



Dalmia Nisus
INVESTMENTS

REAL ESTATE CREDIT OPPORTUNITIES FUND - 1 (RECOF - 1)

Managed by Dalmia Nisus Finance Investment Managers LLP



DISCLAIMER

This pitch book is in relation to an offer to invest in real estate credit opportunities fund (“Fund”). It does not purport to be a complete description of the fund. In case there is a discrepancy between this presentation and the private placement memorandum (“PPM”), the PPM will prevail.

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“The prospective investors are requested to read the PPM and investment agreement / contribution agreement of the fund before investing”





INDEX

- 4** **Real Estate Credit Opportunities Fund-1 (RECOF-1)**
 - Executive Summary
 - Stake Holders
- 8** **Sector Overview**
 - Why Real Estate ?
 - What is Driving the Growth ?
 - Reforms Reshaping the Indian Real Estate Sector
 - Target Market Story
- 14** **Why invest in a fund?**
 - Why Fund?
 - RECOF-1: Better Returns at Lower Risk
- 18** **RECOF-1: Solution To Unique α Creation in Late Stage Projects**
 - Why RECOF-1?
 - RECOF-1 : Favorable Trends
 - RECOF-1 : Capitalize on Opportunities
 - RECOF-1 : Overcoming Challenges
 - RECOF-1 : Benefits of Late Stage Projects
- 24** **Fund Structure**
 - Investment Structure
 - Contribution and Fee Structure
 - Product Composition

- 28** **Investment Process**
 - Investment Guidelines
 - Security Collaterals
 - Investment Process
 - Post Investment Process
 - Exits
 - Past & Current Deals (IM Partner)
 - Pipeline Transactions for the Fund
 - RECOF-1: Risk Management Framework
- 38** **Sponsors & Anchor Investors**
 - Sponsors & Anchor Investors
- 40** **Investment Manager**
 - About Us
 - Proven Performance: Track Record (NiFCO)
 - Proven Performance: Track Record (DGH)
- 44** **Team**
 - Team Composition
 - Organization Structure
 - Advisory Board
 - Investment Committee



REAL ESTATE

CREDIT OPPORTUNITIES FUND – 1 (RECOF 1)





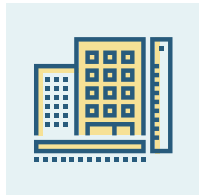
REAL ESTATE CREDIT OPPORTUNITIES FUND – 1 (RECOF 1)



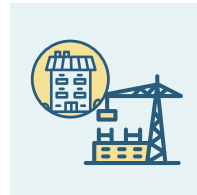
SEBI Registered Category II
Alternative Investment Fund (AIF)



Indian Real Estate Focused



Project Type - Residential



Stage- Brownfield
(Advanced Stage Projects)



Underlying Instrument - Senior
Secured NCD



Investment Manager (IM)
Dalmia Nisus Finance Investment Managers LLP



The investment objective of the fund is to achieve superior, consistent, risk-adjusted returns by primarily making opportunistic medium term debt investments in late stage mid-income housing projects





EXECUTIVE SUMMARY

Target Corpus	INR 500 Cr. (Including INR 200 Cr. Green Shoe option)
Term	4 (four) years from the date of Final Closing (extendable by 2years)
Minimum Investment	INR 1 Cr. or any minimum amount as provided under the Regulations
First Closing	12 (twelve) months from the date of registration from SEBI as Category II AIF
Final Closing	30 (thirty) months from the First Closing
Commitment Period	24 (twenty four) months from the Final Closing (extendable by 1 year)
Drawdown Notice Period	15 (fifteen) Business Days
Sponsor and Anchor Investor Commitment	15% of aggregated capital commitment
Sponsors	Dalmia Nisus Finance Investment Managers LLP (DNFIM) Nisus Finance Services Co Pvt.Ltd (NiFCO) Ms. Sharmila Dalmia (SD)
Anchor Investors	Nisus Finance Services Co Pvt.Ltd (NiFCO) Dalmia Group Holdings (DGH)
Hurdle Rate of Return	12% IRR (Pre Tax)
Target Gross IRR	20-21%

CAPITAL COMMITMENT	SET-UP COSTS	MANAGEMENT FEE (p.a)	OPERATING EXPENSES (p.a)	ADDITIONAL RETURN
>INR 1 Cr. <INR 10Cr	< = 1.50%	1.75%	< = 0.50%	15% (Without Catch-Up)
>= INR 10 Cr.	< = 1.00%	1.50%	< = 0.50%	12.5% (Without Catch-Up)

* All terminology/ definitions are in line with Private Placement Memorandum(PPM)





Dalmia Nisus
INVESTMENTS

STAKE HOLDERS



Dalmia Nisus
INVESTMENTS

- Investment Manager
- Sponsor



NiFCO
NISUS FINANCE

- Anchor Investor
- IM Partner
- Sponsor



dalmia group

- Anchor Investor
- IM Partner
- Sponsor



- Valuer
- RE Consultant



- Risk Advisor
- Internal Auditor



- Tax Advisor
- PMC



- Trustee



- Fund Accountant/
Registrar/Transfer Agent



- Legal Advisor



SECTOR OVERVIEW

The background of the page is a blue-tinted wireframe illustration of a construction site. It features several tall tower cranes with long jibs, and various building structures in different stages of construction, all rendered as a complex network of lines and planes. The overall aesthetic is technical and architectural.



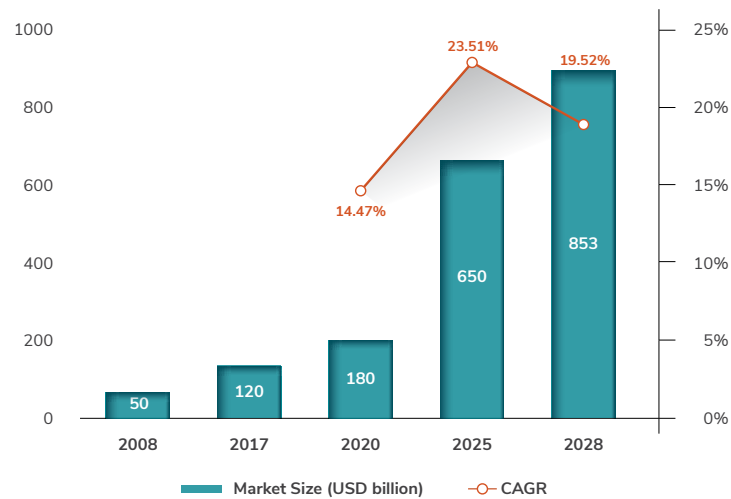
WHY REAL ESTATE ?

REAL ESTATE GROWTH OUTLOOK

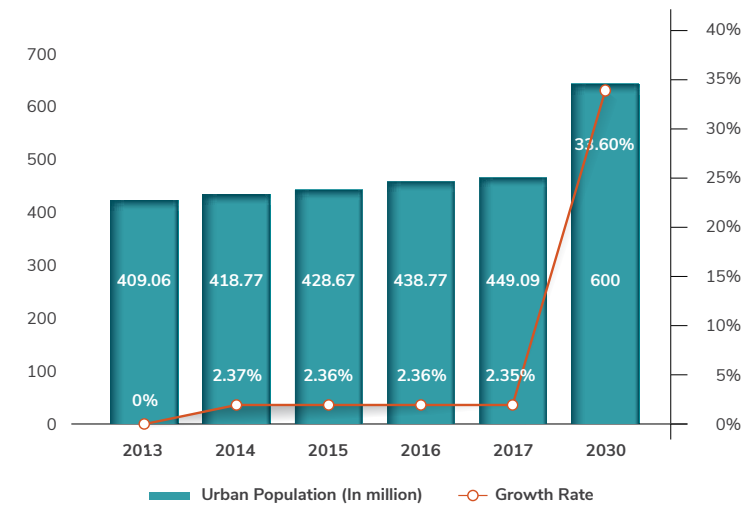
- Real estate contributed 6 percent to the Indian gross domestic product (GDP) in 2017
- The sector is estimated to grow to USD650 billion by 2025 and surpass USD850 billion by 2028 at 19.5% CAGR from 2017 to 2028
- Huge demand for housing: shortage of 10 million urban homes*
- Policy thrust to pace up growth
 - Favorable Tax regime
 - Favorable monetary reforms

FAVORABLE TAX REGIME | FAVORABLE MONETARY POLICY

Indian Real Estate - Market Size



Urban Population



KPMG Report : Indian real estate construction: September 2018

* Ministry of housing and urban poverty



WHAT IS DRIVING THE GROWTH ?



