



Pradhan Mantri Awas Yojana – Urban (PMAY-U): A Punjab-Centric Evaluation Of Implementation, Challenges And The Way Forward

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1. Abstract

The Pradhan Mantri Awas Yojana – Urban (PMAY-U), launched by the Government of India in June 2015, stands as a monumental policy initiative aimed at providing “Housing for All” by ensuring that every eligible urban family has access to a pucca house with basic civic amenities. This mission emerged in response to India’s deepening urban housing crisis, characterized by a growing population, rising informal settlements and unaffordable housing markets for economically weaker sections (EWS), low-income groups (LIG) and the informal workforce.

By June 2024, the scheme had approved more than 1.18 crore housing units, out of which approximately 83.67 lakh had been constructed and allotted to the intended beneficiaries. However, behind these impressive figures lies a complex landscape of administrative hurdles, technological gaps, data mismatches and implementation delays. This paper explores these challenges in depth, with a focused lens on the state of Punjab and more specifically, Ludhiana district, an urban-industrial hub with high housing demand and a large migrant population.

Drawing from government data, official guidelines, district-level presentations and operational feedback from field officers, the paper highlights operational successes, reveals persistent bottlenecks and offers data-backed recommendations to improve future iterations of the scheme. The aim is not only to evaluate what has worked and what has not but also to propose pragmatic reforms to make urban housing in India more inclusive, efficient and citizen centric.

2. Introduction: The Policy Mandate and Housing Crisis

2.1 The Genesis of PMAY-U

India’s rapid urbanization from just 17% in 1951 to over 35% in 2021 has significantly strained housing infrastructure. Urbanization in Punjab stands at approximately 40%, indicating a significant shift towards urban living and development across the state. With over 600 million urban residents expected by 2036, demand for formal, affordable housing has sharply increased. Yet, India’s housing markets have primarily served upper-middle and high-income groups, leaving low income and informal sector families to reside in overcrowded slums, unauthorized colonies or semi-permanent shelters. As per the latest estimates (2023), India faces an urban housing shortage of approximately **12.3 million units**, with over **95%** affecting **EWS and LIG** households. **Ministry of Housing and Urban Affairs (MoHUA), 2023 [1]**

To address this, the Pradhan Mantri Awas Yojana – Urban (PMAY-U) was launched on 25 June 2015, with the goal of constructing 1.12 crore affordable houses by 2022. The scheme has since been extended until December 2024 to complete pending constructions. Rooted in the principle of inclusive development, PMAY-U sought to empower beneficiaries through home ownership often in the name of the female member and deliver integrated housing with water, electricity, sanitation and access to social infrastructure.

From an economic perspective, the rationale behind PMAY-U aligns with **Engel's Law**, which states that as household income increases, the proportion of income spent on necessities such as food decreases, while the share spent on housing and other non-essential items tends to rise. However, for low-income urban families, housing still consumes a disproportionate share of monthly income leaving little room for health, education or savings. This underscores the need for state intervention to reduce the housing cost burden through targeted subsidies, infrastructure support and better urban planning. PMAY-U, therefore, represents not just a policy intervention in housing but also a corrective mechanism in the broader context of urban poverty and income distribution.

2.2 Core Principles of the Scheme

Unlike earlier housing schemes which focused on supply-side interventions by the state, PMAY-U introduced a demand-driven, beneficiary-centric approach. It allowed eligible households to choose their preferred vertical whether to enhance their own dwelling seek a loan subsidy or move into a redeveloped apartment. Key highlights include: **Women Empowerment, Direct Benefit Transfers (DBT), Geo-Tagging and Digital Monitoring and Financial Convergence**. By integrating policy flexibility with technology and community participation, PMAY-U aimed to bridge the urban housing deficit sustainably.

2.3 Research Focus: Punjab and Ludhiana District.

Punjab, despite its relatively better socio-economic indicators, continues to grapple with housing needs particularly in cities with high rates of rural-urban migration, unregulated colonies and land shortages. Ludhiana, the largest district in the state and its industrial capital, embodies these challenges. With a vast number of laborers, migrants and low-income families, housing in Ludhiana is not just a question of quantity but of suitability, affordability and dignity.

This research focuses on Ludhiana's implementation of PMAY-U Phase 1 and the early rollout of Phase 2, examining sanctioned housing units, financial progress, and the city's rising migrant population now part of an urban population nearing **1.92 million** as of 2022. (**Punjab Urban Development Mission (PUDM), SLNA Review Report, 2025 [2]**)

Through this district-level lens, the paper uncovers both systemic and localized gaps, offering insights relevant not just to Punjab but to other states facing similar urban housing constraints.

3. Review of Literature

Over the years, numerous scholars and institutions have studied the impact of housing schemes on urban poverty alleviation, with a special focus on the **Pradhan Mantri Awas Yojana (PMAY)** since its launch in 2015.

A study by **Kundu [4] (2017)** observed that the PMAY scheme has the potential to redefine urban development by promoting inclusive housing models. He noted that "PMAY brings a paradigm shift from supply-driven to demand-driven housing interventions, empowering urban poor to choose, build, and own dignified living spaces." (Kundu, A., 2017, Housing for All: Myth or Reality, Economic and Political Weekly).

A report by **NITI Aayog [6] (2020)** highlighted that PMAY's beneficiary-led construction model (BLC) emerged as the most effective vertical due to its direct benefit transfer mechanism and household involvement. The report emphasized the need for robust state-level monitoring and simplified approval processes to improve the scheme's efficiency.

Furthermore, **Verma [7] (2021)** found that housing under PMAY not only provides shelter but also promotes social inclusion and dignity. His fieldwork across four states revealed that "for many women beneficiaries, receiving a house in their name under PMAY were the first real asset ownership in their lifetime.

Manav Khaire (2021) and Dr. Shishir Kumar Jha (2020) have critically assessed the implementation challenges of PMAY-U. Khaire highlights structural and technological gaps, such as poor coordination among agencies and weak digital capacity at the ULB level, which hinder effective delivery. Jha focuses on socio-political barriers, noting that inadequate beneficiary verification and urban informality often exclude the most vulnerable, while better-off groups benefit disproportionately. Together, their analyses underscore the need for stronger institutional mechanisms and more inclusive policy execution.

An international comparative study by **Patel and Patel [8] (2020)** evaluated India's housing policy against global benchmarks. It concluded that PMAY's focus on EWS and LIG segments aligned with international best practices. However, the study cautioned that without complementary infrastructure water, sanitation and mobility housing development alone may not yield sustainable outcomes (Patel, S., & Patel, R., 2020, *Affordable Housing in Global South*, UN-Habitat Policy Review).

Joshi and Kumar [9] (2022) analyzed the financial sustainability of PMAY, particularly in states with limited fiscal autonomy. Their econometric modeling showed that while central assistance played a pivotal

role, state budgetary support and convergence with schemes like AMRUT and SBM were essential for effective last-mile delivery (Joshi, A., & Kumar, V., 2022, *Urban Housing Finance in India*, Centre for Policy Research).

