



# Financing Options for Real Estate Sector

*– a discussion paper by Artfine Advisory LLP*

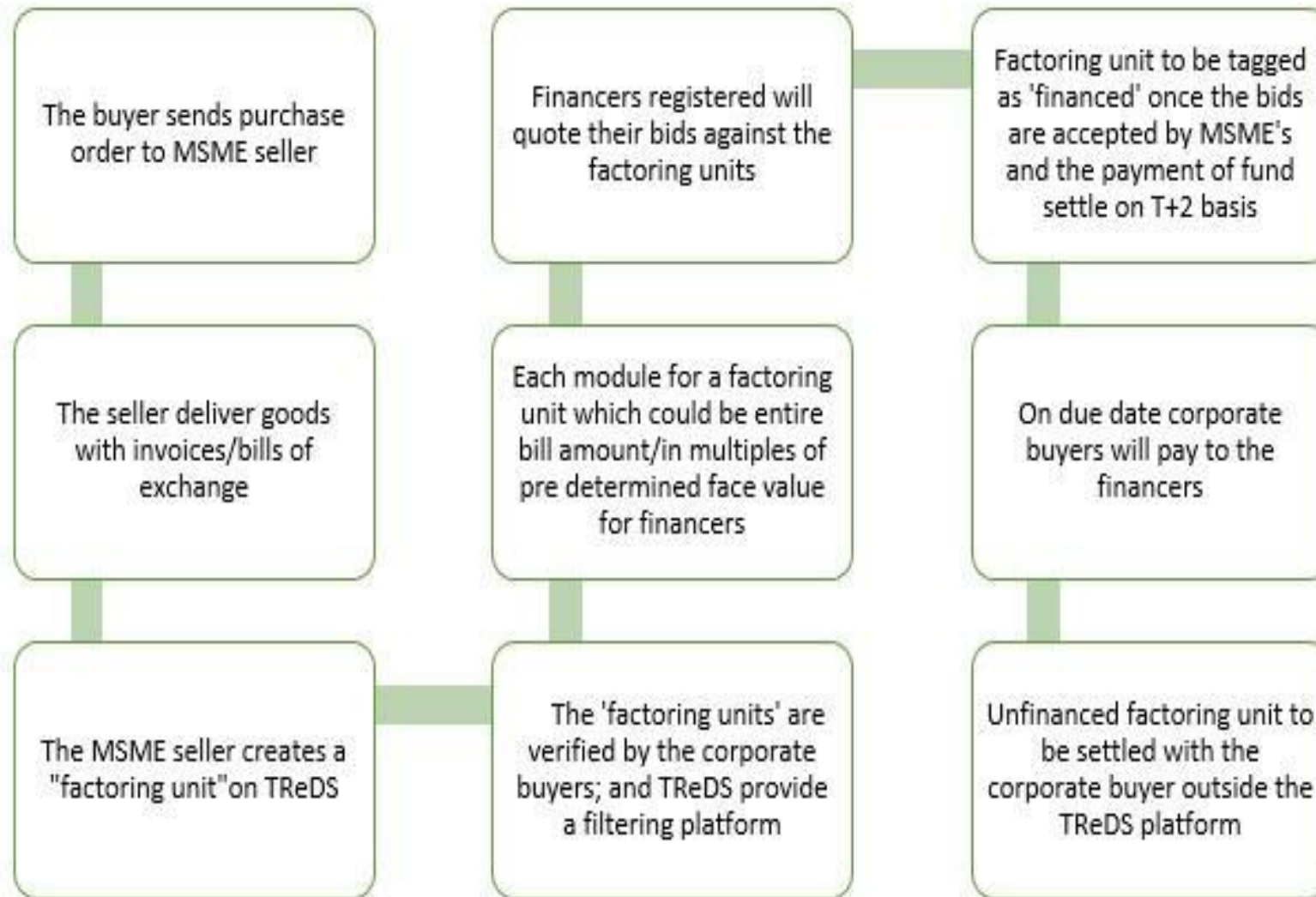
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## Traditional Real Estate financing products:

- Construction Finance
- Last mile financing
- Lease Rental Discounting
- Loan Against Property
- Asset finance
- Special Situations / Distress Financing
- Structured Debt Solutions

Apart from the above type of debt syndications, we have also successfully raised funds through some innovative structures like:

