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**STANDING COMMITTEE ON  
URBAN DEVELOPMENT  
(2008-2009)**

**FOURTEENTH LOK SABHA**

**MINISTRY OF HOUSING AND URBAN  
POVERTY ALLEVIATION**

**URBAN HOUSING**

**FORTIETH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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STANDING COMMITTEE ON  
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MINISTRY OF HOUSING AND URBAN  
POVERTY ALLEVIATION

URBAN HOUSING

*Presented to Lok Sabha on 2.7.2009*

*Laid in Rajya Sabha on 2.7.2009*



LOK SABHA SECRETARIAT  
NEW DELHI

*March, 2009/Phalguna, 1930 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE ON  
URBAN DEVELOPMENT (2008-2009)

Mohd. Salim — *Chairman*

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2. Shri Avtar Singh Bhadana
3. Smt. Botcha Jhansi Lakshmi
4. Shri Sharanjit Singh Dhillon
5. Shri Surendra Prakash Goyal
6. Shri Anant Gudhe
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*Rajya Sabha*

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30. Shri Manohar Joshi
31. Shri Mukul Roy

SECRETARIAT

- |                             |   |                            |
|-----------------------------|---|----------------------------|
| 1. Dr. R.K. Chadha          | — | <i>Joint Secretary</i>     |
| 2. Shri T.K. Mukherjee      | — | <i>Director</i>            |
| 3. Smt. Anita B. Panda      | — | <i>Deputy Secretary</i>    |
| 4. Shri Manish Kumar Thakur | — | <i>Committee Assistant</i> |

## INTRODUCTION

I, the Chairman of the Standing Committee on Urban Development (2008-09), having been authorized by the Committee to submit the Report on their behalf, present the Fortieth Report on the subject 'Urban Housing' relating to the Ministry of Housing and Urban Poverty Alleviation.

2. The Committee took evidence of the representatives of the Ministry of Urban Employment and Poverty Alleviation on 2nd January, 2006 and the Ministry of Housing and Poverty Alleviation on 16th May, 2008 and 6th January, 2009 respectively.

3. Experts Professor E.F.N. Ribeiro, former Chief Planner, Town and Country Planning Organization, Ministry of Urban Development and former Director, School of Planning and Architecture and Dr. Shailesh Agarwal Executive Director, Building Materials & Technology Promotion Council were also invited to tender their views on the subject at the sitting of the Committee held on 2nd September, 2008.

4. The Committee also heard the views of Shri S. Sridhar, Chairman and Managing Director, National Housing Bank and Shri Kumar Gera, Chairman, Confederation of Real Estates Developers' Association of India on the subject at the sitting of the Committee held on 27th January, 2009.

5. The Committee considered and adopted the Report at their sitting held on 9th March, 2009.

6. The Committee wish to express their thanks to the officials of the Ministry of Urban Employment and Poverty Alleviation, Ministry of Housing and Urban Poverty Alleviation, experts Professor E.F.N. Ribeiro, Dr. Shailesh Agarwal, Shri S. Sridhar and Shri Kumar Gera, for placing before them the requisite material and their considered views in connection with the examination of the subject.

7. They would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;  
16 March, 2009  
25 Phalgun, 1930 (Saka)

MOHD. SALIM,  
Chairman,  
Standing Committee on  
Urban Development.



## REPORT

### PART I

#### A. Introductory

Housing is one of the three basic human needs, next only to food and clothing. It is an essential element in the overall socio-economic development of the country and its citizens, and for the satisfaction of social and cultural aspirations of the people. Construction activity accounts for more than 50 per cent of the development outlays. The problem of housing shortage confronting us today seriously threatens to upset the political and social order since with each successive Five Year Plan, the gap between demand and supply has only been widening. A major reason for the current scenario is the intrinsic equation between escalating urbanization and urban housing. As per the views of an expert\*, it is expected that by the year 2051, the population of India would be almost equal in urban and rural areas, with major cities and metro cities attracting a major portion of the country's rural population, thus aggravating demand for urban housing.

1.2 As per the information furnished by the Ministry of Housing and Urban Poverty Alleviation, the apex authority of Government of India to play a nodal role in addressing issues related to urban housing, India's urban population in the year 2001 was 286.1 million *i.e.* 27.8% of the total population of the country against just 6% of the nation's land occupied by urban India. Over the previous five decades, annual rates of growth of urban population ranged between 2.7% to 3.8%. During the last decade of 1991-2001, urban population of India increased at an annual growth rate of 2.7%.

1.3 Elaborating the urbanization trend in India, the Ministry, in their background material, on the subject, stated as under:

"The process of urbanization in India is marked by increasing concentration in comparatively larger cities. In 2001, 68.7% of the total urban population was living in Class I cities (with a population of over one lakh). The shares of medium and small towns stood at 21.9% and 9.4% respectively. The number and

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\*Professor E.F.N. Ribeiro, former Chief Planner, Town and Country Planning Organization (TCPO)

proportion of cities with a population of one million or more have grown significantly in recent decades. From 12 cities in 1981 with 26.8% share of the total urban population, the number of million plus cities has increased to 35 in 2001 with 37% share of the total urban population. The seven magnet cities with a population of over 4 million, namely, Mumbai, Kolkata, Delhi, Chennai, Bangalore, Hyderabad and Ahmedabad have a total population of 64.54 million which was 22.56% of the total population at the beginning of the 21st century (2001). Excluding Bangalore, the average annual growth rate between 1991-2001 in 'peripheral areas' of these large cities ranged between 1.70% to 4.18% as compared to only 0.40% to 3.90% in 'core areas'. The outward expansion of these cities had led to urban sprawl or what can also be termed as metropolitization of large cities. The intervening space between large urban agglomerates and their rural hinterland is marked by intense financial speculation related to sale-purchase of land."

1.4 The Committee were apprised of the two principal causes of increase in urban population as under:

"The first one is the natural increase of population as a consequence of the birth rate being higher than the death rate and the another one is migration from rural to urban areas. For India as a whole, natural increase of population has been the prime source of urban growth whereas the contribution of rural to urban migration has been about one-fifth of the net increase in urban population. However, migration from rural to urban areas has been a significant factor in the increase of urban population of certain States such as Gujarat, Maharashtra, Haryana and Delhi."

1.5 Professor E.F.N Ribeiro, former Chief Planner, Town and Country Planning Organisation (TCPO), Ministry of Urban Development, and former Director, School of Planning and Architecture (SPA), New Delhi informed the Committee, in his written memorandum, as under:-

"The rush to urban India is not likely to subside atleast, until an ideal urban: rural balance of 70:30 is achieved as achieved as in first world economies. This is expected to happen in India only towards the end of the 21st century. More importantly, this economy driven rural push and urban pull is and would continue to occur unevenly, with megacities (10 million and more population) and other metrocities (one to 10 million population) attracting more people than smaller cities and other towns. In fact, many small

town areas are also contributing to this outwards migration patterns in slowing down this trend through enhanced investments in rural and small town India. The demand for urban housing has to work within this reality”.

1.6 Providing an overview of the housing scenario in the last few years, the Ministry informed the Committee as under:

“At the advent of the 21st Century (2001), the housing Stock in India stood at 50.95 million for 55.8 million urban households. A significant segment of this housing stock was characterized by congestion and absolescence. Congestion is particularly acute in inner city slums and peripheral slums. According to the 2001 Census, 61.82 million persons or 23.1% of the urban population resided in slums. The quality of housing stock in slums is extremely poor. An important reason for this is insecurity of tenure. Slums are also severely deficient in basic services such as potable water, sanitation, sewerage, storm water drainage and solid waste disposal. Given the degraded habitat in which slum dwellers live and the frequent episodes of illness characterizing slum facilities, it is of vital importance that special attention is paid to urban health and hygiene on the one hand and social and preventive medicine on the other hand. In order to improve the quality of life in urban areas, it is of critical significance that the housing stock is improved through urban renewal, *in situ* slum improvement and development of new housing stock in existing cities as well as new townships. Further, the enhancement of housing stock must be accompanied with high quality provision of basic services. It is a well established fact that safe, hygienic and spacious provisioning of housing duly buttressed with adequate basic services and a congenial habitat promotes significant improvement in productivity of workers.”

1.7 The Committee had examined in detail various issues related to the Urban Housing demand, the shortage, implementation of NUHHP, 2007\*, Centrally Sponsored Housing Schemes, role of financial institutions, Real Estate Developers etc. to achieve the Housing Targets for the 11th Plan and heard views of experts on the subject too. These have been brought out in the subsequent sections of the Report.

## **B. National Urban Housing & Habitat Policy–2007 (NUHHP)**

2.1 The Committee were informed that in order to meet the challenge of huge urban housing shortage along with the severe shortage of basic services like potable water, well laid out drainage

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\*The National Urban Housing and Habitat Policy-2007.

system, sewerage network, sanitation facilities, electricity etc., the Government had formulated the NUHHP-2007 with its fundamental goal of “Affordable Housing for All”. This policy intends to promote sustainable development of habitat in the country with a view to ensuring equitable supply of land, shelter and services at affordable prices to all sections of society.

2.2 The Committee were apprised of the following salient features of the National Urban Housing and Habitat Policy, 2007:

- (i) Encouraging State Governments, Urban Local Bodies, Development Authorities to periodically update their Master Plans and Zonal Plans which should, *inter alia* adequately provide for housing and basic services for the urban poor.
- (ii) Promoting balanced urban-rural planning by following the Regional Planning Approach, take the whole State/UT as a region, under the Town & Country Planning Acts in the States.
- (iii) Accelerating the pace of development of housing and related infrastructure.
- (iv) Creating adequate housing stock both on rental and ownership basis with special emphasis on improving the affordability of the vulnerable and economically weaker sections of society through appropriate capital or interest subsidies.
- (v) Using technology for modernizing the housing sector for enhancing energy and cost efficiency, productivity and quality. Technology would be harnessed to meet the housing needs of the poor. The concept of ‘green’ and ‘intelligent’ buildings would be put in place on the ground. Technological advances would be disseminated for preventing and mitigating the effects of natural disasters on buildings, e.g., in case of earthquakes, floods, cyclones, etc.
- (vi) Promoting larger flow of funds from governmental and private sources for fulfilling housing and infrastructure needs by designing innovative financial instruments.
- (vii) Designing suitable fiscal concessions in congruence with the Housing and Habitat Policy with appropriate monitoring mechanism to ensure that the concessions are correctly targeted and utilized.

- (viii) Removing legal, financial and administrative barriers for facilitating access to tenure, land, finance and technology.
- (ix) Shifting to a demand driven approach and from subsidy based housing schemes to cost recovery-cum-subsidy schemes for housing through a proactive financial policy including micro-finance and related self-help group programmes.
- (x) Innovative spatial incentives like relaxation of Floor Area Ratio (FAR) for ensuring that 20-25 % of the FAR are reserved for EWS/LIG and issuance of Transferable Development Rights(TDR) for clearance of transport bottlenecks in the inner-city areas and availability of additional FAR in Outer Zones will be promoted with a view to meeting the housing shortage amongst EWS/LIG.
- (xi) Careful review of authorized Floor Area Ratio (FAR) in line with international practices for allowing more efficient use of scarce urban land by construction of high rise buildings.
- (xii) Facilitating accessibility to serviced land and housing with focus on economically weaker sections and low income group categories.
- (xiii) Suitable restructuring for enabling both institutions at the State and Centre levels as well as the private sector for increasing supply of land.
- (xiv) Special efforts for catering to the needs of Scheduled Castes, Scheduled Tribes, Backward Classes, Minorities, Disabled persons, slum dwellers, street vendors other informal sector workers and other vulnerable sections of the society in relation to housing and access to basic services.
- (xv) Forging strong partnerships between public, private and cooperative sectors for accelerated growth in the Housing Sector and sustainable development of habitat.

2.3 When asked about the follow-up action taken by the Government for implementation of NUHHP-2007, and the nature of support provided to State Governments for preparation of State UHHP, the Ministry of Housing and Urban Poverty Alleviation informed the Committee as under:

“The National Urban Housing & Habitat Policy (NUHHP), 2007 has been widely publicized and circulated to States/UTs at the

highest level with request to initiate steps in line with the Policy. A copy of the policy has been forwarded to Chief Ministers of all the States/UTs (with assembly) as also the Ministers dealing with housing in the States, Administrators of UTs, the Chief Secretaries and Secretaries dealing with housing/urban development/local self Government. In Addition, the Ministry has identified various actionable points under National Urban Housing & Habitat Policy (NUHHP), 2007, which have been put in a tabulated form and circulated to the Chief Ministers of all States/UTs (with legislature) on 30th April, 2008 for action by the State Governments. This also has been put on the web-site of the Ministry. The States have been requested to periodically review the implementation of the NUHHP-2007 and concomitant Action Plan and take appropriate measures for furtherance of objectives/initiatives envisaged under the NUHHP-2007."

2.4 Responding to their query on the number of States that have prepared State urban housing policies in consonance with the NUHHP, 2007, the Ministry of Housing and Urban Poverty Alleviation informed the Committee in their written reply as under:

"The States of Maharashtra and Madhya Pradesh have announced new housing policies. Punjab has also circulated a draft housing policy drawing from NUHHP-2007 earlier.

Land being a State subject, involvement of States and close interaction between Central and State Governments is imperative for meeting the goal of "Affordable Housing for All" under National Urban Housing and Habitat Policy, 2007. Capacity building, Advocacy and utilizing National Resource Centres and eminent persons are being pursued to emphasize the need for formulation of State Housing and Habitat Policy & State Action Plans and devise a consensus on structural methods to be adopted for such formulation"

2.5 The Committee had noted that a large proportion of the private investment in housing was not aimed at EWS and LIG Segment. In this connection, they noted that the NUHHP, 2007 aims at (i) relaxation of Floor Area Ratio (FAR) for ensuring that 20-25% of the FAR are reserved for EWS/LIG (ii) Careful review of authorized FAR in line with international practices for allowing more efficient use of scarce urban land by construction of high-rise buildings.

2.6 When enquired about the steps taken by the Ministry to promote these incentives with the States and the private sector, the Committee were informed as under:

“The Ministry while circulating the National Urban Housing & Habitat Policy, 2007 has highlighted the issues of relaxation/revision in Floor Area Ratio (FAR) and Floor Space Index (FSI) for facilitating addition to the stock of housing in general and housing for EWS/LIG in particular. The Ministry has also identified and circulated this as one of the actionable points under NUHHP:2007 to be pursued by the States/UTs.

In addition, this Ministry has been highlighting this issue in the various forums, including in the recently concluded National Conference of the Ministers of Housing, Urban Development and Municipal Administration held in New Delhi on 20.1.2009. The Ministry intends to highlight this issue in the four Regional Consultations also, which are proposed to be held shortly. Peer learning between States is also being encouraged to share do-able ideas, regulations and projects to spread the concept.”

2.7 The Committee were further informed that the NUHHP, 2007 seeks to encourage State Governments, Urban Local Bodies, Development Authorities to periodically update their Master Plans and Zoning Plans which should, *inter alia* adequately provide for housing and basic services for the urban poor. The Policy also seeks promoting balanced urban-rural planning by following the Regional Planning Approach taking the whole State/UT as a region, under the Town & Country Planning Acts in the States. This is expected to facilitate a balanced growth and putting a curb on unplanned growth.

### C. Urban Housing Shortage

3.1 The Committee were informed by the Ministry of Housing and Urban Poverty Alleviation that according to the estimates made by the Technical Group constituted by the Ministry for assessment of the urban housing shortage at the end of the 10th Five Year Plan, the total housing shortage in the country was 24.71 million. The category-wise housing shortage arrived at was as follows:-

Category	Housing shortage in Million as on 2007
Economically Weaker Sections (EWS)	21.78
Low Income Group (LIG)	2.89
Middle Income Group (MIG)	0.04
High Income Group (HIG)	
Total	24.71



3.2 The Ministry had further informed the Committee that these estimates were projected to go up to 26.53 million during the Eleventh Five Year Plan *i.e.* 2007-2012 as detailed under:

**Housing requirement during 11th Plan period (2007-2012)**

Housing Shortage at the beginning of 11th Year Plan	24.71 million
Addition to household	8.71 million
Addition to housing stock	7.27 million
Upgradation of Kachcha houses	0.38 million
Total Housing Requirement during the 11th Plan period (2007-2012) (24.71+8.71+.38-7.27 = 26.53)	26.53 million

3.3 Enquired about the total financial requirement to achieve the Housing targets during the 11th Plan period, the representatives of Ministry of Housing and Urban Poverty Alleviation furnished the following information to the Committee:

For 24.71 million Dwelling Units	Rs. 147195.00 Crs.
Additional housing requirement (7.26 million Units) during 11th Plan	Rs. 214123.10 Crs.
Total	Rs. 361318.10 Crs.

Total requirement including basic infrastructure Rs. 602000.00 Crs. (approx.)

3.4 As per the information furnished by the Ministry, out of the 24.71 million shortage of Dwelling Units, 21.78 million pertained to EWS and 2.89 million to LIG. Together, these two groups accounted for 99% of the deficit. On the contrary, housing shortage in upper income groups was a meagre 40,000 units.

3.5 Asked as to how the Ministry intends to address this gross lopsided demand for EWS and LIG in housing, the Committee were informed as under:

“The National Urban Housing and Habitat Policy (NUHHP), 2007 seeks to set in motion a process for providing “Affordable Housing for All”. The Policy seeks to forge strong partnerships between the public private and cooperative sectors for accelerated growth in



the housing sector and sustainable development of habitat. It also seeks that 10-15% of land in every new public/private housing project or 20-25% of FAR which is greater be reserved for EWS/LIG housing through appropriate legal stipulations and spatial incentives. In addition, augmentation of housing stock at an accelerated rate both on ownership and rental basis with a view to overcoming shortage of EWS/LIG units is also recommended in the Policy.

However, as the subjects 'land' and 'colonization' come under the purview of State Governments, it is primarily the responsibility of the State Government to deal with the problem of housing needs in the urban areas.

Apart from NUHHP- 2007, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) launched by the Government in 2005 caters to provision of housing and basic services to urban poor in 63 specified cities under the sub-mission of Basic Services to the Urban Poor (BSUP) and in other cities and towns under Integrated Housing & Slum Development Programme (IHSDP). Further, in order to cater to the issue of institutional finance availability to these categories, the Ministry has launched a new scheme namely, Interest Subsidy Scheme for Housing the Urban Poor (ISHUP), which provides for provision of interest subsidy of 5% to the EWS & LIG category of borrowers on loans upto Rs. one lakh availed from Banks/HFIs. The subsidy will be available for construction as also acquiring of a new house and no collateral would be required for loans upto Rs. 1 lakh. The Ministry has asked States to provide land and go with partnership with private and State parastatals and cooperatives."

3.6 Taking note of a huge demand for MIG/HIG flats in Delhi and other metropolitan cities, the Committee had desired to know as to how much of the demand for both poor and non-poor categories had been achieved in Delhi and the NCR. In this regard, the Ministry of Housing and Poverty Alleviation *inter alia* informed the Committee as under:

"According to the estimates made by the Technical Group constituted by the Ministry for assessment of the urban housing shortage at the end of the 10th Five Year Plan, the total housing shortage in Delhi is 1.13 million out of all India housing shortage estimates of 24.71 million."

#### **D. Budgetary Allocations for 2008-2009**

4.1 As per the detailed Demands for Grants (2008-09) of the Ministry of Housing and Urban Poverty Alleviation, an amount of Rs. 120.71 crore has been provided for 2008-09 in regard to Housing (Head 2216) as against a sum of Rs. 52.89 crore during 2007-08, which means an increase of 128.23% in 2008-2009.

