GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 1816
ANSWERED ON 17/03/2025

COST SHARING RATIO UNDER PMAY (URBAN) 2.0

1816. DR. JOHN BRITTAS:

Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:

(a) the reasons for increased burden on States due to the revised 60:40 cost-sharing ratio under PMAY(U) 2.0 compared to 75:25 ratio under PMAY(U)-1;

(b) whether Government will review its decision for mandatory 25 per cent beneficiary contribution in PMAY(U) 2.0, considering its potential adverse impact on the participation of economically weaker sections and vulnerable groups;

(c) whether Government is aware of the concerns raised by States regarding mandatory display of PMAY(U) 2.0 logo on houses constructed under the scheme, considering its impact on dignity and self-esteem of beneficiary families; and

(d) if so, whether Government will review its stand on display of logo?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN AFFAIRS (SHRI TOKHAN SAHU)

(a) to (d): ‘Land’ and ‘Colonization’ are State subjects. Therefore, schemes related to housing for their citizens are implemented by States/Union Territories (UTs). However, Ministry of Housing and Urban Affairs supplements the efforts of States/UTs by providing Central Assistance under Pradhan Mantri Awas Yojana - Urban (PMAY-U) since 25.06.2015 with an aim to provide all weather pucca houses with basic civic amenities to all eligible urban beneficiaries across the country. The scheme is implemented through four verticals i.e., Beneficiary Led Construction (BLC), Affordable Housing in Partnership (AHP), In-Situ Slum Redevelopment (ISSR) and Credit Linked Subsidy Scheme (CLSS). There was no such sharing pattern 75:25 in PMAY-U. Government of India provided its fixed share as Central Assistance of ₹1.0 lakh under ISSR, ₹1.5 lakh for AHP and BLC verticals of PMAY-U and States/UTs were free to chooses State share. Under CLSS vertical, an interest subsidy was provided through Central Nodal Agencies (CNAs) for beneficiaries of Economically Weaker Section (EWS)/Lower Income Group (LIG) and Middle-Income Group (MIG) category. The remaining cost of the house as per DPR is shared by States/UTs/Urban Local Bodies (ULBs)/Beneficiaries. The scheme has been extended till 31.12.2025 except CLSS vertical, to complete all the houses sanctioned without changing the funding pattern and implementation methodology.

Based on the learning from the experiences of 9 years implementation of PMAY-U, MoHUA has revamped the scheme and launched PMAY-U 2.0 ‘Housing for All’ Mission with effect from 01.09.2024 for implementation in urban areas across the country for 1 crore additional eligible beneficiaries through four verticals i.e., Beneficiary Led Construction (BLC), Affordable Housing in Partnership (AHP), Affordable Rental Housing (ARH) and Interest Subsidy Scheme (ISS). Moreover, in-principle approval of 6.77 lakh houses have been provided to 30 States/UTs which have signed Memorandum of Agreement (MoA) to implement PMAY-U 2.0 for eligible beneficiaries. There are estimated 4-5 lakh potential beneficiaries in Kerala but State has not yet signed MoA to implement the Scheme. The scheme guidelines and Unified Web-portal for submitting the online applications can be accessed through https://pmay-urban.gov.in.

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The scheme guidelines of PMAY-U 2.0 have been prepared after a series of consultations with States/UTs and a large number of other stakeholders. As per the scheme guidelines of PMAY-U 2.0, the fund required for purchase/construction of houses under the scheme is shared between the Central Government, State/UT Government/ULBs/Implementing agencies and the beneficiaries. The funding under PMAY-U 2.0 is to provide a nudge to the beneficiaries and enable them to construct their houses by arranging funds from other sources as well. Government Assistance under BLC/AHP verticals of PMAY-U 2.0 for North-eastern States, Uttarakhand, Himachal Pradesh, UTs of Jammu & Kashmir, Puducherry and Delhi have been fixed at a ratio of 90:10. For Remaining UTs, the Central & State sharing ratio is 100:0 whereas for other States it is on 60:40. A fixed amount of Central Assistance is provided by Government of India under different verticals as following:

<table>
<tr><th rowspan="2">S. No.</th><th rowspan="2">States/UTs</th><th colspan="3">PMAY-U 2.0 Verticals</th></tr>
<tr><th>BLC & AHP</th><th>ARH</th><th>ISS</th></tr>
<tr><td>1.</td><td>Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Tripura, Sikkim, Himachal Pradesh, Uttarakhand, UTs of Jammu & Kashmir, Puducherry and Delhi</td><td>Central Govt. - ₹2.25 lakh per unit
State Govt. - Minimum ₹0.25 lakh per unit</td><td rowspan="3">Technology Innovation Grant
GoI: ₹3,000/Sqm. per unit
State Share: ₹2,000/Sqm. per unit</td><td rowspan="3">Home Loan Subsidy – up to ₹1.80 lakh (Actual Release) per unit by Government of India as Central Sector Scheme</td></tr>
<tr><td>2.</td><td>All other UTs</td><td>Central Govt. - ₹2.50 lakh per unit</td></tr>
<tr><td>3.</td><td>All other States</td><td>Central Govt. - ₹1.50 lakh per unit
State Govt. - Minimum ₹1.00 lakh per unit</td></tr>
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As per the scheme guidelines, State/UT share is mandatory under PMAY-U 2.0. However, States/UTs may provide enhanced State share to reduce the burden on beneficiaries. Further, a minimum beneficiary share of 25% of the total project cost is mandatory in a specific project under AHP vertical only. States/UTs are also expected to facilitate home loan to PMAY-U beneficiaries through tripartite agreement.

As per the scheme guidelines, it is mandatory for States/UTs to ensure display of PMAY-Urban logo and beneficiary details on all houses constructed under the scheme. Display of logo on PMAY-U houses ensures authenticity and transparency in the implementation of the scheme across States/UTs. Therefore, States/UT's have been advised to keep the name of the scheme intact and not modify it in any manner during implementation. Further, to ensure better implementation, accountability, transparency and pro-active participation of the beneficiaries, undertaking Social Audit of the sanctioned PMAY-U 2.0 projects is mandatory by States/UTs/ULBs before the release of third installment of Central Assistance, which provides the beneficiaries and other stakeholders an opportunity to scrutinize the procedures and benefits of the Mission.

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