# Analytical Study on Pradhan Mantri Awas Yojana (Housing for All)

Vivekananda Journal of Research
July - December 2022, Vol. 12, Issue 2, 17-31
ISSN 2319-8702(Print)
ISSN 2456-7574(Online)
Peer Reviewed Refereed Journal
© Vivekananda Institute of Professional Studies
https://vips.edu/journal/

**Tanu Aggarwal***
**Charu Mohla****

**Abstract**

*The role of this study is to provide information to home buyers about Housing for All(Urban) by 2022 in an Indian context. The study has been conducted to know about budget allocation, contributions of public and private sector banks, state wise project under consideration and financial assistance provided to states under PMAY. The Housing sector alone contributed around 6.5 % to country's Gross Domestic Product (GDP) in the year 2018 and it will reach upto 11% till 2022 with the help of Pradhan Mantri Awas Yojana(PMAY). This also leads to increase the economic growth of the country. The Research is descriptive in nature. The budget allocation scheme has been undertaken for the development of housing and financial assistance provided to states under Pradhan Mantri Awas Yojana has been shown with the help of Trend Analysis. The contribution of public and private sector banks towards Pradhan Mantri Awas Yojana has been studied through Karl Pearson Correlation Analysis.*

**Keywords:** *Housing, Public sector banks, Private sector banks,*

## INTRODUCTION

PMAY (Pradhan Mantri Awas Yojana) is an initiative by Prime Minister Narendra Modiji of India to provide affordable housing to the urban poor. It was launched on 9th June 2014. After 75 Years of its independence, every family will have the pucca houses with

* Assistant Professor, Maharaja Agrasen Institute of Management Studies, Delhi.
Email: tanuaggarwal35@gmail.com
** Associate Professor, Maharaja Agrasen Institute of management Studies, Delhi.
Email: charu12mohla@gmail.com

connection of water, facilities of the toilets, 24x7 supply of electricity access. In order to achieve the goal the government of India has implemented a comprehensive scheme – Pradhan Mantri Awas Yojana (PMAY). The scheme covers the 4041 statutory towns according to the census 2011[1].

The scheme is the initiative by government of India to complete the goal of "Housing for All" by the year 2022 while aiming to fulfill the dream house for thousands of people a reality.

The houses under Pradhan Mantri Awas Yojana will be owned by the females or jointly with males. The government will provide the interest subsidy of 6.5 % on housing loans to the beneficiaries for the period of 20 years[2].

The coverage and the duration of the Pradhan Mantri Awas Yojana (PMAY)[3]include:

| | |
|---|---|
| Stage 1 | April 2015 - March 2016 which covers 100 cities |
| Stage 2 | April 2016 - March 2019 which covers 200 cities |
| Stage 3 | April 2019 - March 2022 which covers remaining cities |

Source: Pradhan Mantri Awas Yojana (PMAY)

The various types of banks and Housing Finance Companies for Financing Pradhan Manri Awas Yojana (PMAY)[4] are listed below:

Co-operative Banks includes Prime co- operative bank Limited, Bombay Mercantile Co-operative Bank, Rajkot Nagarik Sahakari Bank Limited, Punjab and Maharashtra Co-operative Bank Limited, The Ahmadabad Mercantile Co-operative Bank Limited, Shri Mahila Sewa Sahakari Bank Limited, The Kalyan janta Sahakari bank Limited, The Gujarat state co-operative Bank limited, The West Bengal state Co–operative Bank Limited, The Bharat Co-operative Bank (Mumbai) Limited[5].

The Public Sector banks include Andhra Bank, Allahabad Bank, Bank of India, Bank of Baroda, Bhartiya Mahila Bank Ltd, Bank of Maharashtra, Canara Bank, Dena Bank,

1 India Three Year Action Agenda (2017),"Real Estate Development in India", "NITI Ayog Government of India, New Delhi".

2 Budget Reports 2017

3 Puttkamer Laura and Zurich ETH (2015)," India-Slum Free by 2022-A people Centered evaluation of Pradhan Mantri Awas Yojna Scheme", 2015

4 Pradhan mantra Awas Yojan guidelines

5 Pradhan Mantri Awas Yojana(PMAY) Guidelines

Corporation Bank, IDBI (Industrial Development Bank of India) Bank, Indian Overseas Bank, Indian Bank, Punjab and Sind Bank, Oriental Bank of Commerce, State Bank of Bikaner and Jaipur, Punjab National Bank, State Bank of India.