4.2 The Ministry, in a written note explained as under:—

“According to an estimate made by a Technical Committee at the end of the 10th Five Year Plan, the urban housing shortage is 24.7 million. Under JNNURM, this Ministry is targeting construction/upgradation of about 1.5 million dwelling units. Apart from this, the Ministry intends to launch Interest Subsidy Scheme for the Urban Poor (ISHUP) to meet the shortage in housing. The increase in allocation during the current fiscal year is due to enhanced allocation of Rs. 95 crore under ISHUP from BE-2007-08 of Rs. 30 crore. In addition the allocation for MIS of Housing Data, Research and Survey (Urban Statistic for HR and Assessment -USHA) has also been raised from 7.6 crore in 2007-08 to 10 crore in 2008-09.”

#### **E. JNNURM: (BSUP) and (IHSDP)–Targets & Performance**

5.1 As per the Annual Report-(2007-08), of Ministry of Housing and Urban Poverty Alleviation, cities and towns of India constitute the world's second largest urban system in the world. They contribute over 50% of the country's Gross Domestic Product (GDP) and are central to economic growth. For these cities to realize their full potential and become true engines of growth, it is necessary that focused attention be given to the improvement of infrastructure and basic services to the poor therein. For achieving these objectives, a Mission mode approach is essential. Accordingly, the Jawahar Lal Nehru National Urban Renewal Mission (JNNURM) was launched on 3rd December, 2005 for a 7 year period ending December, 2012. The Mission comprised two Sub-Missions–Urban Infrastructure and Governance (UIG) and Basic Services to the Urban Poor (BSUP). These Sub-Missions are currently being implemented in 63 identified cities\* of national importance. Provision of infrastructure development in other cities and towns are addressed by Urban Infrastructure Development Scheme in Small and Medium Towns (UIDSSMT). The Integrated Housing & Slum Development Programme had been designed to address the needs of shelter and basic amenities in the remaining non- Mission cities and towns.

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\*2 more cities namely Tirupati and Porbandar were added under JNNURM by the National Steering Group on 5th January, 2009.

### **Basic Services for Urban Poor (BSUP)**

5.2 The Committee were further informed of the following salient features of BSUP under JNNURM:

- Central Assistance in the form of ACA as full grant.
- 50% percent of the project cost in respect of cities having a population of one million or more to be borne by the Central Government.
- 90% of the project cost to be borne by the Central Government for projects from cities/towns in North Eastern States and Jammu & Kashmir.
- 80% of the project cost to be borne by the Central Government for projects from the remaining cities/towns.
- A minimum of 12% beneficiary contribution for houses; for SC/ST/BC/OBC/PH and other weaker sections, 10% beneficiary contribution.
- Access to Central Assistance predicated upon the State/Urban Local Bodies/Parastatals agreeing to implementation of reforms.
- Reforms to ensure improvement in urban governance.
- Cities to prepare City Development Plans and Detailed Project Reports so as to seek Additional Central Assistance.
- Central Sanctioning & Monitoring Committee to consider approval of projects and project financing pattern.

5.3 As regards the admissible components under BSUP, the Ministry of Housing and Urban Poverty Alleviation apprised the Committee of the following components:

- Integrated development of slums, *i.e.*, housing and development of infrastructure projects in the slums in the identified cities.
- Projects involving development/improvement/maintenance of basic services to the urban poor.
- Slum improvement and rehabilitation projects.
- Projects on water supply/sewerage/drainage, community toilets/baths, etc.

- Houses at affordable costs for slum dwellers/urban poor/EWS/LIG categories.
- Construction and improvements of drains/storm water drains.
- Environmental improvement of slums and solid waste management.
- Street lighting.
- Civic amenities, like, community halls, child care centers, etc.
- Operation and maintenance of assets created under this component.
- Convergence of health, education and social security schemes for the urban poor.

#### Integrated Housing & Slum Development Programme(IHSDP)

5.4 As per the Outcome Budget of the Ministry of Housing and Urban Poverty Alleviation, for cities/towns not covered under BSUP, Integrated Housing & Slum Development Programme (IHSDP) has also been launched on 3.12.2005 while the ongoing Valmiki Ambedkar Awas Yojana (VAMBAY) and the discontinued National Slum Development Scheme (NSDP) were subsumed in this scheme. The key objectives of IHSDP is to strive for holistic slum development, with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas. The salient features of IHSDP are stated to be as follows:

- Central Assistance in the form of ACA as full grant.
- 80% percent of the project cost borne by the Central Government, in general.
- 90% of the project cost borne by the Central Government for projects from cities/towns in special category States, including North-Eastern region.
- A minimum of 12% beneficiary contribution for houses; for SC/ST/BC/OBC/PH and other weaker sections, 10% beneficiary contribution.
- Access of Central Assistance predicated upon the State/Urban Local Bodies/Parastatals agreeing to implementation of reforms.

- Reforms to ensure improvement in urban governance.
- Cities/towns to prepare Detailed Project Reports in order to seek Central Assistance.

5.5 As regards the admissible Components under IHSDP, the Committee were informed as under:

- (i) Provision of shelter including upgradation & construction of new houses.
- (ii) Provision of community toilets.
- (iii) Provision of physical amenities like water supply, storm water drains, community bath, widening and paving of existing lanes, sewers, community latrines, street lights, etc.
- (iv) Community Infrastructure like provision of community centres to be used for pre-school education, non-formal education, adult education, recreational activities, etc.
- (v) Community Primary Health Care Centre Buildings.
- (vi) Social Amenities like pre-school education, non-formal education, adult education, maternity, child health and primary health.

#### **BSUP and IHSDP-Performance**

5.6 In a written reply, the Ministry of Housing and Urban Poverty Alleviation had furnished State-wise details giving number of projects & Dwelling Units approved and Central Share released for Basic Services to the Urban Poor (BSUP) and Integrated Housing & Slum Development Programme (IHSDP) during the 10th Plan (Years 2005-06 & 2006-07) and year 2007-08 which are enclosed at Annexure I (a) & (b). The projects are for Urban Poor (Economically Weaker Sections (EWS)/Low Income Group (LIG)] and Slum dwellers.

In their latest reply, the Ministry furnished the State-wise details of dwelling units (as on 31.12.2008) [Annexures 1 (c) & (d)].

5.7 Asked about the year-wise target fixed under JNNURM for urban Housing during the 11th Plan period, both in financial and physical terms and the actual during 2007-08, the Ministry replied as under:

“Under the schemes of Basic Services to the Urban Poor (BSUP) and Integrated Housing & Slum Development Programme (IHSDP), financial and physical targets are indicated below:—

#### **Financial Targets**

Total Allocation under BSUP for the Mission period is Rs. 13650 crores. Allocation under IHSDP for the Mission period is Rs. 4,450 crores.

The year-wise allocation/release for 2007-08 & 2008-09 is given below.

(Rs. in crore)

	Mission Allocation	2007-08*		2008-09
		R.E.	Actual Release	BE
BSUP	13650.00	1201.00	1192.80	1880.35
IHSDP	4450.00	790.00	792.24	613.84
Total	18100.00	1991.00	1985.04	2494.19

\*Additional allocation of Rs. 500 crore made by Planning Commission for BSUP and IHSDP in connection with fiscal stimulus package.

5.8 The Committee were informed that an allocation of Rs. 300 crores was diverted from BSUP to IHSDP at RE stage in 2007-2008. When asked to explain the diversion, the Ministry submitted the following reply:

“In view of the huge demand of projects from smaller and medium towns under IHSDP and considering representation by Ministries from States before Prime Minister in the national meet on JNNURM in October, 2007 Rs. 300.00 crore was diverted from BSUP to IHSDP in the last quarter of 2007-08. This diversion does not change the Mission period allocation for a State and is subject to combined ceiling of BSUP and IHSDP funds allocated to a State for the Mission period.”

5.9 Funding Pattern of BSUP under JNNURM was reported to be as under:

The Central share will be released as Additional Central Assistance (in the form of grant). The financing of the projects will be as under:

Category of cities	Grant Central Share	State/ULB/Parastatal share, including Beneficiary contribution
Cities with 4 million plus population as per 2001 census	50%	50%
Cities with million plus but less than 4 million population as per 2001 census	50%	50%
Cities/towns in North Eastern States and Jammu & Kashmir	90%	10%
Other Cities	80%	20%

5.10 The Committee have been informed of the State-wise allocation and release for year 2007-08 which is at Annexure II. The allocation shown in the Annexure is as per the original estimates and no revised State-wise allocation was made. No State-wise Allocation is made for year 2008-09 and subsequent years as yet. In a written reply, the Ministry of Housing and Poverty Alleviation informed the Committee as under:

“The Planning Commission has recently provided an additional allocation of Rs. 500 crore for the components of JNNURM *i.e.* BSUP and IHSDP handled by Ministry of Housing and Urban Poverty Alleviation for the financial year 2008-2009 in connection with fiscal stimulus to revive the economy.”

### Physical Targets

5.11 A target of 15,00,000 houses for the urban poor is fixed for BSUP & IHSDP for the entire Mission period. State-wise Mid-term targets (to be achieved by 30.09.2009) for number of dwelling units are at Annexure III(a) & III(b).

5.12 A summarized position of schemes as on 31.3.2008 is given below:—

	BSUP	IHSDP	Total
Projects approved	274	422	696
Total Project Cost	Rs. 17,421.11 cr.	Rs. 4,009.90 cr.	Rs. 21,431.01 cr.
Central share commitment	Rs. 8761.03 cr.	Rs. 2,871.26 cr.	Rs. 11,632.29 cr.
Releases made	Rs. 2,166.71 cr.	Rs. 1,284.85 cr.	Rs. 3,451.56 cr.
Cities/towns covered	61	396	457
States/UTs covered	30	29	34
Dwelling Units sanctioned	7,87,111	2,59,200	10,46,311

5.13 An analysis of the data furnished by the Ministry revealed to the Committee that prior to the year 2007-2008 there were no takers of IHSDP in Chhattisgarh, Haryana and Nagaland *i.e.* the States which had nil mission cities and thus could have claimed funds under IHSDP for their cities through proper housing and slum development projects. Even in the year 2007-2008 bigger States like Uttar Pradesh, Maharashtra, Bihar Gujarat and Karnataka had a low number of

approved projects. Figures for BSUP in 2008-09 revealed that out of 30 States and UTs only 5 States could get funds for 19 new projects covering 20941 dwelling units by 31.12.2008

5.14 From the state-wise allocation of funds the Committee also observed that there were gaps between funds allocated by the Planning Commission and funds actually released to a State under BSUP and IHSDP. For instance, under BSUP during 2007-08, the Planning Commission allocation for Andhra Pradesh was Rs. 95.00 crore whereas fund released was Rs. 149.83 crore. On the other hand, for Maharashtra, the Planning Commission allocation was Rs. 359.86 crore whereas fund released was just Rs. 185.59 crore.

5.15 When asked to justify this gap, the Ministry of Housing and Urban Poverty Alleviation informed the Committee as under:

“Some States are slower in bringing the new projects. Therefore, in the last quarter of the financial year (2007-2008), based on demand, funds from slow performing States were diverted to other States. Due to this, there are gaps between the allocation and actual release for few States. This diversion is, however, subject to ceiling of 7 year (Mission period) allocation for a State and will not alter/change or enhance Mission period allocation for a State. The commitments for Andhra Pradesh and Maharashtra are well within their Mission period allocation limits”.

5.16 In this connection, the Ministry informed the Committee *vide* an action taken reply on 2nd July, 2008 as under:

“All necessary steps are being taken to ensure successful implementation of JNNURM. In this respect, the National Steering group under JNNURM in its 4th Meeting held on 31.03.2008 has also discussed this issue and decided that this should be taken up with Planning Commission. The Ministry has taken up various measures to facilitate State Government in setting up technical support structure for successful implementation of JNNURM. These include setting up of

- Programme Management Unit at State level
- Project Implementation Unit at city level
- Third Party Inspection & Monitoring.

A web enabled project tracking system is also under implementation to track progress of projects and reforms under JNNURM.”



## F. Two Million Housing Programme

6.1 As per the Annual Report (2007-08) of the Ministry of Housing and Urban Poverty Alleviation, in accordance with the National Housing & Habitat Policy 1998 which focuses on Housing for All as a priority area, with particular stress on the needs of the Economically Weaker sections and Low Income Group categories, the Two Million Housing Programme was launched during 1998-99. This is a loan based scheme, which envisages facilitating construction of 20 lakh additional units every year (7 lakh DUs-in Urban areas; 13 lakh DUs in Rural areas). HUDCO is to meet the target of 4 lakh dwelling units in Urban areas and 6 lakh dwelling units in Rural areas annually. The target of 2 lakh dwelling units in Urban areas is to be met by Housing Finance Institutions (HFIs) recognized by the National Housing Bank & Public Sector Banks and the balance 1 lakh dwelling units in Urban areas by the Co-operative Sector.

The physical and financial progress of the 2 MHP since its inception (1998-1999) till 2005-06/2006-07/2007-08 in Urban areas is as under. The progress made by HUDCO in the Rural areas under this programme is also as under:

### I. HUDCO (year-wise target, number of DUs & loan sanctioned)

Year	Annual Target (DUs)	No. of Dwelling Units	Amount Sanctioned [Rs. in crore]	Annual Target (DUs)	No. of Dwelling Units	Amount Sanctioned (Rs. in crore)
Urban			Rural			
1998-99	400000	430399	1193.35	600000	634638	697.42
1999-00	400000	460218	1159.11	600000	654050	933.89
2000-01	400000	470881	578.87	600000	732131	643.33
2001-02	400000	401078	450.48	600000	333113	494.39
2002-03	400000	459969	2792.91	600000	413078	431.48
2003-04	400000	427455	685.77	600000	542428	590.91
2004-05	400000	254855	1055.52	600000	864857	2002.50
2005-06	400000	184597	749.28	600000	7600	48.00
2006-07	400000	60970	1500.32	600000	80000	140.00
2007-08*	400000	19406	686.82	600000		
Total	4000000	3169858	10852.43	6000000	4261895	5981.92

\*as on 31.12.2007

## II. HFIs and Public Sector Banks (year-wise target, number of DUs & loan sanctioned)

Year	Annual Target (DUs)	No. of Dwelling	Amount Sanctioned [Rs. in crore]	No. of Dwelling	Amount Sanctioned (Rs. in crore)	No. of Dwelling	Amount Sanctioned (Rs. in crore)
		HFIs		Public Sector Bank		Total	
1998-99	200000	153932	5032.69	39739	1090.36	193671	6123.05
1999-00	200000	135035	3583.64	91460	2055.75	226495	5639.39
2000-01	200000	171496	4587.3	162240	4284.36	333736	8871.66
2001-02	200000	262991	7420.89	195624	5449.23	458615	12870.12
2002-03	20000	259772	7433.21	377319	11715.5	637091	19148.71
2003-04	200000	291955	11548.78	329376	10942.57	621331	22491.35
2004-05	200000	235250	13585.24	199425	7431.74	434675	21016.98
2005-06	200000	223038	18043.23	94039	4085.77	317077	22129.00
2006-07	200000	187267	18376.91	36439	1883.64	223706	20260.55
2007-08*	200000	87895	9347.90	8636	843.49	96531	10191.39
Total	2000000	2008631	98959.79	1534297	49782.41	3542928	148742.20

\*As on September, 2007.

6.2 From the above, the Committee had noted that out of the target of 4 lakh dwelling units (DUs) to be constructed by HUDCO during 2007-2008, mere 19406 units were constructed (as on September, 2007), and out of targeted 2 lakh dwelling units (DUs) to be constructed by Housing Finance Institutions (HFIs) and Public Sector Banks, only 96531 units were constructed.

6.3 Asked about the reasons for shortfalls, if any, in implementation of the programme, the Committee were apprised by the Ministry of Housing and Urban Poverty Alleviation in a written note as under:

“The Two Million Housing Programme was launched during 1998-99 with particular stress on the needs of the Economically Weaker Sections and Low Income Group categories. This is a loan based scheme, which envisages facilitating construction of 20 lakh additional units every year (7 lakh DUs in Urban areas; 13 lakh DUs in Rural areas). HUDCO is to meet the target of 4 lakh dwelling units in Urban areas and 6 lakh dwelling units in Rural areas annually. The target of 2 lakh dwelling units in Urban areas

is to be met by Housing Finance Institutions (HFIs) recognized by the National Housing Bank & Public Sector Banks and the balance 1 lakh dwelling units in Urban areas by the Co-operative Sector.

The primary responsibility for fulfillment of targets in physical terms particularly in the case of HUDCO financed schemes rests with State Governments and achievement of target assigned largely depends upon the cooperation of agencies of the State Governments responsible for launching/implementing the housing schemes. The shortfall in the units financed by HUDCO is primarily due to non-submission of schemes by the State Government agencies. The State Agencies are now keener on implementing schemes involving Central assistance (*viz.*, BSUP and IHSDP). Further, State Agencies are now implementing self-financed schemes due to easier availability of retail finance for housing loans which have replaced hire purchased housing schemes being implemented earlier."

6.4 In their 32nd Report, (14th Lok Sabha) the Committee had further observed that of 7 lakh dwelling units, 1 lakh units were to be constructed by the cooperative sector. However, only 52121 dwelling units could be constructed by the cooperative sector during the year 2006-07. In this regard, the representatives of the Ministry of Housing and Poverty Alleviation during evidence had further informed the Committee as under:

"It is a part of the scheme in the name of two million housing programme, under which in the urban sector we were to construct seven lakh houses and in the rural sector 13 lakh houses every year. There was no financial support from any Government scheme. The statistics is collected by the financial institutions. We have bifurcated that and four lakh will be financed by HUDCO, two lakh by housing financial institutions and one lakh by cooperatives. ...As far as the figures of the financial institutions are concerned, there has been a little shortfall in the last one or two years. But in the previous year, they have done good work. The new housing scheme for the urban houses envisage that HUDCO will revisit their works by providing the interest subsidy to the extent of five per cent. This will be implemented through HUDCO and National Housing Bank".

#### **G. Interest Subsidy Scheme for Housing the Urban Poor (ISHUP)**

7.1 The Committee were informed that this scheme seeks to provide interest subsidy on housing loans to urban poor in order to make the housing affordable and within the repaying capacity of Economically Weaker Sections (EWS)/Low Income Group (LIG). The economic parameter of EWS was reportedly defined as households having an average monthly income upto Rs. 3,300 and the economic parameter of LIG, as households having an average monthly income between Rs. 3,301 upto Rs. 7,300.

7.2 The Interest Subsidy Scheme as per the Ministry, is expected to supplement those efforts of the Government which were started through the Mission, to comprehensively address the massive housing shortage. Under the scheme, a subsidy of 5% per annum will be given, for loans of Rs. 1 lakh taken during the 11th Plan. The loan repayment period would be 15-20 years. The subsidy was fixed keeping in mind the repayment capacity of the economically weaker sections.

7.3 Asked about the present status of implementation of the scheme, the Committee were informed by the Ministry of Housing and Urban Poverty Alleviation on 2nd January, 2009 that the Scheme had since received the approval of the Cabinet Committee on Economic Affairs and detailed operational modalities of the scheme were being worked out. It was informed that through this Scheme, the Government has sought to create an enabling and a supportive environment for expanding credit flow to the housing sector and increasing home ownership in the country.

7.4 According to the Ministry of Housing and Urban Poverty Alleviation, a subsidy of Rs. 1100 crore envisaged under the Scheme is expected to leverage formal institutional finance of Rs. 3870 crore for the beneficiaries. The scheme will leverage flow of institutional finance for the EWS & LIG segment households and result in creation of additional housing stock of 3.10 lakh houses for EWS/LIG segments over the next 4 years (2008-12) out of which 2.13 lakh dwelling units are targeted for EWS housing and 0.97 lakh for LIG housing. Detailed year-wise breakup of target envisaged is as under:

Year-wise Targets under Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) are as under:

Year	Targeted number of borrowers (number in lakhs)	Proposed Allocation (Rs. in crore)	
2008-09	0.36	Net present value	125.37
2009-10	0.83	(NPV)	285.42
2010-11	0.93		320.01
2011-12	0.98		336.20
Total	3.10	Total NPV	1067.00
		IEC & A&OE*	33.00
		Total	1100.00

(\*IEC–Information, Education and Communication, A&OE–Administration and Other Expenses.)

