GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT

LOK SABHA
UNSTARRED QUESTION NO. 2546
ANSWERED ON 04/08/2026

FINANCIAL CONSTRAINTS UNDER PMAY-G

2546. Shri M K Raghavan:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Government is aware of the severe financial constraints faced by Local Self-Governments (LSGs) in States like Kerala where local bodies must contribute a substantial share of Rs. 2.80 lakh out of the total Rs. 4 lakh assistance per beneficiary under the Pradhan Mantri Awas Yojana-Gramin (PMAY-G) because the standard Central-State component is limited to Rs. 1.20 lakh, if so, the details thereof, State-wise;

(b) whether the Ministry has received representations highlighting that the current 20 per cent ceiling on utilizing local development funds for housing schemes severely restricts LSGs from allocating their required share for PMAY-G, thereby delaying crucial assistance to rural beneficiaries, if so, the details thereof; and

(c) whether the Government plans to relax or exempt the matching expenditure incurred by local bodies under PMAY-G from the existing development fund utilization caps so that other essential local infrastructure projects are not adversely affected, if so, the details thereof?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(DR. CHANDRA SEKHAR PEMMASANI)

(a) to (c): Financial assistance under PMAY-G is provided at unit assistance of Rs.1.20 lakh in plain areas and Rs.1.30 lakh in North-Eastern Region States and Hill States of Himachal Pradesh, Uttarakhand, Union Territories of Jammu & Kashmir and Ladakh. The cost of unit assistance is being shared between Central and State Governments in the ratio of 60:40 in plain areas and 90:10 for North-Eastern States, 2 Hill States (Himachal Pradesh and Uttarakhand) &

UT of Jammu and Kashmir. The Government has approved the implementation of the PMAY-G during FY 2024-25 to 2028-29 with existing unit assistance for construction of 2 crore additional houses. It may , however, be stated that in addition to the unit assistance provided under the scheme, financial assistance of ₹12,000 is extended for the construction of toilets through convergence with the Swachh Bharat Mission–Gramin (SBM-G). Further, there is a provision for providing prescribed person-days of unskilled wage employment within the approved scheme parameters, at prevailing wage rates to each PMAY-G beneficiary for the construction of their house through convergence with MGNREGS/ VB G-RAM G.

PMAY-G households are also provided with piped drinking water through convergence with the Jal Jeevan Mission (JJM) and Har Ghar Nal Se Jal (HGNSJ) of the Department of Drinking Water and Sanitation, Ministry of Jal Shakti, or other similar schemes. In addition, beneficiaries are supported with electricity connections through relevant schemes implemented by the Ministry of Power, State Governments, or UT Administrations, and are provided Liquefied Petroleum Gas (LPG) connections under the Pradhan Mantri Ujjwala Yojana (PMUY) of the Ministry of Petroleum and Natural Gas or other relevant schemes.

Since, Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) is a Centrally Sponsored Scheme, the implementation of PMAY-G at the ground level rests with the State Governments/UTs. The Central Government releases financial assistance directly to the State/UT's considering them as a single unit. The States have the authority to add their own top-up funds to the PMAY-G budget. The State government is then responsible for distributing the funds down to districts/ blocks/ Gram Panchayats and decide ceiling, if any, for utilization of funds by these units. The Ministry has not received any representation with respect to ceiling on utilization of local development funds for housing schemes.

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