

CHAPTER-4

**HOUSING
SECTOR**

This chapter contains audit observations relating to the housing sector, deficiencies in the planning process, non-refund of balance amounts after closure of project, non-allotment of pucca houses to eligible beneficiaries, non-completion of pucca houses, non-provision of electricity and improper monitoring of projects.

4. Introduction

The Forest, Environment and Climate Change (FE&CC) Department, Government of Odisha, had decided (February 2016) to utilise the resources of the OMBADC, for addressing the needs of: (i) housing for all, (ii) provision of drinking water, including piped water supply, to all households and (iii) sanitation, for all the mining affected villages, in eight districts⁶⁰. In this endeavour, the Government had prioritised allotment of *Pucca* houses to eligible households, in the villages affected by mining activities. The Panchayati Raj and Drinking Water (PR&DW) Department had been entrusted with the responsibility of arriving at the actual numbers/ names of villages, by means of ground surveys through field functionaries. Audit test-checked the records of three sampled blocks, under two districts⁶¹, and conducted Joint Physical Inspection (JPI) in six villages, under three blocks⁶², to ascertain the procedure for planning/ selection of projects, selection of beneficiaries and implementation of housing projects, under OMBADC.

The existing Biju Pucca Ghar Yojna was reintroduced (February 2016) as the Biju Pucca Ghar Yojana (Mining), for the mining affected people in mineral bearing districts covered under OMBADC. The objective of the scheme was to provide pucca houses to all eligible kutcha households in all the mining affected villages of eight mineral bearing districts. The target group was the households not having pucca house and not availed a pucca house under any scheme of the Government or through rehabilitation measures. The unit cost was ₹1.30 lakh and ₹1.20 lakh for Integrated Action Plan⁶³ (IAP) Districts and Non-IAP districts, respectively.

⁶⁰ Angul, Dhenkanal, Jajpur, Jharsuguda, Keonjhar, Koraput, Mayurbhanj and Sundargarh

⁶¹ Joda and Jhumpura blocks under the Keonjhar District and Lakhanpur block, under the Jharsuguda District

⁶² Uliburu and Dhanurjaypur, under the Joda block; Kaijoda and Jaypur under the Jhumpura block; and Chuipalli and Kirarama, under the Lakhanpur block

⁶³ Integrated Action Plan (IAP) for 60 Selected Tribal and Backward Districts of whole country was approved (December 2010) by the GoI out of which, 15 districts are in Odisha. The scheme comprises Additional Central Assistance (ACA), on 100 per cent grant basis and the funds are placed at the disposal of the Committee headed by the District Collector and consisting of the Superintendent of Police of the District and the District Forest Officer to draw up a plan consisting of concrete proposals for public infrastructure and services like

The houses were to be constructed by the beneficiaries themselves and to be completed within one year from the date of credit of first instalment. After selection of eligible beneficiaries, the work orders are issued along with release of first instalment of ₹20,000 for construction of house. The nomenclature of the scheme was changed to Pucca Ghar Yojana (PGY) (Mining) from 09 May 2018.

4.1 Planning

The Board of Directors (BoD), in its 4th Board meeting (February 2016), approved fund requirements of ₹344.99 crore for providing 45,999 housing units in the 534 mining affected villages, under 29 blocks of the eight mining affected districts, as submitted by PR&DW Department.

Subsequently, during implementation of the scheme, the Department intimated (May 2017) OMBADC that, the total fund requirement would be ₹402.03 crore, for construction of 29,829 houses in 691 villages. As per State funded Pucca Ghar Yojana Scheme, launched since 2014, the unit cost of houses was ₹75,000 for Integrated Action Plan (IAP) districts and ₹70,000 for non-IAP districts. However, Government revised (27 April 2016) unit cost from ₹75,000 to ₹1,30,000 for IAP districts and from ₹70,000 to ₹1,20,000 for non-IAP districts. The OMBADC approved (22 June 2016), the above revised unit cost of houses in the 5th Board meeting.

4.1.1 Deficiencies in planning process

The FE&CC Department directed (10 February 2016) the Collectors of the eight districts, to finalise the list of eligible households, by 22 February 2016.

Scrutiny of records, in the Jhumpura and Joda blocks, under the Keonjhar district, revealed that Project Director (PD), District Rural Development Agency (DRDA), Keonjhar, had intimated (06 February 2016) the Department regarding requirement of 2,305 pucca houses, in 31 villages of five Gram Panchayats (GPs) under the Jhumpura block and 10,577 pucca houses, in 115 villages of 15 GPs, under the Joda block. However, the basis of arriving at such figures was not found available on records of Jhumpura and Joda Blocks.

