

CHAPTER II

PERFORMANCE AUDIT

Urban Administration and Development Department

2.1 Performance Audit on ‘Implementation of Pradhan Mantri Awas Yojana-Urban (PMAY-U) in Chhattisgarh’

Executive Summary

Why this audit?

Government of India (GoI) launched the scheme, Pradhan Mantri Awas Yojana-Housing for All-Urban (PMAY-U) in June 2015. The scheme addresses urban housing shortage among the Economic Weaker Section (EWS)/Low Income Group (LIG) and Middle-Income Group (MIG) categories including the slum dwellers by ensuring a *pucca* house to all eligible urban households by the year 2022. Union cabinet has approved continuation of PMAY-U up to 31 December 2025 with all the verticals except Credit Linked Subsidy Scheme (CLSS) vertical.

A total demand for 5 lakh Dwelling Units (DUs) was projected by the State Government in the approved Housing for All Plan of Action (HFAPOAs) prepared for 168 ULBs against which 2.49 lakh DUs (50 *per cent* of demand) were taken up for construction and 2.07 lakh DUs were completed as of April 2025. An expenditure of ₹ 5175.09 crore had been incurred under the scheme during 2016-17 to 2023-24.

We conducted this audit with the objective to assess the adequacy of planning and execution of projects, and the robustness of beneficiary identification system under each vertical, prudence in Fund management for the scheme, along with built-in monitoring and evaluation mechanisms in the scheme to successfully achieve its intended goals.

What we found?

We noticed that Housing for All Plan of Actions (HFAPOAs) were prepared and approved (April 2018 for 36 ULBs and February 2022 for 132 ULBs) by State Level Sanctioning and Monitoring Committee (SLSMC) with delay of three to six years of implementation of the scheme. Meanwhile, projects under AHP/BLC/ISSR verticals were sanctioned by the SLSMC and Central Sanctioning and Monitoring Committee (CSMC) for construction of 1.48 lakh DUs without preparation of HFAPOAs, Annual Implementation Plan (AIP) and finalisation of beneficiaries list indicating deficient planning. Approval of projects without identification and validation of beneficiaries led to curtailment of projects later on. During the period of 2015-16 to 2023-24, out of total sanctioned 75,164 DUs in Affordable Housing in Partnership (AHP) vertical, 37,067 DUs (49 *per cent*) have been curtailed/surrendered. Out of remaining 38,097 DUs, only 23,242 DUs (61 *per cent*) were completed as of April 2025. Similarly, out of total sanctioned 2.77 lakh houses in BLC vertical, 66,383 houses (24 *per cent*) were surrendered/curtailed, and out of remaining

2.11 lakh houses, 1.84 lakh houses (87 *per cent*) were completed. All the projects under In Situ Slum Redevelopment (ISSR) vertical with 5,946 DUs could not be implemented and surrendered/curtailed due to lack of private partnership. Vacant housing stocks available with ULBs under previous schemes could not be utilised as the same were not considered during preparation of HFAPOA.

Initial demand survey database of identified beneficiaries attached with HFAPOAs and entered in the MIS were not available due to continuous updation (addition/deletion) in the original database. Due to which grant of scheme benefit to originally identified beneficiaries could not be ensured in Audit.

Due to non-linkage of PMAY-U and PMAY-G MIS, 99 beneficiaries have availed benefits in both schemes. Thirty-five beneficiaries who had already benefitted under Integrated Housing and Slum Development Program (IHSDP) again availed the benefits under BLC vertical of scheme. Central assistance was transferred to the SNA with delay, leading to delays in fund disbursement to ULB and to beneficiaries and payment to contractors. Audit noticed delay in completion of DUs by ULBs under AHP projects and consequent blocking of scheme funds of ₹ 230.05 crore. Delay in completion of DUs was mainly due to lack of funds, covid pandemic and slow progress of work. Undue favour extended to contractors due to irregular disbursement and non-recovery of mobilisation advance as per the terms of contract.

Out of the completed DUs under AHP vertical, 6,888 DUs were allotted to slum dwellers while 10,903 DUs meant for slum dwellers were allotted under '*Mor Makan Mor Aas*' to non-slum dwellers by revising the eligibility criteria without the approval of CSMC. Further, share of State contribution (₹ 2.50 lakh) was also recovered from the beneficiaries in addition to their contribution of ₹ 0.75 lakh per DU under the *Mor Makan Mor Aas* scheme. All ISSR projects comprising 5946 DUs for slum redevelopment were also curtailed. Thus, beneficiaries of slum areas under AHP/ISSR vertical were deprived of scheme benefit due to curtailment of projects and allotment of house to non-slum dwellers.

Under BLC vertical, there were instances of selection of ineligible beneficiaries, construction of houses beyond the prescribed lay out, construction of shops along with house, sanction of house without ownership of land and selling of houses/DU to a third person after construction by beneficiaries. Audit noticed that in some cases installments for various stages of construction were released without completion of construction and geo-tagging of respective stage while in other cases there was delay in release of final instalment after completion of houses. Audit noticed lapses in the monitoring of construction of BLC houses i.e. mismatched and photographs of other beneficiaries' houses used for geo-tagging of different construction stages, irregular geo-tagging for completion stage of houses found incomplete during site inspection, etc. Delay in appointment of Independent Facilitate Agency resulted in delay in conducting social audit.

Audit noticed that despite the scheme's strong emphasis on empowering women through property ownership, a significant number of female members did not get the intended benefits as only 50 *per cent* of houses were sanctioned in the

name of female beneficiaries during the period 2016-17 to 2023-24, which falls short of the scheme's goals.

What we recommend?

The State Government may:

- *Speed up the construction of remaining houses and set a firm deadline to complete them so that all intended beneficiaries receive their houses without further delay.*
- *Ensure timeliness in release of Central and State share and transfer of funds to executing agencies/ULBs and beneficiaries for construction of houses.*
- *Ensure that eligible slum dwellers identified originally get benefitted under the scheme by facilitating allotment of house to them on priority in ongoing projects.*
- *Strengthen the monitoring/control mechanisms to prevent double benefits to single beneficiary under two housing schemes or two verticals of a scheme.*
- *Enforce geo-tagging compliance to ensure proper tracking of housing units before releasing funds to intended eligible beneficiaries.*
- *Fix responsibility on the erring officials for wrong release of assistance before geo-tagging and other irregularities in geo-tagging of BLC houses as included under Paragraph no. 2.1.6.4, 2.1.7.4, 2.1.8.9, 2.1.8.12 and 2.1.9.1.*
- *Fix responsibility on the erring official for irregular release and non-recovery of mobilisation advance from the contractor.*
- *Increase the numbers of female beneficiaries by allocating/sanctioning house in the name of female member to meet the scheme objective of women empowerment.*

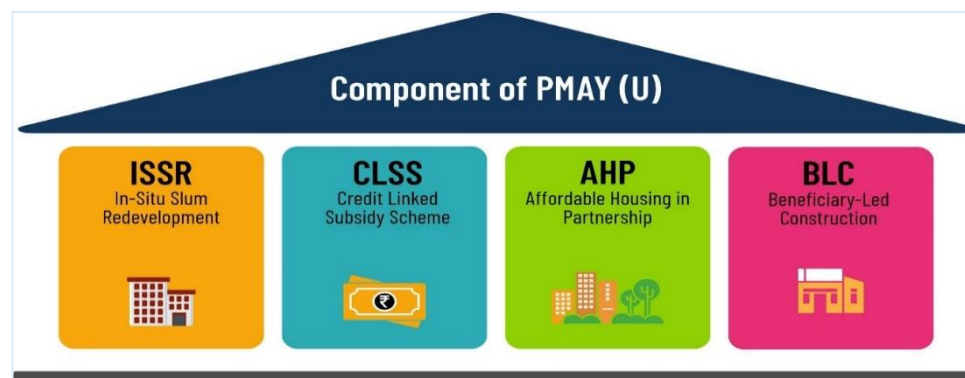
2.1.1 Introduction

PMAY-U is a flagship Mission of Government of India (GoI) implemented by Ministry of Housing and Urban Affairs (MoHUA), was launched on 25 June 2015. The Mission addresses urban housing shortage among the Economic Weaker Section (EWS)/Low Income Group (LIG) and Middle-Income Group (MIG) categories including the slum dwellers by ensuring a pucca house to all eligible urban households by the year 2022. Union cabinet has approved continuation of PMAY-U up to 31 December 2025 with all the verticals except Credit Linked Subsidy Scheme (CLSS) vertical.

PMAY-U adopts a demand driven approach wherein the Housing shortage is decided based on demand assessment by States/Union Territories. State Level Nodal Agencies (SLNAs), Urban Local Bodies (ULBs)/Implementing Agencies, Central Nodal Agencies (CNAs) and Primary Lending Institutions are main stakeholders who play an important role in implementation and success of PMAY-U.

The Mission promotes women empowerment by providing the ownership of houses in name of female member or joint name. Preference is also given to differently abled persons, senior citizens, Schedule Castes, Schedule Tribes, Other Backward Classes, Minority, single women, transgender and other weaker & vulnerable sections of society. PMAY-U house ensures dignified living along with sense of security and pride of ownership to the beneficiaries.

The Mission seeks to address the affordable housing requirement in urban areas through following programme verticals as given below:



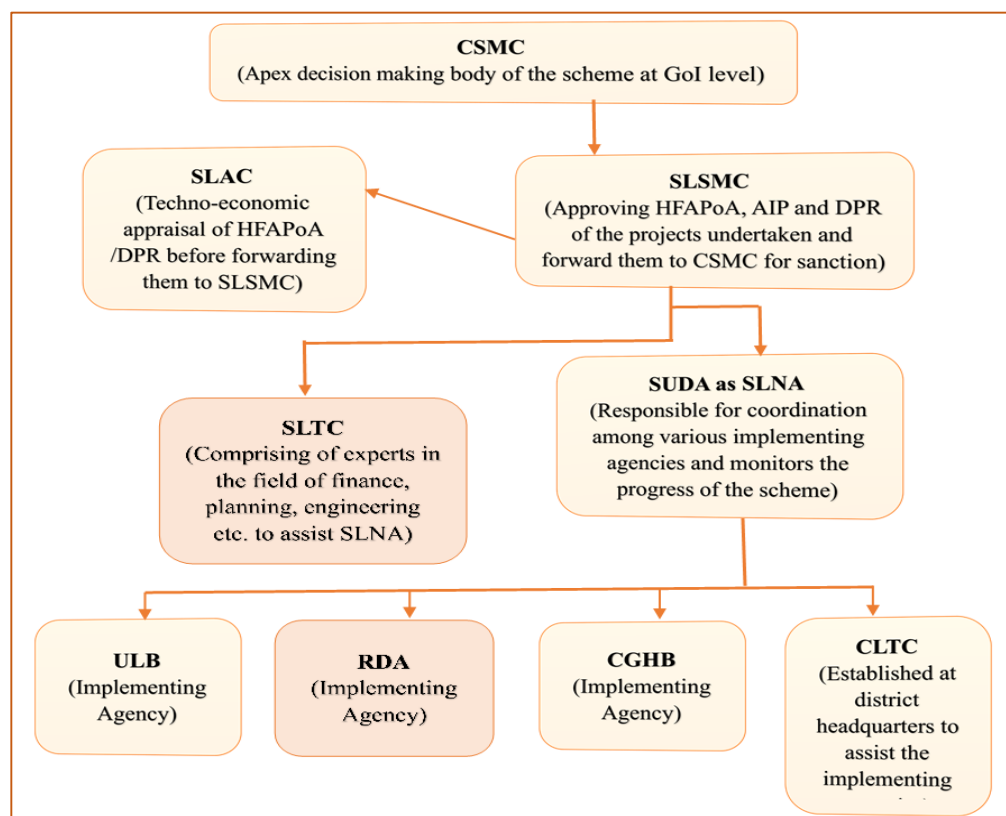
- Affordable Housing in Partnership (AHP) – EWS houses are built with Central assistance of ₹ 1.50 lakh, State support of ₹ 2.50 lakh and ₹ 0.75 lakh from beneficiaries, involving public or private sector.
- Beneficiary Led individual house Construction (BLC) – Beneficiaries get ₹ 1.50 lakh from the Center, ₹ 0.85 lakh from the State, and contribute ₹ 0.86 lakh to construct new house or enhancement.
- In Situ Slum Redevelopment (ISSR) – Slum housing is redeveloped using land as a resource, with Central assistance of ₹ 1 lakh, beneficiary contribution of ₹ 0.75 lakh and Public Private Partnership (PPP) share of ₹ 3.75 lakh per house.
- Credit Linked Subsidy Scheme (CLSS) – Home loan interest subsidy of 6.5, four and three *per cent* on loan amount of ₹ 6, 9 and 12 lakh for EWS, LIG and MIG-I&II beneficiaries.

The Performance Audit of PMAY-U in Chhattisgarh was undertaken to evaluate the effectiveness of the scheme in addressing the state's acute housing shortage, which was estimated at 4.23 lakh houses as per Census 2011.

2.1.2 Administration and Implementation Structure

Central Sanctioning and Monitoring Committee (CSMC) under the chairmanship of Secretary, MoHUA is the Apex decision making body of the scheme at GoI level. At State level, the Urban Administration and Development Department (UADD) is designated for financial and administrative control of ULBs. Government of Chhattisgarh (GoCG) constituted State Level Sanctioning and Monitoring Committee (SLSMC) and State Level Appraisal Committee (SLAC) under PMAY-U and appointed State Urban Development Agency (SUDA) as the State Level Nodal Agency (SLNA) for implementation of the AHP, BLC and ISSR verticals under the scheme in which Urban Administration and Development Directorate and SUDA monitor the funding to the ULBs and other implementing agencies {Chhattisgarh Housing Board (CGHB) & Raipur Development Authority (RDA)} and utilisation thereof. At Directorate level, Chief Engineer (CE) is assisted by Superintending Engineer (SE), Executive Engineer (EE), Assistant Engineer (AE), Sub-Engineer and they technically assist ULBs for implementation of projects. At ULB level, the Commissioner/Chief Municipal Officer is assisted by SE, EE, AE, Sub-Engineer, and other staff to discharge their duties for smooth functioning of the scheme. The role of various agencies involved in implementation of the scheme is illustrated in **Chart 2.1** below:

Chart 2.1: Implementation structure of PMAY-U scheme



2.1.3 Audit Objectives

The objectives of this Performance Audit are to assess whether,

- The 'Housing for All' projects were meticulously planned and executed with due diligence to ensure comprehensive implementation.
- The beneficiary identification system under each vertical was robust, effective, and guarantees the inclusion of all eligible individuals while preventing the inclusion of non-eligible beneficiaries.
- Fund management for the scheme followed established guidelines and policies, ensuring optimal efficiency and effectiveness.
- The scheme incorporates necessary administrative and regulatory measures, along with built-in monitoring and evaluation mechanisms, to successfully achieve its intended goals.

2.1.4 Audit Criteria

The Performance Audit findings were benchmarked against the following criteria:

- PMAY-U Scheme guidelines issued by MoHUA, GoI
- Advisory on geo-tagging of BLC issued by MoHUA
- PMAY Management Information System (MIS) User Manual, 2016
- Social Audit Guidelines 2017 issued by MoHUA
- Best practices and orders, notifications, circulars, and instructions issued by the State Government and MoHUA from time to time.

2.1.5 Audit Scope and Methodology

The Performance Audit covered implementation of PMAY-U scheme in Chhattisgarh during 2015-24. It involved examination of records in Secretariat, UADD, SUDA, 26 ULBs (six¹ Municipal Corporations, nine² Municipal Councils and 11³ Municipal Panchayats) sampled by adopting multistage stratified sampling by taking the number of houses sanctioned and expenditure incurred under PMAY-U along with other implementing agencies i.e. RDA and CGHB as detailed **Appendix 2.1.1**. Further, out of total 38 AHP and 388 BLC projects approved in selected 26 ULBs, 17 AHP and 128 BLC projects {30 *per cent* projects of AHP (minimum two) & BLC verticals selected by Simple Random Sampling Without Replacement (SRSWOR)} have been selected respectively of which five beneficiaries from each selected project were selected on random basis during field visit for detailed scrutiny and joint physical verification/interaction with beneficiary.

