

## Chapter 4 : Construction of Houses and Quality

### 4.1 Physical target and achievement

The Working Group under the Planning Commission on Rural Housing assessed a housing shortage of 426.90 lakh in rural areas for BPL families for XI<sup>th</sup> Five Year Plan (2007-12). Out of this, shortage of 150 lakh (30 lakh houses per year) houses was to be met under the IAY. Further, 50 lakh housing shortage was assessed for 2012-13 at the beginning year of XII<sup>th</sup> Five Year Plan. Thus, the Working Group fixed the targets of construction of 170 lakh houses under the IAY for 2008-13. However, for the same period the Ministry fixed a target of only 148.25 lakh houses to be constructed under the IAY based on budgetary outlay provided by the Ministry of finance every year. We noted that against the target of 148.25 lakh houses, 128.92 lakh houses (86.96 per cent against Ministry's target and 75.84 per cent against Working Groups target) were constructed as shown in **Table-5** below:

**Table-5: Physical target and achievement**

(Figures in lakh<sup>1</sup>)

Year	Target as per Working Group	Target as per the Ministry	Houses actually completed
2008-09	30.00	21.27	21.34
2009-10	30.00	40.52	33.86
2010-11	30.00	29.09	27.15
2011-12	30.00	27.27	24.71
2012-13	50.00	30.10	21.86
<b>Total</b>	<b>170.00</b>	<b>148.25</b>	<b>128.92</b>

We noted that the IAY could not bridge the gap in housing shortage in the country significantly despite an expenditure of ₹ 60,239 crore during 2008-13 as the problem of housing shortage assessed at the beginning of XI<sup>th</sup> Five Year Plan

<sup>1</sup> Figures pertains to the entire country

(426.90 lakh) remained almost of the same magnitude at the beginning of XII<sup>th</sup> Five Year Plan (400 lakh).

The Ministry accepted the audit observation and stated that target under the IAY were fixed based on the budgetary outlay provided by the Ministry of Finance every year. However, in audit's opinion, various flaws in the implementation of the Scheme, such as non-transparency in selection of beneficiary coupled with double/triple allotment prohibits scope for better utilisation of available allocations and faster removal of shelterlessness.

#### 4.2 Unfruitful expenditure on incomplete houses

According to para 5.10 of the IAY guidelines, the construction of the IAY houses should not take more than two years.

In 48 selected districts of nine states *viz.* Assam, Bihar, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Maharashtra, Meghalaya and Rajasthan, 61,293 houses remained incomplete despite a lapse of more than two years which resulted in unfruitful expenditure of ₹ 150.22 crore in respect of these incomplete houses. The details are given in **Table-6** below:

**Table-6: Details of incomplete IAY houses**

State/UT	No. of District	Houses incomplete beyond two years	Amount involved in incomplete houses (₹ in crore)
Assam	02	750	1.48
Bihar	10	13,405	36.87
Gujarat	06	16,607	**34.91
Jammu & Kashmir	05	1,035	1.94
Jharkhand	06	6,396	14.80
Karnataka	08	13,625	15.78
Maharashtra	05	6,432	35.19
Meghalaya	01	83	0.25
Rajasthan	05	2,960	8.70
<b>Total</b>	<b>48</b>	<b>61,293</b>	<b>150.22</b>

\*\* Amount for 12,717 incomplete houses as amount for balance 3,890 houses could not be worked out.

### Case Study – Incorrect reporting of physical progress of the IAY houses in Gujarat and Jharkhand

In Tarapur *taluka* of Anand district of **Gujarat**, the construction of two houses were recorded as complete up to lintel level and the beneficiaries were paid amount of assistance admissible up to lintel level. However, during joint physical inspection, it was found that the houses were not completed up to lintel level as shown below in the **pictures 1** and **2**. Similarly, in Anand *taluka* house was shown as completed based on the completion certificate issued and photograph submitted by the implementing authorities. The final instalment was made to the beneficiary. However, during joint physical inspection it was found that these houses were incomplete as shown below in **pictures 3** and **4**. Thus, the related records did not reflect the correct position.