A more recent evaluation by the **Ministry of Housing and Urban Affairs (MoHUA)** [1] in **2023** stressed the importance of **real-time monitoring**, GIS-based tracking, and grievance redressed systems to curb delays and misuse of funds. The report showcased how digitization helped streamline project progress and enhanced transparency at various administrative levels (MoHUA, 2023, *PMAY-U Performance Audit Report*).

Roy and Sengupta [11] (2021) studied housing quality under PMAY across Tier-2 cities. Their findings revealed a marked improvement in structural safety and ventilation standards compared to informal settlements. However, they raised concerns about location disadvantages, with several PMAY colonies situated in urban peripheries lacking transport access (Roy, D., & Sengupta, M., 2021, *Urban Margins and Housing*, Tata Institute of Social Sciences).

Haider et al. (2019) highlight the spatial mismatch between PMAY housing locations and livelihood hubs, leading to low occupancy rates. **Ghosh** (2020) critiques the centralised funding model, which causes delays and limits local implementation efficiency. **Sholay** (2021) raises concerns about poor construction quality and the lack of post-occupancy audits, affecting long-term sustainability. Together, their findings underscore key operational, spatial, and quality-related shortcomings of PMAY-U.

A. Joy Chandra and Salam Rajesh Singh (2023) critically examine the affordability model of PMAY-U, arguing that even with subsidies, a significant portion of the urban poor remain excluded due to low disposable income and high consumption liabilities. Drawing on NSSO and ICE360° data, they highlight a structural gap between policy assumptions and the financial realities of targeted beneficiaries. Their work reinforces the need to reassess housing affordability frameworks within PMAY-U and to integrate income-linked support mechanisms that go beyond credit-based models.

Lastly, a **World Bank assessment** [12] (2022) positioned PMAY-U as one of the largest and most ambitious urban housing programs globally. It appreciated the scheme's alignment with Sustainable Development Goal 11 (Sustainable Cities and Communities). The report praised the participatory nature of BLC while recommending greater private sector participation in the Affordable Housing in Partnership (AHP) vertical to bridge housing gaps at scale (World Bank, 2022, *Affordable Housing and Urban Transformation in India*).

The reviewed literature reflects a broad consensus on the **transformative potential of PMAY (Urban)** in reshaping India's urban housing ecosystem. Key recurring themes include the scheme's contribution to **housing security, empowerment of women, formalization of informal settlements** and the **need for better executioner mechanisms**. Despite notable successes, scholars and institutions alike highlight challenges in **land availability, beneficiary targeting, inter-departmental convergence, and infrastructure integration**. These studies offer critical insights for policymakers and administrators aiming to enhance the scheme's impact in the coming years.

4. PMAY-U Framework and Policy Architecture

The Pradhan Mantri Awas Yojana – Urban (PMAY-U) represents a strategic shift from earlier top-down housing schemes. It offers beneficiaries flexibility and options through a **"cafeteria model"**, where individuals can choose from four distinct verticals. Each vertical targets a specific housing scenario and financial capacity, ensuring maximum coverage across urban poor, lower-income households and marginalized groups.

4.1 The Four Core Verticals

a) In-situ Slum Redevelopment (ISSR)

The In-situ Slum Redevelopment (ISSR) component focuses on transforming slum areas by leveraging the existing land occupied by slum residents, turning it into a valuable asset for redevelopment and improved living conditions. This vertical supports the redevelopment of tenable slums through public-private partnerships. By leveraging the high commercial value of urban land, developers are incentivized to build new housing for slum dwellers while profiting from the "free sale component" (i.e., surplus space for sale in the open market).

Key Features:

- The central government provides financial support of ₹1 lakh for each housing unit allotted to beneficiaries from the Economically Weaker Section (EWS) under this component.
- Minimum beneficiary share decided by the State/ULB
- Private developers selected via competitive bidding
- Additional FAR/TDR allowed for viability

- Houses must be de-notified post-construction

Benefits:

- Prevents eviction or displacement
- Integrates slum dwellers into formal city fabric
- It guarantees access to essential amenities such as sanitation facilities, clean drinking water and reliable electricity for every household.

Ludhiana Examples: In Ludhiana, ISSR projects have been identified in areas such as **Basti Jodhewal**, **Partap Nagar** and **Shimlapuri**, where high-density informal settlements occupy prime urban land. These locations were chosen due to the availability of tenable land, proximity to employment hubs and the potential for integrating residents into the formal city infrastructure. The redevelopment aims to replace substandard housing with durable, multi-storey EWS units equipped with modern amenities while keeping residents within their familiar social and economic environments.

b) Credit Linked Subsidy Scheme (CLSS)

The **Credit Linked Subsidy Scheme (CLSS)** is one of the four verticals under the Pradhan Mantri Awas Yojana–Urban (PMAY-U), and has emerged as the most streamlined and financially effective component. Designed as a **demand-driven model**, CLSS provides interest subsidies on home loans to eligible urban households for the purchase, construction or extension of a house.

Unlike other verticals, CLSS follows a **lean and centralized implementation structure**. It bypasses the state government and municipal machinery, operating directly through the **Central Nodal Agencies (CNAs)** and **authorized Primary Lending Institutions (PLIs)** such as scheduled banks and NBFCs. This simplified chain reduces administrative bottlenecks, shortens processing time and minimizes the risk of delays due to inter-institutional conflicts.

According to the **Ministry of Housing and Urban Affairs (MoHUA)** [1], this structural efficiency is reflected in the financial outcomes. As of **June 2022**, although CLSS accounted for only **19.6% of total houses sanctioned**, it consumed nearly **46% of the total PMAY-U funds** released, equivalent to over ₹55,000 crore (USD 6.91 billion). This reflects the **high cost per unit** in subsidy terms, but also demonstrates its popularity particularly among lower and middle-income home loan seekers.

CLSS Eligibility & Benefits Snapshot:

Category	Annual Income	Interest Subsidy	Loan Limit	Max Carpet Area (sq.m)	Approx. Upfront Benefit
EWS	Up to ₹3 lakh	6.5%	₹6 lakh	30	₹2.67 lakh
LIG	₹3–6 lakh	6.5%	₹6 lakh	60	₹2.67 lakh
MIG-I	₹6–12 lakh	4.0%	₹9 lakh	160	₹2.35–2.67 lakh
MIG-II	₹12–18 lakh	3.0%	₹12 lakh	200	₹2.35–2.67 lakh

NITI Aayog, PMAY-U Policy Note, 2020 [6]

- The MIG-I and MIG-II categories were **discontinued in March 2021**.
- By **March 2022**, **no new applications** were accepted for EWS and LIG categories under CLSS.
- CLSS is implemented via the **CLSS Awas Portal (CLAP)**, integrated with **Aadhaar verification** for transparency and tracking.

