

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 852
TO BE ANSWERED ON DECEMBER 04, 2025**

**IMPLEMENTATION OF URBAN CHALLENGE FUND AND INDUSTRIAL
HOUSING SCHEME**

NO. 852. SHRI TANGELLA UDAY SRINIVAS:

Will the Minister of Housing and Urban Affairs be pleased to state:

- (a) the present implementation status of the Urban Challenge Fund and the Industrial Housing Scheme announced in the Union Budget 2025-26 along with the timelines set for finalising guidelines and releasing funds;**
- (b) the number of proposals received under each scheme, State/UT-wise including the proposals received from Andhra Pradesh;**
- (c) the status of each proposal-approved, under evaluation or rejected along with the reasons for rejection thereof;**
- (d) the funds allocated, sanctioned and disbursed under each scheme since their inception, State/UT-wise;**
- (e) the eligibility norms and financial participation criteria being considered including Public-Private Partnership (PPP), bond financing and private investment requirements; and**
- (f) whether any pilot or model projects are proposed for early rollout under either scheme and if so, the details of sectors and locations thereof?**

**ANSWER
THE MINISTER OF STATE IN THE
MINISTRY HOUSING AND URBAN AFFAIRS
(SHRI TOKHAN SAHU)**

(a) to (f): The Government of India, in the budget for 2025-26 has announced to set up an Urban Challenge Fund (UCF) of ₹1 lakh crore to implement the proposals for 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and 'Water and Sanitation'. As per the budget announcement, this fund is planned to finance up to 25 per cent of the cost of bankable projects with a stipulation that at least 50 per cent of the cost is funded from bonds, bank loans, and Public Private Partnerships (PPPs). ₹10,000 crore has been allocated for the financial year 2025-26 in the budget announcement.

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In the Union Budget 2024-25, Government has announced rental housing with dormitory-type accommodation for industrial workers to be facilitated in public-private partnership (PPP) mode with Viability Gap Funding (VGF) support and commitment from anchor industries. For this purpose, ₹2,500 crore has been provisioned for 2025-26.

The Schemes for UCF and rental housing for industrial workers are under consideration. After approval of the schemes, the eligibility norms and participation criteria will be finalized and proposals will be invited.
