



**Strictly Confidential  
For Addressee Only**

**Valuation Report of a vacant  
land located at Thalambur and  
Siruseri, Chennai**

**Report for**

**Elbit Plaza India Management  
Services Pvt Ltd and Plaza  
Centers N.V**

**Report Date**

**18<sup>th</sup> March 2019**





## Executive Summary

Freehold Vacant Land located at Thalambur and Siruseri, Chennai

<b>Valuation Date:</b>	31 <sup>st</sup> December, 2018
<b>Valuation Purpose</b>	Financial Statements Reporting (IFRS)
<b>Location / Situation:</b>	The subject property is a vacant land admeasuring approximately 74.73 acres. The subject property is located off Old Mahabalipuram Road (OMR) which is home to a number of IT and SEZ establishments. The access to the subject property is through a panchayat road. The subject property is irregular in shape. The immediate neighborhood of the subject property comprises of residential development and commercial developments. Some of the commercial developments in nearby vicinity includes Siruseri SIPCOT IT park which houses companies such as TCS, CTS, Capgemini, Hexaware etc. Besides these commercial developments, some of the residential developments in the close proximity of the subject property are Isha Codefield, Greenwood city, Roomscapes the village etc.
<b>Description:</b>	<p>The subject property is vacant land admeasuring 74.73 acres of land. The subject property is located off OMR (also known as the IT corridor) and can be accessed through a Panchayat Road. The subject site is proposed to be a residential development comprising of plots and villas.</p> <p>The shape of the subject property is irregular. The topography of the land is such that there are high tension power lines passing through the property. Moreover the property has water bodies like ponds and lakes on the North and West. The access to the property is through thalambur village, the property does not have an designated access road. The site was accessed by through an open land with mud road having haphazard settlement on it.</p>
<b>Total land area (Acres)</b>	<b>74.73 acres</b>
<b>Nature:</b>	Freehold
<b>Market Value of the property using Sales</b>	<b>INR 1,351 Million</b>



Subject Property



Subject Property



Village Road



<b>Comparable method</b>		
<b>Market Value of the property using DCF method</b>	<b>INR 1,233 Million</b>	
<p>This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.</p>		



## TABLE OF CONTENTS

<b>Executive Summary</b> .....	<b>2</b>
<b>A REPORT</b> .....	<b>5</b>
1 Instructions .....	5
2 Conflicts of Interest .....	5
3 Basis of Valuation .....	5
4 Assumptions, Departures and Reservations.....	6
5 Inspection .....	6
6 Sources of Information.....	6
7 General Comment .....	6
8 Confidentiality .....	6
9 Authority .....	7
10 Third Party Claim Indemnity .....	7
11 Limitation of Liability .....	7
12 Disclosure and Publication .....	7
13 Valuation .....	8
<b>B CHENNAI CITY OVERVIEW</b> .....	<b>9</b>
1 Chennai City Overview.....	10
2 Major Demographic and Economic Indicators.....	11
3 Chennai infrastructure Overview .....	14
4 Real Estate Overview-Chennai .....	18
5 Micro market overview .....	22
<b>C PROPERTY REPORT</b> .....	<b>25</b>
1 Vacant land located at Thalambur and Siruseri, Chennai .....	26
1.1 Location .....	26
1.2 Site details .....	26
1.3 Environmental Considerations .....	27
1.4 Town Planning and Statutory Considerations.....	27
1.5 Title .....	27
1.6 Valuation Methodology and Commentary .....	28
1.7 Valuation Calculation .....	29
1.8 Valuation Calculation – Discounted Cash Flow Method.....	33
1.9 Valuation.....	36
Appendix 1: Property Location Map .....	37
Appendix 2: Property Photographs.....	38
Appendix 3: Comparable Map .....	39
Appendix 5: Pricing Benchmarks for Villas and Plots .....	40
Appendix 5: Instructions (Caveats & Limitations) .....	41



**Cushman & Wakefield (India) Pvt Ltd**

Prestige Polygon, 6<sup>th</sup> floor, Anna Salai,  
Teynampet,  
Chennai 600 0618

**To: Elbit Plaza India Management Services Pvt Ltd and Plaza Centers N.V**

**Property: Vacant Land located at Thalambur and Siruseri, Chennai**

**Valuation Date: 31<sup>st</sup> December, 2018**

**Report Date: 14<sup>th</sup> March, 2019**

## **A REPORT**

### **1 Instructions**

#### **Appointment**

We are pleased to submit our report to **Elbit Plaza India Management Services Pvt Ltd and Plaza Centers N.V.** (hereinafter referred to as "Client"). The property and interests valued are detailed in Part C of this report. As informed by client the purpose of this valuation is for Financial Reporting hence we understand that this valuation will be used in Financial Statement Reporting Purposes (IFRS) by the client.

