funds position including the current status of unspent balances with the States, as reported till 28.2.2001 under SJSRY is at Appendix II.

2.19 With regard to the role of Banks in the context of low release / utilisation of funds under SJSRY, the Secretary during evidence stated that though Banks agree to sanction loans to beneficiaries, in practice they do not sanction loans as non performing assets of Banks have increased. The applications keep on piling up. The Ministry held five or six meetings at the Minister's and Secretaries' level. RBI and Bankers were also called. On the recommendation of the Standing Committee, a committee was set up which has given its Report. We are trying to recast SJSRY. Some queries have been raised which are being sorted out with the Planning Commission and it is hoped it would improve the matters.

**2.20 The Committee note that SJSRY is a major scheme being implemented by the Ministry in a revised format w.e.f. 1.12.1997 in all States/UTs. They, however, regret to note that the implementation of the Yojana has not gained the desired momentum and is plagued with problems like decreasing allocation of fund at BE stage and the inability of the Ministry to fully utilise the amount provided in successive budgets to name a few. It is further observed that out of Rs.725 crore allocated during 1997-98 to 2000-2001, the actual expenditure was Rs.493.45 crore only (till 28 February, 2001). The Ministry stated that decreasing allocations are due to the States having huge unspent balances, which are hovering in the region of around Rs.500 crore during the last three**

years. Further, as against the release of Rs.375.87 crore by the Centre, the States have released only Rs.143.51 crore towards their share as on 28.2.2001. The Ministry also stated that low level of releases of funds could also be attributed to instructions of Ministry of Finance to link future releases with furnishing of UCs for past releases. The Committee are dismayed to find that inspite of all the above negative aspects, the Government assessed the utilisation of funds under the Yojana to be satisfactory. The Committee recommend that steps be taken to reduce the level of unspent balances with States at the earliest so that financial performance under the Yojana does not look gloomy.

2.21 The Committee also note that under certain components of the Yojana, the involvement of the Banks and their participation in the implementation of the Yojana has still remained non-cooperative and negative. The Ministry have again attributed this attitude of Bankers to their huge non-performing assets. The Committee note that a number of meetings have been held by the Ministry with representatives of Banks and RBI etc., at the level of Secretaries and Minister. According to the Ministry, these steps, it is hoped would help in improving the matters. The Committee feel that urgent steps need to be taken to reform the attitude of Bankers to make the Yojana successful as desired by them in their 23<sup>rd</sup> Report (12<sup>th</sup> Lok Sabha) and 9<sup>th</sup> Report (13<sup>th</sup> Lok Sabha) on Demands for Grants 1999-2000 and 2000-2001 of this Department. The Committee desire to be apprised of the action taken in the matter at the earliest.

#### **Physical progress under SJSRY**

2.22 Under Swarna Jayanti Shahari Rozgar Yojana (SJSRY) the targets are left to be decided by the State Governments in accordance with the guidelines of the scheme and the results of beneficiary survey. This has been done to ensure adequate flexibility of operation of the scheme.

2.23 The Ministry have indicated that out of a total of 3703 towns identified for house to house surveys in the country in 216 towns house to house surveys are still to be conducted. Initially, the Ministry had not specified any time frame for completion of house to house surveys by the States.

2.24 The Department in its action taken reply (Ninth Report 13<sup>th</sup> Lok Sabha) stated that the defaulting States/UTs were requested to complete house survey under the Yojana by September, 2000.

2.25 Asked if all the defaulting States/UTs have completed the house to house survey by September, 2000 as directed by the Ministry and the reasons for non-adherence of directions by the States, the Ministry in a note stated:

“Except Bihar and Jammu & Kashmir, all the States have almost completed the house to house survey. While the State Govt. of Bihar has not furnished the progress report(s) after September 1999, Jammu & Kashmir Govt. has reported that the valley already stands declared as disturbed areas; it has impeded smooth working and, therefore, surveys could not be conducted.”

2.26 The State-wise details of towns in the country, the towns where house to house surveys have been conducted/yet to be conducted are given in Appendix III.

2.27 As reported by the Ministry no progress report has been received from the Government of Bihar since September, 1999, still a sum of Rs.1693.94 lakh was released to the Government of Bihar.

2.28 When asked how does the department could justify the release of Rs.1693.94 lakh to the Government of Bihar in the absence of progress reports, the Ministry replied:

“The last Progress Report received from the State Government of Bihar pertained to the quarter ending September, 1999. Central funds were released to the State Government till 1999-2000 under SJSRY (launched on 1.12.1997) to enable it to effectively implement the scheme intended for urban poor.”

2.29 On the steps that are contemplated to remedy the situation arising as a result thereof, they further replied as under:-

“Keeping in view the pending progress reports and non receipt of utilisation certificates for the previous releases from the State Government of Bihar, no funds have been released during the year 2000-2001.”

2.30 They physical progress (cumulative) under the Yojana reported by the States as on 30.12.99 and 30.12.2000 is as follows:

<b><u>Components</u></b>		<b><u>As on 30.12.1999As on 30.12.2000</u></b>	
No. of urban poor identified under the scheme		324.15 lakh	280.07 lakh
<b><u>Community Structures</u></b>			
(a)	No. of house to house survey conducted in towns	3382 towns	3447 towns
(b)	No. of Community Development Society formed	5154	5603
(c)	No. of Community organisers appointed	2113	2388
(d)	No. of different level of functionaries trained	175489	242319
<b><u>Urban Self Employment Programme (USEP) &amp; Development of Women and Children in Urban Areas (DWCUA)</u></b>			
(a)	No. of beneficiaries assisted to set up micro enterprises	160887	253478
(b)	No. of DWCUA groups formed	6108	9099
(c)	No. of women beneficiaries assisted under DWCUA groups to set up Community Self Employment ventures	4540	13556
(d)	No. of persons trained for skill upgradation	129551	214536
(e)	No. of Thrift & Credit Societies formed	19047	39001
<b><u>Urban Wage Employment Programme (UWEP)</u></b>			
No. of mandays of work generated		154.72 lakh	310.40 lakh

The year-wise and State-wise progress as reported by the States/UTs upto 28.2.2001 in respect of above parameters of SJSRY is indicated in Appendices IV, V & VI.

2.31 State-wise details of the cumulative progress made under some of the components of the Yojana as on 28.2.2001 is given in Appendix VII.

2.32 The Committee note that under SJSRY, the physical targets have been left to be decided by the States in accordance with the guidelines of the Yojana as also the results of beneficiary surveys to be conducted which are the initial steps towards implementing the Yojana successfully. However, it is disconcerting to observe that even after four years of implementation of the Yojana (from 1997-98 to 2000-2001), the first step i.e. house to house surveys is yet to be completed in all States. The notable exception has been the State of Bihar where out of 170 towns, the survey has been carried out in only 12 towns. Overall, in 216 towns this process remains to be completed.

2.33 Further, what is more intriguing to observe here is that since September, 1999, the Government of Bihar is not furnishing the progress reports to the Central Government with regard to the achievements made under the Yojana. Despite this, the Central Government had released funds to the extent of Rs. 1693.94 lakh till 1999-2000 to Bihar. An Amount of Rs.6230.99 lakh remains unspent with Bihar. The Committee also observe from the details of State-wise progress made under the Yojana that only a handful of States are doing it commendably while the rest are lagging far behind in the implementation of the Yojana. They, therefore, recommend that the Government should take necessary steps to see that the States performing not so well are encouraged to improve and also to see that physical progress is in consonance with the funds made available to States. They desire to be apprised of the steps taken in this regard. As regards the State of Bihar, the Committee note that funds are not being released to them owing to non furnishing of UCs and progress reports. They desire that Government should persuade Bihar Government to furnish progress reports so that funds start flowing in and implementation of the Yojana is not adversely affected.

### **Monitoring / Evaluation of SJSRY**

2.34 The Department of Urban Employment and Poverty Alleviation monitors the Yojana through quarterly progress reports and by national/State/district level committees and periodical review meetings held under the Chairmanship of Ministers/Secretary of the Ministry.

2.35 The Ministry stated that on the basis of the problems faced by the States/UTs and to further improve the implementation of the Scheme, a proposal to modify the guidelines of the scheme is under consideration.

2.36 At the time of examination of Demands for Grants 2000-01 of this Department, it was stated that on the basis of the difficulties faced by the States in implementing the SJSRY scheme, the States had suggested some basic changes in the SJSRY guidelines.

2.37 It was further stated that the revision of guidelines was under active consideration of this Ministry in consultation with Planning Commission and State Governments and was likely to be finalised shortly.

2.38 A core Group/Committee under the stewardship of Joint Secretary (UEPA) was also set up on 22.12.1999 for the purpose of review of guidelines of the Yojana.

2.39 The Ministry also stated in their action taken notes (on Ninth Report on Demands for Grants 2000-2001) that consultations with Planning Commission are on to finalise the Report of the Core Group set up for modifications of guidelines.

2.40 When asked about the current status of consultations with Planning Commission, the Ministry stated that in August, 2000, the Planning Commission had expressed their reservations for making modifications in the guidelines mainly because the implementation of the scheme had not been assessed for a sufficient period.



2.41 As the Planning Commission did not support the modifications of SJSRY guidelines by the Ministry the report of Core Group was not finalised.

2.42 When asked as to how the Government propose to revise the guidelines to make effective implementation of SJSRY in view of the position taken by the Planning Commission, the Ministry replied as under:

“In view of the persistent demand from the States and on the basis of suggestions offered by them from time to time particularly in the latest SJSRY performance review meetings held on 13.11.2000 and 27.12.2000 at the level of Secretary (UEPA) and Hon’ble Minister for Urban Development and Poverty Alleviation respectively, it was decided to take up the matter for requisite modifications. The comments of the Planning Commission are being replied to.”

2.43 It was further stated by the Ministry that based on the suggestions made by the State representatives in the performance review meetings held on 13.11.2000 and 27.12.2000 at the level of Secretary (UEPA) and Hon’ble UD&PAM respectively with the State Secretaries and State Ministers, a draft Cabinet note was prepared and circulated to the concerned Ministries and Planning Commission for comments/views.

2.44 Their comments/views are summarised in the statement at *Appendix VIII.*

2.45 **The progress made under the Yojana is monitored through quarterly progress reports and periodical review meetings at the level of Secretary and Minister. Based on suggestions made by States viz enhancement of percentage of subsidy under USEP, increasing the training cost etc., the Ministry intended to modify the guidelines of the Yojana to improve the performance. A core group was also set up in December, 1999 to review the guidelines. However, the Planning Commission had some reservations in this matter on the ground that the Yojana had not been assessed for a sufficient period. The Committee further note that due to persistent demand of the implementing States and on the basis of suggestions made by them from time to time, it was decided to take up again the matter regarding modifications with the Planning Commission whose comments are still awaited. The Committee also note that a draft Cabinet note was prepared and circulated to concerned Ministries and Planning Commission for comments which have since been received. The Committee, therefore, recommend that no further time be lost in reviewing the guidelines of the Yojana so that the intended objectives of the Yojana are fully met. They further desire that the modification in the guidelines be made within three months of the presentation of this report. They would like to be informed of the action taken in this regard.**

2.46 The evaluation study of SJSRY of four States (Andhra Pradesh, Karnataka, Madhya Pradesh and West Bengal) by Indian Institute of Public Administration (IIPA) is under process. The report was expected by the end of February, 2001. However, the report is still awaited and IIPA was reminded to expedite the same.

2.47 The empanelment of Research Agencies for conducting evaluation studies in four other States of Assam, Rajasthan, Maharashtra and Uttar Pradesh is under process.

**2.48 The Committee observe that the evaluation study of the Yojana was conducted in respect of the States of Andhra Pradesh, Karnataka, Madhya Pradesh and West Bengal by the Indian Institution of Public Administration (IIPA). Empanelment of research agencies for conducting evaluation studies under the Yojana in the States of Assam, Rajastahan, Maharashtra and U.P. is under process. The Report of IIPA which was expected in February, 2001 is still awaited. The Committee recommend that the IIPA should be requested to expedite its report and suggestions/recommendations made therein may be kept in view while the guidelines of the Yojana are modified by the Ministry. They also recommend that empanelment of research agencies for evaluation study in respect of four other States may also be completed at the earliest.**

2.49 During the middle of December, 2000, C&AG's draft review Report on "Urban Employment Generation Programme" relating to this Ministry was received. States/UTs are being pursued to furnish facts/comments. The replies/factual information shall be furnished to Audit in due course.

2.50 The draft review report highlights certain shortcomings in the implementation of the programme such as, substantial diversions of funds to other schemes and purposes, parking of funds in personal ledger accounts as also short releases to executing agencies.

2.51 An amount of Rs.3582.86 lakh (out of SJSRY) was diverted by States to other schemes/purposes. The state-wise details as provided in the draft C&AG's report are at *Appendix IX*.

2.52 An amount of Rs.9473.07 lakh have been parked in personal ledger accounts and Rs.6004.62 lakh were short released to executing agencies by States. The State-wise details of parking of funds and short releases of funds to implementing/executing agencies as provided in the draft C&AG's report are at *Appendices X and XI* respectively.

2.53 Only Eight States (Goa, Haryana, Kerala, Manipur, Mizoram, Punjab, Sikkim & West Bengal) have furnished their comments/views on the draft report. The matter was taken up by the Secretary(UEPA) with the Chief Secretaries to arrange to expedite their replies. The defaulting States would be reminded in due course.

2.54 Commenting on the findings in the draft review report of C&AG, the Ministry stated that the shortcomings/observations pointed out in the draft review report concerning the above named 8 States have generally been found to be procedural in nature. Further view could be made on receipt of replies from other States.

**2.55 The Committee are perturbed to note that C&AG's draft review report points out certain shortcomings in the implementation of the Yojana namely diversion of substantial funds to other schemes, parking of funds in personal ledgers accounts, as also short releases to executing agencies by States. An amount of Rs.3582.86 lakh was diverted, Rs.9473.07 lakh was parked in personal ledger accounts and Rs.6004.62 lakh has been short released by States. The findings contained in C&AGs Report reveal that all is not well with the manner in which the Yojana is being implemented by the States and has also exposed gaping holes in the system of monitoring of the Yojana. Diversion of funds meant for a particular purpose cannot be viewed lightly though the Ministry has tried to condone it as a procedural error. This is a very serious matter and needs to be probed. The Committee would like to hear from the Ministry about the steps taken to obviate the recurrence of such lapses. The Committee desire that the defaulting States who have not yet furnished comments on draft review report of C&AG be directed to furnish their replies within a specified period and the Government should not be contented only with reminding the States. The Committee recommend that all these shortcomings be kept in view while the scheme's guidelines are modified by the Government. They desire to be informed of the action taken in this regard.**

#### **B. Night Shelter Scheme**

2.56 The Night Shelter Scheme was launched in 1988-89 to ameliorate the shelter condition of absolutely shelter-less and pavement dwellers in metropolitan cities. Since 1990-91, this scheme is being implemented through HUDCO. In the light of various suggestions from the implementing agencies, this scheme was modified in 1992 in consultation with the Planning Commission and the Ministry of Finance.

2.57 The present scheme has the following components:

- \* Construction of Night Shelter – Central subsidy @ Rs.1000/- and HUDCO loan of Rs.4000/- per beneficiary is being given.

- \* Construction of pay and use toilet – Central subsidy @Rs.350 per user is being provided.

2.58 As the scheme is a demand driven one, no targets are fixed. As on 31.12.2000, HUDCO has sanctioned 104 schemes with loan assistance of Rs.41.99 crore and Government subsidy amounting to Rs.40.10 crore. These schemes will provide 18217 beds, 25383 pay and use toilets seats, 1874 baths and 1882 urinals. Against this, 8209 beds, 3669 pay & use toilet seats, 310 baths and 217 urinals are complete. 3073 beds, 617 WCs, 103 baths and 145 urinals are in progress.

Out of the total 104 schemes, 6 schemes were sanctioned during 2000-01 (upto 31.12.2000) with HUDCO loan of Rs.1.77 crore.

2.59 State-wise details of schemes sanctioned, completed and in progress as on 29.3.2001 alongwith the components of loan assistance, actual loans released, subsidy sanctioned and project cost are indicated in *Appendix XII*.

2.60 Against the Eighth Plan outlay of Rs.6.5 crore only Rs.2.82 crore was actually provided. During the Ninth Plan, against an outlay of Rs.1 crore, a sum of Rs.6.40 crore has been provided during the 4 years of Ninth Plan. For 2001-2002, against a proposal of Rs.20 crore a sum of Rs.4.56 crore (Rs.3.40 core for 2000-2001) has been earmarked under Major Head 2216 (Plan).