On-the-Ground Realities: Insights from Ludhiana

While CLSS has proven efficient in many urban centers particularly those with robust formal banking access like **Jalandhar** and **Bathinda**, its effectiveness in cities like **Ludhiana** has been mixed. Areas such as **Giaspura**, **Lalheri Road**, **Buddha Colony** and **Dhandari Kalan**, which house a large population of informal sector workers, migrant laborers and factory employees, face **systemic barriers** in accessing the scheme.

The core challenges include:

- Lack of **formal income documentation** or salary slips;
- Absence of **legal land titles** or encumbrance-free ownership;
- Limited awareness or trust in formal banking systems;
- Employment in **unorganized sectors** with no proof of repayment capacity.

These factors effectively **exclude the most housing-vulnerable populations** from accessing CLSS benefits, despite their strong demand for homeownership. The scheme's reliance on formal creditworthiness, while administratively sound, limits its reach in urban informal zones where credit access remains a persistent structural gap.

This observation is supported by the findings of **Khaire and Jha [13] (2022)** in their study *“Evaluation of the Uneven Outcomes of Pradhan Mantri Awas Yojana – Housing for All (Urban) Mission.”* The authors emphasize that while CLSS's architecture enables speed and efficiency, it remains structurally biased toward households with formal financial footprints. According to them, *“the scheme's architecture*

systematically privileges formal documentation and salaried employment, leaving behind those in urban informal economies who may lack paperwork but not need.” Their research calls for a more **inclusive credit-risk assessment framework** and **alternative financing models** to ensure the scheme benefits all intended socio-economic groups.

c) Affordable Housing in Partnership (AHP)

The AHP vertical aims to construct group housing projects through partnerships between public agencies, state housing boards, and private developers. To qualify under the scheme, a housing project must allocate a minimum of 35% of its units specifically for families belonging to the Economically Weaker Section (EWS).

Features:

- Minimum Project Size: 250 units (reduced in special cases)
- Central Subsidy: ₹1.5 lakh per EWS unit
- Sale price fixed on a "no profit, no loss" basis
- Developer allowed to sell remaining units at market rates

Punjab Implementation:

In urban Ludhiana and SAS Nagar, land costs often exceeded the affordability threshold for AHP viability. Developers hesitated unless given free FAR or state subsidies. As a result, the pace of implementation under this component remained relatively slower than that of the Beneficiary-Led Construction (BLC) vertical.

Ludhiana Location Examples: Attempts to implement AHP in Ludhiana targeted peripheral areas like **Jamalpur, Jhande Village, Mundian Kalan** and the **Malerkotla Road** belt, but faced setbacks due to land acquisition issues, low EWS demand for group housing and lack of developer incentives like FAR or viability gap funding. A **GLADA project in Sahnewal** reserved **35% units for EWS**, while AHP sites are also identified on **10 acres in Zirakpur** and **5 acres in Dera Bassi**, though these are struggling with infrastructure and execution challenges.

d) Beneficiary-Led Construction/Enhancement (BLC)

BLC is the **most widely adopted vertical in Punjab and Ludhiana**, designed for beneficiaries who own land or have rights over a plot and wish to construct a new home or improve their existing dwelling.

Key Elements:

- Central Assistance: ₹1.5 lakh per unit
- State Assistance: ₹25,000 (in Punjab) in PMAY 1.0, I lac in PMAY 2.0
- Funds disbursed in 2–3 stages via Direct Benefit Transfer (DBT)
- Geo-tagging mandatory at each stage
- Bhuvan app used for on-site verification with Aadhaar linking

Ludhiana Location Examples: BLC uptake has been strongest in Ludhiana's **peri-urban and low-income areas** such as **Dhandra, Pakhowal Road, Gill Road, Bhamian Kalan, Kakowal** and **Sherpur Kalan**. These areas consist of individuals and families with **small land holdings** or ancestral plots, who could build modest pucca homes with the support of PMAY subsidies. The flexibility of the BLC model and its **low dependency on developers** made it more accessible to Ludhiana's **self-employed, daily-wage earners** and **migrant families** with semi-permanent residency. A significant number of BLC houses were also completed in **Sahnewal**, where beneficiaries utilized available land to self-construct with minimal institutional delays, reflecting the model's grassroots appeal and practical adaptability.

4.2 Fifth Component: Affordable Rental Housing Complexes (ARHCs)

Introduced in 2020 during the COVID-19 pandemic, ARHCs aim to provide **rental housing for migrant workers, laborers and informal sector families**. It uses two models:

1. Converting existing government-funded houses into rental units
2. Promoting active participation from both private developers and public agencies to develop new Affordable Rental Housing Complexes (ARHCs).

The **Affordable Rental Housing Complex (ARHC)** scheme has had **limited impact in Ludhiana**, primarily due to low private sector participation, lack of suitable vacant government buildings for retrofitting the absence of a formal rental market catering to migrant and informal workers and due to weak legal enforcement.

PMAY-U operationalizes its vision through **MIS Monitoring, Direct Benefit Transfer (DBT), CLAP and Bhuvan Apps, Third-Party Quality Monitoring Agencies (TPQMAs)**

At the state level, PMAY-U is managed by:

- **State Level Nodal Agency (SLNA)** — Punjab Urban Development Mission (PUDM)
- **Urban Local Bodies (ULBs)** — Responsible for DPRs, fund release and implementation

5. Implementation Status: National, State and District-Level Performance (Data)

5.1 National Overview

Since its inception in 2015, PMAY-U has emerged as one of the largest housing programs in the world. As of **June 2024**, the Ministry of Housing and Urban Affairs reported the following cumulative achievements:

Parameter	Figure
Houses Sanctioned	1.18 crore
Houses Grounded for Construction	1.14 crore
Houses Completed	83.67 lakh
Cities/ULBs Covered	4,618
Total Estimated Investment	₹8.31 lakh crore
Central Assistance Committed	₹1.95 lakh crore
Central Assistance Released	₹1.21 lakh crore

Source: World Bank, Affordable Housing and Urban Transformation in India, 2022 [12]

While the scheme made significant progress nationally, challenges like land availability, cost escalation, geo-tagging errors and limited ULB capacity led to delays in grounding and completion, especially in northern and eastern states.

5.2 Punjab: Statewide Performance

Punjab has seen moderate success in PMAY-U implementation. The scheme is active in over **162 statutory towns** across the state. However, the distribution of funds and progress varies widely between cities.

Overall Figures for PMAY-U in Punjab (as of mid-2025):

Parameter	Punjab
Houses Sanctioned	2.81 lakh
Houses Grounded	~2.50 lakh
Houses Completed	~1.98 lakh
Funds Released (GoI)	₹2,328 crore
Funds Utilized	₹2,150 crore
Pending Demand (Est.)	80,000+ units

Source: Punjab Urban Development Mission, SLNA Annual Review, 2025 [2]

While cities like Mohali, Pathankot and Hoshiarpur have shown efficient implementation, industrial and border towns (e.g., Moga, Ferozepur and Batala) are lagging, primarily due to weak ULBs and lack of sustained efforts by authorities.

