



# All About



## Nexus Select Trust

Sector - Real Estate



Issue Opens - May 9, 2023 to May 11, 2023

Price Band  
₹95 to ₹100

Face Value  
₹

Lot Size  
150 Shares

Issue Size  
₹3200.00 Cr.

Issue Type  
Book Built

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# Important Events

Issue Size

₹3,200.00 Cr

Fresh Issue

₹1,400.00 Cr)

Offer for Sale

₹1,800.00 Cr

Basis of Allotment

May 16, 2023

Initiation of Refunds

May 17, 2023

Credit of Shares to Demat

May 18, 2023

Mankind Pharma LTD IPO

May 19, 2023

Listing Date





# About Company

- Blackstone, a leading global investment firm, sponsors Nexus Select Trust. The other three existing REITs are in the residential sector, therefore this would be the first REIT in the retail sector to list on the Indian stock markets. 96% of Nexus Select Trust's assets are leased, and it has a broad tenant base of 983 domestic and international brands with 2,924 locations across its portfolio of 17 operational retail centres spread across 14 major cities. Major Indian cities like Delhi, Navi Mumbai, Bengaluru, Pune, Hyderabad, and Chennai all have shopping malls.
- Company Having a diverse tenant mix in industries such as fashion & accessories, hypermarket, entertainment, and food and drinks which accounted for 30% of India's total discretionary retail spending in FY20 and had a population CAGR that was 226 basis points higher than the national average from 2011 to 2021.

## Objects of the offer

The offer includes a new issue and an offer. The new problem is 1,400cr on in which 250cr will be used to partially or fully repay some financial loans from SPV Property and Institutional Investment; ₹1,050 cr will be used to buy shares and redemption of debt securities in certain asset SPVs; and the balance will be used for general business purposes. The discount offer is ₹1,800cr.



# Product Portfolio

Name of Asset	Leasable Area (msf)/Keys (for Hotels)/MW (for Renewable Power Plants) (as applicable)	Committed Occupancy/Office Occupancy/Hotel Occupancy <sup>(1)</sup> (as applicable)	Market Value (Rs. million)	% of Gross Portfolio Market Value	WALE (Years)
<b>Urban Consumption Centres</b>					
Select Citywalk <sup>(2)</sup>	0.51 msf	92.3%	44,688	19.4%	4.3
Nexus Elante	1.22 msf	98.7%	37,255	16.2%	5.1
Nexus Seawoods	0.97 msf	97.6%	21,861	9.5%	7.2
Nexus Ahmedabad One <sup>(3)</sup>	0.89 msf	91.3%	19,015	8.3%	6.1
Nexus Hyderabad	0.83 msf	99.1%	16,252	7.1%	4.3
Nexus Koramangala	0.31 msf <sup>(4)</sup>	96.1%	8,165	3.5%	3.4
Nexus Vijaya	0.65 msf	95.5%	12,400	5.4%	4.2
Nexus Westend	0.44 msf	94.6%	8,232	3.6%	8.2
Nexus Esplanade	0.42 msf	97.0%	8,484	3.7%	7.7
Nexus Amritsar	0.54 msf	96.6%	6,216	2.7%	6.7
Nexus Shantiniketan	0.62 msf <sup>(5)</sup>	92.8%	5,876	2.6%	7.2
Nexus Whitefield	0.31 msf	88.6%	3,616	1.6%	4.4
Nexus Celebration	0.40 msf	90.0%	4,494	2.0%	4.2
Fiza by Nexus	0.71 msf <sup>(6)</sup>	72.1%	2,860	1.2%	5.4
Nexus Centre City	0.32 msf	96.2%	2,619	1.1%	7.3
Nexus Indore Central	0.24 msf	91.3%	2,005	0.9%	13.6
<b>Portfolio Investment</b>					
Treasure Island <sup>(7)</sup>	0.43 msf	94.7%	2,516	1.1%	5.2
<b>Subtotal Urban Consumption Centres</b>	<b>9.82 msf</b>	<b>93.5%</b>	<b>206,554</b>	<b>89.7%</b>	<b>5.6</b>
<b>Offices</b>					
Westend Icon Offices	0.98 msf	74.9%	11,333	4.9%	3.6
Vijaya Office	0.19 msf	100.0%	1,800	0.8%	3.7
Elante Office	0.15 msf	47.3%	1,695	0.7%	5.0
<b>Subtotal Offices</b>	<b>1.32 msf</b>	<b>75.3%</b>	<b>14,828</b>	<b>6.4%</b>	<b>3.8</b>
<b>Hotels</b>					
Hyatt Regency Chandigarh	211 keys	74.4%	4,724	2.1%	NA
Oakwood Residence Whitefield Bangalore	143 keys	91.6%	1,810	0.8%	NA
<b>Renewable Power Plants</b>					
Karnataka Solar Park	15 MW (AC)	NA	2,411	1.0%	NA
<b>Subtotal Renewable Power Plants</b>	<b>15 MW (AC)</b>	<b>NA</b>	<b>2,411</b>	<b>1.0%</b>	<b>NA</b>



