

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

STARRED QUESTION NO:141
ANSWERED ON:08.03.2010
COST OF CONSTRUCTION UNDER IAY
Khan Shri Hassan

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) the existing level of financial assistance granted under the Indira Awaas Yojana (IAY) to the entitled persons per unit in the plain and in remote and hilly areas;
- (b) whether the assistance granted in this regard is not commensurate with the real cost of construction;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the action proposed to revise the existing limit on real basis?

Answer

MINISTER OF RURAL DEVELOPMENT (DR. C. P. JOSHI)

(a) to (d): A Statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No.141 due for answer on 08-03-2010

(a) At present, the unit assistance under Indira Awas Yojana (IAY) is Rs.35,000/- in plain areas and Rs.38,500/- in hilly/difficult areas. In addition, the Reserve Bank of India has been advised by the Ministry of Finance to include IAY houses under the Differential Rate of Interest (DRI) scheme for lending upto Rs.20,000/- per housing unit, at an interest rate of 4%.

(b) & (c) The amount provided under IAY is only the unit assistance and not the actual unit cost. The Central Building Research Institute, Roorkee has since been entrusted with the task to study the typology of houses constructed in various regions of the country and to estimate the average unit cost of an IAY house. The Institute, in its interim report has estimated the unit cost to be between Rs.77,000 and Rs. 88,000 for different designs.

(d) Keeping in view the increase in the cost of construction, the Finance Minister, in the Budget Speech 2010-11, has proposed to enhance the unit assistance under IAY from Rs.35,000/ to Rs.45000/- in plain areas and Rs.38,500/- to Rs.48,500/- in hilly/difficult areas.