7.6 Asked about the Nodal Agencies (NAs) for disbursement of the subsidy and monitoring the progress, the Committee were informed that this role would be played by the National Housing Bank (NHB) and Housing & Urban Development Corporation Ltd. (HUDCO). Also, Housing Finance Institutions (HFIs) *i.e.* banks, HFCs, MFIs etc. would be given the option to avail the resources of either of the NAs for the period of the Scheme. Subsidy will be released to all HFIs on a quarterly basis.

7.7 During the course of oral evidence, a representative of the Ministry of Housing and Urban Poverty Alleviation, elaborated upon the ISHUP as under:

“When we conceived Interest Subsidy Scheme for Housing Poor, we conceived EWS whose income is in the category of upto Rs. 3300 and LIG in the category of Rs. 3301 to Rs. 7300. For EWS, it will be 25 sq. meters and for LIG it is 40 sq. meters. The unit cost will be in the range of Rs. 1.60 lakh and Rs. 3 lakhs but our interest subsidy will be restricted for loan upto Rs. 1 lakh.”

7.8 Keeping in view the fact that the maximum cost of an EWS/ LIG dwelling unit is several times higher than Rs. 1 lakh, particularly in Metros like Delhi, the Committee enquired if the limit of interest subsidy on loan of Rs. 1 lakh could be made more realistic under the Scheme covering more/entire cost of the dwelling units. In this regard, the Ministry of Housing and Urban Poverty Alleviation had responded as under:

“The present income ceilings for EWS household is Rs. 3300/- per month and that of LIG Rs. 3301/- to Rs. 7300/- per month. The loan limit has been fixed keeping in view the repaying capacity of these income groups with loan caps of Rs. 1 lakh and Rs. 1.60 lakh respectively.

Also the scheme is primarily aimed at such borrowers in urban areas who hold pattas (or land) or are looking for conversion of kutcha houses into pucca houses. Given the vast majority of urban population residing outside metros and the modest target of 3.10 lakh, the Ministry is hopeful that the Scheme would be able to address the needs of a sizeable number of households.”

#### **H. Sub Ke Liye Awas under the Twenty Point Programme—2006**

8.1 From the Annual Report (2007-2008) of the Ministry of Housing and Urban Development, the Committee noted that the Twenty Point Programme-2006 consisted of 20 points and that ‘Sub Ke Liye Awas’ point under the programme had the item ‘EWS/LIG Houses in Urban Areas’ in order to deal with the problem of houses

for economically weaker sections and low income groups in urban areas.

8.2 In so far as the targets and achievements under the 'Sub Ke Liye Awas' point was concerned, the Committee noted the following assessment made by the Ministry of Statistics and Programme Implementation in their Progress Report for 2007-2008:

**Sub Ke Liye Awas in Urban Areas (Housing for All)**

**EWS/LIG Houses in Urban areas**

Sl. No.	State/UT Name	Target 2007-08	Achievement April, 2007- March, 2008	% Achievement April, 2007- March, 2008
1.	Arunchal Pradesh	3277	0	0
2.	Chhattisgarh	11500	10979	95
3.	Delhi	26486	6600	25
4.	Gujarat	500	500	100
5.	Haryana	1340	1117	83
6.	Madhya Pradesh	6474	911	14
7.	Maharashtra	52616	0	0
8.	Punjab	7500	0	0
9.	Rajasthan	2030	2096	103
10.	Sikkim	4	4	100
11.	Tamil Nadu	6000	3230	54
12.	Tripura	5400	0	0
13.	Uttar Pradesh	4700	2938	63
14.	West Bengal	348	224	64
15.	Chandigarh	5449	0	0
16.	Lakshadweep	80	0	0
Grand Total		1,33,704	28,599	21

Very Good (90% or above)

Chhattisgarh, Gujarat, Rajasthan, Sikkim

Good (between 80% to 90% targets)

Haryana

Poor (below 80% of targets)

Arunachal Pradesh, Delhi, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal, Chandigarh, Lakshadweep

## **I. Role of Organizations in Urban Housing**

### **(i) Housing and Urban Development Corporation Limited (HUDCO)**

9.1 The Committee were informed that Housing & Urban Development Corporation Ltd. (HUDCO) set up in the year 1970, was incorporated as a fully owned Government Company under the Companies Act, 1956. Main objectives of HUDCO were stated to be as financing Housing and Urban development projects in the country, financing Building Material Industries and setting up of new townships. In order to achieve these objectives, it was stated that HUDCO finances a variety of housing and urban development projects formulated by the State Housing Boards, Development Authorities, Improvement Trusts, Co-operative Housing Societies etc. HUDCO was also awarded 'mini-ratna' status in the year 2004 and ceased to get Government equity support thereafter. This, however, was reportedly putting an adverse impact on the role played by HUDCO in supporting affordable housing.

9.2 From the Annual Report (2007-2008) of the Ministry of Housing and Urban Poverty Alleviation) the Committee gathered that HUDCO achieved sanctions of Rs. 4514 crore during April-December, 2007 providing assistance for construction of 0.19 Lakh dwelling units, over 184 sanitation units, and 82 urban infrastructure projects throughout the country. The loan released during the year amounted to Rs. 2056 Crore. Cumulatively, till December 2007, HUDCO had sanctioned 15921 schemes involving a total project cost of Rs. 239854 Crore (excluding HUDCO Niwas) with loan component of Rs. 77223 Crore out of which an amount of Rs. 58857 Crore had been released. As per the Report, HUDCO's assistance helped in the construction of 141.29 Lakh residential units and about 67.08 Lakh sanitation units and in undertaking 1391 urban infrastructure schemes in over 1841 towns and thousands of villages. During the year 2007-08, the MoU target of Rs. 12219 Crore for sanction for housing and infrastructure projects, and Rs. 5000 Crore of releases as part of its normal operations as well as the Housing Programme launched during 1998-99 had been set up by HUDCO.

9.3 In an action taken reply submitted in connection with the Demands for Grants (2008-09), the Ministry informed the Committee that a High-Powered Committee under the Chairmanship of Shri Ashok Jha, former Finance Secretary, Government of India was set up by the Government to further rejuvenate HUDCO and expand its services to poor and weaker sections of society.

## **Report of Ashok Jha Committee to rejuvenate HUDCO**

9.4 The Committee were later informed of the following issues of concern spelt out in the Ashok Jha Committee report for HUDCO:

### **(I) Negative spread in lending to social housing**

The continued emphasis on social sector lending for housing for weaker sections at subsidized lending terms has resulted in a financial sacrifice for HUDCO.

### **(II) Withdrawal of Govt. support**

The following concessions extended to HUDCO by the Government of India in the past, to supplement HUDCO's efforts to provide financial assistance for social housing and core infrastructure projects have since been withdrawn:—

- (i) Income Tax exemption was available up to 1990-91;
- (ii) Exemption from payment of dividend was available up to the year 1991-92;
- (iii) Exemption from payment of stamp duty on issuance of bonds and debentures (till 1998);
- (iv) Allocation of Capital Gain Bonds (till 1992-93), SLR Debentures (till 1997- 98) and Tax Free Bonds (till 2003-04);
- (v) Allocation of Banking Sector Funds under Differential Rate of Interest (DRI) scheme for EWS Housing Programme for SC/ST Categories (which was available up to 2001-02);
- (vi) Government support including 'Letter of Comfort' for issue of bonds (till the year 2002-03);
- (vii) Annual Equity Support from the Government of India till 2004 (till HUDCO was awarded the status of Mini-Ratna).

### **(III) Level of NPAs (as of 31.03.2008)**

- The gross Non-Performing assets (NPAs) of HUDCO as on 31st March 2008 were Rs. 2352 crore.
- Percentage of Gross NPAs to total principal outstanding on overall basis is 9.73% with Govt. Sector & Non-Govt. Sector lending being 9.75% and 9.68% respectively.



- NPA principal outstanding for Government agencies is Rs. 1891 crore as of 31.03.2008, which is almost 80 % of the total NPA principal outstanding.

**(IV) Assets and Liabilities Mismatch (STATUTORY LIQUIDITY REPORT AS ON 31.03.2008)**

A major part of HUDCO's lending is on fixed rate basis, with three years reset clause, as against most of its borrowing, which is on floating rate basis with half yearly or annual resets thus exposing HUDCO to interest rate risk in a rising interest rate scenario. In such a regime, the loans disbursed at lower rates are due for reset at a higher rate exposing HUDCO either to prepayment risk or default risk.

**(V) Credit Concentration Norms of the Regulator–National Housing Bank (NHB)**

NHB treats various Govt. institutions in a State as a single group and expects HUDCO to restrict its exposure to that group in the state at the level of 25% of net owned funds. If HUDCO has to strictly follow the credit concentration norms of NHB, its exposure cannot be more than Rs. 1100 Crore to various Govt. institutions in a single State. Since most of the projects of social housing and core infrastructure are capital intensive and are from State Governments, HUDCO will be ineligible to lend further to State Governments and its agencies for social housing and infrastructure sector.

**(VI) Credit Rating Concern**

The rating of HUDCO ranges from 'AA+' to 'AA-' and rating agencies, have at times expressed their concern and tried to downgrade HUDCO to 'A' category. Rating agencies have viewed HUDCO's existing profit level to be an area of concern for servicing of its debts. Credit rating agencies, have viewed HUDCO's exposure to the Govt. sector as a weakness as recoveries from this sector are delayed. In case HUDCO increases its lending to social housing and core infrastructure sector without any substantial support from the Government, there may be pressure on maintaining even the existing rating of HUDCO.

**(VII) Discontinuation of equity support to HUDCO**

HUDCO was getting equity support from the Government till 2004. However, it was discontinued after HUDCO was awarded the status of a Mini-ratna.

**(VIII) Recommendations of the Parliamentary Standing Committee on Urban Development**

Recently, the standing Committee on Urban Development (14th Lok Sabha) in para 4.27 of the Thirty Second Report on Demands for Grants (2008-09) presented before the Parliament on 16.4.2008 has recommended that MoHUPA should earnestly seek the help of Ministry of Finance so as to make HUDCO eligible for low cost funds as well as to ensure that the facilities extended to HUDCO, before it was awarded a Mini-ratna status, are continued.

9.5 Keeping in view the expectations of Government from HUDCO to increase its lending to social housing & core infrastructure sector, the Committee were apprised of the following recommendations of the Ashok Jha Committee:

- (i) The facility of issue of tax-free bonds on the lines of municipal bonds, exclusively to support ULBs for development of core infrastructure could be extended to HUDCO.
- (ii) **Letter of comfort from Govt. of India:** Facilitating HUDCO with a 'Letter of Comfort' from the Government, for a period of 3 years, to enable it to get the highest credit rating (AAA), so that its borrowing cost is more competitive.
- (iii) **Allowing plan funds allocation towards repayment of overdues of HUDCO:** As in case of power sector PSUs, and also as recommended by CAG, the Committee recommends allowing plan funds pre-emption towards repayment of overdues of HUDCO against the loans availed by State Governments and their para-statals backed by State Govt. Guarantees. As of 31st March 2008, an amount of Rs. 1891 crore guaranteed by State Govts., is categorized as non-performing assets. Adjustment of this amount from the plan allocation of the concerned State Governments and payment of this amount to HUDCO would reduce HUDCO's NPA to less than 2%, which will be in line with the norms of the industry.
- (iv) **Permission to issue 54(EC) Bonds:** HUDCO has estimated that it would disburse an amount of Rs. 31458 crore for road/transport and other infrastructure projects in the next 7 years starting from 2008-09 to 2014-15 *i.e.* an average of Rs. 4500 crore per annum (approx.). In line with the facility

extended to NHAI for the Road sector HUDCO also needs to be provided with avenues for raising cheaper funds of Rs. 4500 crore per year. At present 54 EC bonds are being marketed at an all-inclusive cost of 7.5% as compared to HUDCO's current borrowing cost of 12%. Permission to issue 54(EC) Bonds is likely to result in a saving of Rs. 608 crore in three years. This will also address the issue of the asset and liability mismatch.

- (v) **Allowing HUDCO to follow RBI norms in respect of credit concentration:** As per current norms of the National Housing Bank (NHB) which is the regulator of HUDCO, no housing finance company shall lend to any single borrower exceeding 15% of its net owned funds and to any single group of borrowers exceeding 25% of its net owned funds. HUDCO is finding it difficult to comply with this requirement while lending to State Govts./State agencies and to fulfill its objectives in the area of social housing and core infrastructure projects. At present HUDCO's portfolio comprises approximately 65% of infrastructure projects and 35% housing projects. In a strict sense, HUDCO is not a commercially oriented housing finance company like HDFC, LIC Housing Finance, GIC Housing Finance, etc. The norms prescribed by NHB are for housing finance institutions engaged in lending to the individuals for housing activities. Keeping in view the existing and proposed balance sheet of HUDCO, it will be more logical for HUDCO to be regulated by RBI regulatory norms. In this connection the Committee is of the view that HUDCO may be allowed to follow RBI norms, which make due allowances for infrastructure projects.
- (vi) **Plough back of dividend:** HUDCO may be permitted to plough back the payment of dividend including dividend tax for a period of 7 years beginning with 2008-09. HUDCO has so far paid dividend of Rs. 274.29 crore during the period from 2003-04 to 2007-08 *i.e.* on an average of Rs. 55 crore per year. Based on the past 5 years trend, this would result in a saving of Rs. 385 crore over a period of seven years.
- (vii) **Restoration of equity support to HUDCO:** The Committee therefore recommends equity support of Rs 100 crore per year for the next seven years be given to HUDCO. This is

to be used only for EWS/LIG housing and will be contingent upon HUDCO fulfilling the targets for EWS/LIG housing outlined in this report.”

9.6 According to Ashok Jha Committee Report, during this interim period, HUDCO should effectively diversify its activities, expand its balance sheet size, substantially increase its fee based income, fine tune its policies, programmes and procedures and evolve a suitable business model for cross-subsidization to support the social lending on its own. This shall enable HUDCO to emerge as a stronger and powerful arm effectively meeting the expectations of Government of India.

**(ii) Building Materials & Technology Promotion Council (BMTPC)**

9.7 The cost of building materials has skyrocketed in the past decade leading to cost overruns in almost all Government Housing Schemes. This has underlined the importance of using locally-produced cost effective building materials for construction activities, particularly for bringing down cost of Government housing projects.

9.8 In this context, Dr. Shailesh Kumar Agarwal, Executive Director, BMTPC furnished the following information to the Committee about the Council through a memorandum:

“The Building Materials & Technology Promotion Council (BMTPC) was established in June 1990, under the aegis of erstwhile Ministry of Urban Development (now Ministry of Housing & Poverty Alleviation), Government of India as apex level organization with the prime objective of bridging gap between the laboratory development and large scale field application of cost effective, environment-friendly and energy-efficient innovative building materials and technologies. The objectives of BMTPC are to develop & promote innovative and cost effective building material and construction technologies; to develop and promote appropriate and energy efficient materials using renewable raw material resources like wastes, natural fibers, etc.; extending a special thrust on building materials from agricultural & industrial waste through R&D; to develop and promote disaster resistant construction technologies for regions prone to earthquakes, cyclones and floods; advice on fiscal concessions for waste based material & technology; evaluation and standardization of new construction materials; and giving technical advice to the Ministry of Housing and Urban Poverty Alleviation.”

### **Issues To Be Addressed To Promote Cost Effective Technologies**

9.9 During the discussion with the Committee, the E.D., BMTPC highlighted the following issues to be addressed to promote cost-effective technologies:

- “The adoption of cost-effective, new materials and construction techniques in the works of public housing and construction agencies has been very slow. With the efforts made by BMTPC now the Bureau of Indian Standards have designated proper Standards and Codes of Practice to cover most of new items.
- It is suggested that the State Governments may constitute a Technical Group to examine the various new building materials and construction techniques which are suitable for their States and induct the same in the schedule of specifications and rates so that tender/contract documents may automatically include the various options. This would enable agencies to reduce the cost of construction.
- The custom duty exemptions on import of machinery and equipment to be imported for manufacture of waste based materials and prefab components were also provided till recent past which needs continuance.
- The Building Centres have been playing an effective role in creating awareness about new building materials and construction systems and in several States these Centres are associated closely with the execution of housing schemes both severally and jointly with housing agencies. The experience indicates that the Building Centres if actively involved by the housing agencies can greatly help in promoting cost-effective new building materials and techniques in the implementation of housing schemes and also training of the local artisans in execution of new items of work.
- Focussed programme for development of new technologies by R&D institutions is required.
- Technological capacity, mechanisms and tools for commercialization of research results and transfer of technologies need to be strengthened.
- Dissemination of information about the status of development of appropriate proven technologies by

establishing Permanent Exposition or Housing Guidance Centres of cost effective building materials and technologies in State capitals;

- Up-gradation of educational curriculum of Technical courses at Graduate level by Council of Architecture, AICTE and State Directorates of Technical Education to provide for cost effective building materials and technologies and innovations in designs, materials and application.
- Encourage demonstration of use of proven new materials/ techniques through experimental housing schemes by all State housing agencies-at least 10% of annual production of housing units to be put up based on new technology;
- Strong need for developing innovative micro finance mechanisms by banks and financial institutions, which would provide financial support to small and micro enterprises in the areas where such agro-based raw materials are abundantly available.
- Need to deal the issue of waste management in a way that disposal and recycling of waste (where possible) should be an integral part of waste generating industries.
- State Governments should accord tax exemptions and other incentives for development and promotion of cost effective building materials and technologies.
- Governmental and corporate decision makers should primarily concern themselves with cost-benefit analysis of alternative courses of action wherever economic activity accompanies high consumption levels of natural resources."

### **(iii) National Housing Bank (NHB)**

9.10 National Housing Bank (NHB), a statutory body under an Act of Parliament of 1987, is a wholly owned subsidiary of the Reserve Bank of India (RBI). The Bank has the mandate to undertake financing, regulatory and promotional functions as laid down in the NHB Act, 1987 (as amended till date). One of the important objectives of the Bank's programme is to catalyse the flow of funds into housing to all segments of the population, particularly the low income households.

9.11 Asked about its financing role, the Committee were apprised by the NHB as under:

"It provides refinance to a number of housing finance intermediates. The Bank also extends direct finance to agencies engaged in

construction projects. The Bank's programmes include individual housing loans. NHB is utilizing a wide range of retail intermediaries. These include scheduled commercial banks, scheduled cooperative banks, specialized housing finance institutions, apex cooperative housing finance societies, urban cooperative Banks, etc., extending financial support to MFIs\* undertaking housing finance for their members as also government supported voluntary agencies such as employees housing organizations, operating on no-profit-no-loss basis. More than 90% of NHB's financial assistance accounts for individual borrowers through the refinancing route."

9.12 The Committee were further informed that initiatives taken by NHB were *inter alia* aimed at (i) developing a sound and sustainable housing finance system (through suitable regulations of the housing finance companies) to serve the credit needs of the various segments of the population; (ii) catalyzing the flow of investments and lending in the housing sector through its refinance (for individual loans) and direct finance (project loans) support; (iii) providing technical and advisory support to the sector through specific interventions at the policy and product levels.

9.13 As regards encouraging affordable housing among all segments of the population with a focus on EWS/LIG housing, the Committee were apprised of the NHB's loans and advances figures for the last 5 years, which are as under:

#### Disbursements

	(Rs. in crore)				
Year ended 30th June,	2004	2005	2006	2007	2008
Refinance	3253	8062	5632	5500	8587
Direct Finance	44	27	365	172	449
Total	3297	8089	5997	5672	9036
Rural housing disbursement	1701 (51.5%)	3536 (43.7%)	2610 (43.5%)	2530 (44.6%)	4006 (44.3%)

\*Micro-finance Institutions

(The above figures show the trend in NHB's financial assistance to the sector. The figures in the bracket above show the rural housing component as a percentage of NHB's total financial disbursements.)



