

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

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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 Modi 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

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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 2011¹.

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 years².

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 Mantri 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) Limited⁵.

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 Limited⁶.

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 Limited⁷.

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

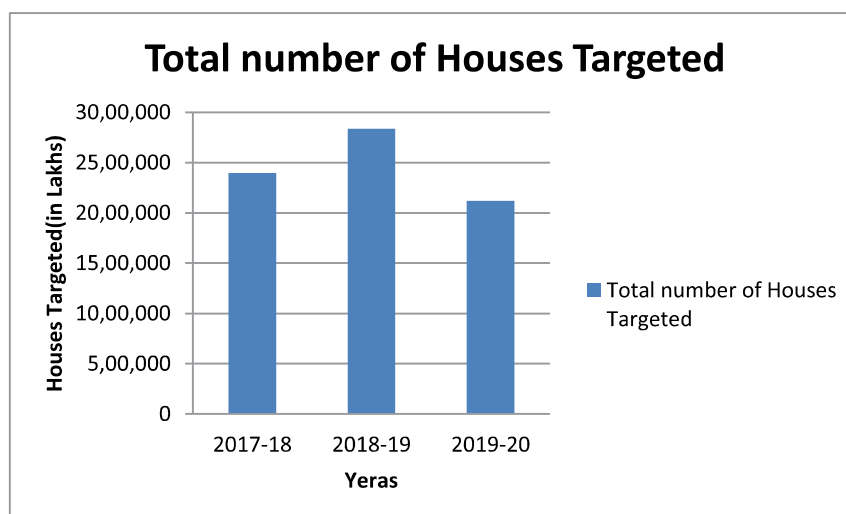
Table: 1

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 descriptive⁸ 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 Correlation⁹ 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.

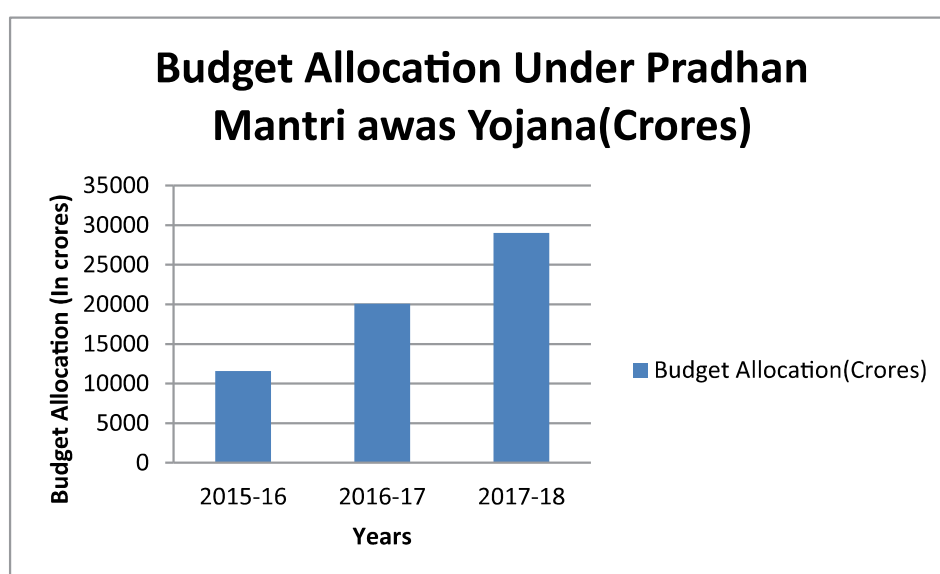
8 Descriptive research is used to describe characteristics of a population or phenomenon being studied