The methodology of this Performance Audit included analysis of procedures, use of existing data, quantitative analysis at directorate and ULB level and

¹ Ambikapur, Bhilai, Bilaspur, Jagdalpur, Korba and Raipur

² Arang, Bijapur, Gariyaband, Jamul, Katghora, Khairagarh, Saragarh, Surajpur and Takhatpur

³ Abhanpur, Bastar, Bhatgaon, Chhurikala, Dhamdha, Fingeshwar, Gandai, Geedam, Kota, Premnagar and Sitapur

beneficiary interaction/survey-cum-joint physical verification at ULB and implementing agencies level.

We conducted an Entry Conference on 14 August 2023 with the Special Secretary, UADD in which the audit methodology, scope, objectives and criteria were shared. Draft Performance Audit Report was forwarded to the State Government (08 November 2024) and an Exit conference with the Secretary, GoCG, UADD was held on 07 May 2025. The replies of the State Government had been suitably incorporated in the Report.

Audit findings

2.1.6 Identification and Selection of Beneficiaries

As per para 8.3 of PMAY-U guidelines, States/Cities must conduct demand surveys to assess housing needs, excluding temporary migrants from the beneficiary list. The Housing for All Plan of Action (HFAPOA) should outline the housing demand of eligible beneficiaries and selected interventions. Additionally, existing affordable housing stock in the city must be considered while preparing HFAPOAs.

Para 8.5 of PMAY-U guidelines stipulates that based on HFAPOA, States/Cities will subsequently prepare the Annual Implementation Plans (AIPs) dividing the task up to 2022 in view of the availability of resources and priority.

Further, as per para 8.8 to 8.10 the HFAPOA and AIPs should be submitted to the Ministry after approval of SLSMC, HFAPOA should be reviewed on a yearly basis to make changes in view of implementation of AIP in the preceding years and based on HFAPOA and availability of resources, each city will prepare Detailed Project Report (DPRs) under each vertical of the Mission (except CLSS) duly approved by SLSMC.

The various implementation stages of PMAY-U scheme are illustrated in the **Chart 2.2** and **Chart 2.3** given below:

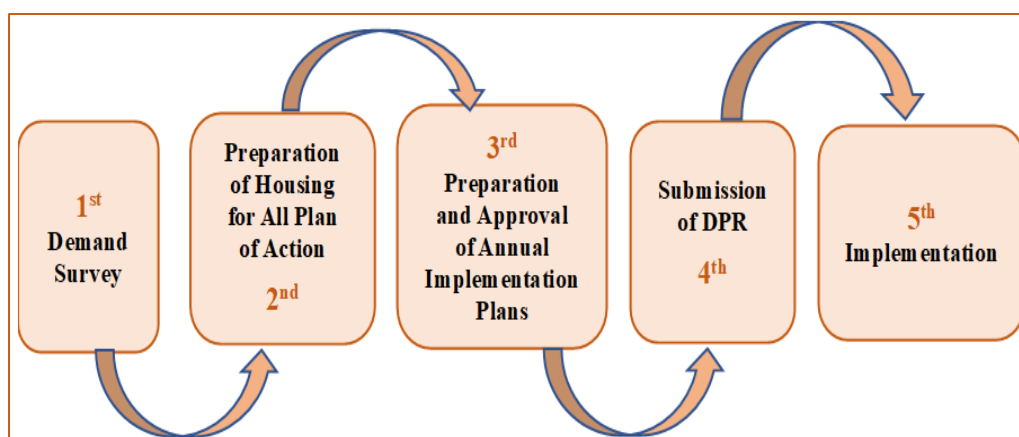
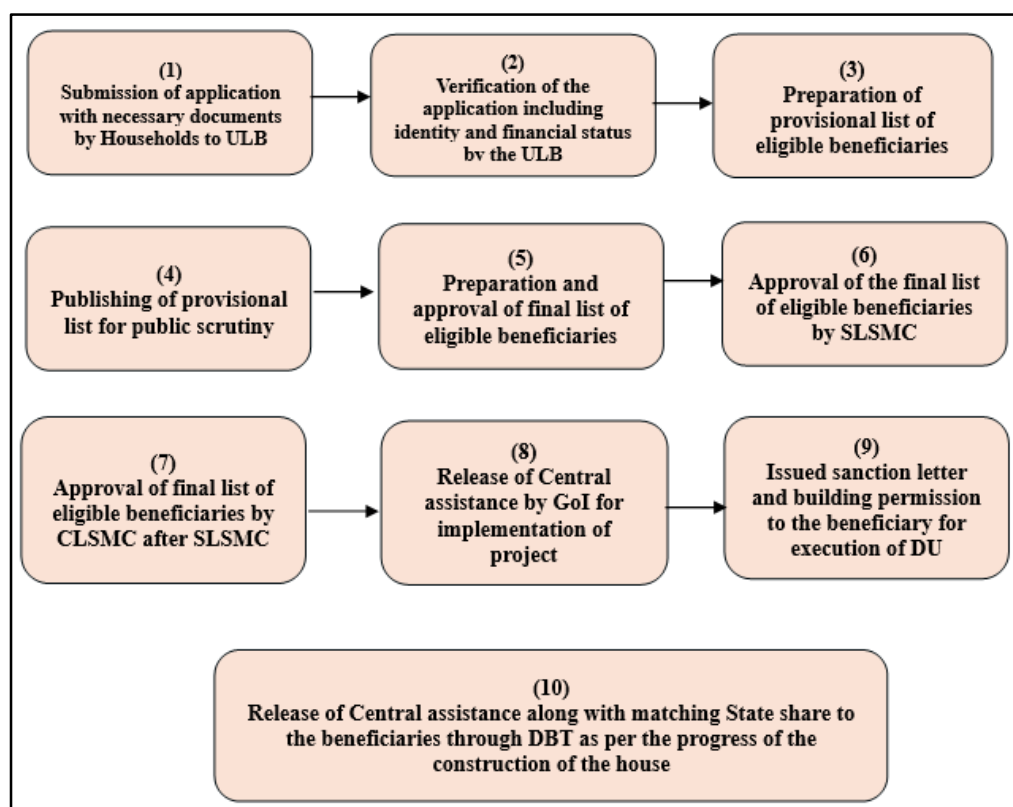


Chart 2.3: Process flow chart for selection of beneficiaries under PMAY-U



2.1.6.1 Demand Survey for identification of beneficiaries and preparation of Housing for All-Plan of Action (HFAPOA)

CSMC in its 8th meeting directed (April 2016) all State/UT to complete demand survey and preparation of HFAPOA by June 2016.

2.1.6.1(a) Delay in issue of RFP and preparation of HFAPOA

During scrutiny of records in test checked ULBs and SUDA, Audit noticed delay in issue of Request for Proposal (RFP) by SUDA for award of work of preparation of HFAPOA after conducting demand assessment survey.

Further, during 2016-17, three RFPs for preparation of HFAPOA after conducting demand assessment survey were issued in February 2016, May 2016 and September 2016 and work orders were issued to selected three agencies in August 2016, November 2016 and March 2017 for 17 ULBs, 11 ULBs and eight ULBs respectively. None of the agencies completed the assigned work within the prescribed time of four months. For remaining 132 ULBs, RFP was issued in March 2018 after a gap of 18 months and the work order was issued by SUDA in January 2019 for 132 ULBs.

Agencies submitted the HFAPOA & AIP for 36 and 132 ULBs in March 2018 and March 2021 which were approved by SLSMC in April 2018 and February 2022 and CSMC in August 2020 and February 2022 respectively. However, 1,259 projects were approved before preparation of HFAPOAs and finalization of list of beneficiaries as shown in **Table 2.1.1** below:

Table 2.1.1: Details of approval of projects without preparation of HFAPOA

Name of component	No. of ULBs	Number of projects	Numbers of DUs	Date of approval of projects by CSMC	work of survey and HFAPOA awarded (completed)	Date of approval of HFAPOA by CSMC
AHP	13	58	43543	27-10-2015 to 27-02-2018	August 2016 to March 2017 (March 2018)	August 2020
BLC	161	1193	98017	20-12-2016 to 07-08-2020	August 2016 to January 2019 (March 2021)	August 2020 and February 2022
ISSR	05	08	5946	20-12-2016 to 27-09-2017	August 2016 to March 2017 (March 2018)	August 2020
Total		1259	147506			

(Source: Information compiled by audit from records of SUDA)

Thus, it can be seen that there was delay in issue of RFP and finalisation of proposals by SUDA as well as delay in preparation and approval of HFAPOAs under the PMAY-U. Due to which implementation of 1,259 projects for 1,47,506 DUs under PMAY-U was carried out without preparing Plan of Action as prescribed in the guidelines. During test check of records, Audit observed that DPRs of above projects were submitted for approval of CSMC either without attaching the list of beneficiaries or attaching the probable list of beneficiaries without verification/validation of beneficiary data. Implementation of projects, without Plan of Action and identification of beneficiaries resulted in gaps in linking/selection of beneficiaries and curtailment of projects as discussed in succeeding paras.

The State Government stated (May 2025) that during the period when the HFAPOAs were being prepared and submitted to the GoI, the Central Government has already started sanctioning of AHP/BLC houses by instructing the states to prepare proposals from the MIS Demand Base readily available in the MIS. In parallel to the operations above, during the preparation of HFAPOA the DPRs were sanctioned by GoI for which entries of probable beneficiaries in survey data/attachment/curtailment and all such activities were being carried out in PMAY-U MIS portal. The GoI didn't approve the HFAPOAs priority else would have stopped the sanctions, neither any sanctions were discussed in the CSMCs against the HFAPOA date of the State. The second lot of HFAPOA of the State were approved by CSMC in February 2022. The State has acted on the directives issued by the GoI.

The reply confirms that DPRs were prepared and submitted for approval without identifying the eligible beneficiaries as well as before completion of demand survey and preparation of HFAPOA. Reply of the Government regarding approval of DPR is not acceptable as according to the PMAY-U guidelines, based on HFAPOA and availability of resources, DPRs were to be prepared by the State Government.

2.1.6.1(b) *Deficiency in demand survey and mismatch with database in PMAY-U MIS portal*

According to PMAY-U guidelines, States and cities were required to conduct demand surveys to assess housing needs. Based on these surveys, they were to prepare HFAPOA, which contains the demand for housing by eligible beneficiaries and proposed interventions. It further states that allotment of houses to identified eligible beneficiaries in AHP projects should be made following a transparent procedure as approved by SLSMC and beneficiaries selected should be part of HFAPOA.

Audit observed inconsistencies between surveyed beneficiary data included in the approved HFAPOAs and the entries of surveyed beneficiaries made in the MIS database of ULBs in the PMAY-U portal. HFAPOAs recorded a total demand of 5,00,075 i.e. 3,48,640 and 1,51,435 in 36 ULBs and 132 ULBs respectively. However, as per MIS database as on December 2024, entries for 5,67,066 beneficiaries were made under surveyed list. Thus, additional entries for 66,991 beneficiaries were made in MIS that were not part of list of beneficiaries identified during demand survey and included in HFAPOAs.

Audit further noticed that removal of beneficiaries as well as the addition of new applicants based on proposals of curtailment/new projects submitted to the CSMC, led to continuous modifications in the original survey database on the MIS portal. As a result, the original list of surveyed beneficiaries initially entered in the MIS portal could not be traced, making it difficult for Audit to verify whether benefits were provided to originally identified beneficiaries. This indicates deficiencies in identification and selection of beneficiaries. Further scrutiny revealed that out of additional entries made in the MIS portal after approval of HFAPOAs (February 2022) benefits have been provided to 38,345 beneficiaries (AHP-3,588 and BLC-34,757) in contravention to the provision of scheme guideline as the benefits were to be provided to only surveyed beneficiaries included in approved HFAPOAs.

The State Government stated (May 2025) that the GoI approved the HFAPOA for any particular city/ULB based on the real time survey database of the PMAY-U MIS portal as on the date of CSMC. Therefore, the survey data of the HFAPOA report once approved was uploaded on the PMAY-U MIS Portal on a real time basis. In parallel to the operations above, during the preparation of HFAPOA the DPRs were sanctioned by GoI for which entries of probable beneficiaries in survey data / attachment/curtailment and all such activities were being carried out in PMAY-U MIS portal. Therefore, if looked upon today, the data cannot be traced retrospectively, since a lot of transformation has been carried out during the original mission period. Further, all the valid beneficiaries entered in the MIS Portal, interested in availing benefits of PMAY-U and whose proposals were duly forwarded by the ULBs have been provided with the benefits of PMAY-U, which includes the beneficiaries from the Demand Assessment Survey.

Reply is not acceptable as addition in the list of beneficiaries in MIS beyond the beneficiaries identified after conducting demand survey included in HFAPOA highlights a critical gap in survey data, selection of beneficiaries and tracking of benefits to originally identified beneficiaries during survey under PMAY-U.

2.1.6.1(c) *Curtailment of projects sanctioned under PMAY-U*

Audit noticed that total demand of 5 lakh DUs for beneficiaries was projected in approved HFAPAs of Chhattisgarh on the basis of demand survey conducted in 168 ULBs. Against the total demand, 3.58 lakh DUs, were originally sanctioned of which 1.09 lakh DUs were curtailed and 2.49 lakh DUs i.e. 50 per cent of total projected demand were taken up for construction by the Chhattisgarh Government under PMAY-U resulting in unsaturated demand.

(i) *Curtailment of AHP projects*

During scrutiny of record of proposals submitted by the State Government for approval of AHP projects in CSMC and minutes of meetings, Audit noticed that out of 97 sanctioned projects for construction of 58,038 houses to be executed by 16 ULBs during the period 2016-19, 38 not started projects of 26,982 houses had been curtailed till April 2025. Of these eight projects of 12,817 houses were sanctioned before the preparation of HFAPA. The curtailment was done due to non-availability of land, beneficiaries availed the benefits under CLSS and beneficiaries not interested to move/shift at the locations of these projects and allotment of land *patta* by the State Government to slum dwellers.

Similarly, out of 14 sanctioned projects for construction of 13,017 to be executed by CGHB during the period 2015-17, 10,085 houses of six projects had been curtailed in 38th and 54th CSMC due to insufficient registration and demand as well as absence of valid beneficiaries for the allotment. Further, all 14 projects of 13,017 houses were sanctioned before preparation of HFAPA.

The State Government stated (May 2025) that the State after the directives of CSMC, thoroughly reviewed the non-started houses in the AHP vertical across various cities. The cities submitted proposals to the State for curtailment of not-started houses, since identification of the beneficiaries for houses being constructed was already a challenging task. In such scenario again constructing new houses might create vacant housing stocks. The beneficiaries identified during the Demand Assessment survey under the identified slum areas had started withdrawing their consent to relocate from slum to the AHP sites. Therefore, the State Government has proposed curtailment of AHP houses to avoid the creation of vacant house stock.

The reply is not acceptable as approval of projects without finalisation of list of beneficiaries and availability of resources resulted in cancellation of AHP projects.

(ii) *Curtailment of BLC projects*

Audit noticed that out of total sanction of 1,960 projects for construction of 2.77 lakh BLC houses during the period 2016-24, 66,383 houses have been curtailed till April 2025 for beneficiaries have sold their land, already benefitted in earlier GoI schemes, unwillingness due to financial burden, migrated, annual family income more than ₹ 3.00 lakh, land dispute, land located under high tension line, death of beneficiaries etc.

Thus, curtailment/surrender of projects indicates deficient planning in taking up housing projects under AHP and BLC and selection of ineligible beneficiaries and their entries in MIS portal.

The State Government stated (May 2025) that the curtailment of houses in BLC were basically due to non-submission of land documents by the beneficiaries or their dissent to start the construction even after 2 to 7 years of sanction from GoI. Therefore, the State Government has proposed curtailment of non-started houses under the directives of CSMC and cleaned up the sanction of invalid beneficiaries.