The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Appendix 3 of this report. The extent of our professional liability to you is also outlined within these instructions.

### **2 Conflicts of Interest**

We confirm that there are no conflicts of interest in our advising you on the value of the subject property under the assumed conditions as instructed.

### **3 Basis of Valuation**

We understand from our discussion with Client, that the basic intention of the exercise is to assess the value of the property in its current state (its condition on the date of the site visit). Hence, the valuation of



the subject property is assessed on the basis of “Sales Comparable method and Discounted Cash Flow Method”.

#### **4 Assumptions, Departures and Reservations**

We have prepared our report on the basis of the assumptions within our instructions (Caveats & Limitations) detailed in Appendix 3 of this report. The area details of the subject property has been provided to us by Client.

#### **5 Inspection**

The subject property was inspected externally and internally from ground level on 15<sup>th</sup> February, 2019 by Ashwin Thenappan P. No measurement survey has been carried out by C&WI. We have relied entirely on the site areas provided to us by the client. We have assumed that these are correct.

#### **6 Sources of Information**

Information on comparable properties are generally gathered from various reliable sources (public and private auctions, sub broker of C&WI, local real estate agents), discussions with local residents, and media (newspaper articles, property websites, etc). However, for the purpose of this study, information on comparable properties has been gathered from local real estate agents and sales offices of projects.

#### **7 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and so our valuation could differ significantly if the date of valuation was to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you or the borrower contemplate a sale, we strongly recommend that the property is given proper exposure to the market. You should not rely on this report unless any reference to tenure, tenancies and legal title has been verified as correct by your legal advisers.

#### **8 Confidentiality**

The contents of this Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents.



## **9 Authority**

Client acknowledges and agrees that C&WI's services hereunder (including, without limitation, the Reports itself and the contents thereof) are being provided by C&WI solely to and for the benefit of Client and no other party. If Client desires to use the Report or C&WI's name in any offering or other investment material, then (a) C&WI will require, and Client must provide or cause to be provided, an indemnification agreement in C&WI's favor, given by parties reasonably satisfactory to C&WI, and (b) Client will obtain C&WI's consent to the references in such materials to the Report.

## **10 Third Party Claim Indemnity**

C&WI endeavors to provide services to the best of its ability and in bonafide good faith. The Report issued shall be only for the use by Client. In the event Client provides a copy of the Report to, or permits reliance thereon by, any person or entity not authorized by C&WI in writing to use or rely thereon, Client hereby agreed to indemnify and hold C&WI, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person or entity. C&WI disclaims any and all liability to any party other than Client.

## **11 Limitation of Liability**

Subject to the terms and conditions of the engagement letter / master agreement, C&WI's total aggregate liability to Client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall be limited to an aggregate sum not exceeding the total fees paid to C&WI by Client hereunder. C&WI shall not be liable under any circumstances for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.

Client acknowledge and agree that C&WI's responsibility is limited to Client and use of C&WI's work product (including, without limitation, the Report and contents therein) by third parties shall be solely at the risk of Client and/or any such third parties.

## **12 Disclosure and Publication**

You must not disclose the contents of this valuation report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any Special Assumptions or Departures that we have made.



## 13 Valuation

### Market Value

Market Value is defined as 'The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.' (PS 3.2 Redbook 7th Edition)

### Market Value

In our opinion, the Market Value of the property is:

**As per Sales Comparable Method**

**INR 1,351 Million**

**(Indian Rupees One thousand three hundred and fifty one million only)**

**As per Discounted Cashflow method**

**INR 4,841 Million (Undiscounted)**

**(Indian Rupees Four Thousand Eight Hundred and Forty One million only)**

**INR 1,233 Million (Discounted)**

**(Indian Rupees One thousand two hundred and thirty three million only)**

It may be noted that this is approximate value estimation. Actual achievable value may vary in the range of +/- 5 % depending on space usage, buyer profiles, and case-to-case transaction peculiarities.

