

# **Chapter I**

## **Introduction**



# Chapter I

## Introduction

This chapter provides the brief introduction about Pradhan Mantri Awaas Yojana – Gramin (PMAY-G), organisational structure for the implementation of scheme in Uttar Pradesh and its implementation status in the State, besides audit objectives, scope and methodology for the performance audit.

### Brief snapshot of the Chapter

- PMAY-G was implemented in Uttar Pradesh from 2016-17 and a target for construction of 36.15 lakh houses up to March 2024 was allocated to the State.
- During 2016-23, 34.71 lakh houses were sanctioned under PMAY-G in Uttar Pradesh out of which 34.18 lakh houses were constructed up to March 2024.

## 1.1 About the scheme

Reducing rural housing shortage and improving the quality of housing especially for the poor is an important component of the poverty alleviation strategy. To address the gaps in the erstwhile rural housing schemes and in view of commitment of Government of India (GoI) to provide ‘Housing for All’ by 2022, Indira Awaas Yojana (IAY)<sup>1</sup> was re-structured (November 2016) into Pradhan Mantri Awaas Yojana – Gramin (PMAY-G). PMAY-G aims to provide a pucca house with basic amenities to all the houseless families and families living in kutchha and dilapidated houses in rural areas by 2022. The timeline was extended upto March 2024.

### 1.1.1 Key features of PMAY-G

- Identification and selection of beneficiaries, based on the housing deficiency and other social deprivation parameters<sup>2</sup> in Socio Economic Caste Census (SECC) - 2011 data, and verified by the Gram Sabhas.

<sup>1</sup> IAY was launched during 1985-86 as a sub-scheme of Rural Landless Employment Guarantee Programme and was made an independent scheme with effect from January 1, 1996. The objective of IAY was primarily to help construction/upgradation of dwelling units of members of Scheduled Castes/Scheduled Tribes, freed bonded labourers and also to non-SC/ST rural poor below the poverty line by providing them a lump sum financial assistance. The Programme was implemented through Zilla Parishads/District Rural Development Agencies and houses were to be constructed by the beneficiaries themselves.

As detailed in Framework for Implementation of PMAY-G, although IAY addressed the housing needs in the rural areas, certain gaps were identified during the concurrent evaluations and the Performance Audit by the CAG of India in 2014. These gaps, i.e., non-assessment of housing shortage, lack of transparency in selection of beneficiaries, low quality of house and lack of technical supervision, lack of convergence, loans not availed by beneficiaries and weak mechanism for monitoring, were limiting the impact and outcomes of the programme.

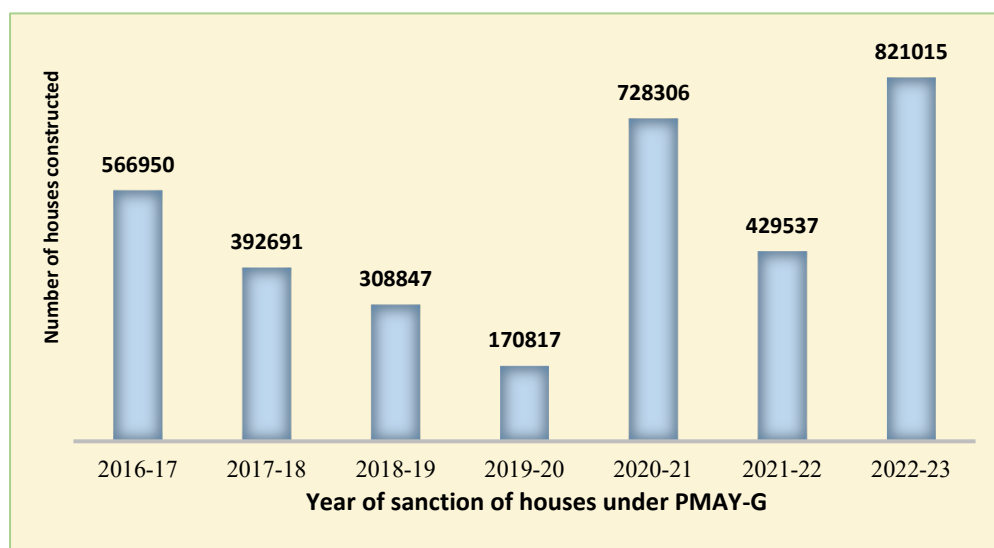
<sup>2</sup> The deprivation parameters in SECC-2011 were: (i) Households with only one room, kuccha walls and kuccha roof, (ii) No adult member between the ages of 16 and 59, (iii) Female headed households with no adult male member between 16 and 59 (iv) Households with disabled member and no able bodied adult member (v) SC/ST households (vi) Households with no literate adult above 25 years and (vii) Landless households deriving a major part of their income from manual casual labour.

