



**DBS Communities**

**DBS Affordable Home Strategy Ltd.**

Ahmedabad, India

**DBS Communities Presentation For  
Mahindra Lifespace  
&  
Ms. Anita Arjundas**

**Monday, 18<sup>th</sup> July 2016**

## Who Are We & What We Do

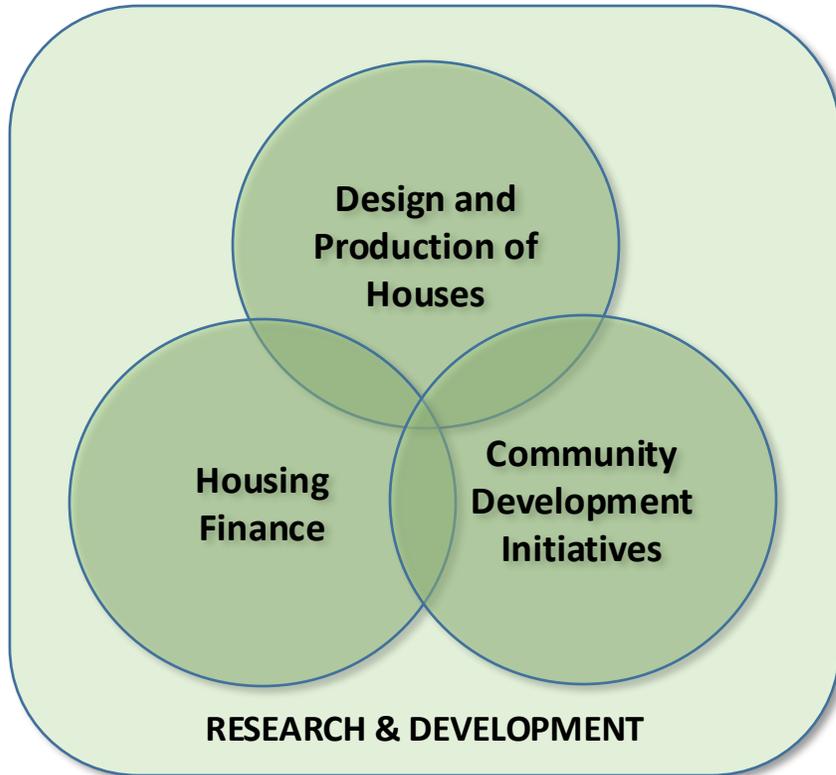
- **DBS Communities** is the flagship enterprise of **DBS Affordable Home Strategy Limited** and other closely held group companies
- **Established in 2009 to Create Viable Enterprise Models** for making Affordable Housing available to low-income families in urban India

DBS Communities has been exclusively focusing on  
**“Social Affordable Housing”** since its inception

- Having **SAATH & Mahila Housing Sewa Trust** as credible **NGO Partners to act as an interface for customers** and for creating inclusive communities inside our projects
- DBS Communities Team consists of Dedicated Professionals from the Real Estate Industry

# How We Do - Our Unique Approach - Our Enterprise Model

The **Enterprise Model and Business Strategy of DBS Communities** is built on three core areas :



## Design and Production of Social Community Housing

- ✓ Designing and Producing Social Housing Units which are “Right Sized and Right Priced”

## Housing Finance Access

- ✓ Facilitating Housing Finance for low income households who do not have formal access to Housing Finance due to lack of adequate documents

## Community Development

- ✓ Actively support the upward mobility of customers by Creating Communities and enabling activities for improving their credit worthiness

## Our Target Segment & Products Since Inception

### Our Target Customer Segment:

Families with incomes ranging upto 30,000/- Rupees

### Our Products:

Residential Apartments priced between **Rs. 6 lakhs to 15 lakhs**



Consisting Primarily of **1 Room-Kitchen Apartments** (16.4-18.77 sq. meter Carpet Area)

and

For the economic viability of projects, **2 Room-Kitchen Apartments** (25.36-32.14 sq. meter Carpet Area)

we also have a small percentage of **3 Room-Kitchen Apartments** (42.64-52.67 sq. meter Carpet Area)

priced from **Rs. 10.46 Lakhs to Rs. 17.32 Lakhs**

*'Umang' means JOY*

## Our Achievements & Future

Incorporated in **2009**... Pilot Project Construction Started in End of  
In **5 Years**... **2010**...  
**8 Projects**... Presence in **Ahmedabad & Surat** cities...

