



Trends in Finances for the Ministry of Housing and Urban Affairs

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KEY HIGHLIGHTS



In FY 25-26 Budget Estimates (BEs), ₹96,777 crore is allocated to the Ministry of Housing and Urban Affairs (MoHUA) through Gross Budgetary Support, a 52 per cent increase from previous year's Revised Estimates (REs) but only a 17 per cent increase from its BEs which stood at ₹82,577 crore. Funding through Internal and External Budgetary Resource is expected to account for 39 per cent of allocations, with ₹62,207 crore allocated this FY.



The Pradhan Mantri Awas Yojana (Urban) (PMAY-U) was relaunched and has been allocated ₹23,294 crore in FY 25-26 BEs, a 54 per cent increase from FY 24-25 REs but a 23 per cent decrease from its BEs.



As on 27 January 2025, 118.64 lakh houses have been sanctioned under PMAY-U. Out of total sanctioned houses, 76 per cent, or 90.25 lakh have been completed.



Mass Rapid Transit System and Metro Project is the largest scheme of MoHUA. It is a Central Sector (CS) scheme, and is allocated ₹34,807 crore in FY 25-26 BEs, an increase of 22 per cent from previous year's REs which were ₹28,613 crore.

KEY POLICY ANNOUNCEMENTS



In her Budget Speech for 2025, Finance Minister Nirmala Sitharaman indicated that PM SVANidhi will be revamped to enhance credit and capacity building support for street vendors.



The Urban Challenge Fund has been set up with an outlay of ₹1 lakh crore, of which ₹10,000 crore was allocated in FY 25-26 BEs. The Fund aims to implement proposals for 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and 'Water and Sanitation', majorly financed through bonds, bank loans, and Public-Private Partnerships.¹

OVERVIEW

According to Census 2011, over 32 per cent of India's population resides in urban areas. The apex ministry for urban issues was constituted in 1952. Over the years, it has undergone several administrative changes. Most recently, in Financial Year (FY) 17-18, urban issues which came under the mandate of two ministries – Ministry of Urban Development and Ministry of Housing and Urban Poverty Alleviation, were merged to form the Ministry of Housing and Urban Affairs (MoHUA).² **This brief examines trends in Government of India's (GoI) finances for MoHUA.**

- Union Budget data reveals allocations and expenditures for MoHUA through two main sources: a) Gross Budgetary Support (GBS), and b) Internal and Extra Budgetary Resources (IEBR).



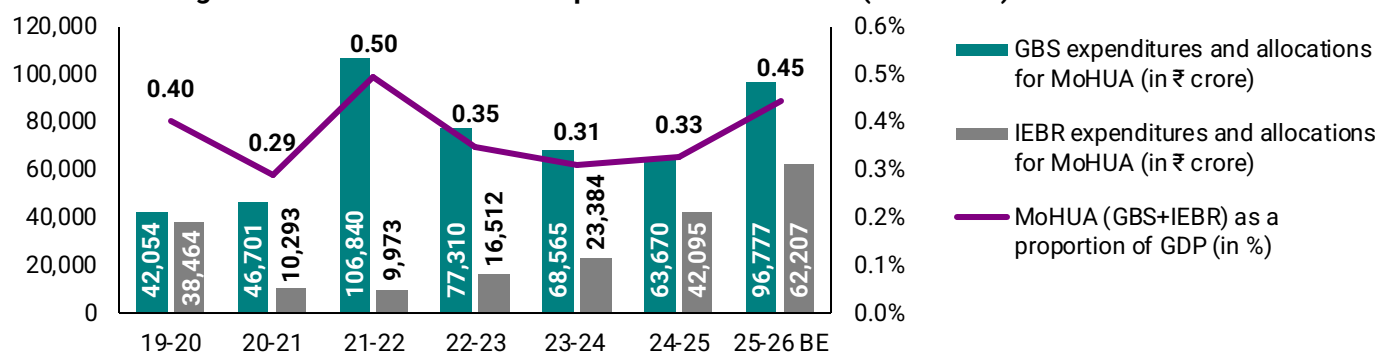
GBS is the government's support for the central plan is called the Gross Budgetary Support, or the GBS. Budgetary Support is earmarked for meeting the planned outlays of the GoI during the financial year.



IEBR are resources are raised by central PSUs through profits, loans, and equity.

- In FY 25-26 Budget Estimates (BEs), ₹1,58,984 crore is allocated to MoHUA, a 50 per cent increase from previous year's Revised Estimates (REs) but a 27 per cent increase from its BEs which stood at ₹1,25,096 crore.
- Since FY 19-20, budgetary support through the GBS has been greater than through IEBR. However, there have been variations in the proportional share of GBS and IEBR. In FY 21-22, for instance, proportional expenditures through GBS were 91 per cent (₹1,06,840 crore) of the total expenditures for MoHUA.

Figure 1: GoI Allocations and Expenditures for MoHUA (GBS+IEBR) and Share in GDP

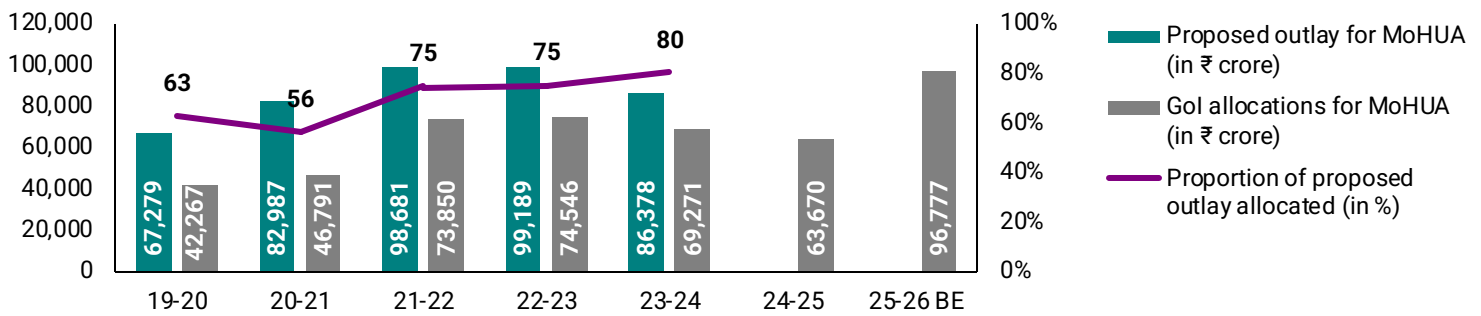


Source : (1) Union Expenditure Budget, MoHUA, FY 21-22 to FY 25-26, [url](#); (2) Budget at a Glance, Union Budget 2024-25, [url](#); (3) Annual and Quarterly Estimates of GDP at current prices, 2011-12 series, MoSPI, [url](#). Last accessed on 1 February 2025.