9.14 From the NHB Act, 1987, the Committee noted the following, *inter alia*, was mentioned therein, as one of the functions/business of NHB:

Clause 14 (i) formulating one or more schemes for the economically weaker sections of the society which may be subsidized by the Central Government or any State Government or any other source.

### **Measures and initiatives taken by NHB to address issues relating to Housing**

9.15 Recognizing the strong need to address the supply side issues of affordable housing, the Committee were informed that NHB has recently opened a new window of refinance assistance for supporting construction finance for small units (carpet area not exceeding 700 sq. ft. and cost not exceeding Rs. 15 lakh). NHB is also operating a programme of special fund for the EWS/LIG housing, including the slum housing. Though a small corpus of special fund, NHB has so far disbursed about Rs. 182.42 crore at concessional rates to support construction of nearly 1 lakh units.

9.16 As a measure of risk mitigation through title verification and land registry systems, the Committee were informed as under:

“NHB is associated with the exercise on central registry system undertaken by the Ministry of Finance, Government of India. This measure will *inter alia* help in flow of funds to the housing sector and enhance the confidence of the lending agencies as also the purchasers of land and housing units. NHB is also working to introduce mortgage guarantee instrument in the country which will facilitate credit availability on easier terms to a vast segment of the population who are currently not able to access loans for their housing needs. This mechanism will improve availability of credit and lower the cost due to risk mitigation. The NHB worked closely with the Reserve Bank of India in formulating the guidelines for introducing mortgage guarantee in the country.”

9.17 It was also informed that working in close coordination with the Ministry of Housing and Urban Poverty Alleviation, Government of India, NHB has extended assistance to the Ministry in formulating their Interest Subsidy Scheme for Housing the Urban Poor (ISHUP), recently approved by the Government of India.



9.18 NHB further informed as follows:

“As a promotional measure, NHB is also working on introduction of residential price index (or Residex) in the country that would supplement the development of a sustainable market-driven housing finance system. The pilot Residex has already been announced by the NHB for 5 cities up to December, 2007. The exercise is already under way for updation and expansion of coverage initially to 15 cities. This would *inter alia* promote information symmetry, greater transparency in the housing market, through valuation of land and property. The introduction of NHB Residex will enhance the stability and robustness of the mortgage market and its ability to serve all segments of the population.”

9.19 About the recent initiatives taken by NHB, the Committee were informed as follows:

“NHB worked closely with the RBI and the Government of India resulting in a number of supportive measures for housing finance industry *viz.* (i) special refinance facility from RBI for NHB for on-lending to HFCs of the order of Rs. 4000 crore at concessional rate, (ii) allocation towards rural housing funds of the order of Rs. 2000 crore at concessional rate for NHB to promote rural housing, (iii) allowing external commercial borrowing (ECB) for the housing finance companies, (iv) allowing access for the housing finance companies to the Special Liquidity Adjustment Facility (LAF) window set up for the commercial banks by RBI under which mutual funds, Non-Banking Finance Companies (NBFCs) were eligible to be financed by the banks, and (v) classifying loans by commercial banks to HFCs covering the latter’s housing loans up to Rs. 20 lakh as priority sector. These measures have improved the availability of lower cost funds which would result in better affordability to the borrowers.”

9.20 From the material made available to them, the Committee also noted that the NHB had launched ‘NHB Housing Information India’—a complete housing information portal that covers all aspects related to the housing and housing finance with focus on individual consumers.

### **Housing Micro-Finance**

9.21 In a written note furnished to the Committee, NHB had informed the Committee about housing micro-finance as under:

“The existing Housing Finance system has bypassed the poor as the market is “value driven rather than volume driven” with increasing emphasis on loan categories above Rs 5 lakhs and on

financing in metropolitan areas. The reasons for the same include high risk perception of the lenders with regard to such low-income borrowers because of the seasonal/irregular income of the borrowers. There is a strong case therefore for development of alternative channels for delivery of housing finance to the poor.”

9.22 It was further added:

“As on 31.12.2008 the Bank sanctioned HMF assistance to 19 agencies amounting to Rs 79.67 crore. The completion of the above sanctioned projects will result in construction/renovation of 13599 dwelling units of which 5954 dwelling units will be in urban areas and 7645 dwelling units will be in rural areas. As on 31.12.2008, the loan portfolio in HMF is Rs. 15.24 crores with 10 agencies. Disbursement is in the pipeline for remaining agencies. The Bank’s Housing Microfinance pilot projects at present covers the States of Andhra Pradesh, Karnataka, Tamilnadu, Maharashtra, Orissa, Gujarat and Assam with proposals from the States of Kerala and West-Bengal also in pipeline.”

9.23 When asked if a National Housing Micro Finance Company will actually succeed in fulfilling the goal of affordable housing, Shri S. Sridhar, CMD, NHB informed the Committee, during evidence, as under:

“Micro Housing Finance companies (MHFCs) particularly in the informal segment have the potential of addressing the issue of affordable housing. The MHFCs can focus on the EWS/LIG segments with greater concentration on smaller loans. The loans need not be necessarily provided for fresh construction but could also be provided for repairs/renovations/provision of water and sanitation facilities in the slums etc which are integral part of housing. MHFCs can explore alternative forms of collateral for lending to such segments. MHFCs can also build partnerships with the MFIs/NGOs/CBOs for identifying potential borrowers, aggregating demand and serving this market segment. MHFCs can also provide loans at lower interest rates to such MFIs/NGOs/CBOs who have been providing housing loans to SHGs/JLGs in rural and urban areas. MHFCs can be provided refinance at concessional rates from a corpus of funds exclusively set up for affordable housing preferably under NHB. Incentives should be provided to such MHFCs for reaching out and targeting such segments.”

## **Role of National Housing Bank in Micro-Finance**

9.24 The Committee were informed by NHB as follows:

“NHB has taken a series of initiatives to engage the MFIs/NGOs in housing by providing long term financial support and technical assistance and training in housing finance. NHB is currently in the process of developing a HMF architecture with supporting structures for credit guarantee, risk participation, equity enhancement, technical assistance and training etc. Meanwhile NHB has undertaken a few pilot projects in various parts of the country involving construction of 15000 houses in rural and urban areas, results of which are quite encouraging. Financial assistance to women has been accorded special importance in the Bank’s funding for EWS/LIG. Another important feature of NHB’s financial assistance for housing for the EWS/LIG segments has been that such financial assistance has been instrumental in provision of independent toilets and running water facilities for the beneficiary households which, before the implementation of the project had to use common/ shared facilities with many other households in the vicinity.”

9.25 As per NHB’s ‘Report on Trend and Progress of Housing in India, 2005’ between 2001 to July, 2004 the average loan size was Rs. 4,08,450, the average area of property financed was 105.37 square meters and those who availed themselves of loans from HFCs had a monthly income of Rs. 20,761. Taking note of the fact that the market is value driven rather than volume driven and there is a backlog in the EWS and LIG segments, the Committee had desired to know the steps taken by NHB for development of alternative channels for delivery of housing finance to the urban poor, who incidentally were the last to get the institutional financing, despite not being defaulters.

9.26 In this connection, Shri S. Sridhar, CMD, NHB responded as under:

“Today, housing microfinance has not yet become very popular in India. It is the normal microfinance, what is called livelihood financing or productive income generating activities, that is more popular. This is because of two reasons. One is that the period of housing loan would be typically between five to seven years minimum, if not more. This makes the risk, as far as the microfinance institutions itself, for it to lend money like that for a longer period when it itself does not have that much of a resource base. That is one constraint. The second constraint is that the

amount of loans involved is larger. Typically, a house, particularly in the urban areas, will be about Rs. 1 lakh, whereas when microfinance institutions give for livelihood financing, they give Rs. 10,000 to maximum Rs. 35,000. If they have to lend to a significant number of people, the amount involved goes into crores of rupees which can be a problem for microfinance institutions. It is in that context probably that the Deepak Parekh Committee has recommended the setting up of a National Microfinance Company.

We, from NHB are in discussions with the Ministry of Housing and Urban Poverty Alleviation. Under the aegis of the National Core Group on Urban Poverty a task force had suggested setting up of a National Housing Microfinance Fund. We wanted a Fund to be set up instead of a separate company, as Deepak Parekh Committee has suggested. We felt that such a Fund then could be placed either with NHB or with a consortium of lenders like NHB and some other banks, or something like that. It is important to have a dedicated fund in my opinion, for housing microfinance. The cost of funds should be lower. Otherwise, what is happening today is that the main resource of housing microfinance companies, their main source of finance, are the commercial banks. Commercial banks first of all may or may not finance micro housing and even if they do, they may give it at around 12 to 13 per cent rate of interest to which the microfinance institutions have to add their own margins. A typical borrower can probably afford to pay a little higher rate for short-term loan of one year or six months. But he definitely cannot afford to pay for a long time interest rates of over 18 per cent for a housing loan. That defeats that purpose. So, there has to be some low cost funds that should be made available. As Deepak Parekh Committee is suggesting, either it will have its own Constitution, ownership etc. or a separate national Fund should be set up like the way NABARD has set up certain Funds like the Financial Inclusion Fund or the Technology fund. If some such Fund can be set up and that can be given to NHB, we would be happy because we have been taking lead as far as housing microfinance is concerned."

9.27 The Committee, during the discussion with Shri S. Sridhar, were made to understand that NHB do not have targets fixed for disbursement of funds for affordable housing for EWS and LIG category, while they have such targets for rural housing. Also NHB was running a scheme 'Productive Housing in Rural Areas' (PHIRA) but no such scheme was there in urban areas.

**(iv) Confederation of Real Estate Developers' Association of India (CREDAI)**

9.28 CREDAI (Confederation of Real Estate Developers' Association of India) is the apex body of around 3500 organized real estate developers/builders across India.□

**Special Residential Zone (SRZ)**

9.29 Shri Kumar Gera, Chairman, CREDAI, through a memorandum advocated the case for Special Residential Zones (SRZs) on the lines of Special Economic Zones (SEZs). The memorandum *inter alia*, stated as under:

“As of December end 2007, the PAN-INDIA average rate (per sq.ft) for a residential apartment is around Rs 2,700/- of which Rs. 700/- per sq.ft (little over 25%) can be directly attributed to various Local, State and Central Duties and Levies and Direct & Indirect taxes, some of them are outlined below:

- (a) VAT
- (b) Service Tax
- (c) TDS
- (d) Stamp Duty on Sale
- (e) Stamp Duty on Land
- (f) Income Tax on Profit of development, materials, services
- (g) Municipal premiums and Development charges
- (h) Excise on materials
- (i) Octroi”

9.30 By any measure, this tax component is prohibitive and acts as a significant barrier for parties interested in developing large scale housing projects for the cost conscious urbanized mass market wishing to relocate..... Any attempt in creating low cost housing projects in the current market situation ultimately leads to poor construction & infrastructure quality and lowered standard of living for the residents in question.....”

9.31 Elaborating further, the memorandum stated as under:

“There is a need to create an economic vehicle that supports and receives the demand for good quality affordable housing generated by the rapid urbanization of India, which brings me to the basic definition and concept of an SRZ.

“A Special Residential Zone (SRZ) is a notified geographical region that is free of domestic taxes, levies and duties (both for the creation of, operation and maintenance of the SRZ) with special development rules to promote large scale, greenfield, affordable housing projects for the country’s masses. The SRZ would have a prescribed minimum number of dwelling units with a maximum prescribed size, and each SRZ would require adequate social infrastructure including schools, medical facilities etc.”

Put simply, a SRZ is a Special Zone which contains catchments of residential properties which have been accorded fiscal benefits in order to bring down the cost of housing and create a massive deliberate Urban Agglomeration that services the local commercial activity and vice versa.”

9.32 It was argued that the learnings from the SEZs exercise thus far will be greatly advantageous to the creation of a SRZ Act. The memorandum further stated as under:

“.....if the government creates similar concessions to for specific geographic regions, earmarked for developing large sustainable developments of small residential units, it would result in a massive spatial reorganization of the urban population across the country that could be leveraged to positively grow the economy as a whole, in addition to bringing down the housing prices in the targetted segment.”

9.33 Among the benefits of Special Residential Zones advocated by CREDAI, the following were explained:

- (a) Decreased Housing Cost
- (b) Uniform Infrastructure & Housing Plan
- (c) Employment & Per Capita Income
- (d) Economic Growth of the region
- (e) Controlling Slum Population
- (f) Planned Urban Development
- (g) Lesser Time for Development
- (h) Positive impact on rate of Interest on funds
- (i) Revenue for Government

9.34 During a discussion with the representatives of CREDAI, its Chairman submitted as under:

“I respectfully submit that it is no longer just a case of social need for housing. That is a very important part. The need of shelter for everyone is extremely important. But today, this entire subject is to be viewed in the backdrop of the economy. The subject, therefore, in the light of this, needs to be looked at not just as a social aspect which is very important – I am not undermining that part– but it also needs to be looked at as to how appropriate action can be taken and truly make this as a growth engine which is required for saving jobs and for getting all the benefits of the economy moving.”

He further spelt out certain significant handicaps faced in any effort of evolving effective strategies to make available affordable housing in India.

He said:

“The first handicap is that land is a State Subject. This is a very serious handicap to all efforts. I have seen good proposals from time to time getting frustrated. Another area which, I believe, leads to a lot of frustration is the lack of credible statistics. We do not have credible statistics. There is a study made which says that there is a shortage of 24 million houses. Where is this shortage? In which State or in which city does this shortage exist? How much of a shortage is there? Nobody has an idea. Where does figure come from? The third one is the plethora of clearances that are required to launch any scheme in the country. The time for it leads to a cost. We talk about reducing cost, bringing it down, making it affordable, but the focus needs to be on speedy clearances. The other point that I want to make is that there are about 22 publicly listed real estate companies in India, DLF, Unitech, Purvankara, Parsavnath etc. Now in reality, the total market share of all these real estate companies, combined together, is not even four per cent of the total real estate market in the country. While their share is four per cent, the money lent to them is more than 55 per cent of the total money lent to the real estates market.”

9.35 Shri Gera, also made the following proposals:

“I would like to make two other points. The real estate development activity, the activity that we developers are involved



with, needs to be granted the industry status and infrastructure classification. Nobody can say that real estate is not infrastructure. Hospitals and colleges are all real estate. Places of work; they may be commercial buildings; they may be IT parks; they may be software parks; whatever it is, hotels, service apartments, they are all real estate. This is all part and parcel of the infrastructure of any country, of any city. Why do we delink it from water, roads, sewage disposal, airports and ports? It needs to be brought into the same category of infrastructure. As far as industry status is concerned, because of the monetary policies in the country, if the industry status is given, it will create a lot of support to that 96 per cent market share of unlisted developers that I was speaking about, to also be able to grow and access funds and be able to deliver the end product efficiently."

#### **Relaxation in FSI and Density Norms:**

9.36 Developers have been asking for relaxation in FSI (Floor Space Index) and density norms. The Committee desired to know that in case the FSI and density norms are increased, how it will help in creating affordable housing and that whether the safety guidelines for dwelling units after increasing the Floor Space Index and density norms need to be revised too.

9.37 CREDAI in their reply stated as under:

"FSI: In the total cost of building an apartment, land cost is a significant cost as an example: if the land cost is 10000/- per sqm and the FSI is 1 then cost of land is 10000/- per sqm of constructed area. However if the FSI is 2 then the cost of land will come down to 5000/- per sqm. It is for this reason that increasing of FSI is suggested.

Density: If there is a restriction of density then optimum use of the land sometimes cannot be done as an example: If the land area is 1 acre (4000 sqm) and the allowable density is 80 tenements per acre & if the FSI is 1- to use the full potential of the land if one builds 80 tenements and wants to use the full potential the average size of the tenements will be  $50\text{sqm} \times 80\text{units} = 4000\text{sqmts}$ . However if the intention is to build all tenements of say  $35\text{sqm} \times 80\text{units} = 2800\text{sqmts}$  leaving 1200 sqm unutilized. Hence it becomes unaffordable to have 80 tenements of 35 sqm. There is no correlation of safety guidelines being different for different densities or FSI's."



## **J. Public-Private Partnership in Housing Sector**

10.1 Underlining the need for Public-Private Partnership (PPP) in urban housing, the Preamble to the NUHHP-2007 says that given the magnitude of the housing shortage and budgetary constraints of both the Central and State Governments, it is amply clear that Public Sector efforts will not suffice in fulfilling the housing demand. In view of this scenario, the National Urban Housing and Habitat Policy, 2007 focuses the spotlight on multiple stake-holders namely, the Private Sector, the Cooperative Sector, the Industrial Sector for labour housing and the Services/Institutional Sector for employee housing. In this manner, the Policy will seek to promote various types of public-private partnerships for realizing the goal of Affordable Housing for All.

10.2 When asked by the Committee to give details of the steps taken to garner support of private sector, the Ministry of Housing and Urban Poverty Alleviation in a written note furnished to the Committee informed as under:

“The NUHHP-2007 has been given a wide publicity and circulated to various Chambers of Commerce and representative bodies of builders/real estate developers. The Ministry has also been highlighting the need for increased private sector participation in various fora, including pre-budget meetings with the representatives Chambers to press the issue of EWS/LIG Housing through private participation.

10.3 However, ‘land’ and ‘colonization’ being in the State List, it is for the State Governments to put in place a facilitative environment for increased participation by the private and cooperative sectors.

10.4 The Committee, further asked whether the Government has made efforts to bring a ‘social’ orientation in building activities of private players and to ensure fair practices either through law or otherwise. The Ministry replied as under:

“The National Urban Housing & Habitat Policy (NUHHP)-2007 seeks to promote optimal utilization of land by innovate spatial incentives like relaxation of FAR for ensuring that 10 to 15% of land or 20-25% of the FAR are reserved for EWS/LIG units or issuance of Transferable Development Rights for clearance of transport corridors and availability of FAR in outer zones. The policy also stipulates examining the possibility of upward review in the presently authorized FAR in line with international practice of making more efficient use of scarce urban land through

construction of high rise buildings in consonance with densities specified in statutory Master Plans. These measures are expected to find favour with both private sector and State Governments and strike a balance between the needs of EWS/LIG categories and scarce and high cost urban land.”

10.5 During the course of evidence, the Secretary, Ministry of Housing and Poverty Alleviation emphasized the need for private investment in urban housing said:

“In our new National Urban Housing and Habitat Policy we have also said that you should bring in private investment. Currently, a large proportion of the private investment is not going to EWS and LIG segments. They are going to middle and high income groups. So, how do you induce the private sector to provide that kind of housing? In the housing also we have said the 22 to 25% of the FAR may be reserved for EWS and LIG by giving special incentive. If you offer them a higher FSI or FAR, then they would still make a profit, but then, 20 to 25% of the FSI would get devoted to EWS and LIG housing.”

10.6 When enquired whether there was any mechanism in the Ministry to regulate the private players in the housing sector so that housing could be made affordable for the urban poor, the Ministry of Housing and Urban Poverty Alleviation stated that there was no formal mechanism in place to monitor the performance of private sector vis-à-vis the government agencies in Housing sector. However, it is a common knowledge that the private sector has not been catering to the needs of EWS & LIG and their operations largely focussed on High Income Groups (HIG). The Central Sector Scheme of “Urban Statistics for HR and Assessments (USHA)” aims at the development and maintenance of a national database, MIS and knowledge repository relating to urban poverty, slums, housing, construction and other urbanization-related statistics. Its key objective is to support the Ministry of Housing and Urban Poverty Alleviation and other Ministries with an information base and knowledge inputs for the purpose of planning, policy-making, project design, formulation, implementation, monitoring and evaluation, particularly in the context of programmes relating to urban poverty, slums and housing.

