

Chapter III

Financial Management

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This chapter discusses Scheme financing and includes issues related to the release and utilisation of funds under the Scheme.

Audit Objective: Allocation and release of funds were made in an adequate and timely manner and utilised economically and effectively.

Brief snapshot of the Chapter

- Out of total programme funds of ₹ 39,835 crore, available for construction of houses under PMAY-G during 2017-23, the State Government had utilised ₹ 37,984 crore (95 *per cent*).
- Due to delay in transferring Central share to State Nodal Account during 2016-17 and 2019-20, State Government had created liability of ₹ 16.56 crore towards penal interest.
- The release of the first instalment was delayed in case of 79 *per cent* of beneficiaries during 2017-23. Further, even after the lapse of more than one to six years of completion of houses, State Government did not transfer ₹ 20.18 crore of unit assistance under PMAY-G to 11,031 beneficiaries as of August 2024.
- Instalments of ₹ 9.52 crore was released to 1,838 ineligible beneficiaries during 2017-23, of which ₹ 2.62 crore remained unrecovered as of October 2024.
- The State could utilize only 7.71 *per cent* to 50.16 *per cent* of administrative funds available during 2017-23. Underutilisation of administrative funds also resulted in less release of ₹ 357.29 crore Central share during 2017-23.
- Wage compensation of ₹ 28.70 crore in respect of 50,771 trainees of Rural Mason Training programme pertaining to years 2018-23 was pending (October 2024) for payment even after availability of funds.

3.1 Fund Management

3.1.1 Fund Flow

The Scheme is funded through GoI and State Government in the ratio of 60:40 as Central and State share respectively. The fund released comprises programme fund (for construction of new houses) and administrative fund (for administrative expenses²⁸). FFI of PMAY-G provides that the State has to maintain State Nodal Account (SNA) in a savings bank account in a scheduled

²⁸ Para 3.3.1 of FFI of PMAY-G provides that up to four *per cent* (which was subsequently revised to two *per cent* from 2019-20) of the Programme funds released to the State should be utilised for administering the Scheme. The Administrative expenses are shared by the Centre and States in the same ratio as applicable to the main programme expenditure.

commercial bank at the State level. The amount of the annual Central allocation as well as the matching State share is to be deposited in the SNA of PMAY-G.

3.1.2 Programme fund

The details of programme funds received and expenditure incurred in the State during 2017-23 are given in **Table 3.1**.

Table 3.1 Receipt and Utilisation of Programme fund under PMAY-G

(in ₹ crore)

| Year | Opening Balance | GoI Share | State Share | Interest | Other Receipt | Total | Expenditure (in per cent) | Closing Balance |
|--------------|-----------------|-----------------|-----------------|---------------|---------------|----------|---------------------------|-----------------|
| 2017-18 | 2736.02 | 4927.16 | 3547.75 | 34.82 | 0.00 | 11245.75 | 10413.03 (92.60) | 832.72 |
| 2018-19 | 832.72 | 2655.37 | 1770.24 | 23.53 | 0.00 | 5281.86 | 4724.71 (89.45) | 557.15 |
| 2019-20 | 557.15 | 1261.18 | 840.78 | 12.78 | 21.84 | 2693.73 | 2213.63 (82.18) | 480.10 |
| 2020-21 | 480.10 | 4835.85 | 2556.92 | 18.25 | 1.58 | 7892.70 | 5771.94 (73.13) | 2120.76 |
| 2021-22 | 2120.76 | 3685.17 | 2957.52 | 9.56 | 0.63 | 8773.64 | 7978.41 (90.94) | 795.23 |
| 2022-23 | 795.23 | 4648.43 | 3265.19 | 24.73 | 0.07 | 8733.65 | 6882.38 (78.80) | 1851.27 |
| Total | | 22013.16 | 14938.40 | 123.67 | 24.12 | | 37984.10 | |

(Source: Information provided by CRD, UP)

It could be seen from Table 3.1 that out of total programme funds available (₹ 39,835.37 crore²⁹), the Department could utilise ₹ 37,984.10 crore (95 per cent) on implementation of PMAY-G Scheme during 2017-23.