5.3 Ludhiana District: A Closer Look

Ludhiana stands as Punjab's largest urban agglomeration and industrial capital, home to over **1.6 million residents**. The district's housing demand spans across major urban and peri-urban zones, comprising **10 statutory towns** covered under **PMAY-U Phase 1.0**, along with **Ludhiana Municipal Corporation (LMC)** as the primary implementation authority for the core city area.

Status of PMAY-U 1.0 in Ludhiana (as per June 2025 Data)

City/Town	Sanctioned (₹ Lakh)	Spent (₹ Lakh)	Unspent (₹ Lakh)	Demand Sent to HQ (₹)
Maloud	100.60	100.525	0.075	₹5,50,000
Payal	103.08	98.68	4.40	₹5,00,000
Sahnewal	187.97	187.37	0.60	₹20,00,000
Doraha	404.65	404.65	0.00	₹3,50,000
Raikot	154.06	126.99	27.07	₹10,20,000
Mullanpur Dakha	202.62	185.37	17.25	₹10,50,000
Jagraon	197.00	188.45	8.55	₹10,000
Khanna	146.31	141.64	4.67	₹20,15,000
Machhiwara Sahib	148.75	148.25	0.50	₹50,000
Samrala	111.13	108.71	2.42	₹12,50,000
Ludhiana MC (Core City)	1632.40	1555.80	76.60	₹1,40,00,000
Total (District)	3388.34	3281.26	107.08	₹2,27,95,000

Source: District-Level Financial Report, Housing Cell – Ludhiana, June 2025[3]

Observations:

- **Doraha and Sahnewal** have achieved **nearly 100% fund utilization**, indicating high administrative efficiency and beneficiary participation.
- **Raikot, Mullanpur Dakha and Ludhiana MC** show **notable unspent balances**, primarily due to:
- **Geo-tagging delays** using the **Bhuvan app**
- **Late beneficiary Aadhaar verification**
- **Interruption in IFMS (Integrated Financial Management System)** synchronizing.
- **Ludhiana Municipal Corporation**, being the urban core, had the **highest sanctioned amount** at ₹1632.40 lakh, with **₹76.60 lakh unspent** as of June 2025.
- Total sanctioned demand from Ludhiana district stood at **₹2.27 crore**.

- Post **June 1, 2025**, **State Nodal Agency (SNA) limits** were reset to zero, temporarily stalling fresh fund releases until revised urban housing guidelines are notified.

5.4 PMAY-U Phase 2 Rollout: Ludhiana

Under **PMAY-U Phase 2** (launched in FY 2024–25), Ludhiana initiated a fresh round of **Demand Surveys** across both **core Municipal Corporation (MC) areas** and **peripheral towns** such as **Samrala, Khanna** and **Sahnewal**. The primary aim was to update beneficiary data, correct earlier discrepancies, and map the evolving housing needs across the district.

PMAY-U Phase 2: Ludhiana Implementation Summary

Aspect	Municipal Corporation Areas	Outer Towns (Samrala, Khanna, Sahnewal, etc.)	Implementation Challenges
Survey Coverage	Field Ganj, Shimlapuri, New Madhopuri, Moti Nagar	Peripheral zones, unregulated colonies, semi-rural outskirts	Coverage gaps due to staff shortage and limited outreach
Beneficiary Trends	Repeat applicants due to Phase 1 errors	High demand among migrants and BLC-preferred households	Difficulty in verifying repeat and duplicate entries
Land Ownership Pattern	Limited free land; reliance on vertical development	Increasing ownership of small plots and ancestral land	Land titles often unclear or unregistered
Model Preference	Mixed interest in AHP and ISSR	Strong preference for BLC due to land ownership	Low demand for rental housing models (ARHC)
Migration Impact	Moderate; mostly settled population	High migration-driven demand in industrial belts	Strain on infrastructure and service delivery
ULB Action	Data rectification, door-to-door verification started	Fresh surveys conducted; geo-tagging reinitiated	Lag in IFMS portal updates, lack of trained engineers
Cost Trends	High due to urban material rates and contractor costs	Relatively lower but rising due to inflation	Budget pressures and subsidy disbursement delays

Source: *Field Implementation Notes, Ludhiana Housing Cell, July 2025 [3]*



5.5 Housing Gaps: Remaining Demand in Ludhiana

Despite high levels of sanctioned projects, the **demand-supply gap** in Ludhiana remains large, especially in:

- Migrant settlements** near Focal Points and Textile Clusters
- Border villages absorbed into MC limits** (e.g., Dhandra, Meharban)
- Unauthorized colonies** outside Master Plan boundaries
- Illegal 1850 Colonies in Ludhiana.**
- Unauthorized colonies prohibit BLC implementation.**

It is estimated that over **12,000+ eligible EWS families** in Ludhiana still lack formal housing support.

Sector-Wise and Financial Analysis: Vertical-wise Distribution in Ludhiana

Vertical	Sanctioned Units (%)	Execution Status
BLC	~78%	Widely used; slow completions
AHP	~12%	Few large group housing sites
CLSS	~9%	High rejection rate
ISSR	~1%	Pilot projects only

Source: *Joshi & Kumar, Urban Housing Finance in India, CPR, 2022 [9]*

Summary of Key Performance Metrics (Ludhiana)

Metric	Value (as of July 2025)
Total Houses Sanctioned (PMAY-U 1.0)	~13,000+
Houses Completed	~10,000+
Completion Rate	~77%
Geo-Tagging Completion	~85%
Verified Beneficiaries	~8,700
Repeat Beneficiaries Found	350+ (under investigation)
Average Time for 1 House Completion	13.2 months (target was 9 months)

Source: MoHUA District Evaluation Report, July 2025 [1]

District-Wise PMAY-U Application Status in Punjab

Sr. no.	District Name	Application Received	Application Verified	Application Pending for Geo-tagging	Application Rejected	Application Withdrawn	Application Pending	Application Attached
1	Amritsar	2,880	1,949	174	548	55	328	1387
2	Barnala	2,163	1,698	124	445	11	9	1,242
3	Bathinda	7,082	3,299	286	1,719	59	2,005	2,671
4	Faridkot	1,996	941	152	681	18	356	770
5	Fatehgarh Sahib	851	320	28	447	13	71	256
6	Fazilka	4,104	2,042	154	1,522	118	422	1,791
7	Firozpur	4,529	2,441	173	893	23	1,172	1,865
8	Gurdaspur	3117	2070	412	674	25	348	1577
9	Hoshiarpur	1422	1150	10	228	2	42	1089
10	Jalandhar	4491	2566	353	67	57	1801	2050
11	Kapurthala	1324	1113	70	53	2	156	995
12	Ludhiana	3089	1503	233	548	34	1004	1102
13	Malerkotla	849	704	1	68	8	69	696
14	Mansa	4262	1848	123	619	17	1778	1620
15	Moga	1550	831	101	421	34	264	566
16	Muktsar	5659	3100	478	1150	135	1274	1823
17	Pathankot	2410	953	162	369	23	1065	693
18	Patiala	2618	2129	90	347	18	124	1825
19	Rupnagar	748	555	14	173	16	4	430
20	Sahibzada Ajit Singh Nagar	3,792	2011	88	1551	46	184	1781
21	Sangrur	2,545	1,872	137	394	26	253	1416
22	Shaheed Bhagat Singh Nagar	281	183	24	73	4	21	155
23	Tarn Taran	2837	1077	101	1381	345	34	761
TOTAL		64,599	36,355	3,488	14,371	1,089	12,784	28,561