Note: Figures till FY 23-24 are Actuals (or expenditures). FY 24-25 and FY 25-26 reflect REs and BEs, respectively. Expenditures reflect GoI releases to states and UTs.

- In FY 25-26 BEs, of the total GoI allocations for MoHUA, GBS is expected to account for 61 per cent and IEBR at 39 percent. For the rest of this brief, allocations refer to the GBS amount and not IEBR, unless specified.
- In FY 25-26 BEs, ₹96,777 crore is allocated through GBS support, a 52 per cent increase from previous year's REs but 17 per cent increase from its BEs which stood at ₹82,577 crore.
- Every year, the Department-related Standing Committee on Housing and Urban Affairs is responsible for analysing the Demand for Grants of MoHUA and makes recommendations on its budget, policy priorities, and key sectoral issues. The Department-related standing committee also looks at the projected demand, or outlays, raised by the Ministries.
- There are differences between the Ministry's projected outlay and allocations, though the gap has been reducing. In FY 20-21, only 56 per cent MoHUA's projected outlay was allocated. This increased to 75 per cent (or a shortfall of ₹24,831 crore) in FY 21-22. In FY 23-24 (the latest year for which the Ministry's demand is available), allocations were 80 per cent of the projected outlay, a shortfall of ₹17,107 crore.

Figure 2: Proposed Outlay and Allocations for MoHUA



Source: (1) Union Expenditure Budget, MoHUA, FY 20-21 to FY 25-26, [url](#); (2) Standing Committee on Housing and Urban Affairs, Demand for Grants for MoHUA, 19-20 to 23-24, [url](#). Last updated on 1 February 2025.

Note: Figures till FY 24-25 are REs, and FY 25-26 are BEs.

HOW DOES MoHUA ALLOCATE?

- MoHUA spending is classified into four components:



Establishment Expenditure of Gol are the costs incurred for the maintenance and operation of government offices and institutions.



Central Sector Scheme (CSSs) are schemes such as the Mass Rapid Transport System (MRTS) and Metro Projects which are fully funded, designed, planned, and implemented by Gol, based on subjects from the Union List.



Centrally Sponsored Schemes (CSSs) are schemes such as the PMAY-U implemented by state governments but largely funded by Gol, with a specified contribution from the states. For large states the fund sharing ratio is 60:40 and for North-Eastern and hilly states its 90:10.



Other Central Sector Expenditure are Gol funded and implemented initiatives such as the Hemisphere Properties India Limited (HPIL) which is a Public Sector Undertakings. It consists of specific initiatives or projects managed by autonomous bodies, central agencies, and spending on statutory bodies, and public sector undertakings.

- As a proportion of Gol allocations for MoHUA, CSSs constituted the majority share until FY 19-20. Since FY 20-21, however, most of the expenditure is undertaken through CSSs.
- In FY 25-26 BEs, 55 per cent (₹53,604 crore) of Gol allocations for MoHUA was for CSSs, followed by CSs (40 per cent, or ₹39,139 crore), and EE (4 per cent, or ₹3,858 crore). Across years, allocations for OCE have been negligible.

MAJOR AREAS OF ALLOCATIONS

Allocations through Key Centrally Sponsored Schemes

- CSSs have been undergoing administrative changes. In FY 24-25 BEs, for instance, while the City Investment to Innovate, Integrate and Sustain (CITIIS) 2.0 is a standalone scheme, allocations for CITIIS was also reflected under the Smart Cities Mission. National Urban Digital Mission (NUDM), previously a part of Smart Cities Mission, and PM e-Bus Sewa were new standalone schemes. There are no allocations for Smart Cities Mission in FY 25-26 BEs.
- In FY 25-26 BEs, further, three new CSSs have been launched. Pradhan Mantri Awaas Yojana–Urban (PMAY-U) has been relaunched as PMAY-U 2.0. Scheme for Industrial Housing has been launched with an allocation of ₹2,500 crore. Lastly, the Urban Challenge Fund has received an allocation of ₹10,000 crore for achieving the vision of 'Cities as Growth Hubs', 'Creative Redevelopment of Cities', and 'Water and Sanitation'.

PRADHAN MANTRI AWAS YOJANA—URBAN

PMAY-U was launched in 2015 to achieve the following objectives:³

- Ensuring there are no housing shortages in urban areas by targeting Economically Weaker Section (EWS), Low Income Group (LIG), and Middle-Income Group (MIG) categories, and slum dwellers; and
- Ensuring access to *pucca* houses.

