

**15**

**STANDING COMMITTEE ON  
HOUSING AND URBAN AFFAIRS  
(2021-22)**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF HOUSING AND URBAN AFFAIRS**

**[Action Taken by the Government on the Recommendations contained in the Twelfth Report  
(Seventeenth Lok Sabha) of the Standing Committee on Housing and Urban Affairs on the  
'Demands for Grants (2022-23) of the Ministry of Housing and Urban Affairs']**

**FIFTEENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**August, 2022/Shravana, 1944 (Saka)**

**FIFTEENTH REPORT**

**STANDING COMMITTEE ON  
HOUSING AND URBAN AFFAIRS  
(2021-22)**

**(SEVENTEENTH LOK SABHA)**

**MINISTRY OF HOUSING AND URBAN AFFAIRS**

**[Action Taken by the Government on the Recommendations contained in the Twelfth Report (Seventeenth Lok Sabha) of the Standing Committee on Housing and Urban Affairs on the 'Demands for Grants (2022-23) of the Ministry of Housing and Urban Affairs']**

**Presented to Lok Sabha on 04.08.2022**

**Laid in Rajya Sabha on 04.08.2022**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**August, 2022/Shravana, 1944 (Saka)**

**C.H.U.A. No.: 131**

**Price : Rs.**

*(C) 2019 By Lok Sabha Secretariat*

Publish under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha  
(Thirteenth Edition) and Printed by.....

(i)

## CONTENTS

	PAGE
Composition of the Committee.....	(ii)
Introduction.....	(iii)
<b>CHAPTER I</b> Report	1-16
<b>CHAPTER II</b> Observations/Recommendations which have been accepted by the Government	17-43
<b>CHAPTER III</b> Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies	44-44
<b>CHAPTER IV</b> Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration	45-55
<b>CHAPTER V</b> Observation/Recommendations in respect of which final replies of the Government are still awaited	56
<b>ANNEXURES</b>	
<b>I</b> Minutes of the 16 <sup>th</sup> Sitting of the Committee held on 02.08.2022	57-58
<b>II</b> Analysis of the Action Taken by the Government on the recommendations contained in the Twelfth Report (17 <sup>th</sup> Lok Sabha)	59-59

(ii)

**COMPOSITION OF THE COMMITTEE ON  
HOUSING AND URBAN AFFAIRS (2021-22)**

***Shri Jagdambika Pal - Chairperson***

**MEMBERS**

**LOK SABHA**

2. Adv. A. M. Ariff
3. Shri Benny Behanan
4. Shri Ramcharan Bohra
5. Shri Hibi Eden
6. Shri Gautam Gambhir
7. Smt Hema Malini
8. Shri Syed Imtiaz Jaleel
9. Shri Sanjay Kumar Bandi
10. Shri Shankar Lalwani
11. Shri Hasnain Masoodi
12. Shri P.C. Mohan
13. Shri C.R. Patil
14. Shri Adala Prabhakara Reddy
15. Shri S Ramalingam
16. Smt. Aparajita Sarangi
17. Shri M V V Satyanarayana
18. Shri Rahul Ramesh Shewale
19. Shri Sudhakar Tukaram Shrangre
20. Shri Sunil Kumar Soni
21. Shri Ramesh Chander Kaushik

**RAJYA SABHA**

22. Shri Subhasish Chakraborty
23. Shri Ram Chander Jangra
24. Shri Kumar Ketkar
25. Shri Sanjay Singh
26. Smt Jebi Mather Hisham
27. Vacant
28. Vacant
29. Vacant
30. Vacant
31. Vacant

**SECRETARIAT**

1. Shri V. K. Tripathi - Joint Secretary
2. Ms Archna Pathania - Director
3. Ms. Swati Parwal - Deputy Secretary
4. Ms. Jisha James - Committee Officer

## INTRODUCTION

I, the Chairperson of the Standing Committee on Housing and Urban Affairs (2021-22) having been authorized by the Committee, present the Fifteenth Report (17<sup>th</sup> Lok Sabha) on Action Taken by the Government on the Observation/Recommendations contained in the Twelfth Report (17<sup>th</sup> Lok Sabha) of the Committee on the 'Demands for Grants (2022-23) of the Ministry of Housing and Urban Affairs'.

2. The Twelfth Report was presented to Lok Sabha on 24.03.2022 and laid on the table of Rajya Sabha on the same date. The Action Taken Replies of the Government to all the recommendation contained in the Report were received on 24.06.2022.

3. The Committee considered and adopted this Report at their Sitting held on 02<sup>nd</sup> August, 2022.

4. An analysis of the action taken by the Government on the recommendation contained in the Twelfth Report (17<sup>th</sup> Lok Sabha) of the Committee is given at Annexure-II.

5. For facility of reference, the observations/recommendations of the Committee have been printed in bold letters in the body of the Report.

**New Delhi**  
**02 August, 2022**  
**11 Shrawana, 1944 (Saka)**

**JAGDAMBIKA PAL**  
**Chairperson**  
**Standing Committee on**  
**Housing and Urban Affairs**

# REPORT

## CHAPTER I

This Report of the Standing Committee on Housing & Urban Affairs (2021-22) deals with the action taken by the Government on the recommendations contained in their Twelfth Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) which was presented to Lok Sabha on 24 March, 2022.

1.2 Action Taken Notes have been received from the Government in respect of all the 16 recommendations contained in the Report. These have been categorized as follows:

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

Recommendation Serial Nos. 2, 3, 5, 6, 7, 8, 9, 12, 13, 14 and 16

(Total -11)  
(Chapter-II)

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

Recommendation Serial No. Nil

(Total - 0)  
(Chapter-III)

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

Recommendation Serial Nos.1, 4,10,11 and 15

(Total -05)  
(Chapter-IV)

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

Recommendation Serial No. Nil

(Total -0)  
(Chapter-V)

**1.3 The Committee desire that specific replies to the Comments of the Committee as contained in Chapter-I may be furnished to them at the earliest and in any case, not later than three months from the presentation of this Report.**

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

### **Recommendation (Sl. No. 1)**

#### **NEED FOR EVEN ALLOCATION AND UTILIZATION OF FUNDS THROUGH THE MISSION/SCHEME PERIOD**

1.5 The Committee are glad to note that Ministry's utilization of allocated resources in comparison to Revised Estimates, stood upwards of 94% since 2016-17. In the current Financial Year 2021-22, the utilization till 07.02.22 stood at 67.07% and going by the submissions made by the Ministry, the Committee are hopeful that the utilization levels in this year also will reflect the earlier years' performance. The Committee while appreciating such high level of utilization, are of the view that the Ministry may put in place a mechanism to ensure that the quality of the assets created is as per the standards set.

Further, the Committee while noting that the Ministry had reduced its allocation at RE stage in the two financial years 2019-20 and 2020-21, appreciate that in the financial year 2021-22, there has been almost 35% increase at the RE stage. Such increased allocations augur well for the development of urban areas whose population is projected to reach 60 crores by 2031 from 37.71 crores in 2011 and further expected to account for more than 50 percent of India's population. The Committee, further, note from the submissions made by the Ministry that this jump in the RE to the tune of ₹19,269.26 crore in the year 2021-22 is mainly to meet the requirement of additional funds of ₹ 19,000 crore under Pradhan Mantri AwasYojana(Urban), ₹ 100 crore under PMSVANidhi and ₹ 169.26 crore for GPRA/GPOA of CPWD including Central Vista Projects / New Parliament Building.

The Committee acknowledge that since it is the final year of PMAY(U), more funds were sought to achieve the targets under the Scheme. However, the Committee note from the submissions made by the Ministry that the requirement under PMAY(U) is



much higher than the ₹28,000 crore given to them and during the year 2022-23 & 2023-24, approximately ₹82,000 crore more will be required. Further, the Ministry of Finance has currently agreed to allocate only ₹28,000 crore and assured that rest of the funds will be allocated gradually in the subsequent years. The Committee are of the opinion that such a situation would not have come if the Ministry had sought more funds in the beginning by motivating the States/UTs to hit the ground running and sort out the logistic and technical issues associated with the Scheme expeditiously. The Committee, therefore, recommend that the Ministry need to learn from its past experiences whereby the trend is to seek drastically high amount of funds in the penultimate and concluding years of the Scheme to achieve the targets set as seen in PMAY(U) and rather take suitable steps to ensure that both physical and financial targets in a particular Scheme are met from the beginning of the launch year of the Scheme and thus the funds allocations are evenly distributed during the scheme/mission period.

1.6 In their Action Taken Reply, the MoHUA have stated as follows:-

“Demand of houses for eligible beneficiaries in urban areas is dynamic in nature. Under PMAY-U, States/UTs prepared project proposals based on the demand assessed and resources available with them in phase-wise manner. During initial years of scheme, the demand of funds from States/Uts was less as only 1<sup>st</sup> installment was released in sanctioned projects. However, during later period, the requirement of fund under the scheme increased considerably with sanctioning of new projects as States/Uts started claiming balance installment for earlier projects along with funds for grounding of new projects. Over the past two years, constant measures and efforts have been taken at all levels to ensure timely grounding and completion of the houses despite the challenges caused by COVID-19 pandemic. As of March 2019, around 60.79 lakh houses were sanctioned under the Mission; most of these houses are nearing completion now. Further, during FY 2019-20 and 2020-21 additional 41.52 lakh houses were sanctioned. With the rapid pace of construction across the nation, the Mission has completed grounding of more than 1 crore houses which in itself is a milestone. Accordingly, the Mission projected enhanced demand during later years of the scheme but continued to get budgetary allocation with normative increase over previous year allocation. However, in FY 2017-18, Cabinet approval was obtained to

raise ₹ 60,000.00 crore as Extra Budgetary Resources (EBR) over four-year period. Therefore, the shortfall in allocation of fund for the scheme accumulated and based on the projects sanctioned till scheme period i.e. upto 31.03.2022, the balance committed liability for release stands as ₹ 85,406.00 crore. In FY 2022-23, ₹28,000.00 crore has been allocated at BE stage for the scheme. Additional funds would be sought at RE stage as well as through supplementary demand on the basis of progress achieved under the scheme. Projection for FY 2023-24 would be made based on the total fund allocation during FY 2022-23 and balance liability towards central assistance.

The Ministry persuaded with participating States/Uts since inception of the scheme to saturate the housing demand in urban areas and constantly monitoring progress of scheme so that funds are released in time and projects are completed within scheduled time to achieve the objective of the scheme. The Ministry is associated with participating States/Uts at every stage of implementation of scheme and extending all the required support for successful culmination of the scheme.”

**1.7 The Committee understand the explanation given by the Ministry as regards funds demand and utilization by the Ministry under PMAY(U). The Committee however have made a general observation with regards to funds distribution with respect to all Schemes and Missions of the MoH&UA across a mission period. The Committee’s concern is that the current pattern of allocation and utilization of funds indicate that the objectives of the Mission are achieved only during penultimate period or in the extended period, hence, the recommendation is reiterated.**

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

#### **AUGMENTATION OF CITY BUS SERVICES INCLUDING ASSOCIATED INFRASTRUCTURE AND GREEN URBAN MOBILITY INITIATIVES**

1.8 The Committee in their 5th Report (17th Lok Sabha) on Demands for Grants(2021-22) while appreciating the introduction of a new Scheme “Augmentation of City Bus Services including Associated Infrastructure and Green Urban Mobility Initiatives” announced in the budget 2021-22 , to augment City Bus Services on PPP mode including associated infrastructure and Green Urban Mobility Initiatives to support

sustainable mobility and reduction in GHG Emission is being formulated with a total outlay of ₹ 18,010 crore, recommended that this major initiative may be taken up in Mission mode to ensure creation of required infrastructure such as electric charging points, operationalization of CNG stations, etc are put in place on time.

