

## Developers met Finance Minister, requested relief measures for the real estate sector

### Synopsis

A delegation of the Developer's body NAREDCO (National Real Estate Development Council) met the Finance Minister on Thursday and submitted a memorandum containing various expectations of real estate sector from the Central Government to meet the challenges caused by the Pandemic COVID-19 and the prolonged lockdown.



Real estate developers have urged the Finance Minister **Nirmala Sitharaman** to direct existing lender banks to provide the last mile funding on the lines of SWAMIH AIF.

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Finance Minister on Thursday and submitted a memorandum containing various expectations of **real estate sector** from the Central Government to meet the challenges caused by the Pandemic COVID-19 and the prolonged lockdown.

“The delegation informed the Finance Minister about the grave liquidity crisis in the real estate sector. All the real estate projects are on the brink of collapse and unless the government supports the Industry, the project implementation will come to a standstill,” said RK Arora, president, NAREDCO-UP.

Developers urged the Finance Minister to direct **RBI** to implement One time roll over/restructuring of disbursed project loans by banks and financial institutions.

The need of last mile funding to complete the stalled projects has also been discussed by the delegation.

There are more than 4000 projects all over the country, needing last mile funding. Since the existing lenders are not releasing their charge against existing loans and not giving **NOC**, the developers are deprived of the benefit of the announced **SWAMIH Alternative Investment Fund**.

The Finance Minister was informed of the problems being faced by Real Estate Sector due to the proceedings being initiated against them under **Sections** 7, 9 and 10 of the Insolvency & Bankruptcy Code 2016 (IBC).

In March 2020 when the pandemic COVID-19 first hit, the enforcement of these Sections was suspended for a period of one year which period has expired in March 2021.

“Since the Second Wave of COVID-19 has affected all the real estate projects in much large scale, more than the first wave, it is necessary that time extension for implementation of IBC be allowed for further one year,” said Arora.

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