

Q- What is meant by Alternative Investment funds? How does it help to revive the stressed Real Estate sector? Also discuss the impacts arising after the revival of the sector?

Introduction:

Alternative Investment fund [AIF]

AIF are the investments which do not happen via traditional investments like <sup>share</sup> stocks, cash, bond. Rather happen via private equity, private Equity in public Enterprise, assets like premium wines, antique coin etc, hedge funds etc.

How does AIF help in Revival of Real Estate

1. Recently GOI announced Rs 25000 cr AIF in collaboration with SBI & LIC. where GOI will bear 10000 cr & left over will be by SBI & LIC

2. AIF will provide funds to bail out the stalled real estate projects both in urban & rural.
3. AIF will be given only <sup>to</sup> those projects which have registered with Real Estate Regulatory Authorities.
4. This will also help lenders, mainly finance companies & banks, whose funds are locked up in these projects.

### Impacts:

1. Stalled projects will be completed & maintain the real estate sector health.
2. As we all know it is one of the largest providers of jobs, will so will create more employment.
3. This is an allied sector which has a huge multiplier effect. many other industries rely on this sector like cement, iron & steel, sanitaryware, paints etc.

### Conclusion:

The move to fund this sector from AIF is well coined & designed by govt. After all, this sector is the third largest contributor to the GDP.