RAPID URBANIZATION

- Urban population (% of total) in India was reported at 33.53 % in 2017
- The urban housing shortage in India is estimated at around 10 million units
- Progressive urbanization, growing along with urban population, which rose from 109 million in 1971 to 449 million in 2017, is anticipated to reach 600 million by 2030



GROWTH OF DISPOSABLE INCOME FOR THE LOWER STRATA

- Rising incomes have led to expansion of the middle class group
- Resulted in an increased demand for affordable housing equipped with basic facilities



HOMES HAVE BECOME MORE AFFORDABLE

- Affordability has increased due to lowered prices, favorable GST, reduction in the average area of residential units and therefore reduced ticket sizes



CREDIT LINKED SUBSIDY SCHEME (CLSS)

- Availability of affordable credit for low and mid-cost housing buyers
- Interest subsidy under PMAY for 4 classes – EWS, LIG, MIG-1 and MIG-2
- Interest subsidy (~ INR 2.2 - INR 2.7 lakh) for home buyers with annual income up to INR 18 lakh

KPMG Report : Indian real estate construction
CBRE Report : Affordable housing



REFORMS RESHAPING THE INDIAN REAL ESTATE SECTOR



REAL ESTATE ACT, 2016 (RERA)

- RERA is making real estate sector more organized, structured, streamlined, accountable and fast-tracked with enhanced transparency
- Protection of consumer interest, thus regaining confidence and trust of buyers for buying and investing in the real estate sector



INSOLVENCY AND BANKRUPTCY CODE (IBC)

- Stricter regulations and faster resolutions in case of default
- Instills a sense of urgency among all stakeholders to resolve bad loans
- Home buyers treated as financial creditors



DEMONETIZATION

- Demonetization curbed cash transactions and reduced speculative trades
- Shifted focus on end consumers and brought transparency
- Higher reliance on institutional capital increased opportunities for buyers, funds, HFCs and NBFCs



RELAXATION OF FDI NORMS

- 100% FDI under automatic route in construction development segment (which includes townships, housing, built-up infrastructure)
- FPI and ECB participation in the real estate sector enabling it to meet its massive capital requirements
- Lower FDI threshold for development of real estate
- 100% ownership in development assets and managing ready assets





TARGET MARKET STORY

- Increased inventory offtake
- Increase in new project launches
- Outstanding demand of over 10 million housing units in urban locations



INDIA

To continue leading OECD economies in terms of real estate investments

Year 2018	No. of housing units	Change (Year on Year)
Launches	182,207	76%
Sales	242,328	6%
Unsold Inventory	468372	-11%

Knight Frank Real Estate Report : July-Dec 2018





MUMBAI METROPOLITAN AREA

Most populous urban region

Year 2018	No. of housing units	Change (Year on Year)
Launches	74,363	220%
Sales	63,893	3%
Unsold Inventory	126434	9%

PUNE

Growing real estate market

Year 2018	No. of housing units	Change (Year on Year)
Launches	32,684	157%
Sales	33,521	-1%
Unsold Inventory	27618	-3%

NATIONAL CAPITAL REGION

Largest Indian city in terms of area

Year 2018	No. of housing units	Change (Year on Year)
Launches	15,819	35%
Sales	40,643	8%
Unsold Inventory	142007	-15%

HYDERABAD

Sixth most populous agglomeration

Year 2018	No. of housing units	Change (Year on Year)
Launches	5,404	54%
Sales	15,591	9%
Unsold Inventory	14338	-45%

BENGALURU

Third most populous city, fastest growth in real estate

Year 2018	No. of housing units	Change (Year on Year)
Launches	27,382	22%
Sales	43,775	27%
Unsold Inventory	92718	-15%

CHENNAI

Peripheral areas - rapid growth

Year 2018	No. of housing units	Change (Year on Year)
Launches	10,373	12%
Sales	13,986	3%
Unsold Inventory	19027	-23%



WHY INVEST IN A FUND ?





WHY FUND?

REAL ESTATE INVESTMENTS	DIRECT INVESTMENT	INDIRECT INVESTMENT THROUGH FUND
DIVERSIFICATION		
Asset	No	Yes
Geographic	No	Yes
Developer	No	Yes
NEGOTIATION ON		
Coupon Rate	No	Yes
Due Diligence Cost	No	Yes
Overhead Costs	No	Yes
MONITORING		
Active Asset Management and Control	No	Yes
Investment Updates	No	Yes
RISK & RETURNS		
Liquidity Risk	High	Low
Returns	Low	High





RECOF-1 : BETTER RETURNS AT LOWER RISK

DIRECT INVESTMENT

- Buying and holding physical real estate assets
- Chosen due to lack of credible alternative options

RETURNS FROM DIRECT INVESTMENT

- Minimal price increase expected in next 2-3 years
- Price rise does not justify the high costs (GST, stamp duty, interest costs) incurred on buying property
- High Maintenance, management and transaction costs post possession

INDIRECT INVESTMENT

- Real estate funds (domestic /offshore) have been a major source of capital provider for the sector. Offer greater control, bargaining power, favorable regulatory and tax norms (for AIF Cat II)
- Pooling of interest to spread risk and maximize returns
- Focus on monthly/quarterly returns and quick exits. Wider opportunity coverage
- RECOF-1 offers credible alternative to direct investment

RETURNS FROM INDIRECT INVESTMENT

- Fund target IRR is 21%
- Partners of the IM have proven track record of consistently generating a 21% IRR or higher returns in structured debt with timely exits

RETURNS FROM DIRECT INVESTMENT

CITY	NCR	GURGAON	NOIDA	MMR	NAVI MUMBAI	THANE	BENGALURU	PUNE	CHENNAI
3 Years (CAGR)	-2%	-1%	0%	4%	3%	1%	7%	3%	4%

Source : PropEquity



Real Estate

Nisus Finance invests ₹25 cr in Mumbai-based realty developer

Our Bureau | Mumbai | Updated on January 12, 2018 | Published on January 09, 2017

THE ECONOMIC TIMES

Business News | Industry | Banking/Finance | Finance

11 AM 26 MAR LIVE	SENSEX	NIFTY 50	GOLD (MCX) (Rs/10g.)	USDINR	CR POR
MARKET STATS	37,861 ▲ 52.35	11,371 ▲ 16.95	32,126.00 ▼ -96.00	68.87 ▼ -0.07	

Dalmia Int'l buys stake in UK-based bank

BY MOHIT BHALLA, ET BUREAU | FEB 04, 2019, 11:33 PM IST

THE ECONOMIC TIMES

Business News | Industry | Services | Property / Construction

03:48 PM 25 MAR CLOSED	DID YOU KNOW? Unleash the power of SIP - Invest in Mutual funds	SPONSORED	UTI Equity Fund Direct-Growth
MARKET STATS		Class Equity	Category: Multi Cap

Nisus Finance invests Rs 50 crores in Earthcon Universal's housing projects

BY KAILASH BABAR, ET BUREAU | DEC 07, 2017, 05:35 PM IST

HOME (HTTPS://WWW.VCCIRCLE.COM) / FINANCE (HTTPS://WWW.VCCIRCLE.COM/INDUSTRY/FINANCE)

Given valuations, prefer realty and structured debt over PE deals: Landmark's Dalmia

By Svet Sarika (https://www.vccircle.com/author/svet-sarika) | 21 August, 2017



Gaurav Dalmia, Chairman & Director, Landmark Holdings (Dalmia Group)

Nifco to deploy ₹140-150 crore in four real estate projects

Firm seeks to invest in two deals each in Mumbai and Bengaluru through its proprietary investment product

By Swati Singh Dhanial swati@livemint.com



National Capital Region, B... here and Chennai. "Our focus is on mid-to-low slightly upper-end housing... are looking for products which... right in the middle of the m... in terms of demand," Goenda. Nifco is currently... through its fund, which is... commitment of ₹150 crore...