The Private Sector Banks include Axis Bank Ltd, ICICI (Industrial Credit and Investment Corporation of India), Karnataka Bank Limited, Tamil Nadu Mercantile Bank Limited, Development Credit Bank Ltd. (DCB), Karur Vysya Bank limited, The Federal Bank Limited, Catholic Bank limited, Yes bank, Dhan Laxmi Bank Limited, City Union Bank, Laxmi Vilas Bank, Jammu and Kashmir bank, South Indian Bank Limited, Nainital Bank Limited[6].

The Housing Finance Companies includes Aditya Birla Housing Finance Limited, Aspire Home Finance Corporation Limited, Can Fins Home Limited, Capital First home Private limited, Cent Bank Home Finance limited, Capri Global Housing Finance Corporate Limited, DHFL Vyasa Housing Finance, Dewan Housing Finance Limited, Edelwiss Housing Finance Limited, Equitas Housing Finance Private Limited, DMI Housing Finance Limited, Fulletron Home Finance Corporate Limited, Gruh Finance Limited, GIC Housing Finance Limited, HBN Housing Finance Limited, Hinduja Housing Finance Limited, Housing and Development Corporation Limited, Housing Development Finance Corporation Limited, ICICI Finance Company Limited, India Bulls Housing Finance Limited, India Home Loan Limited[7].

## DELIVERABLES FOR PRADHAN MANTRA AWAS YOJNA (PMAY) (HOUSING FOR ALL) (LAKHS)

**Table: 1**

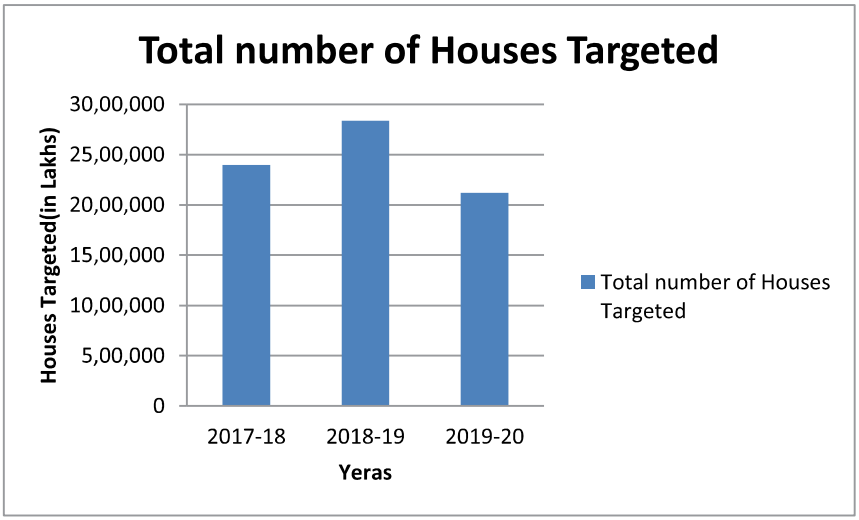
| Financial Year | Total number of households Targeted(in Lakhs) |
|---|---|
| 2017 – 18 | 23, 99, 046 |
| 2018 – 19 | 28, 38, 895 |
| 2019 – 20 | 21, 19, 448 |

Source: Ministry of Housing and Urban Poverty Alleviation

6 Pradhan mantra Awas Yojana Guidelines.

7 Pradhan Mantri Awas Yojana(PMAY) Guidelines

**Graph: 1**




## INTERPRETATION:

The Table 1 and Graph 1 shows that the number of houses targeted from 2017 to 2020. In the years 2017, 2018, 2019 it is around 23, 99046, 28, 38895 and 21, 19448 which shows the increasing target every Year. It reflects the initiative by the Government of India to provide the dream house to the urban people. Under this scheme the government has planned to build two Crore houses for urban poor including economically weaker sections (EWS) and Low Income Groups (LIG). It reflects that government is taking critical steps to curb the problem of housing in India.

## REVIEW OF LITERATURE:

Shelly De Pandit (2015) has analyzed the Role of the Pradhan Mantri Awas Yojana (PMAY) in Financial Inclusion in India which shows that Pradhan Mantri Awas Yojana (PMAY) plays the major role for the financial inclusion and credit Linked Subsidy related to the scheme plays the major role.