The reply is not acceptable as the cancellation of BLC houses highlights poor beneficiary validation and planning before sanctioning of projects.

(iii) Curtailment of ISSR projects

In-situ slum rehabilitation using land as a resource with private participation for providing houses to eligible slum dwellers is an important component of the “Pradhan Mantri Awas Yojana–Housing for All (Urban)” mission. This approach aims to leverage the locked potential of land under slums to provide houses to the eligible slum dwellers bringing them into the formal urban settlement.

Central assistance of ₹ one lakh per house is admissible for all houses built for eligible slum dwellers under the component of In-Situ Slum Redevelopment (ISSR). After redevelopment, de-notification of slums by State/UT Government is to be recommended under the guidelines. Flexibility is given to States/Cities to deploy this Central assistance for other slums being redeveloped.

Ten ISSR projects for construction of 6,671 DUs were sanctioned by CSMC for five Municipal Corporations during the year 2016-17 and 2017-18 as detailed in **Table 2.1.2**.

Table 2.1.2: Details of sanction and release of Central assistance under PMAY-U for ISSR projects

<i>(₹ in lakh)</i>					
Sl. No.	Name of ULB	Project name	No. of units approved	Sanctioned Central assistance at the rate of ₹ one lakh per house	Central assistance released
(A) Projects approved in 17th CSMC meeting (December 2016)					
1	Bilaspur	Mittitila Vishnu Nagar	232	232.00	0.00
2	Bilaspur	Minimata Talapara	493	493.00	0.00
(B) Projects approved in 21st CSMC meeting (April 2017)					
3	Raipur	Tikrapara and Amapara	484	484.00	187.00
4	Raipur	Daganiya	592	592.00	50.00
5	Korba	Kuwanbhatta	161	161.00	64.00
6	Rajnandgaon	Dabripara	300	300.00	120.00
(C) Projects approved in 26th CSMC meeting (September 2017)					
7	Bhilai	Ghasidas Nagar	1680	1680.00	0.00
8	Bhilai	Ruvabandha	1176	1176.00	0.00
9	Bhilai	Indranagar Model town	616	616.00	0.00
10	Korba	Sitamani Basti	937	937.00	0.00
	Total		6,671	6,671.00	421.00

(Source: Information compiled by audit from records)

(*Included two projects with 725 DUs in Bilaspur which were converted under AHP vertical in April 2018)

CSMC in its 17th meeting (December 2016) while sanctioning the projects, directed the State Government to prepare a backup plan for ISSR projects in case private developers are not willing/available. Audit noticed that State Government has submitted the proposal of surrender of 5946⁴ houses in 10 ISSR projects which was approved by CSMC in its 51st and 72nd meeting held in August 2020 and April 2025 respectively.

While approving the proposal, the CSMC noted that verification of data was not done before preparation of DPRs for these projects. CSMC directed the State Government to ensure that no eligible beneficiary is deprived of benefit under the scheme due to dropping of these beneficiaries. ISSR projects were to provide dignified living conditions to slum-dwellers after development of slums, therefore projects under ISSR vertical should not be cancelled.

The State Government while submitting proposal for curtailment proposed to provide patta to eligible slum dwellers and providing houses under AHP for slum dwellers. Audit noticed that, out of the total eligible beneficiaries in eight ISSR projects, only 696 beneficiaries from Minimata in Bilaspur were given land *pattas*, leaving 5975 (6671-696) eligible beneficiaries without any benefits. Thus, intended purpose of development of slum could not be achieved.

Audit noticed that for preparation of DPRs for the eight surrendered ISSR fee of ₹ 1.44 crore was payable to various agencies against which payment of ₹ 1.25 crore was made by SUDA during 2017-18. Due to surrender/cancellation of ISSR projects, expenditure incurred on preparation of DPRs remained unfruitful.

The State Government stated (May 2025) that ULBs who issued tender did not receive bid. The Government notification (September 2019) regarding issue of land *patta* in slum area demotivated the entire process of relocation and in turn increase the tendency of interest toward BLC vertical. The State proposed the conversion of 725 DUs in 02 ISSR projects of Bilaspur into AHP projects primarily due to non-availability of bidders, which may be considered as a backup plan of the State. The State had a due diligence of all the back-up plan available at that instant and keeping in mind the available AHP houses and BLC houses, it was proposed not to increase the EWS housing stocks and proceed for curtailment of ISSR projects. Hence the curtailment of eight ISSR projects was done after thorough analysis and due diligence with all the available analytics.

The reply confirms that ISSR projects were initiated without proper planning after consulting the stakeholders, identification and validation of beneficiaries which resulted in curtailment of these projects.

2.1.6.2 Non-inclusion of existing vacant affordable housing stock in HFAPOA

As per the guidelines, while preparing HFAPOA, State/UT and Implementing Agencies should also consider the affordable housing stock already available in the city as Census data suggests that large number of houses built under earlier schemes are vacant.

⁴ In 51st CSMC-5946 DUs (6671-725) 725 DUs were converted under AHP and curtailed in 71st CSMC meeting in April 2025.

During the review of the HFAPOA that was prepared and approved by SLSCMC and CSMC, along with the information provided to the audit by the Municipal Corporation of Bhilai and Bilaspur regarding the availability of housing stocks in these two ULBs, it was noticed that vacant housing stocks present under earlier scheme such as IHSDP, BOMBAY Awas and Atal Awas etc. in these ULBs (Bilaspur-1000, Bhilai-1828) at the time of preparation of the HFAPOA. However, the availability of existing vacant housing stock was not considered while preparing HFAPOA.

As a result, the available vacant housing stocks with ULBs were not taken into account while assessing the requirement of housing stock in HFAPOA and therefore, could not be utilised under the AHP vertical of PMAY-U.

The State Government stated (May 2025) that the affordable housing stock already available with ULBs sanctioned through State parastatal housing agencies or houses sanctioned under previous housing schemes have been included in the HFAPOA report. Further, Demand Assessment for the city has been done keeping in view, the decadal urban population growth, demand-based needs for affordable housing and the Mission period of the PMAY-U, till December 2022. Although if existing housing stocks were to be accounted for, the ULBs still submitted their demands optimistically to cater the futuristic demands of affordable housing in the city. It is through this anticipation that the Houses being constructed across the cities are readily available to the beneficiaries, even in the year 2024-25.

The reply is not acceptable as neither the vacant housing stock considered in HFAPOA nor the details of allotment against the vacant housing stock had been provided in support of reply.

2.1.6.3 Selection of ineligible beneficiaries having income more than ₹3.00 lakh

As per Paragraph 3 of PMAY-U guidelines, beneficiaries having annual income less than ₹ 3.00 lakh of EWS categories only, can avail benefits under AHP and BLC verticals.

Audit observed in four ULBs (Municipal Corporation Bilaspur, Raipur, Korba and Municipal Panchayat, Premnagar) that 71 beneficiaries whose income was more than ₹ 3.00 lakh were selected and were allotted houses/DUs under BLC/AHP verticals as detailed in **Appendix 2.1.2**.

Further analysis revealed that 57⁵ out of these 71 beneficiaries were serving staff officials in ULBs/Government departments having annual income more than ₹ 3 lakh availed the benefits of the scheme under EWS by submitting false declarations of annual gross income of their households. It is pertinent to be noted that even being aware of this fact, the ULBs ignored the same and extended undue benefits to ineligible beneficiaries.

The State Government stated (May 2025) that the benefits have not been provided to the beneficiaries of Municipal Corporation, Korba and proposed beneficiaries shall be removed from the MIS through Beneficiary Modification Request duly approved by the State Government in the upcoming SLSCMC. In Municipal Corporation Bilaspur, the beneficiary has been allotted the house

⁵ ULB staff/officials-56 and in one case wife of ULB staff

under the PMAY-U Scheme, based on the income certificate issued by Tehsildar, Bilaspur Tehsil, which declared the annual income of the beneficiary to be ₹ 2.80 lakh per annum. In Municipal Corporation Raipur, beneficiaries resided in the Sweeper colony, Tikrapara, Raipur, which was constructed around 70 years before. The condition of the housing infrastructure was severely deteriorated and to prevent loss of any life/property, the Corporation decided to relocate these beneficiaries of LIG category along-with other beneficiaries of EWS category before the Start of Monsoon Rains. As they did not have any housing stock reserved/vacant for LIG/Transit category for these beneficiaries, the decision was taken based on the circumstances created in relocating the beneficiaries of sweeper colony and the inclusive nature of the project. Further, in Municipal Panchayat Premnagar three beneficiaries availed the benefit by submitting false affidavits for which notices had been issued and recovery is being done.

The reply confirms that beneficiaries not fulfilling the income criteria had been benefitted under AHP/BLC vertical in contravention of the scheme guidelines.

2.1.6.4 Selection of beneficiary already having pucca house

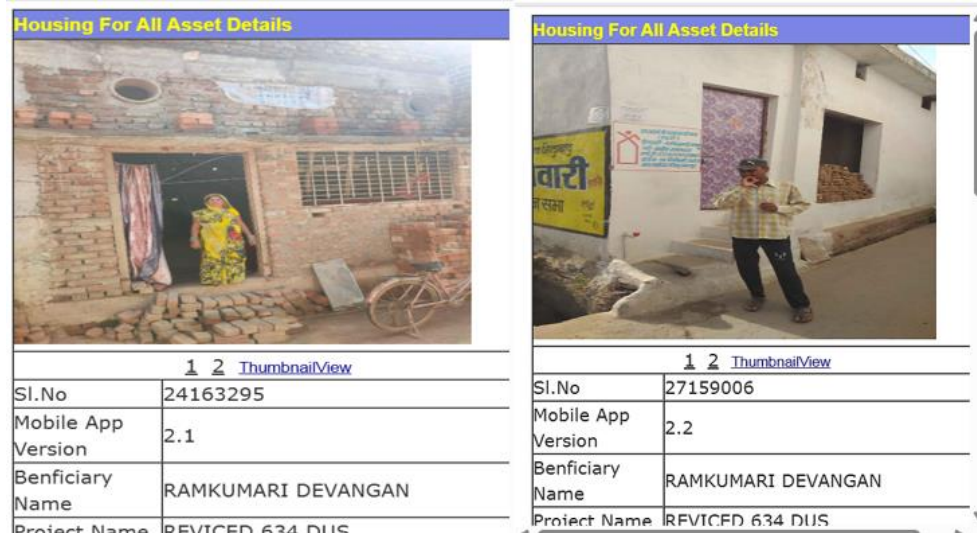
In Municipal Council, Takhatpur, a BLC house was sanctioned in favour of a beneficiary (ID-0322801973609953938) and after completion, financial assistance of ₹ 2.26 lakh was paid.

On joint physical verification (February 2024) of BLC houses along with the officials of Municipal Council, PMC and CLTC, it was found that beneficiary already had a Pucca house with commercial shops adjoining to new PMAY-U house. Further, the house under BLC was constructed in three floors beyond the approved layout as shown below.



(Photos taken during JPV of Beneficiary ID-0322801973609953938)

Further, geo-tag of actual work site was not uploaded in PMAY-U BHUVAN portal, and a photograph of another house was uploaded which was approved.



(Geo-tagged Photos of Beneficiary ID-0322801973609953938)

Similarly, in Municipal Corporation, Raipur it was observed that a BLC house was sanctioned in favour of beneficiary (ID-228020340667800959) and after completion (May 2020), financial assistance of ₹ 2.26 lakh was paid.

Audit noticed that house under BLC was sanctioned to the beneficiary in February 2019 and building permission for the same was issued in September 2019. The beneficiary has submitted the self-declaration in June 2019 that she has no Pucca house anywhere in India. Further scrutiny of records revealed that on 5th October 2019, the beneficiary submitted an affidavit stating that beneficiary has a *Pucca* house constructed on 1470 Square feet of land and *Kachcha* house in 630 square feet land in her name at Ward-28, Maharshi Valmiki Ward, Raipur and she has given her Pucca house (constructed in 1470 Sqft.) to her three sons through a family settlement agreement (5 October 2019) to avail benefit under BLC on the remaining land of 630 Sqft in her name. Scrutiny also revealed that beneficiary has not submitted any evidence of transfer other than notarised family settlement agreement of house/property in the name of her three sons and the *Ration* Card of beneficiary attached with application included the name of all three sons as her family members.

Thus, proper verification of application/documents was not done for exclusion of ineligible beneficiaries having pucca house at the time of sanction and attachment of house under BLC vertical.

The State Government stated (May 2025) that the Architect is solely responsible for the mistake in Municipal Council Takhatpur. The ULB has also admitted that the Architect has uploaded fake geo-tagged images in the Bhuvan Portal. Further, in Municipal Corporation Raipur, the beneficiary and her three sons were residing the Aabadi Land, namely Rakba 630 sqft. and Rakba 1470 sqft. The beneficiary has submitted internal mutual *bantwaranama* deed, which states that the Aabadi Land of 630 sqft. has been allotted to the beneficiary Smt. Parvati Narang. The ULB has stated that since beneficiary was residing in the Kuchha house over the Aabadi Land before the cut-off-date, hence the sanction of BLC houses accorded.

The reply is not acceptable as ULB on the basis of self-declaration without validating the beneficiary data sanctioned house to beneficiary already having pucca house.

2.1.6.5 *Irregular sanction of House to beneficiary without obtaining the document for ownership of plot/land in the name of beneficiaries*

As per UADD guidelines issued in September 2016, people who own private or permanently leased land, or have built houses (Kutcha/Semi-Pucca) on such land and were living in the municipal area before 31st August 2015, can apply for this scheme. Additionally, according to State Government instructions (29 May 2017), upon submission of a notarized family partition letter as per the Rules by all heirs of the same family residing jointly, the benefits of the scheme will be provided to each eligible member of the family for separate house. However, before commencing construction, it will be mandatory for the beneficiaries to complete the process of transferring the plot into their name and submit the necessary documentation.

During scrutiny of records in test checked ULBs, audit observed that the construction work was started by 250 beneficiaries without submitting the documents of transfer of plot in their name. Further, scrutiny revealed that ULBs paid assistance of ₹ 4.05 crore to 250 beneficiaries without ensuring the transfer of land in the name of beneficiaries.

It is evident from the facts that building permission to start the work was issued to beneficiaries without obtaining required document in contravention to the Government instruction issued in this regard.

The State Government stated (May 2025) that notices were issued for submission of documents of transfer of land in the name of beneficiaries. Further, in some cases, letters have also been sent to the Tehsildar for the transfer of land ownership to the beneficiaries, which is still pending. Consequently, the payment of final assistance could not be disbursed.

Reply indicates that eligibility conditions prescribed in the guidelines were not complied while sanctioning house to beneficiaries.

2.1.6.6 *Duplication of beneficiaries under PMAY-U and PMAY-G schemes under BLC vertical*

Para 2.1 of PMAY-U Guidelines stipulate that the MIS linkage between Department of Panchayat and Rural Development (P&RD) for PMAY-G and MoHUA for PMAY-U would be done to avoid duplication of beneficiaries.

During analysis and scrutiny of online PMAY-U MIS database of all ULBs, 99 cases were noticed in 42 ULBs where beneficiaries have availed the benefits under BLC vertical of both the schemes i.e. PMAY-U and PMAY-G due to non-linkage of MIS database between PMAY-U and PMAY-G and absence of mechanism in the Department of Panchayat & Rural Development and Urban Administration and Development for sharing of database to avoid duplication of beneficiaries. Of these, 52 beneficiaries had completed their houses under both PMAY-U and PMAY-G scheme, and in remaining 47 cases, the work was completed in one scheme and progress in another scheme as detailed in *Appendix 2.1.3*.

The State Government stated (May 2025) that the MIS Portal of PMAY-U under report section has a segment named “Gramin Report” for which GoI dumps data of duplication between PMAY-G and PMAY-U periodically, but not regularly and no such separate identified notification for such dumping of data is received in the portal. This signifies that duplicate data is to be checked retrospectively after the data is dumped by GoI in the Gramin Report. Further, the PMAY-U MIS portal has no real time provision to avail the data regarding intimation of duplicity between PMAY-G and PMAY-U. The retrospective dumped data by GoI provides limited information regarding duplicity in sanction of houses between PMAY-G and PMAY-U and has no consideration regarding waiting list of PMAY-G. A letter has been sent to Panchayat and Rural Development Department for confirmation. The subordinate official was instructed that once duplicity under both schemes is confirmed, the beneficiary must be given the choice to avail benefits under only one scheme, as claiming under both is not permitted.