The State Government replied (September 2024) that as per availability of funds in SNA and completion of work by the beneficiaries as per norms, the construction of house was being completed by transferring instalments to the beneficiaries account.

3.2 Delay in release of Central share in State Nodal Account

Para 10.7 of FFI of PMAY-G provides that the Central allocation of funds to the State Government including Administrative funds should be transferred to the SNA within 15 days from the date of receipt of funds failing which a penal interest rate of 12 per cent per annum would be applicable on the amount of Central share not transferred to the SNA. The State is required to provide a certificate regarding deposition of penal interest during the time of release of next instalment failing which corresponding amount calculated @ 12 per cent per annum would be deducted from its Central share.

Audit observed that the Central share of PMAY-G (programme fund and administrative fund) during 2016-17 and 2019-20 was released by the State Government in SNA with a delay ranging between 74 and 105 days as detailed in **Appendix 3.1**. The delayed release of Central share made the State Government liable for payment of penal interest amounting to ₹ 16.56 crore. The CRD stated (March 2024) that no penalty was deducted by the Central Government from instalments released to the State Government. It was further noticed that the penal interest was not paid by the State Government as of April 2024 in compliance of provisions of FFI.

²⁹ Opening Balance of 2017-18 (₹ 2,736.02 crore) + GoI share (₹ 22,013.16 crore) + State share (₹ 14,938.40 crore) + Interest (₹ 123.67 crore) + Other receipt (₹ 24.12 crore) = ₹ 39,835.37 crore

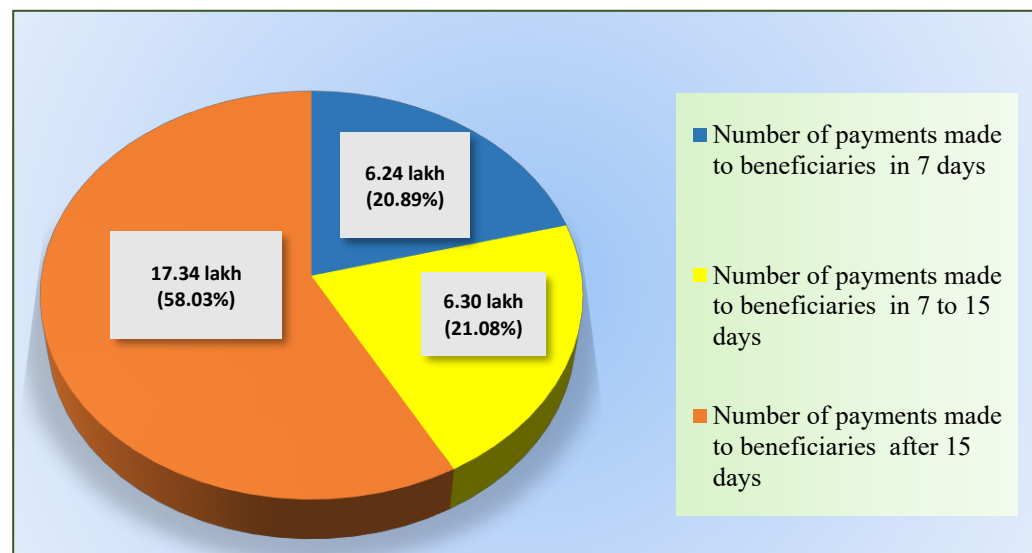
The State Government replied (September 2024) that the delay in release of Central share was due to procedural time taken and delay in confirmation of release of Central share by the finance department due to technical reasons or release of Central share at the end of financial year. During exit conference (October 2024) audit observation was accepted by the State Government and it was informed that the delay was procedural and no penalty had been imposed by the GoI.

3.3 Delay in release of first instalment to beneficiaries

Para 5.4.1 of the PMAY-G FFI provides that the first instalment shall be released to the beneficiary out of Programme fund electronically to the registered bank account of the beneficiary within a week (seven working days) from the date of issue of sanction order for construction of house.