Taluka Development Officer (TDO) stated (June 2013) that matter would be investigated and clarification would be sought from the concerned talati (*panchayat mantri* in panchayat equivalent to *patwari* in other states) and Additional Assistant Engineer (AAE) and instruction would be issued to all the concerned to take due care while submitting the completion certificate.



**Picture-1:** IAY house in Moraj village in Tarapur taluka of Anand district



**Picture-2:** IAY house in Moraj village in Tarapur taluka of Anand district

**Photo as per office record**



**Picture-3:** IAY house in Samarkha village in Anand taluka of Anand district

**Actual Photo as per site visit**



**Picture-4:** IAY house in Samarkha village in Anand taluka of Anand district

In **Jharkhand**, during joint physical inspection, it was noted that 151 houses involving payment of ₹ 62.98 lakh were incomplete though as per records these houses were reported as completed. Thus, from the above it is clear that physical progress of the houses as mentioned in the records were incorrect and the genuineness of completion certificate were questionable. Sample cases are shown below in **pictures 5 and 6**.



**Picture-5:** IAY house in scheme no. 51/08-09 at Gorsanda GP in Godda Sadar block of Dodda district and ₹ 34,300 (final payment) was paid to beneficiary.



**Picture-6:** IAY house in scheme no. 198/08-09 at Sodag GP in Namkum block of Ranchi district and ₹ 35,000 (final payment) was paid to beneficiary.

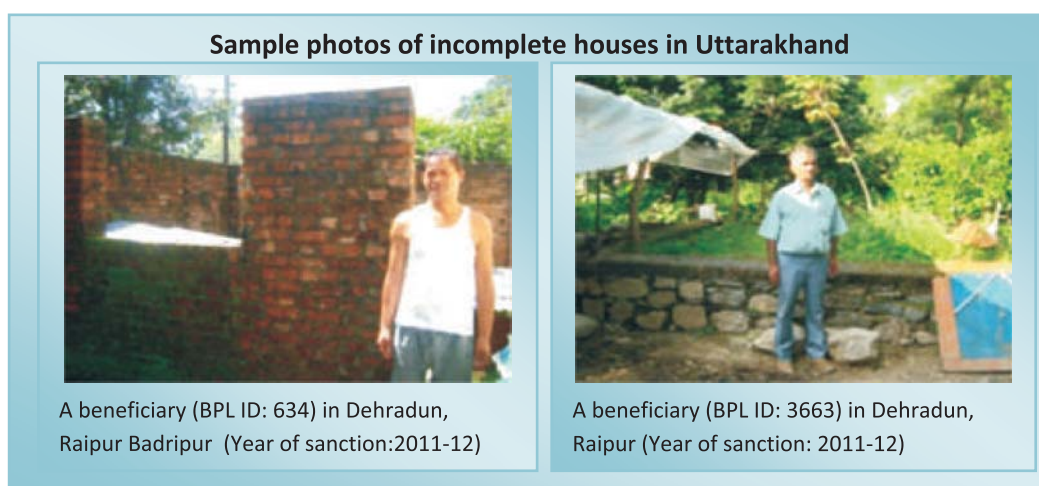
Some irregularities noticed in respect of incomplete houses are as under:

- In **Goa**, 4,111 new houses and 1,316 up-gradation cases sanctioned upto 2010-11 were incomplete as on 31 March 2013 due to lack of proper inspection by the state/district level officers at the work sites and ineffective monitoring at various stages of construction of houses.
- In **Himachal Pradesh**, at the beginning of 2008-09, 1,442 houses were under construction. During 2008-13, 31,570 houses were sanctioned. Against 33,012 houses sanctioned, 32,049 houses were completed, leaving 963 houses incomplete as of March 2013. Director, RDD however, reported 269 houses as incomplete to the Ministry. The reason for mismatch in the reported figures was awaited from the department.
- In **Madhya Pradesh**, in 13 selected districts, 21,574 incomplete houses were reported as completed in the monthly progress reports during 2008-13 due to wrong calculation in MPR.

