

## Relief measures by the Finance Minister amid COVID-19 crisis

*Amid a disturbing scenario of COVID-19 infection and resultant recessionary symptoms such as crashing stock market and subdued economic activities, the second round of economic package announcement by the Finance Minister has come as a breather for India Inc. 99acres.com tries to analyse the measures and their effects.*

When the morale of the nation is dwindling with an uncertain enemy at the gates, the reform measures announced by the Finance Minister have come as a relief. Be it the extension of Income Tax Return Filing date to November 2020, liquidity support to the NBFCs or the invocation of 'Force Majeure' clause for stuck real estate projects; the handholding is of grave importance in these testing times. The real estate sector is also encouraged by the suspension of Section 7, 9, and 10 of the [Insolvency and Bankruptcy Code \(IBC\)](#). The increase in default threshold limit for insolvency proceedings will also help the companies in avoiding unwarranted insolvency cases.

**Surendra Hiranandani, Chairman and Managing Director, House of Hiranandani**

The bold economic measures announced today display the Government's strong commitment to tackle the unprecedented challenges and restore confidence and faith in the economy. Providing an extension for completion of projects and treating the coronavirus outbreak as an event of 'force majeure' under RERA, brings a major relief for the sector that has been the backbone of the economy. During the lockdown, the construction industry has nearly come to a standstill thus negating the green shoots that had just begun appearing prior the pandemic came to the fore. In order to tackle the subdued demand from home buyers during and post COVID-19, reduction in interest rates on home loans will encourage fence-sitters to act quickly to invest in a property.

**Harish Kumar, Executive Director, REPL**

The first tranche came as breather amid corona crisis as the MSME sector received a big push. The announcements are aimed to infuse liquidity and ease the functioning of the MSME. By tweaking the definition of MSMEs the benefits will extend to a lot of units. Along with this, the collateral-free automatic loan for MSMEs worth Rs 3 lakh crore for four years, coupled with a no repayment of the principal amount for the first 12 months will give a big relief to almost 45 lakh units. The Rs 50,000 crore equity infusion through 'Fund of Funds' will help the MSME units in leveraging expanding their size. By disallowing global tenders from the project worth Rs 200 crore, the government has eased out the competition for the MSMEs. This will give more opportunities to them and therefore, enormous growth can be expected in time to come.

By increasing the liquidity flow in the MSME sector, the government also addressed the job losses caused due to corona scare. This directly would help in improving the market sentiment as the demand will not go for a toss. The real estate also got a lifeline as the government announced a suo moto relief of six months for RERA completion timelines along with an additional three months window which can be granted by the state authorities. However, the real estate sector was also expecting a bigger chunk as the government failed to address the larger liquidity and cashflow challenges.

**Pradeep Aggarwal, Founder and Chairman, Signature Global Group and Chairman, ASSOCHAM National Council on Real Estate, Housing and Urban Development**

The relief provided to the common man under EPF will help the affordable segment a great deal. The buyers of affordable housing fall in this category, and they will be delighted to have extra funds at their disposal. The COVID-19 situation has made everybody realise the importance of making secure long-term investments and having a roof over one's head.

The announcements regarding the extension of project timelines under concerned Real Estate Regulatory Authorities shall help a great deal in providing relief as developers will have more time to conclude their projects and buyers will also understand the reason behind the extension of the same.