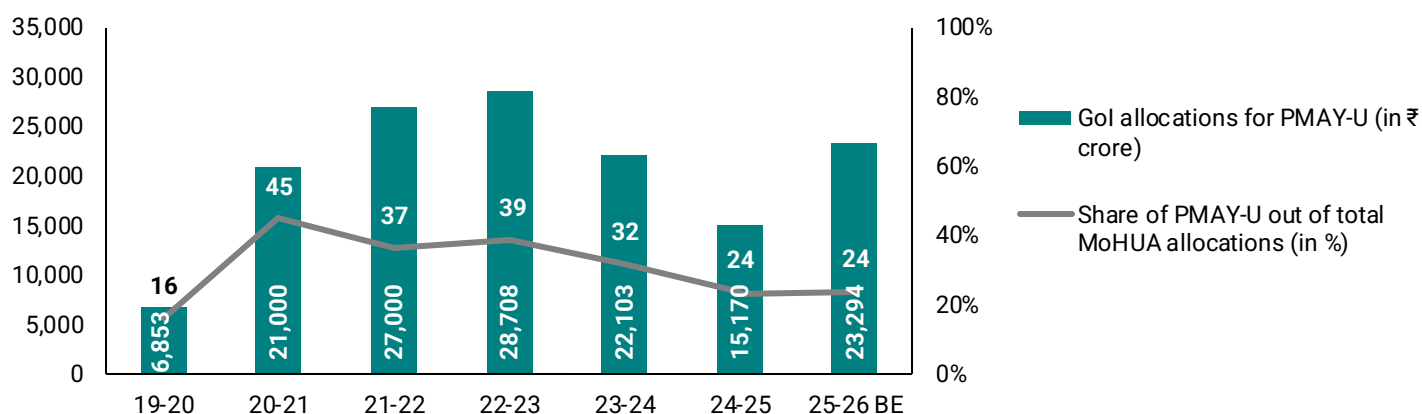
As previously mentioned, PMAY-U was relaunched in September 2024 as PMAY-U 2.0 for a period of five years. In FY 25-26, allocations are reported for PMAY-U 2.0 and PMAY-U, as the construction of target houses is yet to be met.

Our Budget Insight on PMAY deep-dives into the implementation progress of the urban housing scheme.

Trends in Allocations and Expenditures

- In FY 25-26 BEs, ₹23,294 crore is allocated for PMAY-U, a 54 per cent increase than the previous year's REs but a 23 per cent decline from its BEs which stood at ₹30,171 crore.
- In FY 24-25, further, REs were 50 per cent lower than BEs. This was because states reported compliance issues, which restricted Gol releases.
- The allocations have also been lower than the proposed outlay for FY 23-24ⁱ. While ₹30,196 crore were the Ministry's projections for the scheme, only 73 per cent or ₹22,103 crore were allocated.
- The largest (three-fold) increase in allocations was between FY 19-20 and FY 20-21 as states and UTs increased demand for Gol assistance and subsidy under the scheme. Out of the total FY 23-24 REs, ₹18,000 crore was provided under the Atma Nirbhar package 3.0.⁴

Figure 3: Gol Allocations for PMAY-U and Share of MoHUA



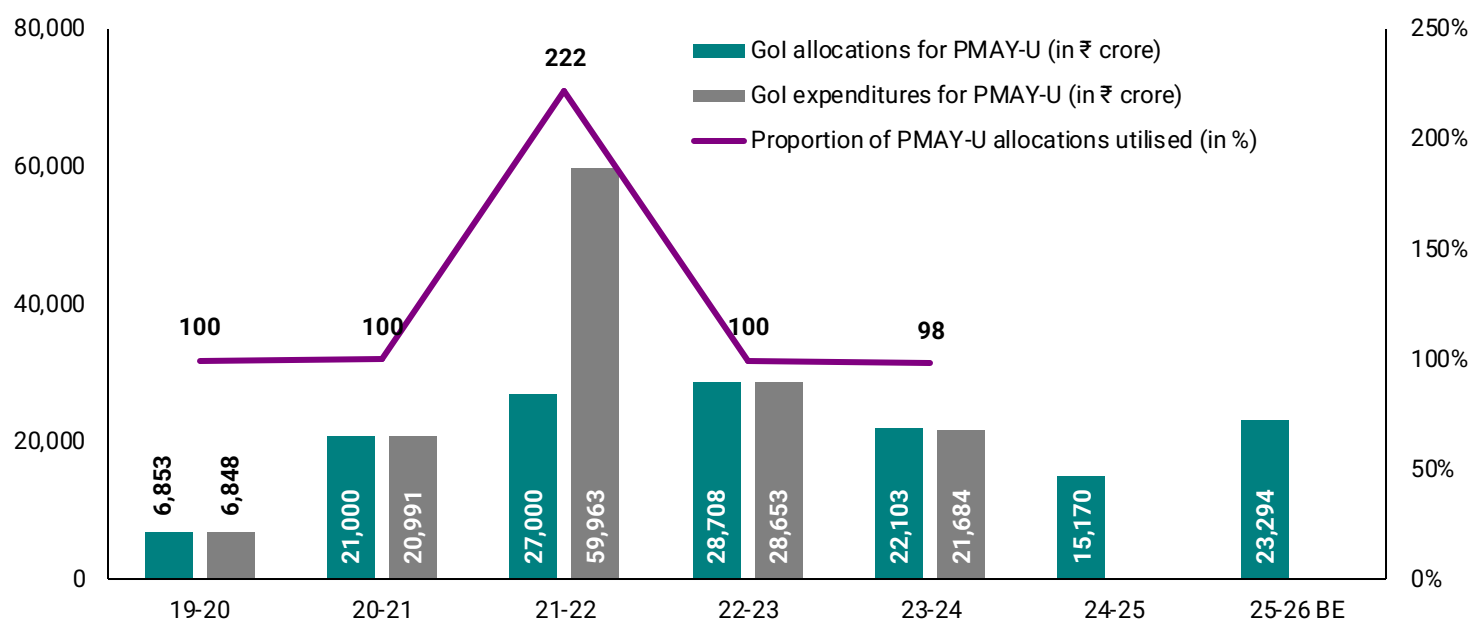
Source: Union Expenditure Budget, MoHUA, FY 20-21 to FY 25-26, [url](#). Last accessed on 1 February 2025.

Note: Figures till FY 24-25 are REs and FY 25-26 are BEs. Allocations for FY 24-25 REs and FY 25-26 BEs include both PMAY-U and PMAY-U 2.0 as reported in the budget document.

- Gol assistance under PMAY-U is released in three instalments of 40:40:20. Gol releases funds to states and UTs upon achieving the compliances in sanctioned projects.
- Across years, utilisations for PMAY-U have been consistently high. In fact, utilisations were greater than allocated amounts in FY 21-22.
- In FY 23-24, 98 per cent of allocation was utilised, i.e., ₹21,684 crore was spent out of ₹22,103 crore allocated for the year.

ⁱ Proposed allocations for FY 24-25 and FY 25-26 were not available at the time this Budget Insight's preparation.