Laura von Puttkamer and Eth Zurich (2015) have done a study on India slum free by 2022-A people centered evaluation of Pradhan Mantri Awas Yojna Scheme. The focus lies on public private partnership for upgrading existing housing scheme and on slum dwelling empowerment.

Nidhi Sharma (2016) has identified that Pradhan Mantri Narendra Modi government settles for the neutral Pradhan Mantri to rename the social welfare schemes.

Housing for All Scheme Guidelines (March 2016) focuses on slum rehabilitation, affordable housing for weaker sections, and subsidy for beneficiary led security. It falls under Ministry of Housing and Urban Poverty Alleviation, Government of India.

NITI Ayog focuses on Three Year Action Agenda (2017) which focuses on Real estate development in India. It focuses on financial accessibility for Real Estate and on the schemes related to the Real Estate sector development in India.

The Budget (2017) by Arun Jaitley, Ministry of Finance shows the budget allocation to Pradhan Mantri Awas Yojna (PMAY) for the development of the houses for the urban population in India.

The Economic Survey (2017) focuses on Real Estate Sector development in India. It focuses on the growth of construction sector which includes building, dams, roads and bridges.

## OBJECTIVES OF THE STUDY:

- To examine the Budget allocation for Pradhan Mantri Awas Yojna (PMAY) by the Government of India.
- To study the correlation between contribution of Public and Private Sector Banks in Pradhan Mantri Awas Yojana (PMAY).
- To Study the Proposals considered and Financial Progress in Pradhan Mantri Awas Yojana (PMAY).

## RESEARCH METHODOLOGY:

The Research is descriptive[8] in nature. The data is collected from the research reports, Budget Survey, Economic Survey and NITI Ayog. The data is based on the secondary sources. The Karl Pearson Correlation[9] is used to show the correlation of Public and Private sector banks contribution towards Pradhan Mantri Awas Yojana (PMAY). The Budget Allocation and financial Progress of State under Pradhan Mantri Awas Yojana (PMAY) has been shown using Trend Analysis.

8 Descriptive research is used to describe characteristics of a population or phenomenon being studied

9 It is used to calculate the degree and direction of relationship between linear related variables.

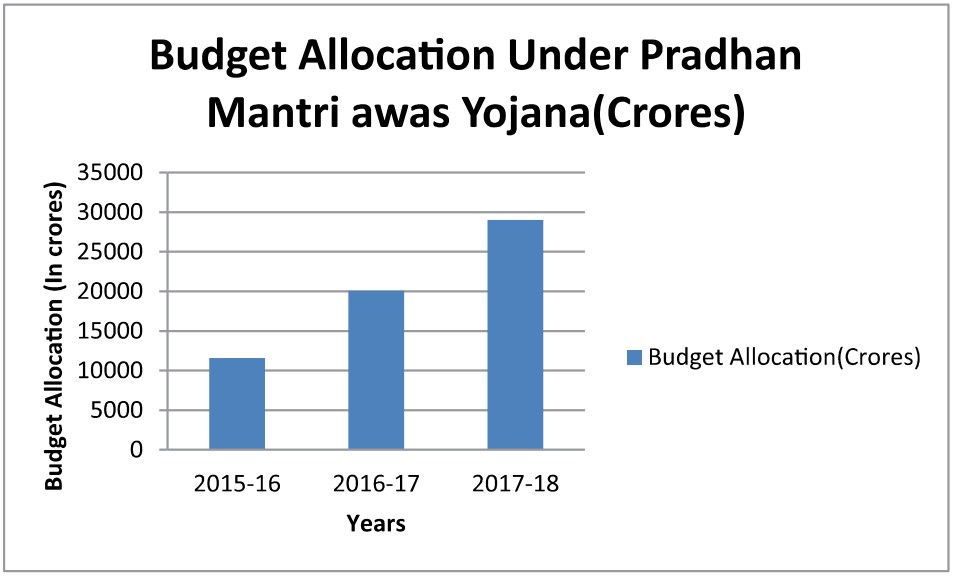
**Table: 2**

**Allocation of Budget For Pradhan Mantri Awas Yojna (In Crores of Rupees) (PMAY)**

| Years | Budget Allocation(Crores) |
|---|---|
| 2015 - 2016 | 11, 603 |
| 2016 - 2017 | 20, 075 |
| 2017 - 2018 | 29, 043 |