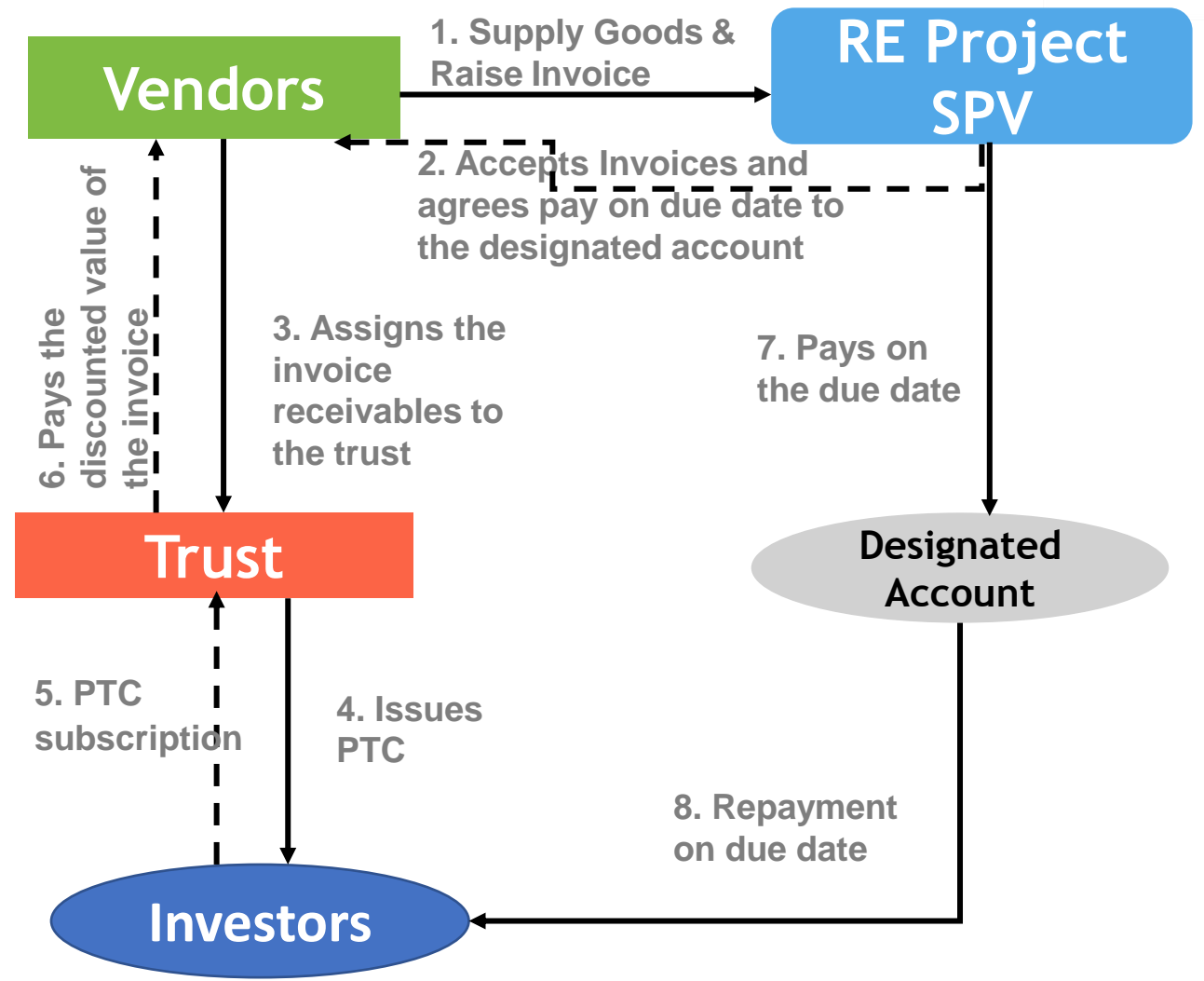
- **Vendor Invoice Discounting on TReDs platform for RE projects**
- **Vendor Pool Securitization through PTC structure**



- **Summary:** A vendor financing program to enable the Vendors of **RE SPV** to discount invoices on TReDs platform.
- Invoices to be discounted will vary between 90-180 days credit period
- The platform facilitates onboarding of the vendors
- On due date, platform will debit RE SPV's current account for repayment under debit authority executed

# Vendor PTC Transaction Structure

- **Summary:** A vendor financing program to enable the Receivables of the Vendors to be securitised and financed by Investors.
- Vendors, RE company and the Trustee would enter into an Agreement.
- Wherein Vendors will assign Invoices during the tenor of the Facility accepted by RE company to the Issuer (A Trust set up by the Trustee for the benefit of the Investors).
- By virtue of the assignment, Trust shall be the absolute legal and beneficial owner of the receivables.
- Trust to issue Pass Through Certificates (“PTCs”) representing an undivided beneficial interest in the receivable Pool.
- The PTC issue will be rated based on the project cashflows.



## Transaction Summary

- INR 750 million NCD issuance through private placement for meeting general corporate purpose
- Structured debt of INR 1.4 billion for refinance of existing debt and meeting working capital
- Facilitated rating of PTCs for unsecured vendor finance programme- Instrument rated A1(SO)



## Our Scope

- **Advisor & Arranger on financing mandates**
- **Structuring Vendor payable program for last mile financing**



## Key Take-away

- **Multiple modes of financing last mile**
- **Vendor Limits live on RXIL**
- **New avenues for RE financing**

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