**Signed for and on behalf of Cushman & Wakefield India Pvt. Ltd.**

**Somy Thomas, MRICS  
Managing Director, India  
Valuation & Advisory**

**Ashwin Thenappan.P  
Assistant Manager, Chennai  
Valuation & Advisory**

**Anuradha Vijay,  
Senior Manager, South India  
Valuation & Advisory**



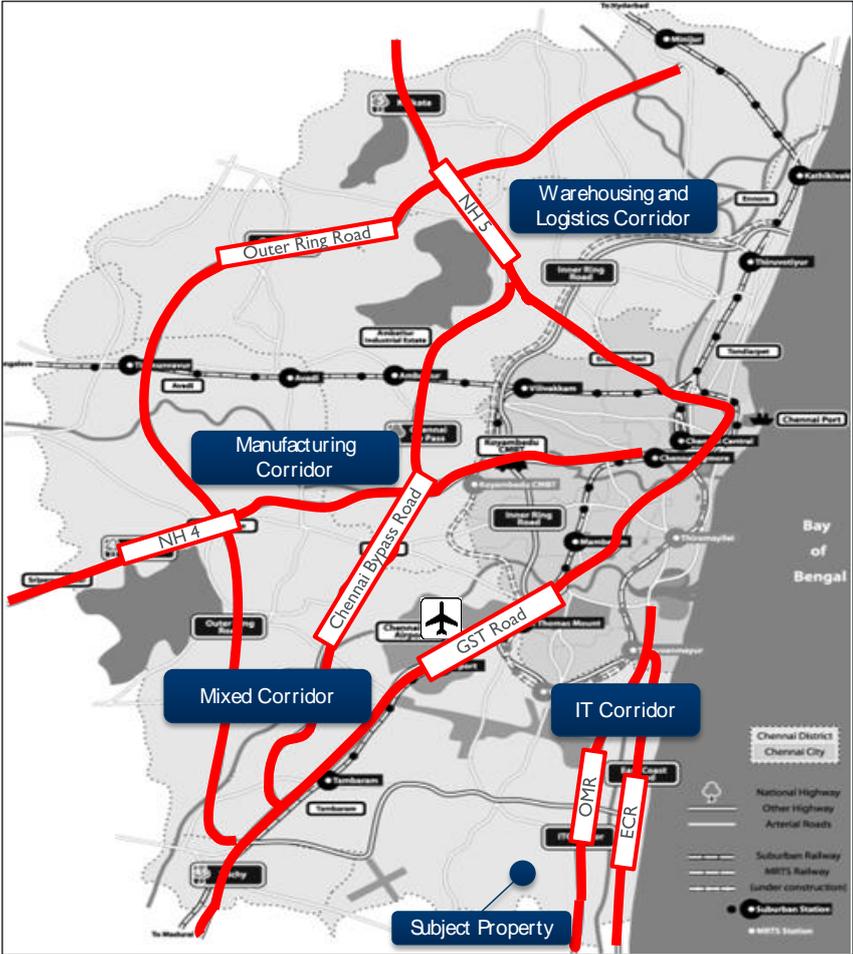


## **B CHENNAI CITY OVERVIEW**



1 **Chennai City Overview**

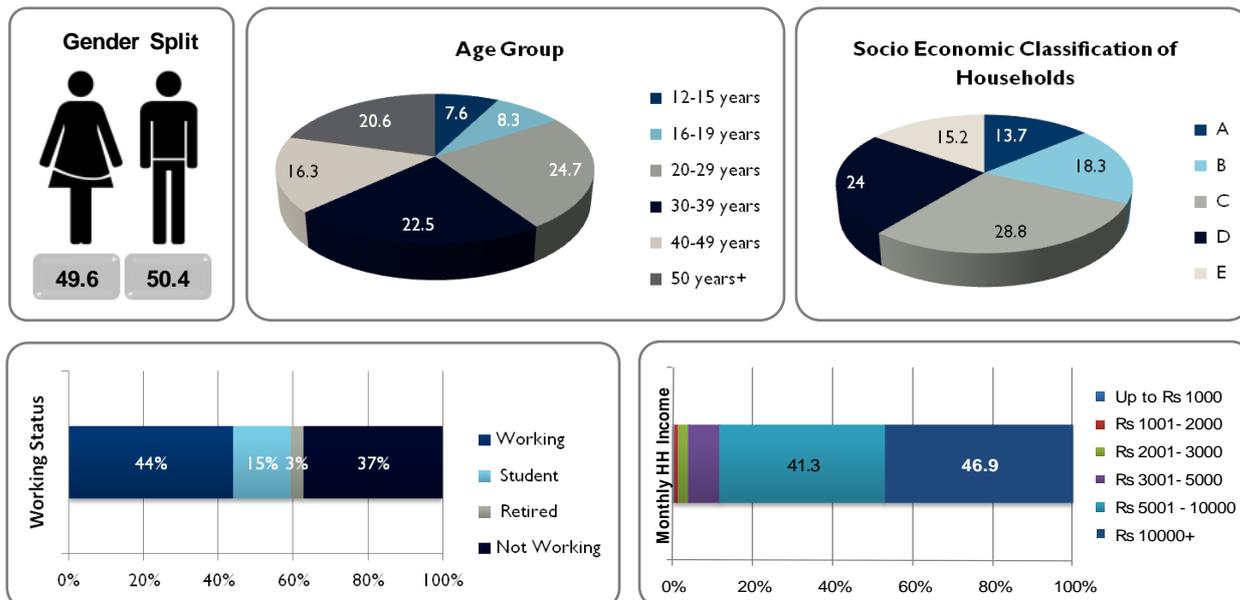
Chennai, the capital city of Tamil Nadu, is spread over a total area of 1,189 sq. km. (Metropolitan Area) with an estimated population of approximately 8.70 million in 2011 with a decadal growth of approximately 33%. The physical infrastructure of the city is fairly well developed with a reasonably good road, rail, air and sea transport networks. Chennai’s airport provides both domestic and international connectivity and is located off GST Road (NH 45), 16 km from the city center.



Chennai is the third largest commercial and industrial centre in India, and is known for its cultural heritage and temple architecture. The city, known as the ‘automobile manufacturing hub’ of India, is a preferred manufacturing destination with over 60% share of India’s automobile exports. According to the survey by Cyber Media and Tholons, Chennai is one of the 6 cities from India and one in top 8 cities in the world, featuring in the emerging outsourcing destinations. Chennai serves as the manufacturing base of large multinationals like Ford Motors, Hyundai, Saint-Gobain and Flextronics. It is also home to IT/ ITES majors like Infosys, Wipro, Accenture, TCS, Cognizant, etc.



