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# SWAMIH Fund

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**Why is in news?** SWAMIH Fund completes 20,557 homes since inception in 2019

The **Special Window for Affordable and Mid-Income Housing (SWAMIH) fund** completed 20,557 homes since inception in 2019.

In a statement, the Ministry of Finance said that SWAMIH has so far provided final approval to about 130 projects with sanctions worth over 12,000 crore Rupees.

The **aim of the Project is to complete over 81,000 homes in the next three years across 30 tier 1 and 2 cities**. Given the robust controls, the Fund has been able to complete construction in 26 projects and generate returns for its investors.

The Fund has also played a critical role in the growth of many ancillary industries in real estate and infrastructure sector having successfully unlocked liquidity of more than 35,000 crore rupees.

SWAMIH Fund is a **government-backed debt fund** that was **launched in 2019** as a **Category-II AIF (Alternative Investment Fund)** registered with SEBI (Securities and Exchange Board of India).

The aim of the fund is to **provide funding for the completion of stalled housing projects** and to ensure that flats are delivered to homebuyers.

The real estate sector's liquidity crunch and the cash-trap situation in 2019 made things difficult, pushing the government to propose this initiative.

A liquidity squeeze, sometimes known as cash trap, occurs when interest rates are so low that investors would rather save than invest.

The Fund's investment manager is **SBICAP Ventures**, a **wholly-owned subsidiary of SBI Capital Markets**, which is itself a wholly-owned subsidiary of the SBI.

On behalf of the Government of India, the Fund is sponsored by the Secretary, Department of Economic Affairs, Ministry of Finance.

It aids in the release of liquidity in the real estate industry and boosts vital industries like cement and steel.

The **Rivali park residential project** was the **first project to receive the SWAMIH fund**.

In October 2021, SWAMIH fund achieved its twin target of completing the project and redeeming the investment successfully. The project was completed amidst COVID-19 lockdown.

## Alternative Investment Fund:

Any fund established or incorporated in India that is a **privately pooled investment entity** that collects funds from sophisticated investors, **whether Indian or foreign**, and invests them according to a defined investment policy for

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the benefit of its investors.

The concept of AIFs is defined in Regulation 2(1)(b) of the Securities and Exchange Board of India (SEBI) Regulations (AIFs), 2012.

AIF does not include funds governed by the SEBI (Mutual Funds) Laws, 1996, the SEBI (Collective Investment Schemes) Regulations, 1999, or any other Board regulations governing fund management.