

## Sectoral

### Construction

#### 1. What is the harmonised Master List of Infrastructure Sub-sectors as notified by Government of India?

Please refer to the harmonised master list of sub-sectors at this link.

#### 2. What are the functions and duties of promoters under Real Estate (Regulation & Development) Act, 2016?

Functions and duties of promoters are clearly defined under RERA act: 1) The Act mandates that a promoter shall deposit 70% of the amount realised from the allottees, from time to time, in a separate account to be maintained in a scheduled bank. This is intended to cover the cost of construction and the land cost and the amount deposited shall be used only for the concerned project. 2) Withdrawal can only be made after it is certified by an engineer, an architect and chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project. 3) The promoter is also required to get his accounts audited within six months after the end of every financial year by a practicing chartered accountant. He will also have to get verified during the audit that: i) The amounts collected for a particular project have been utilised for the project ii) The withdrawal has been in compliance with the proportion to the percentage of completion of the project. Obligations of promoter are clearly defined under this act. Restriction on transfer and assignment: The promoter shall not transfer or assign his majority rights and liabilities in respect of a project to a third party without obtaining prior written consent from two-thirds of the allottees, except the promoter and without the prior written approval of the Regulatory Authority. Further details, please refer the link.

#### 3. What is Real Estate (Regulation & Development) Act, 2016?

The Real Estate (Regulation and Development) Act, 2016 is an Act of the Parliament of India which seeks to protect home-buyers as well as help boost investments in the real estate industry. The Act came into force from 1 May 2016. The key highlights of the act are: 1) Mandatory to register with Real Estate Regulatory Authority (RERA) for all commercial and residential real estate projects where

the land is over 500 square metres, or eight apartments for launching a project, in order to provide greater transparency in project-marketing and execution. 2) Registration of Real estate agents who facilitate selling or purchase of properties with RERA 3) Establish state-level Real Estate Regulatory Authorities (RERAs) to regulate transactions related to both residential and commercial projects and ensure their timely completion and handover. 4) Upon receipt of an application by the promoter, the Regulator Authority shall within a period of 30 days, grant or reject the registration. If the Regulatory Authority fails to grant or reject the application of the promoter within the period of 30 days, then the project shall be deemed to have been registered. 5) The registration, if granted, will be valid until the period of completion of the project as committed by the promoter to the Regulatory Authority. Extension by one year only due to force majeure and on payment of fee.

#### 4. Who can raise money through Infrastructure Investment Trusts (InvITs)?

Following are the qualifications for Sponsor(s) of raising Infrastructure Investment Trusts (InvITs) 1) Net worth of at least \$ 15.38 mn in case of body corporate or a company or net intangible assets of \$ 15.38 mn in case of a Limited Liability Partnership (LLP). 2) Minimum experience of at least five years and has completed at least two projects. For further details, please refer to this link.

#### 5. Who can raise money through Real Estate Investment Trusts (REITs)?

Following are the qualifications for Sponsor(s) of raising Real Estate Investment Trusts (REITs): 1) Minimum holding of 5% of total units of REIT with a maximum of 3 sponsors. 2) Net worth of at least \$ 15.385 mn on consolidated basis and \$ 3.077 mn on individual basis. 3) Minimum experience of 5 years in real estate industry for each sponsor and where sponsor is a developer, at least 2 projects of sponsor should be completed. For further details, please refer to this link.

#### 6. What are investment opportunities under Swachh Bharat Mission?

Some of the investment opportunities are: Solid & Liquid Waste Management Wastewater Management Construction of Toilets In February 2021, the government allocated Rs. 141,678 crore (US\$ 19.22 billion) to tackle water, land & air pollution besides waste management over the next five years. In October 2020, the National Bank for Agriculture & Rural Development (NABARD) disbursed Rs. 12,298 crore (US\$ 1.66 billion) under the Swachh Bharat Mission Gramin (SBM-G) for construction of 32.9 million household toilets.

