Chapter 4

Financial Management

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4.1 Budget provision, release of funds and expenditure

Under PMAY-G, the cost of Unit (house) Assistance was to be shared between the Central and the State Governments, in the ratio of 60:40. The FFI of PMAY-G provides that the Annual Central Allocation (assistance for house construction) in the form of Grants-in-aid to the States, would be released in two instalments[1], based on the Annual Action Plan (AAP) approved by MoRD. The Ministry will release funds to the Consolidated Funds of the States which were to be kept in the SNA[2] only. The FFI of PMAY-G further provided that the State Government would release its full State share, corresponding to the GoI share and transfer it to the SNA. The miscellaneous receipts and interest accrued on PMAY-G funds, were to be treated as part of the available Scheme resources.

Audit scrutiny of information/records provided by RDD revealed that the total expenditure under PMAY-G during 2019-24 was ₹ 14,113.07 crore against the total available funds of ₹ 20,199.98 crore. Details of funds received and spent under PMAY-G, during 2019-20 to 2023-24, are shown in **Table 4.1**.

Table 4.1: Total funds received and expenditure during 2019-24

(₹ in crore)

Year	Opening Balance (OB)	Central share released	State share released	Miscellaneous receipts (including interest)	Total funds available	Expenditure	Closing Balance	Expenditure as percentage of total funds available
2019-20	684.68	2,439.64	1,488.08	15.12	4,627.52	3,328.08	1,299.44	72
2020-21	1,299.44	3,351.63	1,899.00	38.67	6,588.74	3,735.15	2,853.59	57
2021-22	2,853.59	1,150.92	1,135.09	58.69	5,198.29	4,176.34	1,021.95	80
2022-23	1,021.95	941.22	824.41	16.11	2,803.69	2,329.02	474.67	83
2023-24	474.67	291.55	194.37	21.15	981.74	544.48	437.26	55
Total		**8,174.96**	**5,540.95**	**149.74**	**20,199.98**	**14,113.07**	**6,086.91**	**70**

(Source: Information provided by RDD)

It can be seen from **Table 4.1** that:

(i) Utilisation of the available funds ranged between 55 and 83 *per cent* during 2019-24 whereas the overall utilisation of funds was 70 *per cent*.

(ii) During the pandemic (COVID-19) period (2020-21), expenditure was as low as 57 *per cent.*

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1 The first instalment shall be equal to 50 *per cent* of total annual financial allocation and the second instalment shall be equal to the annual allocation minus first instalment and applicable deductions (shortfall of State share etc.)

2 As reported to Audit by RDD, SNA is operated through an Account in the Bank of India, Main Road, Ranchi, since 2015.

(iii) Under-utilisation of funds in the other years was mainly due to incomplete and delayed completion of houses and surrender/withdrawal of targets by MoRD (as discussed in **Chapter 3** of this Report).

Audit further observed from records furnished by RDD that:

- During 2022-23 and 2023-24, no physical targets and funds were provided by MoRD as the national level target had been exhausted.
- There was a short release of Central share amounting to ₹ 1,866.34 crore (21 *per cent*) whereas shortage in release of State share amounted to ₹ 1,350.18 crore (23 *per cent*) during 2019-22. Despite short release of funds by MoRD and the State, there were savings of 20 to 43 *per cent* during 2019-22.
- Low utilisation of funds was mainly due to delays/non-completion of houses (**Paragraph 3.1.3 to 3.1.5**), surrender and withdrawal of targets ***(*Paragraph 2.4*)*** and inadequacies in preparation of the Priority List/PWL (**Paragraph 2.2**).

In reply, RDD stated (June 2025) that budgetary provision, allocation and expenditure were affected due to shortfall in sanction of houses, surrender of targets and delays in construction of houses due to personal reasons of the beneficiaries.

4.1.1 Delay in transfer of Central share to State Nodal Account

The FFI of PMAY-G (2016) stipulates that the Central allocation of funds[3], are to be transferred to the SNA within 15 days[4] from the date of receipt of funds in the Consolidated Fund of the State failing which the State would be liable to pay interest at the rate of 12 *per cent*[5] per annum for the period of delay. As per revised FFI of PMAY-G (2022), this was modified from 15 to 21 days.

Scrutiny of records revealed delays ranging between three and 92 days beyond the stipulated period in the transfer of Central share to SNA by the State Government during 2019-24. This created a liability amounting to ₹ 22.39 crore as penal interest on the State Government.