<b>Total Portfolio</b>	<b>9.82 msf (Urban Consumption Centres)</b>	<b>93.5% (Urban Consumption Centres)</b>	<b>230,327</b>	<b>100.0%</b>	<b>5.6 (Urban Consumption Centres)</b>
		<b>75.3% (Offices)</b>			<b>3.8 (Offices)</b>
	<b>1.32 msf (Offices)</b>	<b>81.3% (Hotels)</b>			
	<b>354 keys (Hotels)</b>				
	<b>15 MW<sup>(8)</sup> (AC) (Renewable Power Plants)</b>				

**Notes:**

- (1) *Hotel Occupancy representative of the month ended June 30, 2022.*
- (2) *Includes Select Citywalk Phase II (0.06 msf; 70.6% Committed Occupancy as at June 30, 2022), which launched operations in August 2022. Committed Occupancy excluding Select Citywalk Phase II was 95.3% as of June 30, 2022.*
- (3) *Includes Nexus Ahmedabad One Phase II (0.2 msf; 61.6% Committed Occupancy as at June 30, 2022), which launched operations in August 2021. Committed Occupancy excluding Nexus Ahmedabad One Phase II was 98.2% as of June 30, 2022.*
- (4) *Operational data presented above represents NHRPL's economic interest as of June 30, 2022 in 307,272 sq.ft of Leasable Area in Nexus Koramangala arising out of its (i) ownership interest over 265,504 sq.ft. of Leasable Area, (ii) short term leasehold rights over 13,656 sq.ft. of Leasable Area valid until March 31, 2028; and (iii) revenue share entitlements with respect to 28,112 sq.ft. of Leasable Area valid until March 31, 2028. For further details, see "Management Framework – Commercial arrangements with JD Partners" on page 337.*
- (5) *Operational data presented above represents 100% interest in Nexus Shantiniketan. However, please note that NSRPL is entitled to only 64.90% identified share of the total Leasable Area of 623,835 sq.ft. in Nexus Shantiniketan, and a corresponding 64.90% of the total economic interest accruing, arising or flowing from Nexus Shantiniketan. For further details, see "Management Framework – Commercial arrangements with JD Partners" on page 337.*
- (6) *Operational data presented above represents 100% interest in Fiza by Nexus. However, please note that NMRPL (Mangalore) is entitled to only 68% identified share of the total Leasable Area of 711,744 sq.ft. in Fiza by Nexus and a corresponding 68% of the total economic interest accruing, arising or flowing from Fiza by Nexus. For further details, see "Management Framework – Commercial arrangements with JD Partners" on page 337.*
- (7) *Reflects 100.0% stake in Treasure Island, except Market Value which reflects only our 50% economic interest in Treasure Island. For details on our accounting policies on equity investment in accordance with Ind AS 28, please refer to "Financial Information of the Nexus Select Trust", "Presentation of Financial Data and Other Information" and "Management's Discussion and Analysis of Factors Affecting the Financial Condition and Results of Operations" on pages 709, 5 and 392, respectively.*
- (8) *Excluding our Asset SPVs' renewable power plants of 22.1 MW (AC) which have been set up for captive consumption.*



Exceptional Items	-	(215.00)	(162.86)	-
<b>Profit/(Loss) before tax</b>	<b>1,154.75</b>	<b>723.25</b>	<b>(2,102.46)</b>	<b>2,555.48</b>
<b>Tax expense:</b>				
Current tax	342.95	782.94	386.37	945.71
Tax adjustments relating to earlier years	32.14	6.53	(409.76)	(21.38)
Deferred tax charge / (credit)	(67.11)	43.30	(87.97)	(436.21)
	<b>307.98</b>	<b>832.77</b>	<b>(111.36)</b>	<b>488.12</b>
<b>Profit/(Loss) for the three months/year</b>	<b>846.77</b>	<b>(109.52)</b>	<b>(1,991.10)</b>	<b>2,067.36</b>

Particulars	For the three months ended	For the year ended		
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss—				
Re-measurement gain / (loss) on defined benefits obligations	6.23	3.20	20.22	(11.35)
Income tax relating to above item	(0.88)	(0.67)	(4.95)	3.22
<b>Total other comprehensive income for the three months/year</b>	<b>5.35</b>	<b>2.53</b>	<b>15.27</b>	<b>(8.13)</b>
<b>Total comprehensive income/(loss) for the three months/year</b>	<b>852.12</b>	<b>(106.99)</b>	<b>(1,975.83)</b>	<b>2,059.23</b>

## Strengths

1. Located in India, one of the world's fastest growing major consumer-driven economies.
2. India's largest blue chip asset platform with presence in 14 major Indian consumer cities.
3. Very busy with a diverse number of tenants of famous domestic and international brands.
4. Strong integrated growth with inflation hedged cash flow.
5. Strategically located in prime fill locations with high barriers to entry.
6. Fully integrated platform with experienced management team.

