ARNYA REAL ESTATE FUND - DEBT

The difference is *real*

QUARTERLY INVESTMENT UPDATE

April - June 2025

Strictly Private & Confidential

Contents

From the Desk of Investment Manager

Dear Investor,

We are pleased to share with you the the quarterly update on Arnya Real Estate Fund – Debt (the "Fund") for the quarter ending June-25.

Macro-economic Overview

India's economy continued to demonstrate resilience amid a complex global backdrop marked by ongoing geopolitical tensions, volatility in commodity prices, and slowing external demand. Domestically, macro fundamentals remain intact, with inflation within the RBI's tolerance band and core indicators pointing to a steady recovery in both consumption and investment.

Following the RBI's 50 bps rate cut in June, market has seen early signs of a modest pick-up in credit demand. The central bank's calibrated approach has helped maintain financial stability while supporting growth-oriented sectors. Industrial activity, particularly in construction and manufacturing, showed encouraging momentum in Q2, underpinned by public capex and robust infrastructure push.

While export growth continues to face headwinds from weak global demand, India's services sector remains a bright spot. Private consumption saw moderate gains, bolstered by a favorable monsoon forecast and rising rural incomes.

Looking ahead, the outlook for H2 2025 is broadly constructive. Tailwinds such as benign inflation, a potentially stable interest rate environment, and continued policy focus on infrastructure and manufacturing are expected to support growth. However, risks from global macro volatility, supply chain disruptions, and capital flow uncertainties remain on the radar.

Real Estate Industry Overview

Residential sales volumes across the top 7 cities stood at ~1 lakh units in Q2 2025, reflecting a modest decline of ~8% vs Q2 2024. The two markets where the decline was pronounced at ~15% are MMR and Pune, while NCR recorded a sharp uptick of ~28%.

The y-o-y decline appears more pronounced due to the exceptionally high base created by the decadal high in 2024. However, markets are now stabilizing, and when compared to pre-COVID levels, sales have increased significantly by ~34% from Q2 2019.

New launches stood at ~80,000 units. Regional trends diverged — MMR and Bengaluru saw sharp drops more than 30%, while NCR and Chennai recorded more than 30% increase. Despite the overall y-o-y dip, the premium and luxury housing segments remained resilient, with ~10% rise in sales share from Q2 2024 to Q2 2025.

Looking ahead, the outlook remains positive. The RBI's cumulative 100 bps rate cut in H1 2025 is expected to enhance affordability, especially in the affordable and mid-income segments, while premium housing demand is likely to stay strong on the back of steady end-user interest.

On the commercial front, India's office market continued to show strength in Q2 2025. Gross leasing touched ~17.8 mn sq ft across the top 7 cities, an ~11% y-o-y increase, a testament to the sector's resilience amid global uncertainties. Bengaluru led with a ~27% share (4.8 mn sq ft), followed by robust activity in Hyderabad, Mumbai, and Chennai (each ~2.5 mn sq ft). This sustained momentum highlights rising occupier confidence, particularly among flex operators and firms in tech, BFSI, engineering, and manufacturing. With easing rates and healthy demand for quality space, the commercial segment remains well-positioned for steady growth.

Fund Update

In the period Apr'25 - Jun'25, the fund increased its exposure to the Casagrand-Bangalore deal from INR 40 cr to INR 60 cr. Details of the same have been captured in this update. Further, we are actively evaluating 4 opportunities across Bengaluru, Chennai, and Mumbai. We remain focused on identifying projects that align with our strategy of delivering strong, risk-adjusted returns.

Other Updates at AMC Level

We are committed to bring innovative offerings for esteemed investors to deliver superior risk adjusted returns. Post first closure of our first fund, Arnya Real Estate Fund – Debt, we have stitched a new offering – (1) a residential equity fund for maximizing returns for our investors by investing in high growth residential real estate markets of Mumbai and Pune:

1. Arnya Real Estate Fund – Equity

- Sept'24: MoU executed with a credible developer partner to undertake residential RE development in Mumbai and Pune
- Apr'25: Filing of PPM with SEBI

Conclusion

We value your continued support and cooperation

Best Wishes,

Sharad Mittal

Sharad Mittal

Founder & CEO

Fund Update

(As of 30th June2025)

Particulars	Details
Fund Size	INR 1,000 cr + greenshoe option of INR 1,000 cr
Fund Raised	INR 413 cr
First Close Date	27th September, 2024
Number of Investments	2
Amount Committed	Upto INR 118 cr
Amount Disbursed	INR 95.2 cr
Drawdown	35%

Investment Snapshot

(Amount in INR cr)

Sr.No.	Investment Date	Developer	Location	Committed Amount	Invested Amount	Capital Divested	Income Received	Total Receipts	Exit IRR	Exit Multiple
1	October-24	Gami Group	Navi Mumbai	45	35.1		3.12	3.12		
2	April-25	Casagrand Group	Bengaluru	Upto 73	60.1		1.80	1.80		
Total				**Upto 118**	**95.2**		**4.92**	**4.92**		