The above initial target of 2,305 houses, to be constructed in the Jhumpura block, was revised by Project Director (PD)⁶⁴, District Rural Development Agency (DRDA), four times, before arriving at the final target of 3,192, in January 2020. However, reasons for increase in the target were not found available on records. Similarly, in the Joda block, the initial target of 10,577 houses, was reduced to 3,487 on the ground that the beneficiaries had not taken up construction, even after receipt of the first installment for construction of house.

Further, scrutiny of the Gram Sabha register of the Balagoda GP, under the Joda block, revealed that the Gram Sabha had recommended (April 2017) three

Drinking Water Supply, Village Roads, Electric lights in public places such as PHCs and schools, etc.

⁶⁴ *As per the Scheme Guidelines, PD (DRDA) was responsible for implementation of the scheme at district level*

names⁶⁵ for housing projects. However, the list of targeted houses of the block included 286 names in respect of Balagoda GP, but these recommended names had not been included. This was indicative of an arbitrary selection process. The Gram Sabha register of Balani GP, under the Joda block, was not made available to Audit, for scrutiny.

Similarly, scrutiny of the Gram Sabha register of the Basantpur GP under the Jhumpura block, revealed that 652 beneficiaries had been listed under housing scheme. However, as per the list provided by the BDO, 666 beneficiaries had been listed for allotment. The Gram Sabha register of the Kutugaon GP, under the Jhumpura block, did not indicate that any beneficiaries had been selected.

However, for the entire district of Keonjhar, the initial target of 23,006 houses had been reduced (February 2016) to 13,563 (41.05 per cent) and further reduced (November 2016) to 10,957 (19.21 per cent). The target was, thereafter, increased (December 2016) to 14,317 (30.67 per cent), further reduced (October 2018) to 13,362 (6.67 per cent) and again increased (January 2020) to 14,237 (6.55 per cent). This indicated that the selection of beneficiaries had not been done in a planned manner, due to which, there had been multiple revisions, with wide variation of targets, during the period of implementation, *i.e.*, February 2016 and January 2020, as shown in **Table 4.1**.

Table 4.1: Multiple revisions and wide variations in targets of PGY (Mining) houses

Block	Initial Target number of PGY (Mining) house	1st revision of target	Percentage of variation over initial target	2nd revision of target	Percentage of variation over 1st revision	3rd revision of target	Percentage of variation over 2nd revision	4th revision of target	Percentage of variation over 3rd revision	5th revision of target	Percentage of variation over 4th revision
1	2	3	4	5	6	7	8	9	10	11	12
Banspal	2325	579	-75.10	693	19.69	693	0	690	-0.43	690	0.00
Harichandanpur	2412	790	-67.25	360	-54.43	420	16.67	418	-0.48	418	0.00
Hatadihi	5387	4606	-14.50	3200	-30.53	6500	103.13	5614	-13.63	6450	14.89
Jhumpura	2305	2973	28.98	3204	7.77	3204	0	3153	-1.59	3192	1.24
Joda	10577	4615	-56.37	3500	-24.16	3500	0	3487	-0.37	3487	0.00
Total	23006	13563	-41.05	10957	-19.21	14317	30.67	13362	-6.67	14237	6.55

Thus, the selection of eligible beneficiaries, had not been carried out properly in selected two blocks and four GPs. Further, targets were set by DRDA, without considering ground level data from the block, due to which, the target set by PD, DRDA, Keonjhar, was modified multiple times.

In reply, CEO, OMBADC, stated (June 2023) that: (i) meticulous planning at all levels of implementation had led to be success in PGY(M) and (ii) the initial target had been revised to provide houses in the saturation mode and to ensure that no ineligible is sanctioned house and no eligible HH was left out from the process. The reply was not acceptable, as four revisions had been made for

⁶⁵ 1) Rinki Birua 2) Purnami Mohanta and 3) Dabajani Tiwari

selection of beneficiaries. Further, the targets once set, had been subsequently reduced, due to the beneficiaries not having completed the construction of houses within the stipulated time, after availing of the first installment.