They however, are disappointed to note that (i) the Ministry's reply is silent on the suggestion for taking up the scheme under Mission mode; and, (ii) even after the passage of one year, the said Scheme is yet to have the approval of Expenditure Finance Committee (EFC). The Committee find from the reply of the Ministry that the delay in launching the Scheme was due to (i) advise of the EFC for structural change in the Scheme; and, (ii) the various stakeholder meetings held with the officials of State Governments, City Officials, Bus Manufacturers and Bus Operators to receive their feedback/inputs. The Ministry have informed that the proposal is at advance stage of approval in MoHUA and is only being considered for posing it to Department of Expenditure for appraisal by EFC in the month of March, 2022. While acknowledging the need for taking all the stakeholders on Board and complete the processes before actual implementation, taking one year even to place final proposal for approval of EFC may not be desirable. In view of the above, the Committee recommend that the:

- (i) Scheme may be implemented in mission mode with no further delay and the necessary approval from the EFC may be taken without further loss of time; and,
- (ii) Committee may also be briefed regarding the modalities of the scheme, as approved and final status of the implementation of the Scheme.

1.9 In their Action Taken Reply, the MoHUA have stated as follows:-

"The proposed scheme was formulated earlier in the month of March 2021 and EFC Memo was sent to Department of Expenditure for appraisal by the Expenditure Finance Committee (EFC) headed by Secretary (Expenditure). The appraisal of the Scheme was done on 22.4. 2021 and a structural change was advised by the EFC. Subsequently, based on the feedback received in a series of meetings held in the Ministry with the officials of State Governments, Cities, Bus Manufacturers and Bus Operators, revised proposal was shared with central Ministries for inter-ministerial consultation. The final EFC Memo was submitted to Ministry of Finance on 16.3.2022

which was considered by the EFC at its meeting held on 13.4.2022. During EFC meeting, 'in principle' approval of the Scheme was accorded. The Draft Cabinet Note has now been sent to Ministry of Finance on 17.5.2022 for their approval. "

**1.10 The Committee desire to be updated about the modalities of the Scheme, as finalized and the final status of the implementation of the Scheme.**

**Recommendation (Sl.No. 4)**

**PHYSICAL PROGRESS UNDER PMAY (U)**

1.11 The Committee had recommended as under:

"The Committee note that under the Scheme, launched in 2015, with a vision to provide Housing for All by 2022, 1.15 crore houses were sanctioned, approximately 94 lakh houses have been grounded and about 55 lakh houses have completed construction. The afore mentioned data reveals that even after a lapse of seven years, since the commencement of the Scheme 50% (approx) of the houses targeted only have completed construction. The Committee further note that that even though the timeline to complete the construction of all the sanctioned houses have been extended till March 2024, no new houses will be sanctioned or fresh DPRs considered beyond March 31, 2022. The Committee have also been apprised during interaction with State representatives that even the land needed to construct projects under PMAY(U) have not been acquired in some States/UTs. Further, the Committee also note that many houses constructed under PMAY(U) are not in livable condition with windows and doors missing and illegally occupied by anti social elements. The Committee are of the view that such state of the houses could also be because of delay in handing over the completed houses to the targeted beneficiaries. The Committee while agreeing with the submission made by the Secretary, MoHUA that 'quality' of houses constructed under PMAY(U) is the responsibility of the Ministry, the Committee recommend that:

- (i) Ministry must take suitable steps to ensure that States/UTs acquire land and overcome the various technical and logistic difficulties and submit the necessary proposals/ applications on the portal before March 31, 2022;

(ii) The Ministry take up the matter with the state Govts for ensuring quality reliability and livability of the houses constructed under the scheme with the state Govt officials at regular intervals and also ensure the provision of lift in all the houses constructed under PMAY (U).

(iii) Ensure handing over of completed houses to the beneficiaries in a time bound manner.”

1.12 In their Action Taken Reply, the Ministry have stated as follows:

“PMAY-U is a demand driven scheme. Based on the housing requirements in urban areas and resources available, participating States/UTs prepared project proposals and with due approval of State Level Sanctioning and Monitoring Committee (SLSMC), these proposals have been submitted to Central Sanctioning and Monitoring Committee (CSMC) seeking admissible central assistance. Central assistance along with State share are transferred to beneficiaries/implementing agencies in instalments for construction of houses. The projects sanctioned under the scheme generally have a gestation period of 12-36 months. As on 31.03.2022, 122.69 lakh houses have been sanctioned of which 21.59 lakh houses have been sanctioned during FY 2021-22. Further, due to COVID-19 pandemic, the economic condition of State as well as beneficiaries came under strain which affected the progress of scheme and therefore, to ease financial burden of stakeholders and achieve the objective of the scheme, the Ministry has sought an extension of two years to complete all the houses sanctioned upto 31.03.2022 and release the committed central assistance in projects.

So far, more than 100 lakh houses have been grounded for construction under the scheme of which more than 60.15 lakh houses have been completed. The comments with respect to recommendation of Committee are as under: -

- a. Under PMAY-U, out of 122.69 lakh sanctioned houses, 73.76 lakh houses have been sanctioned under Beneficiary Led Construction (BLC) vertical where beneficiaries construct houses on their own land. Further, 23.97 lakh houses and 4.33 lakh houses have been sanctioned under Credit Linked Subsidy Scheme (CLSS) and In-situ Slum Redevelopment (ISSR) Verticals respectively where availability of land is not an issue. As land is a scarce resource in urban areas,

some States finding it difficult to make available encumbrance free land for some projects under Affordable Housing in Partnership (AHP) vertical under which 20.63 lakh houses have been sanctioned. States/UTs have already been advised to prepare/amend their master plan to earmark land for affordable housing or provide alternate site for such projects sanctioned under AHP. They have also been advised to consider providing land to eligible beneficiaries by purchasing it through open market or by providing land pattas as being done by some of the States like Andhra Pradesh, Madhya Pradesh, and Odisha etc.

- b. To ensure quality construction under the scheme, States/UTs have engaged a Third-Party Quality Monitoring Agency (TPQMA) who visits the project sites and advise/report them on quality related issues. On the basis of such report, implementing agencies take both preventive and curative measures to ensure standard quality houses. The Action Taken Report (ATRs) on the observations of TPQMA is also placed before SLSMC of the respective State for approval. Houses being constructed under the Scheme are as per standards provided in National Building Code (NBC) or local bye-laws.
- c. To complete all the sanctioned houses in a time bound manner, the Ministry has taken up the issue with States and asked them to ground the houses as per timelines. States/UTs have been instructed to ensure grounding and completion of houses as per strict timelines:
  - i. Houses sanctioned till 30.06.2021- To be grounded by 30.06.2022
  - ii. Houses sanctioned after 30.06.2021 - To be grounded by 31.12.2022
- d. Since the progress of PMAY-U is being monitored through a robust MIS system, States/UTs have been requested to resolve all pending MIS issues immediately.
- e. Periodic review of progress is being done with States/UTs at different forums to resolve the outstanding issues by following best practices in implementation of scheme by other States/UTs. They have also been persuaded to allot all the completed houses immediately to the identified beneficiary.

Further, with reference to the observations regarding **many houses constructed are not in liveable condition with windows doors missing and illegally occupied by anti-social elements**, it is informed 96,511 houses constructed under erstwhile scheme of Jawaharlal Nehru National Urban Renewal Mission (JnNURM) are lying vacant for a long period and some of them are in bad shape. Concerned States/UTs have been requested to make them liveable by repair/retrofitting, if required, and allot to the eligible beneficiaries or convert them into Affordable Rental Housing Complexes (ARHCs) for rental purposes for urban migrants/poor."

**1.13 The Committee observe from the reply of the Ministry that States/UTs have been given strict timelines for grounding of Houses sanctioned. The Committee are however disappointed to note that though strict timelines have been provided for grounding of the houses but no timelines have been provided for the completion of houses. The Committee feel the percentage of grounding with respect to sanctioned houses is much better than the actual completion percentage, hence, it would be prudent for the Ministry to also give timelines for completion of grounded houses.**

Finally, with regards to 96,511 houses constructed under erstwhile scheme of Jawaharlal Nehru National Urban Renewal Mission (JnNURM) lying vacant for a long period because of which they are in a bad shape, the Committee reiterate their recommendation that the directions must be given to States/UTs for handing over these Houses and the ones constructed under PMAY(U) to the beneficiaries at the earliest and provide an update to the Committee.

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

#### **CENTRAL ASSISTANCE/SHARE FOR CAPACITY BUILDING FOR SBM-GRANTS- IN- AID GENERAL**

1.14 The Committee had recommended as under:-

"The Committee note that the funds allocated under this head are released to the States to finance the activities for Capacity Building, Administrative and Office Expenses

(CB&A&OE) to be taken up by the concerned States in connection with SBM-U in order to impart training to key stake holders in the sanitation and waste management value chain and towards meeting administrative expenses for engagement of key professionals at various level in the Urban Local Bodies (ULBs).

They further note that the release of Central Share Assistance is subject to receipt of a formal demand duly complete in all respects complying with the Guidelines of the Scheme. As such, any release made there under is demand driven only subject to receipt of a proposal duly complete by the Ministry and due to Covid-19 pandemic, sufficient demand from the States were not received. However, the Committee note that except in 2018-19, during every financial year from 2017-18, unrealistic Budget estimates have been kept indicating imprudent allocation of resources and that Covid-19 which is a recent phenomenon cannot be considered as the only deterrent. Further, even during the ongoing financial year i.e 2021-22, whereby out of the 150 crores allocated under this head at the BE stage to be reduced to 100 crores at the RE stage, only 8.93 crores could be released.

The Committee while expressing concern at the imprudent budgetary allocations vis-a-vis the actuals of the previous years appreciate the Ministry for entire utilization of earmarked funds at RE stage from financial year 2017-18 to 2020-21. They, however, apprehend that mere 9% utilization of RE stage allocations in the current financial year (till 31.12.21) may result in surrendering of substantial amount of RE stage allocations. They, therefore, would like to be apprised of the reasons for such low utilization till the third quarter and the steps taken to ensure their utilization in the last quarter of the financial year to avoid surrendering of the funds."

1.15 In their Action Taken Reply, the Ministry have stated as follows:-

"Low utilisation of the Capacity Building (CB) funds is mainly due to the fact that the State Governments and UTs did not submitted their fund demand proposals, without which the Central Share (CS) funds could not be released resulting in surrendering of substantial amount of RE stage allocations."

**1.16 The Committee understand that it is 'demand driven' head, but fail to understand as to why high allocations have been made without considering the**



utilisation pattern under this head. The Committee are of the opinion that MoHUA should ensure that demand for funds for 'capacity building' under SBM(U) is created among States/UTs and if the Ministry is finding it difficult to get adequate funds' demand from the States/UTs, it would be more prudent to make realistic budgetary allocations in the first place at the BE stage itself.

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

#### **IEC FOR SBM- ADVERTISING & PUBLICITY**

1.17 The Committee had recommended as under:-

"The Committee note that this head is meant for Advertisement and Publicity of the Mission. Advertisement and Mass Publicity campaigns are carried out in Print Media, Audio Visual Media (through DAVP) and Social Media (through the contracted Agency). The Mission also ran a year-long publicity campaign 'Swachhata Selfie' through All India Radio (AIR). Further, Audio-Video clips are also produced through NFDC for the publicity. The Committee believe that Swachh Bharat Mission was introduced to concentrate not only on production outputs like construction of toilets but also on behavioral outcomes including "Open Defecation Free" and advertising & publicity is a key factor for inducing the massive behavioral change as expected under this Mission.

The Committee, however, are perturbed to observe that the allocation and expenditure trend from 2017-18 to 2019-20 under this head shows that 'actuals' fell far short of allocations made even at RE stage and despite significant underutilization of funds, in the previous years high and unrealistic amount of funds were allocated at BE of the subsequent years without giving any thrust to expenditure or utilization of funds. The Committee are of the opinion that it is not enough to just declare cities as ODF or ODF+. Rather continuous and persistent efforts need to be taken to maintain that status over the years and any letting down of the guard by the Ministry may push the country back to the pre-Mission period for which the Ministry needs to come up with better and more effective media campaigns. The Committee, therefore, suggests that realistic budgetary allocations be made and the allocated resources be utilized fully."

1.18 In their Action Taken Reply, the Ministry have stated as follows:-

"The low utilisation of the Information Education Communication and Public Awareness (IEC&PA) funds is due to non-receipt of fund demand proposals from the State Governments and UTs without which the Central Share (CS) funds could not be released resulting in surrendering of substantial amount of RE stage allocations."