**5872** Social Affordable Housing Units Launched...

**3565** Units Already Delivered...

**2307** Units Under Construction

**10,000** more Units Planned & In Pipeline...

# Some of Our Customers



# Our Recognitions



Received the **NDTV Property Awards 2014** for project Umang Narol-1 & 2



**4 Star GIIRS** ratings



Won the **CNBC AWAAZ Real Estate Awards 2013** for project Umang Narol-1 & 2 for being the Best 50% Complete Residential Project under Affordable Segment in



Received the Certificate of Merit for **Affordable Housing of the Year** by **DNA Real Estate & Infrastructure Awards**

# DBS received GIIRS 4 star rating for 2015-16

The Global Impact Investing Rating System (GIIRS) ratings provide investors with a rating of a Company's social and environmental impact. GIIRS Ratings are the gold standard for impact measurement in impact investing. GIIRS Ratings are rigorous, comprehensive, and comparable ratings of a company or a fund's social and environmental impact.



## Overall Score

129

A company's overall score and GIIRS Rating are representations of their performance on the same set of standards, the B Impact Assessment.

### Company Profile Information

Company	DBS Affordable Home Strategy Ltd.
Market	Emerging
Sector	Service
Revenue Range	\$5M - \$9,999,999
Size by employees	50-249
GIIRS Rating Date	08/12/2015
Validation Status	Rated
Year	2015