2.61 Asked on what basis a proposal of Rs.20 crore for the scheme was made to the Planning Commission, the Ministry in their reply stated:

“As on 29.3.2001, HUDCO had sanctioned cumulatively 106 schemes envisaging loan assistance of Rs.41.82 crore and subsidy of Rs.40.41 crore. Against this, this Ministry had sanctioned and released subsidy of Rs.8.30 crore as on 29.3.2001. Thus there is a gap of around Rs.32.00 crore in the Government of India subsidy released to HUDCO.

With an intention to get all the new projects started and the projects already in progress, get completed within a reasonable period, an outlay of Rs.20 crore had been proposed for 2001-2002. In addition, it was expected that with revised funding pattern of the schemes envisaging higher central subsidy, the number of new projects would be much more and thus the outlay of Rs.20 crore if agreed to, would be utilised.”

2.62 When asked how do they propose to bridge the gap of Rs.32 crore towards subsidy to HUDCO for the schemes, the Ministry stated that with the release of Rs.3.40 crore subsidy in the year 2000-2001, the total amount of subsidy released to HUDCO comes to Rs.11.80 crore and therefore, the gap stands reduced to Rs.28.61 crore. This is proposed to be covered by enhanced budgetary provision for the scheme during the year 2001-2002 onwards. An outlay of Rs.20 crore was proposed during the year with this objective only.

2.63 The budget provision of Rs.3.40 crore for the year 2000-2001, had been released in full to the HUDCO as on 15.3.2001. HUDCO has already released Rs.8.39 crore during 2000-2001.

2.64 Asked if there was any gap between the project cost and loan assistance for the schemes sanctioned and the manner in which this gap is bridged, the Ministry replied as under:

“There is some gap between the project cost and loan assistance plus subsidy sanctioned, in the schemes (details are at Appendix XIII). This gap is to be met by the State Government/implementing agency through its own resources.”

2.65 On the question of maintenance of the night shelters constructed, the representative of the Ministry stated during evidence that maintenance of these could be given to NGOs etc. Some of these are running quite satisfactorily.

**2.66 The Committee note that the Night Shelter Scheme is a demand driven scheme and no targets are fixed for implementation of the scheme. The Committee cannot easily reconcile to the pleas of the Ministry that the scheme being demand driven, no targets are being fixed. The plea is not tenable since it is absolutely necessary to have a target for achieving as well as for assessment of implementation of schemes.**

**2.67 The Committee, however, find that a very meagre amount of Rs.2.82 crore was provided against an 8<sup>th</sup> Plan outlay of Rs. 6.5 crore and during the Ninth Plan, Rs.6.40 crore was provided till 2000-2001 against Ninth Plan outlay of Rs.1 crore only. For 2001-2002, Rs.4.56 crore has been provided. Against a subsidy component of Rs.40.41 crore, only Rs.11.80 crore has been released to HUDCO leaving a gap of Rs.28.62crore. While it is heartening to note that NGOs are being involved in the maintenance of Night Shelters, the Committee recommend that outlay for the scheme should be substantially increased to enable the timely completion of the projects on hand as well as to bridge the yawning gap in the subsidy component. This is all the more essential when the abject conditions of life of the absolutely shelter less and pavement dwellers in the burgeoning metropolises are kept in view.**

2.68 For ensuring better performance of the scheme, the guidelines pertaining to the scheme are under revision in consultation with the Planning Commission, Ministry of Finance and the State Governments. The progress of the scheme is monitored in the Ministry through State-wise periodic reports. A few site visits of the completed schemes have also been taken up. Recently the Ministry has issued directives to HUDCO to involve the Red Cross Society and other charitable institutions with the maintenance of night shelters.

2.69 The Ministry stated that the proposed revised guidelines stipulate a higher Central subsidy from the existing level of Rs.1000/- to Rs.2000/- per beneficiary for night shelter and Rs.350/- per user per seat (without any ceiling as to the number of users) to Rs.1000/- per user limited to 25 users per seat. The enhanced monetary assistance would no doubt make the scheme more attractive. Some more flexibility in the implementation of the scheme through commercial exploitation of the premises constructed as night shelters and multipurpose use of these premises for other schemes of the Government e.g. health care, poverty alleviation programmes or education programmes would make the scheme more attractive.

2.70 The Ministry in their action taken note (on 9<sup>th</sup> Report on Demands for Grants, 2000-2001) furnished in July, 2000, also stated that the draft modified guidelines were circulated to the Planning Commission, Ministry of Finance and other concerned Ministries for comments and that they will be finalised soon.

**2.71 The progress of the Night Shelter Scheme is monitored by the Ministry through periodic State-wise reports. The Ministry stated that for ensuring better performance, the scheme guidelines are being revised in consultation with the Planning Commission. It is also observed that the proposed revised guidelines seek to enhance the subsidy levels in both the night shelter and sanitation components from Rs.1000/- to Rs.2000/- and Rs.350 to Rs.1000 per user limited to 25 users per seat, respectively. The Committee hope when finalised, these features would definitely make the Scheme more attractive. The Committee desire that the draft modified guidelines which were circulated to concerned Ministries/ Departments for comments be finalised within three months of the presentation of this Report.**

**C. National Slum Development Programme (NSDP)**

2.72 National Slum Development Programme (NSDP) which seeks to provide an additionality to the normal central assistance (ACA) to the States/UTs for development of urban slums was launched by the Prime Minister in August, 1996.

2.73 The objective of this programme is to provide adequate satisfactory water supply sanitation, primary education facilities, health care, pre-primary, adult literacy and non formal education facilities etc. The focus is on community infrastructure, provision of shelter, empowerment of urban poor, women, training skill upgradation and advocacy and involvement of NGOs, CBOs, private institutions and other bodies.

2.74 The Planning Commission issued guidelines at the time of launching of the Programme in August, 1996. These guidelines were revised in December, 1997.

2.75 The Scheme is applicable to all the States and Union Territories. Funds are allocated to States on the basis of urban slums by the Planning Commission at the beginning of each financial year. *Inter se* allocation between states is made directly by the Department of Expenditure. The outlay for the programme is provided for in the Demand for Grant of the Department of Expenditure.

2.76 The old arrangement with regard to funding and monitoring of the programme by different Departments is still continuing.

2.77 On the question of this complex arrangement of funding & monitoring, the Secretary during evidence stated:

“We do not have any control over them. Money is released by the Ministry of Finance and it is being implemented by the Planning Commission. We only do monitoring.”

2.78 The year-wise allocation for NSDP during 1996-97 to 1999-2000 is as follows:

<b><u>(Rs. in crore)</u></b>	
<u>Year</u>	<u>Allocation</u>
1996-97	250.01
1997-98	290.99
1998-99	353.57
1999-2000	391.90
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Total	Rs.1286.47
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2.79 For 2000-01, out of an allocation of Rs.365.81 crore an amount of Rs.111.32 crore has been released upto November, 2000. Planning Commission has indicated that a sum of Rs.386 crore has been provided for 2001-2002.

2.80 Since inception of the programme out of a total ACA of Rs.1680.90 crore allocated by the Central Government, Rs.1508.81 crore was released to States/UTs out of which an amount of Rs.803.93 crore has been utilised upto 30.3.2001.

2.81 The total unspent balances (cumulative) with States/UTs as on 30.3.2001 stand at Rs.704.87 crore amounting to 47% of the total. Statement indicating release of funds and expenditure (cumulative) reported by States/UTs as on 30.3.2001 is at **Appendix XIV**.

2.82 The total slum population of the country is estimated at 46.3 million (Source – Compendium on Indian Slums – Town and Country Planning Organisation). So far coverage of NSDP extends to 1987 towns encompassing 48,406 slum pockets and has benefited 2.82 crore persons. The physical and financial progress (cumulative) at a glance under NSDP as on 30.3.2001 is given in **Appendix XV**.



**2.83** The Committee observe that the Department of UEPA is monitoring the implementation of the NSDP which came into force in 1996, seeking to provide additional central assistance to States for development of urban slums. They in their 3<sup>rd</sup> and 23<sup>rd</sup> Reports (12<sup>th</sup> Lok Sabha) and 9<sup>th</sup> Report (13<sup>th</sup> Lok Sabha) have repeatedly expressed their displeasure and highlighted the lack of a coordinated approach by the Government with regard to the complex arrangement of implementation, funding and monitoring of this programme by different Ministries/Departments. They are very unhappy that the Government have taken their recommendations very lightly. The Committee further note that this Department is expected to monitor the implementation of a programme over whose finances it has no control.

**2.84** They further note that upto 30.3.2001, out of a total Rs.1680.90 crore ACA allocated, a sum of Rs.803.93 crore has been utilised and Rs.704.87 crore remained unspent (47%). The coverage reported so far extends to 1987 towns covering 48,406 slum pockets benefiting a population of 2.82 crore out of an estimated total slum population of 46.3 million. When viewed in the context of the above, the Committee cannot but conclude that the per capita per annum benefit accruing does not exceed Rs.60. Further, they feel that the estimates of slum population of the country needs to be reassessed in a more realistic manner keeping in view the latest available census figures. In view of the above, they desire that the present level of funding needs to be enhanced. They also urge that the Government should ensure that the funds allocated are utilised fully by States and recommend that the level of the unspent balances with States are reduced at the earliest and concerted steps are taken to improve performance under NSDP.

**2.85** The Ministry in their action taken notes furnished in July, 2000 {9<sup>th</sup> Report (13<sup>th</sup> Lok Sabha)} on Demands for Grants 2000-2001 of the Department stated that Planning Commission was requested to convene a meeting of senior level officers of the Ministry and Ministry of Finance to discuss and take a firm decision on the recommendations of this Committee within three months. The said decision of the Government was to be communicated to the Committee at the earliest.

2.86 Asked when the said meeting of senior level officers was held and the decision, if any, taken in this regard, the Ministry in a note stated:

“The Planning Commission instead of convening a meeting, sent a reply on 5.6.2000 which is mainly as under:

‘The issues raised in Ministry of Urban Development & Poverty Alleviation letter dated 8.5.2000 had already been discussed in the meeting held on 8.2.2000 wherein representatives of Department of Expenditure, Ministry of Finance, Planning Commission and Ministry of Urban Development participated and it was clarified in the meeting that since National Slum Development Programme (NSDP) is a part of the total Central assistance provided to the States in their annual plans, it cannot be provided in the Ministry of Urban Development’s budget. It was also made clear that it might not be possible to launch a new Centrally Sponsored Scheme and Additional Central Assistance (ACA) to the States in the form of NSDP would continue.’

No final/firm decision has been taken so far.”

**2.87 The Committee note that in response to their recommendation [para 2.49 of 9<sup>th</sup> Report (13<sup>th</sup> Lok Sabha)] on Demands for Grants 2000-2001, the Ministry stated in their action taken notes that it requested the Planning Commission to convene a meeting of Senior Level Officers of this Ministry and Ministry of Finance to sort out the matter arising out of the recommendation of the Committee. However, they find that the Planning Commission in a letter dated 5.6.2000 informed that the matter raised in the letter of Department of UEPA dated 8.5.2000 regarding the continuance of ACA and the reluctance to launch new centrally sponsored scheme were already discussed in the meeting held on 8.2.2000. The Committee are highly distressed to observe that this matter was not placed before them while action taken notes on 9<sup>th</sup> Report were furnished in July, 2000 to the Committee. They deplore this casual approach of the Government in furnishing replies to their recommendations. They desire that the matter may be looked into and the Committee may be apprised of the action taken.**

2.88 Monitoring of NSDP is being done by the Department of Urban Employment and Poverty Alleviation on quarterly basis by seeking information in the Management Information System (MIS) proforma circulated by the Ministry to all States/UTs.

2.89 For effectively overseeing the implementation of the programme it is stated that during the financial year 2000-2001 release of funds to only those States have been recommended who have sent UCs as per the direction of the Ministry.

2.90 To oversee the firm implementation of the programme and to keep a watch on the physical and financial achievements extensive tours have been undertaken at the level of Hon'ble Minister of State for Urban Development and Poverty Alleviation, Secretary (UEPA) and other officers which has had some impact. Meetings have also been held from time to time to monitor the scheme and the implementation of the NSDP has been very effective during the year.

2.91 When asked on what premise the Ministry claimed that during the current year NSDP has been very effective in view of the serious problems of slums, the Secretary of the Ministry during evidence stated:

“The problems of slums are very serious. We really do not know how to tackle it. I have myself visited most of the slums by now in major cities. A large part of them are migratory labour.

They have come from other States and they have no permanent commitment or intention to stay on in the city. .... Some people keep on migrating and some are stationary. We have divided the problems faced by the slum dwellers into three categories. They are security of tenure on provision of basic services, which consist of water supply, sanitation, toilet and credit. Now, because they do not have proper title of the holdings, municipalities are not able to give them proper water connection...

If you regularise these squatters and plots of land in Mumbai or Delhi, it might encourage similar influx from the rural areas. They are all on prime land. Some people are suggesting things like re-location. But if we do that, quite often we do not succeed in tackling this problem. Water supply to these areas is another big problem and water supply for the toilets is also a big problem. We have even suggested what has been done in Mumbai. We have suggested Sulabh toilets and community toilets and privatisation of them so to say.

The problem is that if we ask the municipalities to provide free water, they are not in a position to provide free water. They charge concessional rates in households and they cannot charge the commercial rates.....

Thirdly, they are engaged in small trades in slums like making agarbattis and candles. Since they do not have title lands, they cannot borrow money from banks. They have to borrow it from moneylenders and sahuikars. Our micro studies show that they have to pay around 16 per cent to 18 per cent interest per annum which is abnormally a high rate. We are now trying to see whether we could have micro credit arrangement like SEVA and other NGOs have done. In Mumbai also they have thrift and credit societies. Such societies are successfully running in Hyderabad also. These are only pilot projects...”

2.92 In the meantime it was decided to place the matter before the Cabinet. A draft Cabinet Note on National Slum Development Programme (NSDP) for making it Centrally Sponsored Scheme with 100% grant is under active consideration of the Ministry. The Ministry further stated that the draft Cabinet Note has not yet been placed before the Cabinet for its approval.

2.93 On the question of converting the NSDP into a Centrally Sponsored Scheme and the problems/response of the Ministry on the recommendations of the Committee, the Secretary during evidence stated as follows:

“We have moved on the advice of the last Standing Committee. We have moved a cabinet note. It is now doing the rounds. The problem which we face now is the approval for new Centrally Sponsored Scheme. Secondly, the Planning Commission is of the view that most of the State Governments are too jealous of the Centrally Sponsored Schemes. They want these schemes to be transferred to them. Now, the Centrally Sponsored Schemes may not be very acceptable to the State Governments. These are the problems which we are facing.

In spite of that, we have wanted a centrally funded scheme for the National Slum Development Programme. At present, there are five schemes in a separate nomenclature. They are all planned schemes. As you are aware, it is 70 per cent loan and 30 per cent grant. The municipalities do not reach them on time and in adequate quantity. Even when it reaches them, they cannot realise money from the slum dwellers. But we are on the job. We have moved a Cabinet Note for making it a Centrally Sponsored Scheme.”

2.94 When asked how monitoring is being done without the power to control finances or stop the States from diverting this money for other things, the representative of the Ministry during evidence stated:

“It is very simple to make it successful. You make it a Centrally Sponsored Scheme. Then, we will directly give it to the State Urban Development Agency. They will not get it through State Finance Department. We have got representatives from the State Secretaries of Urban Development and Housing. They say that it never reaches them. The State Governments are cash starved and the worst hit are these programmes.”

**2.95 The monitoring of NSDP is done by the Department of UEPA by seeking information in MIS proforma from all States/UTs on a quarterly basis. To make monitoring more effective, funds are released to States furnishing UCs. Besides, review meetings are also held at the level of Minister and Secretary of the Department. The Committee note that the slum development is hindered by the problems of security of tenure of the slum dwellers, lack of civic amenities like water supply, sanitation etc. and also the inability of municipalities in providing these civic amenities in the slums. The Committee further note that to mitigate the situation arising out of the problems of slums and solve the complexity of the present programme, the Ministry decided to place a draft cabinet note for making the NSDP a Centrally Sponsored programme with 100% grant and giving full control of the programme to the Ministry. The Committee, therefore, recommend that a firm and final decision regarding converting NSDP into a Centrally Sponsored Scheme with provision of disbursement of funds to SUDAs directly be earnestly considered by the Government at the earliest to make NSDP a successful programme in ameliorating the sufferings of a vast majority of urban poor residing in slums of major cities/towns of the country.**

## CHAPTER III

### HOUSING

The Union Government is responsible for the formulation of the broad policy framework for Housing sector and overseeing the effective implementation of the social housing schemes particularly for the economically weaker section of the society although housing is basically a State level activity.