The reply is not acceptable as no efforts had been made by the Department for sharing of database/ list of beneficiaries for verification to avoid duplication of beneficiary which resulted in double benefits to beneficiaries under PMAY-U and PMAY-G.

2.1.6.7 *Irregular attachment of beneficiaries in BLC vertical after making allotment of houses of IHSDP*

As per para 1.3 of guidelines, a beneficiary family will comprise husband, wife, unmarried sons and/or unmarried daughters. The beneficiary family should not own a pucca house (an all-weather dwelling unit) either in his/ her name or in the name of any member of his/her family in any part of India.

During scrutiny of the records in Municipal Council, Khairagarh, it was observed that 492 houses under IHSDP were constructed (2016) to shift the identified beneficiaries of six different wards. Allotment of all 492 houses has been done by ULB till April 2019.

Further, on scrutiny of records of houses sanctioned under BLC vertical and cross verification from MIS database and allotment made to the beneficiaries under IHSDP, Audit found that the benefits under BLC vertical were provided to 35 beneficiaries to whom houses have already been allotted under IHSDP as detailed in **Appendix 2.1.4**. Financial assistance of ₹ 72.14 lakh was provided to these beneficiaries under PMAY-U.

The State Government stated (May 2025) that the relevant beneficiaries, who were allotted houses under IHSDP had previously submitted written application in the ULB for cancellation of the houses sanctioned under IHSDP scheme due to various personal reasons. It was further stated that the beneficiaries were sanctioned houses under BLC component only after their application for cancellation of IHSDP houses allotted to them previously. It was also stated that the IHSDP houses were not occupied by these beneficiaries.

The reply is not acceptable as house sanctioned under IHSDP were not cancelled and undue benefit was extended to the beneficiaries under PMAY-U even though a Pucca house was allotted under IHSDP.

2.1.7 Fund released under the scheme

The GoI, under the PMAY-U, distributes funds to States and UTs based on an assessment of factors such as population, existing slums, and other criteria outlined by the MoHUA. The disbursement occurs in three installments: 40 *per cent*, followed by another 40 *per cent*, and then 20 *per cent*. The second installment is to be released once 70 *per cent* of the first installment has been utilized. Similarly, the final 20 *per cent* depends on the utilization of 70 *per cent* of the previously allocated funds as well as the completion of housing and infrastructure projects.

The fund sharing of the cost of each dwelling unit under different verticals of the scheme is shown in **Table 2.1.3**.

Table 2.1.3: Details of fund sharing of the cost of each dwelling unit under PMAY-U

(₹ In Lakh)

Sl. No.	Verticals	GoI Share	GoCG Share	Beneficiary Share	PPP Share	Cost of each Dwelling Unit (excluding cost of land)
1	In-Situ Slum Redevelopment (ISSR)	1.00	0.00	0.75	3.75	5.50
2	Affordable Housing in Partnership (AHP)	1.50	2.50	0.75	NA	4.75
3	Beneficiary Led Construction (BLC (N/E))	1.50	0.85	0.86	NA	3.21

(Source: Information taken from details submitted by SUDA to CSMC)

Credit Link Subsidy Scheme (CLSS) is the fourth vertical of PMAY-U and this is to be implemented by Primary Lending Institutions (PLIs). Funding pattern for CLSS vertical is as given in **Table 2.1.4**.

Table 2.1.4: Details of funding pattern of CLSS Scheme

Particulars	EWS	LIG	MIG-I	MIG-II
Scheme Duration	17/06/15 to 31/03/22		01/01/17 to 31/03/21	
Household Income (₹ per annum)	Upto 3,00,000/-	3,00,001/- to 6,00,000/-	6,00,001/- to 12,00,000/-	12,00,001/- to 18,00,000/-
Interest Subsidy (<i>per cent</i> / annum)	6.50		4.00	3.00
Maximum loan tenure (in years)	20 Years			
Eligible Housing Loan Amount for Interest Subsidy (₹)	6,00,000/-		9,00,000/-	12,00,000/-
Dwelling Unit Carpet Area	Upto 30 [#] Sq.m	Upto 60 [#] Sq.m	Upto 160 sq.m	Upto 200 sq.m
Discount Rate for Net Present Value calculation of interest subsidy (<i>per cent</i>)	9			

(Source: Information compiled from scheme guidelines)

The beneficiary, at his/her discretion, can build a house of larger area but interest subvention would be limited to first ₹ 6.00 lakh only.

Apart from sharing the cost of dwelling units, the GoI also shares the 100 *per cent* expenses towards Capacity building, Social audit, Geo-tagging, Information Education & Communication and Administration and office expenses. Further, GoI shares 75 *per cent* expenses for preparation of House for All-Plan of Action, appointment of Third-party quality monitoring agency and experts at State and District level technical cell.

Year-wise receipt and expenditure incurred thereon are as detailed in **Table 2.1.5**.

Table 2.1.5: Details of year-wise receipt and expenditure incurred under PMAY-U

(₹ in crore)

Year	Release of fund from		Loan obtained by SUDA	Total availability of funds	Expenditure by SUDA		
	GoI	State			GoI	State	Total
1	2	3	4	5 (2+3+4)	6	7	8 (6+7)
2015-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016-17	133.36	108.23	0.00	241.59	21.68	0.53	22.21
2017-18	479.96	83.74	0.00	563.70	105.60	100.27	205.87
2018-19	354.33	79.40	0.00	433.73	461.57	358.96	820.53
2019-20	617.75	25.50	500.00	1143.25	675.26	502.90	1178.16
2020-21	231.68	4.51	325.00	561.19	304.58	286.77	591.35
2021-22	436.60	86.21	0.00	522.81	359.19	194.39	553.58
2022-23	548.22	203.21	464.68	1216.11	505.12	357.62	862.74
2023-24	489.70	4.05	264.89	758.64	578.13	362.52	940.65
Total	3291.60	594.85	1554.57	5441.02	3011.13	2163.96	5175.09

(Source: Information furnished by SUDA and compiled by Audit)

It may be seen from the above table that against the GoI contribution of ₹ 3291.60 crore, State Government has contributed funds of ₹ 594.85 crore through budget. During 2022-23, ₹ 200.00 crore was diverted (September 2022) from additional State fund of AMRUT Mission (₹ 100.00 crore) and Swachh Bharat Mission (₹ 100.00 crore). Out of total available funds of ₹ 5441.02 crore, ₹ 1554.57⁶ crore were sourced by SUDA from loan taken against the State Government Guarantee (for matching State share).

2.1.7.1 Delay in transfer of GoI share to SNA

According to para 14.2.1 of PMAY-U scheme guidelines, the Central assistance along with the committed State share should be transferred to the State Level Nodal Agency (SLNA) within 15 days of receiving the Central funds, for further release to implementing agencies, who shall transfer the funds to eligible beneficiaries within another 15 days, wherever applicable. Further as per GoI instruction (March 2021), State Government has to notify a Single Nodal Agency (SNA) for implementation of scheme and transfer the Central share received in the RBI to concerned SNA account within a period of 21 days of its

⁶ State Bank of India- ₹ 825 crore and Housing and Urban Development Corporation Limited (HUDCO)- ₹ 729.57 crore.

receipt. Corresponding State share should be released as early as possible and not later than 40 days of release of Central share.

During scrutiny of records of CEO, SUDA audit noticed that in compliance of GoI instruction, SNA account was opened in September 2021 and after that, ₹ 486.35 crore from central assistance were deposited in the SNA account after a delay of 14 to 67 days. During the period 2015-2021, prior to introduction of SNA, there was delay ranging between 32 days to 251 days in release of central share by State Government. This resulted in delay in transfer of funds to ULBs and in payments to beneficiaries and contractors.

The State Government stated (May 2025) that the main reason for delay in withdrawal was due to non-provisioning of funds in the budget of the related years.

Reply is not acceptable as due to non-provisioning of budget, funds under the scheme were withdrawn with a delay which resulted in delayed transfer of funds to ULBs for implementation of projects.

2.1.7.2 *Extra Budgetary resources used for funding of State share in PMAY-U*

During scrutiny of records of SUDA it was observed that for requirement of funds of ₹ 3357.00⁷ crore for implementation of the scheme during the period 2017-18 to 2021-22, SUDA submitted a proposal to the Finance department through UADD for obtaining loan from financial institutions. The proposal was approved in Cabinet Decision (January 2018) and Government accorded Administrative Approval (AA) for providing guarantee (February 2018) for obtaining loan of ₹ 3357.00 crore from financial institutions till scheme period (March 2022) which was extended till December 2024. As per the AA, principal and interest on loan obtained was to be repaid in next 15 to 20 years up to the period 2038-39 through budgetary provision by the State Government.

Accordingly, after inviting Expression of Interest for Term loan of ₹ 3357.00 crore (August 2018), SUDA obtained loan of ₹ 825.00⁸ crore (with an interest of ₹ 674.00 crore for 19 years at 8.54 *per cent* rate of interest) from State Bank of India after executing an agreement (June 2019) and obtain approval from Finance Department (June 2019). Further, agreement was executed (December 2022) with Housing and Urban Development Corporation Limited (HUDCO) for loan amount of ₹ 2385.00 crore and ₹ 879.77⁹ crore (for 19 years at 8.5 *per cent* interest rate) was withdrawn as matching State share against the release of Central share (₹ 1164.00 crore) between December 2022 and October 2024.

The State Government stated (May 2025) that the Department has procured loans from the Financial Institutions for the fulfilment of commensurate State Share under PMAY-U. The decision has been backed by the policy approval of

⁷ 2017-18: ₹ 736.00 crore, 2018-19: ₹ 1373.00 crore, 2019-20: ₹ 802.00 crore, 2020-21: ₹ 298.00 crore and 2021-22: ₹ 148.00 crore

⁸ July 2019-₹ 200.00 crore, September 2019-₹ 100.00 crore, November 2019-₹ 100.00 crore, December 2019-₹ 100.00 crore, May 2020-₹ 125.00 crore, August 2020-₹ 100.00 crore and October 2020-₹ 100.00 crore

⁹ December 2022-₹ 700.00 crore, March 2024-₹ 93.00 crore, September 2024-₹ 19.69 crore and October 2024-₹ 67.08 crore.

the State Cabinet. The rate of interest for both the institutions was approved by the Department of Finance.

Funding of State share through extra budgetary resources not only understated expenditure and deficit of the State Government to the extent of expenditure incurred under the scheme met outside the budgeted resources in that year but also raise question on transparency and intergenerational equity.

2.1.7.3 *Delayed transfer of interest of ₹36.15 crore received on SNA account under PMAY-U*

As per GoI instruction (March 2021) State has to notify a Single Nodal Agency (SNA) for implementing the PMAY-U scheme and interest earned from the funds released was to be apportioned in SNA account between the Central and State for deposit in the respective Consolidated Funds.

During the scrutiny of records, it was observed that in compliance with GoI order an SNA account was opened by SUDA in HDFC Bank on 28th September 2021 and the State share along with the Central share was deposited in SNA account. However, the interest amount received on the central and State share released under the scheme was not transferred to the respective Consolidated Funds. Further, GoI issued another instruction in June 2021 and February 2022 with reference to earlier order (March 2021) regarding depositing of interest. Thereafter interest amount of ₹ 22.64 crore pertaining to Central share for the period from 2015-16 to 2021-22 was transferred (July 2022) to GoI after a delay of more than one year. Further, out of the total Central share interest of ₹ 14.98 crore earned during 2022-24, an amount of ₹ 2.71 crore earned on 1st July 2023 was transferred to GoI (October 2024) by SUDA after a delay of more than one year.

Similarly, interest received on State share was to be transferred to State Government but the interest amount of ₹ 9.40 crore for the period from 2015-16 to 2021-22 was transferred to the consolidated fund of State (April 2024) with a delay of more than three years from the date of issuing instruction by GoI. Further, out of the total State share interest of ₹ 7.72 crore earned during 2022-24, an amount of ₹ 1.40 crore earned on 1st July 2023 was transferred to the State Government (October 2024) after a delay of more than one year.

Thus, due to non-compliance of GoI instruction, the interest received on the central and State share released under the scheme had not only remained outside the Government Account but also could not be utilised by GoI and State Government.

The State Government stated (May 2025) that the Mission Directorate is regularly depositing the interest accumulated in the respective consolidated bank account under the Directives of Ministry of Finance, Department of Expenditure, GoI and Department of Finance of GoCG.

The reply is not acceptable as the interest earned under PMAY-U was deposited in respective Consolidated fund after a delay of more than one to three years.

2.1.7.4 Release of financial assistance before/without geo-tagging for construction of later stages

As per the operational guidelines for geo-tagging, the States/UTs should ensure that whatever construction stage is completed (Not Started, foundation, lintel, roof or completed) w.e.f. 25 August 2018 must be geotagged within five days from date of completion of that construction stage. The disbursement is based on the progress of construction and verified through geo-tagged photos uploaded on the PMAY-U BHUVAN Portal.

An analysis of the online PMAY-U MIS database (as of December 2024) for all ULBs revealed that, in 84 ULBs, final installment payments amounting to ₹ 13.18 crore were disbursed to 328 beneficiaries between 13 to 79 months before geo-tagging of completion stage. These payments were also made without uploading the geo-tagged photographs on the PMAY-U BHUVAN Portal. Of these, 94 cases test checked in 12 selected ULBs, and noticed that payment of ₹ 38.80 lakh was made without geo-tagging.

Thus, the payments were made to beneficiaries before completion of the house and geo-tagging for the completion stage.

The State Government stated (May 2025) that beneficiaries had duly completed their houses before the payment of final assistance made to them and the geo-tag was not being done due to technical error. However, the payment has been made to the beneficiaries based on the actual photograph of the completed house. The geo-tags of the houses were done after the eradication of the technical error.

Reply is not acceptable as neither any log was maintained at ULB level nor correspondence with higher authorities regarding technical error were found in this regard during audit.

2.1.8 Implementation of Projects under various verticals of scheme

2.1.8.1 Affordable Housing in Partnership (AHP)

As per para 6.1 and 6.4 of scheme guidelines the Central assistance of ₹ 1.50 lakh per EWS house is provided by the GoI under Affordable Housing in Partnership (AHP) vertical and AHP can be a mix of houses for different categories, but it will be eligible for Central assistance, if at least 35 *per cent* of the houses in the project are for EWS category. The States can decide on an upper ceiling on the sale price of EWS houses with an objective to make them affordable and accessible to the intended beneficiaries. State and cities also extend other concessions such as their state share, land at affordable cost, stamp duty exemption etc.

The year wise receipt of funds and expenditure incurred on AHP vertical are detailed in **Table 2.1.6** below:

Table 2.1.6: Details of year wise receipt and expenditure of fund by SUDA under AHP vertical

(₹ in crore)

Year	Opening Balance	Receipt			Total fund available	Expenditure (percentage against available fund)	Closing Balance
		Central share	State share ¹⁰	Total			
2016-17	0.00	79.82	84.66	164.48	164.48	20.80(13)	143.68
2017-18	143.68	136.37	62.79	199.16	342.84	106.65(31)	236.19
2018-19	236.19	96.91	23.15	120.06	356.25	247.00(69)	109.25
2019-20	109.25	0.00	250.00	250.00	359.25	276.40(77)	82.85
2020-21	82.85	0.00	160.00	160.00	242.85	240.77(99)	2.08
2021-22	2.08	0.00	0.00	0.00	2.08	0.50(24)	1.58
2022-23	1.58	75.62	210.93	286.55	288.13	147.06(51)	141.07
2023-24	141.07	0.00	3.18	3.18	144.25	66.95(46)	77.30
Total		388.72	794.71	1183.43		1106.13	

(Source: Information furnished by SUDA)

It can be seen that during 2016-17 to 2023-24, ₹ 1106.13 crore were spent by SUDA against the available funds of ₹ 1183.43 crore. Expenditure against available funds ranged from 13 per cent to 77 per cent except in 2020-21 in which 99 per cent funds were spent for implementation of AHP verticals.