# Risks



1. The decline in visitors to urban consumption centers in the past and possibly in the future will have a negative impact on the company's revenue
2. A significant portion of the company's revenue comes from a limited number of large tenants. Any condition that affects these tenants, property or market could adversely affect its business.
3. The Trust may use a substantial amount of debt in its operations, and its cash flows and results of operations may be affected by required repayments or the associated interest and fees. other risks associated with debt financing.

# Valuation and Outlook

Through its premium retail assets, Nexus Select is a quasi-play on consumption. The issue is trading at a Price/NAV of 0.78x at the upper band of 100/sh.

Investors who want consistent profits and yearly growth on their residual holdings may set aside money for medium- to long-term gains.

We rate properties with a SUBSCRIBE rating because of their a) strong yield potential, b) potential for organic growth through tenant sales and rent increases, repricing, and releases, and c) potential for inorganic growth through asset addition.



# Nexus REIT Peer Comparison

REIT	Embassy Office Parks	Mindspace Business Parks	Brookfield India Real Estate	Nexus Select Trust
Issue Time line	March 18-20, 2019	July 27-29, 2020	February 3-5, 2021	May 09 -11, 2023
Sponcer	Embassy Property & Blackstone	Cape Trading, Anbee Construc.	Brookfield (BSREP India)	Blackstone (Wynford Investment)
Manager	Embassy Office Parks	K Raheja Corp Investment	Brookprop Management	Nexus Select Mall Management
Trustee	Axis Trustee Services Ltd.	Axis Trustee Services Ltd.	Axis Trustee Services Ltd.	Axis Trustee Services Ltd.
BRLMs	Morgan Stanley India, Kotak Mahindra Fin, J. P. Morgan India, DSP Merrill Lynch, Axis Cap, Credit Suisse, Deutsche Equities, Goldman Sachs, HSBC Securities, IIFL Holdings, JM Financial	Morgan Stanley, Axis Cap, DSP Merrill, Citigroup Global Markets, JM Fin, Kotak Mahindra Cap, CLSA India, Nomura Fin., UBS Securities, Ambit Capital, HDFC Bank, IDFC Securities, ICICI Securities	Morgan Stanley, BofA Securities India, Citigroup Global Mkt, HSBC Securities, Ambit Pvt. Ltd., Axis Cap, IIFL Securities, JM Fin, J.P.Morgan, Kotak Mahindra Cap, SBP Capital Mkt.	BofA Securities, Axis Cap, Citigroup Global Mkt, HSBC Securities, IIFL Securities, JM Fin, J.P.Morgan, Kotak Mahindra Cap, Morgan Stanley, SBI Capital Mkt
Registrar	Karvy Fintech Pvt. Ltd.	Kfin Technologies Ltd.	Link Intiem India Pvt. Ltd.	Kfin Technologies Ltd.
Price Band	Rs. 299 - 300	Rs. 274 - 275	Rs. 274 - 275	Rs. 95 - 100
Issued at	Rs. 300	Rs. 275	Rs. 275	NA
Lot Size	400 units	200 units	200 units	150 units
Offer size	Rs. 4750 cr.	Rs. 4500 cr.	Rs. 3800 cr.	Rs. 3200 cr.
Issue Type	Fresh Rs. 4750 cr.	Fresh Rs. 1000 cr. / OFS Rs. 3500 cr.	Fresh Rs.3800 cr.	Fresh Rs.1400 cr. / OFS Rs. 1800 cr.
Market Cap at upper cap of issue price	Rs. 28450 cr.	Rs. 16308 cr.	Rs. 8327 cr.	Rs. 15150 cr.
Issue Rating	AAA/Stable by ICRA	AAA/Stable by CRISIL	AAA/Stable by CRISIL	AAA/Stable by ICRA, AAA/Stable by CRISIL
Subscription	2.15 times (QIB), 3.09 times (NII), Total of 2.57 times	10.61 times (QIB), 15.51 times (NII), Total of 12.96 times	4.78 times (QIB), 11.52 times (NII), Total of 7.94 times	NA
Allotted On	March 28, 2019	August 06, 2020	February 11, 2021	NA
Listed at	BSE, NSE	BSE, NSE	BSE, NSE	BSE, NSE
Listed On	April 01, 2019	August 07, 2020	February 16, 2021	NA
Debut Price	Rs. 300 (BSE), Rs. 308 (NSE)	Rs. 304 (BSE), Rs. 302 (NSE)	Rs. 275.05 (BSE), Rs. 281.70 (NSE)	NA
Historical High/Low	Rs. 462.00 / Rs. 299	Rs. 388 / Rs. 275.16	Rs. 344.70 / Rs. 215.25	NA
Last 52 weeks High/Low	Rs. 406.69 / Rs. 299	Rs. 388 / Rs. 290.36	Rs. 344.70 / Rs. 250.25	NA
Last Traded Price (as of May 04, 2023 close)	Rs. 318.15 (BSE), Rs. 318.00 (NSE)	Rs. 322.60 (BSE), Rs. 323.99 (NSE)	Rs. 273.95 (BSE), Rs. 274.10 (NSE)	NA

Sources: Multiple Websites