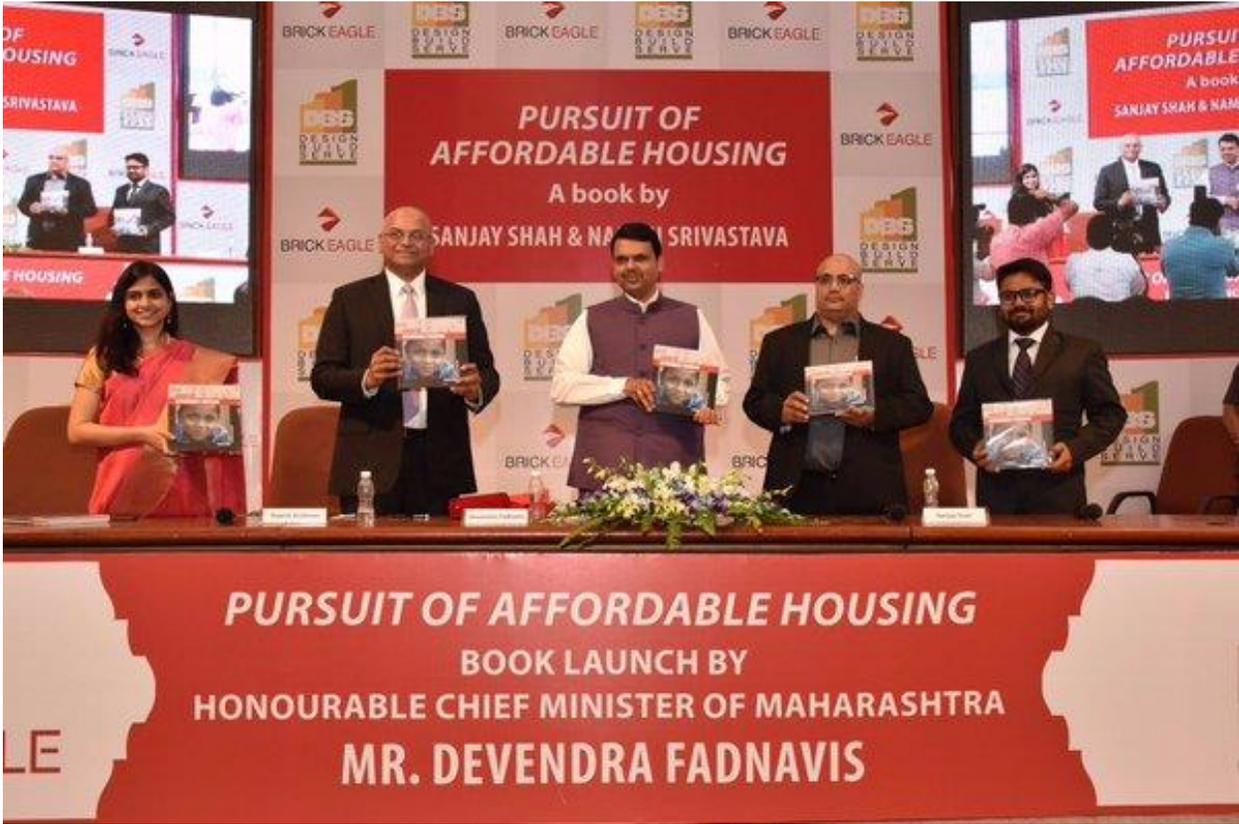
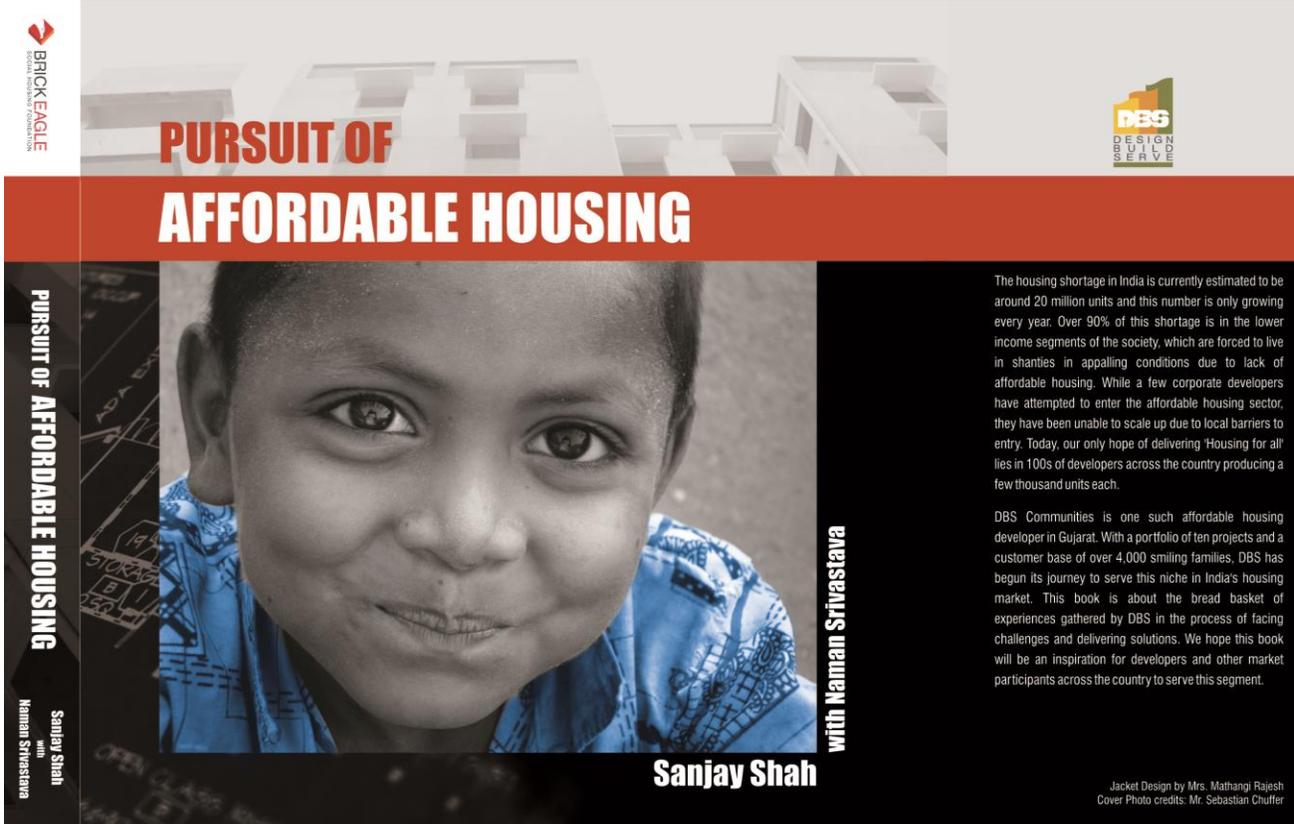
\*Validation Status refers to the level of verification that has been performed to ensure accuracy of the data. To learn more, go to: <http://b-analytics.net/products/measure-and-evaluate/validation>