#### **Two Million Housing Programme**

3.2 A new Housing and Habitat Policy 1998 was formulated with the objective of creating surpluses in housing stock and facilitating construction of two million additional dwelling units every year as per National Agenda for Governance. It was laid on the Tables of Parliament on 29.7.1998

3.3 Government only facilitates construction of houses. The two million housing programme is a demand driven programme as it depends on the receipt of schemes from States/UTs.

3.4 Year-wise and cumulative performance of the two million housing Programme so far is given below in the following tables :-

#### **1998-99(Urban)**

	<b>Target</b>	<b>Sanctioned</b>	<b>Units Completed</b>	<b>Units in Progress</b>
HUDCO	4,00,000	4,30,399	11,451	26,919
HFIIs	1,00,000	1,36,000	--	1,36,000
Cooperatives	1,50,000	1,75,000	1,47,844	27,156
Other Services	50,000	17,000	17,000	--
<b>Total</b>	<b>7,00,000</b>	<b>7,58,399</b>	<b>1,76,295</b>	<b>1,90,075</b>

**1999-2000(Urban)**

	<b>Target</b>	<b>Sanctioned</b>	<b>Units Completed</b>	<b>Units in Progress</b>
HUDCO	4,00,000	4,60,218	1,12,270	80,900
HFI's	2,00,000	2,00,000	1,36,000	1,50,000
Cooperatives	1,10,000	1,10,000	61,308	48,692
Other Services	25,000	25,000	--	--
<b>Total</b>	<b>7,35,000</b>	<b>7,95,218</b>	<b>3,09,578</b>	<b>2,79,598</b>

**2000-2001(Urban) (as on 28.2.2001)**

	<b>Target</b>	<b>Sanctioned</b>	<b>Units Completed</b>	<b>Units in Progress</b>
HUDCO	4,00,000	3,19,515	66,908	4,76,635
HFI's	2,00,000	1,64,212,	1,64,212	--
Cooperatives	1,10,000	17,647	17,647	--
Other Services	25,000	--	--	--
<b>Total</b>	<b>7,35,000</b>	<b>5,01,374</b>	<b>2,48,767</b>	<b>4,76,635</b>

**Cumulative (upto 28.2.2001)**

	<b>Target</b>	<b>Sanctioned</b>	<b>Units Completed</b>	<b>Units in Progress</b>
HUDCO	12,00,000	12,10,132	1,90,629	5,84,460
HFI's	5,00,000	5,00,212	3,00,212	2,86,000
Cooperatives	3,70,000	3,02,647	2,26,799	75,848
Other Services	1,00,000	42,000	17,000	--
<b>Total</b>	<b>21,70,000</b>	<b>20,54,991</b>	<b>7,34,640</b>	<b>9,46,308</b>

3.5 When asked, if the Ministry was satisfied with the performance *vis-a-vis* the target of attaining two million additional dwelling units every year and the steps that are being contemplated to pep up the performance in these sectors, the Ministry replied as under:

“So far, the overall performance of two million housing programme is satisfactory. However, the programme has not picked up in all States. States like Andhra Pradesh, Kerala, Karnataka, Tamil Nadu and West Bengal had achieved commendably. States like Maharashtra, Gujarat, Tripura and Uttar Pradesh have also made some progress. Assam, Bihar and Harayana had taken up only very few units.

This Ministry has initiated several facilitating steps to boost the housing programme. The Urban Land Ceiling Act has been repealed (though all States have not adopted it); fiscal incentives under the Income Tax Act and in customs and excise duties have been secured in Union Budgets and technology transfer is being done through a network of building centres throughout the country.”

3.6 The Committee observe that though housing is a State subject, the Union Government is responsible for formulation of broad policy framework for housing sector and monitor the effective implementation of social housing schemes for Economically Weaker Section (EWS) of the society. It is observed that under the new Housing and Habitat Policy, 1998 a programme facilitating construction of 2 million additional dwelling units was launched. HUDCO was entrusted with the task of enabling construction of 4 lakh additional DUs every year in urban areas. Towards this end, HUDCO sanctioned 12,10,132 DUs out of which only 1,90, 629 DUs have been completed and 5,84,460 DUs are in progress (cumulatively) upto 28.2.2001. However, there is no mention of the status of the remaining DUs sanctioned by HUDCO. Similar is the situation in respect of the performance of other sectors under this programme. From the State-wise details of the physical progress in respect of housing projects, it is seen that while certain States are performing commendably, others are not making much headway. The Committee feel that though certain fiscal incentives and legal measures to pep up the performance have been taken by the Government, they have not yielded the desired results. The assertion by the Ministry that it was satisfied with the performance under the Two Million Housing programme, is therefore, not tenable when viewed in the context of the abysmal progress made by HUDCO. The Committee desire that necessary steps be taken to persuade States to take up construction of the remaining DUs so that the targets are met completely. They desire to be apprised of the action taken in this regard.



### Equity to HUDCO for Housing

3.7 HUDCO is the only Housing Finance Institution (HFI) in the country which earmarks substantial portion of its loaning operations for weaker sections. 55% of HUDCO's housing loans are meant for EWS/LIG housing for which loans are given at highly subsidized rates of 9% and 12% respectively.

3.8 The outlay for the years 1997-98 to 2000-2001 towards equity to HUDCO for Housing is as follows:

Year	(Rs. in crore) Amount
1997-98	35
1998-99	110
1999-2000	150
2000-2001	155
2001-2002	155
	----
Total	605
	----

3.9 As on 31.12.2000, cumulatively, HUDCO sanctioned loans to the extent of Rs. 34662 crore for 14765 housing and Urban Infrastructure Schemes providing for 12307077 Dwelling Units, 516965 residential / UI plots, 45,31,768 sanitation units etc.

3.10 As on 31.12.2000 HUDCO sanctioned a total loan assistance of Rs.34662 crore for 14765 housing and infrastructure schemes out of which a total loan assistance of Rs.19692 crore was sanctioned for housing and sanitation schemes. State-wise details are given in **Appendix XVI**. Under HUDCO Niwas, a total loan amount of Rs.1591.46 crore was sanctioned. Therefore, the total loan for housing under bulk/project lending and individual housing amount to Rs.21283 crore for 123 lakh housing units.

3.11 Every year HUDCO allocates and sanctions at least 55% of its total housing allocation to EWS and LIG categories. As on 15.3.2001, HUDCO has sanctioned a total number of 63.72 lakh DUs for EWS category and 1016 lakh DUs for LIG category. In addition HUDCO has sanctioned loan assistance for upgradation of 38.33 lakh houses which are predominantly EWS and LIG houses State-wise details are indicated in **Appendix XVII**.

**3.12** The Committee observe that to enable HUDCO attain the target of facilitating construction of its share of additional DUs under the Two Million Housing Programme, the Government is providing Equity support to HUDCO for Housing and a sum of Rs.605 crore has been allocated during the period 1997-98 to 2001-2002. HUDCO on its part has sanctioned a total of 12871 housing projects involving a loan component of Rs.19074 crore. They hope that with the equity support from Government, HUDCO should take steps to attain the targets in a time bound manner as till now only 1,90,629 DUs have been completed and 5,84,460 DUs are in progress. They desire to be informed of the progress made in this direction.

**Interest subsidy for Two Million Housing Programme**

3.13 HUDCO has been entrusted with the task of facilitating construction of 4.00 lakh additional houses in urban areas, particularly for the Economically Weaker Section and Low Income Group of the Society. Funds under this programme are for interest subsidy to HUDCO as loans for EWS and LIG are at low rate of interest.

3.14 The Scheme was meant for provision of interest subsidy to HUDCO to meet the interest differential of the cost of funds borrowed by it vis-à-vis lending cost. Ministry of Finance is not in favour of provision of interest subsidy. Funds can be utilised only with the approval of the Cabinet. Hence, there was no utilisation under this programme during the last year till date.

3.15 The allocation under this head, [Major Head 2216 (Non-Plan)] was Rs. 5 crore, for the years 1999-2000, 2000-2001, 2001-2002. The utilisation has been 'NIL' for 1999-2000 and upto date. The Ministry informed that interest subsidy has been withdrawn by Government from 1984-85.

3.16 When asked why the provision is being continued despite opposition of the Ministry of Finance, the Ministry stated:

“As the concessional lending policy of HUDCO at 10% rate of interest is not a sustainable proposition, this Ministry had taken up this matter with the Ministry of Finance, and stressed the need to either enhance the interest rate to at least the average borrowing cost of HUDCO or provide annual subsidy to match the loss. The Ministry of Finance has categorically ruled out any such budgetary support for interest subsidization.

The provision has been continued in successive Budget Estimates as the whole proposal regarding the interest rates for HUDCO housing loans is receiving attention of Government.”

3.17 Release of interest subsidy for the two million housing programme is linked with two other proposals – (i) enhancement of interest rate for the HUDCO's housing loans for Economically Weaker Sections of the society and (ii) integration of targets of HUDCO under the two million housing programme with its target under the normal housing programme.

3.18 With the introduction of the two million housing programme, HUDCO was entrusted with the annual target of facilitating construction of 4 lakh urban houses and 6 lakh rural houses, predominantly for the poor. HUDCO has not been given any additional support in this regard.

3.19 The normal EWS loaning operations at the low rate of interest has been made possible as HUDCO has been cross-subsidizing this with other high yielding operations such as loans for MIG/HIG housing and commercial schemes.

3.20 The two million housing programmes has no such high yielding components. The subsidy being extended for EWS housing coupled with huge volumes of operation since the introduction of the two million housing programme is making HUDCO operations increasingly unviable.

3.21 HUDCO is contributing 86% of its housing portfolio and is incurring loss of Rs.35.44 crore every year on account of the two million housing programme. The Ministry of Finance has categorically ruled out any budgetary support for interest subsidisation.

3.22 When asked in what manner HUDCO proposed to reduce the losses on this account, the representative of the Ministry during evidence stated as under:

“Now, we are facing stiff competition from the Housing Development Finance Corporation, ICICI and from all the banks. The banks have an advantage. They borrow from the savers by paying them four to six per cent only. So, they have access to low cost funds. In any case, HUDCO has a serious problem because of EWS/LIG interest rate at 10 per cent, HUDCO has incurred a loss of Rs.660 crore and if HUDCO keeps on lending at this rate, HUDCO will have a total loss of about Rs.5,000 crore, and HUDCO will become sick. So, my submission to this august body is that it should recommend a high level subsidy in support of this scheme. Otherwise, this is not a viable scheme in the long run.

Unless we get a regular subsidy to compensate for this loss of 2.5 per cent for each unit of dwelling unit for the economically weaker section, we cannot continue this scheme any longer.”

3.23 When asked further, if the Government have made any calculation with regard to loss on EWS loans or percentage of loss due to low interest rates, the representatives of the Ministry added further, during the evidence as under:

“If I do Rs. 1,500 crore operation by way of loan to weaker section, for the next five years, if you take each year’s loss together, for the next 15 years, the extent of money that we lose for each year’s programme comes to about Rs.1528 crore. The Secretary had indicated, the overall programme in respect of weaker sections, normal and other together and it will be about Rs.600 crore during 15 years. But next year, another programme would be coming. So, two year’s programmes get added. So, the cumulative effect is put over there.”

3.24 The statements showing details of interest subsidy received so far and loss on account of funding EWS under additional two million housing programme are at *Appendices XVIII* and *XIX* respectively.

**3.25 The Committee note that HUDCO is the only facilitator on behalf of the Government to implement the housing programmes for EWS/LIG sections of the society both under the normal and the additional two million housing programme. The Ministry has been making a BE provision of Rs.5 crore from 1998-99 to enable HUDCO to meet the interest differential of the cost of borrowing funds *vis-à-vis* its lending cost, after the launch of the additional Two Million Housing programme. However, the utilisation has been ‘NIL’ in this regard due to opposition of the Ministry of Finance and that funds could be utilised only with the approval of the Cabinet. According to the Ministry, HUDCO is incurring a loss of around Rs.43 crore annually on account of the Two Million Housing programme alone as HUDCO has not been given any additional support on this account. They further note the submission of the representative of HUDCO during evidence that at this rate, the cumulative losses of HUDCO over a 15 year period could touch about Rs.1500 crore making this public sector organisation sick. They pleaded that unless subsidy of a high order is given to HUDCO, the scheme would become unviable in the long run.**

**3.26 The Committee, further observe that the Ministry had been making provision on this account but HUDCO is not getting any funds towards interest subsidy and a cumbersome procedure of Cabinet approval is involved. Besides, it is observed that the losses of HUDCO are mounting with a likelihood that this public sector unit could become sick and the Two Million Housing Programme become unviable in the long run. In view of the above and in the event the proposal of subsidy not finding favour with the Government owing to its state of finances, the Committee recommend that the Government should explore the possibility of issuing tax-free bonds etc. to mop up funds for HUDCO to finance the housing programmes especially the Two Million Housing programme being implemented by HUDCO. They desire to be informed of the steps taken in this direction.**

3.27 Performance of the scheme is monitored regularly. Review meeting at the level of Secretary and Minister ensures steady progress of the programme. An all India review was held during the 2-day Conference of State Housing Ministers and Housing Secretaries held on 26<sup>th</sup> and 27<sup>th</sup> June, 2000. Performance of the scheme is monitored through monthly progress reports indicating State-wise progress as well as site visits undertaken by senior officers. The State Governments have been advised to set up task force to look into various problems faced by them in the effective implementation of the programme.

3.28 So far 11 States/UTs namely Assam, Chandigarh Admn., Pondicherry, Punjab, Haryana, Tripura, Rajasthan, Meghalaya, Himachal Pradesh, Gujarat and Karnataka, have set up task forces/monitoring and review committees for two million housing programme in their States. These Committees have been given three months time to submit their reports/suggestions.

**3.29 The Committee observe that the Ministry reviews the performance of the housing programme regularly through state-wise monthly progress reports and site visits by Senior Officers and by holding meetings. These meetings are held at the level of Secretary and Minister to ensure that the housing programmes make a steady progress. They further observe that a 2-day Conference of State Housing Ministers and Secretaries was held on 26<sup>th</sup> 27<sup>th</sup> June, 2000. As a result of the shortcomings observed in the said All India Review, it was decided that task forces/monitoring and review committees be set up at State level to look into the various problems faced in the effective implementation of the Two Million Housing programme. So far 11 States have set up task forces. The Committee, therefore, desire that task force be set up in the remaining States at the earliest to ensure steady progress and timely remedial action is taken by implementing agencies to rectify the discrepancies observed.**

## **CHAPTER IV**

### **Mid Term Appraisal of Schemes in Ninth Plan**

The findings of the Mid Term Appraisal by the Planning Commission in respect of the following few schemes/ programmes being implemented by the Department of Urban Employment and Poverty Alleviation are discussed in succeeding paragraphs:-

- (a) Urban Housing ; and
- (b) Role of HUDCO.

#### **(a) Urban Housing**

4.2 Keeping in view the objectives of the Housing and Habitat Policy and shortages in the housing and related infrastructure, the strategies adopted in the Ninth Plan were as below :

- (i) While housing needs of all segments will have to be met, the Plan would focus special attention on households at lower-end of the housing market and the public housing. The thrust is directed towards housing solution of priority groups whose needs otherwise may not get effectively met by market driven forces;
- (ii) Government will, as a facilitator, create an environment in which access to all the requisite inputs will be in time, in adequate quantum and of appropriate quality and standards;
- (iii) There will be provision for more direct intervention by the Government in the case of lower segments of the housing market and selected disadvantaged groups;
- (iv) A package of incentives and concessions to attract private sector would be introduced to shoulder the task of housing for the poor; and
- (v) Land market reforms will be undertaken through legal, planning and fiscal provisions.

4.3 When asked what steps the Ministry have taken to get each of the above strategies implemented during the Ninth Plan so far, the Ministry stated in a detailed note as under:-

“The housing problems of the weaker section / low income group have been receiving attention of the Government. HUDCO, the techno-financing agency under the Ministry, has been given the mandate for allocating a minimum of 55% of its housing loans for EWS and LIG housing. Pursuant to the introduction of the 2 million housing programme, HUDCO’s allocations for this category has gone upto 86%. Government has also provided various fiscal concessions for the housing sector through successive budgets. Further, Government has also provided various concessions in excise duty and custom duty. This will stimulate increased production of cost effective building materials and components based on utilisation of agro/industrial waste, natural wood substitutes and other cost effective technology. The thrust given to the housing cooperative sector has resulted in increased output in the housing stock. Amendment of the Urban Land (Ceiling and Regulation) Act has resulted in elimination of constraints in the supply of land. All these have contributed to an increase in demand for housing which is evident from the growth rate in the disbursement of housing finance by lending institutions.”

