'Vetri Veedu Thittam': G.O. sanctions ₹3,500 crore for 70,000 rural houses in the first phase

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News

As the first phase of the 'Vetri Veedu Thittam', which gives permanent concrete houses to poor rural families living in huts, the Tamil Nadu Government issued a G.O. sanctioning ₹3,500 crore for 70,000 houses in 2026-27 (reported on 6 November 2026). The order was issued by Dharmendra Pratap Yadav, Principal Secretary, Rural Development and Panchayat Raj Department. Each house gets ₹5 lakh, paid into the beneficiary's bank account in four instalments; it must be 360–500 sq ft with a kitchen and a concrete roof. Of the ₹3,500 crore, ₹2,600 crore is State funds and ₹900 crore comes from State Finance Commission grants to village panchayats. People living in huts, mud-walled houses or houses with unsafe roofs get priority; beneficiaries are chosen through a door-to-door survey on a mobile app, with lists displayed at panchayat offices. Households without toilets get ₹12,000 under Swachh Bharat Mission (Gramin), and bank loans carry a 3% interest subsidy. Announced by Finance Minister N. Marie Wilson in the 2026-27 State Budget (5 August 2026), the scheme is the first phase of the 'Vetri Thamizhagam' goal of 5 lakh rural houses.

Key facts for the exam

Point	Details
Scheme	Vetri Veedu Thittam (State scheme)

Point	Details
Announced	TN Budget 2026-27, 5 Aug 2026
Phase 1	70,000 houses (2026-27)
Outlay	₹3,500 cr (State ₹2,600 cr + SFC grants ₹900 cr)
Per house	₹5 lakh in 4 instalments
Size	360–500 sq ft; kitchen, RCC roof
Quotas	SC/ST 40%; PwD 5%; Collector's discretionary 5%
Excluded	Income above ₹2.5 lakh a year; earlier govt-housing beneficiaries
Department	Rural Development & Panchayat Raj
Scheme period	2026-27 to 2030-31

Background

- Central scheme history: 'Indira Awaas Yojana', begun in 1985-86 as a sub-scheme of the Rural Landless Employment Guarantee Programme (RLEGP), became an independent scheme in 1996. In 2016 it was restructured as 'Pradhan Mantri Awaas Yojana–Gramin' (PMAY-G): ₹1.20 lakh assistance in the plains and ₹1.30 lakh in hilly/difficult areas, a minimum area of 25 sq m, and a 60:40 Centre–State share.
- Constitution: the Eleventh Schedule, added by the 73rd Amendment (1992), lists 29 subjects for Panchayats; entry 10 is 'rural housing'. Under Article 243-I, the Governor constitutes a State Finance Commission every five years to review panchayat finances and recommend their share of State revenue. The scheme's ₹900 crore comes from these grants.
- Earlier TN schemes: 'Kalaignar Kanavu Illam', launched in 2024, aimed at 8 lakh concrete houses by 2030 for a 'hut-free Tamil Nadu' (1 lakh houses in each of the first two years). Before that, schemes such as the 'Chief Minister's Solar Powered Green House Scheme' ran. Reports on the G.O. do not say whether Vetri Veedu formally replaces them, but Budget reports say the unit assistance was raised from ₹3.10 lakh to ₹5 lakh.
- Socio-economics: Swachh Bharat Mission (Gramin) was launched on 2 October 2014 and gives ₹12,000 for an individual household toilet. For extra funds, beneficiaries can get a community-investment loan of up to ₹50,000 at 6% through the Tamil Nadu State Rural Livelihoods Mission (the State arm of DAY-NRLM). A permanent house improves safety for women and children, health and disaster resilience.

Tamil Nadu link: This is entirely a Tamil Nadu scheme: the ₹5 lakh assistance is several times PMAY-G's plains unit assistance of ₹1.20 lakh. In every district, 5% of houses are kept as the Collector's discretionary quota for disaster-hit families and those missed in the survey; widows, destitute women, transpersons and ex-servicemen get priority.

Frequently asked questions

What is this news about?

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houses in 2026-27 (reported on 6 November 2026).

What are the key facts to remember for the exam?

Scheme: Vetri Veedu Thittam (State scheme); Announced: TN Budget 2026-27, 5 Aug 2026; Phase 1: 70,000 houses (2026-27); Outlay: ₹3,500 cr (State ₹2,600 cr + SFC grants ₹900 cr).

What is the background to this news?

Central scheme history: 'Indira Awaas Yojana', begun in 1985-86 as a sub-scheme of the Rural Landless Employment Guarantee Programme (RLEGP), became an independent scheme in 1996.

Practice questions (with answers)

1. How much assistance per house is given under Tamil Nadu's 'Vetri Veedu Thittam'?

A) ₹3.5 lakh

B) ₹5 lakh

C) ₹1.2 lakh

D) ₹2.5 lakh

Answer: B – Explanation: ₹5 lakh – paid to the bank account in four instalments: foundation, window level, roof and completion. PMAY-G gives only ₹1.20 lakh in the plains.

2. Vetri Veedu's ₹900 crore comes from village-panchayat grants recommended by which body?

A) State Finance Commission

B) Union Finance Commission

C) NABARD

D) HUDCO

Answer: A – Explanation: The State Finance Commission – constituted by the Governor every five years under Article 243-I; it reviews panchayat finances and makes recommendations.

3. PMAY-Gramin was created in 2016 by restructuring which earlier rural housing scheme?

A) Rajiv Awas Yojana

B) Indira Awaas Yojana

C) Valmiki Ambedkar Awas (VAMBAY)

D) JNNURM

Answer: B – Explanation: Indira Awaas Yojana – begun in 1985-86 as an RLEGP sub-scheme and made independent in 1996. Rajiv Awas Yojana and VAMBAY were for urban slums.

4. Added by the 73rd Amendment, which Schedule lists 'rural housing' among the subjects for Panchayats?

A) Seventh Schedule

B) Tenth Schedule

C) Eleventh Schedule

D) Twelfth Schedule

Answer: C – Explanation: Eleventh Schedule – 29 subjects; entry 10 is 'rural housing'. The Twelfth Schedule (74th Amendment) has 18 subjects for municipalities.

5. Under which central programme will toilet-less Vetri Veedu beneficiaries get ₹12,000?

A) Jal Jeevan Mission

B) AMRUT

C) Swachh Bharat Mission (G)

D) DAY-NRLM

Answer: C – Explanation: Swachh Bharat Mission (Gramin) – launched 2 Oct 2014; ₹12,000 per household toilet. Jal Jeevan Mission is for household tap water (2019).

Sources: Daily Thanthi; DT Next; DT Next (Budget); LiveChennai; DT Next (KKI); PMAY-G. © Shanmugam IAS Academy.