The physical status of the AHP projects taken under the PMAY-U is detailed in **Table 2.1.7** below.

Table 2.1.7: Details of year wise physical status of AHP houses under PMAY-U as of April 2025

Year	No. of houses sanctioned	No. of revised houses sanctioned after curtailment/surrender	No. of houses completed	No. of houses under progress	No. of houses not started
2015-16	12670	2874	2394	480	0
2016-17	13416	12865	8922	3682	261
2017-18	17457	13164	8294	4216	654
2018-19	29752	7325	3073	4150	102
2019-20	0	0	0	0	0
2020-21	0	0	0	0	0
2021-22	1869	1869	559	1310	0
Total	75,164	38,097	23,242	13,838	1,017

(Source: Information provided by SUDA and compiled by Audit)

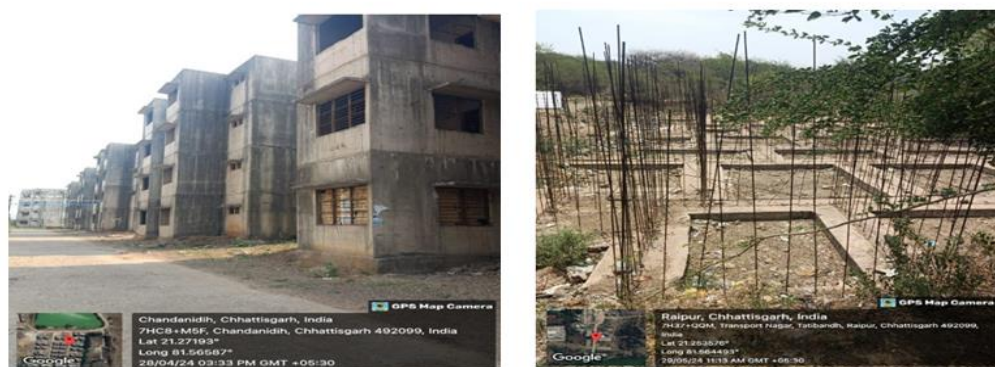
It may be seen from the above that out of total 75,164 DUs sanctioned during 2015-16 to 2018-19 and 2021-22, 37,067 DUs (49 per cent) had been curtailed/surrendered till April 2025. Out of remaining 38,097 DUs, 23,242 DUs (61 per cent) were completed and 13,838 DUs (36 per cent) could

¹⁰ State figure included funds financing through Extra Budgetary resources.

not be completed even after lapse of more than three to seven years from the date of approval of projects by CSMC. In four ULBs (Dhamtari, Dantewada, Risali and Ambikapur) not a single DU had been completed under sanctioned AHP projects. Moreover, construction of 1,017 DUs sanctioned during 2016-19 were not commenced till April 2025. The delay in construction of sanctioned houses was due to various factors viz. delay in award of work after sanctioning of project, delay in handing over of site, change in site, delay in payment of RA bills to contractor and slow/no progress by contractors etc.

2.1.8.2 *Blockage of fund due to non-completion of DUs under AHP*

Scrutiny of the records in six¹¹ test checked ULBs revealed that out of total sanctioned 10 projects for construction of 12,802 DUs during the period 2016-2020, work orders were issued to contractors at contract sum of ₹ 576.67 crore for completion of work within stipulated period of 12 to 36 months between August 2017 and January 2020. Out of 12,802 DUs, 580 DUs were completed as of August 2024. Audit noticed that in Municipal Corporation, Bilaspur one of the work awarded to contractor for 5785 DUs, 1,914 DUs were curtailed due to non-providing of work site to contractor. Out of the remaining 3,871 DUs, after completion of 522 DUs (14 per cent) with expenditure of ₹ 48.42 crore, contractor left the work incomplete in May 2023. Remaining, 2,406 DUs in which construction was not started were further curtailed in CSMC meeting dated April 2025. Similarly, in another project in Bilaspur, the work of 493 DUs was left incomplete by contractor after completion of 58 DUs and incurring expenditure of ₹ 9.20 crore. Municipal Corporation Bilaspur re-tendered the work in June 2023 which is yet to be approved by SUDA as of May 2025. In other seven project of five Municipal Corporations, contractors could not complete a single DU (out of 6,524 sanctioned DUs) even after a lapse of 29 to 72 months from the stipulated period of completion after incurring expenditure of ₹ 172.43 crore till August 2024 as detailed in *Appendix 2.1.5*. Thus, non-completion of DUs, resulted in blocking of fund ₹ 230.05 crore incurred under the projects in six ULBs. The photographs taken during joint physical verification of AHP projects are shown below:



(Photos taken during JPV of AHP projects of 392 DUs and 667 DUs at Raipur)

The State Government stated (May 2025) that the completion of AHP Dwelling units faced significant delays due to multiple factors such as COVID-19 pandemic, legal and procedural hurdles, slow progress of work, delay in site

¹¹ Ambikapur, Bhilai, Bilaspur, Jagdalpur, Korba and Raipur

handover, delay in payment of RA bills to contractors, and non-availability of funds. The State is continuously monitoring the progress and shall ensure completion by the Mission period.

Reply of the Government is not acceptable as works could not be completed till date (May 2025) even after the end of pandemic and the ULBs did not take action against the contractor for slow progress of work as per the terms of contract. This indicates inadequate monitoring of construction under AHP projects.

Similarly, in works executed by RDA and CGHB it was noticed total 4,109 and 2,932 DUs were sanctioned by the CSMC during the period 2015-19 and 2021-22. Above EWS DUs have been sanctioned under self-financing scheme¹² at a cost of ₹ 5.23 lakh to ₹ 8.60 lakh. Of these 2,415 and 2,452 DUs have been completed respectively and remaining 2,174 DUs could not be completed till March 2025 even after lapse of three to nine years from the date of sanction of projects. The photographs taken during joint physical verification (10 June 2024) of AHP projects are shown below:



(Photos taken during JPV of AHP projects of 257 DUs and 258 DUs of RDA)

The State Government stated (May 2025) that the delays were primarily due to Covid-19 pandemic and the financial stress it caused on allottees in this self-financing scheme. As beneficiaries defaulted on payments, RDA faced constraints in disbursing running bills to contractors, affecting the construction cycle. With the improvement in instalment collections and re-award of incomplete packages, construction has regained momentum. The remaining units are under active progress and targeted for completion by October 2025.

The reply is not acceptable as the cost of DUs allotted by RDA and CGHB was very high for EWS beneficiaries and approval of DPR without identification of beneficiaries affected the project execution.

2.1.8.3 Irregularities in payment and recovery of mobilisation advance to contractors

As per clause 3.20.1 (i) of the agreement executed between contractor and Commissioner, the mobilisation advance up to five *per cent* of the contract value shall be given if requested by the contractor within one month of the date of order of commencement of the work. The five *per cent* advance shall be given in two stages:

¹² After making total payment of AHP DUs by beneficiaries, central assistance of ₹ 1.50 lakh was paid to the beneficiaries.

Stage 1: Two *per cent* of the contract value payable after signing of the agreement

Stage 2: Three *per cent* of the contract value on the receipt of the certificate from the contractor that he has established complete central and field-testing laboratories and has engaged, the workers/technicians and has brought requisite plants and machineries at work site and also the work is physically started.

As per clause 3.20.1 (ii) of the agreement, the recovery of this advance shall be done in equal monthly installments on *pro-rata* basis (after 15 *per cent* of contract work is executed) from each of the further running bills. However, all the advances shall be fully recovered when 80 *per cent* contract sum is completed or when 75 *per cent* of stipulated validity period is over whichever event is earlier.

Audit found the following irregularities in payment and recovery of Mobilisation advances to the contractors:

2.1.8.3(a) Irregular grant and non-recovery of mobilisation advance

Scrutiny of records of Municipal Corporation Bilaspur revealed that construction of 5785 DUs at the rate of ₹ 4.53 lakh per DU (in 37 different sites) was awarded at a contract value of ₹ 262.12 crore in March 2019. The stage-I mobilisation advance of ₹ 5.24 crore at the rate of 2 *per cent* of contract value was provided to the contractor in March 2019. Further, out of the remaining stage-II mobilisation advance of ₹ 7.86 crore, first instalment of ₹ 4.09 crore was given to contractor on 14 May 2019 without starting of work physically at site in violation of contract conditions. Second instalment of stage-II advance of ₹ 3.77 crore was paid to contractor in July 2019 after commencement of work in only two sites at Madhuban and Mopka for construction of 493 DUs out of the total 37 sites involving construction of 5,785 DUs. Further, 13 sites were handed over to contractor between October 2019 and January 2021 after release of mobilisation advance. Thus, release of mobilisation advance of ₹ 4.09 crore without starting of work was irregular and in violation of contract conditions. Further, release of mobilisation advance of ₹ 7.19¹³ crore to the contractor before handing over the remaining work sites and before commencement of work resulted in undue favour to contractor.

It further noticed that progress of above work remained slow and only 18 *per cent* value of work was completed and work was stopped by contractor as per the status of work provided to Audit as of August 2024. The time extension was granted to contractor up to December 2024. Audit noticed that recovery of mobilisation advance was not initiated from the contractor though 75 *per cent* of the stipulated/validity extended period completed in July 2023.

Thus, undue favour to contractor by granting mobilisation advance without start of work at sites against the contract conditions resulted in non-recovery of mobilisation advance of ₹ 13.10 crore. As the matter was pending in court, bank guarantee could not be forfeited by the Municipal Corporation Bilaspur.

Similarly, in Municipal Corporation Raipur, work of construction of 667 DUs was awarded to a contractor (August 2019) with contract sum of ₹ 32.01 crore and stipulated completion period of 24 months. A mobilisation advance of

¹³ ₹ 7.86 crore- (three *per cent* of (493 DUs at the rate of ₹ 4.53 lakh = ₹ 0.67 crore)

₹ 1.60 crore was granted to contractor against the bank guarantee (BG) of ₹ 64.00 lakh and ₹ 96.00 lakh valid up to August 2020 and October 2020 respectively. Audit scrutiny further revealed that the above BGs were expired and were not renewed as of April 2024. Audit noticed that the above work was to be completed in August 2021 which was extended till March 2022. However, after completion of 24 *per cent* of work till August 2021 contractor stopped the work from September 2021.

As per the terms of contract, entire mobilisation advance was to be recovered till August 2021 (i.e 75 *per cent* of stipulated/extended period of contract) however, only ₹ 73.00 lakh out of 1.60 crore had been recovered from the contractor. Thus, non-recovery of mobilisation advance under the stipulated time and non-renewal of BG resulted in non-safeguard of financial interest of ULB.

The State Government stated (May 2025) that Municipal Corporation Raipur has followed the contractual provisions for mobilisation advance as per clause 3.20.1 (i) of the agreement. However, due to Covid-19 and other unfortunate incidents the project was delayed, and the project could not achieve the milestone required for recovery of mobilisation advance. The mobilisation advance recovery is under progress. Municipal Corporation Bilaspur has also followed the contractual provisions for mobilisation advance as per Clause 3.20.1(i) of the agreement. However, several unfortunate reasons prevented the project from reaching the required stage for mobilisation advance recovery. Further, the agreement values were revised, leading to adjustments in RA bills. As per the revised calculations, mobilisation advance recovery has already commenced, ensuring compliance with the contractual terms. Further, assured that due process is being followed, and corrective actions have been taken to regularise the recovery process as per the financial and contractual obligations.

The reply is not acceptable as the stage two mobilisation advance was provided to the contractor without handing over the work sites and commencement of work in Bilaspur and in case of Raipur the delay in recovering the mobilisation advance and the lapse in renewing bank guarantees indicated lack of internal controls in financial matters.

2.1.8.4 *Non-recovery of ₹0.70 crore from the defaulting contractor and cost overrun of ₹0.90 crore due to the work left incomplete*

In Municipal Corporation Bilaspur the work of 493 DUs (174 at *Chingrajpara* and 319 at *Chantidih*) was sanctioned by CSMC (December 2016) and after inviting the tender, work orders were issued (August 2017) to contractor for completion of 174 DUs with stipulated period of 12 months and 319 DUs with stipulated period of 18 months. The project remains incomplete and expenditure of ₹ 9.20 crore was incurred on the project till August 2024. Scrutiny of records revealed that after issue of work order (August 2017) of 174 DUs, the site for construction of six blocks (29 DUs per block) was provided to contractor between January and July 2018. Thereafter, two-time extensions without penalty have been granted till December 2019 but contractor failed to complete the work within the extended period. Thereafter four more-time extensions were granted with penalty at the rate of two *per cent* till April 2022 and regular notices were issued (between July 2019 and July 2022) for speedy progress &

timely completion of work but contractor could not complete the work. Therefore, notice under clause 1.15 was issued (December 2022) and finally the contract was terminated (July 2023) under clause 1.15 by the Municipal Commissioner and contractor was prohibited to participate in the tender for that work. As per the final measurement recorded, contractor has executed work of ₹ 5.15 crore against the total work of ₹ 7.97 crore. As per the final order, after forfeiture of EMD and Security deposit (SD) of ₹ 17.23 lakh and levying penalty of ₹ 28.24 lakh, an amount of ₹ 70.08 lakh was computed as recoverable from the defaulting contractor which shall be recovered as arrear of land revenue.

Similarly, for construction of 319 DUs in 11 blocks till March 2019, the land was provided to contractor for construction of 145 DUs (five blocks) in two phases between October 2017 and March 2018 and due to stay of Court for removal of slum, the land for remaining 174 DUs was provided in July 2021. Therefore, four-time extensions up to February 2022 (for 36 months) were granted without penalty but contractor failed to complete the work of 145 DUs and the work of 174 remaining DUs did not commence till the end of extended period. In the meantime, regular notices were issued (between June 2018 and July 2022) regarding slow progress and non-commencement of works. Thereafter, as contractor could not execute the work, notice for stoppage of work and cancellation of contract under clause 1.15 was issued (December 2022) and finally the contract was cancelled (April 2023). The contractor has executed work of ₹ 3.09 crore against the total work of ₹ 14.35 crore till April 2023. Further, the incomplete work was finalised (June 2023) after inspection of site and valuation of work left incomplete. As per the final incomplete bill after forfeiting of EMD and SD of ₹ 10.07 lakh, an amount of ₹ 1.02 crore was recoverable from the defaulting contractor, which was not yet recovered.

The photographs of work left incomplete taken during joint physical verification of AHP sites are shown below:



(Photos taken during JPV of AHP projects of 174 DUs and 319 DUs)

Further, the tender for balance work of above 493 DUs was invited (June 2023) and letter for approval of lowest rates (₹ 3.45 crore against the balance work of ₹ 2.82 crore for 174 DUs at *Chingrajpara* and ₹ 13.24 crore against the balance work of ₹ 11.25 crore for 319 DUs at *Chantidih*) was forwarded to CEO, SUDA (August 2023) approval of which is awaited (October 2024).

Thus, non-completion of work even after lapse of seven years after award of work not only resulted in blocking of expenditure of ₹ 9.20 crore incurred on

the work and cost overrun of ₹ 0.90¹⁴ crore on the project but also in non-recovery of ₹ 1.72 crore from the contractor.

The State Government stated (May 2025) that the original contracts for both *Chingrajpara* (174 DUs) and *Chantidih* (319 DUs) were terminated due to the contractor's inability to complete the work within the stipulated period, despite multiple extensions. Regular notices were issued to ensure timely completion, but due to slow progress and non-performance, the contracts were cancelled in 2023 after following due process. Following the contract termination, a re-tendering process was initiated, and the lowest rates for balance work were approved. The tender for balance work, amounting to ₹ 22.82 crore for *Chingrajpara* and ₹ 13.61 crore for *Chantidih*, was finalized in June 2023. Further, the Earnest Money Deposit and Security Deposit of ₹ 1.02 crore from the defaulting contractor have been forfeited and the process for recovering the remaining amount from the contractor is underway, as per contract conditions. The Municipal Corporation is actively ensuring the completion of the balance work and recovering dues as per legal and contractual provisions.

