

**GOVERNMENT OF INDIA
HOUSING AND URBAN POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1535

ANSWERED ON:14.08.2013

INFRASTRUCTURE STATUS TO HOUSING SECTOR

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Yadav Shri Dharmendra; Yaskhi Shri Madhu Goud

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

- (a) whether the Ministry of Finance had earlier rejected the proposal for giving infrastructure status to the housing sector;
- (b) if so, the reasons therefor and the present status thereon;
- (c) the details of the assistance received from the Finance Ministry to help construct two million low-cost housing units across the country; and
- (d) the details of funds provided to each State therefrom?

Answer

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION [DR. (MS.) GIRIJA VYAS]

(a) & (b): Yes, Madam. During the 4th meeting of "Institutional Mechanism (IM) under the Harmonized Master List of Infrastructure sub-sectors", constituted by Ministry of Finance, the proposal of Ministry of Housing & Urban Poverty Alleviation to assign 'Infrastructure Status' to Affordable Housing Sector, was rejected in view of the need to first comprehensively address the setting up of prudential safeguards for the sector.

During the 5th meeting of the IM, it was reconsidered. However, since sufficient mechanism to monitor actual construction of affordable housing units is not in place and there are possibilities of misuse of tax concessions etc. which flow as a result of according 'Infrastructure Status', the proposal was not approved.

(c): 'Land' and 'Colonisation' are State subjects, therefore, it is primary responsibility of States to provide low cost housing to all its citizens. However, Ministry of Housing & Urban Poverty Alleviation has been supporting the States with schemes as under with a target of constructing two million dwelling units during the 12th Five Year Plan period:

Rajiv Awas Yojana (RAY): In pursuance of the Government's vision of creating a Slum-free India, RAY has been launched on 02.06.2011 with an objective to provide financial assistance to States that are willing to assign property rights to slum dwellers for provision of decent shelter and basic civic and social services for slum redevelopment, and for creation of affordable housing stock. A target of 1 million Dwelling Units has been set under RAY for 12th Five Year Plan.

Rajiv Rinn Yojana (RRY): The revamped Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) or Rajiv Rinn Yojana (RRY) with enhanced credit limits at concessional rate of interest has been proposed with a target of 1 million Dwelling Units during 12th Five Year Plan. RRY envisages channelization of credit to facilitate home ownership.

The Expenditure Finance Committee (EFC) constituted by Ministry of Finance has accorded necessary clearance for these schemes. Ministry is approaching the Cabinet for necessary approval.

(d): RRY is proposed to be implemented as a demand driven scheme. State-wise allocation if any, for RAY will be based on decision of the Cabinet.