

FAQ on How to work with Tamil Nadu Shelter Fund (TNSF)

We are inviting affordable housing project proposals from Private Developers for TNSF to invest into. We recommend reading our FAQ on 'How to work with TNSF' for better understanding.

1. Is Tamil Nadu Infrastructure Fund Management Corporation (TNIFMC) - a Government of Tamil Nadu Organization?

TNIFMC is a Private Limited Company, promoted by Government of Tamil Nadu as one of the shareholders in the Asset Management Company.

2. What is the TNSF Advantage?

- Equity Investment – Sharing the risk with the developers
- Reputation, Trust and Support to fast-track projects
- Showcasing/ Proof of concept/ Knowledge Sharing
- Transparency in process
- Supported by World Bank

3. What kind of projects can TNSF invest into?

TNSF can invest in affordable housing projects of both types i.e. Ownership and Rental within the state of Tamil Nadu. The projects include affordable housing complexes, industrial workers housing, hostels, senior community projects, working women hostels, co-living spaces, students hostels etc. TNSF does not invest in plotted developments.

4. Is there a minimum investment size of investment by TNSF?

Though there is no minimum investment size, TNSF prefers to have an investment size of at least INR 50 Crores. However, if the proposed project has social benefits, TNSF can consider a lower investment size as well on a case-by-case basis.

5. What is the time normally taken to disburse the amount?

From the time, complete project information is received, it is expected to take about 2-3 months provided due diligence is satisfactory.

6. What are the key criteria for selecting the project?

Key criteria include:

- Affordability of the units for the end beneficiary/customer
- Commercial Viability
- Sustainable Design
- Location
- Availability of Social and Commercial infrastructure near the project location like public transport school, hospital, retail etc.
- Social benefits
- Promoter's track record and Reputation
- Buildings should be Green Certified.

7. What information needs to be shared with TNSF about your project?

Preliminary Information Memorandum List- Affordable housing

- Project brief / Presentation / Write-up.
- Background of the promoters.
- Background of the Company / SPV (along with brief note on all major milestones).
- Track record of the Company / SPV.
- Group structure of the Company / SPV along with the shareholding pattern.
- Board of Directors and Management Team of the Company / SPV.
- Annual Reports (audited) for the all the accounting periods since last 3 years. Audited financial statements including balance sheet and profit and loss statement along with detailed schedules.
- Brief note about the project comprising of salient features of the project, amenities, product mix, status of approvals, expected / actual launch date, project timelines etc.
- Details of any sustainable designs planned in the project like rainwater harvesting, water recycling, solid waste management and solar power generation etc.
- Demand study for the project.
- Complete address (including taluka and village names) of the land parcel/s and all applicable survey nos. Also, Google coordinates for the land parcels.
- Total Funding requirement, holding period and break up of various modes (instruments) by TNSF along with usage of funds.
- Is obtaining Green certification like IFC EDGE / IGBC / GBCI etc. planned for the project. 14. Promoter funds invested in the project – (% of total development costs).
- Existing / expected partnership/ JV if any.
- Other investor/ stakeholders if any and structure of investment.
- Detailed budgeted cost breakup on built up area basis, with breakup of basic, development, land, escalation, contingency, marketing, overheads etc. Per sft as well as total.
- Project forecasts (incl. forecasts for each project / phase / tower containing sales phasing, construction phasing, collections, selling price per sft, construction cost per sft, admin cost, marketing cost, other overheads for the Company, tax outflow, proposed funding structure, cost of debt for the Company, payments per waterfall mechanism basis instruments held by investors and promoters).

8. What would be the preferred structure of investment?

Equity or Equity linked instruments at SPV level or at main company level by ring fencing the investment to the specific project. Usually, we would expect an exit before the promoter / developer.

9. What would be expected return expectation of TNSF?

This would depend upon the project risk profile and to be discussed. However, it would be competitive with respect to other Real Estate private equity investors.

10. How long may TNSF remain invested in the project?

The Fund life is 10 years. So, it can remain invested to a maximum of 10 years.

11. Whom to contact?

Please contact Mr. Anirudh Siddharth at anirudh.s@tnifmc.com

We look forward to working with you towards creating sustainable communities in Tamil Nadu!