The reply is not acceptable as despite finalisation of tender for balance work in June 2023, the work is yet to be awarded which caused further delay in completion of project.

2.1.8.5 Non-recovery of beneficiary share of ₹17.23 crore

As per PMAY-U scheme guideline, EWS households are defined as households having an annual income up to ₹ 3.00 lakh and paragraph 6 provides benefits to EWS beneficiaries under AHP component by giving central assistance of ₹ 1.50 lakh, state assistance of ₹ 2.50 lakh and beneficiary has to contribute only ₹ 0.75 lakh for each unit. Further, according to the decision taken by CSMC in its 11th meeting (August 2016), written consent from the beneficiaries regarding beneficiary contribution must be obtained before preparation of DPR. As per instruction of SUDA (May 2017), the beneficiary contribution would be collected from eligible beneficiaries in monthly installments (First installment of ₹ 5000, 23 installments of ₹ 3000 and last installment of ₹ 1000) by ULBs.

Scrutiny of the records in seven test checked ULBs revealed that out of total sanctioned 23,246 DUs under AHP for slum dwellers, 14,316 DUs had been completed of which 5,247 DUs were allotted to the slum dwellers till March 2025. Audit noticed that against the DUs allotted to beneficiaries, ULB could only recover ₹ 22.13 crore and remaining amount of ₹ 17.23 crore could not be recovered (March 2025). The main reason for non-recovery was absence of written consent of beneficiary contribution and non-attachment of eligible beneficiaries at the stage of DPR preparation. This is one of the reasons for slow progress and non-completion of projects even after the expiry of stipulated period as detailed in **Table 2.1.8** below:

¹⁴ In 174 DUs (₹ 3.45 crore-₹ 2.82 crore) = ₹ 0.63 crore and in 319 DUs (₹ 13.24 crore-₹ 11.25 crore) = ₹ 1.99 crore; total ₹ 2.62 crore - ₹ 1.72 crore = ₹ 0.90 crore.

Table 2.1.8: Details of outstanding beneficiary share from slum dwellers under AHP as of March 2025

(₹ in crore)

Sl. No.	Name of ULB	No. of DUs Sanctioned	Completed DUs	DUs allotted	Required beneficiary share	Beneficiary share received	Outstanding beneficiary share
1	Bilaspur	3446	2097	2037	15.28	12.85	2.43
2	Bhilai	3709	1421	556	4.17	3.68	0.49
3	Raipur	11581	9536	2060	15.45	3.72	11.73
4	Ambikapur	493	0	0	0.00	0.05	-0.05
5	Jagdalpur	462	346	40	0.3	0.07	0.23
6	Korba	3265	800	544	4.08	1.59	2.49
7	Arang	290	116	10	0.08	0.17	-0.09
	Total	23246	14316	5247	39.36	22.13	17.23

(Source: Information provided by Suda and compiled by Audit)

The State Government stated (May 2025) that the category of beneficiaries selected for the scheme are basically EWS beneficiaries, who are either residing in slums or reside in rental complexes. These beneficiaries belong to a very scarce income group. The ULBs are facing great difficulty in collecting beneficiary share from these categorically economically weak beneficiaries, while it is very difficult for these beneficiaries also to spare amount for paying against the beneficiary collection. This vicious cycle of beneficiaries not able to pay due to their poor economic condition and ULBs not able to collect from these beneficiaries has resulted in low beneficiary collection. As far as written consent obtaining from beneficiaries before preparation of DPR it is kindly submitted that even after providing consent to relocate to the AHP site, several beneficiaries or major groups of beneficiaries have registered their discontent towards relocation to the AHP houses. The ULB therefore again keeps on surveying to identify and select the beneficiaries for the project. The ULBs have undertaken that the balance beneficiary collection shall be collected within the timeframe.

The State Government should find out ways such as facilitating/ educating the beneficiaries about the various available options of easy credit facilities and allowing smaller amount of monthly instalment for smooth recovery of beneficiary share.

2.1.8.6 Extra financial burden on beneficiaries for allotment of DUs under 'Mor Makan Mor Aas'

As per PMAY-U scheme guideline, EWS households are defined as households having an annual income up to ₹ 3.00 lakh and paragraph 6 provides benefits to EWS beneficiaries under AHP component by giving central assistance of ₹ 1.50 lakh, State assistance of ₹ 2.50 lakh and beneficiary has to contribute only ₹ 0.75 lakh for each DU.

To address the issue of unallocated DUs, the Urban Administration & Development Department introduced a sub-scheme called "Mor Makan Mor Aas" in February 2022 under PMAY-U. This scheme aimed to provide housing

to eligible beneficiaries living in rented accommodations in municipal areas, whether in slum or non-slum locations.

Further scrutiny of the "*Mor Makan Mor Aas*" guidelines revealed that instead of the standard ₹ 75,000 beneficiary contribution as per PMAY-U, beneficiaries were required to pay ₹ 3.25 lakh per DU (including ₹ 2.50 lakh of State share). However, the cost of DU ranged between 2.98 lakh to ₹ 3.87 lakh. Additionally, the scheme guidelines were not submitted for approval to the SLSMC, nor was approval obtained from the CSMC as detailed in **Table 2.1.9**.

Table 2.1.9: Details of allotment made under *Mor Makan Mor Aas* as of March 2025

(₹ in crore)

Sl. No.	Name of ULB	No. of DUs Sanctioned	Completed DUs	No. of DUs allotted under ' <i>Mor Makan Mor Aas</i> '	Beneficiary share as per PMAY-U at the rate of ₹ 0.75 lakh	Beneficiary share recovered by ULBs under ' <i>Mor Makan Mor Aas</i> '	Additional burden on beneficiaries
1	Bilaspur	3446	2097	76	0.57	1.36	0.79
2	Bhilai	3709	1421	1464	10.98	21.00	10.02
3	Raipur	11581	9536	7727	57.95	220.83	162.88
4	Risali	493	0	121	0.91	0.49	-0.42
5	Rajnandgaon	1930	1282	165	1.24	2.94	1.70
6	Raigarh	1031	622	231	1.73	5.63	3.90
7	Jagdalpur	462	346	206	1.55	0.59	-0.95
8	Durg	1502	536	279	2.09	5.41	3.31
9	Birgaon	696	696	138	1.04	2.52	1.49
10	Korba	3265	800	435	3.26	7.67	4.41
11	Bhilai-Charouda	1027	795	61	0.46	1.09	0.63
	Total	29142	18131	10903	81.78	269.53	187.76

(Source: Information provided by SUDA and compiled by audit)

It may be seen from the above that out of 29,142 DUs sanctioned under AHP vertical of PMAY-U, 18,131 DUs were completed of which 10,903 DUs allotted under *Mor Makan Mor Aas* scheme by the ULBs as of March 2025. For DUs allotted under the scheme, the contribution of beneficiaries was 68 per cent (₹ 3.25 lakh) instead 16 per cent (₹ 0.75 lakh) in PMAY-U. Thus, higher share of contribution was recovered from the beneficiaries and burden of State share of contribution was also transferred on the beneficiaries. In 11 test checked ULBs, additional contribution of ₹ 187.76 crore was recovered against the allotment of DUs to 10,903 beneficiaries till March 2025. Audit noticed that the allotment of DUs sanctioned under AHP for slum dwellers were allotted under "*Mor Makan Mor Aas*" by revising the basic eligibility criteria for extending benefits to non-slum dwellers. Thus, the core objective/purpose of the scheme to relocate the slum dwellers defeated as 59 per cent of DUs sanctioned under AHP for slum dwellers were diverted/allocated to non-slum dwellers. Also, the benefit of Central subsidy provided under the PMAY-U did not reach to

intended beneficiaries as AHP was initially planned by the State Government only for slum dwellers.

The State Government stated (May 2025) that the houses left vacant after occupancy of beneficiaries from slum were taken up under revised guidelines of *Mor Makan Mor Aas* as per the Cabinet decision and allotted to non-slum residents who were eligible under AHP guidelines. Further, the beneficiary share of ₹ 3.25 lakh per unit cost was provided to beneficiaries for AHP houses built in prominent and significant urban areas, where the cost of land and infrastructure is very high. But the State Government has not provisioned for recovery of cost of land and is indirectly subsidising the cost of land under *Mor Makan Mor Aas*. After 100 *per cent* allotment of DUs, modified project cost will be submitted to SLSMC and CSMC for approval.

Reply is not acceptable as the intended purpose of providing affordable housing to slum dwellers under AHP vertical could not be fully achieved due to allotment of DUs to non-slum dwellers at higher cost/beneficiary share.

2.1.8.7 Beneficiary Led Individual House Construction

The fourth component of the Mission i.e. beneficiary Led Construction or Enhancement (BLC) is assistance to individual eligible families of EWS categories to either construct new house or enhance existing houses on their own to cover the beneficiaries who are not able to undertake the benefit of other components of the mission. Central Assistance up to ₹ 1.50 lakh per EWS house is provided to eligible families belonging to EWS categories for individual house construction/enhancement under BLC. The ULBs validate the information and building plan submitted by the beneficiary so that ownership of land and other details like economic status and eligibility can be ascertained. Central Assistance, along with State/UT/ULB share up to ₹ 0.85 lakh was released to the bank accounts of beneficiaries through DBT by the State in 3-4 installments according to the progress of work and geo-tagging of photographs of houses at different levels in BHUVAN Portal taken by the Surveyors of Architects/Project Management Consultants prepared the DPRs approved by CSMC.

The year wise receipt of funds and expenditure incurred under BLC vertical by SUDA are detailed in *Table 2.1.10*.

Table 2.1.10: Details of year wise receipt and expenditure by SUDA under BLC vertical

(₹ in crore)

Year	Opening Balance	Receipt			Total available fund	Expenditure (percentage against available fund)	Closing Balance
		Central	State ¹⁵	Total			
2016-17	0.00	3.07	6.5	9.57	9.57	0 (0)	9.57
2017-18	9.57	335.68	18.63	354.31	363.88	92.08 (25)	271.80
2018-19	271.80	259.27	59.15	318.42	590.22	541.33(92)	48.89
2019-20	48.89	610.88	239.54	850.42	899.31	877.17(98)	22.14
2020-21	22.14	270.68	145.2	415.88	438.02	326.75(73)	111.27
2021-22	111.27	428.71	76.44	505.15	616.42	584.27(69)	32.15
2022-23	32.15	465.47	453.76	919.23	951.38	678.48(49)	272.90
2023-24	272.90	483.13	264.89	748.02	1020.92	844.99(83)	175.93
Total		2856.89	1264.11	4121.00		3945.07	

(Source: Information provided by SUDA and compiled by Audit)

It can be seen that utilisation against available funds was less in first two year and increased up to 98 per cent during 2019-20 and declined up to 49 per cent during 2022-23.

The physical status of the BLC projects taken under the scheme is detailed in **Table 2.1.11**.

Table 2.1.11: Details of year wise sanction and physical status of BLC houses under PMAY-U

Year	Original sanctioned	Revised sanction	Physical progress as on April 2025				
			Completed	Foundation	Lintel	Roof	Not started
2015-16	0	0	0	0	0	0	0
2016-17	2157	1222	1211	2	6	3	0
2017-18	64647	45576	43260	953	683	506	172
2018-19	65835	44286	41894	1023	750	447	172
2019-20	29777	24617	23039	606	488	332	152
2020-21	25497	20375	18126	867	737	452	193
2021-22	46368	38537	31132	3024	2065	1587	731
2022-23	38453	32505	22561	3502	2388	2339	1715
2023-24	4718	3951	2611	373	260	416	291
Total	277452	211069	183834	10350	7377	6082	3426

(Source: Information provided by SUDA and compiled by Audit)

It may be seen from the above that out of the total sanctioned 2.77 lakh BLC houses during the period 2015-16 to 2023-24, 24 per cent (66,383 houses) were

¹⁵ State figure included funds financed through loan outside the budgetary resources.

surrendered due to reasons such as beneficiaries already possessing a *pucca* house, having an income exceeding ₹ 3.00 lakh or lacking proper land documents. Out of 2.11 lakh, 1.84 lakh houses (87 *per cent*) were completed. However, 23,809 houses remain unfinished despite a lapse of more than one to seven years since the date of sanction.

The State Government stated (May 2025) that ULBs actively encouraged beneficiaries and issued notices to Architect and beneficiaries for completion of houses. However, due to financial constraints and rising material costs, many beneficiaries were unable to contribute their share towards the completion of their houses.

Reply is not acceptable as non-completion of houses is due to delay in attachment of beneficiaries and release of installments by the ULBs as discussed in next paras.

2.1.8.8 *Non/delay release of assistance even after completion of BLC house by the beneficiaries*

As per PMAY (U) manual for District level functionaries, funds should be transferred directly to beneficiaries account through DBT mode based on geo-tagging of house at various stages of construction. UAD Department and SUDA issued instruction (May 2018 and January 2019) to issue building permission and release various installments within three days after approval by competent authority.

During analysis of the online PMAY-U MIS database of all ULBs (as of December 2024), it was observed that in 136 ULBs, even after construction and geo-tagging of completion stage of BLC houses during the year 2019-20 to 2023-2024, final instalment of assistance of ₹ 62.55 crore was not released to 15,675 beneficiaries as of December 2024. Further, in 82 ULBs the instalment of final assistance amounting to ₹ 6.01 crore was released to 1,620 beneficiaries with a delay ranging from 25 to 71 months from the month of geo-tagging of completion stage uploaded in PMAY-U Bhuvan Portal.

Out of the entries in MIS database, audit has examined 449 cases from the records of 16 test checked ULBs and noticed the reasons for delay/non-release of installments were non-availability of funds, non-submission of documents for processing payment, non-completion of houses in all respect and non-availability of land ownership documents.

Thus, above cases of non-release/ delays in release of financial assistance not only caused financial hardship to the beneficiaries but also indicate deficient monitoring mechanism for sanctioning and geo-tagging of houses at ULBs level.

The State Government stated (May 2025) that the final payment of assistance was pending due to non-submission of land transfer documents; non-completion of internal finishing works and non-payment of building permission charges for extra construction by the beneficiaries. Further, due to weak financial capabilities of the EWS beneficiaries, the internal finishing works are often stalled due to non-availability of last trench of the beneficiary contribution. The beneficiary, however, completes the incomplete work as per their financial convenience. As far as the geo-tagging of the completion stage is concerned,

the external completion of the house and occupancy of the beneficiary in the proposed house provides merit to the ULB for geo-tagging and showing it as complete. However, the final payment is made only after the houses are completed in all respects.

Reply is not acceptable as geo-tagging of houses at completed stage without actual completion of house is incorrect and against the scheme guidelines. Due to geo-tagging of incomplete house as completed, misstated physical progress of construction on Bhuvan Portal.

2.1.8.9 Non-commencement of BLC houses by the beneficiaries

As per the advisory issued by GoI for all States/UTs on geo-tagging under BLC component of the Mission, the release of subsequent installments of central assistance to the beneficiaries through DBT is linked to the geo-tagging of various stages. It is also stated that physical progress reported in the Utilisation Certificate must be reconciled with the geo-tagged houses before releasing subsequent installments for BLC Projects to States.

Audit noticed from analysis of the online PMAY-U MIS database (as of December 2024), that in 133 ULBs, after geo-tagging of foundation/lintel stage of 11,181 BLC houses and release of first installment, beneficiaries had not executed the work at later stages even after lapse of 13 to 81 months resulting in non-completion of sanctioned house.