3/25/2019

Nisus Finance invests in affordable

THE ECONOMIC TIMES

Business News | RISE | Startups

03:38 PM 25 MAR CLOSED	SENSEX	NIFTY 50	GOLD (MCX)
MARKET STATS	37,808 ▼ -355.70	11,354 ▼ -102.65	32,120.00

50 Startups to watch

Nisus Finance invests in affordable housing with Shriram Land Development

BY SOBIA KHAN, ET BUREAU | UPDATED: MAY 02, 2016, 02:58 PM IST

Exclusive: Dalmia Group invests in PE-backed Chinese NBFC

By Svet Sarika (https://www.vccircle.com/author/svet-sarika) | 01 August, 2018



NEWS ARTICLES

Exclusive: PE firm NifCO backs two projects of Mumbai developer

By Svet Sarika

liveMINT

HOME	LATEST	TRENDING	MY READS
Lok Sabha Elections 2019	L&T-Mindtree takeover	Jet Airways Crisis	Boeing 737 Max Ban
Mark To Market			



Project mismanagement, liquidity crunch and regulatory delays are causing delayed delivery of projects in the NCR region. Photo: Mint

(Mint)

Landmark makes exits in dormant real estate market

2 min read. Updated: 11 Oct 2013, 05:44 PM IST

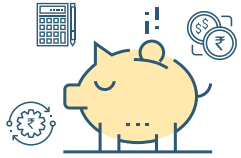
Unnikrishnan.S

A majority of investors are not able to get projected internal rate of returns in sluggish market

Mumbai: Gaurav Dalmia-promoted Landmark, a real estate-focused investment company, is making exits with decent returns fm its realty investments in an otherwise tough environment for real estate in India.

RECOF-1 : SOLUTION TO UNIQUE α CREATION IN LATE STAGE PROJECTS

WHY RECOF-1?



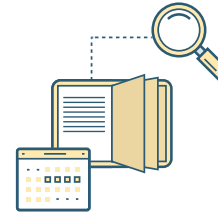
IM'S PERSONAL SKIN IN THE GAME

- DGH & NiFCO already manage ~INR 1,500 Cr. of real estate investments
- DGH & NiFCO are pooling 15% of the fund corpus from their personal funds as Anchors/ Sponsors
- IMs partners are directly involved and accountable



IM'S DISTINCTIVE EXPERIENCE IN EXITS

- DGH & NiFCO have had delays in their portfolio investments but have developed deep expertise in navigating these situations to generate positive outcomes
- 230+ man years of combined real estate investment experience. Deep organization structure
- Extensive reach, network, knowledge, skills to invest, manage and exit



IM'S FORMIDABLE DOCUMENTATION & STRUCTURING

- Proven credentials of structuring, security creation and documentation to gain favorable judgments & quick resolution. Extensive risk protection and transaction control
- Uncompromising standards in record keeping and due diligence



IM'S HARD ENGAGEMENT ON ASSET MANAGEMENT

- Partners sit on investee company's board and closely monitor performance
- Micro control on cash flows, costs, security and compliance
- Advanced diagnostics and course correction. Uncompromising approach to performance & exit
- Active investor reporting and update. Proactive client engagement





RECOF-1 : FAVORABLE TRENDS

- Housing inventory sales up by 6%
- Rapid liquidation of unsold stock. Residential inventory is at 3 years low
- New launches up by 76% since Q3-Q4 of 2018
- Over 60% of new inventory targeted at affordable/ mid-income housing
- Average price reduction by 8% signaling bottoming out of prices
- HFC credit growth at 32% CAGR over last three years. Push of low cost credit by HFCs increased off take in low & mid income housing
- Effect of RERA, IBC, GST & demonetization visible. Real Estate has evolved as a more transparent, accountable and governed sector
- Consolidation in favor of professional & corporate developers. Emergence of well governed players with better fiscal control. Partnership through DM, JV, JD
- Strong legal & consumer recourse. Increased focus on completion & delivery
- Announcement of favorable GST regime

INCREASED DEMAND FOR LAST MILE CAPITAL FOR COMPLETION AND DELIVERY

Knight Frank Real Estate Report : July-Dec 2018





RECOF-1 : CAPITALIZE ON OPPORTUNITIES

INR
1,40,000 Cr
Annual wholesale
credit demand in real estate (RE)

INR
30,000 Cr
Annual Demand for brownfield
residential projects financing

INR
500 Cr
Fund RECOF-1
Corpus

INR
5,60,000 Cr
Wholesale credit demand in RE
over next four years

INR
1,20,000 Cr
Demand for brownfield
residential projects financing
over next four years

0.42 %
Opportunity set



RECOF-1 STRATEGY

- Curated selection of main stream projects
- High asset & cash flow cover
- Leverage on private equity and promoter capital buffers
- Multiple housing finance companies with valid Approved Project Finance (APF)
- Projects with end customers backed by home loans and significant receivables
- Multiple stakeholders like channel partners, HFCs, PMC, existing buyers, vendors for quick completion & monetization
- High focus on risk management, governance, compliance & liquidity

Source : Anarock Property Consultants





RECOF-1 : OVERCOMING CHALLENGES

CHALLENGES

- High end luxury & second homes inventory stuck
- Failure of mismanaged large players
- Current NBFC issues have reduced liquidity, refinance and bailouts
- Development regulations in several states are under review
- Consumer focus on late stage & ready inventory

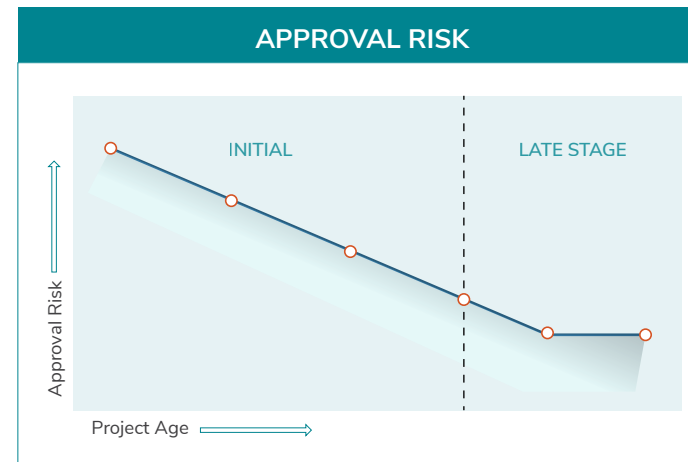
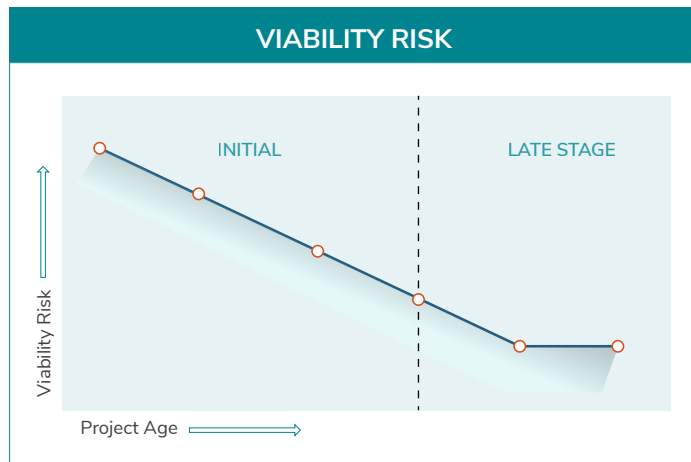
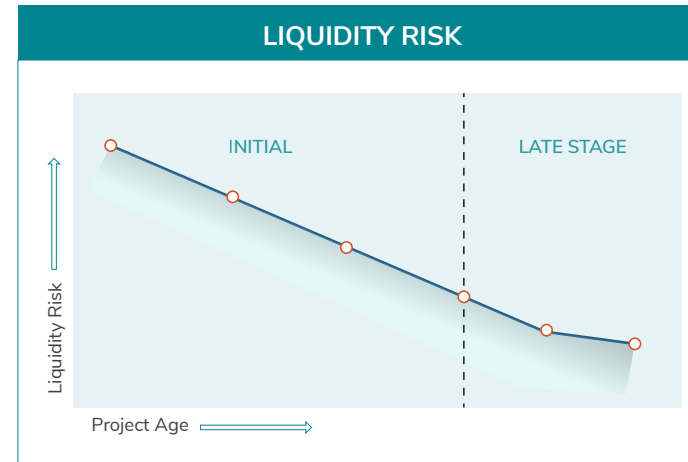
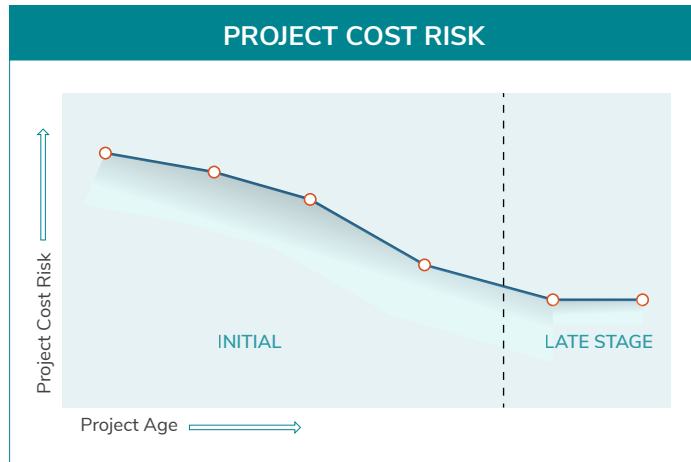
RECOF-1