Figure 3: GoI Allocations and Expenditures for PMAY-U



Source: Union Expenditure Budget, MoHUA, FY 20-21 to FY 25-26, [url](#). Last accessed on 1 February 2025.

Note: Allocation figures till FY 24-25 are REs and FY 25-26 are BEs. Expenditures reflect GoI releases to states and UTs.

Component-wise Allocations

- There are several components under PMAY-U financing:⁵



Credit Linked Subsidy Scheme (CLSS) - I for Economically Weaker Section (EWS)/Lower Income Group (LIG): This provision allows an interest subsidy on housing loans to EWS/LIG groups without collaterals or third-party guarantees by scheduled commercial or cooperative banks.



Credit Risk Guarantee Fund Trust (CRGFT): This provision allows for developing institutions to promote an inclusive urban governance architecture.



Institutional Development for Urban Governance: This provision allows for developing institutions to promote an inclusive urban governance architecture.



Other Items of Central Component: This provision is for establishment costs, capacity building activities, and other miscellaneous central expenditure.



Other Items of State/UTs Component: The provision is for releasing GoI assistance to states and UTs, and includes expenditure on Scheduled Caste Component and Scheduled Tribe Component.



Interest Payment against Loans Raised through Extra Budgetary Resources (EBR) includes interest payments, or borrowings, made through raising Extra Budgetary Resources.

- In FY 25-26 BEs, allocations for PMAY 2.0 is given for two components: Interest Subsidy Scheme-I (ISS-I) for EWS/LIG (₹2,500 crore) and Interest Subsidy Scheme-II (ISS-II) for MIG (₹1,000) crore, totalling up to ₹3,500 crore. For the earlier scheme, i.e., PMAY-U, component-wise allocations are only given for CRGFT, Institutional Development for Inclusive Urban Governance, Central Component, State/UT Component, and Interest Payment against Loans Raised through EBR.

Table 1: Allocations and Expenditures of PMAY-U Components (in ₹ crore)

Year	Type	CLSS-I for EWS/LIG	CLSS-II for MIG	CRGFT	Institutional Development for Inclusive Urban Governance	Central Component	States/UTs Component	Interest Payment against loan raised through EBR
19-20	Allocations	600	400	0.01	5	167	2,681	3,000
	Expenditures	600	400	0	0	146	2,633	3,069
	% Fund Utilised	100	100	0	5	87	98	102
20-21	Allocations	3,750	3,000	0.01	5	294	9,803	4,148
	Expenditures	3,750	3,000	0	1	104	10,002	4,148
	% Fund Utilised	100	100	0	12	35	102	100
21-22	Allocations	12,000	0	0.01	5	438	10,098	4,459
	Expenditures	12,000	0	0	0	33,329	10,176	4,459
	% Fund Utilised	100	0	0	5	7611	101	100
22-23	Allocations	11,222	0	0.01	5	359	14,963	2,159
	Expenditures	10,821	0	0.01	0	113	15,559	2,159
	% Fund Utilised	96	-	100	5	32	104	100
23-24	Allocations	0	0	0.01	5	254	20,071	1,773
	Expenditures	-	-	-	1	66	19,844	1,773
	% Funds Utilised	-	-	0	12	26	99	100
24-25	Allocations	-	-	-	5	285	11,609	1,771
25-26 BE	Allocations	-	-	500	5	160	17,357	1,772

Source: Union Expenditure Budget, MoHUA, FY 20-21 to FY 25-26, [url](#). Last accessed on 1 February 2025.

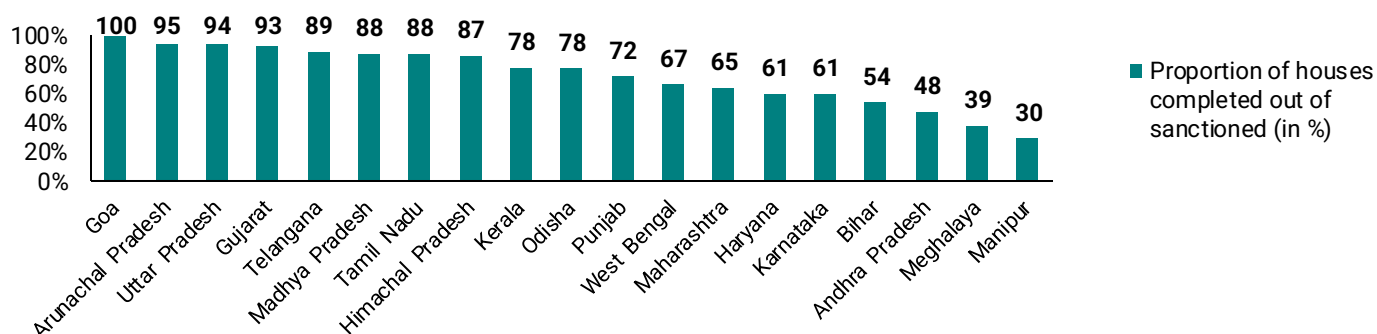
Note: Allocation figures till FY 24-25 are REs and FY 24-25 are BEs. Expenditures reflect GoI releases to states and UTs.

- Across years, utilisation across PMAY-U components show variations. Utilisation for GoI Component has been decreasing since FY 19-20, reaching an all-time low of 26 per cent of allocations in FY 23-24. On the other hand, utilisations for States/UTs Component and Interest Payment against Loan Raised through EBR have been high.

Scheme Progress

- The number of sanctioned houses have been higher than demand, but completion rate is lower. As on 27 January 2025, 118.6 lakh houses had been sanctioned. Out of total sanctioned houses, 76 per cent, or 90.2 lakh, have been completed which also include 3.41 lakh JnNURM houses during the period.
- There are variations in completion rates of sanctioned houses across states.
- As on 27 January 2025, states which had among the highest completion rates included Goa (100 per cent), Arunachal Pradesh (95 per cent), and Uttar Pradesh (94 per cent).
- On the other hand, completion rates were slower in Manipur (30 per cent), Meghalaya (39 per cent), and Andhra Pradesh (48 per cent).

Figure 5: Sanctioned Houses Completed across States



Source: PMAY-U State-wise Progress, [url](#). Last updated on 27 January 2025.