Audit observed that during 2017-23, only 21 *per cent* beneficiaries in the State received the first instalment within seven working days and there was considerable number (79 *per cent*) of beneficiaries who did not receive the first instalment in due time as depicted in **Chart 3.1**.

Chart 3.1: Time taken for release of the first instalment during 2017-23



(Source: Information provided by CRD)

Further, in joint physical verification of 2,178 beneficiaries of 19 test checked districts, it was noticed that the release of the first instalment was delayed by more than 15 days in case of 1,242 (57 *per cent*) beneficiaries (**Appendix 3.2**). Thus, it was evident that the timeline provided in the FFI for release of first instalment was not complied with by the department.

The State Government replied (September 2024) that non-release of first instalment in due time was due to technical reason such as delay in verification of account, problem in generation of order sheet, rejection of fund transfer order and problems of functioning of server in villages/blocks. State Government further stated that there was also delay in depicting credit report on AwaasSoft due to time taken in getting information on disbursement from PFMS/bank.

The Government may take necessary remedial action to avoid such delays in disbursement of PMAY-G instalments.

3.4 Non-payment of instalment to beneficiaries

Under PMAY-G, the beneficiary is provided a unit assistance of ₹ 1.20 lakh for construction of house. Para 5.7.2 of FFI of PMAY-G provides that State should mandatorily pay the first instalment at the time of sanction and the State shall have to map the remaining instalments vis-a-vis stages/levels³⁰ of constructions. Government of Uttar Pradesh directed (June 2017) CRD to release the unit assistance to the beneficiary in three instalments of ₹ 40,000 (at the time of sanction of house), ₹ 70,000 (after construction up to plinth level) and ₹ 10,000 (after roof cast level³¹).

As per information provided (March 2024) by CRD, out of ₹ 241.23 crore sanctioned against 20,009 houses completed during 2017-18 to 2022-23, an amount of ₹ 27.20 crore was pending to be released as detailed in **Table 3.2**.

Table 3.2 Amount pending to be released against completed houses

(₹ in lakh)

| Year | Number of completed houses against which unit assistance was pending for release to beneficiary | Sanctioned Amount | Released Amount | Amount pending to be released |
|--------------|---|-------------------|-----------------|-------------------------------|
| 2017-18 | 1014 | 1224.80 | 976.98 | 247.82 |
| 2018-19 | 430 | 518.00 | 456.30 | 61.70 |
| 2019-20 | 673 | 812.30 | 722.80 | 89.50 |
| 2020-21 | 2266 | 2732.70 | 2407.24 | 325.46 |
| 2021-22 | 2357 | 2857.50 | 2505.98 | 351.52 |
| 2022-23 | 13269 | 15977.80 | 14333.80 | 1644.00 |
| Total | 20009 | 24123.10 | 21403.10 | 2720.00 |

(Source: Information provided by CRD)

It can be seen from Table 3.2 that an amount of ₹ 27.20 crore was yet to be released (March 2024) to 20,009 beneficiaries even after the lapse of more than one to six years of completion of their houses. The CRD informed (March 2024) the reasons of pendency of payments as non-updation of data on MIS, unavailability of sufficient funds in the SNA, data cleaning or technical problem of PFMS or technical problem of AwaasSoft.

The State Government replied (September 2024) that it was a continuous process and the report kept changing on the basis of response of PFMS received on AwaasSoft. State Government further informed that ₹ 20.18 crore was pending for payment against 11,031 beneficiaries as of August 2024.

The Government may take necessary action for timely payments to PMAY-G beneficiaries who had completed construction of their houses.

3.5 Administrative fund

Para 3.3.1 of FFI of PMAY-G provides that up to four *per cent* of the Programme fund released to the State should be utilised for administering the scheme. This was reduced to two per cent of Programme fund from 2019-20, out of

³⁰ Second Instalment to be mapped with either foundation or plinth level and the Third Instalment with either Windowsill/Lintel/Roof cast level.

