# Business Standard

# Govt-backed AIF for distressed realty gets Rs 10,530 cr in first closing

**SBI contribution pegged at Rs 1,000 cr; HDFC on board**

**Abhijit Lele | Mumbai   December 06, 2019** Last Updated at 21:52 IST



The Government of India-backed Alternative Investment Fund (AIF) for distressed housing projects has received Rs 10,530 crore in its first closing.

The fund has attracted interest from investors such as Government of India, SBI, LIC, HDFC Ltd and all major public sector banks, SBICAP Ventures said in a statement.  It is the Investment Manager of this fund.

The fund aims to provide senior capital for last-mile financing to complete the construction of housing projects.

The Government of India, the sponsor of the fund, has committed an infusion of up to Rs 10,000 crore in the special window. Additional investments will be brought in by institutional and private investors to generate a total corpus of Rs 25,000 crore.

State Bank of India (SBI) is contributing up to 10 per cent in the first round. Further investments in corpus would depend on the market response and the pace at which the housing projects are beng completed, a senior SBI executive said.

Nishith Desai Associates is the legal advisors to the sponsor. This Category-II AIF formed under the special window for affordable and mid-income housing intends to provide last-mile funding to enable the completion of stalled housing projects. The scheme was approved by the Cabinet on November 2.

The capital provided by the fund will help struggling homebuyers get a home and free locked-up capital in these projects. it will provide employment and increase the demand for construction sector commodities, thus providing a boost to economic growth. SBICAPs ventures said.

It is estimated that there are about 458,000 stalled housing units in India. The investment manager estimates that this capital should be broadly sufficient to complete almost 100,000 stalled units and release locked up capital of Rs 65,000 cr invested in these projects.