- Focus on mid-income & affordable projects in key metro locations of MMR, Pune, Bengaluru, NCR, Chennai, Hyderabad which have witnessed high demand.
- Partner with strong enterprises with high potential. Ability to generate high yield in such partnerships layered with IM's governance, systems & control
- Ability to choose attractive deals. Deals structured for financial closure with low dependency on new sales during construction
- Fully approved brownfield projects with low dependency on regulatory environment
- Late stage, consumer centric, well sold & constructed projects needing last mile financing
- Creating α through selection, partnership, management, acceleration and quick exits





RECOF-1 : BENEFITS OF LATE STAGE PROJECTS



CAPITALIZING ON HIGHER LIQUIDITY AND LOWER RISKS IN VIABLE LATE STAGE PROJECTS

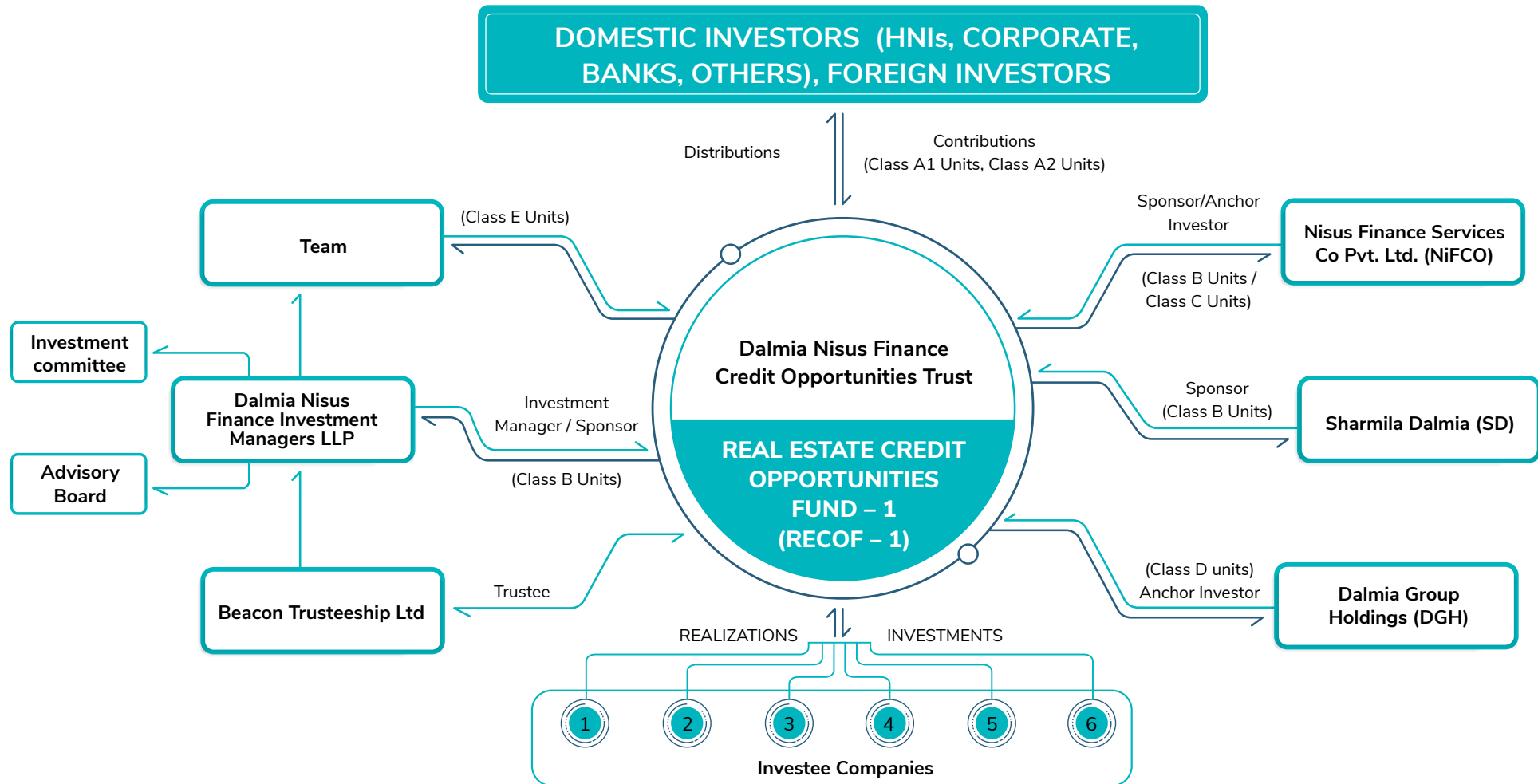


FUND STRUCTURE





INVESTMENT STRUCTURE





CONTRIBUTION AND FEE STRUCTURE

CLASS	HOLDERS	% OF CAPITAL	CAPITAL COMMITMENT*
Class A1	Contributors, making a capital commitment >INR 1 Cr. <INR 10 Cr.	85%	INR 425 Cr.
Class A2	Contributors, making a capital commitment >= INR 10 Cr.		
Class B	Investment Manager / Sponsors	15%	INR 5 Cr.
Class C	Anchor Investor (NiFCO)		INR 69 Cr.
Class D	Anchor Investor (DGH)		
Class E	Employee Welfare Trust (EWT)		INR 1 Cr.

CAPITAL COMMITMENT	SET-UP COSTS ¹	MANAGEMENT FEE(p.a.) ²	OPERATING EXPENSES (p.a.) ³	HURDLE RATE OF RETURN ⁴	ADDITIONAL RETURN (WITHOUT CATCH-UP) ⁵
Class A1	1.50%	1.75%	0.50%	12%	15%
Class A2	1.00%	1.50%	0.50%	12%	12.5%

1	Set-up Costs	One time on actuals subjected to maximum of above mentioned rate of aggregate capital commitment
2	Management Fee (p.a.)	During commitment period : payable annually in advance on drawn down amount Post commitment period : payable annually in advance on estimated net capital contribution
3	Operating Expenses (p.a)	On actuals subject to max of 0.5% of aggregate capital commitment
4	Hurdle Rate of Return	12% IRR (Pre tax)
5	Additional Return (Without Catch-up)	Share of interest to IM/Sponsor/Anchor Investor/EWT only on returns above 12% IRR

* Capital Commitments are calculated based on fund corpus of 500 crores.



PRODUCT COMPOSITION*

RECOF-1

SENIOR SECURED DEBT: NCD/ COVERED BONDS

- Target Markets: Mumbai Metropolitan Region, National Capital Region, Bengaluru, Pune, Chennai, Hyderabad
- Developers with established track record in key micro markets
- Focus only on projects where:
 - All relevant construction approvals are in place, Low regulatory dependency
 - Construction is at advanced stage. Mid income and affordable housing stock
 - Sales have commenced, significant receivables from sold inventory and brisk sales potential
 - No litigation, RERA complaints, regulatory issues
- Target portfolio of 10-12 investments to ensure adequate risk diversification
- Target gross IRR of 21%
- Potential transaction structures may include one or more of the following:
 - Periodic cash flows (Monthly/ Quarterly)
 - Minimum assured multiple/ IRR (20-21%)
 - Tenure : 24-30 months
 - Back ended returns (2-3%)
- 2.5X asset /cash flow cover and mortgage on land and/ or built up units/ apartments
- The Investment Manager may at its discretion offer co-investment opportunities to the Contributors in the Fund or their affiliates or any third parties ("Co-Investor") at terms such that Contributors in the Fund are not worse off

* Standard/ typical/expected product composition



INVESTMENT PROCESS



INVESTMENT GUIDELINES*



- The Fund shall not invest more than 25% (twenty-five percent) of its investible funds in one portfolio entity
- The Fund shall not make investments exceeding 30% (thirty percent) of the aggregate Capital Commitments of the Fund in one group
- The Fund shall not make investments exceeding 50% (Fifty Percent) of the aggregate Capital Commitments of the Fund in one geographic region in India
- The Fund shall avoid making investments in transactions having following
 - Asset Cover < 2.0x and/or
 - Free Cash Cover < 2.5x