4.4 Asked further if the Ministry have ever reviewed/evaluated the impact of the action taken on the fulfillment of the objectives of these strategies, the Ministry replied as follows:-

“Although no such evaluation has been made specifically in respect of the strategies mentioned above, periodical review of urban housing and problem areas for remedial action was done at the level of Finance Secretary on 27.11.2000.”

**4.5 The Committee find that Planning Commission had carried out a mid term appraisal of some of the schemes being implemented by the Department. The Mid term appraisal in respect of the Urban Housing programmes related to the strategies adopted during the Ninth Plan in the light of the Housing and Habitat Policy, shortages in housing and related infrastructure. To get the adopted strategies implemented, the Government through HUDCO is allocating a**

**minimum of 55% of housing loans for EWS/LIG housing. This has further increased to 86% after the Two Million Housing Programme was taken up by Government. They, however, regret to note that the Ministry has not specifically reviewed the outcome of the steps initiated in respect of the strategies adopted during the Ninth Plan. Further, it is observed that a review was done at the level of Finance Secretary on 27.11.2000 in respect of Urban Housing and the problem areas therein. The Committee expect that by now the Government might have taken suitable measures to deal with the problem areas identified during the above review. They desire to be apprised of the action taken in this regard.**

**(b) Role of HUDCO**

4.6 HUDCO over the last few Plan periods has contributed to the housing stock. However, an analysis of the data available would show emergence of regional imbalances. A large number of States are unable to access funds from HUDCO. It is also observed that there is gap between target and sanctions, sanctions and release, release and utilisation as also utilisation and recovery of loans.

4.7 Asked what steps are contemplated by the Government to correct the aforesaid regional imbalances that have crept in over the years in relation to role of HUDCO in implementation of housing programmes, the Ministry in a detailed reply stated :

“HUDCO as far as possible tries to allocate its funds equitably amongst different States/ UTs.

Before the year 1995-96, HUDCO allocated its housing funds to different States/ UTs on the basis of population and geographical area in order to achieve regional balance in distribution of HUDCO funds. Over the years significant difference between allocation made for different States and actual sanction achieved was noticed at the end of the financial years which necessitated large scale diversion of allocation to some States towards the later part of the year. This resulted in the massive sanctions and releases only towards the fag end of the financial year resulting in low off take of schemes during the year and thus affecting overall physical and financial performance.



In order to remove this anomaly HUDCO decided to distribute the allocation amongst the States based on demand driven approach. Under this approach, 50% of the annual allocation distributed is based on area and population and for distribution of balance 50% allocation, the demands of State Governments are taken into account. If the State Government indicates demand more than its 50% allocation for the State, upto to 100% allocation is given based on area and population criteria. Thus, regional balance as well as demand of the States is kept in view while deciding the allocation.

It is noticed that there is a huge variation in the allocation demanded by different States.

Actual demand for housing depends upon the following :-

1. State Government support in the form of guarantee, provision of subsidy / budgetary allocation for repayment (in the case of weaker section housing programme) etc.
2. Delivery mechanism – availability of specialised institutions like Housing Boards, Development Authority etc. with a specific mandate to deal with housing schemes benefiting the economically weaker section, low income group and other sections.
3. Economic capacity of the State – affordability of the people and their willingness to pay towards housing.”

4.8 When asked further, the steps that are being taken / have been taken to remove the bottlenecks for promotion of balanced housing activities in States, the Ministry stated in a note as under:-

“Number of steps as indicated below have to be taken by the State Governments.

1. The State Governments should formulate clear-cut programmes for weaker section housing and low income housing in both urban and rural areas.
2. State Governments should support the housing programmes taken up by the housing agencies by way of extending Government approval, guarantee and budgetary provision for implementation of the Scheme.
3. Specialised institutions with a specific mandate to deal with housing schemes benefiting the economically weaker section, low income group and other section of the society should be established.”

4.9 With regard to the manner in which Government propose to bridge the gap between targets and sanctions, sanction and release, release and utilisation and utilisation and recovery of loans by HUDCO in respect of housing programmes, the Ministry stated:-

“Every year HUDCO achieves the target fixed for the housing loan sanction. Hence, there is no gap between targets and sanctions at all India level. In order to bridge the State-wise gap between targets and sanction, the above indicated measures have to be taken up by the State Governments.

Out of the total loan sanctioned for housing schemes, nearly 81% of the loan has been released.”

4.10 The Committee note that as a part of the Mid Term Appraisal by Planning Commission, the role of HUDCO in contributing to housing stock was reviewed. They are concerned to note that the analysis of available data revealed the emergence of regional imbalances, inability of a large number of States to access available low cost funds from HUDCO. Furthermore, a gap between targets and sanctions, sanctions and releases, releases and utilisation of funds as also utilisation and recovery of loans was observed. The Government reportedly has taken certain measures to check/correct the regional imbalances by adopting a mixed criterion of population and geographical area on one hand and the demands of State Governments on the other. Besides, they further note that certain other measures like formulation of clear cut programmes for weaker section housing in urban areas and State Government’s support for housing programmes by extension of Government guarantees and budgetary support etc. are required to be taken by the State Governments to remove the bottlenecks for promotion of balanced housing activities in the States. The Committee, therefore, desire that Government should not remain content with these, but keep a strict vigil on all fronts to oversee that HUDCO fulfils its mandate of housing the vulnerable sections of the society adequately.

**NEW DELHI;**  
**19 April, 2001**  
**29 Chaitra, 1923 (Saka)**

**ANANT GANGARAM GEETE**  
**Chairman,**  
**Standing Committee on Urban**  
**and Rural Development.**

**APPENDIX I**  
**FINANCIAL PROVISION**  
**DEPARTMENT OF URBAN EMPLOYMENT AND POVERTY ALLEVIATION**

(Rs. in thousands)

(A) Programme/Activity Classifications		Budget Estimates 2000-01			Revised Estimates 2000-2001			Budget Estimates 2001-2002		
Sl. No.	Programme/Activity	Plan		Total	Plan		Total	Plan		Total
1	2	3	4	5	6	7	8	9	10	11
1.	Secretariat-General Services	90,00	60,00	1,50,00	9000	6400	15400	9000	6000	15000
2.	N.B.O. including Research & Survey Schemes	3,50,00	86,00	4,36,00	3,25,00	8,600	41,100	33,000	11,200	44,200
3.	UNCHS International Co-operation Activities (NYSH)	57,00	45,00	1,02,00	3000	4500	7500	3200	4500	7700
4.	Grants in Aid NCHF	20,00	—	20,00	20,00	0	2000	2000	0	2000
5.	Displaced Persons Colonies in West Bengal	6,50,00	—	6,50,00	65000	0	65000	63000	0	63000
6.	Financing Housing Schemes for Central Govt. Employees through Housing Agencies	—	10,00,00	10,00,00	0	100000	100000	0	100000	100000

1	2	3	4	5	6	7	8	9	10	11
7.	Swarna Jayanti Shahari Rozgar Yojana	167,10,00	—	167,10,00	941,300	0	941,300	167,10,00	0	167,10,00
8.	Finance to Public Sector Companies-Equity-Housing	155,00,00	—	155,00,00	155,00,00	0	155,00,00	155,00,00	0	155,00,00
9.	Night Shelter Scheme	3,40,00	—	3,40,00	340,00	0	340,00	45,600	0	45,600
10.	Building Material and Technology Promotion Council	4,00,00	—	4,00,00	400,00	0	400,00	40,000	0	40,000
11.	Central Govt. Employees Welfare Housing Orgn.	—	10,00	10,00	—	10,00	10,00	—	10,00	10,00
12.	Saving Linked Housing Scheme	1,00	—	1,00	0	0	0	0	0	0
13.	H.P.L. Loans for V.R.S. & other purposes	—	—	—	40,000	40,000	40,000	40,000	0	40,000
14.	Development of Indicators Programme	32,00	—	32,00	32,00	0	32,00	32,00	0	32,00
15.	Interest Subsidy for areas affected by Natural Calamities	—	2,50,00	2,50,00	0	5,000	5,000	0	0	0

1	2	3	4	5	6	7	8	9	10	11
16.	Interest Subsidy for Construction of 2 million Houses	—	5,00,00	5,00,00	0	50000	50000	0	50000	50000
17.	Lumpsum provision for North East & Sikkim	38,00,00	—	38,00,00	0	0	0	380000	0	380000
	Total: Demand No. 83-Urban Employment & Poverty Alleviation	3795000	19,51,00	399,01,00	2720000	175500	2895500	3800000	172700	3972700
<b>Object Headwise Classification</b>										
01.	Salaries	4500	11570	16070	4500	12010	16510	4500	13820	18320
02.	Wages	40	50	90	40	40	80	40	50	90
03.	Overtime Allowance	150	70	220	150	70	220	150	70	220
11.	Domestic Travel Expenses	1700	650	2350	1700	650	2350	1700	650	2350
12.	Foreign Travel Expenses	—	200	200	0	200	200	0	200	200
13.	Office Expenses	1900	550	2450	1900	550	2450	1900	900	2800
16.	Publications	100	370	470	100	340	440	100	370	470
28.	Professional Services	200	—	200	200	0	200	200	0	200
31.	Grants-in-aid	1845200	1005	1846205	1115500	1005	1116505	1854800	1005	1855805
32.	Contributions	10700	4500	15200	5500	4500	10000	6200	4500	10700
33.	Subsidies	100	75000	75100	0	55000	55000	0	50000	50000

1	2	3	4	5	6	7	8	9	10	11
42	Lumpsum provision	38,00,00	—	380000	0	0	0	380000	0	380000
50.	Other Charges	410	1135	1545	410	1135	1545	410	1135	1545
54.	Investments	1550000	—	1550000	1550000	0	1550000	1550000	0	1550000
55.	Loans and Advances	—	100000	100000	40000	100000	140000	0	100000	100000
	Grand Total:	3795000	195100	3990100	2720000	175500	2895500	3800000	172700	3972700
<b>Demand No. 83—Department of Urban Employment &amp; Poverty Alleviation</b>										
2052	Secretariat General Seervices	9000	6000	15000	9000	6400	15400	9000	6000	15000
2216	Housing	120000	89100	209100	114700	69100	183800	127000	66700	193700
2552	North Eastern Area	380000	—	380000	0	0	0	190000	0	1900000
3475	Other General Economic Services	62900	—	62900	62900	0	62900	62900	0	62900
3601	Grants-in-aid to State Governments	1654000	—	1654000	924300	0	924300	1652000	0	1652000
3602	Grants-in-aid to UT Governments	19100	—	19100	19100	0	19100	19100	0	19100
4216	Capital outlay on Housing	1550000	—	1550000	1550000	0	1550000	1550000	0	1550000
4552	North Eastern Areas	—	—	—	0	0	0	190000	0	190000
6216	Loans for Housing	—	100000	100000	40000	100000	140000	0	100000	100000
	Total: Demand No. 83-Urban Employment & Poverty Alleviation	3795000	195100	3990100	2720000	175500	2895500	3800000	172700	3972700

VBBBNDIX B

Sl. No.	Name of the State	Reported unspent balances of old schemes as on 30.11.97	Central Share released under SJRY from 01.12.97 to 31.03.2000	State Share released from 01.12.97	Total (3+4+5)	Expenditure reported	Balance Funds available with the States/UTs (6-7)	%age of expenditure (7/6%)
1	Andhra Pradesh	3953.26	3602.02	386.61	7941.89	6667.40	1274.49	83.85%
2	Arunachal Pradesh	458.65	204.65	143.00	806.30	181.02	625.28	22.45%
3	Assam	1773.96	1554.53	237.35	3565.84	455.42	3110.42	12.77%
4	Bihar	5197.46	1693.94	201.43	7092.83	861.85	6230.99	12.15%
5	Goa	221.90	84.06	20.61	326.57	202.70	123.87	62.07%



	2	3	4	5	6	7	8	9
6. Gujarat		2728.98	1650.76	1073.82	5453.56	2467.04	2986.52	45.24%
7. Haryana		544.10	403.89	134.62	1082.61	698.46	384.15	64.52%
8. Himachal Pradesh		698.04	196.39	128.22	1022.65	867.00	135.65	86.74%
9. Jammu & Kashmir		939.20	233.61	10.68	1183.49	304.84	878.65	25.76%
10. Karnataka		4888.75	3190.65	2258.01	10337.41	4463.11	5874.30	43.17%
11. Kerala		846.82	1028.40	342.79	2218.01	1876.83	341.18	84.62%
12. Madhya Pradesh		3054.65	4275.16	1197.79	8527.60	5962.33	2565.27	69.92%
13. Maharashtra		4860.44	4160.89	1386.97	10408.30	5417.39	4990.91	52.05%
14. Manipur		543.38	358.31	40.98	942.67	0.00	942.67	0.00%
15. Meghalaya		311.47	218.99	73.00	603.46	125.99	477.47	20.88%
16. Mizoram		89.77	341.57	193.34	624.68	469.16	155.52	75.10%
17. Nagaland		641.10	219.83	85.50	946.43	178.52	767.91	18.86%
18. Orissa		1116.34	1044.38	1039.23	3199.95	1951.84	1248.11	61.00%
19. Punjab		1541.47	364.54	121.50	2027.51	1400.68	626.83	69.08%



1	Land	2	3	4	5	6	7	8	9
20.	Rajasthan	3160.17	1280.66	390.28	4831.11	2681.51	2149.60	55.51%	
21.	Sikkim	106.16	81.51	20.81	208.48	125.67	82.81	60.28%	
22.	Tamil Nadu	7514.65	2913.27	971.09	11399.01	10516.66	882.35	92.26%	
23.	Tripura	151.20	334.24	109.92	595.36	492.72	102.64	82.76%	
24.	Uttar Pradesh	7372.06	5513.47	1707.50	14593.03	12101.72	2491.31	82.93%	
25.	West Bengal	2679.15	1626.16	1975.35	6280.60	4114.90	2165.76	65.52%	
26.	A&N Islands	120.31	261.06	N.A.	381.37	101.03	280.34	26.49%	
27.	Chandigarh	77.70	129.40	N.A.	207.10	20.41	186.69	9.86%	
28.	D&N Haveli	73.31	104.23	N.A.	177.54	122.79	54.75	69.16%	
29.	Daman & Diu	81.65	161.63	N.A.	243.28	20.05	223.23	8.24%	
30.	Delhi	184.24	235.31	58.62	478.17	48.37	429.80	10.12%	
31.	Pondicherry	259.13	119.65	42.16	420.94	110.33	310.61	26.21%	
	Total	56189.47	37587.16	14351.18	108127.81	65027.74	43100.07	60.14%	

### APPENDIX III

#### SWARNA JAYANTI SHAHARI ROZGAR (SJSRY) COMMUNITY STRUCTURE COMPONENT

S.No.	Name of State/UT	No. of towns in the State	No. of towns where House to House Survey conducted	No. of towns where House to house survey has to be conducted
1	2	3	4	5
1.	Andhra Pradesh	116	116	NIL
2.	Arunachal Pradesh	17	15	02
3.	Assam	79	79	NIL
4.	Bihar*	170	12	158
5.	Goa	14	13	01
6.	Gujarat	149	146	03
7.	Haryana	53	53	NIL
8.	Himachal Pradesh	49	48	01
9.	Jammu & Kashmir	70	25	45
10.	Karnataka	216	215	01
11.	Kerala	58	58	NIL
12.	Madhya Pradesh	410	410	NIL
13.	Maharashtra	245	244	01
14.	Manipur	28	28	NIL
15.	Meghalaya	6	6	NIL
16.	Mizoram	3	3	NIL
17.	Nagaland	9	8	01
18.	Orissa	103	102	01

1	2	3	4	5
19.	Punjab	130	130	NIL
20.	Rajasthan	183	183	NIL
21.	Sikkim	46	46	NIL
22.	Tamil Nadu	719	719	NIL
23.	Tripura	13	13	NIL
24.	Uttar Pradesh	684	684	NIL
25.	West Bengal	122	120	02
26.	A&N Islands	1	1	NIL
27.	Chandigarh	1	1	NIL
28.	D&N Haveli	1	1	NIL
29.	Daman & Diu	2	2	NIL
30.	Delhi	1	1	NIL
31.	Pondicherry	5	5	NIL
	Total	3703	3487	216

Note:—\*No progress report received from Govt. of Bihar since Sept. 1999.