³¹ In November 2017, GoUP directed that the third instalment would be released after completion of house, i.e., after roof cast and plaster.

which 0.30 *per cent* of the Programme fund was to be retained at central level and the remaining 1.70 *per cent* of the Programme fund was to be released to the States as Administrative Fund.

The details of administrative funds received and expenditure incurred during 2017-23 under PMAY-G scheme in the State were shown in **Table 3.3**.

Table 3.3: Receipt and utilisation of Administrative funds under PMAY-G

(in ₹ crore)

| Year | Opening Balance | Centre share | State Share | Interest | Misc. Receipt | Total fund | Expenditure (in <i>per cent</i> of total fund) | Closing Balance |
|--------------|-----------------|---------------|---------------|-------------|---------------|------------|--|-----------------|
| 2017-18 | 8.49 | 20.91 | 36.13 | 0.72 | 0.02 | 66.27 | 33.24 (50.16) | 33.03 |
| 2018-19 | 33.03 | 0.00 | 0.00 | 1.32 | 0.00 | 34.35 | 2.65 (7.71) | 31.70 |
| 2019-20 | 31.70 | 0.00 | 0.00 | 0.80 | 42.11 | 74.61 | 22.35 (29.96) | 52.26 |
| 2020-21 | 52.26 | 0.00 | 0.00 | 0.00 | 0.57 | 52.83 | 24.71 (46.79) | 28.12 |
| 2021-22 | 28.12 | 41.83 | 27.88 | 0.00 | 0.02 | 97.85 | 30.73 (31.41) | 67.12 |
| 2022-23 | 67.12 | 128.59 | 85.73 | 0.00 | 0.18 | 281.62 | 43.12 (15.31) | 238.50 |
| Total | | 191.33 | 149.74 | 2.84 | 42.90 | | 156.80 | |

(Source: Information provided by CRD)

Thus, out of ₹ 395.30 crore³² available during 2017-23 under administrative funds, the State could utilise only ₹ 156.80 crore (40 *per cent*) of the administrative fund. The year wise utilisation of administrative funds ranged between 7.71 and 50.16 *per cent* during 2017-23. The less utilisation of administrative funds by the State Government during 2017-23 resulted in less release of ₹ 357.29 crore of Central share against the assigned percentage of Programme fund as per PMAY-G guidelines (**Appendix 3.3**).

FFI of PMAY-G provides that up to 0.5 *per cent* of administrative fund could be retained at the State level and 3.5 *per cent* shall be distributed to the districts. Audit noticed that out of 13 items defined in FFI for taking up under administrative fund, expenditure was incurred only on four items of works/activities³³ at the State level during 2017-23 as detailed in **Table 3.4**.

³² Opening balance ₹ 8.49 crore + GoI share ₹ 191.33 crore + State share ₹ 149.74 crore + Interest ₹ 2.84 crore + Misc. Receipt ₹ 42.90 crore = ₹ 395.30 crore.

³³ No expenditure was incurred on nine other items, i.e., (i) Activities to sensitise and impart habitat and housing literacy to beneficiaries, (ii) Construction of prototypes of house typologies for demonstration, (iii) Cost towards training and Certification of masons, (iv) Training of Community Resource persons (CRPs) viz., NRLM compliant SHGs, Asha worker, Anganwadi worker and NGOs, (v) Payment of honorarium to CRPs and service charges to NGOs, (vi) Conduct of assessments and studies including evaluation studies, (vii) Cost of demonstration of Innovative technologies and works related to housing, (viii) Cost of engaging IIT/NIT or other institutes of repute as State Technical Support Agency (STSA) and (ix) Cost towards monitoring the quality of construction of PMAY-G houses.