SECURITY COLLATERALS*



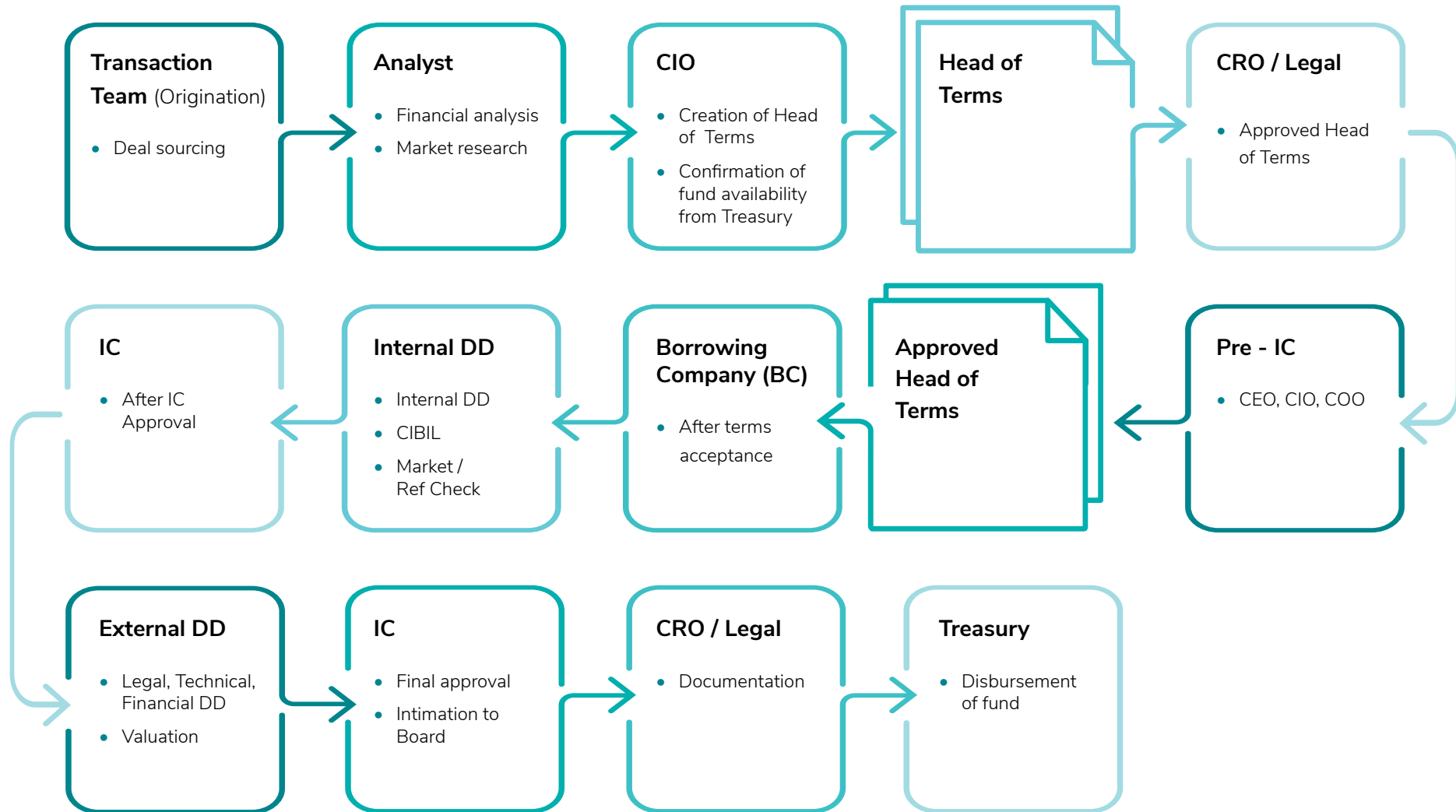
- Charge on the land, fixed assets, current assets, and development/ construction
- 100% escrow of all receivables with full control on cash receivables
- Personal Guarantee by the promoters
- Corporate Guarantee by the parent company of the developing/project company
- Post-dated cheques
- Share pledge
- Ability to appoint nominee directors on the board of investee company
- Power of Attorney of developer/ promoters

* Standard/typical/expected investment guidelines and security collaterals



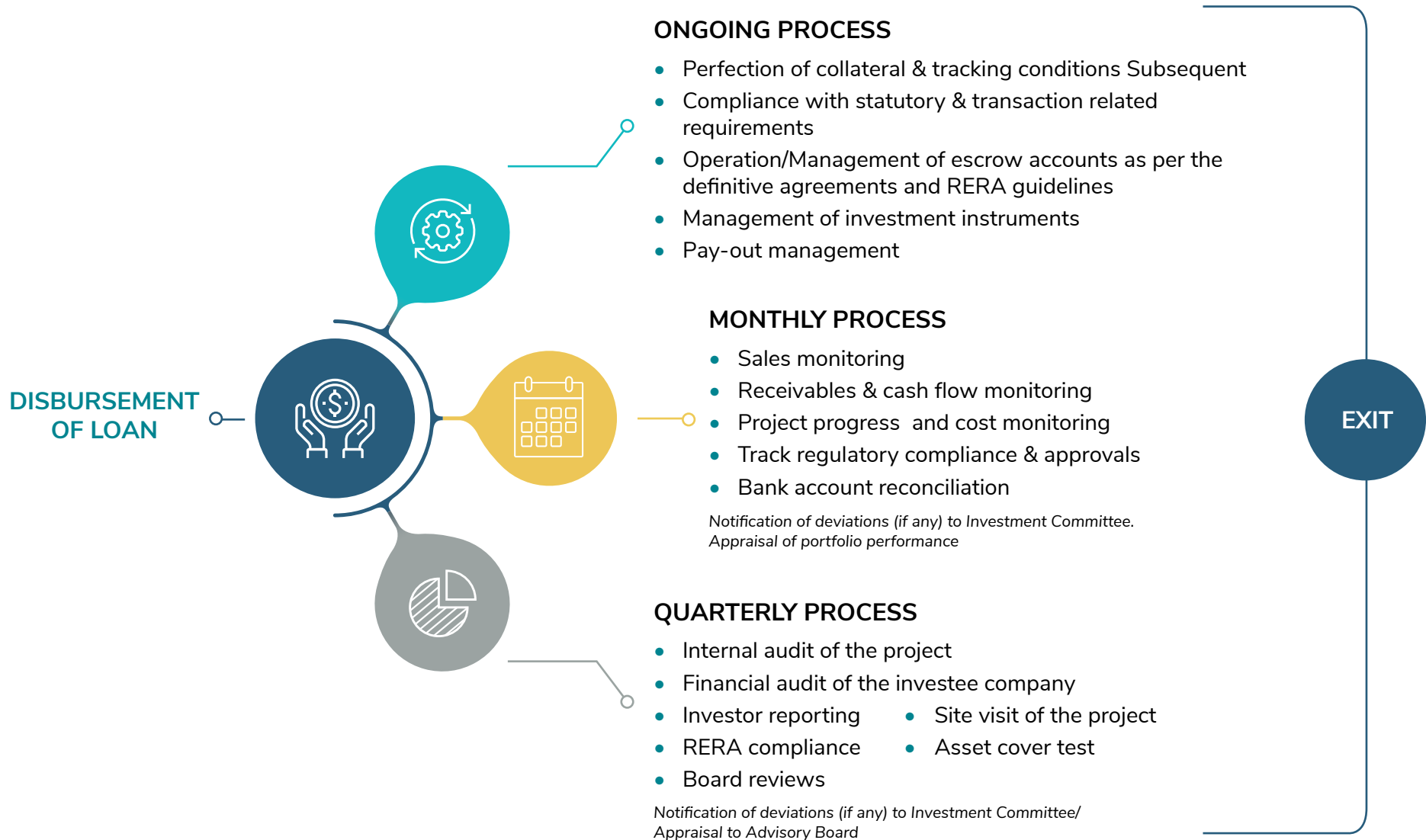


INVESTMENT PROCESS





POST INVESTMENT PROCESS





EXITS



NATURAL EXITS

Through completion of project lifecycle with positive cash flows.



REFINANCING

Other financial institutions may take-over the loan, giving extended moratorium to the investee developer /project/ group.