- Increase in minimum unit (house) size from 20 square meter (sqm) under IAY to 25 sqm including a dedicated area for hygienic cooking.
- Increased monetary assistance of ₹ 1.20 lakh from ₹ 70,000 in plains (under IAY) and ₹ 1.30 lakh from ₹ 75,000 in hilly states (under IAY), difficult areas and Integrated Action Plan (IAP) districts.
- The cost of unit assistance was to be shared between GoI and State Governments in the ratio 60:40 in plain areas.
- Provision of assistance (₹ 12,000) for toilets through convergence with Swachh Bharat Mission - Grameen.
- Provision of 90 person days<sup>3</sup> of un-skilled labour wage under Mahatma Gandhi National Rural Employment Guarantee Act for construction of house, over and above the unit assistance.
- Focus on construction of quality houses by the beneficiaries using local materials, appropriate designs and trained masons. Beneficiary has a wide bouquet of structurally sound, aesthetically, culturally and environmentally appropriate house designs available to choose from rather than standard cement concrete house designs.
- Convergence with other Government schemes to provide basic amenities, viz., drinking water, electricity, clean and efficient cooking fuel, etc.

### **1.1.2 Implementation status of PMAY-G in Uttar Pradesh**

PMAY-G was implemented in all 75 districts of the State since beginning of the scheme in the year 2016-17. Construction of 36.15 lakh houses were targeted up to March 2024 in the State under PMAY-G. Out of which, 34.71 lakh houses were sanctioned in the State during the period of 2016-17 to 2022-23, against which 34.18 lakh houses were completed (March 2024). The number of houses constructed as of March 2024 against those sanctioned under PMAY-G during 2016-23 is shown in **Chart 1.1**.

**Chart 1.1: Construction of houses under PMAY-G as of March 2024**



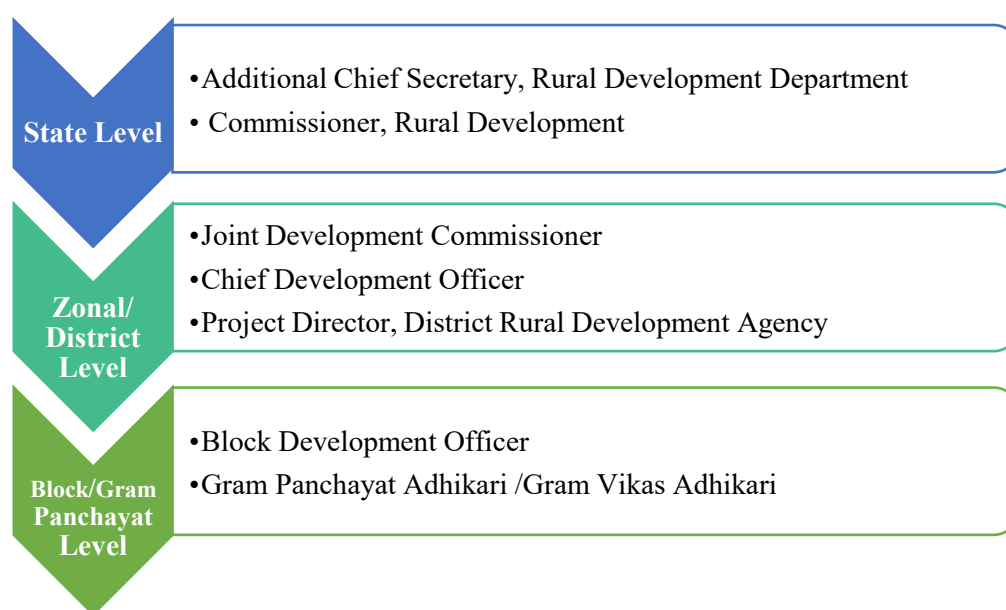
(Source: Information provided by Commissioner, Rural Development, Uttar Pradesh)

<sup>3</sup> 95 person days in difficult areas and Integrated Action Plan (IAP) districts.

