



SWAMIH Fund

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Why in News

Recently, the Government of India's **Special Window for Affordable & Mid-Income Housing (SWAMIH)** completed its **first residential project**.

The residential project - Rivali Park, located in **suburban Mumbai**, was the **first housing project in India** to have received funding under the **SWAMIH Fund**.

Key Points

About the SWAMIH Fund:

- This is a government backed fund that was set up as a **Category-II AIF (Alternate Investment Fund)** debt fund **registered with SEBI**, launched in 2019.
- **SWAMIH Investment Fund** was formed to complete construction of stalled, **RERA**-registered affordable and mid-income category housing projects which are stuck due to paucity of funds.
- The **Investment Manager** of the Fund is **SBICAP Ventures**, a wholly-owned subsidiary of SBI Capital Markets, which in turn is a wholly-owned subsidiary of the **State Bank of India**.
- The **Sponsor of the Fund** is the **Secretary, Department of Economic Affairs, Ministry of Finance**, on behalf of the Government of India.

RERA

- **Inception:**

Real Estate (Regulation and Development) Act (RERA) is an act passed by the Parliament in 2016 that came into effect fully **from 1st May, 2017**.

The Act establishes Real Estate Regulatory Authority (RERA) in each state for regulation of the real estate sector and also acts as an adjudicating body for speedy dispute resolution.

- **Aim:**

It seeks to protect **home-buyers** as well as help **boost investments in the real estate sector** by bringing efficiency and transparency in the sale/purchase of real estate.

Alternative Investment Fund (AIF):

- AIF means any fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors.
- **Regulation 2(1)(b) of Securities and Exchange Board of India (SEBI) Regulations (AIFs), 2012** lays down the definition of AIFs.
 - Through a company, or a Limited Liability Partnership (LLP), an Alternative Investment Fund can be established.
- AIF **does not include** funds covered under the SEBI (**Mutual Funds**) Regulations, 1996, SEBI (Collective Investment Schemes) Regulations, 1999 or any other regulations of the Board to regulate fund management activities.
 - Other **exemptions** include family trusts, employee welfare trusts or gratuity trusts.
- **Categories of AIFs:**
 - **Category-I AIFs:**
 - These funds are **invested in** businesses that have the potential to grow financially such as **StartUps, Small and Medium Enterprises**.
 - The government encourages investments in these ventures as they have a positive impact on the economy with regards to high output and job creation.
 - **Examples** include Infrastructure Funds, Angel Funds, Venture Capital Funds and Social Venture Funds.
 - **Category-II AIFs:**
 - Under this category, funds that are **invested in equity securities and debt securities** are included. Those funds not already under Category I and III respectively are also included. No concession is given by the government for any investment made for Category II AIFS.
 - **Examples** include Real Estate Funds, Debt Fund, Private Equity Funds.
 - **Category-III AIFs:**
 - Category-III AIFs are those funds which **give returns under a short period of time**. These funds use complex and diverse trading strategies to achieve their goals. There is no known concession or incentive given towards these funds specifically by the government.
 - **Examples** include Hedge Funds, Private Investment in Public Equity Funds, etc.

Source: PIB