# APPENDIX IV

## SWARNA JAYANTI SHAHARI ROZGAR YOJANA (SJSRY)

### COMMUNITY STRUCTURE COMPONENT— NO. OF BENEFICIARIES COVERED (CUMMULATIVE PROGRESS)

S.No.	Name of State/UT	1997-98	1998-99	1999-2000	2000-2001 upto Feb. 2001
1	2	3	4	5	6
1.	Andhra Pradesh	—	30.13	34.93	34.93
2.	Arunachal Pradesh	—	—	—	—
3.	Assam	—	—	0.32	0.54
4.	Bihar	—	1.83	4.28	4.28
5.	Goa	—	—	—	—
6.	Gujarat	1.69	8.89	8.89	13.99
7.	Haryana	—	0.61	0.85	2.11
8.	Himachal Pradesh	—	—	0.12	0.12
9.	Jammu & Kashmir	—	0.07	0.07	0.07
10.	Karnataka	—	7.29	8.35	8.88
11.	Kerala	—	10.26	10.26	10.26
12.	Madhya Pradesh	3.52	7.23	11.33	12.34
13.	Maharashtra	19.50	*11.17	14.44	14.44
14.	Manipur	—	—	—	4.60
15.	Meghalaya	—	—	—	0.03
16.	Mizoram	0.40	0.40	0.40	0.40
17.	Nagaland	—	—	0.01	0.02
18.	Orissa	6.96	12.07	12.07	12.07

1	2	3	4	5	6
19.	Punjab	—	9.25	9.25	10.57
20.	Rajasthan	—	9.46	9.46	9.46
21.	Sikkim	—	—	—	—
22.	Tamil Nadu	—	8.54	12.41	22.30
23.	Tripura	0.09	0.20	*0.12	0.30
24.	Uttar Pradesh	33.81	56.23	56.23	56.23
25.	West Bengal	10.10	36.30	53.07	54.70
26.	A&N Islands	—	—	0.01	0.01
27.	Chandigarh	—	—	0.21	0.21
28.	D&N Haveli	—	—	—	—
29.	Daman & Diu	0.01	0.01	0.01	0.01
30.	Delhi	3.91	6.41	12.00	12.00
31.	Pondicherry	2.00	2.00	2.00	*1.81
	Total	81.99	218.35	261.09	286.68

\*Due to wrong reporting by the States/UTs.

# APPENDIX V

## NUMBER OF BENEFICIARIES ASSISTED TO SET UP MICRO ENTERPRISES UNDER USEP COMPONENT OF SJSRY DURING 1997-98 TO 2000-2001 (AS ON 23.2.2001)

S.No.	Name of State/UT	1997-1998			1998-1999			1999-2000			2000 to 2001 (upto 28.2.2001)		
		USEP (Subsidy)	DWCUA (Subsidy)	Total	USEP (Subsidy)	DWCUA (Subsidy)	Total	USEP (Subsidy)	DWCUA (Subsidy)	Total	USEP (Subsidy)	DWCUA (Subsidy)	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Andhra Pradesh	0	0	0	899	561	1460	10476	2631	13107	32626	1282	33908
2.	Arunachal Pradesh	0	0	0	0	0	0	0	0	0	0	0	0
3.	Assam	0	0	0	0	0	0	0	0	0	255	0	255
4.	Bihar	0	0	0	102	0	102	488	0	488	0	0	0

1	2	3	4	5	6	7	8	9	10	11	12	13	14
10.	Karnataka	0	0	0	0	0	0	3233	166	3399	8492	3284	11776
11.	Kerala	0	0	0	0	0	0	24002	4308	23310	-15937	-1146	-17083
12.	Madhya Pradesh	10366	0	10366	9032	296	9328	22743	-33	22710	14060	531	14591
13.	Maharashtra	0	0	0	1850	0	1850	12787	137	12924	5316	81	5397
14.	Manipur	0	0	0	0	0	0	0	0	0	0	0	0
15.	Meghalaya	0	0	0	0	0	0	414	0	414	0	0	0
16.	Mizoram	0	0	0	688	290	978	0	60	60	-402	-350	-752
17.	Nagaland	0	0	0	0	0	0	256	329	585	0	0	0
18.	Orissa	0	0	0	253	0	253	4525	95	4620	1375	1309	2684
19.	Punjab	0	0	0	93	0	93	2669	20	2689	2156	140	2296
20.	Rajasthan	0	0	0	4946	0	4946	3503	0	3503	6550	0	6550
21.	Sikkim	0	0	0	0	0	0	33	0	33	84	0	84
22.	Tamil Nadu	0	0	0	2468	0	2468	487	80	567	5769	1149	6918
23.	Tripura	0	0	0	0	0	0	38	0	38	202	0	202



2	3	4	5	6	7	8	9	10	11	12	13	14
Uttar Pradesh	0	0	0	17967	105	18072	32448	394	32842	23368	571	23938
West Bengal	0	0	0	167	0	167	678	0	678	-845	25	-820
AN Islands	0	0	0	0	0	0	0	0	0	1	0	1
Chandigarh	0	0	0	5	0	5	62	0	62	-67	0	-67
D&N Haveli	16	0	16	3	0	3	-3	0	-3	18	0	18
Daman & Diu	0	0	0	20	0	20	21	0	21	4	0	4
Delhi	0	0	0	0	0	0	100	0	100	-100	0	-100
Pondicherry	0	0	0	50	0	50	149	0	149	215	76	291
Total	10382	0	10382	41391	1252	42643	126944	8241	135185	90595	7565	98160

negative figures due to less number reported by the States after generating the cumulative report.



# APPENDIX VI

## NO. OF MANDAYS OF WORK GENERATED UNDER UWEP COMPONENT OF SJSRY DURING 1997-98 TO 2000-2001 (UPTO 28.02.01)

Sl.No.	Name of State/UT	1997-98	1998-99	1999-2000	2000-2001
	2	3	4	5	6
	Andhra Pradesh	0.000	1.420	5.750	65.290
	Arunachal Pradesh	0.000	0.000	1.040	(-) 1.04
3.	Assam	0.000	0.000	0.000	2.170
4.	Bihar	0.000	0.100	4.550	
5.	Goa	0.000	0.000	0.640	
6.	Gujarat	0.000	0.630	1.340	5.040
	Haryana	0.000	0.140	0.300	0.640
	Himachal Pradesh	0.000	0.000	3.990	1.370
9.	Jammu & Kashmir	0.000	0.000	0.150	
10.	Karnataka	0.000	0.000	8.020	24.900
11.	Kerala	0.000	0.000	1.790	(-) 0.36
12.	Madhya Pradesh	.740	7.000	6.420	3.560
13.	Maharashtra	0.200	0.850	10.460	2.970
14.	Manipur	0.000	0.000	0.000	0.000
	Meghalaya	0.000	0.220	0.030	0.010
16.	Mizoram	0.000	0.000	1.130	0.790
17.	Nagaland	0.000	0.000	0.450	
18.	Orissa	0.000	6.790	7.990	1.650
19.	Punjab	0.000	0.400	2.160	0.840

	2	3	4	5	6
20. Rajasthan		1.550	1.250	0.800	6.990
21. Sikkim		0.020	0.000	0.420	1.240
22. Tamil Nadu		0.000	28.240	11.790	13.510
23. Tripura		0.000	0.860	0.620	1319.720
24. Uttarakhand		0.000	0.000	0.000	7.230
25. West Bengal		0.000	5.420	14.330	5.420
26. A&N Islands		0.000	0.390	0.000	(-) 1.380
27. Chandigarh		Scheme not in operation			0.270
28. D&N Haveli		0.200	0.120	0.300	(-) 0.400
29. Daman & Diu		0.000	0.040	0.000	0.290
30. Delhi		Scheme not in operation			0.300
31. Pondicherry		0.000	0.020	0.380	0.380
Total		5.110	65.880	101.380	169.340
earlier higher mandays of work generated reported by State Government					

## APPENDIX VII

### STATEMENT SHOWING STATE-WISE CUMULATIVE PHYSICAL ACHIEVEMENT UNDER DIFFERENT COMPONENTS OF SWARNA JAYANTI SHAHARI ROJGAR YOJANA (SJSRY) (AS ON 28.02.2001)

Sl. No.	Name of the State	Urban Self Employment Programme (USEP)		No. of mandays of work generated under Urban Wage Employment Programme (UWEP) [in lakhs]	No. of beneficiaries covered under Community Stucture (CS) [in lakhs]
		No. of beneficiaries assisted under USEP	No. of Women beneficiaries under DWCUs		
1	2	3	4	5	6
1.	Andhra Pradesh	44001	4474	72.46	34.93
2.	Arunachal Pradesh	0	0	0.00	0.00
3.	Assam	255	0	2.17	0.54
4.	Bihar	590	0	4.65	4.28
5.	Goa	132	0	0.64	0.00
	Gujarat	9477	0	7.01	13.99
7.	Haryana	4885	560	1.08	2.11
8.	Himachal Pradesh	728	53	5.36	0.12
9.	Jammu & Kashmir	2916	54	0.15	0.07
10.	Karnataka	11725	3450	32.92	8.88
11.	Kerala	8065	3162	1.43	10.26
12.	Madhya Pradesh	56201	794	18.72	12.34
13.	Maharashtra	19953	218	14.48	14.44
14.	Manipur	0	0	0.00	4.60
15.	Meghalaya	414	0	0.26	0.03

Mizoram				
Nagaland				
Orissa		1404		12.07
Punjab				10.57
Rajasthan	14999		10.59	
Sikkim				
Tamil Nadu	8724	1229	53.54	22.30
Tripura			21.22	
Uttar Pradesh	73783	1070		56.23
West Bengal		25	25.72	54.70
A&N Islands				
Chandigarh			Applicable	
D&N Haveli				
Daman				
Delhi			Applicable	12.00
Pondicherry				
Total	269312	17058	335.72	286.68

## APPENDIX VIII

### PROPOSED MODIFICATIONS IN SWARNA JAYANTI SHAHARI ROJGAR YOJANA (SJRY)—GUIDELINES

Proposal	Comments of Ministry of Finance	Comments of Ministry of Rural Development	Comments of Ministry of Small Scale Industries	Comments of Planning Commission
1	2	3	4	5
(a) Increase in educational qualification from 9th to matric pass.	Suggested for its consideration by Expenditure Finance Committee before taking it to CCEA/Cabinet.	(a) No comments	(a) Supported	(a) Not agreed, unless the problem of overlap with the PMRY Scheme is taken care of
(b) (i) Percentage of subsidy under USEP to be raised from 15% to 30% and (ii) no contribution of margin money from the beneficiary.		(b) Percentage of subsidy admissible under USEP may be raised from 15% to 30% in case of general BPL families and for SC/ST, the subsidy may be raised to 50% of the project cost. The maximum subsidy, however, may not exceed Rs. 15,000/- in both the cases.	(b) Not agreed since it is against the recommendations of the Hashim Committee.	(b) No objection.

2	3	4	5
(c) Enhancement of training cost (Rs. 2,000) and tool kit cost (Rs. 600) to Rs. 5,000 and Rs. 1,000 respectively.	(c) No comments	(c) Not agreed, since the aim of such programmes is to provide financial assistance and not to train people for skill upgradation. Under PMRY the maximum limit on per trainee expenditure is Rs. 1000 which includes stipend and other training expenses.	(c) No objection.
(d) DWCUA group memberships to be reduced from 10 to 5.	(d) No comments	(d) No comments	(d) No objection.
(e) Enhancement of funds under A&OE from 5% to 10%.	(e) No comments	(e) Supported	(e) No objection.
(f) Relaxation upto 10% in the material labour ratio (60:40).	(f) No comments	(f) No Comments	(f) Sought clarification as regards to construction works through contractor and suggested to execute the works through CDSs.
(g) Continuance of the scheme in the 10th Five Year Plan.	(g) No comments	(g) Supported	(g) No objection. However, suggested that the matter may be taken up before the concerned Working Group for the 10th Five Year Plan.

NAME \_\_\_\_\_ (Rs. in lakhs)

was diverted

and electricity  
s, purchase of

ers, repairs of  
Chairmans  
etc.

amera, computers,  
ills, colour TV etc.

to staff

	2	3	4	6
Maharashtra	Bombay Municipal Corporation (BMC)	NRV	1998	For payment of Pay and allowances, LTC. etc. 10.50
Maharashtra	M.C. Khalkaraji	SJSRY	1999-2000	For meeting expenditure on payment of bonus and contractors bills. 115.00
Manipur	Imphal	NRV/ SJSRY	1995-2000	Towards Pay and allowances, purchase of two cars and advanced to other authority (Rs. 3 lakh) 44.81
Meghalaya	Tura	NRV	1995-1998	For payment of salary to staff 6.58
Mizoram	Aizawl	NRV	1997	Purchase of gypsy car 3.39
	Aizawl	SJSRY	1998-99	Purchase of vehicles 5.79
Nagaland	Kohima	PMUPEP	1997-98	Purchase of computer (4 lakh), Repair of quarters 1 lakh 5.00
Orissa	Bhubaneswar (14 ULBS)	SJSRY/ NRV & PMUPEP	1998-2000	For payment of salaries and other municipal expenses 157.06
	4 ULBS	UEGP	3/97 to 2/2000	For purchase of electrical goods, motor vehicle, soil testing etc. 16.16



			4	6
Punjab	Ferozepur	SJSRY	1998	16.00
				Pay and allowances of MCD, staff (municipal committee)
Rajasthan		SJSRY	1999	3.54
				Purchase of Ambassador vehicle
	Ajmer, Bhilwara, Bikaner, Jodhpur, Pali and Udaipur	NRV	1995-96 1997-98	71.89
				Other components
	Jaipur	PMIUPEP	1999	5.50
				Purchase of fax machine, coolers photocopier etc.
Sikkim	Gangtok	NRV/ PMIUPEP	1996-98	12.07
				Purchased 3 vehicles
Tripura	Agartala	NRV/ SJSRY	1995-96 to 1999-2000	30.81
				Purchase of land, Purchase of jeep, repair and maintenance of town hall, construction of stadium, purchase of tractor
West Bengal	Ten Municipal bodies	NRV/ PMIUPEP/ SJSRY	1995-2000	237.00
				Salary wages provident fund payment, purchase of tractors, electricity charges, washing machine etc.
Total				1314.61

**(B) DIVERSION OF FUNDS FOR OTHER ACTIVITIES**

State	District	Scheme	Year	Amount	Activities for which fund was diverted (Rs. in lakh)
		3	4		6
Bihar	SUDA	NRY	1996-97	30.00	Payment of loan to Water Board and two other institution
Gujarat	SUDA	NRY	1997-98	1000.00	Invested in Sardar Sarovar Narmada Nigam Ltd.
Gujarat	SUDA	NRY	1997-98	104.00	Invested in GIPC
Himachal Pradesh	Shimla	SJSRY	1998-99	14.65	Removal of snow and slips etc.
Madhya Pradesh	Bilaspur	NRY/SJSRY	1998	2.50	Rs. 2.50 lakhs diverted to Collector as loan
Maharashtra	Bombay Municipal Corp.	SJSRY	1998	45.11	Establishment charges
Meghalaya	MUDA	NRY	1995-96	50.00	Diverted for other activities
Nagaland	Kohima	PMIUPEP	1998-99	3.77	Purchase of vehicle
Pondicherry	Pondicherry	NRY	1996-97	2.45	Construction of building
Pondicherry	Pondicherry	SJSRY	1998-2000	12.17	Supply of newspaper, health facilities eggs to Nutrition centre

	2	3	4	
Punjab		UECP SJSRY	1997-98	8.03 Furnishing of CVO's office
Punjab		-do-	1997-98	10.00 For Computerisation of the office of Punjab Water Supply and Sewerage Board
Punjab	Ferozepur	-do-	1995-96	1.75 Execution of works
Punjab	-do-	NRV/SJSRY	1995- 2000	185.60 Staff training and IEC (Information Education and Communication)
Punjab	-do-	SJSRY	1995- 2000	77.07
Punjab		SJSRY	1995- 2000	30.83
Uttar Pradesh	Ghaziabad, Meerut, Muzaffarnagar, Nainital, Sharanpur	PMIUPP SJSRY/NRY	1996-97 1998-99	41.72 Funds diverted from one component to other component of the scheme and other purposes not concerned with the scheme e.g. purchase of electricity materials etc.
Total				1619.65

(C) DIVERSION OF FUNDS FOR OTHER SCHEMES

					(Rs. in Lakhs)
State	District	Scheme	Year	Amount	Activities for which fund was diverted
Andhra Pradesh	Hyderabad	SJSRY	1998-99	601.00	Diverted to Chief Ministers youth Programme (CMYP)
Andhra Pradesh	Guntur	NRV/SJSRY	1998-99	21.33	Diverted to Public Health Division
Madhya Pradesh	Jabalpur	NRV/SJSRY	1998	26.27	Fund was diverted, Diverted under National Slum Development Programme
Total				648.60	

# APPENDIX X

## SJSRY

### FUNDS PARKED IN REVENUE DEPOSIT/PERSONAL LEDGER/ PERSONAL DEPOSIT ACCOUNTS/FIXED DEPOSITS

(Rs. in lakh)

State	District	Scheme	Period	Amount	Reasons for short/excess/non-payment
	2	3	4		6
Assam	Guwahati (SUDA)	NRV/UBSP	1994 January 1999	41.52	Kept in RD accounts for 56-59 months. Amount still remained in RD Rs. 26.48 lakh.
Assam	SUDA Assam	UEGP	1997 to March 2000	275.49	Kept in current account/deposit-at-call receipt (DCR) Loss of interest of Rs. 9.76 lakh.
Bihar	Patna	NRV	1998-2000	2039.00	Rs. 17.11 crore kept in Civil Deposit for 12 to 48 months and Rs. 3.28 crore remained in Civil Deposit as of March 2000.
Bihar	SUDA	SJSRY	1998-2000	1200.00	Unauthorisedly locked in term deposit as of July 2000
Haryana	Chandigarh	SJSRY	1999	125.00	Kept in Fixed Deposit
J&K	HUDD	SJSRY, UPA	1998	134.00	Converted into Hundi & not encashed (Loss of interest of Rs. 25.17 lakh @ 9 per cent).