10.7 During the discussion with expert, Professor E.F.N Ribeiro, former Chief Planner TCPO, Ministry of Urban Development and former Director, SPA, Delhi, the Committee desired to know if private

sector can really play its role responsibly in providing housing for the urban poor. To this, Professor Ribeiro responded as under:

“It is not a very easy question to answer, but I have a feeling that the private sector, what they are doing, have to be conscious and they have to come down the income level to see how much they can help. But certainly they cannot help or they cannot intervene in a very large section of the population. That is something that we have to accept.”

10.8 When further asked whether there were any success stories in the field of PPP in housing, Professor Ribeiro replied during the hearing, as under:

“The success stories which we get in public-private partnerships is that when they cater for higher sections or upper middle class or middle class or even lower middle class who can afford a differential rates of interest, at subsidy, etc., I think there are many success stories. In other words, a large percentage of housing, they can cater to so that they cannot price out the lower income group. But I do not think they can ever be in our scenario in a system whereby they can cater for all income groups because the private sector is not trained for social housing the way we understand it.”

10.9 Delhi and Mumbai are among the costliest in the world in terms of land costs. Owning a house is beyond the means of even a decent-earner now as most of the private players in the housing sector ask unbelievable price for a house. In this regard, when asked how the Government regulate their activities, the Committee were informed that the NUHHP:2007 seeks to promote improvements for elimination of ambiguities in transaction of conveyance deeds, lease deeds, mortgages, gifts, partition deeds and allied property-related documents as part of legal and regulatory reforms.

10.10 However, ‘Land’ and ‘colonization’ being State subjects, State Governments have to take action in the matter and, where required, introduce more stringent laws.

## **K. Cooperative Housing**

11.1 The NUHHP-2007 has underlined the need for developing urban housing cooperatives. The National Cooperative Housing Federation (NCHF) of India set up in 1969 is a national level organization (registered society) spreading the cooperative housing movement in India and is supported by the Ministry of Housing and

Urban Poverty Alleviation as part of the Government's efforts to encourage cooperative housing societies in the country.

11.2 As regards the steps taken by the Ministry to give a boost to the housing cooperatives, the Committee were informed during briefing:

".....my Minister has written to all the Chief Ministers of the State Governments through a DO letter for reserving a 30 per cent of the land acquired by them for housing cooperatives. I can make this letter available to the hon. Members. Sir, it is about providing 30 per cent of the land acquired by the State Governments or developmental authorities to the cooperative group housing societies.

Secondly, I have written to all the State Secretaries about reduction in stamp duty for cooperative housing. I have said that there should be a separate stamp duty for Cooperative Group Housing Societies, and this letter has gone to all the State Governments. So, we are trying to help the State Governments.

Coming to the specific issue of some scam in Delhi, I would say that this is one instance of a cooperative scam. There are hundreds and hundreds of cooperative societies which have been genuine and houses have been built in Mumbai, Gujarat and Tamil Nadu as 'Cooperative Group Housing Societies'. There has been an unfortunate incident that some Cooperative Group Housing Societies have been captured somehow through corruption or whatever by the builder lobby and there is a case and they should be brought to book. But it is still a very useful instrument, where you build two-bed room house or three bed-room house for people who have equal type of income. There, we have to give emphasis to EWS/LIG. More EWS/LIG Cooperative Group Housing Societies should be sanctioned, it may be 40 per cent or 50 per cent and the rest could be for MIG and other Groups. So, in terms of attacking the problem, these are the standard instruments."

#### **L. Quality Housing/Designing**

12.1 In their 32nd Report, on the Demands for Grants (2008-2009) of the Ministry of Housing and Urban Poverty Alleviation, this Committee had stressed upon the need to construct better quality houses for urban poor. The Committee had desired that the Ministry, while maintaining the quality of construction, should design houses, specially toilets, taking into consideration the local customs, preferences, community consideration and aesthetics, while ensuring the use of

latest techniques and ideas in the field of building designs. The Committee had acknowledged the initiatives of the Ministry towards preparing several innovative designs of houses on CDs. The Committee had desired that HUDCO, BMTPC and all other organisations/ architects having expertise in the field of designing houses for the poor must be further involved in this process and after their consultation, appropriate region and community-wise designs should be approved.

12.2 In response to the above observation, the Ministry in its Action Taken Note, had replied as under:

“HUDCO as part of its appraisal process has tried to incorporate designs based on local needs through the help of Planners, Architects, Engineers and Community Development Offices based on the geographical location, detailed socio-economic survey and housing typology prevalent in the regions. A series of measures have been initiated to sensitize the State level Nodal Agency/ Local Bodies for incorporating the efficient design developed by professionals of HUDCO.”

12.3 In this regard, the Ministry of Housing and Urban Poverty Alleviation informed the Committee, in a subsequent written note as under:

“Type design with minimum two rooms and 25 square meters carpet is being inculcated and being increasingly adopted in JNNURM funded social housing. A technical checklist is sought from the agencies in respect of BSUP and IHSDP proposals to ensure facilitation of essential services *viz.* water, sewerage, toilets, roads/pavements, community centres, etc.”

#### **M. Maintenance of Dwelling Units**

13.1 As regards the issue of maintenance of dwelling units, the Committee were informed by the beneficiaries that there was hardly any maintenance of Government houses and after a couple of years of allotment of flats, the owners faced lots of problems with no solution in sight. The Committee were aware that in certain Government projects of road construction and the like, a warranty clause which stipulates that if there is any damage within say three years, that would be repaired free of cost by the original contractor, is included.

13.2 Asked if any such warranty clause for a period of five years for EWS and LIG flats which a poor beneficiary cannot afford to get

repaired can be included in housing projects, Professor E.F.N. Ribeiro responded, during evidence as under:

“This is a very important point. The big defect in India is maintenance. Where we design different categories of housing, the Government architects and planners and the private sector should get involved in the built space. What we were talking in respect of below the poverty line segment is not built space but up-gradation. When it comes to these kinds of units, I totally agree with you that our maintenance exercises have been very weak. This happens even in office buildings which we put up. Who does the maintenance? This august body could make a strong recommendation on maintenance. Who takes care of maintenance and how, is a very important area. We had a very good programme in India called the Environmental Improvement of Urban Slums. It was a very successful programme. A lot of money went into up-gradation, from the Central sector to the States. It improved even more. But there is a great defect in that. When I was in TCPO we studied and found out, that the maintenance was lacking. After you provide a structure to somewhere else the maintenance is weak. I think maintenance of assets created is a very important part of housing activity. The Hon’ble Members have raised a very important point.”

#### **N. Rehabilitation/*in situ* development of Slums**

14.1 Rehabilitation is a very crucial issue in the overall urban housing scenario. Asked about the rehabilitation of slum dwellers a representative of Ministry of Housing and Urban Poverty Alleviation apprised the Committee as under:

“Sir, *in situ* development is one of the policy prescriptions of housing and habitat policy. Security to tenure has been advocated in all the documents and it is one of the reform agenda in JNNURM also. They are now saying about *in situ* development. Wherever people are living for years together, they would have to remain there itself. What is happening in Maharashtra is relocation of slums. Now they are saying that it is a new policy. *In situ* development is preferred unless it is essential like if there is encroachment on the infrastructure like canals, drainage, railway tracks, etc. Otherwise, preference should be given for *in situ* development. Secondly, it is one of the reform agenda under JNNURM.”

14.2 The Committee, then, enquired whether there was any protection or there was any clause in the Ministry's policy on this issue.

"Land colonization and housing is the State subject and, therefore, any legislation in this regard should come from the State Government. We, in the Government of India, prescribe it through housing policy and it is there in our reform agenda. But as far as legislation is concerned, any protection has to be given under State legislation only."

14.3 Further, Professor E.F.N. Ribeiro, through a written note, informed the Committee as under:

"Access to land and shelter by the BPL are facilitated at reduced standards and mechanisms are in place that recognizes in-situ up-gradation, in-situ redevelopment or rehabilitation in the vicinity and only as a last resort, redevelopment away from the place of livelihood."

#### **O. High Level Task Force on Affordable Housing for All**

15.1 As has already been pointed out in previous sections provision of affordable housing is one of the most formidable challenges that India currently faces. The 11th Five Year Plan estimates the urban housing shortage at the commencement of Plan period (1.4.2007) at 24.71 million dwelling units, with 99% of this shortage pertaining to the Economically Weaker Sections (EWS) and Lower Income Groups (LIG) *i.e.* 21.78 million for EWS and 2.89 million for LIG segments. Additional housing requirement for the 11th Plan (2007-2012) had been estimated as 1.82 million dwelling units. Thus, the total housing requirement during 11th Plan period including the carried over housing shortage sums up to 26.53 million dwelling units. Taking these into account, a High Level Task Force was set up by the Ministry on 15th January 2008 under the Chairmanship of Shri Deepak Parekh, Chairman, HDFC Ltd. to look into various aspects of providing "Affordable Housing for All" and recommend ways and means of enhancing accessibility of EWS/LIG groups to housing with suitable Governmental support and recommend ways and means of enhancing accessibility of MIG groups to housing, apart from developing innovative financial instruments for bringing flexibility in the housing market and making recommendations as to fiscal, spatial incentives for increasing supply of houses.



15.2 The Task Force has since submitted its report to the Ministry and the Ministry is in the process of examining the recommendations contained therein.

15.3 Providing an insight into the Recommendations of the Task Force, the Ministry informed the Committee that the Task Force has strongly advocated the need for 'Affordable Housing' and has affirmed that delay in addressing the affordable housing problem would seriously affect India's economic growth and poverty reduction strategies. As per their estimates, alleviating the urban housing shortage could potentially raise the rate of growth of GDP by at least 1-1.5 per cent, which have a decisive impact on improving the basic quality of life.

15.4 Some of the major recommendations of this High Level Task Force pertaining to definition of Affordability, land, financing the policy goal, etc. were provided to the Committee as under:

(a) Definition of Affordability

	EWS/LIG	MIG
Size	300-600 sq. ft. carpet area	Not exceeding 1200 sq. ft. carpet area
Cost	Not exceeding 4 times household gross income	Not exceeding 5 times household gross annual income
EMI/Rent	Not exceeding 30% of gross monthly income	Not exceeding 40% of gross monthly income

The Task Force visualizes the size of household as five members.

(b) On land

- Urgent need for a new urban land policy to obtain land for growth of urban areas, and for a review of largely defunct master planning processes.
- Land for affordable housing has to be public purpose, and security can be tenorial.
- Density urban development where infrastructure can cope, and impose impact fee on beneficiaries by way of land or funds that goes for social housing.
- Improve the speed and transparency of transactions using technology like cadastrals, computerized land records and e-gov.



In-situ with community and NGO involvement is the best rehabilitation option.

(c) Financing the Policy Goal

- Increase JNNURM funds by 100%
- Impose a 0.5% cess on Central Government taxes to put in a Shelter Fund
- Allow ECB\* to HFIs
- Reduce costs of housing by reducing stamp duty, mortgage fees, registration fees.
- Define Affordable Housing as infrastructure.
- Provide Tax related incentives to developers and to HFIs for EWS housing-S 80 (IB) and 36(I) (VII).
- Establish a Housing Microfinance company which can also accept deposits.
- Savings will enable the down payment.
- The Company can assess the saving pattern of the customer.
- Revive HUDCO for a coherent institutional framework to promote affordable housing.

15.5 The Committee were informed of the following follow up action to be taken by the Government on the above recommendations of the High Level Task Force:-

- Examine the report for acceptance.
- Set up an inter-ministerial committee to study and recommend decisions on.
- New Urban Land Policy.
- Start action to frame.
- Model real estate regulation bill.
- Model amendments to obtain land for EWS housing in lieu of increased FAR/FSI.

**Land for Affordable Housing**

- Additional lands may be brought into urban usage on a regular basis by:

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\*External Commercial borrowings.

- Simplifying procedures and processes for land acquisition and conversion of agricultural lands for urban use.
- Reviewing the processes of Master Planning and effecting such changes as are necessary for making a proper assessment of land requirements and allocation of such lands for different uses, including lands for affordable housing.
- Treat affordable housing as a 'public purpose.'
- Upward revision in the FAR/FSI, across cities of different sizes commensurate with investment in infrastructure that it will necessitate.
- Develop detailed critical space plans, which incorporate infrastructure intensive cluster development.
- Impose an impact fee on those benefiting from higher FAR/FSI.
- In-situ development on public lands for addressing affordable housing issues in partnership with the Government.
- 'Security of tenure' be recognized as an important and integral tool for relieving pressures on the housing market. This may be undertaken through regularization of settlements, community or cooperative ownership, security *via* lease, use rights, which enables *in-situ* development to take place.
- The recommendations on land related issues *i.e.* bringing in additional lands, upward revision in the FAR/FSI and *in-situ* development have to be implemented in an integrated manner.
- Improve the speed of transactions through cadastrals, computerized land records and application of e-governance to land transactions.
- Commission a professional study, to examine the range of issues covering urban land and recommend a comprehensive, long-term urban land policy. Given the environmental concerns, "sustainable" methodologies need to be developed.

### **Fiscal and Financial Framework**

- Increase JNNURM funds for affordable housing by 100 percent\* and a part of the funds be used for direct provisioning of housing for poor urban households.
- A part of the funds be also used as supplements for in-situ development to be routed through the Non-Governmental Organisations (NGOs) and Community Based Organizations (CBOs).
- A cess of 0.5 percent on all Central Government taxes be credited to a dedicated Shelter Fund, to be managed by the National Housing Bank, with a budgetary support of equal amount, so as to make a long-term impact on affordable housing.
- Permit Housing Finance institutions (HFIs) to access long-term External Commercial Borrowing (ECB) market, since the HFIs require long-term funding sources at the lowest cost possible to pass on to the ultimate borrowers.
- Role of State Housing Boards be revamped and the Boards be encouraged to focus on playing a more active role in the provision of affordable housing, even if it is through public-private partnerships.
- Funds raised through the sale of land transactions by State Housing Boards must be ring fenced, with a defined proportion to be redeployed only for affordable housing.
- Modifications in Income Tax Act for HFCs and developers engaged in affordable housing projects.
- Reduction in stamp duty rates and registration fee for affordable housing to 2% ad valorem uniformly in all States.
- Levy a flat charge of Rs. 1,000 on registration of equitable mortgages.
- Bring “affordable housing” under the infrastructure definition.
- Establish a housing finance company focusing only on housing micro-finance loans.

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\*As per certain news reports, the Cabinet Committee on Economic Affairs, had, on 26th February, 2009, approved the Central financial assistance of Rs. 5000 crore to States in the next 4 years to construct 10 lakh affordable houses in the country. However, this is yet to be confirmed from the Ministry of Housing and Urban Poverty Alleviation.

### **Promote household savings in the informal sector**

#### **Technology for Cost Effectiveness**

- A low-rise high-density built form is recommended as an appropriate measure for upgrading, redevelopment or construction of housing projects for the lower income groups.

#### **Institutional Framework**

- The real estate should be regulated through a regulator and pending the legislative process for having real estate regulators in place in the States, consideration should be given to set up Ombudsman type bodies at the State level.
- The role of the housing and real estate Ombudsman would be to monitor JNNURM housing projects, ensure that proper appraisals are being done, collect relevant data, identify beneficiaries for JNNURM housing projects and address consumer grievances.

## PART II

### OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1. Housing is a basic human need. Urban housing is of a vital importance to the macro-economy of the country and its citizens and for the satisfaction of social and cultural aspirations of the people. However, due to the rapid pace of urbanization and huge rush of population from rural to urban areas in search of livelihood, there has been a yawning gap between the demand and supply of urban housing units. As per 2001 census, India's urban population constituted 27.8% of the total population while urban India occupied just 6% of the nation's land. At the end of the 10th Five Year Plan, the urban housing shortage in the country stood at an alarming 24.71 million dwelling units. The problem has been compounded due to severe shortage of basic urban services. In such an alarming scenario, there is an urgent need to weigh the Government's present initiatives vis-à-vis the actual housing requirements in order to identify all legal and administrative impediments and remove them so that the goal of 'Affordable housing for All' could be realized. The Committee feel that drastic intervention that inter alia combines incentives, subsidies and regulation, is the need of the hour. Their observations/recommendations relating to the issues involved in the overall urban housing scenario are given in the following paragraphs.

*National Urban Housing and Habitat Policy-2007 (NUHHP-2007)*

2. The Committee commend the formulation of NUHHP-2007 with its fundamental goal of 'Affordable housing for All' with special emphasis on SC/ST/OBC/ Minorities/Disabled and Women. The Committee also observe that the policy inter alia focusses on symbiotic development of rural and urban areas, integrated townships and Special Economic Zones, Public-private Partnership (PPP), Cooperative housing, in-situ slum rehabilitation, increased flow of funds specially through micro-finance, spatial incentives, detailed city plans and cost effective technology. While the objectives of the Policy are laudable, the Committee are disappointed to learn that only two States i.e. Maharashtra and Madhya Pradesh have so far announced their State housing policies based on the NUHHP-2007. Punjab has reportedly circulated a draft housing policy. In view of the overall lukewarm response from the State Governments to draw their own urban housing policies, the Committee recommend to the

Ministry of Housing and Urban Poverty Alleviation to strongly urge the States to formulate their State Housing Policies based on the NUHHP, 2007 without further delay.

3. The Committee are in agreement with the view that the Government's focus should not be just on building concrete houses alone but also on creating an overall quality habitat for the urban city dwellers, which includes, the basic services viz.-potable water, well laid drainage system, sewerage network, sanitation facilities, electricity, recreational space, etc. need to be developed to provide housing and habitat in a holistic manner. The Committee also desire that as envisaged in the Policy, the goals of constructing 'green' and 'intelligent' buildings, removal of legal, financial and administrative barriers for facilitating access to tenure, land and finance, careful review of authorized Floor Area Ratio (FAR) in line with international practices, increased supply of land and establishment of a Management Information System (MIS) in the Housing Sector, if realized in a time bound manner, could bring a real difference in the country's cities and other urban areas. They, therefore, urge the Ministry to act as a catalyst in taking requisite policy initiatives and interventions in the right places. The Committee may be apprised of the progress made on all these fronts in due course.

#### *Urban Housing Shortage*

4. As per the estimates of the Technical Group constituted by the Ministry, the total urban housing shortage in the country at the end of the 10th Five Year Plan was 24.71 million. This has been projected to go up to 26.53 million during the 11th Five Year Plan (2007-2012). The Committee have been given to understand that out of the 24.71 million housing shortage, 21.78 million pertains to EWS and 2.89 million to the LIG category. Together, these two groups account for 99% of the total housing deficit. On the contrary, housing shortage in upper income groups is reported to be a meager 40,000. The Committee are appalled at the gross insufficiency of houses for the poor categories. Apparently, the Government's policies, schemes and initiatives so far have failed in providing affordable housing for the EWS/LIG categories despite being well aware of the increasing urban pull for rural and semi-urban migrants and the resultant surge in the requirement of dwelling units for people residing in urban areas. The Committee, therefore, recommend that the Government should strive to address the housing shortage among the EWS/LIG on priority basis. The Committee also feel that in order to have a more realistic picture, a city-wise and State-wise data on urban

housing shortage needs to be prepared, planned and executed in a time bound manner. They would like to know whether such figures are available with the National Institute of Urban Affairs (NIUA)/ other agencies, and if so, desire to be apprised of the same.

#### *Housing Shortage in Delhi*

5. Taking note of the fact that a Technical Group constituted by the Government has assessed a total housing shortage of 1.13 million units in Delhi at the end of the 10th Five Year Plan, the Committee feel that the figures of all India housing shortage of 40,000 units in upper income groups appears to be unrealistic as even most of the persons belonging to Middle Income groups also do not enjoy the luxury of owning a house in a city like Delhi or Mumbai. The Committee, therefore, would like to know the basis on which the figure of 40,000 was arrived at. They recommend the Government to reassess the real shortage in all the metropolitan cities including Delhi and come out with a concrete Action Plan to overcome it in a time bound manner. The Committee would also like to be apprised of the steps taken by the Government to overcome the housing shortage in Delhi at the earliest.