4.1.2 Delay in release of corresponding State Share

As per FFI of PMAY-G (2016), the corresponding State share against the Central share was to be released within a period of 15 days of release of the Central share. In the revised FFI of PMAY-G (2022), it was provided that the corresponding State share had to be released as early as possible, but not later than 40 days of the release of the Central share. Audit compared the release of State share with corresponding release of Central share during 2019-24 and

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[3] Including Administrative fund transferred to the Consolidate Fund of the State.
[4] As per FFI of PMAY-G issued in 2022 it was modified to 21 days.
[5] Penal interest was omitted from the year 2022-23 onwards as per the FFI of PMAY-G (2022).

noticed that the State matching share was transferred to the SNA with delays ranging between eight and 79 days during 2019-24.

In reply, RDD, while accepting the delays in release of funds, stated (June 2025) that GoI has not had any correspondence with the Department regarding payment of penal interest for delayed transfer of funds to the SNA. It was further stated that appropriate action would be taken to ensure that the release of funds are not delayed in future.

4.2 Administrative Fund

As per the FFI of PMAY-G, two *per cent*[6] of the programme funds would be available for administering the Scheme both at the Central and State level. The two *per cent* earmarked as Administrative funds was over and above the programme funds shared by the GoI and State Governments in the ratio of 60:40. Further, Administrative funds can be utilised *inter-alia* for setting up PMUs at the State, District and Block levels, including expenditure on hiring personnel, activities to sensitise and impart housing literacy to beneficiaries, methods for construction of prototype houses, social audit, staff training, mason training *etc*.

Audit analysis of records provided by the SPMU revealed the following.

(i) MoRD did not release Central share of Administrative funds during 2019-20, 2020-21 and 2023-24 due to under-utilisation of the available Administrative funds by RDD allocated in the previous years. The State Government also did not release the corresponding matching share of Administrative funds due to non-receipt of Central share of Administrative funds;

(ii) During 2019-24, expenditure of ₹ 202.91 crore (40 *per cent*) was incurred out of the available Administrative funds of ₹ 503.75 crore[7].

(iii) Year-wise expenditure of Administrative funds during 2019-24 ranged between 30 and 65 *per cent.*

Reasons for shortfall in expenditure out of Administrative funds were non-provision of support services to beneficiaries (**Paragraph 3.2**), non-utilisation of funds towards training and certification of masons during 2023-24 **(Paragraph 3.2.4)**, *etc*.

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6 Prior to 2021-22, it was 4 *per cent.*

7 Central share: ₹60.24 crore; State share: ₹40.16 crore; Bank interest: ₹1.87 crore and other income: ₹7.96 crore; OB: ₹393.52 crore.

Further, in the six test-checked districts, Administrative funds amounting to ₹ 47.12 crore[8] out of the available funds of ₹ 91.47 crore[9] were spent during 2019-24. However, Audit noticed instances of utilisation of Administrative funds on other State schemes, and payment of remuneration to MGNREGS staff, drivers, *etc*., which was not permitted, as discussed in the succeeding paragraphs.

In reply, RDD stated (June 2025) that clarification would be sought from the concerned district authorities in this regard.

4.2.1 Diversion of funds

Administrative funds provided by GoI were to be utilised for specific purposes[10], including towards training and certification of Masons, training on use of appropriate building materials and technologies *etc*. RDD further directed (April 2017) DDCs to utilise Administrative funds on items *viz*,. honorarium payment to PMU personnel; mason training and certification; training to resource persons, self-help groups, panchayat *swayamsewaks etc*.; honorarium to personnel engaged for geo-tagging; quality monitoring of houses constructed under PMAY-G; Social Audit and related IEC activity; and sensitisation of beneficiaries *etc*.

Audit, however, noticed that Administrative funds amounting to ₹ 58.28 lakh were diverted in the six test-checked districts (except Palamu) and spent on inadmissible items *viz.*, schemes other than PMAY-G[11] (₹ 0.75 lakh), renovation of DRDA office and residence of officers in Dumka (₹ 16.02 lakh), miscellaneous expenditure[12] (₹ 41.51 lakh) *etc*.