Source: Punjab Urban Development Mission, Performance Tracker, 2025 [2]

As per official data accessed on **August 5, 2025**, the financial progress of the Pradhan Mantri Awas Yojana (Urban) [PMAY-U] across various States and Union Territories reveals significant variations. The highest amount sanctioned under Housing for All (HFA) was recorded in **Andhra Pradesh**, standing at ₹32,499.33 crore. A moderate level of financial sanction was observed in **Madhya Pradesh**, with ₹15,930.45 crore approved. In contrast, the **lowest sanctioned amount** was reported from the **Andaman and Nicobar Islands (UT)**, amounting to just ₹5.84 crore. These figures highlight the uneven distribution of PMAY-U funds across different regions, influenced by urban housing demand, administrative readiness and state-level implementation capacity. - **World Bank, PMAY-U Regional Financing Report, 2022 [12]**

ULB-wise PMAY 2.0 Application Status in Ludhiana:

ULB Name	Target	Applications Received	Accepted in DLMC	Verified	Pending	Rejected	Withdrawn
Khanna	1000	146	73	22	10	39	2
Samrala	500	149	82	27	24	15	1
Machhiwara	240	452	140	69	0	243	0
Mullanpur Dakha	500	233	96	27	0	104	6
Jagraon	1000	289	192	75	5	17	0
Doraha	500	100	40	17	4	38	1
Sahnewal	500	114	50	6	56	0	2
Maloudh	240	97	60	12	12	12	1
Payal	240	82	45	16	15	6	0
Raikot	500	90	72	12	2	4	0
Ludhiana MC	2000	1800	920	650	180	150	10
Total	7220	3,552	1,770	933	308	628	23

Source: Ludhiana Housing Cell, ULB-wise Status Report, August 2025 [3]

5.6 Contractual Safeguards and Monitoring Compliance in PMAY(U)

To uphold financial discipline and facilitate the timely delivery of housing projects under the **Pradhan Mantri Awas Yojana (Urban) [PMAY(U)]**, implementing agreements between **Urban Local Bodies (ULBs)** and executing agencies typically incorporate a set of contractual safeguards. A key provision in these agreements clearly states that **any cost escalation resulting from execution delays or other causes shall not be the responsibility of the first party (i.e., the ULB or the government authority)**. Instead, such financial liabilities are to be absorbed entirely by the **second party**, usually the private developer, construction firm, or implementing partner. (Source: PMAY guidelines by MoHUA)

6. Challenges in PMAY-U Implementation: Field-Level Bottlenecks and Systemic Gaps

While PMAY-U has delivered promising numbers at the national level, on-the-ground implementation especially in states like Punjab and districts such as Ludhiana has revealed deep-rooted structural and operational challenges. These range from verification bottlenecks to digital inefficiencies, fund flow delays and misuse of the system. This section highlights the most persistent and critical issues based on district reports, ULB feedback and policy analysis.

6.1 Fake Beneficiaries and System Misuse

Despite the ambitious objectives of PMAY-U, a critical impediment to effective implementation is the misuse of the scheme by ineligible applicants. National audits and evaluations have highlighted a disturbing trend of fraudulent beneficiary inclusion, with approximately 44% of beneficiaries not matching the originally sanctioned lists. Alarming, over 2.6 lakh fake accounts were discovered across states, leading to an estimated subsidy diversion of ₹1,888 crore. (Source: *Performance Audit of Pradhan Mantri Awas Yojana – Urban (PMAY-U)*, Ministry of Housing and Urban Affairs, Government of India.)

The demand-driven nature of PMAY-U has encountered serious limitations due to flawed beneficiary identification mechanisms. As per audit findings in Karnataka, nearly 45% of beneficiaries reported that no official survey visit had occurred. Additionally, 47 out of 273 ULBs failed to allocate any funds for demand surveys, revealing a systemic underestimation of actual housing needs.

A critical concern is the scheme's reliance on stringent formal documentation Aadhaar, PAN, property titles, income proof which many urban poor lack. Migrants, slum dwellers, and informal workers often operate outside the formal economic grid, leaving them excluded despite being eligible. This design flaw creates an inherent eligibility bias that contradicts the scheme's inclusivity objective.

Furthermore, poor database integration across verticals (e.g., BLC, CLSS, AHP) has resulted in multiple approvals for the same household. For example, Karnataka audits revealed instances where spouses separately benefited under different verticals, violating core eligibility norms and enabling benefit stacking. This systemic misdirection results in a troubling "reverse targeting" pattern, where ineligible or better-off individuals gain access while deserving, vulnerable groups are excluded due to paperwork hurdles undermining the scheme's social equity goals.

Ludhiana Case Snapshot

Field reports from Ludhiana reveal several concerning patterns in beneficiary data manipulation:

- **Multiple Registrations:** Applicants registering through different family members or applying under more than one scheme vertical (e.g., BLC and CLSS) to maximize benefits.

- **Inconsistent Documentation:** Discrepancies in Aadhaar-linked records and property documents were detected in densely populated areas like Dhandari Kalan and Giaspura.
- **Unverifiable Ownership Claims:** Many applicants submitted self-attested land or house documents without corresponding municipal or revenue verification.

Types of Irregularities and Estimated National Averages

Type of Irregularity	Estimated Prevalence (National)
Ghost Houses	10–20% of sanctioned cases
Ownership Fraud	8–15% of verified beneficiaries
Dual Home Ownership Claims	5–10% of applicants

Source: MoHUA Internal Audit, PMAY-U Compliance Note, 2023 [1]

Key Biases in Identification and Verification

- **Identification Bias:** Field functionaries often relied on pre-existing local lists or verbal confirmation from ward members, creating space for favoritism or omission of deserving applicants.
- **Eligibility Verification Bias:** In absence of robust digital verification mechanisms in informal settlements, many non-eligible applicants were cleared due to weak scrutiny of income, ownership, and asset declarations.

6.2 Geo-Tagging Related Challenges

Geo-tagging is a crucial monitoring mechanism under the Pradhan Mantri Awas Yojana – Urban (PMAY-U), linking fund disbursement directly to construction milestones through photographic and GPS-based evidence. While intended to ensure transparency and progress tracking, in Ludhiana, geo-tagging has emerged as more of a technical bottleneck than a facilitative tool. As CLTE Ludhiana said, “I feel I have drained my precious time and resources on geo-tagging.”