#### *Budgetary Allocation*

6. As per the detailed Demands for Grants (2008-09) of the Ministry of Housing and Urban Poverty Alleviation, an amount of Rs. 120.71 crore had been provided for the year 2008-09 in regard to Housing, as against a sum of Rs. 52.89 crore during 2007-08, i.e. an increase of 128.23% in the budgetary allocation. The Committee trust that the increased allocation has provided the requisite boost to the schemes suffering for want of funds and would like to know as to how this increased allocation was utilized. The Committee also hope that in view of the huge housing shortage of 26.53 million during the 11th Five Year Plan that requires a staggering requirement of Rs. 60,2000 crore, the trend of progressively increasing fund allocation to urban housing sector would be maintained to facilitate steady finance to the schemes under operation. They expect the Ministry to continue playing an active role in the matter.

#### *Jawaharlal Nehru National Urban Renewal Mission: Basic Services to Urban Poor (BSUP) and Integrated Housing Slum Development Programme (IHSDP)*

7. The Committee note that the Basic Services to Urban Poor (BSUP) component of JNNURM addresses the needs of integrated

slum development, slum improvement and rehabilitation projects, affordable housing for urban poor, water, sanitation, etc. for urban poor in 63 Mission cities. Further, Integrated Housing Slum Development Programme (IHSDP) provides shelter and basic amenities in other Non-Mission cities. The duration of the Mission is 7 years beginning from 2005-06 till 2011-12. However, the funding pattern under JNNURM for the States has shown uneven trend for BSUP as well as IHSDP. To cite an example, in 2008-2009, only 19 projects in 5 States were funded under BSUP. The Committee further observe that under BSUP during 2007-08, the allocation by the Planning Commission for Andhra Pradesh was Rs. 95.00 crore, whereas fund released was Rs. 149.83 crore. On the other hand, for Maharashtra, the Planning Commission had allocated Rs. 359.86 crore, whereas funds released were just Rs. 185.59 crore. Taking note of the huge gaps between funds allocated by the Planning Commission and funds actually released to a State under BSUP and IHSDP and an instance of diversion of funds at RE stage too, the Committee feel that the demand from States has not come up to the expected levels which, perhaps, is because the projects were not planned satisfactorily. The Committee are concerned to note that some of the States are quite slow in bringing the new projects resulting in funds from these quite slow performing States being diverted to other States. The Ministry of Housing and Urban Poverty Alleviation have further taken the stand that States are taking considerably more than the stipulated time in completing their projects due to various reasons leading to cost and time-overruns. The Committee, therefore, desire that the Government should give further boost to their initiatives to encourage peer-learning among States so that allocated funds are utilized by the slow moving States too and the impact of BSUP and IHSDP is holistically visible in all the States. The Committee would also like to know the present status of completion of targeted 15,00,000 houses during Mission period for urban poor under BSUP and IHSDP, as more than half of the Mission period is already completed. Besides, as technical support structure and a web-enabled project tracking system are already in place for tracking the progress of projects and reforms under JNNURM, the Committee would like to be apprised of the latest progress of housing projects under the Mission mode in the country.

#### *Unsatisfactory Progress of 2 Million Housing Programme*

8. The Committee note that under the Two Million Housing Programme, out of the annual target of 20 lakh dwelling units, 7 lakh are to be constructed in urban areas. Out of these 7 lakh units,



4 lakh units were to be constructed by HUDCO during the last Fiscal Year (2007-2008). However, the actual performance showed that a mere 19406 dwelling units could be constructed by HUDCO during the period. Further, out of the target of 2 lakh dwelling units to be constructed by the HFIs and Public Sector Banks, only 96531 were constructed during the year 2007-08. The Committee are dismayed to note such an astronomical gap between the targets fixed for construction of urban dwelling units and the achievement thereon. They cannot but express their deep anguish at the under performance of all the agencies responsible for implementing the programme, particularly since most of these agencies enjoy a sound financial health and an otherwise good track record. Obviously, these agencies/institutions are either facing genuine difficulties or simply lack an active interest in Government's Housing programme, which, if not checked in time, can cast doom over all such efforts. The Committee would, therefore, like to be apprised of the reasons for the huge shortfall in meeting annual targets by HUDCO, HFIs and Public Sector Banks under the programme. They strongly feel that the Ministry must coordinate and vigorously pursue with these agencies/institutions to bring those on board so that the annual target of 7 lakh urban dwelling units could be met. The Committee would also like to be apprised of the initiatives taken by the Government, if any, to rejuvenate the Two Million Housing programme alongwith the initiatives taken by these agencies to achieve the targets.

*Interest Subsidy Scheme for Housing the Urban Poor (ISHUP)*

9. The Committee observe that in order to make housing affordable, the recently launched ISHUP seeks to provide interest subsidy of 5% per annum to the urban poor for loans of Rs. 1 lakh taken during the 11th Plan. The loan repayment period would be 15-20 years. The subsidy is fixed keeping in mind the repayment capacity of the EWS and LIG categories with estimated income range of Rs. 3300 and Rs. 3301 to Rs. 7300 per month respectively. A subsidy of Rs. 1100 crore is envisaged under the Scheme which can leverage formal institutional finance of Rs. 3870 crore and this would result in creation of additional housing stock of 3.10 lakh for EWS/LIG segments over the next 4 years (2008-12) i.e. 2.13 lakh dwelling units for EWS and 0.97 lakh for LIG. The Committee, however, are apprehensive since the minimum cost of an LIG dwelling unit, particularly in Metros like Delhi, Mumbai and Bangalore is several times higher than Rs. 1 lakh. They feel that although the subsidy would be provided on Rs. 1 lakh, for the remaining cost, the borrower would have to borrow from other sources at a much higher

rate of interest, which may put an adverse impact on his capacity to afford a house. In this context, the Committee have been apprised by the Ministry that the scheme is primarily aimed at such borrowers in urban areas, who hold pattas (or land) or are looking for conversion of kuchcha houses into pucca houses. The Committee infer that the scheme completely overlooks the interests of a huge portion of the poor urban population, who don't own any land, yet are in need of a roof over their heads. The Committee, therefore, recommend that the limit of the amount comprising the subsidy component may have to be revised keeping in view the present situation and make it more realistic. Meanwhile, the Committee would like to be apprised of the actual achievement status with regard to the target of 0.36 lakh units during 2008-2009 under this scheme.

*Poor Performance of 'Sub Ke Liye Awas' under the Twenty Point Programme, 2006*

10. The Committee note that under the 'Sub Ke Liye Awas' mentioned in Twenty-Point Programme, 2006 the Government had a target of 1,33,704 EWS/LIG houses to be constructed in the urban areas during 2007-08 out of which the actual achievement was 28599 houses. In the view of the Committee, a mere 21.05% achievement under this programme, is a very dismal performance. Moreover, they are perturbed to note that out of 16 States/UTs, only four-five States have performed adequately and that comparatively developed States like Maharashtra and Punjab have nil progress to show. The Committee feel that such non-performing schemes, which require spending precious Government resources without any concrete result, should be re-looked and restructured and revised or merged with better performing schemes so as to remain focussed. Meanwhile, the Committee also desire to know the reasons for the shortfall in the construction of dwelling units as targeted during 2007-2008. The Committee, also recommend that the Government should fix the responsibility for failure of the 'Sub Ke Liye Awas' programme and would like to be apprised of the Action Taken by the Government in this regard. At the same time, the Committee would like to be apprised of the funds utilized and units constructed under the above programme in the period 2006-2009 in due course.

*HUDCO for Better Services to Urban Poor--Ashok Jha Committee Report*

11. The Committee note that the Ministry of Housing & Urban Poverty Alleviation had set up a High-Powered Committee under

Shri Ashok Jha to rejuvenate HUDCO with a view to strengthen its financial position and expansion of activities, and to provide better services to poor and weaker sections of the society. In its Report submitted to the Government on 12th December, 2008, several issues of concern for HUDCO have been spelt out by the said High-Powered Committee viz. continued emphasis on social sector lending for housing for weaker sections at subsidized lending terms resulting in a financial sacrifice, withdrawal of Government support in form of tax/duty concessions, assets and liabilities, downgrading HUDCO's credit rating and discontinuation of Government's equity support to HUDCO. The Report, has drawn support from an earlier recommendation made by this Committee, which had stated that the Ministry of Housing and Urban Poverty Alleviation should earnestly seek the help of Ministry of Finance so as to make HUDCO eligible for low cost funds as well as to ensure that the facilities earlier extended to HUDCO, that is, before it was awarded a Mini Ratna status, are continued. The Committee note that High-Powered Committee has delved deep into the need to rejuvenate HUDCO financially so that it can perform better in achieving targets, particularly for low cost housing. Suggested measures include permitting HUDCO to raise funds under the purview of Municipal Tax Free Bonds, availing a letter of comfort from the Government to enable HUDCO to raise cheaper resources, allowing Plan funds allocation towards repayment of over-dues of HUDCO, permission to issue 54 (EC) bonds resulting in saving of Rs. 608 crore in three years, allowing HUDCO to follow RBI restoration of equity support to HUDCO for a period of 7 years specifically to support weaker section lending by HUDCO and introduction of an appropriate monitory mechanism. The Committee expect the Ministry to assess these recommendations in the light of prevailing circumstances and apprise them of the Plan of action vis-a-vis these recommendations.

12. The Committee also are broadly in agreement with the views of the High Powered Committee that HUDCO may have to diversify its revenue streams gradually to gain a substantial receipt from non-interest based/fee based streams. They hope that once appropriate action is taken, the financial position of HUDCO would be improved substantially and it would be able to address the Government's agenda of 'Affordable Housing for All' with special reference to Economically Weaker Sections (EWS) and Lower Income Group (LIG) to a significant level. The Committee also recommend that HUDCO should strive its best to reposition itself to become a self-sustaining entity to meet the requirement of the housing sector on its own.

*The Building Material & Technology Promotion Council (BMTPC)*

13. The Committee are of the opinion that application of cost effective innovative building materials and construction technology in Housing projects has a potential to bring their overall cost down upto an affordable level. In this context, they were informed that the Building Material & Technology Promotion Council (BMTPC) was established in June, 1990 as apex level organization with the prime objective of bridging gap between the laboratory development and large scale field application of cost effective, environment-friendly and energy-efficient innovative building materials and technologies. The Committee appreciate the efforts of the Council to offer and promote alternate technologies for housing in different geo-climatic zones in urban areas in the country, as well as other initiatives to spread awareness on environment-friendly and cost-effective building materials, which is available on the Council's website. However, the Committee are of the view that use of alternate building materials and technology is still far from popular in urban housing sector. They further feel that since private builders and promoters, largely commercial in their orientation, are now being actively involved in Government housing schemes in urban areas, use of cost-effective materials by them can increase their profit shares, and thus sustain their interest in taking up more such schemes. The Committee, therefore, recommend that the Government should make optimal use of the alternate proven building materials and technology in their housing projects by extending required duty exemptions and other measures as suggested by BMTPC, wherever feasible, and continue in their efforts to convince the private sector to explore and utilize local, cost-effective materials. Further, building centres should be actively involved by the housing agencies in promoting cost-effective new building materials and techniques.

*National Housing Bank (NHB)*

14. National Housing Bank (NHB), a statutory body under an Act of Parliament and wholly owned subsidiary of the Reserve Bank of India (RBI), has the mandate to undertake financing, regulatory and promotional functions as laid down in the NHB Act, 1987 (as amended till date). The Committee acknowledge NHB's initiatives towards developing a sound and sustainable housing finance system, designing Residential Price Index (RESIDEX) for various cities, catalyzing the flow of investments and lending, providing technical and advisory support to the housing sector, regulating the activities of housing finance companies, providing inputs into the formation

of the NUHHP-2007 and facilitating the flow of Housing Micro-finance. However, as per a 2005 NHB report, between 2001 and 2004, the average loan size was Rs. 4,08,450, the average area of property financed was 105.37 square metres and those who availed themselves of loans had a monthly income of Rs. 20,761. The Committee infer that the housing finance have largely gone to the HIG and MIG categories and thus, EWS/LIG sections appear to be neglected. They feel that the primary goal of supporting housing for the urban poor by making them credit worthy has been totally missed. The Committee have been given to understand that the reasons for low disbursements to EWS/LIG groups include high risk perception of the lenders, with regard to such low income borrowers due to their seasonal or irregular incomes. From the foregoing, the Committee feel that there is a strong case for development of alternative channels for delivery of housing finance to the poor who is invariably the last person to get institutional financing. As the EWS/LIG category borrowers have extremely limited channels to source the required funds for housing, the Committee strongly urge NHB to ponder over this issue and suggest measures to ensure that these sections of society are not sidelined.

15. Further, the Committee are concerned to note that NHB do not maintain targets fixed for disbursement of funds for affordable housing for EWS/LIG category, while they do have such targets for rural housing. The Committee, therefore, cannot but recommend that NHB should also maintain such targets for EWS/LIG sections in the urban areas. They also hope that NHB would explore the possibility of designing a scheme like 'Productive Housing in Rural Areas' (PHIRA) for urban dwellers too.

16. In so far as housing micro-finance is concerned, the Committee note from the submission made by NHB, that it is yet to gain popularity in India, due to high risk factor as well as large amount of money needed by a beneficiary. In this context, setting up of a National Housing Micro Finance agency seems to be the need of the hour, a view endorsed by NHB too since micro-finance directly benefits the low income groups. The Committee desire the Government to examine the merits of having such an agency and would like to be apprised of the same.

#### *Special Residential Zones (SRZ)*

17. The Committee note \*CREDAI's advocacy of the case for a Special Residential Zone (SRZ) in line with the concept of 'Special Economic Zone', in order to create an economic vehicle that supports

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\*Confederation of Real Estate Developers' Association of India (CREDAI)

and receives the demand for good quality affordable housing. According to them, an SRZ as per the concept, is a notified geographical region which would be free of domestic taxes, levies and duties (both for the creation, operation and maintenance of the SRZ) with special development rules to promote large-scale, affordable housing projects for the country's masses. It has been suggested that the SRZ could have a prescribed minimum number of dwelling units with a maximum prescribed size, and each SRZ could also have adequate social infrastructure including schools, medical facilities, transportation, play-areas etc. The Committee have been given to understand that the benefits of having SRZs *inter alia* include decreased housing cost, uniform infrastructure and housing plan, employment generation, improved per capita income, economic growth of the region, controlling slum population and planned urban development. Considering these benefits, the Committee are of the opinion that the Government should consider the suggestion and if found feasible, may initiate a dialogue with the Ministry of Finance on the same.

#### *Problems of Real Estate Sector*

18. The Committee are surprised to learn that although there are about 22 publicly listed real estate companies in India and the total market share of all these real estate companies, combined together, is not even four per cent of the total real estate development in the country, yet the money lent to them by the HFIs is more than 55 per cent of the total money lent to the real estate market. Thus, the developers who have real estate share of 96%, just get 45% of total money lent to the real estate market. The Committee feel that the Ministry need to verify this fact and if found correct, should take it up with HFIs as more support needs to be given to the unlisted developers, who have 96% real estate market share.

19. The Committee are also dismayed to note the plethora of clearances required, which act as impediments in the completion of a project, as those lead to time and cost-overruns. At the same time, they also feel that the time has come to establish a proper regulatory mechanism for the real estate sector. The Committee, therefore, recommend that, in line with the provision of NUHHP-2007, the legal requirements should be simplified and rationalized and ambiguities in transaction of conveyance deeds, lease deeds, mortgages etc. should be eliminated to achieve speedy clearances. Setting up of an appropriate regulatory mechanism for the sector should be accorded priority. The Committee also feel that option of



granting industry status and infrastructure classification to real estate sector may be explored by the Government, which will help in creating a lot of support for the unlisted real estate developers. Such measures, in their view, can help in gathering active support of the country's real estate sector for various housing schemes meant for low and middle income groups.

*Public-Private Partnership (PPP)*

20. The Committee note that the earlier dependence on the Government for tackling the urban housing and habitat issues is now slowly giving way to creating a strong public-private partnership. While the Government's intervention is required for fiscal concessions, legal and regulatory reforms and creation of an enabling environment, the private sector can be effectively utilized as the other partner to take up land assembly, housing construction and investment in infrastructure services. In this connection, the Committee note the Ministry's efforts towards encouraging PPP in housing sector as specified in the Preamble of NUHHP-2007. However, the Committee have also been apprised of certain serious handicaps in the Government's scheme of things by few prominent private players in the field resulting in a large portion of the private investment not going to the EWS and LIG housing segments. The Committee are of the view that the Government should make sustained efforts to create proper fiscal and administrative environment to sustain the interests of private sector in the urban housing schemes, while ensuring fair practices either through law or otherwise. On the other hand, it is a cause for concern that the Ministry has no mechanism so far for regulation of private players in the housing sector. The Committee, therefore, desire that a mechanism to encourage as well as regulate the private players in housing sector should be put in place in consultation with the concerned Ministries at the earliest. The issue concerning tax incentives on housing also needs to be re-looked in present circumstances and the Committee would like the Ministry of Housing and Urban Poverty Alleviation to revisit the said tax requirements alongwith the Ministry of Finance to arrive at a plausible solution. Further, the Ministry should ensure that at least 25% of houses are reserved for EWS and LIG segments by the private developers in order to realize the goal of 'social housing'.

*Cooperative Housing*

21. The NUHHP-2007 has underlined the need for developing urban housing cooperatives. The Committee acknowledge the efforts

of the Ministry in encouraging cooperative housing through the National Cooperation Housing Federation (NCHF), an apex body for various State level cooperative housing federations, towards this end. The Committee have been made to understand that the Ministry has requested all the State Governments to reserve 30% of land acquired by them to cooperative group housing societies at concessional rate and on priority basis, apart from exempting members of housing cooperatives from payment of stamp duty and registration fee. The Committee feel that the cooperative housing concept, if utilized with the right approach, can prove to be a boon for persons with lesser incomes, who require houses in urban areas. They would like to be apprised of the progress made by the State Governments in this regard as well as initiatives taken by the NCHF to promote and popularize cooperative housing in a detailed note on the same.

#### *Maintenance of Dwelling Units*

22. Maintenance of assets created is a very important part of housing activity. The Committee are pained to note that the maintenance exercise in the EWS/LIG dwelling units has largely remained poor and unsatisfactory. In fact, poor maintenance has become the hallmark of a Government asset. Therefore, the Committee feel that the Government needs to pay urgent attention to this important aspect. In their view, the Government should explore the possibilities of offering a warranty clause for a minimum period of five years for EWS/LIG dwelling units, whereby any damage to these dwelling units within this period, should be repaired free of cost. The Government must also ensure timely and prompt service to the beneficiaries. There should be a provision for an efficient network of service-centers with a suitable complaint recording and monitoring system and a single window where complaints and grievances should be registered and acknowledged immediately indicating the time limit within which action is expected to be taken. The Committee are aware of the facility created by CPWD to register maintenance and repair complaints on-line and would like to know the response received by them so far. They hope such efforts would rectify the poor image of Government's maintenance service. The Committee also desire that senior Government officials, both at the Centre and State level, responsible for maintenance of assets should be sensitized to coordinate with the concerned Residential Welfare Association (RWA) so as to ensure a better repair and maintenance service for the dwelling units.



*In-situ Rehabilitation and Development of Slums*

23. The idea of relocation of slum population to a new area in the overall urban housing scenario doesn't find favour with the beneficiaries as it deprives them, in most of the cases, their means of livelihood. Hence, the Committee feel that in-situ upgradation, in-situ redevelopment or rehabilitation of slum population in the vicinity can be a better option. In their opinion, redevelopment of slums far away from the original place should be done only as a last resort when it is impossible to rehabilitate the original site. In this connection, the Committee urge the Ministry to advise the States to put more emphasis on slum rehabilitation and in-situ development of slum areas while making provision of suitable basic amenities, with regular maintenance.