## 1.2 Organisational structure

In Uttar Pradesh, PMAY-G was implemented by Rural Development Department. The Commissioner, Rural Development (CRD) at the State level, Project Directors (PD) of District Rural Development Agencies (DRDA) at the district level and Block Development Officers (BDO) at block level were responsible for implementation of the Scheme. Organisational structure of Rural Development Department in the State is given in **Chart 1.2**.

**Chart 1.2 Organisational structure of Rural Development Department**



(Source: Information provided by CRD)

Under PMAY-G scheme, the State had to set up a dedicated Programme Management Unit (PMU) to undertake the tasks of implementation, monitoring and supervision. In Uttar Pradesh, PMU was constituted at the State level and approval for constitution of PMU at District and Block level was accorded by the State Government in five districts as discussed in Paragraph 5.1 of Chapter V. The process and stages of sanctioning houses under PMAY-G is as given in **Table 1.1**.

**Table 1.1: Stages for sanction of Houses under PMAY-G**

	Stages	Level/Authorities
<b>Identification and selection of beneficiaries</b>	Preparing list of eligible beneficiaries from SECC-2011 or subsequent surveys for PMAY-G	GoI
	Prioritisation of beneficiaries within the list	
	Target set for the State	
	Target of the State distributed into district wise/block wise and Gram Panchayat wise targets	State Level <sup>4</sup> (CRD)
	Verification of priority list by Gram Sabha	Gram Sabha/ Panchayat
	Post verification, list to be widely published	

<sup>4</sup> GoI provides the target of districts, blocks and GPs from 2020-21 onwards, i.e., when the permanent wait list (PWL) of Awaas Plus survey (2018-19) was implemented.

	Stages	Level/Authorities
	Receiving complaints related to beneficiaries list for inclusion/deletion/change in rank	Gram Panchayat (VDO), Block (BDO) and District (PD, DRDA)
	Finalisation of permanent wait list (PWL) after resolution of complaints	District level PMU (PD, DRDA)
Sanction of houses and release of unit assistance to beneficiaries	Drawal of Annual Select List from final PWL	District level PMU (PD, DRDA)
	Registration of Beneficiary on AwaasSoft <sup>5</sup> from the annual select list	Block level PMU (BDO)
	Capture MNREGA Job Card number and beneficiary bank account details	
	Freeze beneficiary account for validation by Bank	
	Validate <sup>6</sup> beneficiary details received from bank	
	Generate proposal for sanction order <sup>7</sup>	District level PMU (PD, DRDA)
	Generation of sanction order (sanction order is individually generated in AwaasSoft for each beneficiary with a distinct PMAY-G ID and QR Code).	
	Generation of order sheet for payment of the first instalment	Block level PMU (BDO)
	Generation of Fund Transfer Order (FTO) for release of the first Instalment to beneficiary	
	Inspection of construction of house for completion level required before release of subsequent instalment and uploading Geo tagged photograph on AwaasSoft	Gram Panchayat/Gram Vikas Adhikari
	Generation of order sheet for payment of subsequent instalments	Block level PMU (BDO)
	Generation of FTO for release of subsequent instalment to beneficiary	
	Inspection of construction of house for completion level required before release of last instalment and uploading Geo tagged photograph on AwaasSoft	Gram Panchayat/Gram Vikas Adhikari
	Generation of order sheet for payment of last instalment	Block level PMU (BDO)
	Generation of FTO for release of last Instalment to beneficiary	

(Source: FFI of PMAY-G and CRD, U.P.)

### 1.3 Audit objectives

Audit objectives of the performance audit were to ascertain whether:

- The identification and selection of beneficiaries under the Scheme was in compliance with Scheme guidelines;

<sup>5</sup> AwaasSoft is a web-based transactional electronic service delivery platform to facilitate e-Governance in PMAY-G.

<sup>6</sup> through PFMS.

<sup>7</sup> State Government stated (April 2025) that at present, this stage was not operational. After the registration, freezing of bank account and geo-tagging of beneficiary, the name of beneficiary becomes visible on its own in the district login of AwaasSoft for sanction.