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:**

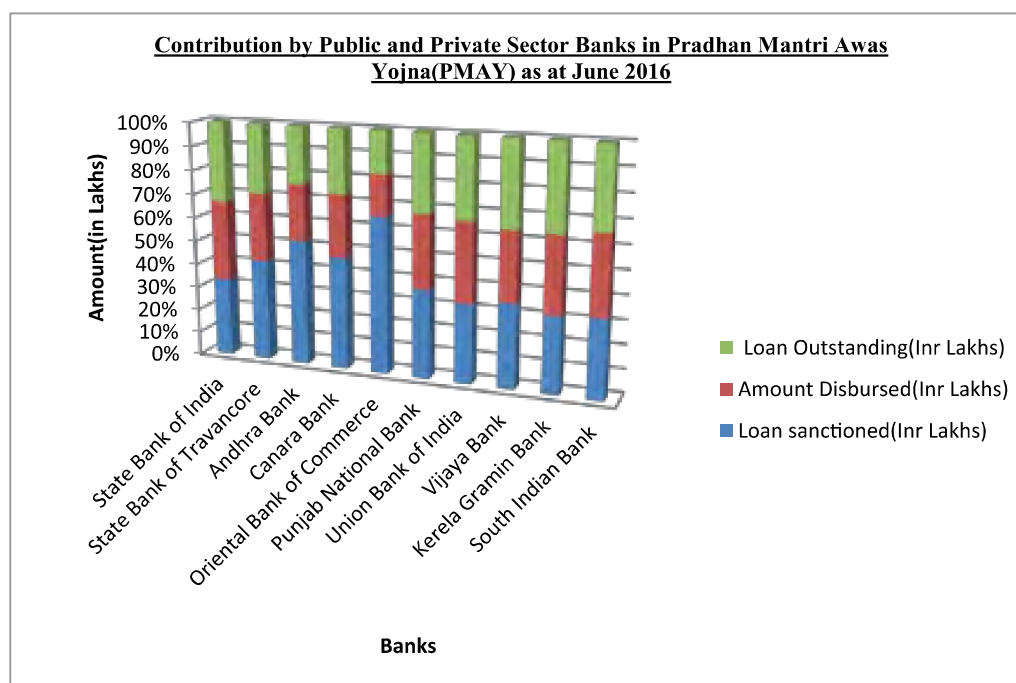
The Table 2 and Graph 2 show Budget provisions by the government of India under this Scheme. The continuous allocation of budget will lead to complete the projects on time that is around Rs. 29043 crores in 2017. The allocation of Budget to Pradhan mantra Awas Yojana (PMAY) by the Government shows the 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



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.

Table:4

[illegible]

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

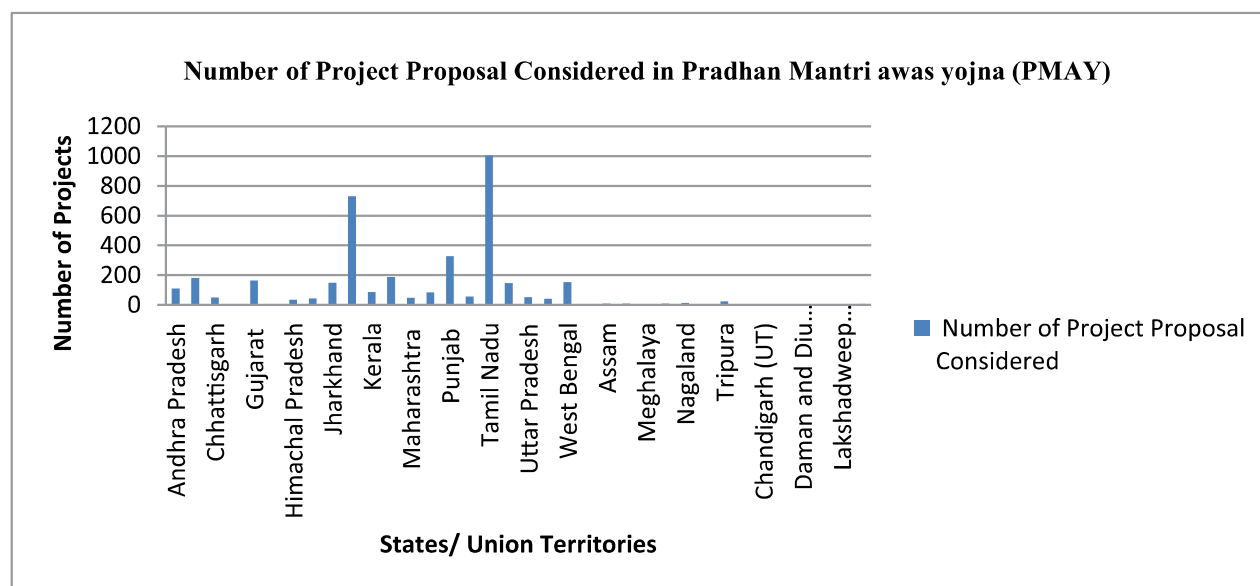
State wise Project Proposal Considered till April 2017:

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 Table 5 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.

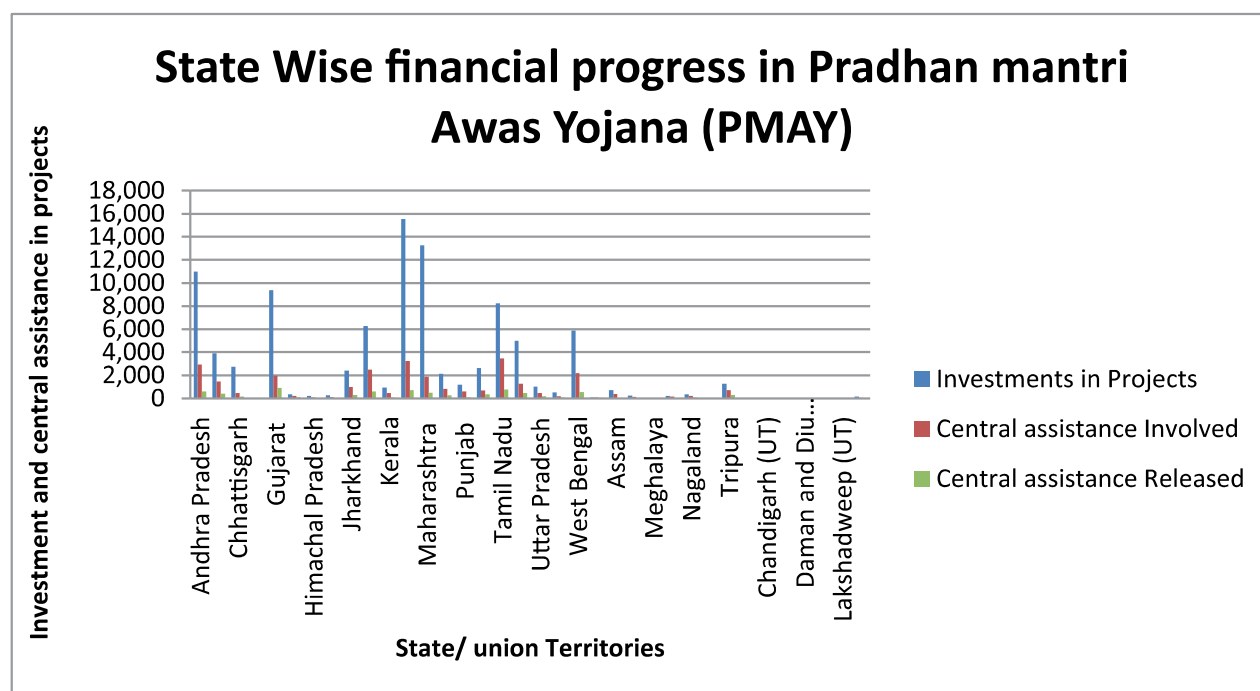
Table 6
State Wise Financial Progress (Rs. In Crores) in Pradhan Mantri Awas Yojana (PMAY) till April 2017:

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	Uttarakhand	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.

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