In reply, four DRDAs (Bokaro, Dumka, Giridih and Simdega) stated (May 2025) that expenditure was incurred with the permission of higher authorities for urgent work. DRDA, Ramgarh stated (December 2024) that expenditure on other items had been incurred in the interest of work. DRDA, Palamu, stated (January 2025) that funds were diverted from PMAY-G due to accounting error by the Chartered Accountant.

In reply RDD stated (June 2025) that clarification will be sought for from the district level officers.

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8 Bokaro: ₹5.74 crore; Dumka: ₹3.96 crore; Giridih: ₹14.08 crore; Palamu ₹15.94 crore; Ramgarh: ₹3.01 crore; Simdega: ₹4.39 crore

9 Bokaro: ₹ 12.52 crore; Dumka: ₹ 22.97 crore; Giridih: ₹14.08 crore; Palamu: ₹29.53 crore; Ramgarh: ₹4.73 crore; Simdega: ₹ 7.64 crore.

10 Activities to sensitise the beneficiaries, construction of prototype of houses for demonstration, supervision and monitoring of schemes, cost of setting up an operating PMU, training of community resource person, social audit, IEC activities *etc*.

11 *Baba Saheb Bhim Rao Ambedkar Awaas Yojana* (BSBRAAY)/ MGNREGS.

12 Payment to 4th grade staff/sweeper/contractual staff of MGNREGS/driver, repair/ maintenance of vehicle.

Recommendation 6: The State Government may ensure that guidelines/directives regarding utilisation of Administrative funds are scrupulously followed.

4.2.2 Maintenance of Cash Book of Administrative funds

The RDD instructed (August 2019) that a Cash Book of PMAY-G Administrative Funds was to be maintained by the Districts/Blocks in Tally Software and a printed copy of the Cash Book, duly certified by the authorised officers/officials concerned, should be kept for production at the time of Audit.

Audit noticed that in the test-checked Blocks/Districts, cash books were being maintained manually instead of on Tally Software. Further, in two Blocks (Deori and Jaridih under Giridih and Bokaro respectively) and in Dumka district, manual cash books[13] for Administrative Funds were not produced to Audit. As such, Audit could not ascertain the genuineness of expenditure of ₹ 95.22 lakh[14] incurred over office expenses, remuneration, mason training *etc*. during 2019-24 by the respective blocks/districts under Administrative funds.

In reply, RDD stated (June 2025) that necessary guidelines would be issued to the officers concerned in this regard.

4.3 Delays in release of financial assistance to beneficiaries

As per FFI of PMAY-G, the release of the first instalment (₹ 40,000) to the beneficiary should be electronically credited to the registered Bank Account of the beneficiary within a week (seven working days) from the date of issue of the sanction order by the BDOs.

The PMAY-G beneficiaries were eligible to receive assistance of ₹ 1.20 lakh/₹ 1.30 lakh in three instalments from the State Nodal Account through Fund Transfer Orders (FTOs) issued by BDOs for construction of a *pucca* house.

Audit cross-checked records of 633 beneficiaries in 12 Blocks of the six test-checked districts, with data from AwaasSoft and found that 473 (75 *per cent*) out of the 633 beneficiaries were provided the first instalment with delays ranging between one and 511 days, beyond the stipulated time. Audit further observed that release of the first instalment was delayed up to 30 days (in 336 cases), between 31 to 90 days (in 110 cases), 91 to 120 days (in 10 cases) and more than 120 days (in 17 cases), as shown in **Table 4.2**.

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[13] Pertaining to the period from October 2019 to February 2022.

[14] As per AwaasSoft, Administrative Fund expenditure of Deori block during 2019-24: ₹ 66.63 lakh and Administrative Fund expenditure of Jaridih block during 2019-24: ₹ 28.59 lakh.

Table 4.2: Delays in release of 1st instalment to the beneficiaries

District	Block	Beneficiary records test checked	Delays in release of first instalment(cases)				
			Upto 30 days	31-90 days	91-120 days	More than 121 days	Total cases of delays
Bokaro	Gomia	50	22	16	2	2	42
	Jaridih	51	15	17	4	4	40
Dumka	Jama	54	27	13	3	3	46
	Saraiyahat	57	29	12	0	0	41
Giridih	Pirtand	54	21	10	0	1	32
	Deori	59	19	19	0	3	41
Palamu	Husainabad	50	28	9	0	0	37
	Nilambar Pitambarpur	50	24	4	1	3	32
Ramgarh	Dulmi	50	25	0	0	0	25
	Mandu	50	38	1	0	0	39
Simdega	Kurdeg	53	44	1	0	1	46
	Thetaitangar	55	44	8	0	0	52
Total		**633**	**336**	**110**	**10**	**17**	**473**