Audit verified the records in test checked ULBs and found that first instalment for foundation/plinth level was released to 177 beneficiaries (out of 201) after digging of small pit in the land and geo-tagging the same without achieving the prescribed foundation level as detailed in **Appendix 2.1.6**. This indicates that first instalment was sanctioned and released without actual completion of work and proper verification by the CLTC and Commissioner/CMOs as shown in PMAY-U BHUVAN Portal are below:



(Geo-tagged photos of beneficiary ID-22801949068800002 and 228019750723500003)

Thus, release of first instalment only after digging of small pit without carrying out actual foundation level work indicates serious lapses on the part of geo-

tagging personnel and officer who approved payment. This also indicates non-serious intent of beneficiary as many beneficiaries did not continue construction of their BLC houses. Moreover, there was no monitoring by architects, PMCs, CLTCs, Commissioner/CMOs or higher levels to identify and address such issues.

The State Government stated (May 2025) that ULBs have issued several notices to start the work, however, the 201 beneficiaries could not start the work after foundation/plinth. Therefore, final notices have been issued to them to start the work failing which the ULB shall initiate the process for recovery of first instalment provided to these beneficiaries.

2.1.8.10 Poor quality construction of BLC houses in PMAY by Architect's Surveyor

During scrutiny of records of Municipal Panchayat, Kota, and verification of the status of geo-tagging in PMAY-U BHUVAN Portal, Audit noticed that in 12 cases, the construction of BLC houses at Ward-1 'Fakir Mohalla' had commenced in February 2022 and remained incomplete even after more than two years (March 2024). An inspection of ward-01 was conducted in May 2023 by the CMO, accompanied by the Sub-engineer and CLTC, during which substandard quality of construction was found and concerned Architect was instructed to complete all under construction houses with quality within 15 days.

A joint physical verification on 04 March 2024 of the above BLC houses was conducted and from the discussions with beneficiaries, it came to light that these houses were being constructed by a contractor (an employee of the Architect). Complaints regarding poor quality construction and non-rectification by the contractor were also submitted (June 2023) to the Municipal Panchayat office, but no action was taken to address these issues or complete the houses. The photographs of the houses taken during the joint physical verification are as follows:



Photos taken during JPV of Beneficiary ID-0322801968631813047 and 0322801968627822675

The State Government stated (May 2025) that the concerned surveyor, who had started the work as a contractor for the construction of BLC houses has been removed and the Notice has been served to the Consultant in-charge of the project for completion of houses.

2.1.8.11 Construction of commercial shops in deviation to the approved lay out by the beneficiaries

During scrutiny of records and on joint physical verification of BLC houses in test checked ULBs Audit noticed that 17 beneficiaries had not constructed the houses as per lay-out and along with BLC house shops for commercial purposes have been found constructed as shown in the photographs below:



Photos taken during JPV of Beneficiary ID-228019266858400016 and 0322801989633384266

The State Government stated (May 2025) that after completion of their houses under PMAY-U, some beneficiaries have constructed shops to support their livelihood. In other cases, notices have been issued to the beneficiaries for construction of commercial shops.

The reply is not acceptable because as per geo-tagged photo uploaded in the PMAY-U BHUVAN Portal it is clearly visible that commercial shops were constructed by beneficiaries which were ignored by the competent authorities at the time of geo-tagging and release of payment as shown below.

Housing For All Asset Details		Housing For All Asset Details	
			
Click to Zoom-in			
	1 2 ThumbnailView		1 2 ThumbnailView
Sl.No	12983753	Sl.No	27606123
Mobile App Version	1.4	Mobile App Version	2.2
Beneficiary Name	Sumer Sahu	Beneficiary Name	RAMADHAR
Project Name	BLCPremnagar 45-42-36	Project Name	BLCPremnagar98-

Geo-tagged photos of Beneficiary ID-228019266858400016 and 228019266858400005

2.1.8.12 Construction of houses beyond approved layout/ carpet area

PMAY-U supports construction of houses up to 30 square meter carpet area.

During scrutiny of records and on joint physical verification of BLC house in test check ULBs, Audit found that 107 beneficiaries constructed the houses with higher carpet area/multistorey beyond the approved 30 sqm layout for BLC

houses for which notices have been issued by ULBs to the beneficiaries. Further, in Bilaspur and Bhilai beneficiaries later applied for regularisation of these unauthorized constructions under 'Chhattisgarh Regularisation of Unauthorized Development (Amendment) Act and Rules, 2022'. The officials responsible for monitoring the construction failed to ensure compliance to the guidelines, allowing unauthorized expansions. This led to irregular financial assistance of ₹ 2.19 crore being provided to 107 beneficiaries.



	1	2	ThumbnailView
Sl.No	24080267		
Mobile App Version	2.1		
Beneficiary Name	DARBAR SINH		
Project Name	REVISED VATI D 74 DIIS		



(Geo tagged photo) (Beneficiary ID-228019737902000071) (Photo taken during JPV)



	1	2	ThumbnailView
Sl.No	14661343		
Mobile App Version	2.1		
Beneficiary Name	Suman Singh		
Project Name	BLC Ambikapur ReRev 101 -		



(Geo tagged photo) (Beneficiary ID-228019270707800082) (Photo taken during JPV)

The State Government stated (May 2025) that notices have been issued to the Architect and concerned beneficiaries for extra construction of houses and some beneficiaries have applied for regularisation of unauthorized construction. However, the payment of assistance was provided according to the provision of scheme guidelines and no payment was made for extra construction of houses.

The reply is not acceptable as regularisation of extra construction beyond approved lay out is not only in contravention of the scheme guidelines but also against the spirit of scheme objectives.

Case Study

Irregular approval of building permission for same land and payment of assistance by geo-tag of photographs of other house

In Municipal Corporation Korba a building plan for construction of BLC house up to 35 square meter in ground floor in Khasara no.-818 under Ward no-1, was approved (February 2020) in favor of Beneficiary code-228019490685500046. Accordingly, after geo-tagging of foundation (01 August 2021), the work was shown as completed on 27 September 2021.

During joint physical verification (September 2023), a double storey building was found constructed in place of 35 sqm. sanctioned lay out under the scheme. Municipal Corporation, Korba has also issued another building permission for carpet area of 224.06 sqm. Moreover, during Joint Physical Verification following actual house instead of house shown in geo-tagged photo was found.



(Geo tagged photo)



(Photo taken during JPV)

Further, payment of financial assistance was provided without physical verification of work site by the officials of Architect, PMC, CLTC and Municipal Corporation.

The State Government stated (May 2025) that the beneficiary has availed the benefit of the Scheme by submitting incorrect affidavits regarding income and has constructed houses more than the permissible area. Hence, ULB has initiated recovering the installments paid under the Scheme and taking necessary legal action against the beneficiary and notice has been served (January 2025) to the beneficiary.

2.1.8.13 Selling of houses by beneficiaries after receiving benefits under PMAY-U

According to first SLSCMC (October 2015), sale of houses allotted to the Beneficiaries under the mission will be restricted for 10 years. Further as per the provisional allotment letter, the house is allotted to the beneficiary for his residential use only. They will not have rights and are not allowed to sell or give on lease or rent or donate or transfer this house in any other manner. Scrutiny of records revealed the followings:

- In Municipal Council Takhatpur, during joint physical verification it was found that one beneficiary (ID-228019737147900111) sold half portion of the house to third party at a cost of ₹ 8.03 lakh in June 2023 after receiving financial assistance of ₹ 2.26 lakh.

- In Municipal Panchayat, Bhatgaon a BLC house was sanctioned (September 2017) in favour of beneficiary (ID-228020277427000009) on the basis of NOC from father without any document for ownership/partition of land as the land (Khasra No. 1295/8) registered in the name of his father. On joint physical verification it was found that after completion of house and receipt of assistance, the land on which house was constructed belongs to beneficiary's father, which was sold (February 2023) to third party at a cost of ₹ 42.60 lakh and the purchaser had renovated the house.
- In Municipal Corporation, Raipur after completion of the work of construction of 232 DUs at Amlidih for allotment (May 2022) of DUs under *Mor Makaan Mor Aas*, provisional allotment letter for 30 years lease was issued (January 2023). During joint physical verification of 232 DUs constructed at Amlidih (22 May 2024) and interaction with beneficiaries, it was noticed that the beneficiary to whom allotment was done after making a payment of ₹ 3.03 lakh through bank finance sold the house to a third person (July 2023) at a cost of ₹ 6.00 lakh in violation of the conditions of allotment.

The State Government stated (May 2025) that action will be taken against the beneficiaries who have sold their houses after availing of benefits under PMAY-U. As per the scheme guidelines, beneficiaries are prohibited from selling their houses within a period of 10 years. Further, in the case of Raipur notice was issued to the beneficiary for submission of justification regarding selling of DU but due to non-submission of justification, the house has been de-occupied from the beneficiary and taken under the control of the Corporation. This house will be further allotted to another valid beneficiary.

2.1.8.14 *Extension of multiple benefits under different verticals*

Para 5.12 of PMAY-U scheme guidelines state that beneficiaries can only receive one benefit under the scheme's verticals. While three verticals are managed by State/UT governments through Urban Local Bodies (ULBs), the Credit Linked Subsidy Scheme (CLSS) is implemented by Primary Lending Institutions (PLIs). PLIs must use the CLSS Awas Portal (CLAP) to check for duplication and allow beneficiaries to track their application status. Housing Urban Development Corporation (HUDCO), National Housing Bank (NHB) and State Bank of India (SBI) are selected by the Ministry of Housing and Urban Affairs (MoHUA), Government of India as Central Nodal Agencies (CNAs) for implementation of the scheme and to distribute these subsidies.

In Chhattisgarh against the total of 2.49 lakh subsidy claims submitted by the beneficiaries, only 37,374 claims were approved, for which an amount of ₹ 820.93 crore was released as subsidy during the period 2016-17 to 2022-23. The reasons for non-approval of remaining cases or pending at different stages were asked from all three¹⁶ CNAs and are still awaited. Scrutiny of records revealed the following.

During scrutiny of online MIS database of test checked ULBs and the information provided by Chhattisgarh Housing Board (CGHB), it was observed

¹⁶ HUDCO, SBI and National Housing Bank

that 133¹⁷ beneficiaries in Municipal Corporation, Korba and Bilaspur and CGHB, availed benefits under the CLSS vertical. Of these, audit verified the cases of 29 beneficiaries availed the dual benefits under the scheme. This occurred despite their attachments under the AHP/BLC verticals, leading to an undue benefit of ₹ 57.61 lakh in contravention to scheme guideline, as detailed in **Appendix 2.1.7**.

The above findings highlight attachment of beneficiaries under the various verticals resulting in duplicity of benefits to beneficiary under PMAY-U. Such cases are in clear violation of the provisions outlined in the PMAY-U guidelines.

The State Government stated (May 2025) that the dual benefit was attained by the beneficiary by being attached in the same MIS portal twice for different verticals. Further, the beneficiary already attached in AHP vertical could apply for CLSS in the same portal and the CLSS vertical is handled /monitored by PLIs /CNAs hence are well beyond the reach of checks /monitoring of ULBs.

The explanations given by the State Government do not resolve the violation of PMAY-U guidelines. Allowing beneficiaries to receive benefits under the CLSS vertical, despite being attached to AHP and BLC verticals, clearly shows duplication and lack of proper verification.

2.1.8.15 Under-representation of Female Beneficiaries

The PMAY-U emphasizes women's ownership and co-ownership of houses, contributing to their socio-economic empowerment. As per paragraph 2.5 of the scheme guidelines, houses constructed or acquired with Central Assistance under the PMAY-U Mission should be in the name of the female head of the household, or the joint name of the male head of the household and his wife. Only in cases where there is no adult female member in the family, the house can be in the name of a male member of the household.

During scrutiny and analysis of PMAY-U MIS database (as of December 2024) across 170 ULBs and information provided to audit by SUDA regarding benefits provided to female beneficiaries under the scheme, it was found that despite the scheme's focus on empowering women through property ownership, a significant number of female members did not receive the intended benefits. The year-wise details of benefits provided to female beneficiaries under the scheme during the period from 2015-16 to 2023-24 are given in **Table 2.1.12**.

¹⁷ Bilaspur-08, Korba-01 and CGHB-124

Table 2.1.12: Details of year-wise benefits provided to female beneficiaries under PMAY-U

Year	Vertical	Total beneficiaries	Gender		
			Male (<i>per cent</i>)	Female (<i>per cent</i>)	Third Gender
2016-17	AHP	2278	456 (20)	1821 (80)	1
	BLC (NC)	2754	654 (24)	2100 (76)	0
2017-18	AHP	9536	1965 (21)	7561 (79)	10
	BLC (NC)	47313	21691 (46)	25620 (54)	2
2018-19	AHP	8641	1185 (14)	7456 (86)	0
	BLC (NC)	39316	22065 (56)	17251 (44)	0
2019-20	AHP	2170	755 (35)	1414 (65)	1
	BLC (NC)	48557	27688 (57)	20869 (43)	0
2020-21	AHP	1787	455 (25)	1330 (74)	2
	BLC (NC)	26185	14180 (54)	12005 (46)	0
2021-22	AHP	2076	1009 (49)	1066 (51)	1
	BLC (NC)	18086	10691 (59)	7394 (41)	1
2022-23	AHP	2391	771 (32)	1615 (68)	5
	BLC (NC)	18937	10535 (56)	8402 (44)	0
2023-24	AHP	901	304 (34)	597 (66)	0
	BLC (NC)	8256	3991 (48)	4265 (52)	0
Total	AHP	29780	6900 (23)	22880 (77)	22
Total	BLC (NC)	209404	111495 (53)	97906 (47)	03
Grand Total		239184	118395 (50)	120706 (50)	25

(Source: Compiled from MIS database of all ULBs)

It is evident from the above that only 47 *per cent* of the total 2.09 lakh BLC beneficiaries and 77 *per cent* of the total 0.30 lakh AHP beneficiaries, overall, 50 *per cent* from 2016-17 to 2023-24 were female, which falls short of the scheme's goals. This shortfall highlights the challenges in registering tangible assets in the name of the female head of the household or joint ownership. Consequently, the initiative's potential to advance women's empowerment and socio-economic independence could not be fully achieved.

The State Government stated (May 2025) that the sanction letter has been issued to the beneficiaries based on the ownership of land. The sanction has been preferably accorded to the beneficiaries who have the ownership of the land. Additionally, the subordinate officials were instructed to determine the number of houses sanctioned either in the name of the female head or jointly with the male head.

The reply is not acceptable as the scheme aims to empower women by sanctioning house in their name however, sanctioning houses in the name of male members on the basis of land ownership does not meet the scheme's objective.

2.1.8.16 Other irregularities

- In the Municipal Corporation Bhilai, Audit noticed that a BLC house (beneficiary ID 228020080660600435) was found completed within five days, from the foundation stage (10th February 2023) to the completion stage (15th February 2023).

The State Government stated (May 2025) that there has been error in the geo-tagging and subsequent notices have been issued to the relevant consultant, but no financial misappropriation has been done since payment has been made to the beneficiary based on actual site visit of the ULB officials.

- In Municipal Corporation Raipur, Audit noticed that two BLC houses of Beneficiary ID-0322802034632575297 and 0322802034632573544 were sanctioned (2021-22) and first instalment of ₹ 50,000 against foundation stage was made to each beneficiary (May 2023) without granting building permission (March 2024) and obtaining necessary documents such as self-declaration affidavits (May 2024) for income etc.

The State Government stated (May 2025) that keeping in view the importance of the Scheme and delivery of scheme benefit to the beneficiary; the work was started by the beneficiary and the payment of installments were made based on the actual geo-tagging.

The reply is not acceptable as the payment was provided without obtaining required affidavits in contravention of the scheme guidelines.

- During joint physical verification of BLC projects in test checked ULBs, audit noticed that in 49 houses, PMAY-U Logo showing the details of beneficiaries such as name, ID, project details, year of construction etc., were not found.

The State Government stated (May 2025) that logo was present during the final payment, but the beneficiaries removed the logo after completion of their houses. After instructions, the beneficiaries have reinstated the logo in their houses, and notices have been issued regarding non-removal of the logo.

2.1.9 Monitoring and Evaluation

Monitoring of the implementation of the scheme was done through manual monitoring, PMAY MIS, Third Party Quality Monitoring Agency (TPQMA), social audit, geo-tagging, SLTC/CLTCs etc.

