

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 4421
TO BE ANSWERED ON MARCH 19, 2026**

UTILIZATION OF FUNDS UNDER UCF

NO. 4421. DR. SHARMILA SARKAR:

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

- (a) the details and the reasons for the ninety per cent underutilisation of funds allocated under the Urban Challenge Fund (UCF) between Budget Estimates (BE) 2025-26 and Revised Estimates (RE) 2025-26;**
- (b) the details of the funds utilised under the UCF till date; and**
- (c) the details of any projects proposed and selected under the UCF?**

ANSWER

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

(a) to (c): Post announcement of Urban Challenge Fund (UCF) in the Union Budget 2025-26, Ministry of Housing and Urban Affairs held detailed consultations with stakeholders including concerned Central Ministries, State Governments, Urban Local Bodies (ULBs), Parastatals, Banks, Non-Banking Financial Companies (NBFCs), Multilateral Banks and Think Tanks. The Cabinet has approved Urban Challenge Fund of ₹1 Lakh Crores on February 13, 2026.

Till date, no project has been approved and no fund has been utilized under UCF. Guidelines for UCF are under preparation.