Note: These are cumulative figures.

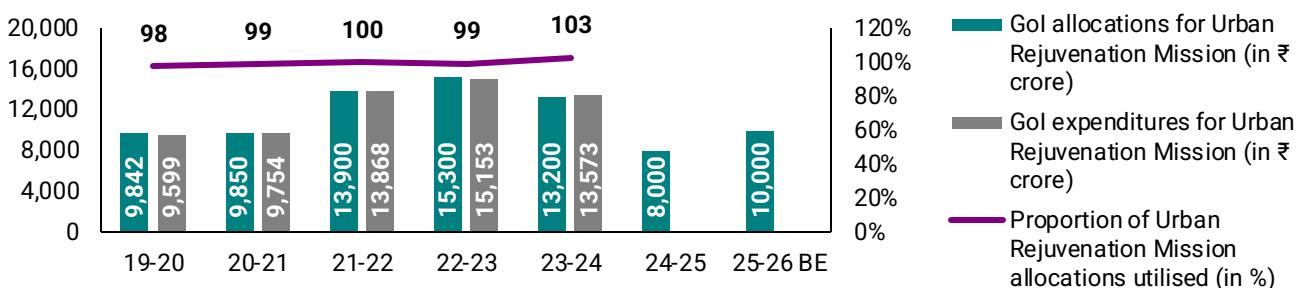
URBAN REJUVENATION MISSION: AMRUT AND SMART CITIES MISSION

Launched in 2015, the Urban Rejuvenation Mission includes the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart Cities Mission, which aim to provide basic civic amenities in urban areas and promote core infrastructure in cities for improving citizens' quality of life.

Trends in Allocations and Expenditures

- In FY 25-26 BEs, ₹10,000 crore was allocated for the Urban Rejuvenation Mission an increase of 25 per cent from previous year's REs. The increase was driven by AMRUT as no allocation is reported for Smart Cities Mission in FY 25-26 BEs.
- Like PMAY-U, more than 90 per cent of GoI allocations for Urban Rejuvenation Mission were utilised across years.
- In FY 23-24, more than the allocated amount was spent, i.e., ₹13,573 crore (103 per cent) was released to states and UTs, out of ₹13,200 allocated in the same year.

Figure 6: GoI Allocations and Expenditures for Urban Rejuvenation Mission



Source: Union Expenditure Budget, MoHUA, FY 20-21 to FY 25-26, [url](#). Last accessed on 1 February 2025.

Note: Allocation figures till FY 24-25 are REs and FY 25-26 are BEs. Expenditures reflect GoI releases to states and UTs.

Component-wise Allocations

- The primary objectives of AMRUT include ensuring that every urban household has access to tap water supply and sewerage connection; green and well-maintained open spaces; and public transportation and amenities supporting walking or cycling.⁶ Recently, AMRUT was relaunched as AMRUT 2.0, and has been extended till FY 25-26.⁷ Over the years, AMRUT has had several components, some of which are:

- 🧠 Capacity Building for Urban and Local Bodies (C-BULB)
- 📁 National Urban Information System (NUIS);
- 🏠 Urban Infrastructure Development in Satellite Towns/ Counter Magnet City; and
- 🏡 Urban Rejuvenation Mission – 500 Cities.

- The Smart Cities Mission is implemented through a Special Purpose Vehicle (SPV), set up at the city-level in the form of a limited company under the Companies Act 2013. Its purpose is to enable sustainable and inclusive cities, such that selected cities under the scheme can act as replicable models.⁸ Like AMRUT, the Smart Cities Mission was also extended until March 2025.⁹ Over the years, Smart Cities Mission has had several components, some of which are:

- 🧠 Capacity Building for Urban Development (C-BUD);
- 🏡 City Investment to Innovate, Integrate and Sustain (CITIIS) was a programme run in partnership with the French Development Agency (AFD), Kreditanstalt für Wiederaufbau (KfW), and the European Union (EU); and
- 🏠 Mission for Development of 100 Smart Cities.

- In FY 25-26 BEs, ₹10,000 crore is allocated to AMRUT, a 67 per cent increase from FY 24-25 REs. In FY 24-25, however, REs had declined by 25 per cent from its BEs which stood at ₹8,000 crore, suggesting challenges in fund releases.
- Utilisations, further, have been high. All funds for AMRUT were utilised between FY 19-20 and FY 22-23. More than allocated funds were spent in FY 23-24. For Smart Cities Mission, 100 per cent allocations were spent in FY 21-22 and FY 23-24.

Table 2: Allocations and Expenditures of Urban Rejuvenation Mission Components (in ₹ crore)

Year	Type	AMRUT	Smart Cities Mission
19-20	Allocations	6,392	3,450
	Expenditures	6,392	3,207
	% Funds Utilised	100	93
20-21	Allocations	6,450	3,400
	Expenditures	6,448	3,305
	% Funds Utilised	100	97
21-22	Allocations	7,300	6,600
	Expenditures	7,280	6,588
	% Funds Utilised	100	100
22-23	Allocations	6,500	8,800
	Expenditures	6,500	8,653
	% Funds Utilised	100	98
23-24	Allocations	5,200	8,000
	Expenditures	5,591	7,982
	% Funds Utilised	108	100
24-25	Allocations	6,000	2,000
25-26 BE	Allocations	10,000	0

Source: Union Expenditure Budget, MoHUA, FY 20-21 to FY 25-26, [url](#). Last accessed on 1 February 2025.

Note: Allocation figures till FY 24-25 are REs and FY 25-26 are BEs. Expenditures reflect Gol releases to states and UTs.