Source: Budget 2017 - 2018

**Graph: 2**




## INTERPRETATION:

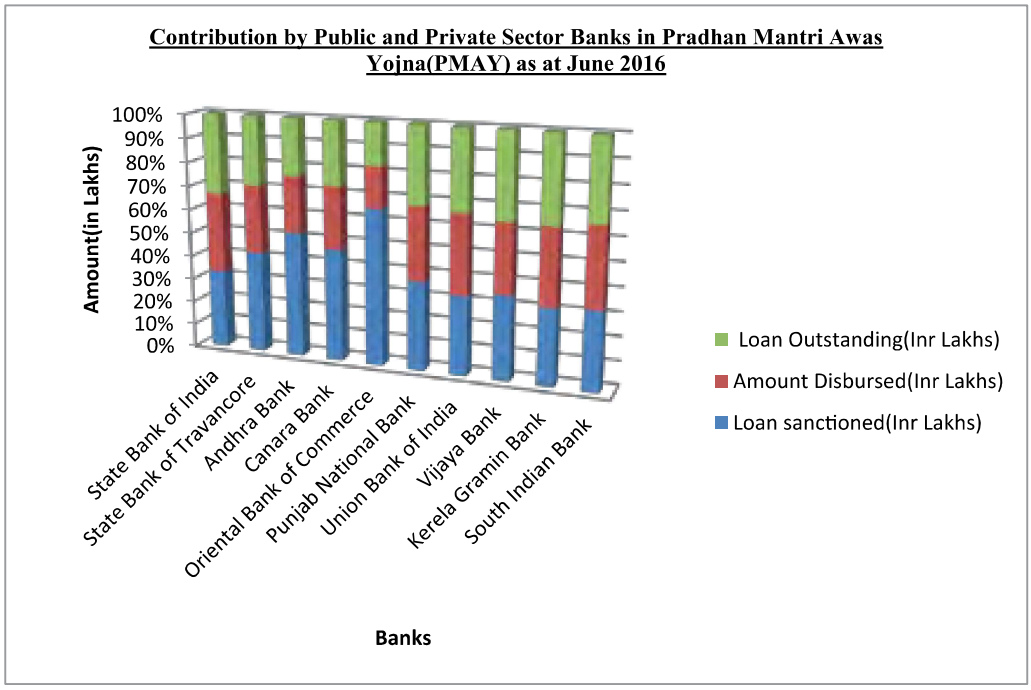
The Table 2 and Graph 2 show Budget provisions by the government of India under this Scheme. The continuous allocation of budget will lead to complete the projects on time that is around Rs. 29043 crores in 2017.The allocation of Budget to Pradhan mantra Awas Yojana (PMAY) by the Government shows the increasing trend towards the construction of houses by 2022. The Pradhan Mantri Narendra Modiji is giving personal supervision to all the schemes related to Housing Sector to build “Pucca Houses” for the urban poor which leads to increase standard of living in India.

**Table: 3**
**Contribution of Public and Private Sector Banks in Pradhan Mantri Awas Yojana (PMAY) as at June 2016 (In Lakhs)**

| Serial Number | Bank Name | Loan sanctioned | Amount Disbursed | Loan Outstanding |
|---|---|---|---|---|
| 1 | State Bank of India | 4.00 | 4.00 | 4.00 |
| 2 | State Bank of Travancore | 152 | 102 | 102 |
| 3 | Andhra Bank | 29 | 13 | 13 |
| 4 | Canara Bank | 115 | 64 | 64 |
| 5. | Oriental Bank of Commerce | 9.40 | 2.45 | 2.45 |
| 6. | Punjab National Bank | 371.05 | 306.65 | 316.35 |
| 7. | Union Bank of India | 155.50 | 155.50 | 155.33 |
| 8. | Vijaya Bank | 7.00 | 5.80 | 7.00 |
| 9. | Kerela Gramin Bank | 26 | 26 | 29 |
| 10. | South Indian Bank | 2.33 | 2.33 | 2.36 |

Source: Pradhan Mantri Awas Yojna

**Graph:3**



## INTERPRETATION:

According to the Table 3 and Graph 3 Punjab National Bank, State Bank of Travancore, union bank of India is contributing towards this scheme. On the other the private sector banks has less or no contribution which reflects that the role of the public sector banks is more as compare to private sector banks.