- In **Meghalaya**, in seven selected blocks<sup>2</sup> in four districts<sup>3</sup>, audit could not ascertain the position of incomplete houses, if any, and also could not assess whether the IAY houses were actually completed within the stipulated period of two years due to non-maintenance of inventory/asset register.
- In **Tripura**, status of 26,398 incomplete IAY houses of previous years were not reported to the Ministry in the annual achievement report sent by the state during 2008-09, 2009-10 and 2012-13. Thus, status of 26,398 incomplete IAY houses remained unascertainable due to non-maintenance of inventory.
- In **Uttarakhand**, records at the state level revealed that prior to April 2008, in the entire state (12 districts) there were 1,353 incomplete houses whereas the number of incomplete houses was 3,084 in three selected districts alone which indicates poor reporting controls.

Abandonment/non-completion of houses by beneficiaries after receipt of one or two instalments of assistance was also pointed out in **Goa, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka** and **Uttarakhand** in the previous performance audit report.

The Ministry stated (June 2014) that houses are completed in two to three years. Thus, a house remaining incomplete at the end of the year is completed during the subsequent year(s). The reply of the Ministry is contradictory to the extant provision in the IAY guidelines which provided that completion of house in no case should take more than two years. The cases pointed out in audit all those in which houses remained incomplete for more than two years.



<sup>2</sup> Pynursla, Mawshynrut, Mawkyrwat, Resubelpara, Songsak, Dalu, Tikrikilla

<sup>3</sup> East Khasi Hills, West Khasi Hills, East Garo Hills, West Garo Hills

**Case Study: Abandoned IAY houses after receiving full amount by the beneficiaries in Jharkhand**

In **Jharkhand**, 25 houses were abandoned even after spending ₹ 8.32 lakh due to various reasons *viz.* land disputes, death of the beneficiary, etc. In some cases construction was not commenced even after receiving final payment. Few sample picture of houses abandoned in Ranchi, East Singhbhum and Deoghar districts are given below:



IAY house in scheme No. 67/2009-10 at Pali GP in Ratu block of Ranchi district abandoned after ₹ 35,000 (final payment) was paid to the beneficiary.



IAY house in scheme No. 88/2009-10 at Hurhuri GP in Ratu block of Ranchi district abandoned after ₹ 35,000 (final payment) was paid to the beneficiary.



IAY house in scheme No. 115/2010-11 at Forest Block GP in Gurabanda block of East Singhbhum district abandoned after ₹ 48,500 (final payment) was paid to the beneficiary.



IAY house in scheme No. 115/2010-11 at Forest Block GP in Gurabanda block of East Singhbhum district abandoned after ₹ 48,500 (final payment) was paid to the beneficiary.

**Case Study: Non commencement of construction****Assam**

Out of 8,500 and 8,458 IAY beneficiaries in two blocks (Kachugaon, Kokrajhar) of district Kokrajhar, 767 and 1,907 beneficiaries respectively did not start the construction work though funds of ₹ 3.44 and ₹ 7.72 crore (being 100 per cent assistance) was released to them.

The reasons for failure to commence the construction work by the beneficiaries were not available on record.

**Case Study: Wasteful expenditure amounting to ₹ 3.87 crore****Jammu & Kashmir**

In 10 blocks of six selected districts, 1,903 beneficiaries were given financial assistance amounting to ₹ 3.87 crore during 2008-12 as first instalment for construction of the IAY houses. The second instalment in these cases were not released and the department did not monitor the status of construction. In the absence of any monitoring of the construction/post-construction work and related data, audit could not ascertain the status of construction in such cases. The BDOs replied that the beneficiaries were selected by GPs. The reply is silent on the measures being initiated to rectify the problem.

### **4.3 Irregular construction of the IAY houses by contractors/department**

Para 5.1 of the IAY guidelines stipulates that no contractors shall be involved in the construction of dwelling units under the IAY. If any such case comes to notice, Government of India will have the right to recover the releases made to state for those IAY houses. The houses should also not be constructed by any government department.