#### 7. What is 'Housing for ALL' (urban) scheme of Government of India?

'Housing for All by 2022' (Urban) scheme of Government of India covers entire urban area consisting of 4041 statutory towns of India. Under this scheme, central grant of \$ 1538 per house, on an average, will be available under the slum rehabilitation programme.

#### 8. How many industrial corridors are being planned in India?

Industrial corridor programme envisages creation of world class infrastructure, connectivity and new greenfield smart cities as global manufacturing hubs which will create large employment opportunities. Five industrial corridor projects across India have been identified, planned and launched. For more information, [click here](#).

#### 9. What is 'Smart Cities' program of the Indian government?

Government of India has launched a new urban development mission. Target is to develop 500 cities, which include cities with a population of more than 100,000 and some cities of religious and tourist importance. These cities will be supported and encouraged to harness private capital and expertise through Public Private Partnerships (PPPs), to holster their infrastructure and services in the next 10 years. The strategic components of Area-based development in the Smart Cities Mission are: 1) City improvement (retrofitting). 2) City renewal (redevelopment). 3) City extension (greenfield development). 4) Pan-city initiative in which Smart Solutions are applied covering larger parts of the city. Please refer to these [links](#) for further details.

#### 10. How can we get our propriety building technology for affordable housing, certified and approved by government?

Building Materials and Technology Promotion Council does evaluation, validation and certification of innovative building materials and construction technologies under performance appraisal certification scheme. For details please refer to [link](#).

#### 11. What kind of real estate business activities are prohibited for foreign investment?

FDI is not permitted in an entity which is engaged or proposes to engage in real estate business, construction of farm-houses and trading in transferable development rights (TDRs). “ Real estate business ” means dealing in land and immovable property with a view to earning profit there from

and does not include development of townships, construction of residential/ commercial premises, roads or bridges, educational institutions, recreational facilities, city, regional level infrastructure and Real Estate Investment Trusts (REITs) registered and regulated under the SEBI (REITs) Regulations 2014. Further, earning of rent/ income on lease of the property, not amounting to transfer, will not amount to real estate business. For further details, please refer to latest FDI Policy 2020 at the following link.

## 12. What are the types of construction-development projects in which foreign investors/companies can invest in India?

Government has permitted 100% equity under automatic route for construction-development projects (which would include development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships). We would also request you to refer to some conditions under which the investment in this sector is governed, as mentioned under section 5.2.10 of latest FDI Policy 2020.

## 13. What does India Infrastructure Finance Company Limited do?

India Infrastructure Finance Company Limited (IIFCL) was incorporated under the Companies Act as a wholly owned Government of India company in January 2006 and commenced operations from April 2006 to provide long term finance to viable infrastructure projects through the Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called India Infrastructure Finance Company Ltd (IIFCL), broadly referred to as SIFTI. The sectors eligible for financial assistance from IIFCL are the Harmonized list of infrastructure sub-sectors as approved by the Cabinet Committee on Infrastructure on 1st March 2012. These include transportation, energy, water, sanitation, communication, social and commercial infrastructure. IIFCL accords overriding priority to Public-Private Partnership (PPP) Projects. For more information, click here.

## 14. What is PM Awas Yojana-Urban (PMAY-U)?

Pradhan Mantri Awas Yojana – Urban (PMAY-U), a flagship Mission of Government of India being implemented by Ministry of Housing and Urban Affairs (MoHUA), was launched on 25th June 2015. The Mission addresses urban housing shortage among the EWS/LIG and MIG categories including the slum dwellers by ensuring a pucca house to all eligible urban households. The Mission provides Central Assistance to the implementing agencies through States/Union Territories (UTs) and Central

Nodal Agencies (CNAs) for providing houses to all eligible families/ beneficiaries against the validated demand for houses for about 1.12 cr. As per PMAY(U) guidelines, the size of a house for Economically Weaker Section (EWS) could be upto 30 sq. mt. carpet area, however States/UTs have the flexibility to enhance the size of houses in consultation and approval of the Ministry.