24. A major problem, which needs attention in this context is that many a time Government plots/houses allotted to EWS/LIG persons change hands as the original beneficiaries sell those off to a second party in the open market at a premium, thus defeating the very purpose of allotment. The Committee are aware that some States like Gujarat have opted for bio-metric identification cards and joint ownerships for wife and husband for checking this trend. However, they feel that the Government must identify the socio-political reasons responsible for this trend of EWS/LIG plots/units often changing hands, which may include loss of livelihood, transportation problems, etc. The Committee feel that such problems need to be addressed realistically so that Government houses/plots allotted to EWS/LIG categories are actually used by them. Besides appropriate legal deterrent needs to be explored to bar resale of Government EWS/LIG Government plots/units by the original allottees for at least a period of 5 to 10 years from the date of allotment. The Committee would like to be apprised of the views of the Government in this connection as well as the measures, if any, being taken to check sale of Government plots/houses by EWS/LIG beneficiaries.

*Report of Task Force on Affordable Housing for All*

25. The Committee welcome the suggestion of the High level Task Force's Report on 'Affordable Housing for All' that Affordable Housing needs be treated a 'public purpose', which is necessary for effectively addressing the issue of land for affordable housing. They agree with the view of the Task Force that the benefits and gains of treating affordable housing as 'public purpose' are significantly greater than the risks involved. This alone will justify affordable

housing as developmental priority. The Committee hope that the Ministry would act upon the Task Force's suggestions early and categorize 'Affordable Housing' as a 'public purpose' activity. The Committee would await the proposed action plan of the Government to implement the recommendation contained in the Task Force's Report.

*National Shelter Fund*

26. The Committee observe that for funding the Affordable Housing, the Task Force *inter alia* has aptly recommended levying a cess of 0.5% on all Central Government taxes to be credited into a dedicated National Shelter Fund, that can be managed by the National Housing Bank. Further, the Task Force is stated to have recommended reinforcement of such a Fund with budgetary support of equal amount, so as to make a long term impact on Affordable Housing. The Committee would like to know as to how the proposed Fund will be different from the National Housing Credit (Long Term Operations) Fund established under the RBI Act, 1934 as well as the probability of setting up of such Fund. They would like to have a note on the matter from the Ministry.

NEW DELHI;  
16 March, 2009  
25 Phalguna, 1930 (Saka)

MOHD. SALIM,  
Chairman,  
Standing Committee on  
Urban Development.

## ANNEXURE I(a)

JNNURM-BASIC SERVICE TO THE URBAN POOR  
(SUB MISSION-II)Status as on 31.03.2008  
(Rs. in Crores)

Sl.No.	Name of the States/UTs	No. of Mission Cities	No. of Projects Approved	Total Approved Project Cost	Total No. of Dwelling Units Approved (In-situ + Relocation+ Up-gradation)	Total Central Share Approved	ACA Released by M/o Finance
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	3	5	511.2689	14675	250.63	149.83
2.	Arunachal Pradesh	1	1	4.102	100	3.36	0.84
3.	Assam	1	1	53.9504	1232	48.56	12.14
4.	Chandigarh (UT)	0	0	0	0	0.00	0.00
5.	Chhattisgarh	0	0	0	0	0.00	0.00
6.	Bihar	2	9	367.7192	14596	179.54	44.89
7.	Delhi	1	11	1506.895	57504	630.90	157.72
8.	Gujarat	2	3	240.549	15136	115.63	86.97
9.	Haryana	0	0	0	0	0.00	3.22
10.	Himachal Pradesh	1	1	14.0148	384	11.21	2.80
11.	Goa	1	1	10.222	155	4.60	1.15
12.	Jammu and Kashmir	2	2	105.1716	5208	84.88	21.22
13.	Jharkhand	2	5	195.2863	7218	132.91	33.23
14.	Karnataka	2	4	271.432	7335	147.57	40.53
15.	Kerala	2	3	234.9165	17460	155.22	38.80
16.	Madhya Pradesh	1	1	17.4091	1320	13.26	18.87

1	2	3	4	5	6	7	8
17.	Maharashtra	4	5	1200.652	30034	632.62	185.59
18.	Meghalaya	1	2	30.4409	600	23.77	5.94
19.	Mizoram	1	2	34.331	408	28.91	7.23
20.	Nagaland	0	0	0	0	0.00	26.28
21.	Orissa	2	5	67.16772	2316	48.77	12.19
22.	Punjab	2	2	72.4313	5152	36.15	9.04
23.	Puducherry	1	2	43.9741	1304	32.31	8.08
24.	Rajasthan	0	0	0	0	0.00	17.45
25.	Sikkim	1	1	3.2497	52	2.79	0.70
26.	Tamil Nadu	3	5	1303.847	41586	587.69	132.16
27.	Tripura	1	1	16.72841	256	13.96	3.49
28.	Uttar Pradesh	5	7	355.5832	17072	162.50	38.66
29.	Uttarakhand	3	4	22.8779	524	18.08	3.80
30.	West Bengal	2	31	1241.802	54932	610.01	124.99
	Year 2007-08	47	114	7926.02	296559	3975.84	1187.80
1.	Andhra Pradesh	2	9	572.61	30320	284.34	81.85
2.	Chandigarh (UT)	1	2	564.94	25728	396.13	0.00
3.	Chhattisgarh	1	4	391.45	27976	312.18	78.05
4.	Gujarat	4	10	1028.32	72368	497.29	98.68
5.	Haryana	1	2	64.23	3248	31.18	4.58
6.	Himachal Pradesh	1	1	9.99	252	7.05	1.76
7.	Karnataka	2	3	238.84	14511	125.40	27.71
8.	Kerala	2	3	69.20	4748	47.17	11.84
9.	Madhya Pradesh	3	14	428.22	26205	206.02	39.54
10.	Maharashtra	5	31	2934.82	100578	1299.50	287.58
11.	Nagaland	1	1	134.50	3504	105.60	15.51
12.	Rajasthan	2	2	277.14	17337	169.20	24.85

1	2	3	4	5	6	7	8
13.	Tamil Nadu	3	19	830.26	44021	359.67	83.00
14.	Uttar Pradesh	5	5	82.13	4680	38.58	9.64
15.	West Bengal	2	45	1169.51	60312	556.54	137.17
	Year 2006-07	35	151	8796.16	435788	4435.87	901.77
1.	Andhra Pradesh*	1	5	623.90	49000	311.95	62.89
2.	Madhya Pradesh*	1	4	75.05	5764	37.38	9.25
	Year 2005-06	2	9	698.95	54764	349.33	72.14
	Total	61	274	17421.12	787111	8761.04	2161.72

\*JNNRUM Projects Cell—NBO (Projects Approved till the 35th CSMC Meeting held on 24.03.2008)

## ANNEXURE I(b)

INTEGRATED HOUSING AND SLUM DEVELOPMENT  
PROGRAMME (IHSDP)  
Total Projects Approved (Year-State-wise)

Status as on 31.03.2008  
(Rs. in Crores)

Sl.No.	Name of the State	Total Projects Approved	Total Projects Cost Approved	Total No. of Dwelling units approved	Total Central Share Approved	ACA released by M/o Finance
1	2	3	4	5	6	7
1.	Andhra Pradesh	32	385.34	4087	300.55	172.23
2.	A & N Island	1	5.27	40	4.74	2.37
3.	Assam	9	26.07	4780	22.32	11.46
4.	Bihar	3	31.92	2333	23.21	20.92
5.	Chhattisgarh	0	0.00	0	0.00	29.74
6.	D.N. Haveli	1	0.50	0	0.45	0.23
7.	Daman & Diu	1	0.69	16	0.58	0.29
8.	Gujarat	15	155.43	12205	101.59	53.52
9.	Haryana	0	0.00	0	0.00	41.87
10.	Himachal Pradesh	3	23.44	816	16.19	1.71
11.	Jammu & Kashmir	10	42.40	2654	32.23	16.12
12.	Jharkhand	1	19.67	1292	15.58	7.79
13.	Karnataka	20	171.81	8983	103.86	57.95
14.	Kerala	11	71.45	6267	53.85	22.47
15.	Madhya Pradesh	10	44.72	2518	33.07	39.77
16.	Rajasthan	10	186.37	11526	122.24	67.25

1	2	3	4	5	6	7
17.	Maharashtra	20	245.77	18091	181.94	55.53
18.	Meghalaya	1	21.82	456	8.97	0.91
19.	Mizoram	1	8.27	500	6.21	0.00
20.	Manipur	2	16.50	1103	12.37	0.00
21.	Nagaland	0	0.00	0	0.00	12.44
22.	Orissa	15	83.63	4884	59.13	14.92
23.	Puducherry	1	17.03	432	5.48	1.35
24.	Punjab	2	42.40	3938	25.55	12.77
25.	Tamil Nadu	8	79.61	6832	56.64	34.03
26.	Tripura	1	7.19	400	6.33	3.17
27.	Uttar Pradesh	1	4.29	204	2.78	0.00
28.	Uttarakhand	2	5.85	231	2.91	1.45
29.	West Bengal	44	365.43	20061	260.70	110.00
	Year 2007-08	225	2062.87	1146.49	1459.48	792.24
1.	Andhra Pradesh	25	301.92	25170	210.57	83.33
2.	Assam	3	12.24	613	10.79	5.09
3.	Bihar	7	48.81	4167	36.55	8.96
4.	Chhattisgarh	14	176.50	14846	122.01	31.26
5.	Gujarat	8	72.07	6200	51.54	18.00
6.	Haryana	15	238.84	14641	182.96	49.61
7.	Karnataka	5	68.46	4070	41.90	14.93
8.	Kerala	15	65.25	5985	50.10	21.46
9.	Madhya Pradesh	23	197.17	14646	137.99	45.77
10.	Rajasthan	17	140.06	10758	110.08	39.26
11.	Maharashtra	15	152.67	130.36	120.71	55.80
12.	Nagaland	1	87.74	2496	44.14	9.63
13.	Tamil Nadu	22	146.05	12931	112.56	43.37

1	2	3	4	5	6	7
14.	Uttar Pradesh	8	29.01	2032	22.11	11.05
15.	West Bengal	16	201.20	12824	150.57	55.08
	Year 2006-07	194	1938.00	144415	1404.56	492.61
1.	Rajasthan	3	9.03	136	7.22	0.00
	Year 2005-06	3	9.03	136	7.22	0.00
	Total	422	4009.90	259200	2871.26	1284.85

\*JNNRUM Projects Cell—NBO (Projects Approved till the 35th CSMC Meeting held on 24.03.2008)



ANNEXURE I(c)

JNNURM-BASIC SERVICE TO THE URBAN POOR  
(SUB MISSION-II)  
Project Approved (State-wise—2008-09)

Status as on 31.12.2008  
(Rs. in Crores)

Sl.No.	Name of the States/UTs	No. of Mission Cities	No. of Projects Approved	Total Approved Project Cost	Total No. of Dwelling Units Approved (In-situ+ Relocation+ Up-gradation)	Total Central Share Approved	ACA Released by M/o
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	0	0	0.00	0	0.00	129.12
2.	Arunachal Pradesh	0	0	0.00	0	0.00	0.00
3.	Assam	0	0	0.00	0	0.00	0.00
4.	Chandigarh (UT)	0	0	0.00	0	0.00	0.00
5.	Chhattisgarh	0	0	0.00	0	0.00	0.00
6.	Bihar	0	0	0.00	0	0.00	0.00
7.	Delhi	1	4	307.59	8000	137.83	0.00
8.	Gujarat	0	0	0.00	0	0.00	18.98
9.	Goa	0	0	0.00	0	0.00	0.00
10.	Haryana	0	0	0.00	0	0.00	15.59
11.	Himachal Pradesh	0	0	0.00	0	0.00	0.00
12.	Jammu and Kashmir	0	0	0.00	0	0.00	0.00
13.	Jharkhand	2	3	64.76	1970	38.71	9.68
14.	Karnataka	0	0	0.00	0	0.00	0.00

1	2	3	4	5	6	7	8
15.	Kerala	0	0	0.00	0	0.00	0.00
16.	Madhya Pradesh	0	0	0.00	0	0.00	6.47
17.	Maharashtra	0	0	0.00	0	0.00	101.84
18.	Meghalaya	0	0	0.00	0	0.00	0.00
19.	Mizoram	0	0	0.00	0	0.00	0.00
20.	Nagaland	0	0	0.00	0	0.00	0.00
21.	Orissa	0	0	0.00	0	0.00	0.00
22.	Punjab	0	0	0.00	0	0.00	0.00
23.	Puducherry	0	0	0.00	0	0.00	0.00
24.	Rajasthan	0	0	0.00	0	0.00	0.00
25.	Sikkim	0	0	0.00	0	0.00	0.00
26.	Tamil Nadu	1	3	4.27	201	2.05	36.12
27.	Tripura	0	0	0.00	0	0.00	3.49
28.	Uttar Pradesh	4	7	266.06	6616	107.07	54.51
29.	Uttarakhand	0	0	0.00	0	0.00	0.72
30.	West Bengal	1	2	115.40	4154	57.70	37.54
Total (2008-09)		9	19	718.09	20941	343.36	414.07

\*JNNRUM Projects Cell—NBO (Projects Approved till the 46th CSMC Meeting held on 24.12.2008)

ANNEXURE I(d)

INTEGRATED HOUSING AND SLUM DEVELOPMENT  
PROGRAMME (IHSDP)

Total Projects Approved (2008-09)

(Rs. in crores)

Sl.No.	Name of the State	Total Projects Approved	Total Project Cost Approved	Total No. of Dwelling units approved	Total Central Share Approved	ACA released by M/o Finance
1	2	3	4	5	6	7
1.	A & N Island	0	0.00	0	0.00	0.00
2.	Andhra Pradesh	8	38.08	0	30.23	42.48
3.	Arunachal Pradesh	1	9.95	176	8.66	0.00
4.	Assam	0	0.00	0	0.00	0.00
5.	Bihar	0	0.00	0	0.00	0.00
6.	Chhattisgarh	0	0.00	0	0.00	0.00
7.	D & N Haveli	0	0.00	0	0.00	0.00
8.	Daman & Diu	0	0.00	0	0.00	0.00
9.	Gujarat	0	0.00	0	0.00	0.00
10.	Haryana	0	0.00	0	0.00	0.00
11.	Himachal Pradesh	0	0.00	0	0.00	6.39
12.	Jammu and Kashmir	0	0.00	0	0.00	0.00
13.	Jharkhand	0	0.00	0	0.00	0.00
14.	Karnataka	0	0.00	0	0.00	0.00
15.	Kerala	2	13.37	1276	10.27	20.81
16.	Machya Pradesh	0	0.00	0	0.00	0.00
17.	Maharashtra	34	488.49	21706	296.34	102.55

1	2	3	4	5	6	7
18.	Manipur	0	0.00	0	0.00	6.18
19.	Meghalaya	0	0.00	0	0.00	3.58
20.	Mizoram	2	0.00	124	0.00	3.11
21.	Nagaland	0	0.00	0	0.00	0.00
22.	Orissa	0	0.00	0	0.00	14.66
23.	Puducherry	0	0.00	0	0.00	0.96
24.	Punjab	1	21.01	720	7.07	3.54
25.	Rajasthan	4	83.37	3214	48.36	37.44
26.	Tamil Nadu	7	69.55	5033	46.07	7.20
27.	Tripura	0	0.00	0	0.00	0.00
28.	Uttar Pradesh	69	295.98	11540	177.94	67.35
29.	Uttarakhand	0	0.00	0	0.00	0.00
30.	West Bengal	16	166.88	8751	118.59	92.12
Year 2008-09		144	1186.69	52540	743.53	408.36

\*JNNRUM Projects Cell—NBO (Projects Approved till the 45th CSMC Meeting held on 24.12.2008)

*ANNEXURE II*

RELEASES UNDER BSUP & IHSDP DURING 2007-08

Sl.No.	State/UT	BSUP		IHSDP	
		Planning Commission Allocation	Release	Planning Commission Allocation	Release
1	2	3	4	5	6
1.	Andhra Pradesh	95.50	149.83	63.83	172.23
2.	Arunachal Pradesh	0.28	0.84	0.50	0
3.	Assam	12.31	12.14	5.20	11.46
4.	Bihar	54.60	44.89	15.42	20.92
5.	Chhattisgarh	4.88	0	7.54	29.74
6.	Goa	0.16	1.15	1.74	0
7.	Gujarat	95.18	86.97	23.51	53.52
8.	Haryana	3.55	3.22	14.65	41.87
9.	Himachal Pradesh	2.34	2.81	1.78	1.71
10.	Jammu & Kashmir	10.55	21.22	8.83	16.12
11.	Jharkhand	32.01	33.23	12.48	7.79
12.	Karnataka	39.84	40.53	15.12	57.95
13.	Kerala	23.64	38.81	18.24	22.46
14.	Madhya Pradesh	29.26	18.87	25.38	39.77
15.	Maharashtra	359.86	185.59	53.39	55.53
16.	Manipur	1.30	0	1.36	0
17.	Meghalaya	2.61	5.94	0.99	0.91
18.	Mizoram	3.04	7.23	0.84	0
19.	Nagaland	0.65	26.28	0.75	12.44
20.	Orissa	6.46	12.19	15.51	14.92

1	2	3	4	5	6
21.	Punjab	43.38	9.04	15.83	12.77
22.	Rajasthan	38.32	17.45	38.96	67.25
23.	Sikkim	0.29	0.70	0.10	0
24.	Tamil Nadu	113.57	132.15	32.06	34.03
25.	Tripura	1.50	3.49	0.92	3.17
26.	Uttar Pradesh	110.54	38.66	78.40	0
27.	Uttarakhand	7.46	3.80	4.80	1.45
28.	West Bengal	229.27	124.99	29.90	110.00
29.	Delhi	160.14		0	0
30.	Puducherry	8.05	157.72	0.77	1.35
31.	A&N Island	0.00	8.09	0.80	2.37
32.	Chandigarh	10.47	5.00	0	0
33.	D&N Haveli	0.00	0.00	0.06	0.23
34.	Lakshadweep	0.00	0	0.11	0
35.	Daman & Diu	0.00	0	0.22	0.29
	Total	1501.00	1192.80	490.00	792.24
	RE*	1201.00	1192.80	490.00	792.24

\*An Allocation of Rs. 300 crores was diverted from BSUP to IHSDP.