Scheme Progress

- Despite high utilisation, project completed under AMRUT have been low. Since FY 21-22 only 725 projects (approximately 8 per cent) were completed out of the 8,998 AMRUT projects planned or approved.¹⁰
- Details on completed projects is available for only 14 states. Of these, West Bengal and Haryana had the least number of completed projects (8 and 1, respectively) out of those planned (388 and 57, respectively).
- Further, there are variations in the amount spent on completed projects across states and UTs. Out of a total amount of ₹23,016 crore spent on completed projects, Tamil Nadu spent the highest (21 per cent), followed by Maharashtra (17 per cent), and Gujarat and Uttar Pradesh (both at 15 per cent).¹¹ Tamil Nadu had also completed 33 per cent of its planned projects (1,270).
- Funds for projects can come from different sources. According to the Smart Cities Mission Dashboard, as on 10 January 2025, 48 per cent of completed projects were financed through Smart Cities Mission funds, followed by Convergence between other Ministries and Departments (32 per cent), and Own Resources and Public Private Partnership (both at 5 per cent), and Debt (3 per cent). For ongoing projects, 95 per cent of financing is through Smart Cities Mission funds.
- Three sectors account for a majority (56 per cent) of completed projects. Across cities, as on 10 January 2025, the highest number of completed projects were in Smart Mobility (20 per cent), followed by Water, Sanitation and Health (18 per cent), and Vibrant Public Spaces (17 per cent).¹²

SWACHH BHARAT MISSION—URBAN (SBM-U)

Swachh Bharat Mission (Urban) (SBM-U) was initially launched in 2014 with an aim to eradicate open defecation in statutory towns, manage municipal solid waste through scientific means, and ensure behavioural change through Jan Andolan. In October 2021, the Government of India launched SBM 2.0 for a period of another five years and is said to be completed in FY 25-26.

SBM 2.0 has two broad objectives:¹³



Sustainable Sanitation which includes access to sanitation facilities through construction of over 3.5 lakh individual, community, and public toilets, and complete liquid waste management in cities with less than 1 lakh population.



Sustainable Solid Waste Management which includes 100 per cent segregation of waste from source, setting up of construction and demolition waste processing facilities and deployment of mechanical sweepers under the National Clean Air Programme, and remediation of legacy dumping sites to unlock over 14,000 acres of locked up land with 15 crore tonnes of waste.

The scheme is financed through two components:



Gross Budgetary Support (GBS) is Gol's support for central plan. Budgetary Support is earmarked for meeting the planned outlays of Gol during the financial year.

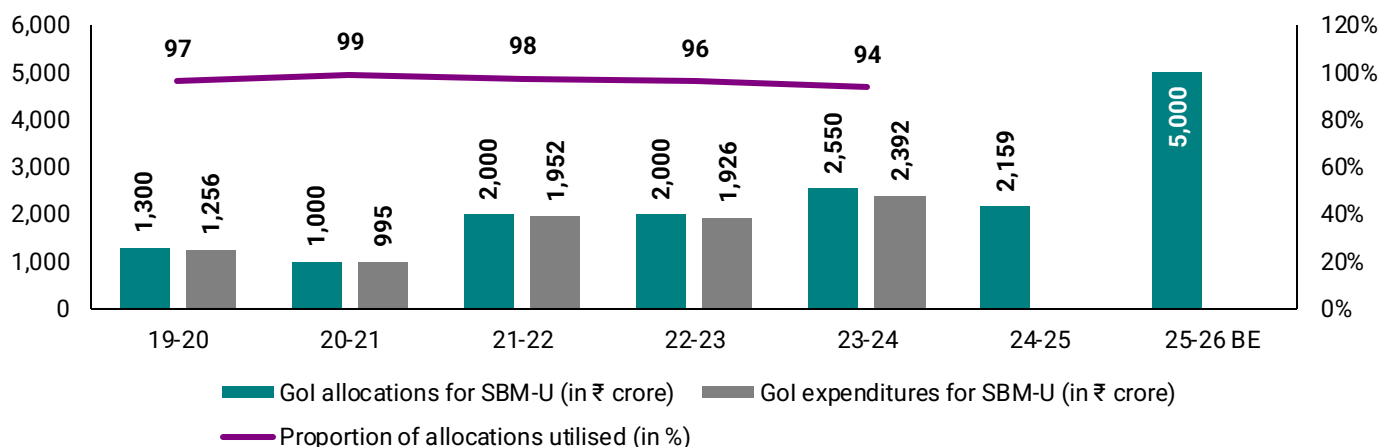


Rashtriya Swachhata Kosh (RSK) is the non-lapsable fund collected by Gol on Swachh Bharat initiatives by levying a cess, or tax on tax, of 0.5 per cent.

Trends in Allocations and Expenditures

- For FY 25-26 BEs, ₹5,000 crore is allocated to SBM-U, an approximately two-fold increase from FY 23-24 REs but same as its BEs. The allocations were also the same as Ministry's proposed outlay for FY 23-24ⁱⁱ.
- Utilisations as a proportion of allocations have been high. Between FY 22-23 and FY 23-24, however, utilisation rate dropped by 2 percentage points from 96 per cent to 94 per cent.
- It is, further, important to note that REs have been lower than BEs across years. In FY 24-25, REs were 57 per cent lower than BEs (₹5,000 crore).

Figure 7: Gol Allocations and Expenditures for SBM-U



Source: Union Expenditure Budget, MoHUA, FY 20-21 to FY 25-26, [url](#). Last accessed on 1 February 2025.

