



## Print COVERAGE

**Publication:** Outlook  
**Circulation:** 3, 50, 336  
**Date:** September 02, 2022  
**Headline:** [Giving new life to cash- strapped projects](#)

**OUTLOOK** initiative

**OUTLOOK** initiative

## Giving new life to cash-strapped projects

In order to complete stalled or incomplete projects, many reputed developers have started converting stress of assets into business opportunities as they are taking over such projects



**TOP STOREY**  
**Kausar Firdausi**

The real estate market has endured many rude shocks with structural policy changes and black swan events in recent years. This has led to system reboot with liquidity crisis as the major ramification. So, industry witnesses the trend of market consolidation wherein financially sound and organised players have an opportunity to take a grip over such new avenues.

Industry experts believe that today consumer trust has become a critical criterion for ensuring new property sale. Hence, in order to complete stalled projects, many developers have started converting stress of assets into business opportunities as they are taking over such projects. "A good number of housing

projects have remained incomplete and heavily delayed, leading to unsteady cash inflows," says Boman Irani, president, CREDAI-MCHI, adding, "Due to halt in construction activities at site, the early price hikes in raw materials and increase in repo rate and interest rate on home loans, several projects have

**"Due to halt in construction activities at site and early price hikes in raw materials, several projects have remained cash-starved. To mitigate the issue, leading developers have started collaborating for completion of some of these projects."**

**BOMAN IRANI**  
 President, CREDAI-MCHI

remained cash-starved. To mitigate the issue, leading developers have started collaborating for completion of some of these projects to reduce the intensity of the homebuyers suffering."

Dr. Niranjan Hiranandani, MD, Hiranandani Group is of the view that this trend works in favour of distressed homebuyers as they are assured of deliveries and project completion will see light of the day. "Opportunities like joint venture, development model can be considered to resuscitate stalled projects and revamp the sluggish real estate market," says Dr. Hiranandani.

Besides last-mile funding led by SWAMIH funds which aimed to complete more than 1,500 stalled projects across the country, Santhosh Kumar, vice chairman, Anarock Group puts in that several well-capitalised developers and government-backed entities have also taken charge of various stuck projects across cities. This is definitely one of the key trends seen post the pandemic.



Earth Copla, at Sector 112, Gurugram, renamed as Alpha Corp Ananta, is currently in various stages of construction.

They have been actively evaluating and executing various options over the last two-three years.

To give a few examples: Gurugram-based Alpha Corp planned to take over three stalled projects of Earth Infrastructure (in Gurugram and Greater Noida) via NCLT which were launched between 2010-2012. Besides, it also took over AN Buildwell's Spirewood (Sector 103, Gurugram), renaming as Alpha Corp Ananta. "After a thorough evaluation, NCLT rewarded three stuck projects of Earth Infra to us with interest waiver," asserts Santosh Agarwal, CFO and executive director, Alpha Corp.

Government-backed NBCC also successfully completed over 2,060 homes across such projects in Noida and Greater Noida. It has also delivered around 8,500 flats at Jaypee Wish Town project while another 6,000 flats are to be completed by 2022-end. Also, Gaura Group has taken charge to complete over 10,964 Amrapali stuck homes.

**"After a thorough evaluation, NCLT rewarded three stuck projects of Earth Infra to us with interest waiver."**

**SANTOSH AGARWAL,**  
 CFO and Executive Director,  
 Alpha Corp

As per Vaibhav Jatia, managing director, Rhythm ResiTel, this is a win-win situation for all stakeholders. "The previous promoters, who were earlier faced with bankruptcy proceedings, NCLT or other non-compliance legal tussles, can completely hand over the project and redeem themselves of all the legal liabilities to a larger extent," informs Jatia.

Ashish Narain Agarwal, founder & CEO, PropertyPistol.com, highlights that with implementation of RERA across states, the government had initiated plans to help revive the stalled and lapsed projects too. "By taking over stalled projects, the developers are not only getting new business opportunities but also providing better options to the buyers who have invested in the project," avers Ashish.

But rather than an opportunity, Pradeep Misra, chairman & MD, REPL, emphasises that it must be seen as a concern which needs immediate attention and resolution. "Based on our own experience of handling such projects, we can say that this work requires very high level of expertise and seamless coordination among all the stakeholders," divulges Pradeep Misra, chairman & MD, REPL.

This new trend is working well for the sector and all concerned stakeholders. It adds value for the buyers who have invested their money in under-construction projects and are now getting delivery of these units from a more credible group which had taken over the project.