(Source: AwaasSoft data as of March 2024)

Delay in providing financial assistance to beneficiaries led to delay in completion of houses. Audit test-checked 27 cases where delays in providing financial assistance was more than 90 days and noticed that houses were completed in 13 cases with delays ranging from 32 to 297 days beyond the scheduled period of completion (12 months), in three cases houses were incomplete (as of September 2025) while in 11 cases, houses were completed in time.

In reply, RDD stated (June 2025) that necessary instructions would be issued to all BDOs for releasing financial assistance to the beneficiaries within the stipulated time period.

4.4 Shortfall in generation of person days under MGNREGS

The FFI of PMAY-G envisaged that in addition to the unit assistance (₹ 1.20 lakh/₹ 1.30 lakh), wages for unskilled labour of up to 90/95 person days during house construction would be provided to the PMAY-G beneficiaries from MGNREGS. This could either be availed by the beneficiary himself/herself, or in case where the beneficiary has exhausted his/her 100 person days under MGNREGS, the labour could be contributed by another worker seeking work under MGNREGS. As per MoRD direction (September 2021) the State had to ensure benefits of 90/95 person-days unskilled wages are extended to the PMAY-G beneficiaries in time.

Test check of details of 302 out of 633 beneficiaries (with complete houses as per AwaasSoft) in the six test-checked districts and cross check with uploaded job cards of beneficiaries in the MGNREGA portal (*nrega.nic.in*) was carried out by Audit to ascertain the actual number of person days generated. Audit noticed a difference of 7,328 person days between the person days to be generated (28,200) and actual number of person days generated (20,872). Thus, due to shortfall in generation of person days, less payment of wages (₹ 11.87 lakh) to PMAY-G beneficiaries could not be ruled out.

Cases of short generation of person days in case of two beneficiaries in Palamu and Dumka districts noticed during JPV are illustrated in **Case study 7** and **8**.

Case Study 7

A beneficiary (PMAY-G ID-JH273XXXX) of Dangwar GP under Hussainabad Block of Palamu District was sanctioned (14 November 2020) a house during 2020-21. The beneficiary was paid financial assistance of ₹ 1.30 lakh during December 2020 to January 2022. Cross check with the MGNREGS portal revealed that 24 person days only was generated against the prescribed norm of 95 person days. Thus, short generation of 71 person days resulting in payment of less wages could not be ruled out.

Photograph 4.1:Beneficiary provided less wage for 71 person days from MGNREGS

Case Study 8

A beneficiary (PMAY-G ID: JH248XXXX) of Tengdhoba GP under Jama Block of Dumka District had been sanctioned PMAY-G house in April 2020 and ₹ 1.20 lakh was paid to him during 2020-21. As per AwaasSoft, only 24 person days was generated under MGNREGS against the prescribed 90 person days. Thus short generation of 66 person days resulting in less payment of wages could not be ruled out.

Photograph 4.2: Beneficiary provided less wage for 66 person days from MGNREGS

In reply, RDD stated (June 2025) that after examination of the issue, necessary instructions would be issued to all concerned officers for taking necessary action.

4.5 Release of financial assistance to ineligible beneficiaries

In the test-checked districts, 96,355 (20 *per cent*) ineligible beneficiaries, out of the prioritised 4.82 lakh beneficiaries were remanded/removed (up to March 2024) from the Priority list/PWL on various grounds (**Paragraph 2.2.2 & Table 2.1**).

During test check of remand proposals, Audit noticed that in five out of the six test-checked districts, 115 ineligible beneficiaries[15] were sanctioned houses and provided a total financial assistance of ₹ 138.55 lakh[16] between March 2017 and December 2024.

In reply, RDD stated (June 2025) that necessary instructions would be issued to all concerned officers for taking necessary action after examination of the issue.

4.6 Irregularities in Audit Reports prepared by Chartered Accountants

The FFI of PMAY-G stipulated that the State should ensure that the accounts of PMAY-G, at the State level and the Administrative Fund account at the district level, are audited by a Chartered Accountant (CA) selected from the panel approved by the C&AG of India. Further, the audit for a financial year was to be completed before 31st August of the next financial year.

