

RS. 25,000-CRORE FUND TO HELP HOUSING SECTOR

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The Finance Minister, however, did not provide details about what the total funding requirement was to complete all these projects.

The Cabinet decision amends the original announcement by allowing housing projects that have been classified as non-performing assets (NPA) and that are under National Company Law Tribunal (NCLT) proceedings also to be eligible for financing.

“Earlier, when I had made the announcement, we had decided that the fund would be used for non-NPA and non-NCLT projects,” Ms. Sitharaman said. “Now we have withdrawn the non-NPA and non-NCLT provision. If the project has not been declared liquidation-worthy, it is eligible to be covered under this scheme.”

The Finance Minister added that the fund would be professionally managed and that the financing would not be provided in a lump sum. Instead, the required amount for each stage of completion would be provided as required at that stage. The AIF is expected to pool investments from other government-related and private investors, including public financial institutions, sovereign wealth funds, public and private banks, domestic pension and provident funds, global pension funds and other institutional investors.

“The fund is therefore expected not only to support the sector but also generate commercial return for its investors,” the government said in a release. It further expected this fund to not only ease the stress in the real estate sector but also in other major sectors of the economy as well.

“The creation of special window for affordable and middle-income housing projects would revive the real estate sector and generate considerable employment,” the release added. “Besides, revival of the sector will also lead to demand of cement, iron & steel industries giving further impetus to generate more employment.”

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