2.1.9.1 Irregularities in geo-tagging of BLC houses

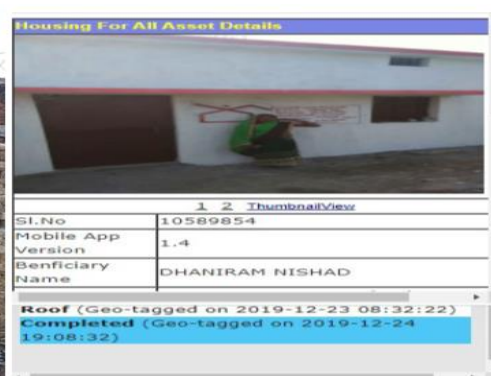
Geo-tagging in PMAY-U is used to monitor the construction progress of houses through geo-tagged photos. The Management Information System (MIS) integrates with BHUVAN Portal, BHARAT MAP, and UMANG Mobile App to track different construction stages. To ensure accuracy, photos must be tagged within 10 meters of the house, capture all five stages from a consistent location, and include the beneficiary. Audit observed the following deficiencies

in geo-tagging of construction of houses under the scheme in test checked ULBs:

- In 38 cases, the geo-tagging of completion stage were uploaded in the PMAY-U BHUVAN Portal **Appendix 2.1.8**. However, on joint physical verification it was found that the construction of those houses was at foundation/plinth stage or lintel/roof stage as shown below:



(Photo taken during JPV) (Beneficiary ID-228020706777400010) (Geo tagged photo)



(Photo taken during JPV) (Beneficiary ID-228020365837500065) (Geo tagged photo)

Thus, due to lack of monitoring at various levels, the photographs of other completed houses were uploaded in the PMAY-BHUVAN Portal and false progress was submitted to State and GoI.

The State Government stated (May 2025) that the surveyor of the consultant had error-fully geo-tagged the stages of the houses. All the beneficiaries were not paid the final instalment. Later, beneficiaries have informed them regarding completion of their houses, based on the physical verification, final installments were paid to them.

The reply is not acceptable as incorrect geo-tagging led to false reporting on construction progress to GoI.

- In Municipal Council Sarangarh and Municipal Panchayat Abhanpur and Kota, Audit noticed that two to four BLC houses were sanctioned to the beneficiaries of same families on the same land however, instead of construction of multiple BLC houses, single house was constructed by the beneficiaries and geo-tagging of same house was done from different sides of the house was uploaded in PMAY-U BHUVAN Portal.

The State Government stated (May 2025) that in Kota, notice has been issued to the Architect regarding furnishing of explanation for irregular attachment of beneficiaries and sanction of two BLC houses on the same land purchased after the cut-off date irregular payment of financial assistance against single house. In Abhanpur, four houses were sanctioned for family members. However, instead of constructing separate houses, they have constructed a single house on 1200 m² through mutual understanding. However, in the case of Sarangarh two separate houses have been sanctioned.

The reply is not acceptable because only single house was found constructed at the site instead of separate houses and uploading photos from different angles to show false progress indicates monitoring failure.

➤ In 42 cases, Audit noticed that completed house of one BLC beneficiary was used for geo-tagging purpose of multiple beneficiaries by simply changing the name and ID of beneficiaries. However, CLTC and competent authorities gave their approval, and finally mismatched photographs were geo-tagged in PMAY-U BHUVAN Portal. As a result, false progress submitted to State and GoI which shows the lack of monitoring at various level as shown below:



(Geo-tagged Photo) (Beneficiary ID-228019490685700042) (Photo taken during JPV)

The State Government stated (May 2025) that the wrong photographs were geo-tagged by the surveyors of Architect/PMC which has been later on corrected/revised, and notices have been issued to the Architects/PMC in this regard. However, the physical verification of the houses is ensured before the payment of installments.

➤ Audit noticed that the geo-tagged photographs from Lintel to Completion stage of 136 beneficiary was uploaded either on the same date or within two to five days from last geo-tagging. However, as per advisory for geo-tagging, the construction of each stage will take at least a minimum of 10-15 days. Thus, the provisions of advisory were not strictly followed which shows the lack of monitoring at each level.

While accepting the audit observation, the State Government stated (May 2025) that the beneficiaries often start the works before intimating the ULBs, in such cases to proceed in the portal which doesn't allow to skip the stages, same photographs are being uploaded for previous/skipped stages. Further, photographs are often taken from different angles, hence the houses seem to be different at various stages. The notices have been issued to the respective

Architect/PMCs. However, the physical verification of the houses is ensured before the payment of installments.

2.1.9.2 Delay in appointment of Independent Facilitate Agency (IFA)

Para 12.5 of scheme guidelines provided for undertaking social audit of the projects being implemented under the scheme. Further, MoHUA issued instruction (September 2017) and reminders (November-December 2018 and April 2019) for appointment of Independent Facilitate Agency (IFA) for conducting social audit.

SUDA initiated (January 2018) the process for selection of IFA for conducting social audit by inviting Request for proposal (February 2018) however, the same was cancelled (April 2018) due to receipt of single proposal. Thereafter next tender was re-invited in October 2019 and July 2020. The contract was signed (June 2021), and work order was issued to selected Agency on 19 August 2021 for conducting of social audit of nine¹⁸ ULBs for the period of 2016-17, 2017-18 and 2018-19 (three ULBs for each year) for completion of work within one year. The Agency started the Audit in April 2022 after a delay of seven months against the prescribed time of starting the work within three months.

Audit noticed that additional work was awarded to the same agency for conducting social audit for the period from 2019-20 to 2021-22 (three ULBs for each year) was issued (08 August 2022) at agreed cost of ₹ 8.21 lakh to the same IFA for completion of social audit and submission of report within one year. The IFA had submitted the social audit reports in November 2023 with delay of three months. Thereafter no records regarding conducting of social audit were found.

Further, scrutiny revealed that, despite Raipur and Bilaspur being audited twice, significant irregularities such as non/delayed payment of assistance, incomplete houses, geo-tagging with other beneficiary ID, selling BLC houses, construction beyond approved layouts, and commercial shop constructions etc. were not highlighted in the social audit reports.

Thus, due to delay in selection of Agency for conducting social audit, the social audit for the period from 2016-17 to 2019-20 was conducted in 2021-22 i.e. after a delay of two to four years. There was further delay on the part of Agency in conducting the social Audit.

The State Government stated (May 2025) that in the initial phase of the scheme, the department regularly coordinated with the GoI and other States for the social audit process. Along with this, the department also coordinated with the senior officials of the Panchayat and Rural Development Department (P&RD) of the State for conducting social audit. After coordination with the GoI and other States, the department started the process of preparing RFP for social audit work. Since only one tender was received in the first tender, the second tender was considered. During this time, coordination was again done with the P&RD, but due to not receiving proper response, second tender was issued and after negotiation, proposal was sent to the Government for approval of ₹ 8.20 lakh.

¹⁸ Bhilai, Bilaspur, Dongargarh, Durg, Jagdalpur, Lakhanpur, Raigarh, Raipur and Rajnandgaon

After approval of rates by the Government (June and August 2021), work order was issued (06 August 2021) to the firm. During this time, the second wave of Covid-19 epidemic was prevailing in the country.

The reply is not acceptable as there were critical delays in the social audit and an unjustifiable gap between the cancellation of the first tender in 2018 and issuance of the second in 2019, followed by further delays in issuing the work order in 2021. These delays in social audit impacted the timely identification and resolution of irregularities in PMAY-U projects.

2.1.9.3 *Functioning of Third-Party Quality Monitoring Agency (TPQMA)*

Paragraph 12.9 of PMAY-U guidelines require a system to check the quality of housing projects through Third Party Quality Monitoring (TPQM). All projects under the Affordable Housing in Partnership (AHP) component are to be monitored, while a sample of houses under Beneficiary-Led Construction (BLC) is to be reviewed fairly. Two¹⁹ TPQM agencies were appointed for monitoring the quality of houses under the scheme.

Scrutiny of the records revealed that for TPQM in ULBs of five different clusters, work orders were issued (March, September and October 2018) to two selected agencies in which TPQM was to be done at three levels (Foundation, lintel and completion) according to the guidelines issued by the GoI. Further scrutiny revealed that out of 70 sanctioned AHP projects first, second and third visit was carried out in 37, 28 and five (Bilaspur cluster) AHP projects respectively between September 2018 and October 2021 whereas no visit was carried out in Ambikapur cluster as ascertained from the bills for field visit submitted by the selected agencies.

Similarly, in case of BLC projects only first visit in Bilaspur cluster of 240 projects (October 2018 and July 2019) and third visit in Raipur and Durg cluster of 363 projects was carried out between September 2018 and April 2022 (Durg cluster). However, visit was not carried out after October 2018 and October 2019 in Ambikapur and Jagdalpur cluster. Thereafter, no visit was carried out by TPQMA in any clusters till the date of audit (June 2024).

Thus, due to inadequate monitoring of ongoing and completed projects, the objective of review and monitoring of quality of all PMAY-U projects had remained unachieved.

The State Government stated (May 2025) that TPQMA conducted visits in 73 AHP projects (1st Visit: 59 Projects, 2nd Visit: 45 Projects and 3rd Visit: 10 Projects). Further, TPQMA conducted visits in 1958 BLC projects (1st Visit: 1861 Projects, 2nd Visit: 1440 Projects and 3rd Visit: 1121 Projects). Hence, TPQMA conducted visits periodically in all the AHP and BLC projects to ensure quality and sound construction of the houses.

The reply is not acceptable because as per document attached with reply, 2nd and 3rd visits were not conducted by TPQMA in Durg, Jagdalpur and Ambikapur cluster which defeated the objective of ensuring housing quality.

¹⁹ Engineering Staff College of India, Hyderabad for Durg and Raipur cluster and SGS India Pvt. Ltd., Nagpur for Ambikapur, Jagdalpur and Bilaspur cluster

2.1.9.4 Non-updating of MIS payment in PMAY-U portal

As per PMAY-U guidelines, State Level Technical Cell (5-10 professionals) and City Level Technical Cell (2-4 professionals) were to be established to enhance capacity in planning, engineering, and monitoring. CLTCs were responsible for managing data entry and file uploads, preparing formats for MIS applications, setting up systems to monitor and report project progress, and submitting quarterly progress reports to the SLNA via ULBs.

During scrutiny of records and analysis of online MIS database (as of December 2024), Audit noticed significant gaps in MIS database updates for BLC projects. Payments were released based on progress and geo-tagging, but the payment status in the MIS database was not updated as a result out of a total of 2.11 lakh beneficiaries benefitted under BLC vertical, online MIS payment entries of only 1.25 lakh were found. Additionally, there was no integration between PFMS and MIS databases, leading to discrepancies.

The State Government stated (May 2025) that the MIS did not have the original feature of continuous up-dation of beneficiary payment. The provision for up-dation of beneficiary payments stagewise was introduced in the year 2022-23 for the retrospective entry of payments made from 2016-17 to 2022-23, so that the linkage with PFMS may be initiated. But significantly the follow-up for the up-dation of the payment details was not taken-up by the GoI and the linkage work was also left out. Hence, the up-dation of beneficiary payment in MIS portal may not be significantly used for signifying non-performance of the CLTC professionals. Every ULB with the help of CLTCs and PMC/Architects have maintained a detailed offline database of the beneficiary payments made till date. The CLTCs and PMC/ Architects have helped a lot in the performance of the project, else the ULB officials could not have been able to achieve progress as seen today.

The reply is not acceptable as CLTCs are responsible for MIS entries and in absence of MIS entries, the payment made to a particular beneficiary could not be verified from PMAY-U portal.

2.1.10 Conclusion

The Housing for All Plan of Actions (HFAPOAs) were prepared with delay of three to six years and AHP/BLC/ISSR projects with 1.48 lakh Dwelling Units (DUs) were sanctioned without identification/selection of beneficiaries based on demand assessment survey indicating deficient planning. Vacant housing stock available with ULBs under previous schemes could not be considered during preparation of HFAPOA. Due to approval of projects without identification of eligible beneficiaries, 1.09 lakh sanctioned houses had been curtailed till April 2025.

The initial demand survey database entered in the MIS at the time of preparation of HFAPOAs were not available due to continuous updation (addition/deletion) in the original database. As a result, grant of scheme benefits to originally surveyed beneficiaries could not be ensured in Audit.

The absence of linkage between PMAY-U and PMAY-G databases resulted in 99 beneficiaries availing benefits under both schemes, while 35 beneficiaries

who had earlier received housing benefits under the Integrated Housing and Slum Development Program were allotted houses again under PMAY-U.

Central share was not transferred to the SNA within the prescribed timeliness, leading to delay in fund disbursement to ULB and payment to beneficiaries and contractors.

Under AHP vertical of PMAY-U scheme, fund amounting to ₹ 230.05 crore was blocked due to delay in completion of DUs by ULBs and the delay in completion of DUs was mainly due to lack of funds, Covid pandemic and slow progress of work. Undue favour was extended to contractors due to non-compliance to the terms and conditions of contract for payment and recovery of mobilisation advance and levying penalty.

Out of 18,375 DUs completed under AHP vertical, 10,903 DUs (59 *per cent*) meant for slum dwellers were allotted under '*Mor Makan Mor Aas*' to non-slum dwellers by revising the eligibility criteria without the approval of Central Sanctioning and Monitoring Committee. Further, share of State contribution (₹ 2.50 lakh) was also recovered from the beneficiaries in addition to their contribution of ₹ 0.75 lakh per DU. All the In-Situ Slum Redevelopment projects for slum development could not be implemented and curtailed due to lack of private partnership. Expenditure of ₹ 1.25 crore was incurred on preparation of DPRs of these curtailed projects also rendered unfruitful. Thus, initially identified beneficiaries of slum areas under AHP vertical were deprived of scheme benefit due to curtailment of projects and allotment of house as per the revised criteria.

Under BLC vertical, there were instances of selection of ineligible beneficiaries having gross annual income more than ₹ 3.00 lakh and *pucca* houses, non-commencement of houses by beneficiaries after getting financial assistance for foundation/plinth, construction of houses beyond the prescribed lay out, construction of shops along with house, sanction of house without ownership of land and selling of houses/DU to a third person after construction by beneficiaries. In some cases, installments for various stages of construction were released without completion of construction and geo-tagging of respective stage while in other cases there was delay in release of final instalment after completion of houses.

There were lapses in the monitoring of construction of BLC houses i.e. mismatched and photographs of other beneficiaries' houses used for geo-tagging of different construction stages, irregular geo-tagging for completion stage of houses found incomplete during site inspection, release of final instalment of assistance before geo-tagging of completion stage. Delay in appointment of Independent Facilitate Agency resulted in conduct of social audit for the period 2016-20 with a delay of two to four years.

The scheme's objective of socio-economic empowerment of women through ownerships or co-ownership of house could not be fully achieved as only 50 *per cent* of houses were sanctioned to female members under PMAY-U which falls short of the scheme's goals.

2.1.11 Recommendations

The State Government may

- *Speed up the construction of remaining houses and set a firm deadline to complete them so that all intended beneficiaries receive their houses without further delay.*
- *Ensure timeliness in release of Central and State share and transfer of funds to executing agencies/ULBs and beneficiaries for construction of houses.*
- *Ensure that eligible slum dwellers identified originally get benefitted under the scheme by facilitating allotment of house to them on priority in ongoing projects.*
- *Strengthen the monitoring/control mechanisms to prevent double benefits to single beneficiary under two housing schemes or two verticals of a scheme.*
- *Enforce geo-tagging compliance to ensure proper tracking of housing units before releasing funds to intended eligible beneficiaries.*
- *Fix responsibility on the erring officials for wrong release of assistance before geo-tagging and other irregularities in geo-tagging of BLC houses as included under Paragraph no. 2.1.6.4, 2.1.7.4, 2.1.8.9, 2.1.8.12 and 2.1.9.1.*
- *Fix responsibility on the erring official for irregular release and non-recovery of mobilisation advance from the contractor.*
- *Increase the numbers of female beneficiaries by allocating/sanctioning house in the name of female member to meet the scheme objective of women empowerment.*