

## 'More incentives needed in affordable housing'

### OUR BUREAU

New Delhi, May 10

Lack of incentives for developers in the affordable housing sector and not much clarity on the concept of 'affordability' were among the major concerns raised by industry experts attending the national summit on 'Housing for All' organised by Assocham.

"It's very difficult to achieve the target by 2022; it's already 2018 and a small percentage has been covered so far," said Lalit Aggarwal, co-founder, Signature Global Group. "The major reason for this can be that players entering the segment are not being treated differently. The price at which I get land is equal to those starting a

normal housing project, so why would one enter this segment?"

Under its 'Housing for All' scheme, the Centre aims to build two crore homes in urban areas by 2022. "The cost of land in the metros is high, due to which affordable housing projects get relegated to areas from where commuting becomes a challenge," said Shubika Bilkha, Director, Real Estate Management Institute (REMI).

Ravindra Sudhalkar, Executive Director and CEO, Reliance Home Finance, said: "Let's not put a percentage on it. The important thing is that we are moving in the right direction and all the stakeholders are in sync."

# It's advantage for both companies

The Flipkart-Walmart deal will create jobs, infrastructure

Anyone who needs more evidence that the huge interest in Indian e-commerce marketplaces is partly driven by the country's laws that do not allow foreign direct investment in so-called multi-brand retail need only look as far as the \$16 billion Flipkart-Walmart deal. The world's largest retailer has bought 77% of India's largest e-commerce marketplace because this is the only way it can tap the retail market in India – for now. The Indian market is worth \$672 billion currently and set to cross the \$1 trillion mark by 2020, according to industry lobby group Assocham. The deal is important for several reasons. It proves to venture capital investors that there's money to be made in e-commerce in India, if only through smart exits. The bulk of the money involved, around \$14 of the \$16 billion, will go to existing investors with only about \$2 billion coming into the company. It provides Walmart, which otherwise has a modest cash-and-carry or wholesale business in India, with a more robust presence in the retail market, allowing it to invest in such things as supply chain and logistics that could come in useful when (and if) it is allowed to enter the multi-brand retail business in India. It provides Flipkart, which needs money, with capital to fight Amazon, and prevents the company from worrying about working towards a public share sale. It will create jobs and help create much-needed supply chain and cold chain infrastructure.

India is important to both Amazon and Walmart. Neither company has done well in China. They don't want to miss the bus in India. Interestingly, both were in the race for Flipkart, although Walmart perhaps wanted the marketplace more than Amazon (which, among other things, perhaps didn't want to allow its largest rival in India to be owned by Walmart, a company no retailer, online or offline, can afford to take lightly).

While the deal has attracted the attention of some conservative right-wing groups, regulators should see this as a mere change in ownership of a marketplace, which, according to current laws, can have 100% foreign investment. Flipkart, by most definitions, was already a foreign company; it just has a different owner now, the world's biggest retailer.

**ourtake**

### 'Credit: Govt to up guarantee'

*New Delhi:* The Centre plans to double the credit guarantee to Rs 50,000 crore in FY19 for MSMEs under the Credit Guarantee Fund Trust For Micro and Small Enterprises scheme, said MSME Secretary A K Panda at an Assocham event here. **ENS**

