

THE INDIAN EXPRESS, THURSDAY, NOVEMBER 21, 2019

## 17 ECONOMY

### ROLE OF RERA IN REVIVAL OF REAL ESTATE SECTOR UNDER THE SPECIAL STRESSED FUND WINDOW

## 'Firms can carry out due diligence on balance sheets, registrations till the fund is established'

EXPRESS NEW SERVICE  
NOIDA, NOVEMBER 20

WELCOMING THE stress fund of Rs 25,000 earmarked by Finance Minister Nirmala Sitharaman recently for kick-starting stalled housing projects, the UP Real Estate Regulatory Authority (RERA) is now awaiting guidelines for its implementation.

UP RERA Chairman Rajive Kumar highlighted the role of financial instruments and RERA's importance vis-a-vis the stress fund, at The Indian Express Round Table Conference (IE RTC) on Tuesday. The Chairman's address was followed by a panel discussion on 'Role of RERA in revival of real estate sector under the special fund window',

moderated by Sandeep Singh, Associate Editor, *The Indian Express*.

"For various reasons financial institutions have moved away from funding housing projects. Private equities are interested in buying commercially viable spaces. In NBFCs, we can see a domino effect and slowly that funding is drying up. In this environment, a fabulous announcement was made by Honourable FM that a stress fund of Rs 25,000 will be created of which Rs 10,000 crore will come from government and the rest from LIC and SBI. From broad contours announced, viable projects not in court of law will be considered," said Rajive Kumar.

According to UP RERA chief, till the fund is established and the guidelines are curated, the



organisations can carry out due diligence with regards to balance sheets and registrations. The RERA has urged that projects that wish to avail the funding must be registered with the Authority and that the window is still open for those builders that are yet to do so.

Highlighting the woes of the industry, Balvinder Kumar,



(From left to right) Signature Global MD Ravi Agarwal, Gulshan Homz director Deepak Kapoor, UP RERA Chairman Rajive Kumar, UP RERA Member Balvinder Kumar, Gaursons MD Manoj Gaur and ATS Infrastructure Chairman & Managing Director Getamber Anand at the IE Round Table Conference in Noida on Tuesday. *Praveen Khanna*



Member UP RERA, said at the panel discussion that "A large number of buyers are going to NCLT and are sabotaging the process. Institutions like RERA are becoming helpless and we are hoping that the government will come up with a solution. The real task of RERA will start when detailed guidelines are issued. India's major real estate problems are in NCR."

He further said that a sizeable number of flats in this region were stuck at various levels. "We are hoping that in the next 2-3 months when things are ironed out, we will begin to

see positive results," he said.

According to Manoj Gaur, MD, Gaursons, "There will be positive changes after the fund. If the finance is available like it was before and the miscalculated charges by the authority are regulated, things will get better. Often projects are ready or are near completion, but there is no NOC by the Authorities. Several such flats are situated in Noida and Greater Noida. Two crucial reports are being awaited which will make the process easier."

The developers hailed RERA's role as a "big brother" which provides a feasible environment for real estate development. "Often there is mistrust between government officers, bureaucrats and the real estate industry. Several questions are put on the real es-

tate sector. RERA and other organisations have highlighted the fact that the government needs to listen to the real estate industry and have acted as an elder brother in this regards," said Deepak Kapoor, director, Gulshan Homz.

Also present at the panel discussion was Ravi Agarwal, Signature Global MD, while the vote of thanks was delivered by Getamber Anand (CMD, ATS Group).

The State Bank of India Capital Venture will be carrying out the due diligence before disbursing funds to stressed projects and a guideline for the same is expected soon. The projects are only eligible if their net worth is positive and that they are registered with RERA, according to the Finance Ministry.

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