

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:6043

ANSWERED ON:30.04.2015

SHORTAGE OF FUNDS UNDER IAY

Adsul Shri Anandrao ;Yadav Shri Dharmendra;Yeddyurappa Shri B. S.

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether there is huge shortage of funds for the Indira Awaas Yojana (IAY);
- (b) if so, whether the Government has increased the financial assistance for IAY;
- (c) if so, the details thereof;
- (d) whether increase in financial assistance is comprehensively inadequate and if so, the reaction of the Government thereto; and
- (e) whether increase in admissible loan amount at a little higher rate of interest can address to this problem and if so, the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI SUDARSHAN BHAGAT)

(a) : Providing durable houses of good quality requires adequate investment in the material used for construction and for the process of construction. The current unit assistance was found to be grossly inadequate to build a durable house.

(b) and (c): Yes, Madam. Under Indira Awaas Yojana (IAY), the financial assistance has been increased from Rs.45,000/- to Rs. 70,000/- in plain areas and from Rs.48,500/- to Rs.75,000/- in hilly/difficult areas . The increased unit assistance is effective from 1st April, 2013.

(d and (e) : The unit assistance has remained insufficient to complete the houses due to increasing cost of construction material and skilled labour. However, assistance from State and Central Government is often supplemented by savings and labour of the beneficiary.

Availing of loan at higher rate of interest depends on the repayment capacity of individual beneficiary; the enhanced loan for construction of houses under IAY is often negotiated by the beneficiary with the financial institution.