**1.19 The Committee are not in complete agreement with the Ministry's oft quoted reply that low utilization of funds under various Minor/Sub heads of Swachh Bharat Mission is due to non-receipt of fund demand proposals from the State Governments and UTs. The Committee are of the opinion that Advertising & Publicity is the crux only through which behavioral change which needs to be brought out in the people under SBM, can be achieved. The Committee are surprised to note that in spite of not being able to receive proposals from States/UTs, the Ministry still continued to allocate higher funds under this head. The Committee, therefore, reiterate its recommendation that MoHUA should encourage States/UTs to make use of this head and make realistic budgetary allocations which can be fully utilized.**

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

#### **THIRD PARTY MONITORING**

1.20 The Committee had recommended as under:-

"The Committee note that almost all the Schemes under MoHUA has a component of third party inspection and monitoring to ensure quality of the assets created under various Schemes. In this context, the Committee are concerned to note that inspite of accountability mechanisms like UCs and third party monitoring, the quality of the assets created are far from satisfactory. The Committee are of the opinion that the third party agency selected to conduct inspection is hardly serious and frequent complaints are received from the beneficiaries. The Committee further observe that no details of inspection such as name of the agency responsible for conducting inspection, time of such inspection, etc are given to the elected representatives of that area

depriving them of the opportunity to raise their concerns. The Committee therefore recommend that elected representatives from local bodies, Legislative Assemblies and Members of Parliament of the concerned ward/constituency may be involved from the stage of project formulation to implementation and may also be informed of the details of the third party inspectionsuch as the details of the inspecting agency and the time of inspection well in time to ensure the smooth conduct of the same."

1.21 In their Action Taken Reply, the Ministry have stated as follows:-

"NITI Aayog has conducted evaluation of Centrally Sponsored Scheme in Urban Transformation Sector in the year 2020 and progress has been found satisfactory in almost all of the Centrally Sponsored Schemes including PMAY(U), AMRUT, Smart Cities Mission, Swachh Bharat Mission(U) and DAY-NULM being implemented by the Ministry.

The scheme guidelines of PMAY-U envisage provision that the States/UTs would engage Third Party Quality Monitoring Agencies (TPQMA) with the required experience and expertise to ensure quality of construction under various components of the Mission. Third party agency will visit the project site and to advise State/UT and Urban Local Bodies (ULBs) on quality related issues. On the basis of quality assurance report by such agencies and also reports of their own technical staff, States and ULBs should take both preventive and curative measures to ensure that standard quality houses and infrastructure are constructed under the Mission. Ministry provided central assistance to implement third party quality monitoring mechanism by sharing the cost on 75:25 basis; and in case of NE and special category states on 90:10 basis. The Action Taken Report (ATRs) on the observations of TPQMA are also placed before State Level Sanctioning and Monitoring Committee (SLSMC) headed by Chief Secretary of the respective State for approval. The scheme guidelines also provides that result of demand survey, Housing for All Plan of Action (HFAPoA) and Annual Implementation Plan (AIP) should be discussed with local representatives including MLAs and MPs of that area so that their views are adequately factored in while finalising the plans and beneficiary list. Recently, the Ministry has launched a **Dashboard** with regard to PMAY-U having all information related to States/UTs-wise sanctioned houses, execution/ occupation

stages, fund released, Utilisation Certificate pending, project-wise fund sanction orders, project timelines, graphical view of various stages of execution, details of beneficiaries etc. The Dashboard will provide State, District and City-wise execution of each project, its present status, data of beneficiaries, fund status, its utilisation etc. The Mission Directorate will also provide access of Dashboard to all Members of Parliament by providing login and password so that they can also see and overview status of execution of projects in districts/cities falling in their respective constituencies. In the meantime such log in IDs and password has been shared with members of Parliamentary Standing Committee and Estimate Committee. States/UTs would also be requested to share all related information about the projects with elected representatives from local bodies, Legislative Assemblies and Members of Parliament of the concerned ward/constituency.

Under AMRUT, Independent Review and Monitoring Agencies (IRMAs) have been appointed for all States/UTs for third-party evaluation of the implementation of the AMRUT Mission. The IRMAs visit each project on a regular basis and submit their reports as well as corrective course of action to the States as well as this Ministry.

An independent third-party evaluation of SBM (U) was carried out by M/s Ernst & Young LLP (E&Y) and the final evaluation report was submitted on 15.01.2021. Further, *as per the directions of Hon'ble Prime Minister during the All India Mayor's Conference, Ministry has included that the mayors of the cities should be engaged in the organizing and monitoring of 'Swachh Ward' Competition. Conducting 'Swachh Ward' competition is one of the indicators in the evaluation of Swachh Survekshan. At present, the annual Swachh Survekshan 2022 and Swachh Survekshan League 2023 is going on for which the assessment agency IPSOS Research Private Limited has been selected through open bidding process.*

A mid-term evaluation of DAY-NULM was done through Quality Council of India (QCI), in the year 2018 and the evaluation found the Mission relevant, equity oriented, effective and impactful. "

**1.22 The Committee note that the Ministry has elaborated the third Party monitoring or independent review or evaluation mechanism which exist under the**

various mission guidelines. However, the Ministry failed to construed the point made by the Committee. The Committee have pointed out that inspite of the existing third party monitoring and reviewing mechanism, serious questions have been raised about the quality of the assets created or the various claims/achievements made under various Missions. The Committee, hence, reiterate their recommendation that provision should be made to involve elected representatives from Local bodies, Legislative Assemblies and Members of Parliament of the concerned ward/constituency from the stage of project formulation to implementation and may also be informed of the details of the third party inspection such as the details of the inspecting agency and the time of inspection well in time to ensure the smooth conduct of the same.

#### **Recommendation (Sl. No. 16)**

#### **MUNICIPAL BONDS**

1.23 The Committee had recommended as under:-

"The Committee observe that Schemes like AMRUT and Smart Cities Mission (SCM) have a component to raise funds through Municipal bonds. The Committee are pleased to note that various Municipal Corporations like Ghaziabad, Lucknow and 10 other cities have undergone Credit Rating Evaluation and have been successful in raising funds from the market. However, the Committee are surprised to note the extremities in the capacities of Municipal bodies of the capital city of Delhi whereby NDMC feel no need to raise funds through Municipal bonds as they have enough revenue and North MCD which do not have enough funds to even pay their staff salaries. Further, the Committee are concerned to note that SDMC though trying to raise funds through Municipal Bonds have not been given necessary approval by the Competent Authority i.e. Delhi Government. The Committee, therefore recommend the:

- (i) Ministry to take up the matter with various state Govts to impress upon the need to take suitable steps to improve the credit worthiness of various Municipal Bodies and ensure that adequate capacity building training is conducted; and,
- (ii) Ministry may take up the matter with Govt. of NCR of Delhi for enabling South Delhi Municipal Corporation (SDMC) raise funds through Municipal Bonds. "

1.24 In their Action Taken Reply, the Ministry have stated as follows:-

- i. Ministry sensitizes the States/UTs through Video Conference, workshops and letters to take suitable steps to improve the credit rating of Urban Local Bodies (ULBs) and Capacity Building training is also conducted by the experts of MoHUA.
- ii. As regards issuance of Municipal Bond by South Delhi Municipal Corporation, Ministry has sent letters to Govt. of NCT of Delhi on 22.04.2000 and 20.05.2022 and the requisite information / reply from Govt. of NCT of Delhi is awaited. However, Govt. of NCT of Delhi has informed on 26.05. 2022 that they have sought comments from Delhi Municipal Corporations, which is still awaited."

**1.25 The Committee noting the recent developments of unifying and merging all the MCDs under a single unified head, are of the opinion that the issuance of Municipal bonds may be examined with a fresh perspective and outlook. The Committee would like to be apprised of the latest status with regards to raising of Municipal bonds and would also like to know whether the merger of MCDs would have had a positive impact over the financial conditions.**

\*\*\*\*\*

## CHAPTER II

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

#### Recommendation(SI. No. 2)

#### URBAN TRANSPORT PLANNING & CAPACITY BUILDING IN URBAN TRANSPORT-GRANTS-IN AID GENERAL

2. The Committee note that the head is meant to provide Central Financial Assistance (CFA) for preparation of Comprehensive Traffic and Transportation Studies, Comprehensive Mobility Plans (CMPs) and all kinds of Traffic and Transport Studies with integrated land use. Techno-Feasibility studies/ Detailed Project Report (DPRs) for individual Urban Transport Metro/ MRTS projects etc are also admissible components for CFA under the scheme.

Analysis of the data on utilization of the funds shows that there has been persistent under-utilization, ranging from 31-73 % of the allocations made even at Revised Estimates (RE) stage for the purpose since 2017-18. The Committee note, from the reply furnished, that the scheme is demand driven and the funds are allocated to State Government/Union Territory/Urban Local Body/Metro Rail Corporation, etc., only after requests are received to this effect and approved by the competent authority. It therefore, could be derived that as the requests for funds are not in commensurate with the availability, the funds remained under-utilized and had to be surrendered since 2017-18. The Committee, however, are of the view that with many Tier -2 cities/towns taking initiatives to switch over to providing pollution free mobility services such as metro networks, electric bus services, etc., the Committee believe that there may not be any dearth of demand for funds for carrying out such studies. The Committee believe that there may be lack of awareness about the scheme among the intended beneficiaries. Had there been awareness about the availability of funds to the intended beneficiaries for the said purpose, such underutilization of funds, year after year, would not have occurred. They, therefore, suggest that the State / UT Governments, Planning Authorities, Metro Rail Authorities may be made aware of the availability of the funds through communications at regular intervals. In case, there is no demand for the funds,

the same may be utilized elsewhere instead of surrendering at the end of the financial year.

2.1 In their Action Taken Reply, the MoHUA have stated as follows:-

"With a view to give wide publicity to the Urban Transport Planning and Capacity Building Scheme to the States/UTs, Ministry of Housing and Urban Affairs vide D.O. letter dated 11-4-2022 has issued advisory to the Chief Secretaries of the States/UTs for taking advantage of the scheme."

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

#### **AUGMENTATION OF CITY BUS SERVICES INCLUDING ASSOCIATED INFRASTRUCTURE AND GREEN URBAN MOBILITY INITIATIVES**

2.2 The Committee in their 5th Report (17th Lok Sabha) on Demands for Grants(2021-22) while appreciating the introduction of a new Scheme "Augmentation of City Bus Services including Associated Infrastructure and Green Urban Mobility Initiatives" announced in the budget 2021-22 , to augment City Bus Services on PPP mode including associated infrastructure and Green Urban Mobility Initiatives to support sustainable mobility and reduction in GHG Emission is being formulated with a total outlay of ₹ 18,010 crore, recommended that this major initiative may be taken up in Mission mode to ensure creation of required infrastructure such as electric charging points, operationalization of CNG stations, etc are put in place on time.

They however, are disappointed to note that (i) the Ministry's reply is silent on the suggestion for taking up the scheme under Mission mode; and, (ii) even after the passage of one year, the said Scheme is yet to have the approval of Expenditure Finance Committee (EFC). The Committee find from the reply of the Ministry that the delay in launching the Scheme was due to (i) advise of the EFC for structural change in the Scheme; and, (ii) the various stakeholder meetings held with the officials of State Governments, City Officials, Bus Manufacturers and Bus Operators to receive their feedback/inputs. The Ministry have informed that the proposal is at advance stage of approval in MoHUA and is only being considered for posing it to Department of Expenditure for appraisal by EFC in the month of March, 2022. While acknowledging the need for taking all the stakeholders on Board and complete the processes before



actual implementation, taking one year even to place final proposal for approval of EFC may not be desirable. In view of the above, the Committee recommend that the:

- (i) Scheme may be implemented in mission mode with no further delay and the necessary approval from the EFC may be taken without further loss of time; and,
- (ii) Committee may also be briefed regarding the modalities of the scheme, as approved and final status of the implementation of the Scheme.