Engagement of contractors in contravention of the IAY guidelines for construction of IAY houses in **Assam, Karnataka** and **Maharashtra** was pointed

out in the previous performance audit report. We observed similar position in the current audit as well. IAY houses costing ₹ 7.88 crore were constructed by contractors or departmentally in 12 blocks of eight selected districts in five states/UT viz. **Assam, Karnataka, Kerala, Maharashtra and Andaman & Nicobar Islands**. The state-wise details are given in **Annex-4.1**.

#### **4.4 Non-approval of type design for the IAY houses**

Para 5.3 of the IAY guidelines enjoins each state government to finalise type designs for the IAY houses along with technical and material specifications to ensure that the house is a *pucca* one with permanent walls and permanent roofing.

We noted that in all 140 selected districts of 22 states viz. **Arunachal Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Odisha, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and West Bengal**, type designs were not finalized/approved by the state governments.

In **Andaman & Nicobar Islands**, the Ministry of Rural Development provided (October 2010) sets of designs for construction of the IAY houses. Adoption of disaster resistant technology in the IAY houses falling in seismic zone was a pre-requisite for construction of houses. However, designs, having disaster resistant features were not adopted for construction of houses. The department stated that adoption of disaster resistant features would escalate cost of construction. However, we noted that the administration never took up the matter with the Ministry to enhance the amount of assistance for adoption of disaster resistant technology. The administration stated that suitable directions would be issued to motivate the BPL beneficiaries to adopt disaster resistant technologies.

The Ministry stated that the states had demanded additional funds for implementation of the IAY and from 2013-14 the states were allowed to utilise four *per cent* of the IAY fund as administrative expenses. The Ministry further added that state governments were requested to prepare type designs that were locally relevant for the IAY houses for use by the beneficiaries and at its level, in collaboration with IIT Delhi, set up the rural housing Knowledge Network portal,



a repository on information regarding type design, construction technique and practitioners in the field of rural housing.

#### **4.5 Formation of Committee to co-ordinate construction work**

According to para 2.3 of the IAY guidelines, a committee at DRDA/ZP level may be formed, if so desired, to coordinate the construction work of the IAY houses. The committee shall be sensitized to incorporate hazard-resistant features in the design of the houses.

We noted that no such committees were formed in all 102 selected districts in 16 states viz. **Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Odisha, Rajasthan, Uttar Pradesh, Uttarakhand and West Bengal.**

#### **4.6 Cost effectiveness and durability of the IAY houses**

According to para 5.2 and 7.2 of the IAY guidelines, efforts should be made to utilise to the maximum possible extent, local material and adopt cost effective disaster resistant and environment-friendly technologies. Districts should contact established Rural Building Centre's, HUDCO, etc. to seek information on innovative technologies, materials designs and methods to help the IAY beneficiaries to construct/up-grade their houses on these lines.

In all 250 selected blocks and 110 selected districts in 18 states/UT viz. **Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Rajasthan, Uttar Pradesh, Uttarakhand, West Bengal and Lakshadweep**, no efforts were made by the implementing agencies to assist the IAY beneficiaries for construction/up-gradation of durable, cost effective and disaster resistant houses.

#### **4.7 Training seminars and workshops**

Para 5.7 of the IAY guidelines lays down that officers dealing with the IAY at the state, district and block levels were to be trained in various disaster resistant features to be adopted in the houses and were to ensure that this is complied with during their field visits. In addition, local carpenters and masons were to be trained for skill up-gradation and use of low cost technology and local material

under the SGSY. The awareness among the beneficiaries was to be created about the disaster resistant and environment friendly technologies through exhibitions of low cost technologies at the district and block level, seminars, workshops, etc. The services of State Institutes of Rural Developments (SIRDs), Extension Training Centers were also to be utilized up for this purpose.