# Push to boost credit flow to MSMEs

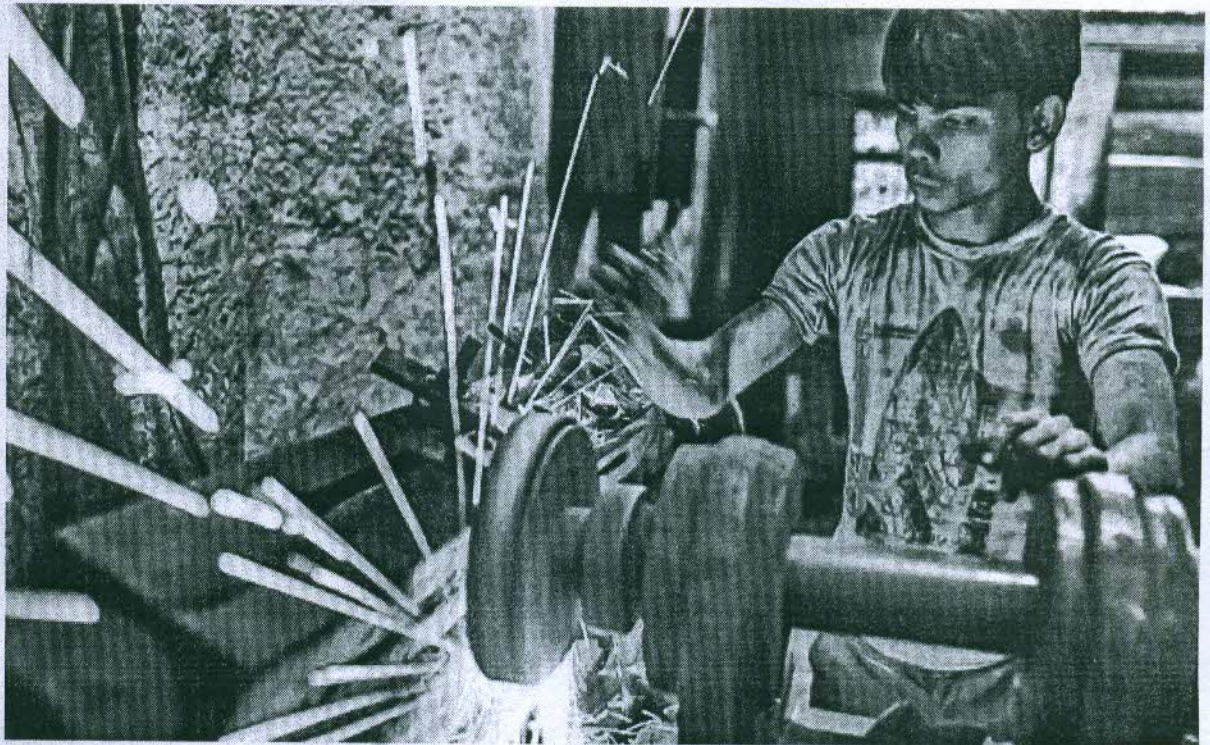
The government is in talks with the RBI to find ways for improving fund flow to micro, small & medium enterprises

FC BUREAU  
New Delhi

**T**HE ministry of micro, small & medium enterprises is in talks with the Reserve Bank of India (RBI) to explore ways to improve credit flow to micro, small and medium enterprises across the country, a top government official said on Thursday.

"In order to ensure that credit flow for MSMEs is up to the expectation, gaps are bridged and their problems are addressed, the ministry is holding discussions with RBI about promoting fintech companies, which can reach out much better than the scheduled commercial banks to the MSMEs all across India," MSME secretary SK Panda said.

He also said the ministry is looking at steps to address issues pertaining to decline in exports. "The MSME ministry will constitute a special task force to look at exactly what steps are needed



to be taken to enhance exports from the enterprises to make them part of the global value chain," Panda said while addressing an Assocham conference here.

He said the quantum of credit guaranteed by the credit guarantee fund trust for micro and small enterprises (CGTMSE) may touch Rs 50,000 crore this year. "We have taken some decisions, we are allowing NBFCs (non-banking financial companies) partial col-

lateral and this year, unlike previous years where, from fund we used to guarantee a credit flow of Rs 19,000-20,000 crore every year

**There are 36.18 million MSMEs in India. Of this, 19.9 million are in the unorganised sector**

for last three years, we plan to cross Rs 40,000 crore, it may touch Rs 50,000 crore," Panda said.

He also said the MSME ministry has taken certain concrete steps as part of structural reforms and is thus expecting about 4 lakh such credit proposals, according to a release issued

by Assocham.

Noting that MSMEs comprise almost 95-96 per cent out of the one crore entities registered in GSTN (goods and services tax network), Panda said a database is needed to communicate and tell them about the facilities, which they can avail.

"In the ministry, we are trying to work with GSTN so that we can have an integrated database where we can communicate with MSMEs if we have their details and work on the problems faced by them," he said.

**H**e said the ministry would seek support of state governments to put up details of MSMEs on the Samadhan Portal so that payments due to small enterprises do not get stuck.

Besides, EXIM (export-import) Bank managing director David Rasquinha suggested RBI to look at further dialogue with the finance ministry and the International Basel Committee to find a way to make trade finance more reflective of the actual

risks rather than a perceived artificial framework that relies predominantly on rating.

According to the government statistics, there were 36.18 million micro, small and medium enterprises in India in FY17. Of this, the highest number of MSMEs was in the unregistered sector at 19.9 million. MSMEs are crucial for the economic growth and stability of any country and play a vital role especially for developing countries as they facilitate economic activity and provide employment thus contributing to poverty reduction.

## **ECB will attract more investments in India: NHB CEO**

Easy and dedicated access to institutional financing, higher limit on external commercial borrowings (ECB) will attract more investments and assure sustained growth of affordable housing in India, making it the core driving segment for real estate, said Sriram Kalyanaraman, Managing Director and CEO, National Housing Bank (NHB) at an ASSOCHAM event held in New Delhi. The Foreign Direct Investment (FDI) and Foreign Institutional Investors (FIIs) will play a key role in boosting supply of houses and infra projects in urban areas, said Kalyanaraman.

---