2.3 In their Action Taken Reply, the MoHUA have stated as follows:-

"The proposed scheme was formulated earlier in the month of March 2021 and EFC Memo was sent to Department of Expenditure for appraisal by the Expenditure Finance Committee (EFC) headed by Secretary (Expenditure). The appraisal of the Scheme was done on 22.4. 2021 and a structural change was advised by the EFC. Subsequently, based on the feedback received in a series of meetings held in the Ministry with the officials of State Governments, Cities, Bus Manufacturers and Bus Operators, revised proposal was shared with central Ministries for inter-ministerial consultation. The final EFC Memo was submitted to Ministry of Finance on 16.3.2022 which was considered by the EFC at its meeting held on 13.4.2022. During EFC meeting, 'in principle' approval of the Scheme was accorded. The Draft Cabinet Note has now been sent to Ministry of Finance on 17.5.2022 for their approval. "

2.3 For comments please see *para No. 1.10* of Chapter-I of the Report.

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

#### **YEAR-WISE ALLOCATION AND UTILISATION UNDER PMAY - U**

2.4 Analysis of the data on allocation and utilization of resources for PMAY (U) at RE stage shows that (i) there has been steady increase in allocation since its launch in 2015 except in 2018-19 when it witnessed a dip in allocation of ₹2137 crore; and, (ii) the utilization stood at more than 90% in some years and almost 100% of the allocations made at RE stage. While complimenting the Ministry for spending almost full allocations, the Committee note from the submissions made by the Ministry that the requirement under PMAY(U) is much higher than the ₹28000 crore given to them for

the year 2022-23 & for the next financial year 2023-24, approximately ₹82000 crore more will be required. The Committee in view of the (i) excellent record of the Ministry in utilization of funds since the launch of the scheme, (ii) need to disburse the funds to those applicants whose applications have been received, processed and sanctioned/likely to be sanctioned on or before 31 March, 2022; (iii) multiplier effect that construction/real estate sector has on the economy; and, (iv) targets set for providing 'Housing for All', the Committee strongly suggest that the additional funds sought by the Ministry for the purpose be provided at RE stage in this year and also in the next year budget.

2.5 In their Action Taken Reply, the MoHUA have stated as follows:-

"The sanctioned houses under PMAY-U involves central assistance of ₹ 2.03 lakh crore of which ₹ 1.18 lakh crore has been released as on 31.03.2022. The Mission planned to release central assistance of ₹ 57,395.00 crore in FY 2022-23. Out of ₹28,000.00 crore as BE allocation in FY 2022-23 under, only ₹ 26,300.00 crore is available for release to States/UTs. Additional funds would be sought at RE stage as well as through supplementary demand on the basis of Physical and Financial progress achieved. Projection for FY 2023-24 would be made based on the total fund allocation during FY 2022-23 and balance liability towards central assistance. "

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

#### **ASSISTANCE TO PUBLIC SECTOR & OTHER UNDERTAKINGS FOR CAPACITY BUILDING, ADMN. & OTHER EXPENSES FOR PMAY(U) (GRANTS-IN-AID GENERAL)**

2.6 The Committee note that the funds allocated under this head are released to Central PSUs/Autonomous Bodies for Central Capacity Buildings activities under PMAY-U. Further, the head is being utilized for release of Grants-in-aid to Building Materials and Technology Promotion Council (BMTPC) for implementation of Demonstration Housing Projects (DHPs) and Light House Projects (LHPs) under Technology Sub-Mission component of PMAY-U and Affordable Rental Housing Complexes (ARHCs), a sub-scheme under PMAY-U. The purpose of the technology

Sub Mission component is to facilitate adoption of modern, innovative and green technologies and building materials for faster and quality construction of the houses.

The data on allocation and utilisation of the funds since 2017-18 shows that there has been continuous under/ NIL utilization of the funds allocated even at RE stage except in 2019-20 under this head. It is also not clear as to whether the funds for the purpose will continue to be allocated even after expiry of the Scheme, Housing for All in March , 2022 closure. The Committee while noting that Covid-19 pandemic may have slowed down the utilization under this head but considering the fact that the deadline for the vision of achieving Housing for All by 2022 is approaching, the persistent under/Nil utilization under this head with its emphasis on modern, fast and green construction technologies does not bode well for the Ministry. In view of the above, the Committee may be apprised of:

(i) the reasons for substantial underutilization of the funds even compared to the allocation made at RE stage since 2017-18 except in 2019-20 and the steps taken to address the low utilization levels

(ii) the details of specific cases of (a) modern, innovative and green technologies developed and applied in the construction of houses; and, also (b) building materials developed for faster and quality construction of the houses.

(iii) whether the funds will continue to be allocated even after the expiry of the scheme in March, 2022. Further, the Committee also recommend MoHUA to take suitable steps to provide necessary fillip to TSM by ensuring fast-track completion of all Light House Projects (LHP) and DHP Projects taken under this Mission and full utilization of the funds allocated under this head.

2.7 In their Action Taken Reply, the MoHUA have stated as follows:-

"The funds allocated under this head are released to Central PSUs/Autonomous Bodies for Central Capacity Buildings activities under PMAY-U as Grants-in-aid to Building Materials and Technology Promotion Council (BMTPC) for implementation of Demonstration Housing Projects (DHPs) and Light House Projects (LHPs) under Technology Sub-Mission component of PMAY-U and Affordable Rental Housing

complexes (ARHCs), a sub-scheme under PMAY-U. The purpose of the Technology Sub Mission component is to facilitate adoption of Modern, innovative and green technologies and building material faster and quality construction of the houses.

- i. The reasons for under/NIL underutilization from the FY 2017-18 to 2021-22 are furnished as under:-

(₹ in Crore)

Year	BE	RE	Actuals	Reasons for under-utilization of funds allocated under the head
2017-18	0.01	0.01	0.00	--
2018-19	8.01	8.01	0.00	During FY 2018-19, the proposal under DHP was received from various States/UTs. However, these proposals could not be approved/finalized due to various reasons and as such provisions made under the head could not be utilized. The savings under the head were re-appropriated and utilized for released of central assistance to State/UTs in sanctioned projects.
2019-20	8.57	103.57	103.57	
2020-21	250.00	250.00	71.7956	During FY 2020-21 and 2021-22, under-utilization of the funds allocated was due to Covid-19 pandemic. The savings under the head were re-appropriated and utilized for released of central assistance to State/UTs in
2021-22	695.00	398.00	93.45	

				sanctioned projects.
<b>2022-23</b>	474.01	--	--	Under ARHC, the Ministry has targeted to construct 2.95 lakh units with an estimated Technology Innovation Grant (TIG) of Rs. 600 crore. So far, 80,273 crore units involving TIG of Rs. 178.28 crore has been approved of which Rs. 83.26 crore has been released as 1 <sup>st</sup> Installment till FY 2021-22. In FY 2022-23, the provision has been kept considering sanctioning of new units and balance Installment of already sanctioned units as well as LHP/DHP projects.

- ii. The details of specific cases of (a) modern, innovative and green technologies developed and applied in the construction of houses; and (ii) building materials developed for faster and quality construction of the houses is given in **Annexure-I and Annexure-II** attached.
- iii. EFC approved extension of Mission period till 31.03.2024 for completion of all houses sanctioned till 31.03.2022. Cabinet Note for extension of Mission period is under preparation. The Ministry has sought extension for PMAY-U up to March, 2024 for fulfilling the objectives of the Scheme and funds will be provisioned to meet the committed obligation towards sanctioned projects during the extended period.
- iv. The DHP/LHP projects under the Scheme of PMAY-U are being monitored continuously and the States/UTs have been asked to ensure for completion of projects in time bound manner."

## Recommendation (Sl. No. 7)

### ASSISTANCE TO UTs WITHOUT LEGISLATURES AS A PART OF SPECIAL COMPONENT PLAN FOR SCS FOR GRANTS FOR CREATION OF CAPITAL ASSETS UNDER PMAY (U)

2.8 The head is meant for providing Central assistance to the beneficiaries belonging to Scheduled Caste category in projects sanctioned under PMAY-U in UTs without legislature. The Committee note from the data provided by MoHUA that in UTs without legislature, 18 project proposals have been sanctioned for construction of 4,673 houses and of the approved central assistance of ₹ 70.09 crore, a total of Rs 36.40 crore only has been released so far i.e. a little more than 50% of the sanctioned amount. They further, note that out of the sanctioned houses, 4,137 houses have been grounded for construction and only 861 houses i.e. 21% only of the houses grounded have been completed and delivered to the beneficiaries. In fact, during the last five FYs 2017-18 to 2021-22, miniscule amount, allocated at RE stage, only was spent. Even during the ongoing year i.e. 2021-22, “Nil” amount has been spent under this head as on 31.12.2021.

MoHUA’s contention that continuous and substantial under/NIL utilization of the funds since 2018-19 due to achievement of compliances in less number of projects and less number of SC beneficiaries in sanctioned projects. Had the State Govt authorities taken up the matter at regular intervals surrendering of the funds for the last four years would have been avoided. The Committee believe that there is no dearth of eligible persons from these disadvantaged communities requiring dwelling units. Had the Ministry impressed upon the need for the UT Govt. concerned at regular intervals, the need for surrendering of the funds year after year would not have occurred. The Committee, therefore suggest that before the expiry of the scheme, suitable steps be taken to ensure the utilization of the funds.

2.9 In their Action Taken Reply, the MoHUA have stated as follows:-

"Progress of PMAY-U in UTs without legislature is as under:

Sl.	Name of the	Physical Progress	Financial Progress (Rs. in crore)

No.	State/ UT	Houses Sanctioned	Grounded for construction	Houses Completed	Central Assistance sanctioned	Central Assistance Released
1	A&N Island (UT)	580	580	22	8.71	1.43
2	Chandigarh (UT)	-	-	-	-	-
3	UT of DNH & DD	3150	2618	419	47.25	25.30
4	Ladakh (UT)	1312	1020	537	30.13	21.23
5	Lakshadweep (UT)	-	-	-	-	-
Total		5042	4218	978	86.09	47.96

Apart from above, interest subsidy of Rs. 166.68 crore has been disbursed to 8130 beneficiaries of UTs without legislature under CLSS vertical of PMAY-U.

Under PMAY-U, projects are prepared based on demand assessed/received by concerned State/UT. Out of 5,042 houses sanctioned for UTs without legislature 239 houses belongs to SC beneficiaries. So far, ₹ 0.72 crore has been released for these beneficiaries. Further, a provision of ₹ 2.00 crore has been kept in the current FY considering sanctioning of new houses upto the period 31.03.2022 and due installment of central assistance for release to already sanctioned beneficiaries. The Mission agrees that funds allocated under the head was not utilized fully for the purpose it was kept, however, savings under the head was re-appropriated to other heads of the scheme for release of central assistance to SC beneficiaries in projects sanctioned in other States/UTs for optimal utilization of funds allocated for the scheme. However, the suggestion of the Committee will be taken up with all UTs without legislature so that no

eligible beneficiary from disadvantaged communities is deprived of from benefits of the Scheme.”

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

#### **AFD FUNDED SCHEME FOR SMART CITY PROJECTS- GRANTS FOR CREATION OF CAPITAL ASSETS**

2.10 The Committee have been apprised that this head was created to provide financial assistance to 11 smart city SPVs (namely Agartala, Amritsar, Amaravati, Bhubaneswar, Chennai, Dehradun, Hubballi-Dharwad, Kochi, Surat, Visakhapatnam, Ujjain selected under City Investments to Innovate, Integrate and Sustain (CITIIS) program of Smart Cities Mission (SCM) launched by Ministry of Housing and Urban Affairs (MoHUA) in 2018 for building sustainable urban infrastructure. However, the funds allocation and utilization under this head reflects that as per program design, the 11 cities selected were able to submit mandatory compliance documents in FY 2019-20 and has so far received only first installment which is 10% of the grant component, i.e., 72 crores. In order to claim the second installment (40% of the grant component), the SPVs had to complete the Maturation Phase and submit utilization certificate for 80% of utilization of the first installment. It is disheartening to learn that in the subsequent FYs, i.e., 2020-21 and 2021-22 the SPVs could not even utilize 80% of this first installment disbursed or complete the maturation phase and hence could not claim the second installment. Considering the above position and that CITIIS is a unique approach in itself, the Committee desire that a detailed status report on the reasons for non-compliance to meet the program guidelines by the SPVs which have so far not utilized the first installment along with comments from MoHUA may be furnished. The Committee are of unanimous view that MoHUA role shall not be confined to mere allocation of funds. MoHUA should ensure that the 11 SPVs are able to meet the necessary compliances set and are able to benefit from the designed program.