Table 3.4 Details of expenditure incurred from Administrative Fund

| Sl. No. | Head of Expenditure on Administrative fund | Expenditure (in ₹ lakh) | | | | | | Total |
|--------------|--|-------------------------|---------------|----------------|---------------|---------------|---------------|----------------|
| | | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | |
| (i) | Cost of supervision and monitoring of scheme implementation including mobility, IT (hardware and software) and communication systems, office contingencies, incentives, etc. | 273.74 | 151.32 | 262.91 | 300.45 | 321.88 | 402.44 | 1712.74 |
| (ii) | Cost of setting up and operating PMU, including hiring of personnel on contract | 14.31 | 14.27 | 7.28 | 8.01 | 5.54 | 18.36 | 67.77 |
| (iii) | Social audit and IEC Activities | 27.84 | 3.69 | 1135.15 | 0.92 | 0.5 | 15.25 | 1183.35 |
| (iv) | Training of officials and elected representatives of Panchayats including exposure visits | 0.67 | 92.56 | 241.29 | 304.89 | 187.52 | 260.13 | 1087.06 |
| Total | | 316.56 | 261.84 | 1646.63 | 614.27 | 515.44 | 696.18 | 4050.92 |

(Source: Information provided by CRD)

In test checked districts, the utilisation of administrative funds ranged from 20 to 100 per cent during 2017-23 (**Appendix 3.4**) with the lowest in district Jhansi and highest in district Hamirpur. In district Hamirpur, the entire administrative fund (₹ 61.97 lakh) was utilised only on two items³⁴ out of 13 prescribed in FFI of PMAY-G. The items/activities on which administrative funds were utilised by 16³⁵ test checked districts are detailed in **Appendix 3.5**.

The State Government replied (September 2024) that the expenditure from administrative funds have been incurred as per requirement at all levels. Further, due to not utilising the assigned percentage of amount, the Central share of administrative funds could not be received during 2018-19 to 2020-21.

The reply confirms that non-utilisation of funds resulted in less release of Central share of administrative funds during 2018-21. Further, State Government and DRDAs did not take up many activities envisaged to be performed by using Administrative Fund.

3.6 Pendency of wage compensation under Rural Mason Training Programme

Rural Mason Training (RMT) programme was envisaged under Para 6.2.3.1 of Framework for Implementation (FFI) of PMAY-G. Further, Para 3.3.1 of the FFI stipulates that cost towards training and certification of masons was permitted under administrative expenses. As per guidelines of RMT issued (September 2017) by MoRD, trainee was to be paid wage compensation during the period of training as decided by the State Government, from the administrative fund.

Audit noticed that GoUP assigned (November 2018) responsibility for conducting RMT programme under the scheme as per approved action plan to

³⁴ Cost of supervision, monitoring, office contingencies and Social Audit.

³⁵ Information was not provided by three test checked districts (Sitapur, Bahraich and Jaunpur).

Deen Dayal Upadhyay State Institute of Rural Development, U.P. Lucknow (SIRD). The training programme was started by the SIRD from March 2019.

As envisaged in the guidelines of RMT, these candidates were to be paid wage compensation. Audit noticed that GoUP fixed (February 2023) ₹ 213 per day as the rate of wage compensation after lapse of four years from the start (March 2019) of RMT programme with the condition that the payment of wage compensation would be made from the administrative head of PMAY-G. The CRD informed (April 2023) the SIRD regarding approval of the rate of wage compensation and made SIRD responsible for its payment to trainees. Thereafter, SIRD made a payment (August 2024) of ₹ 1.44 crore to 1,500 trainees. However, wage compensation of ₹ 28.70 crore in respect of remaining 50,771 trainees pertaining to year 2018-23 was pending for payment as of October 2024. Thus, the trainees were deprived of the benefit of wage compensation even after availability of funds.

The State Government replied (October 2024) during exit conference that it was committed for payment of pending wage compensation of ₹ 28.70 crore under RMT programme in the near future.

