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## **SPECIAL WINDOW FOR AFFORDABLE AND MID-INCOME HOUSING (SWAMIH) INVESTMENT FUND**

*This article covers "Daily Current Affairs" and the topic details SWAMIH FUND. The government in its reply in Lok Sabha informed that the Government of India has released an amount of Rs 2,646.57 crore to the SWAMIH Fund. The fund is an important funding source for stalled projects. The topic "SWAMIH FUND" has relevance in the Governance section for the UPSC CSE exam.*

### **Relevance of SWAMIH FUND**

#### **For Prelims:**

- Features of SWAMIH FUND
- What is a Category 2 Investment fund?

#### **For Mains:**

- GS 2: Government Schemes
- Performance of SWAMIH FUND
- Impact of SWAMIH FUND

### **Why in the news?**

The Government of India in its reply in Lok Sabha stated that as of 17th March 2023, Rs. 2,646.57 crores has been released for the SWAMIH Fund and the fund has delivered over 22,500 houses.



**SWAMIH INVESTMENT FUND**

## ABOUT SWAMIH FUND

The SWAMIH fund or Special Window for Affordable and Mid-Income Housing Investment Fund is a social impact fund formed specifically for completing stressed and stalled residential projects. It is also India's largest social impact fund.

In 2019, the SWAMIH fund was set up as a Category-II Alternative Investment Fund (AIF) debt fund. It was registered with SEBI (Securities and Exchange Board of India), and launched in 2019. The Fund is sponsored by the Ministry of Finance and is managed by the State Bank of India's company named SBICAP Ventures Ltd.



Swamih Investment Fund

## ABOUT ALTERNATIVE INVESTMENT FUND OR AIF

It is a privately pooled fund established or incorporated in India that collects funds from sophisticated investors (Indian or foreign) for investing in accordance with a defined investment policy for the benefit of its investors.

## WHAT IS THE OBJECTIVE OF THE SWAMIH FUND?

The primary objective of the SWAMIH fund is to provide last-mile funding to stalled or delayed affordable and mid-income housing projects in the country.

SWAMIH fund aims to provide a boost to the real estate sector in India and to address the issue of delayed or stalled projects, which has been a major concern for homebuyers and developers.

The SWAMIH fund will also help in generating employment and will have a positive impact on the overall economy.

SWAMIH fund was launched in 2019 and has a corpus of Rs. 25,000 crores (approximately \$3.4 billion USD) to provide financial assistance to real estate developers who are facing financial difficulties in completing their projects.

### WHAT WAS THE NEED FOR THE SWAMIH FUND?

SWAMIH fund aims to kickstart those stalled or delayed affordable and mid-income housing projects in India. There are several reasons why many housing projects in India have faced financial difficulties and delays, including:

- **Lack of funds:** Many developers face a shortage of funds, which leads to delays in completing their projects. Banks and other financial institutions have been hesitant to lend to the real estate sector due to high levels of non-performing assets (NPAs) and other risks.
- **Litigation:** Many housing projects in India have been mired in litigation, which has led to delays and financial difficulties for developers.
- **Market slowdown:** The real estate market in India has been facing a slowdown in recent years, which has led to a decrease in demand for housing and a decline in prices.

### WHAT IS THE ELIGIBILITY OF THE SWAMIH FUND?

The government in its reply in Lok Sabha apart from highlighting the achievements of the SWAMIH fund has also listed the eligibility criteria under the fund. They are as follows:

- **Nature of Project:** At least 90% of the available Floor Space Index (FSI)/ Floor Area Ratio (FAR) is being developed as Affordable Housing units or Mid-Income Housing units.
  - Affordable or Mid-income Housing units have been defined as any housing units that do not exceed 200 sqm RERA carpet area and are priced as follows (as applicable):
    - Less than INR 2 crore in Mumbai Metropolitan Region.
    - Less than INR 1.5 crore in National Capital Region, Chennai, Kolkata, Pune, Hyderabad, Bangalore, and Ahmedabad.
    - Less than INR 1 crore in the rest of India.
  - **Net worth positive:** Those projects for which the value of their receivables (debts owed to them by buyers), plus the value of their unsold inventories is greater than their completion costs and outstanding liabilities.
  - **Part of RERA:** The project must be a part of a RERA-registered project and has incurred at least 30% of the project costs and requires last-mile funding, sufficient to complete the project.

### WHAT IS THE PERFORMANCE OF THE SWAMIH FUND?

According to a written reply by the Union Minister of State for Finance, Shri Pankaj Chaudhary, in Lok Sabha on 17th March 2023, the Government of India has released a sum of Rs 2,646.57 crore to the SWAMIH Fund. The Minister further stated that as of the same date, the SWAMIH Fund has successfully delivered more than 22,500 homes.

## WAY FORWARD

The performance of the SWAMIH fund indicates the success of the mandate given to the project. With 38 percent of the Indian population staying in urban areas and with this share likely to increase in the future the availability of houses is an absolute necessity. By addressing the financial difficulties faced by developers, the fund aims to revive the real estate sector and generate employment, while also providing much-needed relief to homebuyers who have been waiting for years to take possession of their homes.

Source:

[PIB](#)

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