2.11 In their Action Taken Reply, the MoHUA have stated as follows:-

"12 SPVs were selected in March, 2019 under the CITIIS program through a challenge process. These SPVs are receiving a financial and technical assistance for developing innovative and sustainable urban infrastructure projects that would benefit



the citizens. CITIIS has been designed as a Sandbox for urban innovation where each SPV was required to undergo a 24 step maturation process that includes developing a project logical framework, a stakeholder engagement plan, a baseline study report, environmental & social safeguards screening, environmental & social impact assessment, environmental & social management plan, feasibility study and detailed project report among others. While the SPVs underwent the maturation phase, they were provided with a three-tier technical assistance through a dedicated international mentor, a domestic expert and a pool of transversal experts. The maturation phase has immensely benefitted the project design; for an instance the Amritsar project which was a pure electric mobility project is now also yielding social transformation results. It was initially envisaged that the maturation phase would last for 6-9 months but it took around 1.5 years due to innovative nature of the program process that was introduced for the first time and also due to Covid restrictions which didn't allow the experts to be on-field nor the staff to be fully dedicated on the project, as they were on Covid duty.

As per the program design, the fund allocated has to be released to the selected SPVs in four installments of 10%, 40%, 40% and 10% on the submission of compliance documents. The first tranche of 10% of the approved funds was disbursed to SPVs in 2019 and the currently total utilization by the 11 SPVs (mentioned in recommendation no. 8) is 60% as on 28<sup>th</sup> February 2022. 2<sup>nd</sup> tranche with a total outlay of ₹ 64 crores has been disbursed to two SPVs (Ujjain, and Hubballi Dharwad) and others SPVs shall request the second tranche in the first quarter of FY 2022-23. MoHUA along-with NIUA conducts monthly monitoring meeting with SPVs in this regard and NIUA conducts quarterly on-site missions to monitor and expedite the progress. Tenders worth ₹ 609 crores have already been awarded or floated corresponding to 70% of the total tenders to be awarded under the CITIIS program. It is estimated that by the first quarter of FY 2022-23, all tendering shall be completed, and work orders shall be awarded. This will expedite the financial and physical progress of the projects.

SPV-wise status report is given below for the SPVs that have not yet utilised the first tranche or received second tranche:

#	SPV	Status	Remarks of the Ministry

1	Agartala	<p>Financial progress:</p> <ul style="list-style-type: none"> <li>• 54% of 1<sup>st</sup> Tranche utilized</li> </ul> <p>Physical Progress:</p> <ul style="list-style-type: none"> <li>• Total Number of Tenders Awarded/Open: 3</li> <li>• Value of tenders Awarded/Open: 77.77 Crore</li> </ul> <p>Pending Compliance: NA</p>	<ul style="list-style-type: none"> <li>• The project has component of resettlement of 37 families in the project area which involved many stakeholder meetings and affiliated administrative approvals, as required by Government of India guidelines and the funding agency (AFD) which was a time-consuming process.</li> <li>• The resettlement of bamboo shops in the project area has become a sub-judice matter which caused delay in finalisation of the component.</li> <li>• For one of the pilot projects, the site was encroached by an auto-stand. After much delay and the intervention of Hon'ble Mayor of Agartala, this site has been handed over for the project.</li> <li>• The project is in advanced stage now and all tenders have either been awarded or floated.</li> </ul>
2	Amaravati	<p>Financial progress:</p> <ul style="list-style-type: none"> <li>• 60% of 1<sup>st</sup> Tranche utilized</li> </ul> <p>Physical Progress:</p> <ul style="list-style-type: none"> <li>• Total Number of Tenders</li> </ul>	<ul style="list-style-type: none"> <li>• One of the key compliance of the program is transfer of funds from the State Government to the CITIIS project bank account opened by the SPV. The first instalment of CITIIS Program has not been transferred from the State Government to the SPV. Due to this issue, the SPV is unable to award</li> </ul>

		<p>Awarded/Open: 5</p> <ul style="list-style-type: none"> <li>Value of tenders Awarded/Open: 81.20 Crore</li> </ul> <p>Pending Compliance: Transfer of funds from State to SPV</p>	<p>contracts.</p> <ul style="list-style-type: none"> <li>The matter has been taken-up by MoHUA with the relevant authorities of Government of Andhra Pradesh.</li> </ul>
3	Amritsar	<p>Financial progress:</p> <ul style="list-style-type: none"> <li>9% of 1<sup>st</sup> Tranche utilized</li> </ul> <p>Physical Progress:</p> <ul style="list-style-type: none"> <li>Total Number of Tenders Awarded/Open: 1 (empanelment of OEM)</li> </ul> <p>Pending Compliance: NA</p>	<ul style="list-style-type: none"> <li>The nature of the RAAHI project is not procurement intensive as most of the total project cost is to be utilized for providing subsidies to auto-rickshaw drivers.</li> <li>The project has six major components, most of which are not cost intensive that ought to be followed chronologically, viz: <ul style="list-style-type: none"> <li>Formation of auto rickshaw drivers co-operatives society in Amritsar</li> <li>Replacement of diesel auto rickshaws with e-auto</li> <li>Development of charging infrastructure across 19</li> </ul> </li> </ul>

			<p>locations in the city</p> <ul style="list-style-type: none"> <li>○ Improve the Intermediate Public Transport (IPT) and pedestrian infrastructure at key metrobus stations</li> <li>○ Skill development trainings for female family members of auto drivers; and route rationalization of e-autos plying on shared basis.</li> </ul> <ul style="list-style-type: none"> <li>• Even though the project shows low financial utilization, the project has progressed significantly, 05 MoU Signed [with State Bank of India, India Women Conference, EESL and 2 Original Equipment Manufacturers (OEMs)]; Auto Rickshaw Drivers Cooperative Society has been registered and Feasibility study of 19 locations for installation of charging stations has been done with EESL.</li> <li>• The SPV has initiated extensive promotion of their CITIIS project and it expects that the procurement of e-Autos by the Auto rickshaw drivers will increase and consequent to disbursement of subsidy, the financial progress shall also improve.</li> </ul>

4	Bhubaneswar	<p>Financial progress:</p> <ul style="list-style-type: none"> <li>• 29% of 1<sup>st</sup> Tranche utilized</li> </ul> <p>Physical Progress:</p> <ul style="list-style-type: none"> <li>• Total Number of Tenders Awarded/Open: Nil</li> </ul> <p>Pending Compliance: NA</p>	<ul style="list-style-type: none"> <li>• Bhubaneswar is following an integrated approach of project developing wherein Bhubaneswar Smart City Ltd, Bhubaneswar Development Authority and Bhubaneswar Municipal Corporation are jointly developing infrastructure across the city through the CITIIS program. A collaboration agreement between all the Stakeholders was a time consuming process.</li> <li>• The SPVs completed all the required compliances and shall begin tendering by the first quarter of FY 2022-23.</li> </ul>
5	Chennai	<p>Financial progress:</p> <ul style="list-style-type: none"> <li>• 97% of 1<sup>st</sup> Tranche utilized</li> </ul> <p>Physical Progress:</p> <ul style="list-style-type: none"> <li>• Total Number of Tenders Awarded/Open:24</li> <li>• Value of tenders Awarded/Open: 80.98 Crore</li> </ul>	<ul style="list-style-type: none"> <li>• The SPV is in the process of opening the Single Nodal Agency Account for CITIIS Account which is a mandatory requirement for transfer of funds to the SPV. The Chennai SPV is working towards opening the account. Once the account is opened the funds will be transferred.</li> <li>• The SPV has awarded/floated most of the tenders as per their procurement plan, the financial and physical progress is projected to improve considerably in the first quarter of FY 2022-23..</li> </ul>

		Pending Compliance: NA	
6	Dehradun	<p>Financial progress:</p> <ul style="list-style-type: none"> <li>• 35% of 1<sup>st</sup> Tranche utilized</li> </ul> <p>Physical Progress:</p> <ul style="list-style-type: none"> <li>• Total Number of Tenders Awarded/Open: Nil</li> </ul> <p>Pending Compliance: NA</p>	<ul style="list-style-type: none"> <li>• The coordination and administrative issues in the SPV has led to delays in the project, consequently there has been a lag in the tendering process.</li> <li>• Delays in the approval to conduct total station surveys (among others) led to the delays in finalizing street designs.</li> <li>• Another cause of delay has been closure of schools due to Covid that led to delay in conducting stakeholder analysis.</li> <li>• The required compliances have been met and the SPV shall begin tendering by the first quarter of FY 2022-23.</li> </ul>
7	Kochi	<p>Financial progress:</p> <ul style="list-style-type: none"> <li>• 76% of 1<sup>st</sup> Tranche utilized</li> </ul> <p>Physical Progress:</p> <ul style="list-style-type: none"> <li>• Total Number of Tenders Awarded/Open: 2</li> </ul>	<ul style="list-style-type: none"> <li>• The project in Kochi has been delayed due to Covid as the entire staff of the SPV was deputed on Covid duty for more than a year and progress on the CITIIS project was stalled.</li> <li>• Tendering of the Kochi project has now been completed and the project will conclude by the end of December, 2022.</li> </ul>

		<ul style="list-style-type: none"> <li>Value of tenders Awarded/Open: 9.33 Crore</li> </ul> <p>Pending Compliance: NA</p>	
8	Surat	<p>Financial progress:</p> <ul style="list-style-type: none"> <li>7% of 1<sup>st</sup> Tranche utilized</li> </ul> <p>Physical Progress:</p> <ul style="list-style-type: none"> <li>Total Number of Tenders Awarded/Open: 8</li> <li>Value of tenders Awarded/Open: 91.84 Crore</li> </ul> <p>Pending Compliance: NA</p>	<ul style="list-style-type: none"> <li>One of the reasons for the delay in Surat is Covid as the entire staff of the SPV was deputed on Covid duty for more than a year.</li> <li>Due to the strike of contractors in Gujarat in the first half of 2021, the tenders for quick-win project were floated four times it did not attract any bids. Finally, the quick-win project was awarded and ground-breaking ceremony was held in October, 2022 by the Honourable Chief Minister.</li> <li>All tenders under the project have either been floated or they are under the process to be floated.</li> </ul>
9	Visakhapatnam	<p>Financial progress:</p> <ul style="list-style-type: none"> <li>56% of 1<sup>st</sup> Tranche</li> </ul>	<ul style="list-style-type: none"> <li>One of the key compliance of the program is transfer of funds from the State Government to the CITIIS project</li> </ul>

		<p>utilized</p> <p>Physical Progress:</p> <ul style="list-style-type: none"> <li>Total Number of Tenders Awarded/Open: 8</li> <li>Value of tenders Awarded/Open: 51.20 Crore</li> </ul> <p>Pending Compliance: Transfer of funds from State to SPV</p>	<p>bank account opened by the SPV. The first instalment of CITIIS Program has not been transferred from the State Government to the SPV. Due to this issue, the SPV is unable to award contracts.</p> <ul style="list-style-type: none"> <li>The matter has been taken-up by MoHUA with the relevant authorities of Government of Andhra Pradesh.</li> <li>Another reason for the delay has been unavailability of contractors, the tendering process had to be re-launched five times before the quick-win project could be awarded.</li> </ul>
--	--	--	--

"

### Recommendation (Sl. No. 9)

#### YEAR-WISE ALLOCATION AND UTILISATION UNDER SBM (U)

2.12 The allocation and spending pattern of the resources for Swachh Bharat Mission (Urban) for five year period from 2016-17 to 2020-21 shows that it could spend more than 90 % of the allocations except in 2018-19 when it spent 82% only of the funds available at RE stage. Further, in three financial years 2017-18, 2019-20 and 2020-21, it could spend almost 100% of the funds provided at RE stage. The data for the ongoing financial year shows that till 07.02.2022, it could spend 37% of the funds allocated at RE stage.