3.7 Pending recovery against houses sanctioned to ineligible persons

As per information provided by 11 test checked districts, 1,838 ineligible persons included in the PWL were sanctioned houses under PMAY-G during 2017-23. However, after release of grant under PMAY-G, these beneficiaries were found to be ineligible due to various reasons, such as, beneficiary having pucca house, land in excess of defined limit, house allotted earlier, concealment of facts by beneficiaries, etc. These ineligible beneficiaries were released ₹ 9.52 crore under PMAY-G as detailed in **Table 3.5**.

Table 3.5: Details of houses sanctioned to ineligible beneficiaries under PMAY-G

(₹ in lakh)

| Sl. No. | Name of districts | Number of PMAY-G houses sanctioned to ineligible beneficiaries | Amount paid to ineligible beneficiaries | Recovered Amount from ineligible beneficiaries as of September 2024 | Remaining amount to be recovered as of September 2024 |
|--------------|-------------------|--|---|---|---|
| 1 | Azamgarh | 193 | 77.20 | 24.40 | 52.80 |
| 2 | Banda | 36 | 25.00 | 0.00 | 25.00 |
| 3 | Barabanki | 286 | 123.60 | 122.80 | 0.80 |
| 4 | Budaun | 51 | 24.74 | 24.74 | 0.00 |
| 5 | Hamirpur | 67 | 47.50 | 28.30 | 19.20 |
| 6 | Lakhimpur Kheri | 430 | 194.80 | 182.20 | 12.60 |
| 7 | Maharajganj | 237 | 140.30 | 140.30 | 0.00 |
| 8 | Moradabad | 3 | 1.20 | 0.00 | 1.20 |
| 9 | Sambhal | 8 | 4.20 | 0.00 | 4.20 |
| 10 | Sultanpur | 173 | 110.50 | 0.00 | 110.50 |
| 11 | Unnao | 354 | 202.70 | 167.40 | 35.30 |
| Total | | 1838 | 951.74 | 690.14 | 261.60 |

(Source: Information provided by DRDAs)

It could be seen from Table 3.7 that out of ₹ 9.52 crore released to the ineligible beneficiaries in 11 test checked districts, ₹ 6.90 crore was recovered and an

amount of ₹ 2.62 crore was pending to be recovered as of September 2024. Since final PWL of PMAY-G is prepared after due verification of each beneficiary at Gram Panchayat level and only eligible beneficiaries are included, the inclusion of ineligible persons in PWL of PMAY-G and release of assistance amount to them indicated that the due diligence in identification and verification process was not ensured.

The State Government replied (September 2024) that the directions exist to include eligible beneficiaries in the PWL of PMAY-G, however, there exist possibility of error in few cases due to beneficiary having pucca house, Kisaan Credit Card (KCC), motorcycle, pucca house in another village or place, excess land, etc. After noticing such cases, action for recovery was taken. It was further informed that disciplinary action was also taken against the erring officers/officials in cases of sanction of house to ineligible beneficiaries. During exit conference (October 2024), it was informed that in such cases, recovery of pending amount and other action was in progress.

3.8 Payment rejected by banks

Para 13.4.2 (e) of FFI provides that the bank account of PMAY-G beneficiary should be frozen from the block login of AwaasSoft before generating first order sheet, all frozen beneficiary bank accounts would be verified by PFMS, once account is verified by PFMS, it will be re-verified by the block officials who will ascertain that the name of the account holder matches with the name of the beneficiary as entered in AwaasSoft. The beneficiary bank accounts which have been verified by PFMS and subsequently by the block officials only would appear in the order sheet for the payment.

Para 13.6.3 of FFI of PMAY-G provides that payment of all instalments under PMAY-G are to happen through fund transfer order (FTOs) generated on AwaasSoft, which then are processed by PFMS and forwarded to the State Nodal Banks for fund transfer to beneficiary accounts.

Audit observed from the information (March 2024) available on website of PMAY-G that in case of 5,289 beneficiaries of the State, the amount paid to them through FTOs were rejected by the bank due to reasons, such as, Aadhaar number de-seeded from NPCI³⁶ mapper by bank - customer to contact his/her bank, no such account, account closed, Adhaar number not mapped to account number, invalid bank identifier, account closed or transferred, account blocked or frozen and account stopped, etc. The instalment wise detail of such rejection is given in **Table 3.6**.