1	2	3	4
Karnataka	DMA	SJSRY	1995-99 Kept in fixed deposit till date besides interest of Rs. 72.63 lakh also not deposited to SJSRY Account 126.30
Karnataka	Bangalore	SJSRY	1999 Kept in Fixed deposit 84.70
Madhya Pradesh	Bhopal	All Schemes	June 98 to June 99 1. Kept in fixed deposits 2. Expenditure accounts of utilisation of interest accrued thereon not maintained. 986.00
Maharashtra	BMC	NRV PMUPEP	1997-99 Kept in fixed deposit from June 1997 to July 1999 92.00
Maharashtra	ULBS	NRV/ SJSRY	1996-2000 Kept in fixed deposits 222.99
Maharashtra	Municipal Corporation	SJSRY/ PMUPEP	1999-2000 Kept in current account 134.86
Manipur	DUDAs	SJSRY	1999 Kept in other deposits 640.00
Meghalaya	MUDA	UPA	1995-96 to 1999-2000 Kept in short term deposit for 30 days to 180 days 757.63
Mizoram	Project Director	SJSRY	1998-2000 Kept in civil deposit 143.16

	2	3	4	5	6
Nagaland	Kohima	SJSRY/ NRY	1997	119.18	Rs. 123.18 lakh drawn in September 1997 was kept out of Govt. account for a period from 92 to 754 days during 12 September 1997 to 5 October 1999
Orissa	ULBS (18)	SJSRY/ NRY	1997-2000	146.80	Kept in current account & PL account
Orissa	SUDA, Bhubaneswar	SJSRY/ NRY	1993-1999	80.00	Kept in term deposit
Rajasthan	23 ULDs	NRY	1995-96 to 1999-2000	1040.98	Kept in PD A/c and banks
Pondicherry	Pondicherry, Karikal	NRY	1995-98	89.83	Kept in fixed deposit
Punjab	Abhore	UEGP	1999	11.92	Kept in current account loss of interest of Rs. 2.28 lakh
Punjab	Ferozepur	UEGP	1998	18.00	Kept in FDR
Sikkim	Gangtok	NRY/ SJSRY	1995-96 to 1999-2000	240.25	Kept outside Govt. account.
Uttar Pradesh	SUDA, Lucknow	NRY	1995, 1998-99	607.90	Kept in fixed deposits with banks
Uttar Pradesh	DUDA, Kanpur	SJSRY	1997-98	100.00	Kept in fixed deposit (Still in fixed deposit).
Uttar Pradesh	Agra	NRY	1995-98	10.00	—
West Bengal	Municipalities	PMIUPEP	1997	5.56	Kept in term deposit
Total				9473.07	

# APPENDIX XI

## SJSRY

### SHORT/NON-RELEASE OF FUNDS TO IMPLEMENTING/EXECUTING AGENCIES

(Rs. in lakhs)

State	By Whom released	Scheme	Year	Amount	Entity (ies) responsible of short/non-release
	2 <sup>nd</sup>	3	4		6
Andhra Pradesh	State Govt.	SJSRY	1997-2000	814.00	State Share not released
Andhra Pradesh	State Govt.	NRV/UBSP	1989-2000	61.34	State Share short released.
Arunachal Pradesh	State Govt.	NRV/SJSRY	1989-2000	19.86	Not released Central share
Assam	Nodal agencies	UEGP		664.37	Central & State fund not released to the implementing agencies
Assam	State Govt.	UEGP		2389.10	Central & State share not released.
Bihar	State Govt.	NRV/UBSP/PMULP	1995-98	256.00	State share short released Para 62(e)
Goa	SUDA (Goa)	NRV/PMULPEP / UBSP	1995-96 1997-98	193.98	Central & State share not released



	2	3	4	6
Gujarat	State Govt.	NRV	1995-2000	74.00
J & K	State Govt.	SJSRY	1998-99	136.00
J & K	State Govt.	SJSRY	1997-98	121.00
Meghalaya	MUDA	NRV	1997-2000	57.58
Mizoram	State Govt.	SJSRY	1998-2000	7.11
Nagaland	State Govt.	NRV	1998-95	31.59
Orissa	State Govt.	PMIUEP/SJSRY	1997-98 & 1998-2000	126.70
Pondicherry	State Govt.	SJSRY	1999-2000	18.60
Tamil Nadu	State Govt.	NRV	1997-98	257.95
Tamil Nadu	State Govt.	SHASHU/PMIUEP	1995-97	252.44
Uttar Pradesh	State Govt.	SJSRY	1999-2000	523.00
			Total	6004.62

Short release of funds by State Government as State share

Central share funds not released

State share not released

State share not released till the end of March 2000 by MUDA

State share not released.

Central and State fund not released

State/Central share.

Central share not released to ULBS

State share not released.

Fund not released

State share not released till the end of financial year 2000.

## APPENDIX XII

## NIGHT SHELTER SCHEME

## SHELTER &amp; SANITATION FACILITIES FOR FOOTPATH DWELLERS IN URBAN AREAS (CUMULATIVE PROGRESS AS ON 29.3.2001)

Sl. No.	Project of schemes	Project Cost (Rs. in lakhs)	Loan (Rs. in lakhs)		Subsidy (Rs. in lakhs)		Units Sanctioned				Units Completed				Units in progress			
			Sanctioned	Released	Sanctioned	Released	Bed	WC	Bath	Urinal	Bed	WC	Bath	Urinal	Bed	WC	Bath	Urinal
11	Uttara Pradesh	474.77	220.68	213.58	66.69	0.00	2096	440	30	0	2016	0	0	0	0	0	0	0
9	Gujarat	324.87	210.22	130.25	52.51	37.96	5251	0	0	0	1593	0	0	0	9	0	0	0
2	Chandigarh	56.04	0	0	4.74	4.74	474	0	0	0	474	0	0	0	0	0	0	0
1	Uttar Pradesh	410.48	283.17	0.00	86.27	0.00	0	733	255	319	0	0	0	0	0	0	0	0
3	Uttar Pradesh	50.68	30.10	29.15	3.58	3.58	358	0	0	0	358	0	0	0	0	0	0	0
42	Uttar Pradesh	8806.57	2397.92	0	2712.98	381.78	0	19495	52	449	0	2832	32	32	0	147	0	0
17	Uttar Pradesh	2220.11	839.63	311.79	792.41	355.63	6877	3488	670	628	2790	837	278	185	1696	470	103	145
3	Uttar Pradesh	78.76	13.12	6.09	30.06	2.28	328	206	206	0	0	0	0	0	0	0	0	0
14	Uttar Pradesh	659.22	104.41	9.69	271.92	29.90	886	1282	669	228	754	0	0	0	87	0	0	0
1	Tamil Nadu	9.24	6.00	6.00	1.50	1.50	150	0	0	0	150	0	0	0	0	0	0	0
3	Uttar Pradesh	107.15	76.28	50.13	17.97	11.97	1797	0	0	0	74	0	0	0	1281	0	0	0
106		13197.89	4181.53	756.68	4440.63	829.34	18217	25644	1782	1824	8209	3669	310	217	3073	617	103	145

## APPENDIX XIII

## NIGHT SHELTER SCHEME

## STATEMENT SHOWING THE GAP BETWEEN THE PROJECT COST AND LOAN ASSISTANCE FOR THE SCHEMES SANCTIONED

State	No. of Schemes	Project Cost (Rs. in lakhs)	Loan (Rs. in lakhs)	Subsidy sanctioned	Gap (Agency's contribution)
Andhra Pradesh	11	474.77	220.68	66.69	187.40
Bihar	9	324.87	210.22	52.51	62.14
Chandigarh	2	56.04	0	4.74	51.30
Gujarat	1	410.48	283.17	86.27	41.04
Kerala	3	50.68	30.10	3.58	17.00
Maharashtra	42	8806.57	2397.92	2712.98	3695.67
Madhya Pradesh	17	2220.11	839.63	792.41	588.07
Orissa	3	78.76	13.12	30.06	35.58
Rajasthan	14	659.22	104.41	271.92	282.89
Tamil Nadu	11	5119.24	1336.00	1111.50	2671.74
Uttar Pradesh	3	107.15	76.28	17.97	12.90
Total	106	13197.89	4181.53	4040.63	4975.73

# APPENDIX XIV

## NATIONAL SLUM DEVELOPMENT PROGRAMME RELEASE OF FUNDS AND EXPENDITURE REPORTED BY THE STATES/UTs AS ON 30.3.2001

Sl. No.	States/UTs	(Rs. in lakhs)				
		Total ACA Allocated upto 2000-2001	Total ACA Released upto March, 2001	Expenditure reported	% of Exp.	Unspent balance
1	2	3	4	5	6	7
1.	Andhra Pradesh	15642.00	11807.89	6217.00	53	5590.89
2.	Arunachal Pradesh	431.00	322.40	274.56	85	47.84
3.	Assam	1414.00	1042.80	300.81	29	741.99
4.	Bihar	11184.00	9487.30	6804.00	72	2683.30
5.	Chattisgarh	434.00	434.00	0.00	0	434.30
6.	Goa	464.00	281.99	0.00	0	281.99
7.	Gujarat	9113.00	9113.00	6968.60	76	2144.40

	2	3	4	5	6	7
8.	Haryana	2478.00	2386.00	1821.00	76	565.00
9.	Himachal Pradesh	470.00	439.65	300.00	68	139.65
10.	Jammu & Kashmir	2853.00	2190.49	0.00	00	2190.49
11.	Jharkhand	893.00	893.00	0.00	00	893.00
12.	Karnataka	9020.00	9209.32	7548.31	82	1661.00
13.	Kerala	4641.00	3789.68	0.00	00	3789.68
14.	Madhya Pradesh	9018.00	8738.50	7007.08	80	1731.42
15.	Maharashtra	28206.00	20550.58	800.00	39	19750.58
16.	Manipur	465.00	372.78	92.24	25	279.54
17.	Meghalaya	460.00	354.55	68.37	19	286.18
18.	Mizoram	454.00	430.00	347.99	81	82.01
19.	Nagaland	444.00	350.55	180.55	52	170.00
20.	Orissa	3003.00	2604.00	1248.75	48	1355.25
21.	Punjab	4501.00	3679.39	921.00	25	2758.39
22.	Rajasthan	6697.00	5485.62	3849.80	70	1635.82
23.	Sikkim	423.00	296.40	0.00	0	296.40

	2	3	4	5	6	7
24.	Tamil Nadu	12234.00	11782.17	8875.00	75	2907.17
25.	Tripura	459.00	437.00	327.00	75	110.00
26.	Uttar Pradesh	19792.00	18543.95	13402.35	72	5141.60
27.	Uttaranchal	182.00	182.00	0.00	0	182.00
28.	West Bengal	16597.00	16324.00	12556.00	77	3768.00
	Total States	156972.00	141528.01	79910.41	56	61617.60
	<b>Union Territories</b>					
1.	Andaman & Nicobar	408.00	308.00	0.00	0	308.00
2.	Chandigarh	462.00	362.00	0.00	0	362.00
3.	Dadar & Nagar Haveli	401.00	301.00	100.00	33	201.00
4.	Daman & Diu				0	
5.	Lakshadweep				66.00	
6.	Pondicherry				50	
	NCT of Delhi				0	
	Total/UTs	11118.00	9353.00	482.90	5	8870.10
	Grand Total	168090.00	150881.01	80393.31	53	70487.70

## APPENDIX XV

NATIONAL SLUM DEVELOPMENT PROGRAMME  
FINANCIAL AND PHYSICAL PROGRESS - AT A GLANCE  
AS ON 30.03.2001

Financial Progress	(Rs. in lakhs)				
	1996-97	1997-98	1998-99	1999-2000	2000-2001
Total ACA allocated	25001.00	333000.00	35000.00	38508.00	36581.00
Total ACA released	25001.00	29099.00	33357.44	39189.50	22234.07
		up to 30th March, 2001			
Total Expenditure reported by States/UTs	4860.43	12334.78	24229.90	34777.51	4190.69
Unspent balance lying with States/UTs	20140.57	16764.22	11127.54	4411.99	18043.38
Percentage of unspent balance lying with States/UTs	81%	58%	31%	11%	81%
					47%
Physical Progress (Fig. in number)					
Total number of towns covered	67	972	1750	1875	1987
Total number of slum pockets covered	0	3911	41238	47805	48406
Total number of beneficiaries	0	1746856	23853851	27033822	28220899

BE 2001-02 is Rs. 386 crore  
(As informed by Planning Commission)

# APPENDIX-XVI

## CUMULATIVE STATUS OF HOUSING LOAN SANCTIONS\* AS ON 31.12.2000

(Rs. in crores)

States	Loan Amount
1	2
A & N Islands	9.09
Andhra Pradesh	2384.18
Arunachal Pradesh	1.96
Assam	343.86
Bihar	
Chandigarh	
Chhattisgarh	151.57
D & N Haveli	
Daman & Diu	
Delhi	
Goa	
Gujarat	712.08
Haryana	
Himachal Pradesh	233.56
Jammu & Kashmir	136.49
Jharkhand	
Karnataka	1724.56
Kerala	2600.91
Lakshadweep	0.00



1	2
Madhya Pradesh	
Maharashtra	
Manipur	121.68
Meghalaya	93.98
Mizoram	
Nagaland	105.90
Orissa	1202.44
Pondicherry	
Punjab	425.79
Rajasthan	987.69
Sikkim	45.85
Tamil Nadu	2638.73
Tripura	19.48
Uttanchal	70.81
Uttar Pradesh	1856.53
West Bengal	704.58
Total	19074.39

\* This excludes sanitation schemes amounting to Rs. 618.00 crs.