Common Technical Problems:

- **Mobile App Failures:** The Bhuvan and PMAY apps crash frequently or do not capture accurate GPS coordinates.
- **Offline Limitations:** In remote or low-network areas like peripheral Ludhiana wards, tagging is often delayed due to no mobile signal.
- **Blurry or Duplicate Images:** The system rejects poor quality photos, but does not provide real-time feedback, wasting site visits.
- **Beneficiary Absence:** Aadhaar verification requires physical presence; many laborers/migrants are absent at verification times.

6.3 Issues in IFMS (Integrated Financial Management System) Portal

The **IFMS Portal**, while designed to streamline disbursements, has become one of the most cited bottlenecks in PMAY-U, especially under BLC.

Field-Level Problems:

- **Multi-Level Approvals:** The PMAY-U fund flow involves a 7-stage process: starting with ULBs preparing DPRs, followed by approval at the state level, and then central sanction and fund release to the state treasury. From there, funds move to the State Urban Development Authority, which processes ULB requests based on verified construction progress. Funds are disbursed directly to beneficiaries via DBT. Delays commonly occur at the treasury, ULB data entry and geo-tagging stages, often stalling the process for weeks.
- **Digital Signature Errors:** Java mismatch, token errors, and browser compatibility issues disrupt final payment submission.
- **Manual File Uploads:** IFMS does not allow bulk uploads, increasing human error.
- **No Error Flagging:** Submissions are often rejected days later due to unidentified missing fields or documents.

6.4 Structural Quality & Location Disparities

Despite the promise of “dignified living,” housing units under PMAY-U frequently suffer from poor construction standards, inadequate drainage, and lack of essential services. For example, ARHC audits revealed:

- 39% poor construction
- 22% had no functional sewerage
- ~50% lacked public amenities

This reflects a deeper “dignity deficit,” where units meet numerical targets but fail to deliver livable, resilient environments.

Additionally, locating projects on urban fringes due to cheaper land has disconnected beneficiaries from jobs, services, and transport. This spatial mismatch often disrupts livelihoods and isolates communities, leading to project vacancies and social exclusion.

A key ground-level challenge in **PMAY (U)** implementation is the reluctance of beneficiaries to retain government branding on their homes. Despite efforts to mark houses with the official logo, many residents whitewash painted emblems or remove installed plaques. This resistance is rooted in the social stigma attached to welfare schemes, with beneficiaries fearing such markers publicly identify them as economically disadvantaged. **As one Executive Officer noted, “People whitewash the PMAY logo because they feel it lowers their standard; they feel marked as poor.”**

This poses a dual challenge both in terms of transparency (for audits and public recognition) and in fulfilling the objective of showcasing the government’s contribution to urban housing transformation.

6.5 Financial Gaps: Inflation and Unaffordability

Even when the system works, many beneficiaries face **financial hardship in completing construction**. While the PMAY-U scheme provides ₹1.5 lakh (central share) and ₹25,000 (state share in Punjab), the **total cost of even a modest 250–300 sq.ft. pucca house** exceeds ₹5–6 lakh in most parts of Ludhiana. In Ludhiana district, **labourers (majdoors)** typically receive a daily wage of approximately **₹700**, while **masons (raj mistris)** earn around **₹1,200** for housing construction work, particularly under the BLC component in peri-urban areas.

Financial and Implementation Bottlenecks

- **Affordability Illusion:** Beneficiaries are required to contribute up to 60% of housing costs. For EWS families earning daily wages, this can mean sacrificing basic needs or taking informal loans at high interest rates, offsetting the benefits of the subsidy.
- **Loan Access:** Commercial banks hesitate to lend to informal workers due to lack of credit history or income proof, pushing beneficiaries into exploitative debt cycles.
- **Post-COVID Inflation:** The cost of building materials has surged, eroding the real value of the ₹1.5 lakh central subsidy. A parliamentary committee has called for variable, inflation-linked assistance tailored to local cost dynamics.

Core Challenges:

- **Material Costs:** Cement, sand, bricks, and iron has seen 25–40% cost increases post-COVID and due to GST.
- **Credit Access:** Poor or no access to formal credit; few banks provide small housing loans without mortgage.

6.6 Lack of Technical Support and Skilled Labor

Several ULBs lack a **dedicated technical cell** for housing, which hampers:

- DPR preparation
- Stage-wise verification
- Construction quality audits

Moreover, due to seasonal migration and labor shortage, construction slows down during peak periods. Many beneficiaries also lack access to reliable masons or contractors.

6.7 Public Awareness and Beneficiary Engagement

In Ludhiana and other urban centres in Punjab, low awareness among PMAY-U beneficiaries regarding key processes such as construction schedules, fund disbursement stages and grievance redressal has contributed to delays, confusion and, at times, misuse of funds. These challenges stem from both a communication gap and an overreliance on digital portals without adequate support mechanisms for low-literacy beneficiaries.

6.8 Structural and Operational Challenges Hindering PMAY-U Implementation & Political Interference

PMAY-U implementation in Ludhiana faces critical challenges stemming from both systemic design flaws and localized political interference. The scheme’s uniform framework often fails to accommodate the diverse urban realities of different regions, particularly in terms of land availability, location suitability and administrative capacity. In Ludhiana, many BLC houses are located on the city’s outskirts detached from essential infrastructure, workplaces and schools compromising long-term livability and uptake.

Compounding this, political interventions and administrative overreach in beneficiary selection and site approval processes have disrupted the integrity of socio-economic targeting. Local representatives frequently influence inclusion lists, overriding data-driven prioritization and triggering re-verification at the State Level. Simultaneously, insecure land tenure such as disputed plots, informal colonies or lack of clear

titles prevents many deserving households from qualifying under the scheme's legal ownership criteria. These factors lead to procedural delays, site-related bottlenecks and erosion of transparency, weakening the program's inclusive mission.

7. Impact Assessment and Analytical Framework

Despite facing operational and administrative hurdles, PMAY-U has generated significant momentum in India's urban housing sector. This section applies an analytical lens to evaluate whether the scheme has delivered on its intended outcomes of inclusivity, empowerment and urban transformation. The analysis draws from academic frameworks, especially **Amartya Sen's Capabilities Approach**, to deduce effectively these houses have improved lives.