Table 3.6: Details of payment rejected by banks

| Instalment | Number of cases rejected |
|-------------------|---------------------------------|
| First | 1988 |
| Second | 1065 |
| Third | 2236 |
| Total | 5289 |

(Source: As per PMAY-G website dated 30 March 2024)

As shown in Table 3.6, payment in 5,289 cases were rejected by the bank and beneficiary was denied with the payment of amount of unit assistance for

³⁶ National Payments Corporation of India

construction of house. As the sanction order³⁷ is issued to the beneficiary after the validation of the bank account and details of beneficiary, the cases of payment rejected by banks indicated towards laxity in validation process.

The State Government while accepting audit observation replied (September 2024) that at present (September 2024), 4,506 such cases were pending due to various technical reasons. It was further stated that it was a continuous process and would be fully resolved in future.

3.9 PMAY-G assistance not transferred to intended beneficiaries

As per information provided (March 2024) by CRD, assistance amount (₹102.90 lakh) for construction of houses under PMAY-G released to 189 beneficiaries in 13 districts of the State was transferred to different bank accounts instead of the bank accounts of the beneficiaries due to suspected cyber-crime as detailed in *Appendix 3.6*. Further scrutiny revealed that there were 157 such beneficiaries in seven test checked districts whose assistance under PMAY-G was credited to other persons' bank accounts as detailed in *Table 3.7*.

Table 3.7: Cases of transfer of instalments to other than beneficiaries' bank accounts

| District | Number of beneficiaries (Amount transferred in other account) | Audit Observations |
|----------------|--|--|
| Ambedkar Nagar | 6 (₹2.40 lakh) | The amount of first instalment as unit assistance intended for six beneficiaries of PMAY-G was transferred to the other accounts in the district Gadhwā of Jharkhand State due to suspected cyber-crime. Although PD, DRDA had informed (July 2019) to the CRD but the transferred amount was yet to be recovered (September 2024). It was further, noticed that houses were reported as completed in three out of six cases. However, payment of first instalment to these beneficiaries was pending. |
| Bahraich | 105 (₹ 66.40 lakh) | The amount of unit assistance for construction of houses intended for 105 beneficiaries of PMAY-G in Block Mihipurwa was transferred to the other accounts, due to suspected cyber-crime, in districts Gadhwā and Palamu of Jharkhand State (94 cases), district Aurangabad in Bihar State (one case) and districts Bahraich, Chandauli and Varanasi in Uttar Pradesh (10 cases). An FIR was lodged (July 2018) by the BDO of Block Mihipurwa in this matter but the amount remained unrecovered as of March 2024. The houses of these 105 beneficiaries were incomplete due to non-payment of unit assistance in these cases. Audit further noticed that there were two more such cases in Balha Block, however, details of amount transferred was not provided to Audit. |
| Jaunpur | 4 (₹3.00 lakh) | The amount of unit assistance in case of four beneficiaries was transferred to other accounts of district Gadhwā in Jharkhand State. The CRD was informed by the PD, DRDA in July 2019. The houses of these beneficiaries were incomplete as of April 2024. The amount remained unrecovered as of September 2024. |
| Jhansi | 2 (₹ 0.80 lakh) | The amount of unit assistance was transferred to the district Balasore of Odisha State and district Mau of Uttar Pradesh. The CRD was informed in February 2024, but the amount was unrecovered (March 2024) and the intended beneficiaries have not been paid the amount. |
| Moradabad | 8 (₹3.90 lakh) | The amount of first instalment of seven beneficiaries and two instalments in case of one beneficiary were transferred to different SBI accounts of the Jharkhand State. The amount was not paid to the intended beneficiaries and the houses of these beneficiaries remained incomplete and the amount was unrecovered as of March |