#### **4.7.1 Lack of training to the IAY officers/officials and Carpenters/Masons**

- In 341 selected blocks of 148 selected districts in 26 states/UTs viz. **Andhra Pradesh, Assam, Arunachal Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Rajasthan, Uttar Pradesh, Uttarakhand, West Bengal, Andaman & Nicobar Islands and Lakshadweep**, state, district and block level officers/officials were not trained. The state-wise details are given in **Annex-4.2**.
- In 285 selected blocks of 125 selected districts in 22 states/UT viz. **Andhra Pradesh, Assam, Arunachal Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Rajasthan, Uttar Pradesh, Uttarakhand, West Bengal and Andaman & Nicobar Islands**, local carpenters and masons were not trained for their skill up-gradation, disaster resistant technology and use of low cost technology and local material. The state-wise details are given in **Annex-4.2**.

#### **4.7.2 Workshops/Seminars not organized for awareness of beneficiaries**

In 176 selected blocks and 77 selected districts in 11 states/UTs viz. **Bihar, Chhattisgarh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Uttar Pradesh, West Bengal and Andaman & Nicobar Islands**, no awareness programmes, exhibitions, seminars or workshops were organised among the beneficiaries about the disaster resistant, environment friendly and low cost technologies for the IAY house at the district and block level during the review period as detailed in **Annex-4.2**.

#### 4.8 Absence of quality inspection/technical supervision

According to para 5.7.1 of the IAY guidelines, technical supervision should be provided for construction of the IAY house and since foundation laying and lintel level are critical stages for maintaining the quality of the house, technical supervision should be provided at least at these two stages.

No quality inspection/technical supervision were conducted by the concerned authorities/technical experts at any level in 1,639 GPs (55.37 per cent of 2,960 selected GPs) under 214 blocks of 91 districts in 13 states viz. **Bihar, Goa, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Nagaland, Odisha, Rajasthan, Uttar Pradesh, Uttarakhand** and **West Bengal**. The state-wise details are given in **Annex-4.3**.

Other irregularities noticed in quality inspection are given below:

- In **Assam**, the project director DRDA, (district, Karbi Anglong) during joint physical inspection found that:
  - ▶ Erection of posts in construction of houses of 14 beneficiaries under block Longsomepi was done without foundation.
  - ▶ Quality of houses constructed in Haru Matikhola area of block Rongkhang during 2011-12 was poor. There was no plinth and doors and windows were made of low quality wood. The quality of iron trusses used for roofing was also poor.
  - ▶ The houses of four beneficiaries under block Socheng were constructed with sub-standard material. The windows were installed with weak bamboo walls and without the *chowkhats*. Consequently, the beneficiaries were reluctant to stay in these houses.
- In **Manipur**, during joint physical inspection, audit noted that the quality of the constructed houses was poor whereas the DRDAs claimed that monitoring of houses was regularly conducted during construction.
- In **Meghalaya**, only Junior Engineers (JEs) and *Gram Sevaks* (GSs) were deputed at the village level for providing technical supervision and inspecting the quality of the IAY houses. Audit noted that it was not feasible for a Junior Engineer, being the only technical person at the block level, to be fully involved with the IAY activities in each of the villages under his block.

Sample photos of poor quality of houses



IAY house in Gaid GP, Jaunpur block of Tehri Garhwal district in Uttarakhand (Year of sanction:2011-12) (DOP 27.05.2013)



IAY house in Jakhed GP, Deoprayag block of Tehri Garhwal district in Uttarakhand (Year of sanction:2009-10) (DOP 21.05.2013)

**Case Study: Construction of the IAY house in  
Karnataka**

**Houses used for non dwelling purpose**

The houses constructed out of the IAY assistance shall be utilised for human habitation. During joint physical inspection, it was found in 31 selected GPs, 44 houses were being utilised for non dwelling purposes viz. as cattle shed, godown, brick factory, grocery shop and hotel, etc. The house shown in the **picture** below was being used as a hotel.



IAY house in Mugulavalli GP, Chikamagalur *taluka* of Chikamagalur *Zila* district used as a hotel.

**Recommendation:**

- In view of the various observations of Audit on low quality of construction of houses, inspection of houses under construction should be conducted and documented inspection reports of such inspections should be maintained to ensure accountability of the implementing agencies.