7.1 Social and Economic Impact of PMAY-U

a) Women Empowerment and Ownership

One of the most progressive aspects of the Pradhan Mantri Awas Yojana Urban (PMAY-U) is its mandatory provision for female ownership or co-ownership of housing assets. This marks a significant departure from earlier housing schemes, embedding gender equity into the framework of urban development. In Ludhiana, approximately **82–85%** of sanctioned cases under the **Beneficiary-Led Construction (BLC)** and **Affordable Housing in Partnership (AHP)** components are registered in the name of a **female family member** typically the wife, daughter, or mother (**MoHUA, 2019**). This practice not only strengthens women's legal claim to property but also promotes financial inclusion by increasing their access to banking services and improving their long-term economic stability. Moreover, it enhances women's role in intra-household decision-making. However, field-level observations reveal a gap between ownership on paper and actual control. Due to limited legal awareness, many women remain unaware of their rights or do not exercise agency over the property. To bridge this divide, there is a need for targeted counseling and awareness sessions at the Urban Local Body (ULB) level to educate beneficiaries about their legal entitlements and responsibilities as homeowners.

b) Health and Education Benefits

Interviews conducted during the 2024 Punjab Urban Health Survey revealed significant improvements in the well-being of families who had shifted into PMAY-U houses. Residents reported a **25% reduction in cases of waterborne diseases**, (**Punjab Urban Health Survey, 2024**) attributing it to better sanitation and access to clean water. Moreover, **school attendance improved**, particularly among **girl children**, as housing stability allowed families to prioritize education. Many beneficiaries also highlighted **easier access to nearby health facilities**, such as dispensaries and anganwadis, which enhanced their overall quality of life. These outcomes, though not directly quantifiable in financial terms, reflect the deeper **human development impact** of PMAY-U often overlooked in purely budget-driven evaluations. A significant 93.3% of beneficiaries agreed that PMAY has had a strong, positive influence on their social lives, offering a sense of stability, dignity and improved community integration, **as reported in the 2024 Punjab Urban Housing Assessment Survey**.

c) Better Housing Conditions

There has been a noticeable shift in housing conditions, with the construction of pucca (permanent) homes significantly improving the structural quality and durability of living spaces. **Prior to the implementation of PMAY, 63.3% of respondents lived in kutchha houses, 30% in rented accommodations, and 6.7% were homeless. Following the scheme's intervention, 100% of the beneficiaries now reside in pucca houses, revealed a field-level survey conducted during the 2024 Punjab Urban Housing Assessment.**

d) Statistical Validation

The application of the McNemar test confirmed a statistically significant transformation in dwelling types before and after PMAY intervention, reinforcing the scheme's positive housing impact. (Shivani Kumari & Dr. Sunita Mishra (2022)).

7.2 Spatial and Urban Planning Outcomes

The implementation of PMAY-U in Ludhiana has brought a mixed set of outcomes in terms of spatial and urban planning. On the positive side, the scheme has helped **decongest inner-city slums** by relocating families into permanent homes, promoting more organized urban growth. In-situ development under BLC has also **curbed peripheral sprawl** and its alignment with larger programs like AMRUT and Smart City Mission has led to **improved infrastructure** in several areas.

On other side, Housing without supportive services, connectivity and income access may not transform lives as intended.

7.3 Alignment with UN Sustainable Development Goals (SDGs)

The Pradhan Mantri Awas Yojana – Urban (PMAY-U) aligns closely with several United Nations Sustainable Development Goals (SDGs), most notably **SDG 1 (No Poverty)** by providing affordable housing to economically weaker sections, and **SDG 5 (Gender Equality)** through mandated female ownership or co-ownership of homes. It also supports **SDG 6 (Clean Water and Sanitation)** by enabling access to basic amenities, and **SDG 11 (Sustainable Cities and Communities)** by promoting inclusive urban growth.

Summary: Capabilities Created vs. Capabilities Missed

Capability Area	Enabled by PMAY-U	Constraints Remaining
Shelter and Security	Pucca housing, legal ownership	Poor construction quality in some sites
Health and Sanitation	Toilet, water, drainage access in AHP/BLC	Poor maintenance, late connections
Women's Empowerment	Legal homeownership, financial identity	Limited real control or asset awareness
Education Access	Stability improves children's attendance	Far-off locations limit school access
Employment Proximity	Better for in-situ schemes	Peri-urban BLC houses lack connectivity
Civic Integration	Inclusion in tax, service delivery	Infrastructure gaps in unauthorized colonies

8. Recommendations & Proposed Operational Reforms

8.1 SPARSH-IFMS Workflow Optimization

To improve efficiency and transparency in PMAY-U fund management, real-time dashboards should be developed to track the flow of funds from ULBs to state treasuries and ultimately to beneficiaries. Bulk upload options for documents and geo-tags are especially crucial during the high-activity Q4 fund cycles. Implementing SLA-based timelines such as 5 days for ULB clearance and 7 days for state treasury approvals would ensure timely processing. Additionally, dedicated help lines and regular training sessions for field engineers and clerical staff are essential to address digital skill gaps and reduce operational delays.

8.2 Institutional Capacity Enhancement

To strengthen institutional capacity under PMAY-U, it is essential to establish dedicated Housing Mission Cells within all Urban Local Bodies (ULBs), particularly in smaller towns like Raikot, Payal and Machhiwara, where full-time technical staff is often unavailable. These cells should include a junior engineer (civil), an architect or draughtsman, a data entry operator trained in IFMS, and a social mobilizer to liaise with the community. Additionally, regular monthly workshops must be conducted for district-level housing teams focusing on DPR preparation, resolving IFMS-related issues, and keeping up with geo-tagging protocols. Introducing a district-level PMAY-U dashboard would enable real-time monitoring of project sanctions versus completions, geo-tagging status, and beneficiary satisfaction, thereby improving accountability and performance tracking. CLTE Ludhiana has two districts under his command. How it is possible for him to visit every place?

8.3 Structural and Legal Reforms: Land Regularization and Master Planning

Land-related challenges remain a major roadblock for effective PMAY-U implementation, especially in areas where plots are often unregistered, fall outside the municipal limits or are entangled in legal disputes. These issues delay beneficiary approvals and stall construction. To address this, urban planning reforms are essential. Fast-tracking amendments to master plans in rapidly expanding towns can help bring more land under formal regulation. Additionally, setting up legal support cells within ULBs can expedite the resolution of minor land disputes within a 3–6 month timeframe. Promoting land pooling and readjustment models can also make large-scale AHP and ISSR projects more financially and spatially feasible in densely populated zones.

8.4 Affordable Rental Housing Zones

To address the growing demand for affordable rental housing in Ludhiana, especially among migrant workers and low-income families, the city must promote designated Affordable Rental Housing Zones (ARHZ) near major employment hubs such as Focal Point, textile markets, and transport nodes. This requires a supportive policy framework that incentivizes private sector participation. Measures could include offering land use relaxations and Transfer of Development Rights (TDR), mandating that at least 10% of the built-up area in large-scale projects be reserved for rental housing, and granting property tax exemptions for ARHC units for the first five years. These reforms can stimulate supply while ensuring rental affordability in high-demand urban areas.

8.5 Social Empowerment and Beneficiary-Centric Measures

To deepen the social impact of PMAY-U, a strong focus on beneficiary-centric reforms is essential. Firstly, awareness and transparency must be enhanced by rolling out an SMS-based tracking system that updates beneficiaries at every stage such as geo-tag approvals, fund disbursements and pending installments. In parallel, establishing dedicated PMAY-U help desks at ULB offices with trained personnel can help citizens resolve issues related to digital processes, geo-tag rejections, or legal documentation.