4.2 Financial Management

4.2.1 Receipt and utilisation of funds

Towards implementation of the housing scheme Pucca Ghar Yojana (Mining) in the eight mineral bearing districts, the CEO, OMBADC, released ₹402.03 crore, out of the *ad hoc* CAMPA fund, to the PR&DW Department, during FYs 2015-16 to 2017-18, which was utilised during 2015-22. The utilisation of this amount, during the period, under the PGY (Mining), was as given in **Table 4.2**.

Table 4.2: Receipt and utilisation of funds

(₹ in crore)

Financial Year	Opening Balance	Receipt	Total	Utilisation of fund	Closing Balance
2015-16	0.00	150.00	150.00	0.00	150.00
2016-17	150.00	100.00	250.00	154.21	95.79
2017-18	95.79	152.03	247.82	149.35	98.47
2018-19	98.47	0.00	98.47	50.62	47.85
2019-20	47.85	0.00	47.85	17.65	30.20
2020-21	30.20	0.00	30.20	10.62	19.58
2021-22	19.58	0.00	19.58	5.64	13.94
Total		402.03		388.09	

(Source: Records of the PR&DW department)

In this context, Audit noticed the following:

4.2.1.1 Non-refund of unutilised balance after closure of housing project

In the 14th BoD meeting (April 2019) of OMBADC, it was decided that out of 29,829 houses to be constructed out of the *ad hoc* CAMPA funds, 3,605 pending houses, were to be completed by the end of June 2019. In the 15th BoD meeting (August 2019), the Board decided that funds pertaining to incomplete houses which were not completed due to various reasons, should be refunded by the PR&DW department to OMBADC, along with interest. Subsequently, in the 21st BoD meeting (June 2021), it was decided to close the OMBADC accounts and the department may complete the remaining 1,187 houses from other permissible funds like District Mineral Foundation fund.

As can be seen from **Table 4.2**, a sum of ₹13.94 crore had remained unutilised, as of March 2022. However, it had not been refunded to the OMBADC. However, interest amount of ₹20.40 crore accrued on unspent balance, only upto May 2020, was refunded (June 2020) to OMBADC. The balance interest of ₹93.83 lakh, accrued up to June 2023, was not refunded.

In reply, the CEO, OMBADC, stated (June 2023) that PR&DW Department had agreed to refund the balance amount after completion of the incomplete houses. The reply was not in consonance with the decision taken in the 21st BoD meeting, wherein it had been decided to complete the pending houses out of sources other than OMBADC funds.

4.3 Implementation of the housing scheme Pucca Ghar Yojana (Mining)

4.3.1 Targets *vis-a-vis* Achievements

The OMBADC filed an affidavit (January 2018), in connection with Writ Petition (Civil) No. 114/2014 – Common Cause vs. Union of India and Others, before the Hon'ble Supreme Court, for completion of 29,829 pucca houses, by May 2018. However, 979 houses had remained incomplete, as of October 2022, as shown in **Table 4.3**:

Table 4.3: Details of targets *vis-à-vis* achievements, of construction of Pucca Ghar

Sl. No.	District	Target for construction	Achievement	Balance
1	Angul	2,173	2,158	15
2	Dhenkanal	372	372	0
3	Jajpur	921	919	2
4	Jharsuguda	270	270	0
5	Keonjhar	14,237	13,607	630
6	Koraput	2,431	2,349	82
7	Mayurbhanj	826	825	1
8	Sundargarh	8,599	8,350	249
Total		29,829	28,850	979

(Source: Records of the department)

Out of the 979 incomplete houses shown above, 341 houses were in two out of the three blocks test-checked in regard to the housing sector, as detailed in **Table 4.4**

Table 4.4: Details of targets *vis-à-vis* achievements of construction of Pucca Ghar, in the test-checked blocks

Sl. No.	Block	District	Target for construction	Achievement	Balance
1	Joda	Keonjhar	3,487	3,420	67
2	Jhumpura		3,192	2,918	274
3	Lakhanpur	Jharsuguda	64	64	0
Total			6,743	6,402	341

In reply, the CEO, OMBADC, stated (June 2023) that PR&DW Department had agreed (June 2023) to complete the remaining 979 incomplete houses. The reply was not acceptable, as OMBADC had given directions (June 2021) for closure of the account and refund of the balance amount, but the PR&DW Department had not specified the timeline for completion of the remaining incomplete houses.

4.3.2 Non-allotment of pucca houses to identified landless households

In order to enable extension of the benefits to landless households, under PGY (Mining), in the saturation mode, the PR&DW Department had directed (June 2016 and November 2016) the Collectors/ PD, DRDAs of the eight districts, to prepare an inventory of eligible landless households, of the mining affected villages.