ACCELERATING CASH-FLOWS

Assisting developer in sales and thereby accelerating receivables



ENFORCEMENT (IN CASE OF FINANCIAL EVENT OF DEFAULT)

- Under section of Insolvency and Bankruptcy Code, 2016 as a financial creditor
- Proceedings u/s 138 of the Negotiable Instruments Act, 1881
- Interim relief u/s 9 of the Arbitration & Conciliation Act, 1996
- Invocation of Mortgage under Transfer of Property Act, 1882
- Invocation of Personal Guarantees, Corporate Guarantees and Demand Promissory Notes
- Invocation of Share Pledge
- Invocation of SARFAESI
- Other measures as may be applicable



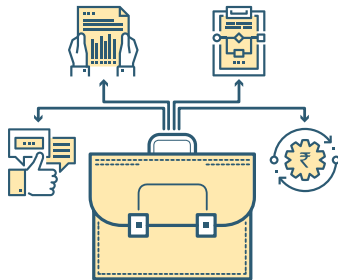


CONFLICTS OF INTEREST



FUND INVESTMENT PROVIDING AN EXIT TO INVESTMENT MANAGER PARTNERS OR AFFILIATES:

Independent members of Advisory Board to mandatorily approve investments which provide exits to investments held for more than one year by any of the Investment Manager Partners or Affiliates.



FUND INVESTING IN DEVELOPER GROUPS WHICH HAVE BEEN FUNDED BY INVESTMENT MANAGER PARTNERS OR AFFILIATES:

Independent members of Advisory Board to mandatorily approve such investments.



INVESTMENT MANAGER PARTNERS OR AFFILIATES GIVING AN EXIT TO A FUND INVESTMENT:

Super majority Contributor approval required. This is excluding Sponsors and Anchor Investors. (For operational ease, it will be deemed approved if no response is received within an allocated time).





RECOF-1 : RISK MANAGEMENT FRAMEWORK



MARKET RISK : SLOWDOWN IN SALES

- Detailed micro market analysis by third party experts, mid income housing stock, fast sales potential, underwriting of balance sales at 15%-20% discount to market, high receivables from sold inventory
- Deal structured for financial closure with low dependency on sales during construction.
- Investments in portfolio entity having more than 2.5x cover. Large channel partners and HFC coverage



CREDIT RISK : FINANCIAL AND/OR NON-FINANCIAL

- Pre-investment due diligence including background check of the borrowing entity & its promoters
- 100% escrow of receivables, first & exclusive charge on the land, fixed assets & current assets
- Control over entity and project through Board control, share pledge, casting vote rights
- NOC for sale at above reserve price. Cap on total costs. Acceleration in collection of sold inventory receivables
- Rapid liquidation of balance inventory. Adequate debt service reserves. High promoter equity.
- Control on regulatory compliances including project approvals, RERA, GST, customer and vendor liabilities



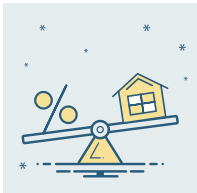


RECOF-1 : RISK MANAGEMENT FRAMEWORK



EXECUTION & APPROVAL RISK : DELAY IN COMPLETION

- Financing fully approved brownfield projects with low dependency on regulatory environment
- Direct payments to vendors against delivery of products and services. Active PMC and periodic audits
- Reputed contractors with fixed contracts, finalized BOQ, modern technology, accelerated completion timelines



INTEREST RATE RISK: FLUCTUATION IN INTEREST RATES

- Fixed rate debt instrument. No ballooning or rear ending. Equated principal payments post moratorium
- Sweep out of cash flows for principal capitalization. No fluctuation in investment NAV



EXIT RISK : LACK OF PROJECT LIQUIDITY

- Regular coupon and periodic principal repayment. Cross collateralization of group companies and assets
- PoA to liquidate inventory at discount. High cover to refinance/ down sell





PAST AND CURRENT TRANSACTIONS (IM PARTNER)

	DEAL 1	DEAL 2	DEAL 3
Location	Bengaluru	MMR	MMR
Promoters equity (In Rs Cr)	10	5	8
Investment size (In Rs Cr)	35	20	20
Approval status	All approvals in place	All approvals in place expect final CC	All approvals in place expect final CC
Stage of completion at the time Investment	70%	45%	40%
Time to completion with OC (Months)	18	24	24
Receivables from sold inventory (In Rs Cr)	14	5	16
Value of unsold inventory (In Rs Cr)	114	48	68
Balance cost for completion of project (In Rs Cr)	42	15	41
Net cash flow from project (In Rs Cr)	86	38	43
Cover on investment	3.4 x	2.9 x	3.2 x
Tenure of investment (Months)	30	30	30
Status	Exited	Exited	Current & Standard
Realized/Expected IRR	21.56%	21.56%	21.00%

All numbers are approximates for illustration/representation purpose only





PIPELINE TRANSACTIONS FOR THE FUND

	DEAL 1	DEAL 2
Location	Bengaluru	NCR
Stage of transaction	Partially disbursed & warehoused	Diligence in progress
Promoters equity (In Rs Cr)	26	45
Investment size (In Rs Cr)	65	65
Approval status	All approvals in place	All approvals in place
Current stage of completion	50%	50%
Time to completion with OC	1 years	2 years
Receivables from sold inventory (In Rs Cr)	15	104
Value of unsold inventory(In Rs Cr)	218	155
Balance cost for completion of project(In Rs Cr)	75	141
Net cash flow from project (In Rs Cr)	158	118
Cover on investment	3.4x	2.8x
Targeted IRR	21%	21%
Tenure of investment	2 years	2 years

All numbers are approximates for illustration/representation purpose only



SPONSORS & ANCHOR INVESTORS





SPONSORS & ANCHOR INVESTORS

NISUS FINANCE SERVICES CO PVT LTD (NiFCO) SPONSOR, ANCHOR INVESTOR AND IM PARTNER

- NiFCO offers a full suite of Asset Management and Investment Advisory services for real estate in India. It is a sponsor to Real Estate Asset Performance Fund-1 (REAP)
- NiFCO group includes Nisus Finance & Investment Managers LLP (Investment Manager to REAP-1, AUM of INR 352 cr) and Nisus Fincorp Pvt. Ltd, a NBFC



DALMIA GROUP HOLDINGS(DGH) ANCHOR INVESTOR

- Dalmia Group is a leading industrial conglomerate in India, with a history of over 75 years.
- Dalmia Group Holdings is a holding company for business and financial assets. It invests in private equity, real estate, public markets, structured debt and fixed income.
- Historical interest in cement, industrial ceramics, information technology, engineering and mineral processing.
- Gaurav Dalmia is the Chairman of Dalmia Group Holdings and its group company Landmark Land Holdings Private Limited (managing FDI Investments in real estate).
- Sponsor of True North Private Equity, GTI Capital and early stage investor in InCred Finance, UGRO Capital. etc.



dalmia group

MS. SHARMILA DALMIA SPONSOR AND IM PARTNER

- Ms. Sharmila Dalmia, owns and manages a successful apparel export company, with a history of 10+ years.
- She is a philanthropist and started Shiksha India, a computer literacy charity, along with the CII and the World Economic Forum
- An active trustee of Dalmia Family Office Trust, which owns Dalmia Group Holdings.
- She is a commerce graduate from Sydenham College in Mumbai and has a degree in fashion from the Fashion Institute of Technology in New York.



INVESTMENT MANAGER

A photograph of two men in a professional setting, likely an office or meeting room. The man on the left is wearing glasses and a white shirt, pointing with a pen towards a document. The man on the right is wearing a dark shirt and has a beard, looking intently at the document. The image is overlaid with a semi-transparent blue filter.



ABOUT US



DALMIA NISUS FINANCE INVESTMENT MANAGERS LLP (DNFIM)

NISUS FINANCE SERVICES CO PVT. LTD (NiFCO)



- 80+ Man Years of team experience in real estate. Specialist in RE AMC
- INR 450 Cr+ AUM Handled. Team track of ~INR 5000 Cr. RE AUM across 4 funds
- 90% Investor Satisfaction Rating. Unique network & insight across RE industry
- 100% unique track record of exits with no NPAs

DALMIA GROUP HOLDINGS (DGH)



dalmia group

- 150+ Man Years of team experience. Extensive domestic and global reach. Founded several successful finance & investment platforms
- INR 1150 Cr+ RE AUM managed. Key Sponsor in third party funds with cumulative AUM in excess of USD 3 Bn.
- Part of diversified group with 75 years of history and \$2 billion in revenues
- Investments in wide range of sectors including auto, hospitality, consumer finance, financial services.