To boost transparency, site boards must be mandatorily displayed at every under-construction PMAY home, listing the beneficiary's name, local ULB contact, and a QR code linked to the official portal. A dedicated PMAY Citizen App should also be introduced to allow real-time grievance redressed, monitor construction progress through photo updates and directly connect users with helpline services. These integrated measures can make PMAY-U more accessible, efficient, and socially empowering.

8.6 Inter-Departmental Convergence

For PMAY-U in Ludhiana to be truly effective, it must align with other schemes like AMRUT (for water and drainage), SBM-U (for sanitation), Jal Jeevan Mission (for tap connections), and PDS-Aadhaar integration (for verifying beneficiaries). Such convergence enables holistic urban development and deeper poverty reduction beyond just housing.

8.7 Strengthening Governance and Accountability in PMAY-U

To improve the integrity and efficiency of PMAY-Urban, key reforms are necessary. A centralized blacklist linked to Aadhaar should bar fraudulent applicants from welfare schemes for a set period. Recovery notices must be issued to fake beneficiaries, backed by a structured fund recovery system. Cross-linking PMAY-U data with rural housing schemes can help prevent duplication. AI-enabled geo-tagging audits and real-time tracking should replace manual systems to curb ghost constructions. Finally, grievance redressal must be strengthened through help lines and online platforms that ensure anonymity and promote citizen oversight. In case of repeated defaulters, blacklisting alone is not sufficient; proceedings for recovery as arrears of land revenue must also be initiated wherever required.

8.8 Enhancing the Geo-Tagging Process through Digital Improvements

To streamline the geo-tagging process under PMAY-U and address recurring field-level challenges, several digital upgrades are recommended. The geo-tagging application should support **offline data capture**, allowing field staff to record information without internet connectivity and sync it automatically once back online. **Bhuvan app enhancements** must include multi-language support to accommodate local users, real-time GPS status display to ensure accurate tagging and automated alerts to flag poor-quality photographs before submission. Introducing a **beneficiary-facing panel** accessible via SMS or a simple mobile interface would enable families to track their geo-tag status, verify updates, and report discrepancies directly. Additionally, in cases where the primary beneficiary is unavailable, a **relaxation in Aadhaar authentication rules** should be considered, allowing geo-tagging to be completed by immediate family members with valid linkage.

8.9 Optimizing IFMS Efficiency and Fund Disbursement under PMAY-U

To streamline PMAY-U fund disbursement, the IFMS should adopt a simplified, time-bound approval process limited to essential checkpoints. A **bulk upload utility** is needed during high-volume periods like pre-monsoon or financial year-end. **Real-time error alerts** should guide ULB staff by flagging missing or incorrect entries. A **dedicated IFMS support cell**, with ticket-based assistance and quarterly troubleshooting camps, can resolve technical issues efficiently. Finally, **mandatory digital training modules** for ULB staff will ensure that they are equipped to use the system effectively.

8.10 Strengthening Financial Incentives and Affordability in PMAY-U

To enhance affordability and beneficiary participation under PMAY-U, financial support mechanisms must be both dynamic and inclusive. **Subsidy amounts should be indexed to the Consumer Price Index (CPI)** and revised biennially to reflect rising construction costs. Introducing **targeted micro-credit schemes** in partnership with NBFCs and cooperative banks offering ₹2–3 lakh loans under partial government guarantees can ease access to supplementary financing for low-income families. An **early completion incentive** of ₹50,000 may be offered to beneficiaries who finish construction within eight months of receiving the first installment, encouraging timely execution. Additionally, **material cost relief** through tie-

ups with public sector units or cooperatives to supply subsidized cement and bricks via Urban Local Bodies (ULBs) can reduce overall housing expenditure.

8.11 Enhancing Technical Support and Capacity at the Local Level

To improve construction quality and ease implementation under PMAY-U, robust technical support systems must be established at the district level. Setting up **District-Level Technical Cells** comprising civil engineers, urban planners, and MIS professionals can ensure timely guidance and monitoring. The creation of **certified contractor panels** with pre-approved vendors and fixed-rate contracts will reduce the burden on beneficiaries while ensuring quality standards. Additionally, scaling up the **Skill India Mason Program** through skill development missions training for local youth can help address the shortage of skilled masons. A dedicated **on-call technical support helpline** should also be introduced, allowing beneficiaries direct access to Urban Local Body (ULB) engineers or empanelled contractors for real-time assistance.

Reform and Solution Matrix for PMAY-Urban

Focus Area	Challenge / Need	Suggested Intervention / Reform
Financing	Rising material costs and inadequate fixed subsidies	Indexed assistance linked to CPI; targeted microloans (₹2–3 lakh); ₹50,000 bonus for early completion
Digital Systems	The Bhuvan app is often inappropriate for ground-level implementation due to limited offline functionality, low-resolution updates, or user-unfriendly interfaces. Additionally, geo-tagging inaccuracies and delays in IFMS payments hinder timely execution.	Integrate more user-friendly mobile platforms with enhanced offline functionality and real-time syncing. Allow alternate MoHUA-approved geo-tagging solutions. Simplify the IFMS portal through bulk upload options, relaxed Aadhaar norms, and real-time payment alerts.
ULB Capacity	Lack of technical staff and execution bandwidth	District-level housing cells; certified contractor panels; trained mason pools, skill development mission
Land & Planning	Delays in approvals; absence of appropriate land parcels	Fast-track zoning clearances; legal support cells; earmarked rental housing zones
Transparency	Ghost houses, fake claims, dual scheme beneficiaries	QR-coded site boards; real-time dashboards; cross-verification with PMAY-G; blacklisting mechanism
Social Empowerment	Low beneficiary awareness and limited grievance channels	SMS alerts; SHG-based outreach; mobile-based reporting portals with anonymity
Execution Bottlenecks	Payment disbursement lags, beneficiary misinformation, contractor shortages	UI upgrades for IFMS, beneficiary-facing geo-tag status panel, toll-free tech support help lines
Financing	In Punjab, the state's committed expenditures are significantly high, often resulting in delays in releasing its share of PMAY assistance to beneficiaries.	Introduce an automatic escalation mechanism mandating the release of the state's share within 5 days, integrated into a pre-decided, ring-fenced budgetary process to ensure timely disbursement.

9. Conclusion: Toward Inclusive Urban Growth through Housing

The Pradhan Mantri Awas Yojana – Urban (PMAY-U) was envisioned as more than a construction-centric mission, it was a transformative step toward **inclusive urbanization**, offering vulnerable families the security, dignity, and opportunity that come with a pucca home.

However, the case of Ludhiana district reveals that **physical construction alone does not guarantee success**. Despite significant financial allocations and institutional support, real transformation hinges on execution quality, community engagement and convergence with other urban services.

In conclusion, while PMAY has made significant strides in promoting inclusive urban development, sustained policy refinement and administrative innovation are critical to unlocking its full potential and ensuring that "*Housing for All*" becomes a reality, not just a vision.

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