

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 2401**

**TO BE ANSWERED ON THE 11<sup>th</sup> MARCH, 2016 / PHALGUNA 21, 1937 (SAKA)**

**Bank Loan to Real Estate Developers**

**2401. SHRI GAURAV GOGOI:**

**SHRI SUSHIL KUMAR SINGH:**

Will the Minister of FINANCE be pleased to state

- (a) whether the Government has provided any incentives to real estate developers to ensure affordable housing schemes, if so, the details thereof;
- (b) whether the Government has received any complaint against real estate companies/developers duping citizen in the recent past;
- (c) if so, the details thereof;
- (d) whether the real estate companies are come under the SEBI guidelines and regulation, if so, the details thereof; and
- (e) the steps taken by the Government to protect investors in this regard?

**Answer**

The Minister of State in the Ministry of Finance  
**(SHRI JAYANT SINHA)**

**(a):** Government has taken several measures to support affordable housing by real estate developers which inter-alia includes:

- Under Pradhan Mantri Awas Yojana's (PMAY) Affordable Housing in Partnership component, states and cities can extend concessions such as subsidy, land at affordable cost, stamp duty exemption etc. to developers who enter into a partnership with the State / Union Territory concerned or its agency for affordable housing projects.
- A separate sub sector called Commercial Real Estate – Residential Housing (CRE-RH) has been carved out with reduced risk weights for loans from banks to builders / developers for residential housing projects.
- Banks have been allowed to issue long-term bonds with a minimum maturity of seven years to raise resources for lending to affordable housing.

**(b) & (c):** 'Land' and 'Colonisation' are State subjects, hence, the complaints received against the real estate developers, companies are forwarded to concerned State Government for addressing and resolving the issues.

**(d)** Securities and Exchange Board of India (SEBI) does not regulate real estate activity or real estate companies.

**(e)** The investors have recourse through courts under various Acts such as Consumer Protection Act, 1986, Indian Contract Act, 1872, Specific Relief Act, 1963 etc. with respect to complaints against developers / real estate companies.

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