State level:

Audit Report of PMAY-G accounts for the year 2019-20 was prepared by the CA in February 2020 *i.e.,* prior to the end of the respective financial year. As such, figures reported in the report did not cover the whole financial year. Besides, the Audit Reports of PMAY-G accounts for 2021-22 and 2022-23 were finalised after a delay of 45 to 297 days[17]. Audit also noticed that ₹ 1.38 crore returned by beneficiaries in 2019-20 due to non-completion of houses was not incorporated in the Audited Annual Financial Statements for the year 2019-20 prepared by the CA.

District level:

(i) Giridih district did not furnish the Audit Report prepared by CAs for the year 2019-20 to Audit though called for.

(ii) In four test-checked districts (Bokaro, Dumka, Palamu and Ramgarh), there

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15 Bokaro: 22 beneficiaries; Dumka: 9 beneficiaries; Palamu: 40 beneficiaries; Ramgarh: 41 beneficiaries and Simdega: 3 beneficiaries.

16 Bokaro: ₹ 28.60 lakh; Dumka: ₹ 9.95 lakh; Palamu: ₹ 42.80 lakh; Ramgarh: ₹ 53.30 lakh and Simdega: ₹ 3.90 lakh.

17 CA report for the year 2020-21 prepared on 24.6.2022; CA report for the year 2021-22 prepared on 15.10.2022; CA report for the year 2022-23 prepared on 7.11.2023 and CA report for the year 2023-24 not finalised as of December 2024.

were delays of five to 279 days[18] in the preparation of the Audit Reports of Administrative funds.

(iii) In all the six test-checked districts, Audit Reports for 2023-24 were not furnished, as of December 2024. In reply, the DRDAs stated (December 2024) that the Reports were under finalisation.

(iv) In the Audit Report of Palamu district, there was a difference of ₹ 1.16 crore between the closing balance of 2019-20 and the opening balance of 2020-21 for which no explanations were given in the Audit Report. Further, ₹ 1.04 crore was debited from PMAY-G Administrative Fund and credited to IAY Account. However, corresponding debit/credit entries were neither carried out in the Cash Book of Administrative Fund of PMAY-G nor in the IAY audited account by the CAs, thus indicating inaccuracies in the audited accounts.

In reply, RDD stated (June 2025) that appropriate action would be taken for timely audit by CAs in future and necessary guidelines would be issued to remove the discrepancies identified by Audit.

4.7 Conclusion

Financial management under PMAY-G was inadequate. Total expenditure under PMAY-G in the State was ₹ 14,113.07 crore (70 *per cent*) against the total available funds of ₹ 20,199.98 crore with fund utilisation ranging between 55 and 83 *per cent* during 2019-24. Audit observed delays ranging from three to 92 days beyond the stipulated period in transferring the Central share to the SNA during 2019-24. This resulted in a penal interest liability of ₹22.39 crore on the State Government. There were also delays ranging between eight and 79 days in transferring the State matching share to the SNA during 2019-24. Further, only ₹202.91 crore (40 *per cent*) of the available administrative funds of ₹503.75 crore was utilised during 2019-24, primarily due to the non-provision of support services to beneficiaries and a shortfall in training imparted to masons. Other lapses noticed included diversion of administrative funds towards inadmissible expenditure, delays in providing financial assistance to the beneficiaries, shortfall in generation of person days under Mahatma Gandhi National Rural Employment Guarantee Scheme, release of financial assistance to ineligible beneficiaries, and delays in preparation of Audit Reports by Chartered Accountants and inaccuracies in the audited accounts, indicating lack of oversight by the Rural Development Department.

[18] CA report of PMAY-G of Bokaro: 2019-20: 20.07.2020; 2020-21: 06.06.2022; 2021-22: 05.09.2022; 2022-23: 04.10.2023; Dumka 2019-20: 14.07.2020; 2020-21: 06.12.2021; 2021-22: 15.09.2022; 2022-23: 10.10.2023; Palamu: 2019-20: 03.11.2020; 2020-21: 22.02.2022; 2021-22: 07.10.2022; 2022-23: 16.11.2023; Ramgarh: 2019-20: 20.08.2020, 2020-21: 01.12.2021; 2021-22: 19.11.2022; 2022-23: 12.04.2024.