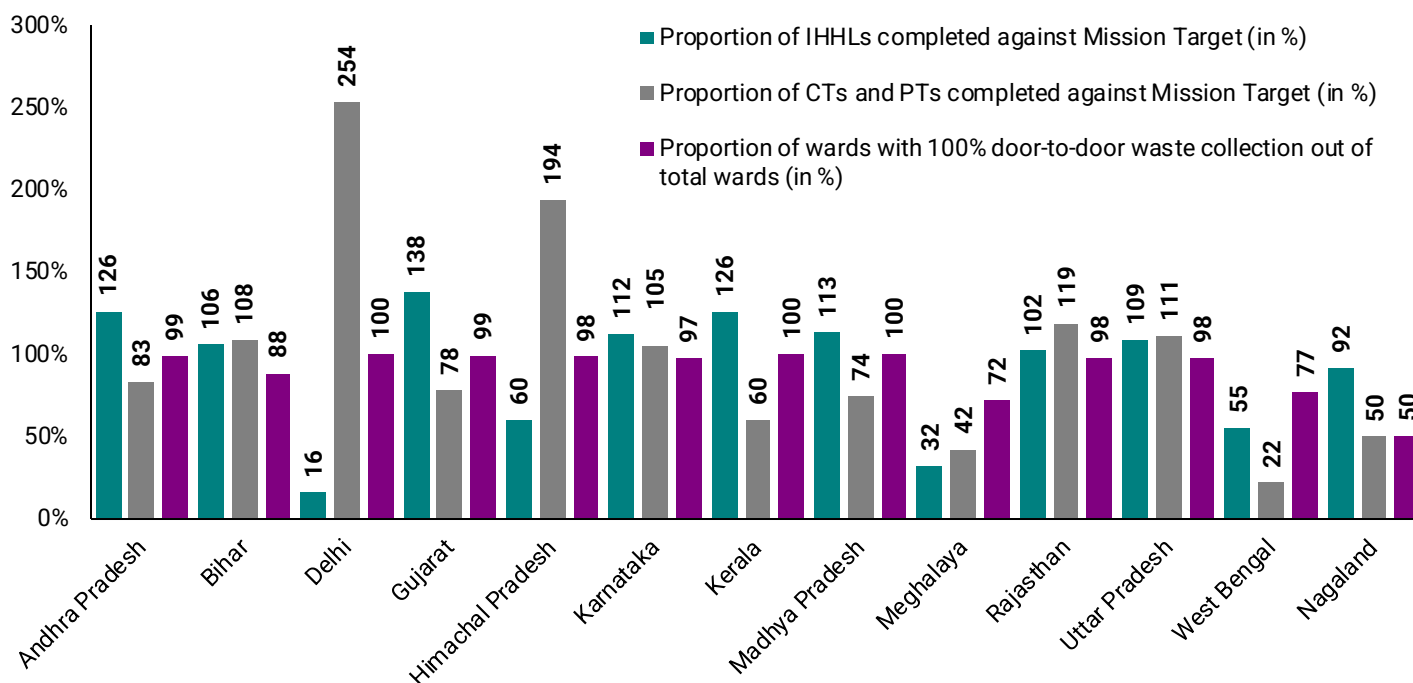
Note: Allocation figures till FY 24-25 are REs and FY 25-26 are BEs. Expenditures reflect Gol releases to states and UTs.

ⁱⁱⁱData for proposed outlay for FY 24-25 was not available at the time of preparation of this brief.

Scheme Progress

- According to a Lok Sabha Question dated 25 July 2024, more than 100 per cent of the overall Mission Target of building 58.99 lakh Individual Household Latrines (IHHL) and 5.07 lakh Community Toilets (CTs) and Public Toilets (PTs) across states had been achieved.
- Out of total wards, 97 per cent had 100 per cent door-to-door waste collection.
- There were, however, variations in scheme progress across states and UTs. Twenty states had exceeded their Mission Targets of IHHL and 19 had exceeded targets for CTs and PTs construction. However, only 10 states had achieved 100 per cent door-to-door waste collection.
- A look at inter-state variation finds that while Andhra Pradesh had exceeded the Mission Target of IHHL, it is lagging in construction of CTs and PTs. On the other hand, Delhi has exceeded the Mission Target of building CTs and PTs but not IHHLs.
- Out of the states and UTs presented in Figure 8, only 50 per cent total wards in Nagaland have 100 per cent door-to-door waste collection, followed by Meghalaya (72 per cent) West Bengal (77 per cent).

Figure 8: Key Scheme Targets under SBM-U



Source: Lok Sabha Question on Target Set under SBM-U dated 25 July 2024, [url](#).

- According to the SBM-U dashboard as on 7 February 2025, there were a total number of 38,950 public toilets, 26,164 community toilets, and 3,763 urinals.¹⁴

Allocations through Key Central Sector Schemes

MASS RAPID TRANSIT SYSTEM (MRTS) AND METRO PROJECTS

MRTS and Metro Projects is the largest CS scheme of MoHUA. Given the dynamic urban transportation landscape, the scheme has had several components over the years. Some have been defined below:¹⁵

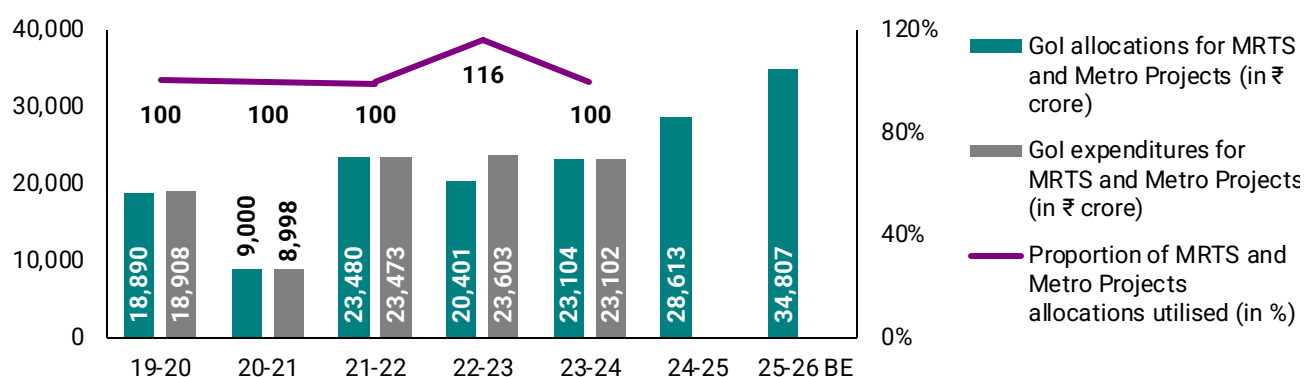
 **Metro Projects:** This component includes equity, loans, and Pass-Through Assistance and expenditure on Transport Planning and Capacity Building to various Metro Projects.

 **National Capital Region Transport Corporation:** This provision allows for equity investment in the National Capital Region Transport Corporation.