Responding to the Committee's apprehension about the ability of the Ministry to spend the remaining 63% of RE in the next two months, the Ministry submitted that as



on 07.03.2022, 62% of the funds have already been spent / released and rest 38% of the funds will also be spent / utilized before 31 March 2022. The Committee find it surprising that the Ministry spent almost 30% of the funds within one month and another 38% in less than one month. Further, the Committee note from the submissions made by the Ministry while appearing before the Committee on 09.03.2022 that as on date proposals worth ₹ 700 crores have reached the Ministry from States/UTs under SBM 2.0 which will be processed by the Ministry by 31.03.2022. The Committee are of the apprehension whether such a "March-Rush" where most of the funds allocated under a particular head is being spent in the last quarter, can be considered prudent spending. The Committee while acknowledging that this is a demand driven Scheme and spending depends on the demands sent to the Ministry by the States/UTs, however, point out that such rushed expenditure may give the impression that the demand has been generated with the sole purpose of using up the funds allocated under this head.

In view of the above, the Committee while appreciating the Ministry for their commendable performance in utilizing more than 90%, in three out of five years the utilization is almost 100%, of the allocated resources consistently during 2016-17 to 2020-21, want them to apprise the Committee of the reasons for such huge shortfall in spending in the ongoing financial year and the steps taken to avoid incurring substantial allocations in the fag end of the financial year, in violation of the prescribed guidelines issued by the Department of Expenditure.

2.13 In their Action Taken Reply, the MoHUA have stated as follows:-

"(i) The expenditure incurred by the Ministry depends on the fund demand proposals received from State Governments/Union Territories (UTs). Further there are certain procedural requirements and conditions, as stipulated in the SBM-U operational guidelines and other instructions issued by Department of Expenditure (DoE), Ministry of Finance (MoF), which are required to be fulfilled before the Central Share (CS) funds are released by the Ministry. Many proposals for demand of CS funds received from States/UTs fail to meet these mandatory requirements and do not qualify for immediate fund release. Often States/UTs take considerable time in complying with such requirements for CS fund release. Besides this, there are other factors like the extent of

responsiveness from States/UTs and Urban Local Bodies factors (ULBs), various bottlenecks (including failures in tendering, getting encumbrance free land, local issues like change of political dispensation and its priorities, local elections, extreme climatic conditions in some states of Himalayan and North Eastern States and flooding in large parts during rainy season, etc.) faced in grounding the projects by the ULBs. Hence the percentage of budget utilisation varies from year to year.

(ii) During 2020-21, most of the ground level work in Urban Local Bodies (ULBs) like tendering, award of contract, execution of project work by the contractors, etc. was severely hampered owing to lockdowns and shortage of labour due to COVID restrictions and the ULBs could not execute the work timely leading to delay in submission of Utilization Certificates (UCs) for the funds already released to them earlier. As per Mission Guidelines and procedures, further CS funds could not be released to the States/UTs/ULBs for non-submission of UCs. Thus the CS funds release got affected in the first 9-10 months of the F.Y. 2021-22.

Further, most of the States/UTs have already drawn most of the CS funds allocation made to them under SBM-U. So these States/UTs did not have much left over funds in the allocated pool of CS funds under the SBM-U (1st phase of the Mission). However, the second phase of the Mission, SBM-U 2.0 was launched on 01.10.2021 and thereafter the Operational Guidelines were released on 27th October, 2021. Thus most of the states started submitting their proposals and Action Plans for Central Share (CS) fund release under SBM-U 2.0 in February and March, 2022, after complying with the requirement of the Guidelines and after getting approval of the State Level Technical Committee (SLTC). Hence, majority of the proposals were processed in the month of February and March, 2022, and funds were released during these two months. This resulted in a big jump in expenditure from 37% as on 07.02.2022 to 63% as on 07.03.2022 and further expenditure of the remaining RE allocation by 31.03.2022.

It may therefore be appreciated that the spending was not a "March-Rush" or imprudent spending, but legitimate and real demand-based spending, arising due to launch of the 2nd phase of the Mission, i.e. SBM-U 2.0, in October, 2021 and fund request proposals under SBM-U 2.0 being received thereafter."

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

#### **INNOVATIVE & SPECIAL PROJECTS (I&SP) UNDER DAY – NULM- GRANTS-IN - AID GENERAL**

2.14 The Committee note that this head is used for release of Grant-in-aid to non-NER States for implementation of Innovative & Special projects (I&SP) component of the Mission. The Committee regret to observe that not even a single rupee was spent even compared to RE stage allocations since 2018-19.

The reason given by the Ministry for this "NIL" utilisation of the funds allocated under this head is the lack of appropriate proposals from States under I&SP and hence available budget was utilized on approved Action Plans and past liabilities. However, the Committee are unable to fathom this explanation by the Ministry because the budget allocated under this head is not at all utilized (Nil) even on approved Action Plans and past liabilities as seen in the data submitted in the DDG across years. Nevertheless, the Committee are happy to note that there is a huge jump in the allocations at RE stage in the year 2021-22 under this head meant for making payment of ₹ 46.50 crore to NSDC (National Skill Development Corporation) towards the new I&SP project for skill training of 1.06 lakhs candidates in the construction sector with an estimated cost of Rs 93 crore (approx.) under Innovative & Special Projects (I&SP) component but at the same time feel apprehensive whether the Ministry will be able to utilize the increased funds considering the fact that as on 31.12.2021, the actual expenditure under this head is still "NIL". Therefore, the Committee recommend the Ministry to:

- (i) Appraise the Committee about how the available budget was utilized on approved Action Plans and past liabilities when the Actual expenditure of each year since 2018-19 is shown to be "NIL";

- (ii) Also appraise the Committee regarding the status of the new I&SP project for skill training of 1.06 lakhs candidates in the construction sector and the reasons as to why no funds have been released to NSDC for the purpose till 31.12.2021 ; and
- (iii) Pursue with the Non NER states to take up more and more projects under the I&SP component of DAY-NULM so as to effectively utilize the funds allocated under this particular head.

2.15 In their Action Taken Reply, the MoHUA have stated as follows:-

"The funds allocated under this head were re-appropriated to other relevant heads of the scheme with due approval of the competent authority for releasing to States as grant-in-aid', to be utilized for implementation of States' targets as per their Annual Action Plans including clearing of past liabilities.

(ii) ₹ 46.44 crore have been released to NSDC on 31.03.2022 with due approval of Ministry of Finance in the last week of March 2022. NSDC has made necessary preparations for launch of this project by last week of June 2022.

(iii) The suggestions of the Hon'ble Committee have been noted for compliance."

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

#### **CAPITAL OUTLAY ON STATIONERY & PRINTING FOR GOVERNMENT PRINTING PRESSES-MACHINERY & EQUIPMENT**

2.16 The Committee note that the funds allocated under this Head is meant for the procurement of Machinery and equipment for the Govt. of India Printing Presses. The Committee further note that the BE of this head ranged from 0.50 crores in 2017-18 to as high as 90 crores in 2020-21. The Committee, however, express concern that in 2017-18 only 66% of the allocation made at RE stage was utilized. The utilization further deteriorated in 2018-19 during which "NIL" expenditure was incurred against the RE and the trend of zero utilization continued again no amount could be incurred

despite huge allocations made in 2019-20 and 2020-21 also despite huge spike in allocations even at RE stage also. The Committee while examining the reasons as submitted by MoHUA for under/Nil utilization find that: (i) Cost of machinery procured during the year 2017-18 was less than the estimated cost of machinery; (ii) In 2019-20 and 2020-21 amount was proposed for the procurement of Machinery under the modernization of Govt. of India Press, Minto Road, New Delhi but the same could not be spent due to delay in completion of building of the Press; (iii) the tender floated for procurement of machinery got cancelled due to lack of participation; and, (iv) restrictions were imposed by the Govt. of India for inviting Global tender below ₹ 200 Crore. The Committee while acknowledging the cogency of the reasons as elaborated in points (i) to (iv) leading to under/Nil utilization of the funds under this head, point out that inspite of all the above reasons and "Nil" spending even compared to sharply reduced REs in the earlier years (2019-20 and 2020-21), far higher allocations were sought in the subsequent years (2020-21 and 2021-22) for the purpose and in fact even in the ongoing financial year i.e.2021-22, only 1.94 lakh could be spent till 31.12.2021 out of the 65 crore allocated during RE Stage. The Committee, therefore recommend the Ministry to:

- (i) extra efforts should be made to make up for the loss of time due to COVID-19 and complete the modernisation project of Govt. of India Press, Minto Road, New Delhi;
- (ii) Take suitable steps and provide widespread publicity to encourage participation for the tender floated for procurement of machinery; and,
- (iii) Take suitable steps through widespread consultation to seek one time relaxation on the restrictions imposed by the Govt. of India for inviting Global tender below ₹ 200 crore considering the fact that the machinery required are not manufactured indigenously.

2.17 In their Action Taken Reply, the MoHUA have stated as follows:-

- (i) Best efforts have been made to expedite the Modernization Project of Govt. of India Press, Minto Road, New Delhi; as a result the 1<sup>st</sup> Phase of the Construction

of Press Building has been completed and the Press is operational in the newly constructed building with existing machines and equipment.

The 2<sup>nd</sup> Phase i.e. construction of 6 nos. of essential residential officers' quarters, Canteen, Waste Paper Godown, Barrack for Joint Cypher Bureau's (JCB), Defence Security Corps (DSC) Staff, Welfare Club etc. is under process.

A MoU has been signed on 22.03.2022 appointing National Buildings Construction Corporation (NBCC) as a Project Management Consultant (PMC) for procurement, installation and maintenance of printing machinery and equipment for Govt. of India Press, Minto Road, New Delhi. NBCC has already floated both, Global and Domestic Tenders for the procurement of printing machinery and equipment and further processing of these tenders is underway.

- (ii) PMC (NBCC) has floated both Global and Domestic Tenders for the procurement of printing machinery and equipment. For the wider publicity, the Global tender documents have been circulated to the Embassies of the prospective manufacturing countries through Ministry of External Affairs. The Tender Documents were also uploaded on the website of M/o HUA and CPP Portal.
- (iii) One-time relaxation on the restrictions imposed by the Government of India for inviting Global tenders below ₹ 200 crore was taken up and Cabinet Secretariat vide their I.D. No. 213/2/1/2020-CA.IV-(Vol.II) dated 6<sup>th</sup> September, 202 had conveyed approval which enabled floating of Global Tenders for the procurement of printing machinery and equipment for Govt. of India Press, Minto Road, New Delhi. "

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

#### **UTILIZATION CERTIFICATES**

2.18 The Committee note that as per GFR 151(1), utilization certificate for the grants released in the previous year should be submitted within 12 months of the closure of the financial year for the purpose of sanctioning the grant-in-aid for the subsequent years.

The Committee further note from the submissions made by the Ministry that despite vigorous follow up by the Ministry, Utilization Certificates are still pending for the previous financial years. The Committee express concern that until these pending UCs are received by the Ministry, further funds under the said head won't be released thus slowing down the progress of the Scheme/programme. The Committee, therefore, recommend that the Ministry may take suitable steps to ensure that all the pending UCs of the previous year are submitted by the concerned States/ULBs and necessary funds are released to them.

2.19 In their Action Taken Reply, the MoHUA have stated as follows:-

"Under the provisions of Rule 238, Rule239 and Rule 240 of the General Financial Rules, 2017, the Utilisation Certificates (UCs)are required to be submitted within 12 months of the closure of the next financial year in which the grants are released. In respect of Grants to an Institution or Organization, Utilization Certificate (UCs) of the Grants received for the purpose for which it was sanctioned is to be submitted within twelve months of the closure of the financial year by the Institution or Organization concerned. Similarly, State Governments are also required to submit Utilization Certificate when Central Grants are given to State Governments for implementation of Central Schemes. As Implementing Agencies are required to submit Utilization Certificates (UCs) at the close of next financial year i.e., after a duration of 11-23 months, depending upon the stage of release, UCs for the funds released during the year 2020-21under various schemes are due for submission during the current year 2022-23.

Out of the total grants of ₹ 2,00,531 crore released so far under various schemes being implemented by the Ministry, UCs for ₹ 1,76,401 crore constituting approximately 88% of the grants released have been received. Balance UCs include UCs for releases made in 2021-22 for which UCs are not otherwise due and will become due in next financial year.