| District | Number of beneficiaries (Amount transferred in other account) | Audit Observations |
|----------|---|---|
| | | 2024. It was further informed that all these cases belong to Block Baniyakhera which has now been merged in Sambhal district. But the name of these beneficiaries was not found included in the list provided to Audit by DRDA, Sambhal and CRD in respect of such beneficiaries affected by suspected cybercrime in Sambhal district. |
| Sambhal | 25 (₹ 10.00 lakh) | The amount of first instalment of intended beneficiaries was transferred to other accounts of Palamu and Gadhwah districts of Jharkhand state. These beneficiaries pertain to the year 2016-17 and 2017-18. FIR was lodged (July 2018) in 24 cases. However, the amount was unrecovered and beneficiaries have not been paid the amount intended for them as of September 2024. |
| Sitapur | 7 (₹2.80 lakh) | The amount of first instalment of intended beneficiaries was transferred to the account of Gadhwah district of Jharkhand State. The houses of five beneficiaries were reported as completed although the amount was not recovered (September 2024) and paid to these beneficiaries. |

The CRD informed (April 2024) that out of ₹102.90 lakh amount wrongly transferred to other accounts instead of beneficiary's account in the State, an amount of ₹1.60 lakh was recovered and ₹101.30 lakh remained unrecovered. It was further informed that the first instalment was released in all 189 cases and in 39 cases second/third instalments were released. Out of 189 beneficiaries, houses of 17 beneficiaries were completed and 172 houses remained incomplete as of April 2024.

The wrong transfer of even second/third instalment in 39 cases was indicative of laxity in validation process of bank credentials of the beneficiary before release of amount in these cases. Besides, the beneficiaries were deprived of the payment of unit assistance under PMAY-G and their house remained incomplete due to transfer of their instalments to other persons' bank accounts.

The State Government replied (September 2024) that after the examination of those cases in which amount of intended beneficiaries have been transferred to others bank account in other State, possibility of cyber-crime was in 159 cases³⁸ which involved an amount of ₹ 86.20 lakh. These cases pertain to 2017-20 and FIR was lodged by the districts in the beginning and correspondence were made with the respective banks for returning the transferred amount. The matter was raised with GoI in 2019 and 2020-21 as well, however the directions from GoI in this regard were awaited. The matter would also be taken up in the forthcoming meeting of the State Level Committee in Chairmanship of Chief Secretary and action would be taken in accordance with the directions received. Audit noticed that the Chief Secretary directed (October 2024) to bring up the matter in notice of Director General of Police, Uttar Pradesh as it was a form of economic offence.

³⁸ Jaunpur-4, Sambhal-25, Varanasi-6, Ambedkar Nagar-6, Bahraich-95, Fatehpur-01, Lalitpur-15 and Sitapur-7

To sum up, the underutilisation of Administrative funds resulted in short release of Central share. The State Government delayed the transfer of Central share of Programme Fund received from GoI to State Nodal Account by 74 to 105 days which resulted in creation of liability towards penal interest. The delay in release of first instalment was noticed in case of 79 *per cent* beneficiaries during 2017-23, besides ₹ 20.18 crore was pending for payment to 11,031 beneficiaries despite completion of their houses. Wage compensation of ₹ 28.70 crore was yet to be paid to trainees undergone training during 2018-19 to 2022-23 under RMT programme. Recovery of ₹ 2.62 crore was pending from ineligible individuals who were sanctioned house under PMAY-G. There were also cases of suspected cyber-crime due to which PMAY-G instalments were credited to other than beneficiaries' bank accounts.

Recommendations:

In view of the audit observations, the State Government may ensure:

- (2) *timely transfer of Central share in SNA,*
- (3) *utilisation of administrative funds on all activities included in the Framework for Implementation of the PMAY-G.*
- (4) *payment of pending wage compensation to trainees under Rural Mason Training Programme.*
- (5) *due diligence in verification of beneficiaries to avoid release of assistance to ineligible beneficiaries.*
- (6) *recovery of amount involved in cases of suspected cyber-crime and payment of due amount to the intended beneficiaries.*