Trends in Allocations and Expenditures

- For FY 25-26 BEs allocations for MRTS and Metro Projects is ₹34,807 crore, an increase by 22 per cent from previous year's REs.
- Allocations have not been keeping pace with the Ministry's demand. For instance, in FY 23-24, 96 per cent of the proposed outlay (₹24,000 crore) was allocatedⁱⁱⁱ.
- Utilisations as a proportion of allocations are high across years and more funds were spent than allocated in FY 22-23. Allocated amount was entirely spent in FY 23-24 too.

Figure 9: GoI Allocations and Expenditures for MRTS and Metro Projects



Source: Union Expenditure Budget, MoHUA, FY 20-21 to FY 25-26, [url](#). Last accessed on 1 February 2025.

Note: Allocation figures till FY 24-25 are REs and FY 25-26 are BEs. Expenditures reflect GoI releases to states and UTs.

Component-wise Allocations

- There were variations in allocations, expenditures, and utilisations as a proportion of allocations across components of MRTS and Metro Projects.
- Utilisations for Metro Projects have increased over time, with more than allocated amount spent in FY 22-23.
- On the other hand, utilisation of funds for National Capital Region Transport has improved over time. In FY 19-20, only 33 per cent of funds allocated were spent. This decreased to 16 per cent and 4 per cent in FY 20-21 and FY 21-22, respectively. In FY 22-23 and 23-24, however, all funds were spent.

ⁱⁱⁱ Data for proposed outlay for FY 24-25 was not available at the time of preparation of this brief.

Table 4: Allocations and Expenditures of MRTS and Metro Projects Components (in ₹ crore)

Year	Type	Metro Projects	National Capital Region Transport Corporation
19-20	Allocations	17,612	824
	Expenditures	18,162	274
	% Funds Utilised	103	33
20-21	Allocations	6,484	2,487
	Expenditures	8,573	398
	% Funds Utilised	132	16
21-22	Allocations	18,978	4,472
	Expenditures	23,262	188
	% Funds Utilised	123	4
22-23	Allocations	15,629	4,710
	Expenditures	18,831	4,710
	% Funds Utilised	120	100
23-24	Allocations	19,508	3,596
	Expenditures	19,506	3,596
	% Funds Utilised	100	100
24-25 RE	Allocations	24,691	3,855
25-26 BE	Allocations	31,239	2,918

Source: Union Expenditure Budget, MoHUA, FY 20-21 to FY 25-26, [url](#). Last accessed on 1 February 2025.

Note: Allocation figures till FY 23-24 are REs. FY 24-25 are BEs. Expenditures reflect GoI releases to states and UTs. For 23-24 Actuals, FY 24-25 REs, and FY 25-26 BEs, Transport Planning and Capacity Building in Urban Transport is a sub-component of Metro Projects.

- In FY 25-26 BEs, further, MoHUA has a separate line-item allocation for Grant to Metro Rail Projects which stands at ₹650 crore.

Scheme Progress

- In FY 24-25, the operational length of metro rail projects are 990 kms. In addition, 974 kms are under construction.
- Most (44 per cent) of the operational metro rail projects are in Delhi and NCR (435 kms), followed by Maharashtra (16 per cent or 162 km) and Karnataka (7.5 per cent or 74 km).
- Over the years, however, there were variations in achieving progress. In 18-19, higher kilometres of Metro Rail and Regional Rapid Transit System (RRTS) Network were laid (197 kms achieved and 80 kms targeted). However, between FY 19-20 and FY 22-23, targets were not achieved, with more than 50 per cent of the target unmet in FY 21-22 (only 32 kms was achieved out of 62 kms targeted for the year).¹⁶
- The Standing Committee has indicated that given inefficiencies of metro rails in Tier-II and Tier-III cities, the Ministry should prioritise alternatives such as Bus Rapid Transit, Light Rail Transit, and regional rail.

Internal and Extra Budgetary Resources

- As previously mentioned, MoHUA raises resources through IEBR. These resources provide an additional financial support to schemes such as the PMAY-U and Metro and MRTS Projects.
- In FY 25-26 BEs, ₹62,207 crore is expected to be raised through IEBR, a 48 per cent increase from FY 24-25 REs which stood at ₹42,095 crore.
- Out of total resources raised through IEBR, those through Housing and Urban Development Corporation constitute the highest at ₹61,847 crore (or 99 per cent), followed by the National Capital Regional Planning Board (₹360 crore, or 1 per cent).

- Utilisation across components have been high across years. For the National Capital Regional Planning Board, utilisation increased from 77 per cent in FY 19-20 to more than allocated funds being spent in FY 23-24. Similar trends are seen for the Housing and Urban Development Corporation.
- In the case of spending on Metro and MRTS Projects, however, utilisation rates declined over the years. Allocated funds were not spent in FY 23-24. In FY 24 REs and FY 25-26 BEs, further, no funds are being raised through IEHR for this component.

Table 4: Allocations and Expenditures through IEHR (in ₹ crore)

Year	Type	National Capital Regional Planning Board	Housing and Urban Development Corporation	Metro and MRTS Projects	Building Material and Technology Promotion Council
19-20	Allocations	295	31,887	500	15,000
	Expenditures	226	21,915	1,324	15,000
	% Funds Utilised	77	69	265	100
20-21	Allocations	279	18,449	900	10,000
	Expenditures	277	9,216	800	0
	% Funds Utilised	99	50	89	0
21-22	Allocations	280	10,459	1,488	0
	Expenditures	267	8,426	1,280	NR
	% Funds Utilised	95	81	86	-
22-23	Allocations	250	18,159	1,023	NR
	Expenditures	274	15,260	978	NR
	% Funds Utilised	110	84	96	-
23-24	Allocations	300	15,355	1,133	NR
	Expenditures	321	23,063	0	NR
	% Funds Utilised	107	150	0	-
24-25	Allocations	350	41,745	0	NR
25-26 BE	Allocations	360	61,847	0	NR

Source: Union Expenditure Budget for MoHUA, FY 20-21 to FY 25-26, [url](#).

Note: Allocation figures till FY 24-25 are REs and FY 25-26 are BEs. Expenditures reflect releases to states and UTs. NR = Not Reported.

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About ResGov

The Foundation for Responsive Governance (ResGov) is a Section 8 not-for-profit working to strengthen the capabilities of government and communities to ensure public initiatives reach the most vulnerable.

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