

GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 4127

TO BE ANSWERED ON MARCH 20, 2018

FUNDING FOR PMAY

No. 4127 KUMARI SHOBHA KARANDLAJE :
 SHRI PRATHAP SIMHA :

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

- (a) whether the Government proposes to borrow Rs. 10,000 crore from the National Small Savings Fund (NSSF) for funding the Pradhan Mantri Awas Yojana (PMAY) in urban areas and if so, the details thereof;
- (b) whether modalities such as the time period after which the Government will start repaying the principal amount has been finalised and if so, the details thereof;
- (c) the total allocation for PMAY (Urban) during the last two years and the current financial year;
- (d) whether relying on Government-administered corpuses like the NSSF will reduce the costly market borrowings and help rein in fiscal deficits; and
- (e) whether the Government's push for affordable housing has prompted more Private Developers to focus on affordable and mid-range homes during the last one year?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF
HOUSING AND URBAN AFFAIRS
(SHRI HARDEEP SINGH PURI)

(a) to (d): Government of India has accorded approval to invest Rs. 8,000 crore from the resources of National Small Savings Fund

(NSSF) in Building Materials and Technology Promotion Council (BMTPC) for a period of ten years for disbursing central assistance, on the advice of the Ministry of Housing and Urban Affairs, under the Pradhan Mantri Awas Yojana (Urban) {PMAY (U)}. The rate of interest on the loan is 8.4% per annum. The interest is payable half yearly, whereas the principal amount is repayable after completion of the loan period or prior to that with the approval of Ministry of Finance. The payment of interest and repayment of principal are to be backed by budgetary provisions on year to year basis over the period of the loan tenure. The total budget allocation for central assistance under PMAY (U) during the last two years and the current year is Rs. 15,025.90 crore.

(e): Central Government provides for various fiscal incentives to the developers to invest in Affordable Housing. Section 80-IBA of the income Tax Act provides for 100% deduction of profits and gains from developing Affordable Housing. Affordable Housing has been accorded infrastructure status by including it in the Harmonized List of Infrastructure. This is to ensure low cost, long term and enhanced resource flow for affordable housing. GST Council has lowered the effective GST rate from 12% to 8% for all the houses constructed under PMAY (U). Further, in order to facilitate private sector participation and to meet the growing need of affordable housing in the country the Ministry of Housing & Urban Affairs, upon several consultations and stakeholder deliberations, has structured eight basic 'PPP Models for Affordable Housing' and shared these models with all States/UTs and other concerned stakeholders for adoption and wider implementation.