The submission of pending utilization certificates is being monitored in close coordination with States /UTs and their implementing agencies where this issue is being raised from time to time through visits, video conference, letters and through emails.

Status of progress regarding pending UCs during the current financial year is as under:

-

(₹ in Crore)

<b>As on</b>	<b>UCs due and pending</b>
01.04. 2022	9,997
03.06. 2022	9,403

States/UTs and organizations etc. are being advised regularly to submit all pending Utilisation Certificates at the earliest."

#### **Recommendation (Sl. No. 16)**

#### **MUNICIPAL BONDS**

2.20 The Committee observe that Schemes like AMRUT and Smart Cities Mission (SCM) have a component to raise funds through Municipal bonds. The Committee are pleased to note that various Municipal Corporations like Ghaziabad, Lucknow and 10 other cities have undergone Credit Rating Evaluation and have been successful in raising funds from the market. However, the Committee are surprised to note the extremities in the capacities of Municipal bodies of the capital city of Delhi whereby NDMC feel no need to raise funds through Municipal bonds as they have enough revenue and North MCD which do not have enough funds to even pay their staff salaries. Further, the Committee are concerned to note that SDMC though trying to raise funds through Municipal Bonds have not been given necessary approval by the Competent Authority i.e. Delhi Government. The Committee, therefore recommend the:



- (i) Ministry to take up the matter with various state Govts to impress upon the need to take suitable steps to improve the credit worthiness of various Municipal Bodies and ensure that adequate capacity building training is conducted; and,
- (ii) Ministry may take up the matter with Govt. of NCT of Delhi for enabling South Delhi Municipal Corporation (SDMC) raise funds through Municipal Bonds.

2.21 In their Action Taken Reply, the MoHUA have stated as follows:-

- i. "Ministry sensitizes the States/UTs through Video Conference, workshops and letters to take suitable steps to improve the credit rating of Urban Local Bodies (ULBs) and Capacity Building training is also conducted by the experts of MoHUA.
- ii. As regards issuance of Municipal Bond by South Delhi Municipal Corporation, Ministry has sent letters to Govt. of NCT of Delhi on 22.04.2020 and 20.05.2022 and the requisite information / reply from Govt. of NCT of Delhi is awaited. However, Govt. of NCT of Delhi has informed on 26.05. 2022 that they have sought comments from Delhi Municipal Corporations, which is still awaited."

2.22 For comments please see *para No. 1.25* of Chapter-I of the Report.

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

**NIL**

## CHAPTER IV

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

#### Recommendation (Sl. No. 1)

#### **NEED FOR EVEN ALLOCATION AND UTILIZATION OF FUNDS THROUGH THE MISSION/SCHEME PERIOD**

4. The Committee are glad to note that Ministry's utilization of allocated resources in comparison to Revised Estimates, stood upwards of 94% since 2016-17. In the current Financial Year 2021-22, the utilization till 07.02.22 stood at 67.07% and going by the submissions made by the Ministry, the Committee are hopeful that the utilization levels in this year also will reflect the earlier years' performance. The Committee while appreciating such high level of utilization, are of the view that the Ministry may put in place a mechanism to ensure that the quality of the assets created is as per the standards set.

Further, the Committee while noting that the Ministry had reduced its allocation at RE stage in the two financial years 2019-20 and 2020-21, appreciate that in the financial year 2021-22, there has been almost 35% increase at the RE stage. Such increased allocations augur well for the development of urban areas whose population is projected to reach 60 crores by 2031 from 37.71 crores in 2011 and further expected to account for more than 50 percent of India's population. The Committee, further, note from the submissions made by the Ministry that this jump in the RE to the tune of ₹19,269.26 crore in the year 2021-22 is mainly to meet the requirement of additional funds of ₹ 19,000 crore under Pradhan Mantri AwasYojana(Urban), ₹ 100 crore under PMSVANidhi and ₹ 169.26 crore for GPRA/GPOA of CPWD including Central Vista Projects / New Parliament Building.

The Committee acknowledge that since it is the final year of PMAY(U), more funds were sought to achieve the targets under the Scheme. However, the Committee note from the submissions made by the Ministry that the requirement under PMAY(U) is much higher than the ₹28,000 crore given to them and during the year 2022-23 & 2023-24, approximately ₹82,000 crore more will be required. Further, the Ministry of Finance

has currently agreed to allocate only ₹28,000 crore and assured that rest of the funds will be allocated gradually in the subsequent years. The Committee are of the opinion that such a situation would not have come if the Ministry had sought more funds in the beginning by motivating the States/UTs to hit the ground running and sort out the logistic and technical issues associated with the Scheme expeditiously. The Committee, therefore, recommend that the Ministry need to learn from its past experiences whereby the trend is to seek drastically high amount of funds in the penultimate and concluding years of the Scheme to achieve the targets set as seen in PMAY(U) and rather take suitable steps to ensure that both physical and financial targets in a particular Scheme are met from the beginning of the launch year of the Scheme and thus the funds allocations are evenly distributed during the scheme/mission period.

4.1 In their Action Taken Reply, the MoHUA have stated as follows:-

“Demand of houses for eligible beneficiaries in urban areas is dynamic in nature. Under PMAY-U, States/UTs prepared project proposals based on the demand assessed and resources available with them in phase-wise manner. During initial years of scheme, the demand of funds from States/Uts was less as only 1<sup>st</sup> installment was released in sanctioned projects. However, during later period, the requirement of fund under the scheme increased considerably with sanctioning of new projects as States/Uts started claiming balance installment for earlier projects along with funds for grounding of new projects. Over the past two years, constant measures and efforts have been taken at all levels to ensure timely grounding and completion of the houses despite the challenges caused by COVID-19 pandemic. As of March 2019, around 60.79 lakh houses were sanctioned under the Mission; most of these houses are nearing completion now. Further, during FY 2019-20 and 2020-21 additional 41.52 lakh houses were sanctioned. With the rapid pace of construction across the nation, the Mission has completed grounding of more than 1 crore houses which in itself is a milestone. Accordingly, the Mission projected enhanced demand during later years of the scheme but continued to get budgetary allocation with normative increase over previous year allocation. However, in FY 2017-18, Cabinet approval was obtained to raise ₹ 60,000.00 crore as Extra Budgetary Resources (EBR) over four-year period. Therefore, the shortfall in allocation of fund for the scheme accumulated and based on

the projects sanctioned till scheme period i.e. upto 31.03.2022, the balance committed liability for release stands as ₹ 85,406.00 crore. In FY 2022-23, ₹28,000.00 crore has been allocated at BE stage for the scheme. Additional funds would be sought at RE stage as well as through supplementary demand on the basis of progress achieved under the scheme. Projection for FY 2023-24 would be made based on the total fund allocation during FY 2022-23 and balance liability towards central assistance.

The Ministry persuaded with participating States/Uts since inception of the scheme to saturate the housing demand in urban areas and constantly monitoring progress of scheme so that funds are released in time and projects are completed within scheduled time to achieve the objective of the scheme. The Ministry is associated with participating States/Uts at every stage of implementation of scheme and extending all the required support for successful culmination of the scheme.”

4.2 For comments please see *para No. 1.7* of Chapter-I of the Report.

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

#### **PHYSICAL PROGRESS UNDER PMAY (U)**

4.3 The Committee note that under the Scheme, launched in 2015, with a vision to provide Housing for All by 2022, 1.15 crore houses were sanctioned, approximately 94 lakh houses have been grounded and about 55 lakh houses have completed construction. The afore mentioned data reveals that even after a lapse of seven years, since the commencement of the Scheme 50% (approx) of the houses targeted only have completed construction. The Committee further note that that even though the timeline to complete the construction of all the sanctioned houses have been extended till March 2024, no new houses will be sanctioned or fresh DPRs considered beyond March 31, 2022. The Committee have also been apprised during interaction with State representatives that even the land needed to construct projects under PMAY(U) have not been acquired in some States/UTs. Further, the Committee also note that many houses constructed under PMAY(U) are not in livable condition with windows and doors missing and illegally occupied by anti social elements. The Committee are of the view

that such state of the houses could also be because of delay in handing over the completed houses to the targeted beneficiaries. The Committee while agreeing with the submission made by the Secretary, MoHUA that 'quality' of houses constructed under PMAY(U) is the responsibility of the Ministry, the Committee recommend that:

(i) Ministry must take suitable steps to ensure that States/UTs acquire land and overcome the various technical and logistic difficulties and submit the necessary proposals/ applications on the portal before March 31, 2022;

(ii) The Ministry take up the matter with the state Govts for ensuring quality reliability and livability of the houses constructed under the scheme with the state Govt officials at regular intervals and also ensure the provision of lift in all the houses constructed under PMAY (U).

(iii) Ensure handing over of completed houses to the beneficiaries in a time bound manner.

4.4 In their Action Taken Reply, MoHUA have stated as follows:-

"PMAY-U is a demand driven scheme. Based on the housing requirements in urban areas and resources available, participating States/UTs prepared project proposals and with due approval of State Level Sanctioning and Monitoring Committee (SLSMC), these proposals have been submitted to Central Sanctioning and Monitoring Committee (CSMC) seeking admissible central assistance. Central assistance along with State share are transferred to beneficiaries/implementing agencies in instalments for construction of houses. The projects sanctioned under the scheme generally have a gestation period of 12-36 months. As on 31.03.2022, 122.69 lakh houses have been sanctioned of which 21.59 lakh houses have been sanctioned during FY 2021-22. Further, due to COVID-19 pandemic, the economic condition of State as well as beneficiaries came under strain which affected the progress of scheme and therefore, to ease financial burden of stakeholders and achieve the objective of the scheme, the Ministry has sought an extension of two years to complete all the houses sanctioned upto 31.03.2022 and release the committed central assistance in projects.

So far, more than 100 lakh houses have been grounded for construction under the scheme of which more than 60.15 lakh houses have been completed. The comments with respect to recommendation of Committee are as under: -

- a.** Under PMAY-U, out of 122.69 lakh sanctioned houses, 73.76 lakh houses have been sanctioned under Beneficiary Led Construction (BLC) vertical where beneficiaries construct houses on their own land. Further, 23.97 lakh houses and 4.33 lakh houses have been sanctioned under Credit Linked Subsidy Scheme (CLSS) and In-situ Slum Redevelopment (ISSR) Verticals respectively where availability of land is not an issue. As land is a scarce resource in urban areas, some States finding it difficult to make available encumbrance free land for some projects under Affordable Housing in Partnership (AHP) vertical under which 20.63 lakh houses have been sanctioned. States/UTs have already been advised to prepare/amend their master plan to earmark land for affordable housing or provide alternate site for such projects sanctioned under AHP. They have also been advised to consider providing land to eligible beneficiaries by purchasing it through open market or by providing land pattas as being done by some of the States like Andhra Pradesh, Madhya Pradesh, and Odisha etc.
- b.** To ensure quality construction under the scheme, States/UTs have engaged a Third-Party Quality Monitoring Agency (TPQMA) who visits the project sites and advise/report them on quality related issues. On the basis of such report, implementing agencies take both preventive and curative measures to ensure standard quality houses. The Action Taken Report (ATRs) on the observations of TPQMA is also placed before SLSMC of the respective State for approval. Houses being constructed under the Scheme are as per standards provided in National Building Code (NBC) or local bye-laws.
- c.** To complete all the sanctioned houses in a time bound manner, the Ministry has taken up the issue with States and asked them to ground the houses as per timelines. States/UTs have been instructed to ensure grounding and completion of houses as per strict timelines:
  - i.** Houses sanctioned till 30.06.2021 - To be grounded by 30.06.2022
  - ii.** Houses sanctioned after 30.06.2021 - To be grounded by 31.12.2022

- d. Since the progress of PMAY-U is being monitored through a robust MIS system, States/UTs have been requested to resolve all pending MIS issues immediately.
- e. Periodic review of progress is being done with States/UTs at different forums to resolve the outstanding issues by following best practices in implementation of scheme by other States/UTs. They have also been persuaded to allot all the completed houses immediately to the identified beneficiary.