## RESULTS OF CORRELATIONS BETWEEN THE CONTRIBUTION OF THE PUBLIC AND PRIVATE SECTOR BANKS:

**Table:4**

| Results of Correlations | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | STATE BANK OF INDIA | STATE BANK OF TRAVANCORE | ANDHARA BANK | CANARA BANK | ORIENTAL BANK OF COMMERCE | PUNJAB NATIONAL BANK | UNION BANK OF INDIA | VIJAYA BANK | KERELA GRAMIN BANK | SOUTH INDIAN BANK |
| STATE BANK OF INDIA | Pearson Correlation | .[a] | .[a] | .[a] | .[a] | .[a] | .[a] | .[a] | .[a] | .[a] | .[a] |
| | Sig. (2-tailed) | | . | . | . | . | . | . | . | . | . |
| | N | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| STATE BANK OF TRAVANCORE | Pearson Correlation | .[a] | 1 | 1.000** | 1.000** | 1.000** | .990 | .500 | .500 | -.500 | -.500 |
| | Sig. (2-tailed) | . | | .000 | .000 | .000 | .089 | .667 | .667 | .667 | .667 |
| | N | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| ANDHARA BANK | Pearson Correlation | .[a] | 1.000** | 1 | 1.000** | 1.000** | .990 | .500 | .500 | -.500 | -.500 |
| | Sig. (2-tailed) | . | .000 | | .000 | .000 | .089 | .667 | .667 | .667 | .667 |
| | N | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| CANARA BANK | Pearson Correlation | .[a] | 1.000** | 1.000** | 1 | 1.000** | .990 | .500 | .500 | -.500 | -.500 |
| | Sig. (2-tailed) | . | .000 | .000 | | .000 | .089 | .667 | .667 | .667 | .667 |
| | N | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ORIENTAL BANK OF COMMERCE | Pearson Correlation | .[a] | 1.000** | 1.000** | 1.000** | 1 | .990 | .500 | .500 | -.500 | -.500 |
| | Sig. (2-tailed) | . | .000 | .000 | .000 | | .089 | .667 | .667 | .667 | .667 |
| | N | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| PUNJAB NATIONAL BANK | Pearson Correlation | .[a] | .990 | .990 | .990 | .990 | 1 | .374 | .616 | -.374 | -.374 |
| | Sig. (2-tailed) | . | .089 | .089 | .089 | .089 | | .756 | .577 | .756 | .756 |
| | N | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| UNION BANK OF INDIA | Pearson Correlation | .[a] | .500 | .500 | .500 | .500 | .374 | 1 | -.500 | -1.000** | -1.000** |
| | Sig. (2-tailed) | . | .667 | .667 | .667 | .667 | .756 | | .667 | .000 | .000 |
| | N | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| VIJAYA BANK | Pearson Correlation | .[a] | .500 | .500 | .500 | .500 | .616 | -.500 | 1 | .500 | .500 |
| | Sig. (2-tailed) | . | .667 | .667 | .667 | .667 | .577 | .667 | | .667 | .667 |
| | N | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| KERELA GRAMIN BANK | Pearson Correlation | .[a] | -.500 | -.500 | -.500 | -.500 | -.374 | -1.000** | .500 | 1 | 1.000** |
| | Sig. (2-tailed) | . | .667 | .667 | .667 | .667 | .756 | .000 | .667 | | .000 |
| | N | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| SOUTH INDIAN BANK | Pearson Correlation | .[a] | -.500 | -.500 | -.500 | -.500 | -.374 | -1.000** | .500 | 1.000** | 1 |
| | Sig. (2-tailed) | . | .667 | .667 | .667 | .667 | .756 | .000 | .667 | .000 | |
| | N | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |

Source: Authors Own Compilation

## INTERPRETATION

The State Bank of Travancore shows the positive correlation with all the banks but negative correlation with the Kerala Gramin Bank and South Indian bank as these two banks has less contribution.

Punjab National bank shows the positive correlation with all the banks but negative correlation with the Kerala Gramin Bank and South Indian Bank.

Canara Bank shows the highest positive correlation with all the banks but negative correlation with the Kerala Gramin bank and South Indian Bank.

On the other hand, Private sector Banks have less or no correlation like South Indian bank because there is very less contribution by them as compare to Public Sector banks.

