

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 1003
TO BE ANSWERED ON JULY 28, 2021**

INCENTIVES TO PRIVATE SECTOR COMPANIES FOR ARHCs CONTRUCTION

NO. 1003. SHRI JOHN BRITTAS:

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

- (a) whether Government has provided incentives to private sector companies to construct ARHC's for migrant workers in the country;
- (b) if so, the details thereof; and
- (c) how many such ARHC's have been initiated as on date, the State-wise details thereof?

**ANSWER
THE MINISTER OF STATE IN THE
MINISTRY OF HOUSING AND URBAN AFFAIRS
(SHRI KAUSHAL KISHORE)**

- (a) & (b): Yes, Sir. Following incentives have been provided by Government for public/private sector companies to construct Affordable Rental Housing Complexes (ARHCs) for migrant workers in the country:
- i. Exemption of Income Tax on any profits and gains derived from operation of ARHCs on similar lines as that of 'Affordable Housing' under section 80-IBA of Income Tax Act, 1961
 - ii. Exemption of GST on any profits and gains derived from operation of ARHCs at par with rental services of residential premises, vide Notification No. 12 of 2017- Central Tax (Rate) dated 28th June, 2017
 - iii. Project finance/loan at lower interest rate through concessional window under Affordable Housing Fund (AHF) by Housing Finance Companies (HFCs) and Priority Sector Lending (PSL) by Commercial Banks
 - iv. Provision of "Use Permission" changes for houses on vacant land, if needed
 - v. 50% additional Floor Area Ratio (FAR)/ Floor Space Index (FSI) free of cost
 - vi. Single window approval of design/drawings and other statutory approvals within 30 days

- vii. Necessary trunk infrastructure facilities like road, sanitation services, water, sewerage/septage, drainage, electricity etc. up to the project site without any additional cost to Entity
 - viii. Municipal services such as water supply, electricity, house/property tax, sewerage/septage charge etc. for operation of ARHCs will be levied at par with residential projects.
 - ix. Additional grant in the form of Technological Innovation Grant (TIG) by Ministry of Housing and Urban Affairs (MoHUA) for using innovative, sustainable, green and disaster-resilient technologies as well as building materials for cost effective, faster and quality construction of ARHCs. The TIG of ₹60,000/- per house (Single Bedroom), ₹1,00,000/- (Double Bedroom) and ₹20,000/-per Dormitory Bed will be provided as per the Scheme Guidelines.
- (c): Implementation of this scheme is at initial stage. So far, 2,588 units (2,195 at Chandigarh and 393 at Surat, Gujarat) have been converted into ARHCs and Request for Proposal have been issued for converting 6,854 vacant houses into ARHCs in the States of Gujarat, Himachal Pradesh, Haryana, Madhya Pradesh, Uttarakhand and Rajasthan under Model-1 of the scheme. Other States/Union Territories (UTs) are currently in the process of validating their vacant houses for converting into ARHCs through hiring of Concessionaire. Under Model-2, proposals for construction of about 1.02 lakh ARHC units have been received from public/private sector companies. Evaluations of these proposals are currently ongoing by the respective States/UTs/Urban Local Bodies (ULBs).