Further, with reference to the observations regarding many houses constructed are not in liveable condition with windows doors missing and illegally occupied by anti-social elements, it is informed 96,511 houses constructed under erstwhile scheme of Jawaharlal Nehru National Urban Renewal Mission (JnNURM) are lying vacant for a long period and some of them are in bad shape. Concerned States/UTs have been requested to make them liveable by repair/retrofitting, if required, and allot to the eligible beneficiaries or convert them into Affordable Rental Housing Complexes (ARHCs) for rental purposes for urban migrants/poor."

4.5 For comments please see *para No. 1.13* of Chapter-I of the Report.

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

### **CENTRAL ASSISTANCE/SHARE FOR CAPACITY BUILDING FOR SBM-GRANTS- IN- AID GENERAL**

4.6 The Committee note that the funds allocated under this head are released to the States to finance the activities for Capacity Building, Administrative and Office Expenses (CB&A&OE) to be taken up by the concerned States in connection with SBM-U in order to impart training to key stake holders in the sanitation and waste management value chain and towards meeting administrative expenses for engagement of key professionals at various level in the Urban Local Bodies (ULBs).

They further note that the release of Central Share Assistance is subject to receipt of a formal demand duly complete in all respects complying with the Guidelines of the Scheme. As such, any release made there under is demand driven only subject to receipt of a proposal duly complete by the Ministry and due to Covid-19 pandemic,



sufficient demand from the States were not received. However, the Committee note that except in 2018-19, during every financial year from 2017-18, unrealistic Budget estimates have been kept indicating imprudent allocation of resources and that Covid-19 which is a recent phenomenon cannot be considered as the only deterrent. Further, even during the ongoing financial year i.e 2021-22, whereby out of the 150 crores allocated under this head at the BE stage to be reduced to 100 crores at the RE stage, only 8.93 crores could be released.

The Committee while expressing concern at the imprudent budgetary allocations vis-a-vis the actuals of the previous years appreciate the Ministry for entire utilization of earmarked funds at RE stage from financial year 2017-18 to 2020-21. They, however, apprehend that mere 9% utilization of RE stage allocations in the current financial year (till 31.12.21) may result in surrendering of substantial amount of RE stage allocations. They, therefore, would like to be apprised of the reasons for such low utilization till the third quarter and the steps taken to ensure their utilization in the last quarter of the financial year to avoid surrendering of the funds.

4.7 In their Action Taken Reply, MoHUA have stated as follows:-

"Low utilisation of the Capacity Building (CB) funds is mainly due to the fact that the State Governments and UTs did not submitted their fund demand proposals, without which the Central Share (CS) funds could not be released resulting in surrendering of substantial amount of RE stage allocations."

4.8 For comments please see *para No. 1.16* of Chapter-I of the Report.

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

#### **IEC FOR SBM- ADVERTISING & PUBLICITY**

4.9 The Committee note that this head is meant for Advertisement and Publicity of the Mission. Advertisement and Mass Publicity campaigns are carried out in Print Media, Audio Visual Media (through DAVP) and Social Media (through the contracted Agency). The Mission also ran a year-long publicity campaign 'Swachhata Selfie'

through All India Radio (AIR). Further, Audio-Video clips are also produced through NFDC for the publicity. The Committee believe that Swachh Bharat Mission was introduced to concentrate not only on production outputs like construction of toilets but also on behavioral outcomes including “Open Defecation Free” and advertising & publicity is a key factor for inducing the massive behavioral change as expected under this Mission.

The Committee, however, are perturbed to observe that the allocation and expenditure trend from 2017-18 to 2019-20 under this head shows that ‘actuals’ fell far short of allocations made even at RE stage and despite significant underutilization of funds, in the previous years high and unrealistic amount of funds were allocated at BE of the subsequent years without giving any thrust to expenditure or utilization of funds. The Committee are of the opinion that it is not enough to just declare cities as ODF or ODF+. Rather continuous and persistent efforts need to be taken to maintain that status over the years and any letting down of the guard by the Ministry may push the country back to the pre-Mission period for which the Ministry needs to come up with better and more effective media campaigns. The Committee, therefore, suggests that realistic budgetary allocations be made and the allocated resources be utilized fully.

4.10 In their Action Taken Reply, MoHUA have stated as follows:-

"The low utilisation of the Information Education Communication and Public Awareness (IEC&PA) funds is due to non-receipt of fund demand proposals from the State Governments and UTs without which the Central Share (CS) funds could not be released resulting in surrendering of substantial amount of RE stage allocations."

4.11 For comments please see *para No. 1.19* of Chapter-I of the Report.

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

#### **THIRD PARTY MONITORING**

4.12 The Committee had recommended as under:-

"The Committee note that almost all the Schemes under MoHUA has a component of third party inspection and monitoring to ensure quality of the assets created under various Schemes. In this context, the Committee are concerned to note

that inspite of accountability mechanisms like UCs and third party monitoring, the quality of the assets created are far from satisfactory. The Committee are of the opinion that the third party agency selected to conduct inspection is hardly serious and frequent complaints are received from the beneficiaries. The Committee further observe that no details of inspection such as name of the agency responsible for conducting inspection, time of such inspection, etc are given to the elected representatives of that area depriving them of the opportunity to raise their concerns. The Committee therefore recommend that elected representatives from local bodies, Legislative Assemblies and Members of Parliament of the concerned ward/constituency may be involved from the stage of project formulation to implementation and may also be informed of the details of the third party inspection such as the details of the inspecting agency and the time of inspection well in time to ensure the smooth conduct of the same."

4.13 In their Action Taken Reply, the Ministry have stated as follows:-

"NITI Aayog has conducted evaluation of Centrally Sponsored Scheme in Urban Transformation Sector in the year 2020 and progress has been found satisfactory in almost all of the Centrally Sponsored Schemes including PMAY(U), AMRUT, Smart Cities Mission, Swachh Bharat Mission(U) and DAY-NULM being implemented by the Ministry.

The scheme guidelines of PMAY-U envisage provision that the States/UTs would engage Third Party Quality Monitoring Agencies (TPQMA) with the required experience and expertise to ensure quality of construction under various components of the Mission. Third party agency will visit the project site and to advise State/UT and Urban Local Bodies (ULBs) on quality related issues. On the basis of quality assurance report by such agencies and also reports of their own technical staff, States and ULBs should take both preventive and curative measures to ensure that standard quality houses and infrastructure are constructed under the Mission. Ministry provided central assistance to implement third party quality monitoring mechanism by sharing the cost on 75:25 basis; and in case of NE and special category states on 90:10 basis. The Action Taken Report (ATRs) on the observations of TPQMA are also placed before State Level Sanctioning and Monitoring Committee (SLSMC) headed by Chief Secretary of the respective State

for approval. The scheme guidelines also provides that result of demand survey, Housing for All Plan of Action (HFAPoA) and Annual Implementation Plan (AIP) should be discussed with local representatives including MLAs and MPs of that area so that their views are adequately factored in while finalising the plans and beneficiary list. Recently, the Ministry has launched a Dashboard with regard to PMAY-U having all information related to States/UTs-wise sanctioned houses, execution/ occupation stages, fund released, Utilisation Certificate pending, project-wise fund sanction orders, project timelines, graphical view of various stages of execution, details of beneficiaries etc. The Dashboard will provide State, District and City-wise execution of each project, its present status, data of beneficiaries, fund status, its utilisation etc. The Mission Directorate will also provide access of Dashboard to all Members of Parliament by providing login and password so that they can also see and overview status of execution of projects in districts/cities falling in their respective constituencies. In the meantime such log in IDs and password has been shared with members of Parliamentary Standing Committee and Estimate Committee. States/UTs would also be requested to share all related information about the projects with elected representatives from local bodies, Legislative Assemblies and Members of Parliament of the concerned ward/constituency.

Under AMRUT, Independent Review and Monitoring Agencies (IRMAs) have been appointed for all States/UTs for third-party evaluation of the implementation of the AMRUT Mission. The IRMAs visit each project on a regular basis and submit their reports as well as corrective course of action to the States as well as this Ministry.

An independent third-party evaluation of SBM (U) was carried out by M/s Ernst & Young LLP (E&Y) and the final evaluation report was submitted on 15.01.2021. Further, *as per the directions of Hon'ble Prime Minister during the All India Mayor's Conference, Ministry has included that the mayors of the cities should be engaged in the organizing and monitoring of 'Swachh Ward' Competition. Conducting 'Swachh Ward' competition is one of the indicators in the evaluation of Swachh Survekshan. At present, the annual Swachh Survekshan 2022 and Swachh Survekshan League 2023 is going on for which the assessment agency IPSOS Research Private Limited has been selected through open bidding process.*

A mid-term evaluation of DAY-NULM was done through Quality Council of India (QCI), in the year 2018 and the evaluation found the Mission relevant, equity oriented, effective and impactful. "

4.14 For comments please see *para No. 1.22* of Chapter-I of the Report.

\*\*\*\*\*

## CHAPTER V

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

"Nil"

New Delhi  
02 August, 2022  
11 Shravan, 1944 (Saka)

JAGDAMBIKA PAL  
Chairperson  
Standing Committee on  
Housing and Urban Affairs

**Standing Committee on Housing & Urban Affairs (2021-2022)**  
**Minutes of the Sixteenth Sitting of the Committee on Housing & Urban Affairs held on Tuesday, 02 August, 2022**

The Committee sat from 1500 hours to 1600 hours in Committee Room C, Ground Floor, Parliament House Annexe, New Delhi.

***PRESENT***

*Shri Jagdambika Pal* - Chairperson

**Members**

**Lok Sabha**

2. Shri Benny Behanan
3. Shri Ramcharan Bohra
4. Shri Hibi Eden
5. Shri S Ramalingam
6. Shri Shankar Lalwani
7. Shri Syed Imtiaz Jaleel
8. Shri Rahul Ramesh Shewale
9. Shri Sunil Kumar Soni
10. Shri Sudhakar Tukaram Shrangre
11. Shri M V V Satyanarayana
12. Shri Ramesh Chander Kaushik
13. Shri P C Mohan

**Rajya Sabha**

14. Shri Subhasish Chakraborty
15. Shri Sanjay Singh
16. Shri Ram Chander Jangra

## **Secretariat**

- |    |                      |                  |
|----|----------------------|------------------|
| 1. | Shri V.K. Tripathi   | Joint Secretary  |
| 2. | Ms. Archana Pathania | Director         |
| 3. | Ms. Swati Parwal     | Deputy Secretary |

2. At the outset, the Hon'ble Chairperson welcomed Members of the Standing Committee on Housing & Urban Affairs for the Sitting of the Committee.

3. The Committee then took up for consideration the Draft Action Taken Reports on the (i) Tenth Report (Seventeenth Lok Sabha) on PM SVANidhi; and, (ii) Twelfth Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) and adopted both the Reports without any modifications.

4. However, while examining the replies of the Ministry on the recommendations/observations of the Committee in their Tenth Report on PM SVANidhi, the Committee felt that in respect of recommendations where they are not satisfied or partially satisfied with the replies received from the Ministry, there is a need to hear the views of the State Governments of Sikkim and Maharashtra to facilitate a solution for the problems plaguing the implementation of the Scheme in these States.

**The Committee then adjourned.**



[Vide para 4 of the Introduction]

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE TWELTH REPORT (SEVENTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2022-23)**

<b>I.</b>	<b>Total number of recommendations</b>	<b>16</b>
<b>II.</b>	<b>Recommendations/Observations which have been accepted by the Government:</b>	<b>11</b>
	<b>Recommendation Nos. 2, 3, 5, 6, 7, 8,9, 12, 13, 14 and 16</b>	
	<b>Percentage to total recommendations</b>	<b>(68.75 %)</b>
<b>III.</b>	<b>Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:</b>	<b>Nil</b>
	<b>Recommendation Nos. Nil</b>	
	<b>Percentage to total recommendations</b>	<b>(0%)</b>
<b>IV.</b>	<b>Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:05</b>	
	<b>Recommendation Nos. 1, 4, 10, 11 and 15</b>	
	<b>Percentage to total recommendations</b>	<b>(31.25%)</b>
<b>V.</b>	<b>Recommendations/Observations in respect of which final replies of the Government are still awaited: Nil</b>	
	<b>Percentage to total recommendations</b>	<b>(0%)</b>

\*\*\*\*\*