- Allocation and release of funds were made in an adequate and timely manner and also being utilised economically and effectively;
- Scheme was implemented effectively to ensure timely achievement of physical targets and as per required quality;
- Convergence with other schemes to provide basic amenities were in compliance with the provisions of Scheme guidelines;
- The monitoring and evaluation of the Scheme were in compliance with the Scheme guidelines.

#### 1.4 Audit criteria

The audit criteria were derived from the following documents:

- Framework for Implementation of the PMAY-G issued by the Ministry of Rural Development, GoI (November 2016).
- Instructions, circulars, orders issued from time to time by GoI and the State Government.

#### 1.5 Audit scope and methodology

In the Performance Audit, records pertaining to 2017-23 were examined in the office of the Principal Secretary, Rural Development Department and Commissioner, Rural Development at the State level. Besides a sample of 19 districts<sup>8</sup> (25 *per cent*) was drawn by adopting PPSWOR<sup>9</sup> statistical sampling method, representing all the four geographical regions<sup>10</sup> of Uttar Pradesh. Thereafter, 30 *per cent* Block Development Offices (BDOs) subject to maximum of three BDOs were selected in each sampled district and 25 *per cent* Gram Panchayats (GPs) subject to maximum of five GPs were selected under each sampled BDOs by applying PPSWOR method<sup>11</sup>. List of Districts, Blocks and Gram Panchayats selected for the PA is given in **Appendix 1.1**. In addition, eight beneficiaries in each sampled GP were selected for joint physical verification of constructed houses by applying systematic random sampling method<sup>12</sup>. Thus, the PA covered a sample of 19 districts<sup>13</sup>, 56 blocks, 280 GPs and 2,178<sup>14</sup> beneficiaries.

#### 1.6 Entry and Exit conferences and response of the State Government

An Entry Conference was held with the State Government on 21 August 2023, wherein the audit objectives, scope and methodology were discussed. The field work was conducted between September 2023 and April 2024. The draft report was sent to the State Government in July 2024. The State Government furnished

<sup>8</sup> At the district level, records of PMAY-G were examined in the office of the Project Director, District Rural Development Agency.

<sup>9</sup> Probability Proportionate to Size Without Replacement; for selection of districts, expenditure incurred under PMAY-G was taken as population.

<sup>10</sup> Eastern, Western, Central and Bundelkhand region.

<sup>11</sup> For selection of Blocks and GPs, number of houses sanctioned in respective Blocks and GPs was taken as population.

<sup>12</sup> At least one beneficiary from each category, i.e., SC, ST, Minority and Others were selected, if available in the sampled GP.

<sup>13</sup> Jaunpur, Maharajganj, Azamgarh, Lakhimpur Kheri, Barabanki, Budaun, Shahjahanpur, Moradabad, Jhansi, Mahoba, Sitapur, Bahraich, Ambedkar Nagar, Sultanpur, Hardoi, Banda, Hamirpur, Unnao and Sambhal.

<sup>14</sup> Eight beneficiaries were available in 249 GPs and in 31 GPs, less than eight beneficiaries were available. Thus, a total 2,178 beneficiaries were covered during joint physical verification in 280 GPs.

the reply on the draft report in September 2024 and an exit conference was held on 10 October 2024. Additional reply/data were also received (April 2025) from the State Government/CRD. The replies of the State Government have suitably been incorporated in the draft report.

## **1.7 Structure of Report**

The Audit Report has been structured in following five Chapters:

Chapter I: Introduction

Chapter II: Identification and selection of beneficiaries

Chapter III: Financial management

Chapter IV: Implementation of the Scheme

Chapter V: Monitoring of the Scheme

Chapter I is general in nature which provides brief introduction of the Scheme and status of its implementation in the State along with audit objectives, audit criteria, scope and methodology of performance audit. The other four chapters (Chapter II to V) contain audit findings on various aspects of implementation of PMAY-G Scheme in Uttar Pradesh.

## **1.8 Acknowledgement**

Audit acknowledges the co-operation and assistance extended by the Rural Development Department, Commissioner Rural Development, Project Directors of sampled District Rural Development Agencies, Block Development Officers of sampled blocks and Gram Panchayat/Vikas Adhikari of sampled GPs in conducting this Performance Audit.