**Table 5**

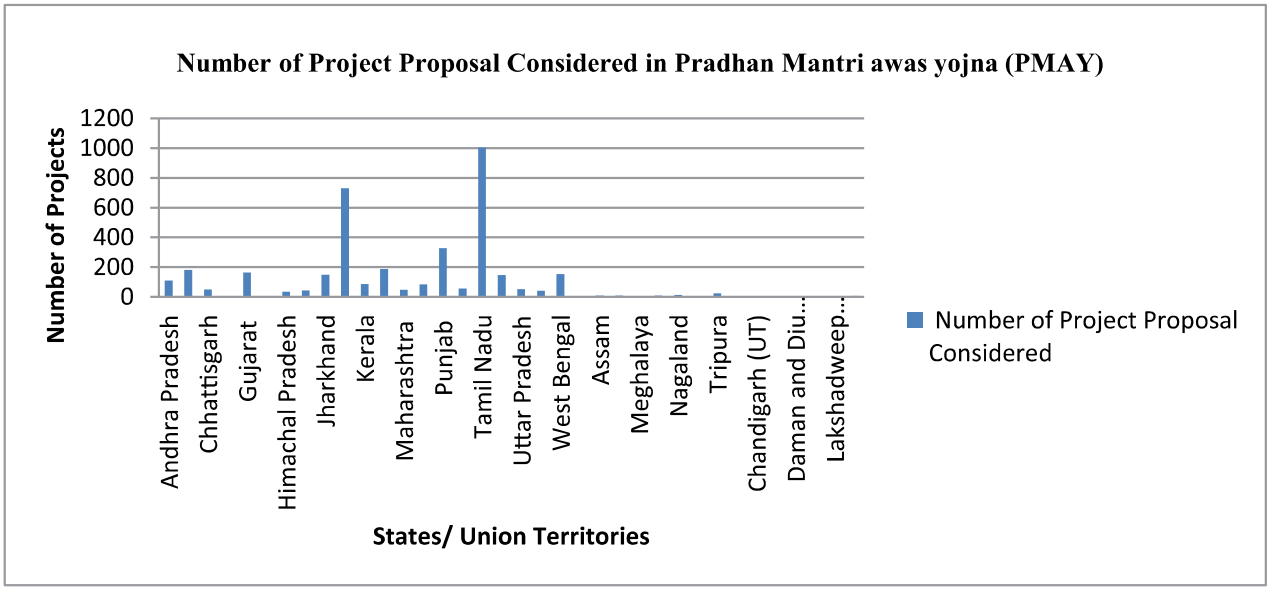
**State wise Project Proposal Considered till April 2017:**

| SI No- | States/Union Territories | Number of Project Proposal Considered |
|---|---|---|
| 1 | Andhra Pradesh | 112 |
| 2 | Bihar | 180 |
| 3 | Chhattisgarh | 51 |
| 4 | Goa | - |
| 5 | Gujarat | 163 |
| 6 | Haryana | 5 |
| 7 | Himachal Pradesh | 36 |
| 8 | Jammu and Kashmir | 44 |
| 9 | Jharkhand | 147 |
| 10 | Karnataka | 731 |
| 11 | Kerala | 86 |
| 12 | Madhya Pradesh | 186 |
| 13 | Maharashtra | 49 |
| 14 | Orissa | 85 |
| 15 | Punjab | 329 |
| 16 | Rajasthan | 56 |
| 17 | Tamil Nadu | 1004 |
| 18 | Telangana | 146 |
| 19 | Uttar Pradesh | 53 |
| 20 | Uttarakhand | 41 |
| 21 | West Bengal | 153 |
| 22 | Arunachal Pradesh | 5 |

| | | |
|---|---|---|
| 23 | Assam | 8 |
| 24 | Manipur | 9 |
| 25 | Meghalaya | 2 |
| 26 | Mizoram | 9 |
| 27 | Nagaland | 13 |
| 28 | Sikkim | - |
| 29 | Tripura | 24 |
| 30 | A and N Island (UT) | - |
| 31 | Chandigarh (UT) | - |
| 32 | D and N Haveli (UT) | 1 |
| 33 | Daman and Diu (UT) | 1 |
| 34 | Delhi (UT) | - |
| 35 | Lakshadweep (UT) | - |
| 36 | Pondicherry (UT) | 6 |
| | **Total** | **3735** |

Source: Ministry of Housing Urban Poverty *Alleviation* (MOHUPA)

**Graph 5**



## INTERPRETATION

The Table5 and Figure 5 Reflects the State wise proposal considered till April 2017 shows that Tamil Nadu has the highest number of projects being considered and the states like Karnataka, Andhra Pradesh, Gujarat, Jharkhand has good amount of the projects and least in Daman and Diu and D and N Haveli.