## ANNEXURE III(a)

## MID-TERM TARGETS (BSUP)

	Targets for		
	Completion	Work in Progress	Total Dwelling Units
	1	2	3
Andhra Pradesh	47592	31728	79320
Arunachal Pradesh	73	49	122
Assam	1599	1066	2665
Bihar	7093	4729	11822
Chhattisgarh	16786	11190	27976
Goa	41	27	68
Gujarat	43246	288830	72076
Haryana	1949	1299	3248
Himachal Pradesh	151	101	252
Jammu & Kashmir	1371	914	2285
Jharkhand	4158	2772	6931
Karnataka	9717	6478	16195
Kerala	2849	1899	4748
Madhya Pradesh	19222	12815	32037
Maharashtra	60345	40231	100578
Manipur	338	225	563
Meghalaya	677	451	1129
Mizoram	789	526	1316
Nagaland	2102	1402	3504
Orissa	1678	1119	2797

	1	2	3
Punjab	5635	3757	9392
Rajasthan	10402	6935	17333
Sikkim	76	51	127
Tamil Nadu	26413	17608	44021
Tripura	154	102	256
Uttar Pradesh	2808	1872	4680
Uttarakhand	1938	1292	3230
West Bengal	36187	24125	60312
Delhi	16788	11192	27980
Puducherry	2091	1394	3486
Chandigarh	15437	10291	25728
Total	339709	226472	566181



## ANNEXURE III(b)

## MID-TERM TARGETS (IHSDP)

	Targets for		
	Completion	Work in Progress	Total Dwelling Units
1	2	3	4
A&N Island	437	292	729
Andhra Pradesh	17554	11703	29257
Arunachal Pradesh	271	181	452
Assam	553	369	922
Bihar	2831	1888	4719
Chhattisgarh	8908	5938	14846
D&N Haveli	34	22	56
Daman & Diu	118	79	197
Goa	947	632	1579
Gujarat	5377	3585	8962
Haryana	8785	5856	14641
Himachal Pradesh	971	648	1619
Jammu & Kashmir	1592	1062	2654
Jharkhand	3400	2267	5667
Karnataka	5009	3339	8348
Kerala	5689	3793	9482
Lakshadweep	62	41	103
Madhya Pradesh	9143	6095	15238
Maharashtra	10257	6838	17095
Manipur	741	494	1235

1	2	3	4
Meghalaya	538	359	897
Mizoram	459	306	765
Nagaland	1498	998	2496
Orissa	4226	2817	7043
Puducherry	417	278	695
Punjab	4314	2876	7190
Rajasthan	6537	4358	10895
Sikkim	54	36	90
Tamil Nadu	10869	7246	18115
Tripura	502	334	836
Uttar Pradesh	21360	14240	35601
Uttarakhand	1307	872	2179
West Bengal	9702	6468	16170
Total	144463	96309	240772

ANNEXURE IV

COMMITTEE ON URBAN DEVELOPMENT (2005-2006)

MINUTES OF THE SIXTH SITTING OF THE COMMITTEE HELD  
ON TUESDAY THE 2ND JANUARY, 2006

The Committee sat from 1500 hrs. to 1700 hrs. in Committee Room  
'E' Parliament House Annexe (PHA), New Delhi.

PRESENT

Shri Mohd. Salim — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Surendra Prakash Goyal
3. Shri P. Mohan
4. Shri Devidas Pingale
5. Shri Sudhangshu Seal
6. Shri K. Subbarayan
7. Shri Ravi Prakash Verma
8. Shri Suresh Ganpatrao Wagmare

*Rajya Sabha*

9. Shri B.K. Hariprasad
10. Shri Jayantilal Barot
11. Shri Laxminarayan Sharma
12. Shri Prasanta Chatterjee
13. Shri Faqir Chand Mullana

SECRETARIAT

1. Shri K. Chakraborty — *Director*
2. Smt. Neera Singh — *Under Secretary*

WITNESSES

**(i) Ministry of Urban Employment & Poverty Alleviation**

1. Smt. Chitra Chopra, Secretary
2. Shri Pankaj Jain, Jt. Secretary

**(ii) National Building Organisation(NBO)**

1. Shri D.P.S. Negi, Director

**(iii) Housing and Urban Development Corporation Ltd. (HUDCO)**

1. Dr. P.S. Rana, CMD

**(iv) Building Materials and Technology Promotion Council (BMTPC)**

1. Shri R.K. Celly, ED

**(v) National Cooperative Housing Federation of India (NCHF)**

1. Dr. M.L. Khurana, MD

2. At the outset, the Chairman welcomed the members and the representatives of the Ministry of Urban Employment and Poverty Alleviation, National Building Organisation, HUDCO, BMTPC and the National Cooperative Housing Federation of India. The Secretary (UEPA) then gave a brief outline of the major issues pertaining to Urban Housing, which was followed by an audio visual presentation by the representatives of HUDCO and BMTPC.

3. The Chairman and some of the members of the Committee then raised certain queries which were duly clarified by the representatives of the Ministry of Urban Employment and Poverty Alleviation.

4. A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

ANNEXURE V

STANDING COMMITTEE ON URBAN DEVELOPMENT (2007-2008)

MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE  
HELD ON FRIDAY, THE 16TH MAY, 2008

The Committee sat from 1500 hrs. to 1650 hrs. in Committee Room  
No G074, Parliament Library Building, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

*Lok Sabha*

2. Smt Botcha Jhansi Lakshmi
3. Shri Surendra Prakash Goyal
4. Shri Anant Gudhe
5. Shri Kailash Joshi
6. Shri Sajjan Kumar
7. Shri A.K. Moorthy
8. Shri Shripad Yesso Naik
9. Shri Sudhangshu Seal
10. Kunwar Devendra Singh Yadav
11. Shri Suresh Ganpatrao Wagmare

*Rajya Sabha*

12. Smt. Syeda Anwara Taimur
13. Shri B.K. Hariprasad
14. Shri Surendra Moti Lal Patel
15. Shri Krishan Lal Balmiki
16. Shri Brij Bhushan Tiwari
17. Shri Penumalli Madhu
18. Shri Varinder Singh Bajwa

SECRETARIAT

- |                        |   |                            |
|------------------------|---|----------------------------|
| 1. Shri A Louis Martin | — | <i>Joint Secretary</i>     |
| 2. Shri T.K. Mukherjee | — | <i>Director</i>            |
| 3. Smt. Anita B. Panda | — | <i>Deputy Secretary</i>    |
| 4. Shri Harchain       | — | <i>Deputy Secretary-II</i> |

**Representatives of the Ministry of Housing and Urban Poverty Alleviation**

1. Dr. Harjeet S. Anand, Secretary (HUPA)
2. Shri S.K. Singh, JS (Housing)
3. Shri Pankaj Joshi, Director (Housing)
4. Smt. Sharda Meshram, Director (A&AA)
5. Shri K.L. Dhingra, CMD, HUDCO
6. Dr. M.L. Khurana, Managing Director, NCHF
7. Shri DPS Negi, Director, NBO
8. Dr. Shailesh Aggarwal, Executive Director, BMTPC
9. Shri A.K. Rajput, Officiating Chief Executive Officer, CGEWHO
10. Dr. P.K. Mohanty, Joint Secretary (JNNURM)

2. At the outset, Hon'ble Chairman welcomed the Members and representatives of the Ministry of Housing and Urban Poverty Alleviation to the sitting of the Committee. The Hon'ble Chairman then asked Secretary, Ministry of Housing and Urban Poverty Alleviation to brief the Committee on the subject, 'Urban Housing'. He also drew the attention of the representatives to the provisions under Direction 55(1) of the Directions by the Speaker.

3. The Secretary, Ministry of Housing and Urban Poverty Alleviation, then gave a brief presentation on the subject 'Urban Housing' and also explained the measures being taken by them towards realizing the goals of National Urban Housing and Habitat Policy (NUHHP)-2007. The Secretary, HUPA then responded to the queries raised by the Members pertaining to the subject.

4. A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

ANNEXURE VI

STANDING COMMITTEE ON URBAN DEVELOPMENT (2008-2009)

MINUTES OF THE SECOND SITTING OF THE COMMITTEE  
HELD ON TUESDAY, THE 2ND SEPTEMBER, 2008

The Committee sat from 1500 hrs. to 1630 hrs. in Room No '139',  
Parliament House Annexe, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

*Lok Sabha*

2. Smt. Botcha Jhansi Lakshmi
3. Shri Surendra Prakash Goyal
4. Shri Anant Gudhe
5. Shri Pushp Jain
6. Shri Kailash Joshi
7. Shri Sajjan Kumar
8. Shri A.K. Moorthy
9. Shri D. Vittal Rao
10. Shri Sudhangshu Seal
11. Kunwar Devendra Singh Yadav
12. Shri Suresh Ganpatrao Wagmare

*Rajya Sabha*

13. Smt. Syeda Anwara Taimur
14. Shri B.K. Hariprasad
15. Shri Surendra Moti Lal Patel
16. Shri Krishan Lal Balmiki
17. Shri Brij Bhushan Tiwari
18. Shri Penumalli Madhu
19. Shri Varinder Singh Bajwa

#### SECRETARIAT

1. Shri A Louis Martin — *Joint Secretary*
2. Shri T.K. Mukherjee — *Director*
3. Smt. Anita B. Panda — *Deputy Secretary*
4. Shri Harchain — *Deputy Secretary-II*

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee took up for consideration the draft report on Action Taken by the Government on the recommendations contained in their Thirty Second Report (14th Lok Sabha) on Demands for Grants (2008-2009) of the Ministry of Housing and Urban Poverty Alleviation and adopted the same with slight modification. The Committee then authorized the Chairman to finalise the report and present the same to the Parliament.

3. Thereafter, the following experts were called in for a personal hearing in connection with examination of the subject 'Urban Housing'.

#### EXPERTS

- (i) Professor E.F.N. Rebeiro, former Chief Planner, Town and Country Planning Organisation (TCPO), Ministry of Urban Development and former Director, School of Planning & Architecture (SPA), Delhi.
- (ii) Dr. Shailesh Kumar Agarwal, Executive Director, Building Material and Technology Promotion Council (BMTPC).

4. The Chairman, welcomed Prof. E.F.N. Rebeiro and Dr. Shailesh Kumar Agarwal and drew their attention to the provision under Direction 55(1) of the 'Directions by the Speaker, Lok Sabha'.

5. Professor E.F.N. Rebeiro presented his views on the subject 'Urban Housing' and highlighted certain core issues like pressure of urbanization on mega cities and consequent burgeoning of demand of houses and habitat, huge urban housing shortage, and the need for *in-situ* upgradation and rehabilitation of dwellings made for BPL families. While highlighting the objectives of National Urban Housing and Habitat Policy-2007 (NUHHP-2007) of Government of India with its main thrust on "Affordable Housing for all", he pointed to the worrisome issues of maintenance/repair of assets unauthorized constructions and the complex municipal bye-laws.



6. Thereafter, Dr. Shailesh Kumar Agarwal presented his views on 'Urban Housing' and highlighted the issues like the need to adopt cost-effective building materials and appropriate technology, construction cost optimization, environment friendliness, disaster resistant features in construction, utilization of waste material as well as the growing need for PPP mode in housing sector. Further he explained the objectives and functions of Building Materials and Technology Promotion Council (BMTPC) and its efforts and achievements with regard to promotion of cost-effective technologies. Thereafter, the experts responded to the queries raised by the Members pertaining to the subject.

6. A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

ANNEXURE VII

STANDING COMMITTEE ON URBAN DEVELOPMENT (2008-2009)

MINUTES OF THE NINTH SITTING OF THE COMMITTEE HELD  
ON TUESDAY, THE 6TH JANUARY, 2009

The Committee sat from 1500 hrs. to 1615 hrs. in Room No. '139',  
Parliament House Annexe, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Sharanjit Singh Dhillon
3. Shri Surendra Prakash Goyal
4. Shri Anant Gudhe
5. Shri Pushp Jain
6. Shri Kailash Joshi
7. Shri Sajjan Kumar
8. Shri L. Rajagopal
9. Shri Sudhangshu Seal
10. Shri Jagdish Tytler
11. Kunwar Devendra Singh Yadav
12. Shri Suresh Ganpatrao Wagmare

*Rajya Sabha*

13. Shri Varinder Singh Bajwa
14. Shri Krishan Lal Balmiki
15. Shri Manohar Joshi
16. Shri Penumalli Madhu
17. Shri Surendra Moti Lal Patel
18. Shri Mukul Roy
19. Smt. Syeda Anwara Taimur
20. Dr. Prabha Thakur
21. Shri Brij Bhushan Tiwari

SECRETARIAT

1. Dr. Ravinder Kumar Chadha — *Joint Secretary*
2. Shri T.K. Mukherjee — *Director*
3. Smt. Anita B. Panda — *Deputy Secretary*
4. Shri Arvind Sharma — *Under Secretary*

**Representatives of the Ministry of Housing and Urban Poverty Alleviation**

1. Ms. Kiran Dhingra, Secretary
2. Shri S.K. Singh, JS (Housing)
3. Dr. P.K. Mohanty, Joint Secretary and Mission Director (JNNURM)
4. Dr. M.L. Khurana, Managing Director, NCHF
5. Shri DPS Negi, Director, National Building Organization
6. Dr. Shailesh Agarwal, Executive Director, BMTPC
7. Shri Jaiveer Srivastava, CMD, Hindustan Prefab Ltd.
8. Shri K.L. Dhingra, CMD, HUDCO

2. At the outset, Hon'ble Chairman welcomed the Members and representatives of the Ministry of Housing and Urban Poverty Alleviation to the sitting of the Committee. The Hon'ble Chairman then asked Secretary, Ministry of Housing and Urban Poverty Alleviation to brief the Committee on the subject, 'Urban Housing'. He also drew the attention of the representatives to the provisions under Direction 55(1) of the Directions by the Speaker.

3. The reafter, Joint Secretary (Housing), Ministry of Housing and Urban Poverty Alleviation gave a brief presentation on the subject 'Urban Housing'. The Committee were apprised of the vision of National Urban Housing and Habitat Policy (NUHHP)-2007 and the measures being taken by the Ministry towards realizing the goal of 'Affordable Housing for All'. The Committee were also informed about the salient findings of the Reports Submitted by two Committees which were set up by the Government, viz. (i) Deepak Parekh High Power Task Force on Affordable Housing. (ii) Ashok Jha High Powered Committee to study and rejuvenate HUDCO. The representation of the Ministry also informed the Committee about the provision under the recently approved Interest Subsidy Scheme for Housing and Urban Poor (ISHUP). The Representatives of MoHUPA then responded to the various queries raised by the Members pertaining to the subject.

4. The Committee then decided to hear the views of a few experts from National Housing Bank and other organizations in the field of urban housing in due course. They further decided to undertake an on-the-spot Study Tour to Jaipur, Udaipur, Mumbai and Pune in connection with examination of various subjects during February, 2009.

5. A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

ANNEXURE VIII

STANDING COMMITTEE ON URBAN DEVELOPMENT  
(2008-2009)

MINUTES OF THE TENTH SITTING OF THE COMMITTEE  
HELD ON TUESDAY, THE 27TH JANUARY, 2009

The Committee sat from 1500 hours to 1700 hours in Room No. '139', Parliament House Annexe, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

*Lok Sabha*

2. Smt. Botcha Jhansi Lakshmi
3. Shri Sharanjit Singh Dhillon
4. Shri Surendra Prakash Goyal
5. Shri Pushp Jain
6. Shri Sajjan Kumar
7. Shri A.K. Moorthy
8. Shri Shripad Yesso Naik
9. Shri Sudhangshu Seal
10. Shri Jagdish Tytler
11. Kunwar Devendra Singh Yadav

*Rajya Sabha*

12. Dr. Prabha Thakur
13. Smt. Syeda Anwara Taimur
14. Shri B.K. Hariprasad
15. Shri Surendra Moti Lal Patel
16. Shri Krishan Lal Balmiki
17. Shri Brij Bhushan Tiwari
18. Shri Mukul Roy
19. Shri Varinder Singh Bajwa

SECRETARIAT

1. Dr. Ravinder Kumar Chadha — *Joint Secretary*
2. Shri T.K. Mukherjee — *Director*
3. Smt. Anita B. Panda — *Deputy Secretary*
4. Shri Arvind Sharma — *Under Secretary*

WITNESSES

(Representatives of the National Housing Bank)

1. Shri S. Sridhar, Chairman and Managing Director
2. Shri R. V. Verma, Executive Director
3. Shri Surindra Kumar, Executive Director

2. At the outset, the Chairman welcomed the Members and representatives of the National Housing Bank (NHB) to the sitting of the Committee. The Chairman then asked the CMD, NHB to give a brief presentation on the subject, "Urban Housing' and the role of NHB in providing affordable housing to all. He also drew the attention of Shri S. Sridhar, CMD, NHB to the provisions of Direction 55(1) of the 'Directions by the Speaker, Lok Sabha'.

3. Shri S. Sridhar, CMD, National Housing Bank (NHB) then presented his views on the role and mandate of NHB to undertake financing, refinancing, regulatory and promotional functions. He highlighted the initiatives taken by NHB towards funding urban housing specially for the low income households. The Committee were also enlightened about initiatives taken by NHB to aid the cause of 'Affordable Housing for All' including steps towards providing housing micro-finance to the poor. The vital role played by NHB in providing inputs into the formulation of the National Urban Housing and Habitat Policy-2007 was also highlighted.

4. Thereafter, CMD, NHB along with his colleagues responded to the queries raised by the Members of the Committee.

*The witnesses then withdrew.*

5. The Committee then invited the following representatives of the Confederation of Real Estate Developers' Association of India (CREDAI) to appear before them and present their view points on 'Affordable Housing to All'.

WITNESSES

**(Representatives of the Confederation of Real Estate  
Developers' Association of India)**

1. Shri Kumar Gera, Chairman
2. Shri Ramani Sastri, Immediate Past President
3. Shri G. P. Savlani, Resident Director
4. Shri Lalit Kumar, Deputy General Manager

6. The Chairman welcomed the above representatives of CREDAI and drew their attention to the provisions of Direction 55(1) of the 'Directions by the Speaker, Lok Sabha'.

7. Thereafter, Shri Kumar Gera presented his views on the role of CREDAI in the overall urban housing scenario. The Committee were apprised of certain core issues in the urban housing sector *viz.* lack of credible State-wise statistics on urban housing shortage, plethora of hurdles leading to delay in land-related clearances, etc. The representative of CREDAI advocated the case for establishing Special Residential Zone (SRZ), as a viable and compelling solution to India's affordable housing crisis and providing tax incentives and an 'industry status' to the real estate sector. The Chairman, CREDAI, along with his colleagues also responded to the queries raised by the Members of the Committee.

8. On the suggestion made by some Members, the Committee decided to have a briefing meeting with the representatives of the Ministry of Urban Development and the Delhi Development Authority on the alleged irregularities in allotment of houses under the DDA Housing Scheme-2008 at their next sitting scheduled to be held on 5th February, 2009.

9. A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

ANNEXURE IX

STANDING COMMITTEE ON URBAN DEVELOPMENT  
(2008-2009)

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE  
HELD ON MONDAY, THE 9TH MARCH, 2009

The Committee sat from 1500 hours to 1545 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

*Lok Sabha*

2. Smt. Botcha Jhansi Lakshmi
3. Shri Sharanjit Singh Dhillon
4. Shri Surendra Prakash Goyal
5. Shri Anant Gudhe
6. Shri Sudhangshu Seal
7. Shri Jagdish Tytler

*Rajya Sabha*

8. Shri Surendra Moti Lal Patel
9. Shri Krishan Lal Balmiki
10. Shri Brij Bhushan Tiwari
11. Shri Penumalli Madhu
12. Shri B.K. Hariprasad
13. Shri Varinder Singh Bajwa

SECRETARIAT

1. Dr. Ravinder Kumar Chadha — *Joint Secretary*
2. Shri T.K. Mukherjee — *Director*
3. Smt. Anita B. Panda — *Deputy Secretary*
4. Shri Arvind Sharma — *Under Secretary*

2. At the outset, Hon'ble Chairman welcomed the Members to the sitting of the Committee. As term of the fourteenth Lok Sabha is drawing to a close, he conveyed his appreciation for the members' active participation and involvement in the deliberations of the Committee.

3. The Committee then took up for consideration the draft Report on the subject 'Urban Housing' relating to the Ministry of Housing and Urban Poverty Alleviation. Following a brief discussion, the Committee adopted the draft Report with minor modifications/ additions.

4. The Committee then authorized the Chairman to finalize the Report in the light of the suggestions and consequential changes, if any, arising out of factual verification of the Report by the Ministry of Housing and Urban Poverty Alleviation. As the House has been adjourned *sine-die*, the Committee decided to present the report on 'Urban Housing', as adopted to the Hon'ble Speaker in pursuance of Direction 71 A of the "Directions by the Speaker".

5. The Hon'ble Chairman also appreciated the assistance rendered to the Committee by the officers and staff of Lok Sabha Secretariat in examination of the subjects selected and preparation and presentation of reports thereon.

*The Committee then adjourned.*