### Overall Rating Summary

	IBM Rating	Operations Rating
	PLATINUM	★★★★★
Consumers	PLATINUM	
Community	N/A	★★★★★
Environment	N/A	★★
Workers	N/A	★★★★★
Governance	N/A	★★★★★

# Book Launch

Launch of book **“Pursuit of Affordable Housing”** written by **Sanjay Shah with Naman Shrivastav** by the hands of Hon'ble Chief Minister of Maharashtra **Mr. Devendra Fadnavis** on Feb 3, 2016.



# Our Projects

## Own Projects

Projects	Total Units	Launch Date	Status
Umang Lambha	792	May, 2010	Completed
Umang Narol 1 & 2	885	March, 2011	Completed
Umang Vehlal	207	August, 2012	About to complete
Umang Aslali	407	October, 2014	Under construction

## Revenue Projects

Projects	Total Units	Launch Date	Status
Umang Aditya	480	June 2011	Completed
Umang Sachin	868	February, 2012	Completed
Umang Narol 3 to 8	1866	October, 2012	Under construction
Umang Vatva	515	July, 2014	Completed

- Innovative Business Model
- Grip on Housing Finance/ Housing Finance Product along with Customer
- Tried/ Tested/ Successful volume base, direct end user marketing & selling expertise
- Involvement of NGO, Understanding of business at grass root level & energetic/ passionate/ committed team
- GIIRS rating/ Awards/ Documentation

## Strengths

- Very low capital base business structure
- Less exposure to financial closure & expertise
- Less exposure to corporate protocols
- No access to cheap funds/ Low rate finance

## Weakness

## Threats

- Direct supply of government and competing with government
- Competition from local substandard, overcommitted players
- Local Influence and its possible effect on project execution & time run

## Opportunities

- Right time in country as government is promoting affordable housing,
- Market driven and already identified latent demand.
- Absence of any national player in the space
- With appropriate approach, high volumes can be achieved

# Strengths

## **Innovative Business Model**

Only business model which has inbuilt housing finance and community initiatives. The model has been accepted and appreciated by people at bottom of pyramid.

## **Grip on Housing Finance/ Housing Finance Product along with Customer**

As a part of sales and marketing, we help in building strong bridge between Housing Finance Companies and customers. Griha Pravesh is promoted to ease people in the process of housing finance

## **Tried/ Tested/ Successful volume base, direct end user marketing & selling expertise**

DBS has unique capability of making strategies, identifying catchment areas, connecting with end users with the help of NGO & local players. Its expertise lies in exhibiting the project in a language which is easy and understandable to the customers

## **Involvement of NGO, Understanding of business at grass root level & energetic/ passionate/ committed team**

DBS has always had the approach of keeping customers in the centre with appropriate product; which has helped us in gaining knowledge and first hand learnings. DBS team has driven by cause and not been completely commercial/ professionals.

## **GIIRS rating/ Awards/ Documentation**

DBS has acquired international impact rating and made its presence in impact investors world and has also been acknowledged by many awards & government facilitation.