PROVEN PERFORMANCE TRACK RECORD

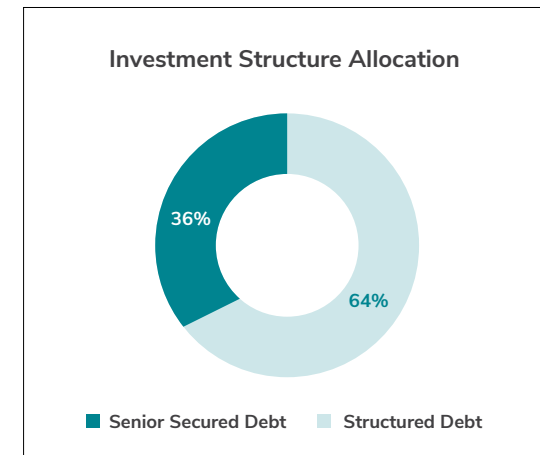
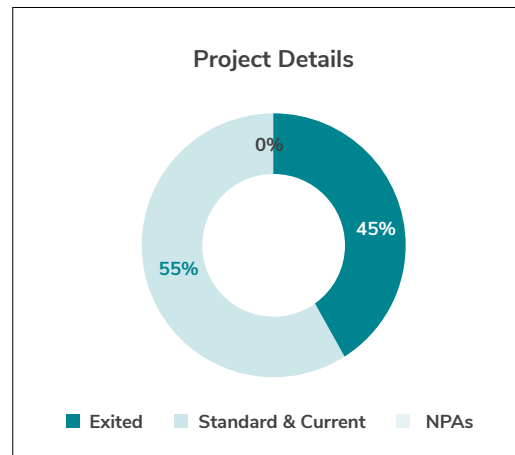
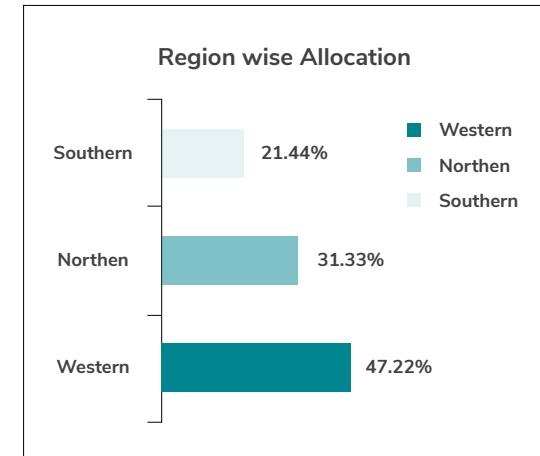
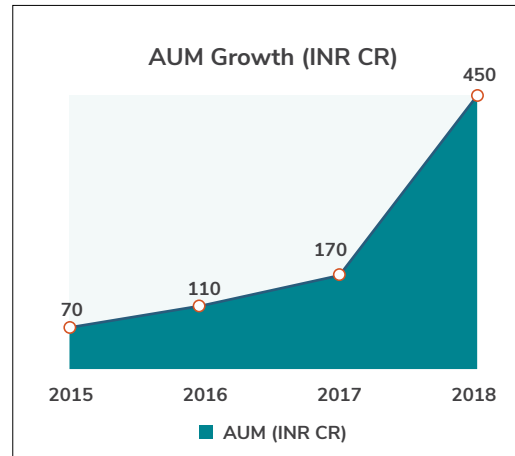
Nisus Finance Services Co Pvt. Ltd. (NiFCO)

- Nisus Finance Services Co Pvt. Ltd. (NiFCO) is a specialist in real estate services & asset management
- Headed By Mr. Amit Goenka
 - Mr. Amit Goenka has managed 2 AIF, 1 PMS and 1 foreign fund for India real estate.
- In house capabilities in tax, legal, finance, regulatory, development, sales
- Team history of successful fund management and exits

INR
450 Cr+
TOTAL AUM

21%

Realized weighted
Average Gross IRR





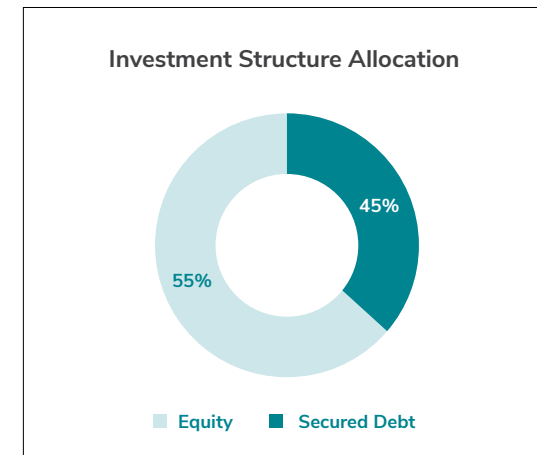
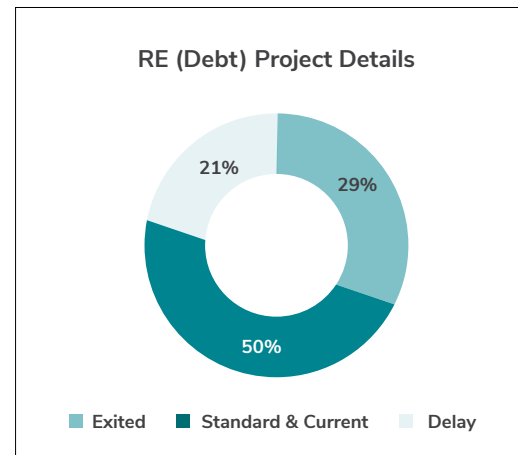
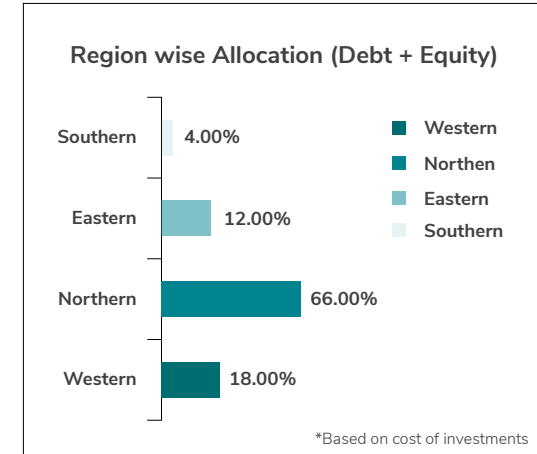
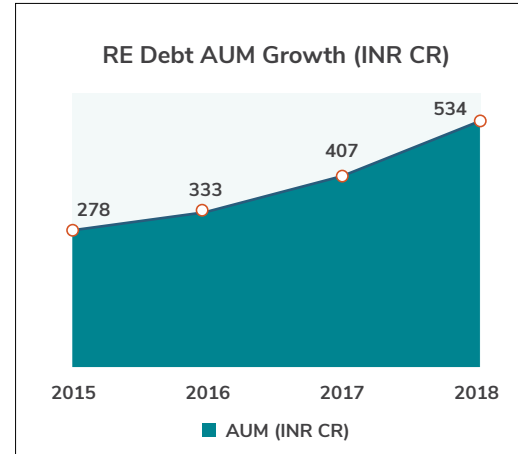
PROVEN PERFORMANCE TRACK RECORD

Dalmia Group Holdings (DGH)

- 75 + years old conglomerate
- Chaired by Mr. Gaurav Dalmia
- 16+ years of real estate (RE) investments across 15 cities pan India
- Has managed FDI investments totaling USD162 Mn
- Partial exits worth - 1200+Cr.
- Real estate deals executed – 40+
- Interests across US, UK & India
- Deep expertise in development management, financial control, governance, corporate network

INR
1150 Cr+
 TOTAL AUM

20%
 Realized Weighted Average
 Gross IRR of RE (Debt) Exits



TEAM





TEAM COMPOSITION

Advisory Board

- Consists of 4 members
- Reviewing compliance and governance in deal origination, asset management, portfolio exits, investor relations and keeping the business at arms' length and conflict of interest with any of the stakeholders
- Direct reporting of whistleblower reports, confidential reports by Trustee, Custodians, R&T and other risk and compliance agencies

Investment Committee

- Consists of 6 members
- Approving of fund investments and divestments
- Reviewing the transaction process and providing inputs to the IM
- Reviewing risk and governance parameters and controls, internal and statutory audits, compliance and regulatory submissions

Risk & Compliance Team

- Consists of 2 members
- Responsible for independent evaluation of deal, potential risk assessment and fund compliance

Investor Relation Team

- Consists of 2 members
- Responsible for investor relations, marketing and communication.

Transaction (Investment) Team

- Consists of 5 members
- Responsible for deal origination, project evaluation, assisting in due diligence, documentation.