The PD, DRDA, Jharsuguda, had approved (August 2018) a list of 31 identified landless households, in the Chingriguda village of the Lakhanpur block of the district, for allotment of land under the Vasundhara Scheme⁶⁶ and subsequent issue of work order. The identified beneficiaries of the Chingriguda village were to be settled at the Kudaloi village of Kudaloi GP. However, due to non-resettlement of the displaced landless villagers of Khairkuni and Tingishimal, under the Kudaloi GP, the villagers of Kudaloi opposed the settlement of landless households of Chingriguda in their village. As such, the identified beneficiaries had not been provided with land and pucca houses (January 2023). Department did not resolve the issue hence, the benefits of the PGY (Mining), in saturation mode could not be extended to these 31 identified landless households.

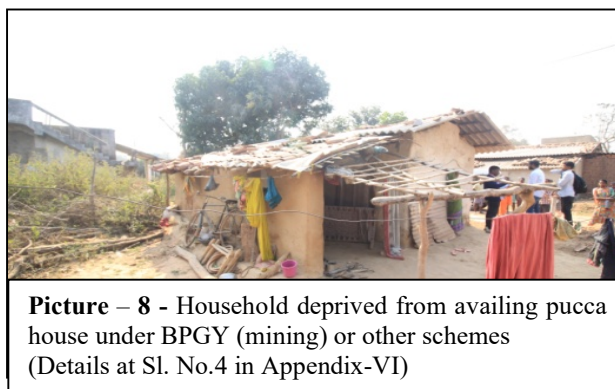
Further, scrutiny of records of BDO, Joda and Jhumpura blocks of Keonjhar District, revealed that there was no information available, regarding identification of landless households. This indicated that the Collector/ PD, DRDA, Keonjhar, had not taken steps to identify the landless households in the mining affected villages, in these blocks.

In reply, CEO, OMBADC, stated that PR&DW Department had agreed (June 2023) to take steps to cover those beneficiaries under other rural housing schemes, after resolving the land allotment issue.

4.3.3 Non-provision of houses to eligible households

As per the guidelines of PGY (Mining), 2016, the BDO was to prepare a list of households having *kutchha* houses, through field functionaries, in the mining affected villages, and issue work order, to the eligible households, under the scheme.

During Joint Physical Inspection (JPI) (19 December 2022, 31 January 2023 and 16 February 2023), in the six sampled villages, it was noticed that out of 297 eligible households, 286 households had been provided pucca



Picture – 8 - Household deprived from availing pucca house under BPGY (mining) or other schemes (Details at Sl. No.4 in Appendix-VI)

⁶⁶ 'Vasundhara' scheme is a land reform scheme being implemented by the Revenue and Disaster Management Department of the Government of Odisha, to provide land, up to the extent of four decimals, free of premium, to each homesteadless family

houses and 11 households had not been provided with pucca houses, under PGY (Mining), till the date of Audit (February 2023), even though they were residing in *kutch*a houses, as detailed in *Appendix - VI*. This indicated that the process of identification of eligible beneficiaries was defective.

In reply, CEO, OMBADC, stated (June 2023) that the PR&DW Department had agreed (June 2023) to provide houses to eligible households left out from the PGY (Mining) scheme, under other rural housing schemes.

4.3.4 Non-completion of pucca houses under the scheme

In order to complete 756 and 505 houses under Jhumpura (six GPs) and Joda (all GPs) blocks respectively by 15 January 2019, the PR&DW Department decided (11 December 2018) to construct the houses departmentally and with the help of industries (Mining Companies).

Records of BDO, Jhumpura, revealed that two private industries⁶⁷ had been entrusted (20 December 2018) with the construction of 300 incomplete houses each, by the end of January 2019. However, it was observed that only nine houses had been completed, as against the target of 600 set for these industries and 439 houses completed departmentally leaving 274 houses incomplete, as of October 2022. Similarly, in the Joda block, one industry⁶⁸ had been entrusted (20 December 2018) with the construction of 300 incomplete houses, by the end of January 2019. However, the industry had completed only 233 houses, as of October 2022.

Despite repeated instructions from the district Authorities to complete the remaining houses, the industries had not taken the initiative to complete the targeted houses. This contributed to the objective of providing houses under the scheme remaining unaccomplished, even after a lapse of four years from the date (December 2018) of instructions issued by the Government.