## Weakness

### **Very low capital base business structure**

DBS was started & managed with a capital of less than 2 crores, against aspiration of building 50000 homes in 7 years. This has made the company financially unstable. The timely support of equity was not received as was planned or desired.

### **Less exposure to financial closure & expertise**

By keeping Complete focus on experimenting and learning affordable housing business we made blunder by not strengthening the financial vertical and did not learn financial discipline over a period of time.

### **Less exposure to corporate protocols**

We have now realized the importance of learning corporate protocols and formats which is essential to grow. In the past, absence of the same has made us ineligible to corporate investors who only see and understand numbers.

### **No access to cheap funds/ Low rate finance**

Due to insufficient working capital company has to opt for traditional , informal and costly borrowings. Infact in 7 years, DBS has not got bank finance due to ignorance on financial closures.

# Opportunities

## **Right time in country as government is promoting affordable housing,**

With the Prime Minister's vision of 'Housing for All by 2022', the awareness, aspirations, facilitations has increased. This has in turn also led to increased aspirations of people at the bottom of pyramid.

## **Market driven and ample of latent demand identified**

According to statistics, the country needs 20 million homes and there are limited structured players in the industry supplying the right product at right price. This creates ample opportunities for business

## **Absence of any national player in the space**

Affordable Housing has seen many local players, however there has been an absence of any national player thereby having scope of creating a strong brand with little different approach

## **With appropriate approach, high volumes can be achieved**

With the growing population, increasing urbanization and growing needs of housing, volumes will always be increasing.

# Threats

## **Direct supply of government and competing with government**

The subsidized homes supply sometimes misleads the end users. The announcements made by government are also not understood in its proper manner hence creating pressure on business and selling.

## **Competition from local substandard, overcommitted players**

In the past few years, with the concept of affordable housing becoming popular, and with the slow demand in main stream real estate; many non committed players have entered into this space making the market polluted.

## **Local Influence and possible effect on project execution & time run**

Local negative leaders, politicians, approving authorities and corruption can harm the project execution.

## Why DBS still needs Strong Financial Partner

- DBS has become non profit enterprise, even though we did not plan that way neither did we anticipate that way.
- DBS has directly constructed 11,60,744 sq feet and 42,58,485 sq feet in partnership. Theoretically we should have lots of money in the account, but inspite of our strong execution record we haven't been able to achieve financial stability.
- The company is top heavy and over capatized so even after our individual projects have made profits ultimate financials were negative.
- Inconsistency of project pipeline/ volumes has directly affected the financial cash flow. Hence, the need for backup/ access to cheap fund becomes a necessity for the survival.
- Since 2013 we were looking for a financial partner to overcome above difficulties, with the same wavelength as us and strong financial capability; hence partnered with Brick Eagle in early 2015. But for unknown reasons they could not infuse required capital or reasonable debt in time.

# Collaboration Possibilities

## Option 1

Mahindra Lifespace invests in flagship company DBS Affordable Home Strategy Limited (where Brick Eagle has invested), in equity upto their comfort and operational ease. All project SPV's can be subsidiary of this company (At present, Vadodara SPV is planned in a similar way) and bring all required fundings as debt till you have complete financial understanding of company.

## Option 1 A

For easy execution or making it acceptable in M & M board/ group, we can also think of taking over whole company OR merging with any entity OR dismantle old company in such a way that we can use its track record.

## Option 2

For the time being, Mahindra lifespace can come at Vadodara project level, as this project is in comfortable stage from fisibility and approval dimensions so it may be easy to convince board. After which, slowly from the bottom you can get into main company as and when needed or you become comfortable

## Collaboration Possibilities

### Option 3

We create complete new entity and wind up old structures over couple of years. So it can be started with fresh, ideal frame work and we can use team, expertise, project in pipeline and existing project in different format

### Option 4

Any other new ways and means suggested by you or to be discussed in this meeting

...Thank You



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