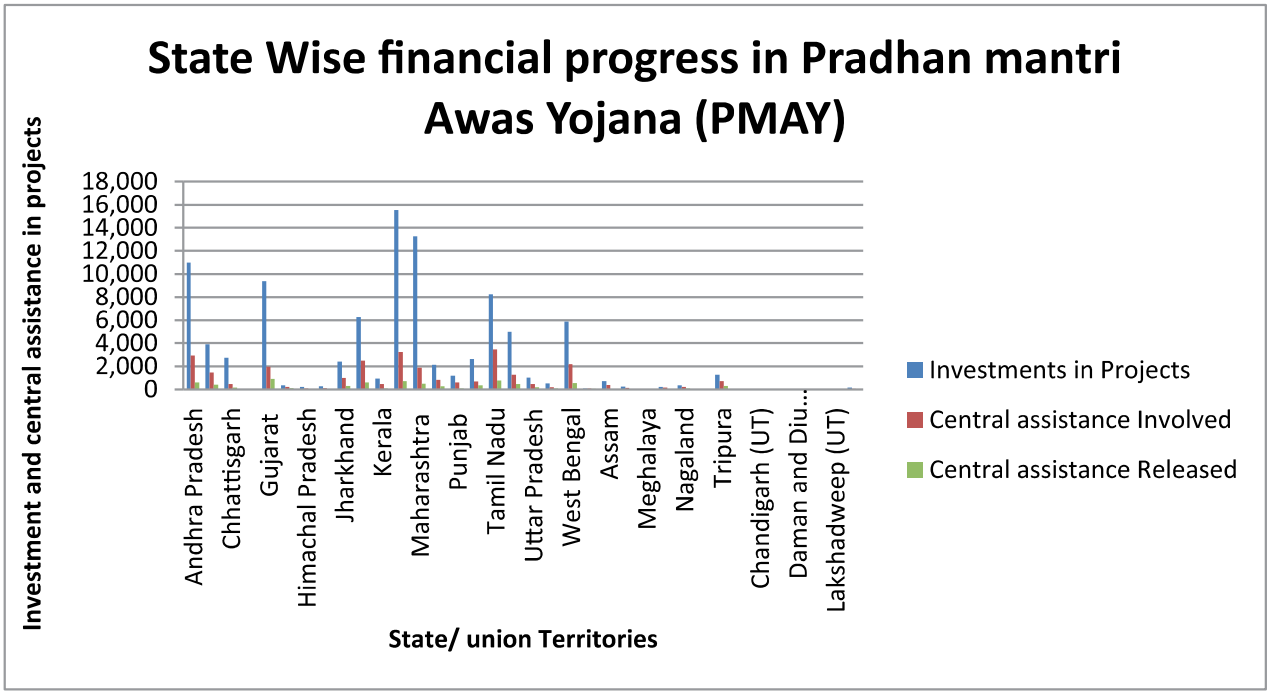
**Table 6**
**State Wise Financial Progress (Rs. In Crores) in Pradhan Mantri Awas Yojana (PMAY) till April 2017:**

| SI No- | States/Union Territories | Investments in Projects | Central assistance Involved | Central assistance Released |
|---|---|---|---|---|
| 1 | Andhra Pradesh | 10,963 | 2,943 | 603 |
| 2 | Bihar | 3,906 | 1,452 | 408 |
| 3 | Chhattisgarh | 2,750 | 444 | 178 |
| 4 | Goa | 1 | .20 | .20 |
| 5 | Gujarat | 9,361 | 1,985 | 917 |
| 6 | Haryana | 330 | 222 | 118 |
| 7 | Himachal Pradesh | 221 | 96 | 20 |
| 8 | Jammu and Kashmir | 291 | 103 | 8 |
| 9 | Jharkhand | 2,410 | 1006 | 303 |
| 10 | Karnataka | 6,281 | 2490 | 604 |
| 11 | Kerala | 938 | 450 | 81 |
| 12 | Madhya Pradesh | 15,515 | 3235 | 707 |
| 13 | Maharashtra | 13,262 | 1886 | 483 |
| 14 | Orissa | 2,106 | 823 | 280 |
| 15 | Punjab | 1,195 | 599 | 70 |
| 16 | Rajasthan | 2,626 | 681 | 341 |
| 17 | Tamil Nadu | 8,250 | 3479 | 761 |
| 18 | Telangana | 4,993 | 1250 | 467 |
| 19 | Uttar Pradesh | 1,037 | 462 | 194 |
| 20 | Uttrakhand | 504 | 199 | 94 |