In reply, CEO, OMBADC, stated (June 2023) that steps would be taken to complete these houses.

4.3.5 Joint Physical Inspection

As per the PGY (Mining) guidelines, 2016, the second, third and fourth installments, were to be credited to the account of the beneficiaries, by the BDO within a week of receipt of the report of the eye estimation⁶⁹, spot verification and

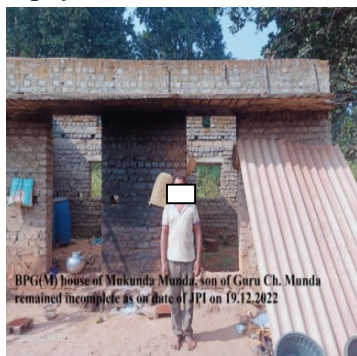
⁶⁷ *M/s Sirajudddin and M/s Indrani Pattnaik*

⁶⁸ *M/s ESSEL Mining*

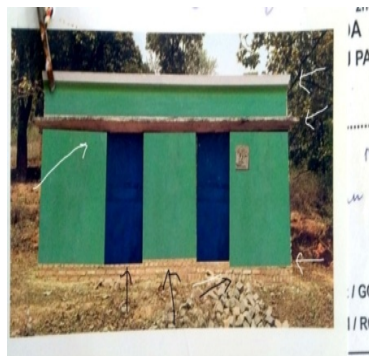
⁶⁹ *The tagged officer has to estimate the constructed house through physical inspection by himself*

geo-tagged photographic evidence of the stages of construction, by the officials tagged⁷⁰ with the beneficiaries.

Scrutiny of records of the BDO, Joda and Jhumpura and JPI (19 December 2022, 14 February 2023 and 16 February 2023) of houses constructed in the six sampled villages, revealed that, in 10 cases, although houses had been shown as complete, in the case records and payments of all installments had been released to the beneficiaries, the houses were incomplete, till the date of JPI, as detailed in **Appendix - VII**. Thus, due to improper monitoring, although houses were incomplete, payment was made on the basis of manipulated photographs. Connivance of departmental officials, in these false claims, cannot be ruled out and needs to be investigated.



Picture-9: Image of the house, as per JPI



Picture-10: Image of the same house, as per the case record of BDO, Joda

In reply, CEO, OMBADC, stated (June 2023) that in 10 cases, the roof cast had been completed, the beneficiaries were staying in these houses and steps were being taken to complete the remaining finishing work of these houses. The reply was not based on facts, as the final instalments of these houses had been released during February 2018 to April 2019, on the basis of fabricated photographs. Further, JPI of the houses had been conducted during December 2022 to February 2023 and the houses had been found to be incomplete. Thus, responsibility needs to be fixed on officers for manipulation of records to release the installments violating the norms.

4.3.6 Non-provision of electricity

As per PGY (Mining) Guidelines, 2016, the beneficiaries were eligible for electrification under the Deen Dayal Upadhyay Gram Jyoti Yojana.

During JPI of the sampled villages, it was observed that, out of 137 beneficiaries inspected, 23 households had no electricity connections in their houses. While accepting the Audit observation the CEO, OMBADC stated (June 2023) that they have submitted list of non-electrified households and villages to Energy Department and requested Energy Department for necessary action.

⁷⁰ The tagged officers mean those officers under whose jurisdiction the villages of beneficiary falls, tagged officers are officials from BDO office

4.4 Monitoring

As per the PGY (M) guidelines, 2016, BDOs were to inspect at least 10 *per cent* of houses under construction in the block; district level officers were to inspect at least one *per cent*; and Additional Project Directors (Rural House), DRDA, were to inspect at least 10 *per cent* of the houses of the concerned districts. In case of construction of houses entrusted to any industry, BDOs were to inspect all the houses.

However, no document was furnished to Audit, by the BDOs in regard to inspection and monitoring of the houses under construction, through field visits, as was required under guidelines.

In reply, the CEO, OMBADC, stated (June 2023) that the BDOs were visiting most of the incomplete houses and monitoring would be strengthened to complete the remaining incomplete houses. The reply was not acceptable, as no records could be made available to Audit, by the test-checked BDOs.

Recommendation:

Government may consider:

13. *Developing a robust system of monitoring and supervision, to avoid payments on the basis of manipulated photographs of the pucca houses and fixing responsibility on the officials of the Panchayati Raj and Drinking Water Department, responsible for misreporting.*