Credit & AM Team

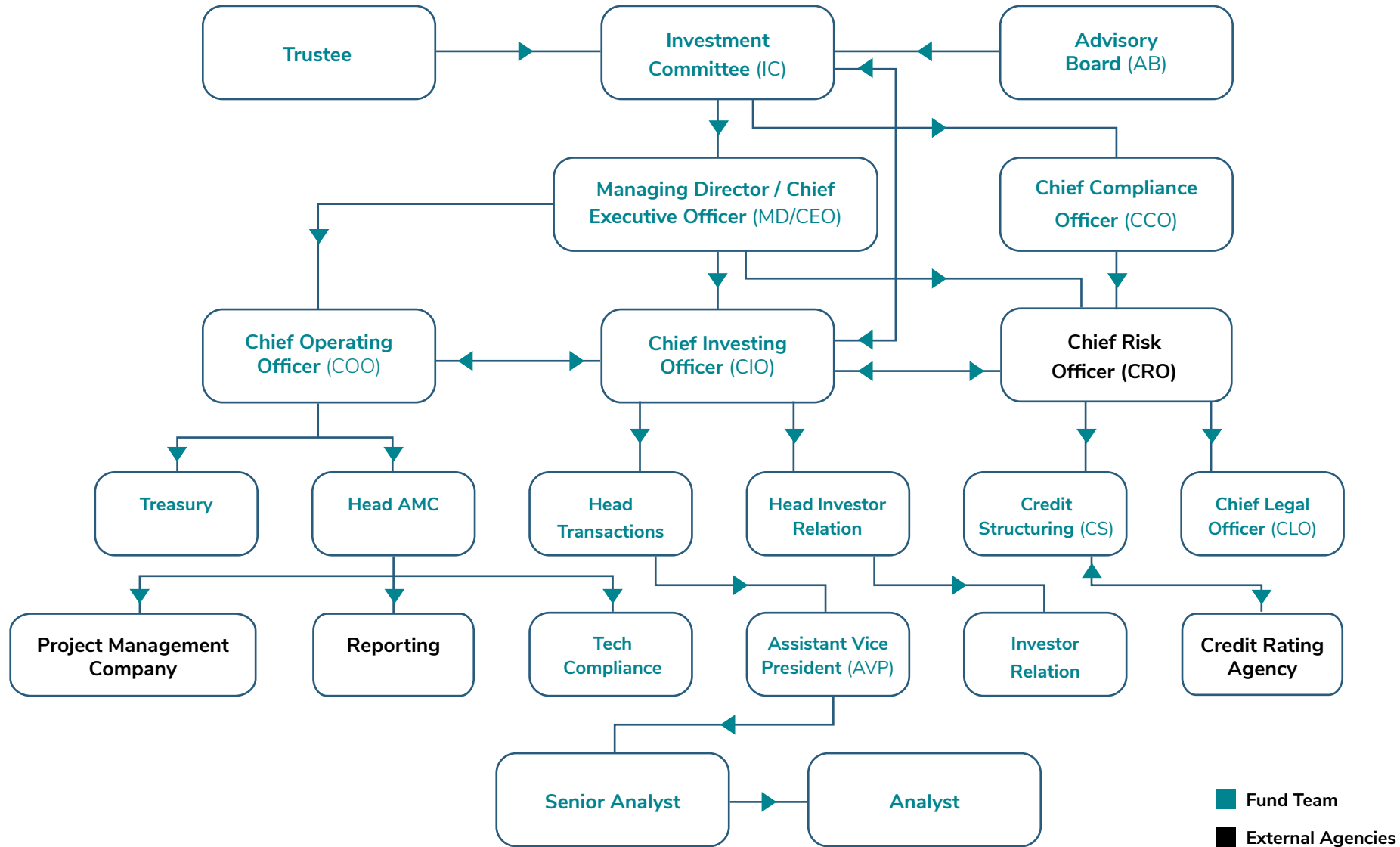
- Consists of 3 members
- Responsible for investment monitoring, compliance, operations and strategizing exit

Third Party Consultants





ORGANIZATION STRUCTURE





ADVISORY BOARD

GAURAV DALMIA (ADVISORY BOARD)

- Chairman of Dalmia Group Holdings and Landmark Holdings, with over 40 investments in housing projects across India
- Sponsor and Board member of True North, a \$3.5 billion Indian private equity fund, focused on control transactions
- Co-sponsor of Evolvence India Fund, India's first fund of private equity funds, with capital backing from the Middle East
- Co-founded GTI Capital, a "club" of high net worth investors from USA, to make alternative investments in India
- Member of the Board of Brookings India think tank
- Managed family owned cement business, OCL India Ltd., as Chief Executive
- 'Global Leader for Tomorrow' by the World Economic Forum in 2000
- MBA with Beta Gamma Sigma honors from Columbia Business School



AMIT GOENKA (ADVISORY BOARD MEMBER, INVESTMENT COMMITTEE MEMBER & CEO OF IM)

- Founder, MD & CEO of Nisus Finance Group
- Founder MD Essel Finance. Was National Director-Knight Frank
- Worked in senior capacities at Ernst & Young and Aditya Birla Group.
- Led transactions of over INR 21,000 Crores
- Managed 2 AIF, 1 PMS and 1 FDI fund for India RE
- Renowned expert -Indian real estate financing
- BE, MBA, MRICS, CFM





ADVISORY BOARD

BHARAT ANAND (INDEPENDENT ADVISORY BOARD MEMBER)

- Partner in Khaitan & Co
- Practice in mergers and acquisitions, joint ventures, private equity transactions
- Ranked by Chamber Asia Pacific as band 1 for M&A
- Ranked amongst top 100 lawyers in India. Member of FICCI's corporate law committee
- Was with Freshfields, London
- Read economist at Delhi University and Law at Cambridge University as a Cambridge Commonwealth Trust Scholar



PRANAY VAKIL (INDEPENDENT ADVISORY BOARD MEMBER)

- 30 years in the Real Estate business
- Founder Chairman, Knight Frank India
- Chairman, Real Estate and Infrastructure Committee – IMC Chamber of Commerce & Industry
- Independent Director of Godrej Properties Ltd., Deepak Fertilizers and Petrochemicals Corporation Ltd., and Onward Technologies Ltd.
- Chairman, Investment Committee, Motilal Oswal Real Estate Funds
- Awarded 'Life Time Achievement Award' in RE by ABP News (Star News)





INVESTMENT COMMITTEE

RAKESH AGGARWAL (INVESTMENT COMMITTEE MEMBER & CCO OF IM)

- CEO of Dalmia real estate group. 35 years of corporate experience across real estate, FMCG, financial services and investments
- 12 years with the Dalmia Group
- Large acquisitions for offshore third party funds as well as prop book, in major cities. Deep understanding of real estate developments pan India
- Responsible for exits worth INR 1200 Crores involving complex structures, regulatory issues and management of partner relationships
- Qualified Chartered Accountant



SUNIL AGARWAL (INDEPENDENT INVESTMENT COMMITTEE MEMBER)

- Founder - Black Olive Ventures ("BOV"), Co-Founder - South Asian Real Estate (SARE), FDI RE Fund Advisory board Member- Sotheby's India
- Held senior positions - ICICI Ventures, HSBC, DS Group, Colliers International ,Chesterton Meghraj
- Specialist in Turnaround Management, Start-up's
- "Professional for the Year 2010" in "Realty Plus" magazine
- IC Member - Mirae Asset Management's India Real Estate fund
- Honorary Doctorate in Real Estate





INVESTMENT COMMITTEE

INDER PREET SINGH (INVESTMENT COMMITTEE MEMBER & COO OF IM)

- Over 11 years of experience in real estate with renowned real estate companies like DLF Limited, Unitech and Dalmia group.
- Cross functional experience in corporate strategy, finance, business planning, project budgets and investments.
- Managed projects worth more than INR 5,000 Crores and having area of 15+Mn Sq. Ft..
- Engineering graduate from Thapar University, Patiala and post graduate in Analytical Finance/ Strategic Marketing program from Indian School of Business, Hyderabad.



SANDEEP BAID (INDEPENDENT INVESTMENT COMMITTEE MEMBER)

- Advisor at DSP Investment Pvt. Ltd.
- Previously:
 - Member- Founding Team, Managing Director & Head – Credit at Indostar Capital Finance Ltd.
 - MD & Head of Debt Capital Markets – Bank of America & DSP Merrill Lynch
 - Associate Director -Rabo India Finance
- More than 20 years of experience in financial services, lending and investments
- PGDBM – IIM Calcutta
- He has led lending transactions of more than INR 35,000 cr over last 15 years without any losses or NPAs





NOTES



CONTACT US



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