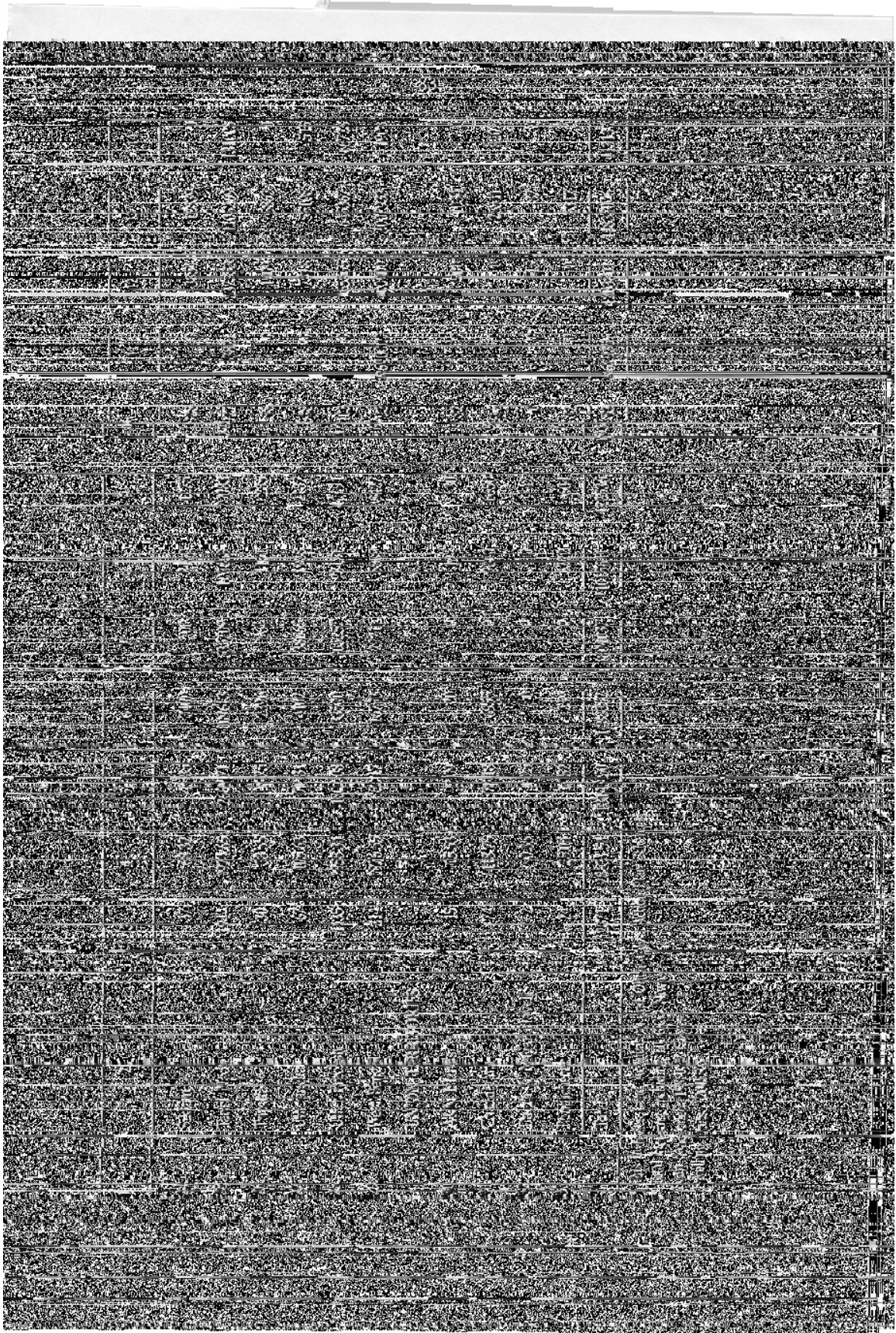
**APPENDIX-XVII**  
**CUMULATIVE SUMMARY OF HOUSING PROJECTS**  
**(AS ON 15.3.2001)**

Project Cost	Loan Amt.	Dwellings										Plots		
		EWS (U)	EWS (R)	LIG	MIG	HIG	Rural (UP)	Upgraded Urban (UP)	Total					
4	5	6	7	8	9	10	11	12	13	14				
3588.19	2260.57	249804	1617454	103308	27512	14818	173	172236	2185305	4276				
2.71	1.96	0	0	141	176	0	0	0	317	0				
479.70	307.51	18161	13547	15665	4704	2706	0	18324	73107	1251				
218.58	143.88	5488	47367	10076	1756	834	4000	19032	88553	7033				
219.44	144.70	5933	4094	9000	7783	3113	0	314	30317	18979				
68.82	40.87	5829	0	6759	1431	2186	0	0	16205	0				
44.59	23.71	204	0	598	377	276	0	7555	9010	1904				
1115.00	705.78	85424	299683	73901	49333	6956	0	25842	541139	7742				

(Rs. in crores)

9	10	11	12	13	14
1771	4455	0	995	74699	1333
1483	7271	0	17437	97561	95
1631	741	0	10346	27433	2068
2162	1833	0	11998	22537	12345
9277	8238	850	106260	1274218	651
0461	12147	0	10533	1212978	16763
1510	369	0	291	16453	0
3016	21363	0	48468	371341	18263
2882	1084	0	1947	15665	0
4719	6072	512	9059	126685	83235
1316	500	0	5150	10389	0
817	1074	0	0	20405	0
9996	4817	0	15283	305032	7142
9004	10989	0	15079	120049	4679
2545	18044	0	8	250320	16997





# APPENDIX XVIII

## DETAILS OF INTEREST SUBSIDY RECEIVED BY HUDCO FROM THE GOVERNMENT

Sl. No.	Fin. Year	Subsidy Recd.	Prior Period Receipt (Rs. in lakhs)	Total
1.	1973-74	20.03	1.42	21.45
2.	1974-75	34.61		
3.	1975-76			
4.	1976-77	176.27	87.22	
5.	1977-78	272.45		
6.	1978-79	387.58		387.58
7.	1979-80	538.09		538.09
8.	1980-81	721.50		721.50
	1981-82	894.11		894.11
10.	1982-83	1,111.83	2.60	1,114.43
11.	1983-84	549.49	60.01	609.50
Total		4,705.96	151.25	4,857.21

This has since been withdrawn from 1984-85.

# APPENDIX XIX

## STATEMENT SHOWING LOSS INCURRED BY HUDCO ON ACCOUNT OF FUNDING EWS UNDER ADDITIONAL TWO MILLION HOUSING PROGRAMME @ 10% AT QUARTERLY REST

(Rs. in crore)

Year	1998-99	1999-2000	2000-01	2001-02	2002-03	Total
Sanction Amount Rs. 1500 crore in each year						
1.	42.90	—	—	—	- -	42.90
2.	40.04	43.50	—	—	—	83.54
3.	37.18	40.60	39.90	—	—	117.68
4.	34.32	37.70	37.24	32.40		141.66
5.	31.46	34.80	34.58	30.24	32.40	163.48
	28.60	31.90	31.92	28.08	30.24	150.74
7	25.74	29.00	29.26	25.92	28.08	138.00
8.	22.88	26.10	26.60	23.76	25.92	125.26
9.	20.02	23.20	23.94	21.60	23.76	112.52
10.	17.16	20.30	21.28	19.44	21.60	99.78
11.	14.30	17.40	18.62	17.28	19.44	87.04
12.	11.44	14.50	15.96	15.12	17.28	74.30
13.	8.58	11.60	13.30	12.96	15.12	61.56
14.	5.72	8.70	10.64	10.80	12.96	48.82
15.	2.86	5.80	7.98	8.64	10.80	36.08
16.		2.90	5.32	6.48	8.64	23.34
17.			2.66	4.32	6.48	13.46
18.				2.16	4.32	6.48
19.		-			2.16	2.16
Total	343.20	348.00	319.20	259.20	259.20	1,528.80

## APPENDIX XX

### COMMITTEE ON URBAN AND RURAL DEVELOPMENT (2001)

#### MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 4TH APRIL, 2001

The Committee sat from 1500 hrs. to 1700 hrs. in Committee Room  
'D' Ground Floor, Parliament House Annexe, New Delhi.

#### PRESENT

Shri Chinmayanand Swami — *In the Chair*

#### MEMBERS

#### *Lok Sabha*

2. Shri Mani Shankar Aiyar
3. Shri Jaswant Singh Bishnoi
4. Shri Ambati Brahmanaiah
5. Shri Swadesh Chakraborty
6. Shri Bal Krishna Chauhan
7. Shrimati Hema Gamang
8. Shri Babubhai K. Katara
9. Shri Madan Lal Khurana
10. Shri Shrichand Kriplani
11. Shri P.R. Kyndiah
12. Shri Bir Singh Mahato
13. Dr. Ranjit Kumar Panja
14. Shri Dharam Raj Singh Patel
15. Prof. (Shrimati) A.K. Premajam
16. Shri Nikhilananda Sar
17. Shri Maheshwar Singh
18. Shri Chintaman Wanaga

*Rajya Sabha*

19. Shrimati Shabana Azmi
20. Shri Karnendu Bhattacharjee
21. Prof. A. Lakshmisagar
22. Shri C. Apok Jamir
23. Shri Faqir Chand Mullana
24. Shri Onward L. Nongtdu
25. Shri N. Rajendran
26. Shri Solipeta Ramachandra Reddy
27. Shri Man Mohan Samal
28. Shri Suryabhan Patil Vahadane

## SECRETARIAT

- |                         |                           |
|-------------------------|---------------------------|
| 1. Shri S.C. Rastogi    | <i>Joint Secretary</i>    |
| 2. Shri K. Chakraborty  | <i>Deputy Secretary</i>   |
| 3. Shri P.V.L.N. Murthy | <i>Assistant Director</i> |

**Representatives of the Ministry of Urban Development and  
Poverty Alleviation (Department of Urban Employment and  
Poverty Alleviation)**

- |                            |   |
|----------------------------|---|
| 1. Shri S.S. Chattopadhyay | Secretary   |
| 2. Shri J.P. Murthy        | Joint Secretary                                   |
| 3. Shri Joseph Mathew      | Director (Finance)                                |
| 4. Shri V. Suresh          | CMD, Housing and Urban<br>Development Corporation |
| 5. Shri T.N. Gupta         | ED, BMTPC   |

2. In the absence of Chairman, the Committee chose Shri Chinmayanand Swami to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.



3. At the outset, the Chairman welcomed the representatives of the Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation) to the sitting and drew their attention to the provision of direction 55(1) of the Directions by the Speaker.

4. The Committee then took oral evidence of the representatives of Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation) on Demands for Grants 2001-2002.

5. A verbatim record of the proceedings was kept.

*The Committee then adjourned.*

## APPENDIX XXI

### COMMITTEE ON URBAN AND RURAL DEVELOPMENT (2001)

#### MINUTES OF THE SIXTEENTH SITTING OF THE COMMITTEE HELD ON TUESDAY, THE 17TH APRIL, 2001

The Committee sat from 1500 hrs. to 1600 hrs. in Committee Room  
No. 62, Parliament House Annexe, New Delhi.

#### PRESENT

Shri Anant Gangaram Geete — *Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri Mani Shankar Aiyar
3. Shri Padmanava Behera
4. Shri Jaswant Singh Bishnoi
5. Shri Ambati Brahmanaiah
6. Shri Haribhai Chaudhary
7. Prof. Kailasho Devi
8. Shrimati Hema Gamang
9. Shri Babubhai K. Katara
10. Shri P.R. Kyndiah
11. Shri Maheshwar Singh

##### *Rajya Sabha*

12. Shrimati Shabana Azmi
13. Shri N.R. Dasari
14. Prof. A. Lakshmisagar
15. Shri N. Rajendran
16. Shri Solipeta Ramachandra Reddy
17. Shri Man Mohan Samal

## SECRETARIAT

- |                           |                           |
|---------------------------|---------------------------|
| 1. Shri K. Chakraborty    | <i>Deputy Secretary</i>   |
| 2. Shrimati Sudesh Luthra | <i>Under Secretary</i>    |
| 3. Shri P.V.L.N. Murthy   | <i>Assistant Director</i> |

2. At the outset, the Chairman welcomed the members to the sitting. The Committee then took up for consideration draft Report on Demands for Grants (2001-2002) of the Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation).

3. After some discussion, the Committee adopted the Report with certain modifications in pursuance of the suggestions given by members as indicated in Annexure.

4. The Committee then authorised the Chairman to finalise the Report after getting it factually verified from the Ministry/Department concerned and present the same to the Houses of Parliament.

*The Committee then adjourned.*

## ANNEXURE

[See Para 3 of Minutes dated 17.04.2001]

Sl. No.	Page No.	Para No.	Line No.	Modifications
	2	3	4	5
	10	1.24	6 from bottom	<p><i>after 'SJSRY'</i>  <i>insert</i>            'The Committee recommend that the amount earmarked for North Eastern States and Sikkim should be allocated State-wise between all North Eastern States and Sikkim separately instead of bulk allocation, which does not present a clear picture in this respect.'</p>
	36	2.71	last line	<p><i>for 'at an early date.'</i>  <i>read</i>            'within three months of the presentation of this Report.'</p>
3.	38	2.82	4 from bottom	<p><i>add in the beginning</i>            'The total slum population of the country is estimated at 46.3 million (Source—Compendium on Indian Slums—Town and Country Planning Organization).'</p>
	39	2.84	3	<p><i>after '(47%)'</i>  <i>add</i>            'The coverage reported so far extends to 1987 towns covering 48,406 slum pockets benefiting</p>

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1	2	3	4	5
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a population of 2.82 crore out of an estimated total slum population of 46.3 million. When viewed in the context of the above, the Committee cannot but conclude that the per capita per annum benefit accruing does not exceed Rs. 60. Further, they feel that the estimates of slum population of the country needs to be reassessed in a more realistic manner keeping in view the latest available census figures. In view of the above, they desire that the present level of funding needs to be enhanced. They also urge that the Government should ensure that the funds allocated are utilised fully by States and recommend that the level of the unspent balances with States are reduced at the earliest and concerted steps are taken to improve performance under NSDP.'

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**APPENDIX- XXII****Statement of recommendations/ observations**

Sl. No. Para		Recommendations/observation
1.	2.	3.
1.	1.22	<p>A close scrutiny of the allocations made in Demands for Grants of the Department of Urban Employment and Poverty Alleviation reveals that as compared to an allocation of Rs.399.01 crore in BE 2000-01, the outlay at Rs.397.27 crore shows an overall cut of Rs.1.74 crore. While the plan and non-plan outlay (Revenue section) at Rs.206 crore and Rs.7.27 crore in BE 2001-02 shows a reduction of 8.24%, and 23.55% respectively, the Plan outlay (Capital section) at Rs.174 crore in BE 2001-02 shows an increase of 12.26% and the non-plan outlay at Rs.10 crore shows no change over the BE figures of 2000-01. The Committee further, note that though the outlay for the major schemes of SJSRY at Rs.168 crore for BE 2001-02 shows no change <i>vis-à-vis</i> the outlay in BE 2000-01, they are deeply constrained to note that expenditure figures upto February, 2001 in respect of SJSRY at Rs.33.53 crore out of a reduced RE 2000-01 of Rs.95.03 crore do not portray a healthy picture of the state of implementation of a major programme being implemented by the Department.</p>
2.	1.23	<p>The Committee, however, observe with regret that reduction of outlay at RE stage on plan side to an extent of Rs.73 crore in respect of SJSRY alone is the major reason for slashing of RE 2000-01 figures which again according to the Ministry is attributed to comparatively slow progress of implementation of the Yojana and the indifferent attitude of bankers. On the other hand, the expenditure figures as at the end of February, 2001 in respect of SJSRY at Rs.33.53 crore out of a reduced RE of Rs.95.03 crore present quite an alarming scenario. The acceptance by the Ministry that until the RE stage i.e. end November, 2000, the expenditure incurred had not been commensurate with the provision made in BE 2000-01 speaks volumes about the state of affairs in the Department. The Committee, therefore, are of the considered view that steps need to be taken urgently to arrest this trend of lower utilisation also avoid the ignominy of getting the allocations slashed drastically by the Ministry of Finance at RE stage which also would have a negative impact on the implementation of various schemes by the Ministry. They also desire that urgent steps be taken to speed up implementation of SJSRY.</p>

3. 1.24 The Committee further, observe that a new provision of earmarking 10% of overall plan allocations amounting to Rs.38 crore for North Eastern regions and Sikkim in the nature of lumpsum non-lapsable amount was started with BE 2000-01. However, they regret to find that for RE 2000-01 a 'NIL' provision has been shown on the plea that requirement of funds was not envisaged at RE stage. Again, for BE 2001-02, this allocation was split into two and a provision of Rs.19 crore each was made under two heads of account both in the Revenue and Capital sections. The Committee are dismayed to find that this was done to circumvent the rules which prevent re-appropriation of funds from Revenue to Capital and *vice-versa* and also that this could be utilised/re-appropriated to meet additional requirement for other schemes etc. The Committee view this matter very seriously since as on date, there are no separate projects on hand where this allocation could be spent in the North Eastern region and Sikkim. The Committee also feel that it would be better to do away with such frivolous items of expenditure which might result in wasteful expenditure or duplication as the Ministry themselves have stated that this provision could also be spent under the existing schemes like SJSRY. The Committee recommend that the amount earmarked for North Eastern States and Sikkim should be allocated State-wise between all North Eastern States and Sikkim separately instead of bulk allocation which does not present a clear picture in this respect. They, therefore, also recommend that the Ministry should earnestly explore possibilities of formulating some scheme(s) for North Eastern region separately so that some development takes place in this hitherto neglected region and it is brought at par with the national mainstream. The Committee would like to be apprised of the steps taken in this regard.
4. 2.20 The Committee note that SJSRY is a major scheme being implemented by the Ministry in a revised format w.e.f. 1.12.1997 in all States/UTs. They, however, regret to note that the implementation of the Yojana has not gained the desired momentum and is plagued with problems like decreasing allocation of fund at BE stage and the inability of the Ministry to fully utilise the amount provided in successive budgets to name a few. It is further observed that out of Rs.725 crore allocated during 1997-98 to 2000-2001, the actual expenditure was Rs.493.45 crore only (till 28 February, 2001). The Ministry stated that decreasing allocations are due to the States having huge unspent balances, which are hovering in the region of around Rs.500 crore during the last three years. Further, as against the release of Rs.375.87 crore by the Centre, the States have released only Rs.143.51 crore towards their share as on 28.2.2001. The

Ministry also stated that low level of releases of funds could also be attributed to instructions of Ministry of Finance to link future releases with furnishing of UCs for past releases. The Committee are dismayed to find that inspite of all the above negative aspects, the Government assessed the utilisation of funds under the Yojana to be satisfactory. The Committee recommend that steps be taken to reduce the level of unspent balances with States at the earliest so that financial performance under the Yojana does not look gloomy.