| | | | | |
|---|---|---|---|---|
| 21 | West Bengal | 5,866 | 2174 | 548 |
| 22 | Arunachal Pradesh | 98 | 78 | 56 |
| 23 | Assam | 729 | 365 | 13 |
| 24 | Manipur | 256 | 146 | 23 |
| 25 | Meghalaya | 2 | .72 | .43 |
| 26 | Mizoram | 218 | 164 | 15 |
| 27 | Nagaland | 335 | 229 | 76 |
| 28 | Sikkim | .10 | .02 | .02 |
| 29 | Tripura | 1263 | 721 | 317 |
| 30 | A and N Island (UT) | - | - | - |
| 31 | Chandigarh (UT) | .64 | .10 | .10 |
| 32 | D and N Haveli (UT) | 28 | 12.58 | .94 |

Source: Ministry of Housing Urban Poverty Alleviation(MOUPA)

**Graph: 6**



## INTERPRETATION:

The Table 6 and Figure 6 reflects the highest investment of projects in Madhya Pradesh that is Rs 15515 crores and low in Daman and Diu, Chandigarh, Meghalaya and Goa. The Central assistance involved Rs 3235 crores in Madhya Pradesh and low in Goa, Meghalaya, and Chandigarh. The central assistance released is 917 Crores in Gujarat and 761 Crores in Madhya Pradesh and less in Jammu and Kashmir, Chandigarh.

## CONCLUSION

Pradhan Mantri Awas Yojna (PMAY) is a great scheme launched by the Government of India to provide "Housing for all" by 2022 which is supported by the Public and Private sector banks for providing finance to urban poor. The share of the of the Public sector banks are more as compare to Private sector banks according to the data availability. This scheme will lead to increase the standard of living of the urban people and provide housing to the urban poor. The correlation shows that Public sector Banks have positive correlation and on the other hand Private sector banks show no correlation because there is very less contribution. The Affordable housing has been given the infrastructure Status in the Budget 2017 which helps the developers of the projects to enjoy the benefits under this scheme. The main concern is that Common Man gets a house of his own dream frequently. The builders have given the time to complete the project in three years but in the Budget 2017, it has been announced that the time has been extended for five Years. So those who are the first time buyers can evaluate all the options before venturing into the scheme. The Ministry of Housing and Urban Poverty Alleviation is making serious efforts for the success of this scheme. This Ministry is seriously responsible for the management of the urban housing and employment programs. It is also involved in the decisions related to National Policy, co-ordinates with State governments, Central Sponsor Programs and Indian central Ministries.

## REFERENCES:

Puttkamer Laura and Zurich ETH (2015)," India-Slum Free by 2022-A people Centered evaluation of Pradhan Mantri Awas Yojna Scheme", 2015.

Pandit. D. Shelly(2015),"The role of Pradhan Mantri Awas Yojana in Financial Inclusion in India", "International Journal of Recent Scientific Research", ISSN:0976-3031.

Sharma Nidhi (2016), "Pradhan Mantri : Narendra Modi settles for the neutral 'Pradhan mantri' to rename the social welfare schemes", The Economic Times 2January 2016.

Ministry of Housing and Urban Poverty Alleviation (March 2016),” Housing for All (Urban) Scheme Guidelines”, “March 2016, Government of India”.

India Three Year Action Agenda (2017),”Real Estate Development in India”, “NITI Ayog Government of India, New Delhi”.

Budget (2017),” Speech of Arun Jaitley, Minister of Finance”, “Allocation of Budget to Pradhan Mantri Awas Yojna”, Government of India.

Economic Survey (2017),” Services Sector-Wise Performance and Recent Services”, Volume 2, 2016-2017.