NHB rules hit liquidity flow to hsg

Mumbai: The Rs 30,000-crore liquidity facility for the housing sector made available by the government through the National Housing Bank (NHB) has not gained traction because of onerous conditions linked to it.

The finance minister in the Budget for the current fiscal had announced a Rs 20,000-crore facility through NHB. This was topped with an additional Rs 10,000-crore facility announced in August this year.

In a letter to the PM, industry body ASSOCHAM said that there are delays in implementing the scheme because of the terms in the NHB Act for lending to housing finance corporations (HFCs). "The Act provides for exclusive charge of assets to NHB for giving loans to HFCs. No existing lenders to HFCs will agree to a new lender for getting exclusive charge of assets unless the entire loan is getting refinanced," said ASSOCHAM President Bal Krishna Gomтика.

"ASSOCHAM, has suggested that the NHB board approve taking direct assignment of construction loans from HFCs at 50% value of the loans. "Today, HFCs are not providing any incremental funding to construction projects as construction loans do not have liquidity. This direct assignment route will break the logjam and once HFCs see that 50% liquidity certainty on principal recovery > Merely ₹1,000,142cr ($14bn) worth loans are under 'severe' stress.
  > NBFCs & HFCs account for 66% of total loans while banks consist 34%.

The industry is also looking forward to the operationalisation of the Rs 25,000-crore Alternate Investment Fund for resolution of real estate projects that have been classified as NPAs. This fund, which was announced by the Finance Minister in November, will see contributions from the government, LIC and SBI. The government will meet lenders this week to finalise the terms of the scheme.

According to the government, the Rs 25,000-crore fund will help revive 4.6 lakh housing units in 1,600 projects and enable the sale of these projects and recovery of loans. However, other lenders feel that stalled projects in the real estate sector are having a cascading impact. These projects are being recorded as NPAs in the books of finance companies.
ASSOCHAM in the News

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Smartphones to be major contributor to e-waste, says Croma CEO Mitra

'Most People Don’t Want To Exchange Their Old Phones'

New Delhi: Not many people exchange their old phones while buying a new one, said Avijit Mitra, CEO & executive director of Croma, one of India's largest electronic goods retailers. At Croma, only 5% of the e-waste collected is mobiles or smartphones.

Refusing to part with the old phone not only robs consumers of a good deal on the new one, the aging device is likely to end up in India’s fastest-growing waste stream, e-waste.

India generates about two million tonnes of e-waste annually, around 5% of which is recycled. The poor record in e-waste collection coupled with 15% annual growth in consumer electronics sales has the industry worried and thinking. “Smartphones will be a major contributor to e-waste in future, as this is the category where upgrade cycles are much shorter than other categories,” said Mitra.

Computer equipment currently account for around 70% of e-waste in India, followed by phones (12%), electrical equipment (8%) and medical equipment (7%) with the remaining being generated from households, according to an ASSOCHAM-KPMG study titled 'Electronic Waste Management in India'.

"This increase in quantity of e-waste is because of heightened consumption and the brisk pace at which consumers are upgrading to new gadgets," said Mitra.

To tackle the menace of e-waste, retailers along with manufacturers need to make its disposal convenient for consumers, said Mitra. Croma, for instance, created a dedicated e-waste zone in 140 stores across 35 cities. The Tata Group-owned chain soon followed it up with a call-centre number, which a customer can use to arrange for doorstep pick-up of e-waste. The retailer’s website, too, is equipped to accept requests for e-waste pick-up.

"Companies have to develop an ecosystem to ensure e-waste disposal. Most retailers do not have an inward or reverse logistic channel and that makes this a key challenge," said Mitra.

But companies have also realised that customers have an inbuilt inertia when it comes to parting with their old belongings. So, giving them a justifiable reason or an incentive helps.

"When we at Croma started off with this initiative, we promised to plant a tree for each customer who got rid of his/her e-waste. Till now, we have planted over one lakh trees," said Mitra.

E-waste from the organised sector, however, is just the tip of the iceberg. A report revealed that India, Pakistan, Malaysia and China are the main destinations for large-scale shipments of hazardous waste in Asia.

"India’s huge unorganised sector isn’t really governed by any norms or rules thus imposing any mandates is a challenging task. The problem isn’t just restricted to collection, it is also related to dismantling, if not done correctly and in a controlled environment it can be extremely hazardous," said Mitra.
A HIGH-STAKE and fast-paced live competition, where the most innovative start-ups from across Chhattisgarh battled it out at an ASSOCHAM Pitching Competition concluded at Amity University (AU) in Raipur on Wednesday. Nature Wall Biotech Private Limited emerged as winner while Jivandeep Health Services and Finology Ventures Private Limited was the first and second runners-up respectively.

Associated Chambers of Commerce and Industry of India (ASSOCHAM) had received 56 applications from upcoming startups from different sectors in Chhattisgarh for Raipur round of the pitching competition, where-by 21 startups were short listed to finally participate in the event. All applications were reviewed by an independent panel of judges which consisted of eminent members like Chairman of ASSOCHAM National Council on Startup Anil Khaitan, Professor Abha Grover from NDIM, Head of Amity Innovation Incubator (Raipur) Satyendra Patnaik, Vice-President Paytm Saurabh Jain and CEO of Oceans Bridge Anshul Dave.

Winners of the ASSOCHAM Pitching Competition, Raipur round representing innovative startups from Chhattisgarh on the dais here on Wednesday.

judges, three winners stood out among their competition for demonstrating exemplary innovation and other achievements. As a part of the Elevator Pitch all short listed entrepreneurs and founders were given 300 seconds to explain the concept and idea of a service or product to the jury.

The top three winners from Raipur will now be invited for grand finale in February or March 2020. They will also get an opportunity to scale up and raise finance and technology or even marketing partnership with venture capitalists, mentors or independent professionals of global repute. Chairman of ASSOCHAM National Council Anil Khaitan said “Hearty congratulations to the top three startups that dazzled both the jury members and the audience comprising top investors and industry leaders to claim the pitch crown of the Raipur round”.

ASSOCHAM Launchpad - Startup Elevator Pitch Series, an initiative and platform for budding entrepreneurs is being organised in 12 cities across India. Under this initiative, ASSOCHAM is giving upcoming startups in tier II and III cities of India an access to industry experts who can give them the guidance they need on business, product and marketing.

This initiative will also connect them with right people that can help with funding process and proper guidance on how to set-up business case for funding. A total of 36 finalists, three each to be selected from 12 cities, are expected to present their ideas at the grand finale in Delhi in February 2020, of which the top three will be selected.

There are prizes worth Rs 1.5 cr to be won. While top five startups will get $5000 each from Amazon Web Service (AWS), next 15 startups will get $2000 and the rest 80 will get $1000 worth credits.