5.      2.21      The Committee also note that under certain components of the Yojana, the involvement of the Banks and their participation in the implementation of the Yojana has still remained non-cooperative and negative. The Ministry have again attributed this attitude of Bankers to their huge non-performing assets. The Committee note that a number of meetings have been held by the Ministry with representatives of Banks and RBI etc., at the level of Secretaries and Minister. According to the Ministry, these steps, it is hoped would help in improving the matters. The Committee feel that urgent steps need to be taken to reform the attitude of Bankers to make the Yojana successful as desired by them in their 23<sup>rd</sup> Report (12<sup>th</sup> Lok Sabha) and 9<sup>th</sup> Report (13<sup>th</sup> Lok Sabha) on Demands for Grants 1999-2000 and 2000-2001 of this Department. The Committee desire to be apprised of the action taken in the matter at the earliest.
6.      2.32      The Committee note that under SJSRY, the physical targets have been left to be decided by the States in accordance with the guidelines of the Yojana as also the results of beneficiary surveys to be conducted which are the initial steps towards implementing the Yojana successfully. However, it is disconcerting to observe that even after four years of implementation of the Yojana (from 1997-98 to 2000-2001), the first step i.e. house to house surveys is yet to be completed in all States. The notable exception has been the State of Bihar where out of 170 towns, the survey has been carried out in only 12 towns. Overall, in 216 towns this process remains to be completed.
7.      2.33      Further, what is more intriguing to observe here is that since September, 1999, the Government of Bihar is not furnishing the progress reports to the Central Government with regard to the achievements made under the Yojana. Despite this, the Central Government had released funds to the extent of Rs. 1693.94 lakh till 1999-2000 to Bihar. An Amount of Rs.6230.99 lakh remains unspent with Bihar. The Committee also observe from the details of State-wise progress made under the Yojana that only a handful of States are doing it commendably while the rest are lagging far



behind in the implementation of the Yojana. They, therefore, recommend that the Government should take necessary steps to see that the States performing not so well are encouraged to improve and also to see that physical progress is in consonance with the funds made available to States.

They desire to be apprised of the steps taken in this regard. As regards the State of Bihar, the Committee note that funds are not being released to them owing to non furnishing of UCs and progress reports. They desire that Government should persuade Bihar Government to furnish progress reports so that funds start flowing in and implementation of the Yojana is not adversely affected.

8. 2.45

The progress made under the Yojana is monitored through quarterly progress reports and periodical review meetings at the level of Secretary and Minister. Based on suggestions made by States *viz* enhancement of percentage of subsidy under USEP, increasing the training cost etc., the Ministry intended to modify the guidelines of the Yojana to improve the performance. A core group was also set up in December, 1999 to review the guidelines. However, the Planning Commission had some reservations in this matter on the ground that the Yojana had not been assessed for a sufficient period. The Committee further note that due to persistent demand of the implementing States and on the basis of suggestions made by them from time to time, it was decided to take up again the matter regarding modifications with the Planning Commission whose comments are still awaited. The Committee also note that a draft Cabinet note was prepared and circulated to concerned Ministries and Planning Commission for comments which have since been received. The Committee, therefore, recommend that no further time be lost in reviewing the guidelines of the Yojana so that the intended objectives of the Yojana are fully met. They further desire that the modification in the guidelines be made within three months of the presentation of this report. They would like to be informed of the action taken in this regard.

9. 2.48

The Committee observe that the evaluation study of the Yojana was conducted in respect of the States of Andhra Pradesh, Karnataka, Madhya Pradesh and West Bengal by the Indian Institution of Public Administration (IIPA). Empanelment of research agencies for conducting evaluation studies under the Yojana in the States of Assam, Rajasthan, Maharashtra and U.P. is under process. The Report of IIPA which was expected in February, 2001 is still awaited. The Committee recommend that the IIPA should be requested to expedite its report and

suggestions/recommendations made therein may be kept in view while the guidelines of the Yojana are modified by the Ministry. They also recommend that empanelment of research agencies for evaluation study in respect of four other States may also be completed at the earliest.

10.     2.55     The Committee are perturbed to note that C&AG's draft review report points out certain shortcomings in the implementation of the Yojana namely diversion of substantial funds to other schemes, parking of funds in personal ledgers accounts, as also short releases to executing agencies by States. An amount of Rs.3582.86 lakh was diverted, Rs.9473.07 lakh was parked in personal ledger accounts and Rs.6004.62 lakh has been short released by States. The findings contained in C&AGs Report reveal that all is not well with the manner in which the Yojana is being implemented by the States and has also exposed gaping holes in the system of monitoring of the Yojana. Diversion of funds meant for a particular purpose cannot be viewed lightly though the Ministry has tried to condone it as a procedural error. This is a very serious matter and needs to be probed. The Committee would like to hear from the Ministry about the steps taken to obviate the recurrence of such lapses. The Committee desire that the defaulting States who have not yet furnished comments on draft review report of C&AG be directed to furnish their replies within a specified period and the Government should not be contented only with reminding the States. The Committee recommend that all these shortcomings be kept in view while the scheme's guidelines are modified by the Government. They desire to be informed of the action taken in this regard.
11.     2.66     The Committee note that the Night Shelter Scheme is a demand driven scheme and no targets are fixed for implementation of the scheme. The Committee cannot easily reconcile to the pleas of the Ministry that the scheme being demand driven, no targets are being fixed. The plea is not tenable since it is absolutely necessary to have a target for achieving as well as for assessment of implementation of schemes.
12.     2.67     The Committee, however, find that a very meagre amount of Rs.2.82 crore was provided against an 8<sup>th</sup> Plan outlay of Rs. 6.5 crore and during the Ninth Plan, Rs.6.40 crore was provided till 2000-2001 against Ninth Plan outlay of Rs.1 crore only. For 2001-2002, Rs.4.56 crore has been provided. Against a subsidy component of Rs.40.41 crore, only Rs.11.80 crore has been released to HUDCO leaving a gap of Rs.28.62crore. While it is heartening to note that NGOs are being involved in the

maintenance of Night Shelters, the Committee recommend that outlay for the scheme should be substantially increased to enable the timely completion of the projects on hand as well as to bridge the yawning gap in the subsidy component. This is all the more essential when the abject conditions of life of the absolutely shelter less and pavement dwellers in the burgeoning metropolises are kept in view.

13. 2.71 The progress of the Night Shelter Scheme is monitored by the Ministry through periodic State-wise reports. The Ministry stated that for ensuring better performance, the scheme guidelines are being revised in consultation with the Planning Commission. It is also observed that the proposed revised guidelines seek to enhance the subsidy levels in both the night shelter and sanitation components from Rs.1000/- to Rs.2000/- and Rs.350 to Rs.1000 per user limited to 25 users per seat, respectively. The Committee hope when finalised, these features would definitely make the Scheme more attractive. The Committee desire that the draft modified guidelines which were circulated to concerned Ministries/ Departments for comments be finalised within three months of the presentation of this Report.
14. 2.83 The Committee observe that the Department of UEPA is monitoring the implementation of the NSDP which came into force in 1996, seeking to provide additional central assistance to States for development of urban slums. They in their 3<sup>rd</sup> and 23<sup>rd</sup> Reports (12<sup>th</sup> Lok Sabha) and 9<sup>th</sup> Report (13<sup>th</sup> Lok Sabha) have repeatedly expressed their displeasure and highlighted the lack of a coordinated approach by the Government with regard to the complex arrangement of implementation, funding and monitoring of this programme by different Ministries/Departments. They are very unhappy that the Government have taken their recommendations very lightly. The Committee further note that this Department is expected to monitor the implementation of a programme over whose finances it has no control.
15. 2.84 They further note that upto 30.3.2001, out of a total Rs.1680.90 crore ACA allocated, a sum of Rs.803.93 crore has been utilised and Rs.704.87 crore remained unspent (47%). The coverage reported so far extends to 1987 towns covering 48,406 slum pockets benefiting a population of 2.82 crore out of an estimated total slum population of 46.3 million. When viewed in the context of the above, the Committee cannot but conclude that the per capita per annum benefit accruing does not exceed Rs.60. Further, they feel that the estimates of slum population of the country needs to be reassessed in a more realistic manner keeping in view the

latest available census figures. In view of the above, they desire that the present level of funding needs to be enhanced. They also urge that the Government should ensure that the funds allocated are utilised fully by States and recommend that the level of the unspent balances with States are reduced at the earliest and concerted steps are taken to improve performance under NSDP.

16. 2.87 The Committee note that in response to their recommendation [para 2.49 of 9<sup>th</sup> Report (13<sup>th</sup> Lok Sabha)] on Demands for Grants 2000-2001, the Ministry stated in their action taken notes that it requested the Planning Commission to convene a meeting of Senior Level Officers of this Ministry and Ministry of Finance to sort out the matter arising out of the recommendation of the Committee. However, they find that the Planning Commission in a letter dated 5.6.2000 informed that the matter raised in the letter of Department of UEPA dated 8.5.2000 regarding the continuance of ACA and the reluctance to launch new centrally sponsored scheme were already discussed in the meeting held on 8.2.2000. The Committee are highly distressed to observe that this matter was not placed before them while action taken notes on 9<sup>th</sup> Report were furnished in July, 2000 to the Committee. They deplore this casual approach of the Government in furnishing replies to their recommendations. They desire that the matter may be looked into and the Committee may be apprised of the action taken.
17. 2.95 The monitoring of NSDP is done by the Department of UEPA by seeking information in MIS proforma from all States/UTs on a quarterly basis. To make monitoring more effective, funds are released to States furnishing UCs. Besides, review meetings are also held at the level of Minister and Secretary of the Department. The Committee note that the slum development is hindered by the problems of security of tenure of the slum dwellers, lack of civic amenities like water supply, sanitation etc. and also the inability of municipalities in providing these civic amenities in the slums. The Committee further note that to mitigate the situation arising out of the problems of slums and solve the complexity of the present programme, the Ministry decided to place a draft cabinet note for making the NSDP a Centrally Sponsored programme with 100% grant and giving full control of the programme to the Ministry. The Committee, therefore, recommend that a firm and final decision regarding converting NSDP into a Centrally Sponsored Scheme with provision of disbursement of funds to SUDAs directly be earnestly considered by the Government at the earliest to make NSDP a successful programme in ameliorating the sufferings of a vast majority of urban poor residing in slums of major cities/towns of the country.

18. 3.6 The Committee observe that though housing is a State subject, the Union Government is responsible for formulation of broad policy framework for housing sector and monitor the effective implementation of social housing schemes for Economically Weaker Section (EWS) of the society. It is observed that under the new Housing and Habitat Policy, 1998 a programme facilitating construction of 2 million additional dwelling units was launched. HUDCO was entrusted with the task of enabling construction of 4 lakh additional DUs every year in urban areas. Towards this end, HUDCO sanctioned 12,10,132 DUs out of which only 1,90, 629 DUs have been completed and 5,84,460 DUs are in progress (cumulatively) upto 28.2.2001. However, there is no mention of the status of the remaining DUs sanctioned by HUDCO. Similar is the situation in respect of the performance of other sectors under this programme. From the State-wise details of the physical progress in respect of housing projects, it is seen that while certain States are performing commendably, others are not making much headway. The Committee feel that though certain fiscal incentives and legal measures to pep up the performance have been taken by the Government, they have not yielded the desired results. The assertion by the Ministry that it was satisfied with the performance under the Two Million Housing programme, is therefore, not tenable when viewed in the context of the abysmal progress made by HUDCO. The Committee desire that necessary steps be taken to persuade States to take up construction of the remaining DUs so that the targets are met completely. They desire to be apprised of the action taken in this regard.
19. 3.12 The Committee observe that to enable HUDCO attain the target of facilitating construction of its share of additional DUs under the Two Million Housing Programme, the Government is providing Equity support to HUDCO for Housing and a sum of Rs.605 crore has been allocated during the period 1997-98 to 2001-2002. HUDCO on its part has sanctioned a total of 12871 housing projects involving a loan component of Rs.19074 crore. They hope that with the equity support from Government, HUDCO should take steps to attain the targets in a time bound manner as till now only 1,90,629 DUs have been completed and 5,84,460 DUs are in progress. They desire to be informed of the progress made in this direction.
20. 3.25 The Committee note that HUDCO is the only facilitator on behalf of the Government to implement the housing programmes for EWS/LIG sections of the society both under the normal and the additional two million housing programme. The Ministry has been making a provision BE of Rs.5 crore from 1998-99 to enable

HUDCO to meet the interest differential of the cost of borrowing funds *vis-à-vis* its lending cost, after the launch of the additional Two Million Housing programme. However, the utilisation has been 'NIL' in this regard due to opposition of the Ministry of Finance and that funds could be utilised only with the approval of the Cabinet. According to the Ministry, HUDCO is incurring a loss of around Rs.43 crore annually on account of the Two Million Housing programme alone as HUDCO has not been given any additional support on this account. They further note the submission of the representative of HUDCO during evidence that at this rate, the cumulative losses of HUDCO over a 15 year period could touch about Rs.1500 crore making this public sector organisation sick. They pleaded that unless subsidy of a high order is given to HUDCO, the scheme would become unviable in the long run.

21. 3.26 The Committee, further observe that the Ministry had been making provision on this account but HUDCO is not getting any funds towards interest subsidy and a cumbersome procedure of Cabinet approval is involved. Besides, it is observed that the losses of HUDCO are mounting with a likelihood that this public sector unit could become sick and the Two Million Housing Programme become unviable in the long run. In view of the above and in the event the proposal of subsidy not finding favour with the Government owing to its state of finances, the Committee recommend that the Government should explore the possibility of issuing tax-free bonds etc. to mop up funds for HUDCO to finance the housing programmes especially the Two Million Housing programme being implemented by HUDCO. They desire to be informed of the steps taken in this direction.
22. 3.29 The Committee observe that the Ministry reviews the performance of the housing programme regularly through state-wise monthly progress reports and site visits by Senior Officers and by holding meetings. These meetings are held at the level of Secretary and Minister to ensure that the housing programmes make a steady progress. They further observe that a 2-day Conference of State Housing Ministers and Secretaries was held on 26<sup>th</sup> 27<sup>th</sup> June , 2000. As a result of the shortcomings observed in the said All India Review, it was decided that task forces/monitoring and review committees be set up at State level to look into the various problems faced in the effective implementation of the Two Million Housing programme. So far 11 States have set up task forces. The Committee, therefore, desire that task force be set up in the remaining States at the earliest to ensure steady progress and

timely remedial action is taken by implementing agencies to rectify the discrepancies observed.

23. 4.5 The Committee find that Planning Commission had carried out a mid term appraisal of some of the schemes being implemented by the Department. The Mid term appraisal in respect of the Urban Housing programmes related to the strategies adopted during the Ninth Plan in the light of the Housing and Habitat Policy, shortages in housing and related infrastructure. To get the adopted strategies implemented, the Government through HUDCO is allocating a minimum of 55% of housing loans for EWS/LIG housing. This has further increased to 86% after the Two Million Housing Programme was taken up by Government. They, however, regret to note that the Ministry has not specifically reviewed the outcome of the steps initiated in respect of the strategies adopted during the Ninth Plan. Further, it is observed that a review was done at the level of Finance Secretary on 27.11.2000 in respect of Urban Housing and the problem areas therein. The Committee expect that by now the Government might have taken suitable measures to deal with the problem areas identified during the above review. They desire to be apprised of the action taken in this regard.
24. 4.10 The Committee note that as a part of the Mid Term Appraisal by Planning Commission, the role of HUDCO in contributing to housing stock was reviewed. They are concerned to note that the analysis of available data revealed the emergence of regional imbalances, inability of a large number of States to access available low cost funds from HUDCO. Furthermore, a gap between targets and sanctions, sanctions and releases, releases and utilisation of funds as also utilisation and recovery of loans was observed. The Government reportedly has taken certain measures to check/correct the regional imbalances by adopting a mixed criterion of population and geographical area on one hand and the demands of State Governments on the other. Besides, they further note that certain other measures like formulation of clear cut programmes for weaker section housing in urban areas and State Government's support for housing programmes by extension of Government guarantees and budgetary support etc. are required to be taken by the State Governments to remove the bottlenecks for promotion of balanced housing activities in the States. The Committee, therefore, desire that Government should not remain content with these, but keep a strict vigil on all fronts to oversee that HUDCO fulfils its mandate of housing the vulnerable sections of the society adequately.