Distribution Made

(Amount in INR cr)

Payout	Date	Return Of Capital	Investment Distributed	Total Amount Distributed (Gross)
Compensatory Contribution-1	April-25	Nil	0.05	0.05
Compensatory Contribution-2	July-25	Nil	0.19	0.19
1st	Jan-25	Nil	1.19	1.19
2nd	April-25	Nil	0.96	0.96
3rd	July-25	Nil	2.77	2.77
Total			**5.16**	**5.16**

Amount distributed is gross of taxes and net of expenses

Portfolio Update (1/2)

1. Gami Group

Investment Highlights	
City	Navi Mumbai
Development Type	Residential Apartments
Deal Type	Land Acquisition Funding
Total Land Area	~0.98 acre
Carpet Area	~1.7 lakh sq. ft.
Amount Committed	INR 45 cr
Date of First Disbursement	23rd October, 2024
Amount Disbursed	INR 35.1 cr
Investment Structure	Debt structure with coupons and redemption premium
Target Gross IRR	~20.50%

Developer Overview

- Gami Group was founded in 2000 by Mr. Ambalal Gami. The group operates primarily in the Navi Mumbai micro-market.
- Till date, the group has delivered **23** residential projects spanning over **2.3 mn sq ft** of saleable area in Navi Mumbai.
- Currently, the Group is developing **8** projects comprising **~1.0 mn sq ft** of saleable area which are at various stage of construction.

Project Overview

- A residential-cum-retail project located at **Kopar Khairane, Navi Mumbai.**
- The project is being developed over **~0.98 acre** land parcel which is allotted by CIDCO on a **60-year lease**.
- Project comprises **RERA carpet area of ~1.7 lakh sq ft** split into **~1.4 lakh sq ft residential** and **~0.3 lakh sq ft high street retail**.

Project Update

- Lease deed has been registered and mortgage created in favor of the Fund. Approval is in process.
- Project is expected to be launched in Q4 2025 post approval.

2. Casagrand Premier Builder Ltd.

Investment Highlights

City	Bengaluru
Development Type	Residential Apartments
Deal Type	Land Acquisition Funding
Total Land Area	~10.01 acre
Carpet Area	~9.4 lakh sq. ft.
Amount Committed	Up to INR 73 cr
Date of First Disbursement	9th April, 2025
Amount Disbursed	INR 60.10 cr
Investment Structure	Debt structure with coupons and redemption premium
Target Gross IRR	~19.44%

Developer Overview

- Casagrand was incorporated in 2003 by Mr. Arun MN. The group is the largest developer with over **20%** share in annual absorption in Chennai residential real estate market and has a footprint in Bengaluru, Hyderabad, Coimbatore and Dubai.
- The group has delivered **106** projects with **~23 mn sq ft** including 6 projects in Bengaluru spanning over 1 mn sq ft.
- Currently, the group has 51 on-going projects spanning over **~35 mn sq ft**.
- The holding company is expected to launch its IPO at a valuation of **~INR 11,000 Cr** in H2 2025.

Project Overview

- The residential project located off **Kanakpura road, on Holiday Village Road, Bengaluru.**
- The project is proposed to be developed over **~10.01 acre** land parcel with saleable area of 9.45 lacs sq ft and 591 units.

Project Update

- Sale deed has been registered and mortgage created in favor of the Fund. Approval is in process and expected to be obtained by Q12026. Project is expected to be launched in Q1 2026.

Deal Pipeline

Sr.No.	Location	Type of Project	Estimated Investment Amount	Estimated Timeline	Target IRR
1	Bengaluru	Residential Villa + Apartments	INR 80 cr	July - 2025	~18.5%
2	Chennai	Residential Apartments	INR 84 cr	July - 2025	~19.5%
3	Bengaluru	Residential Apartments	INR 120 cr	August - 2025	~20.5%
4	Mumbai	Residential Apartments (Redevelopment)	INR 35 cr	August - 2025	~21%

Disclaimer

Investments referred above should not be construed as an endorsement or advice of any kind by Investment Manager, vide Arnya Realestates Fund Advisors Private Limited (Arnya).

Securities investments are subject to market risks as specified in the Private Placement Memorandum ("PPM") and there can be no assurance or guarantee that the objectives will be achieved. As with any investment in securities, the capital market and the units that have been privately placed under the private placement memorandum of the performance of the Investment Manager and there can be no assurance of future results.

Most of the investments made under the real estate investment portfolio are in unlisted companies and hence may have illiquidity and valuation risk. Moreover, these unlisted companies are not regulated by the disclosure guidelines and investor protections norms that apply to listed companies. For more information and details refer to the risk factors in the PPM.
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Arnya
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