## 2 Major Demographic and Economic Indicators



Source: Census 2011

A significant number of the working population are skilled workers. The growth in the number of households and census houses in Chennai over the last decade indicates the direction of growth.

We have summarized some of the major economic and demographic indicators of Chennai below:

Parameter	Description
Population (2011 census)	Chennai Metropolitan Area (CMA) - 9.97 Million
	Chennai Urban Agglomeration- 8.69 Million
	Chennai City- 4.68 Million
Area	Chennai Metropolitan Area- 1,189 sq. km
	Chennai Urban Agglomeration- 426.7 sq. km
	City- 181 sq. km
Climate	Chennai has a tropical climate. The weather is hot and humid, for most part of the year, with temperatures ranging from 30°C - 42°C. The average annual rainfall is about 1,300 mm (51 inches). The city gets most of its seasonal rainfall from the north-east monsoon winds, from mid-October to mid-December.



Parameter	Description
Literacy Rate- 2011 census	Chennai Urban Agglomeration- 90.35%
Sex Ratio 2011 census	981 females to 1,000 males
Local Administration	Chennai Metropolitan Area consists of Chennai City Corporation, 16 Municipalities, 20 Town Panchayats and 214 villages comprised in 10 Panchayat Union.
Urban Agglomeration	An Urban Agglomeration is a continuous urban spread constituting a city or town and its adjoining urban outgrowth (OG) or two or more physically contiguous cities / towns together with continuous well-recognized urban outgrowths, if any, of such cities/ towns. This concept was first adopted in 1971 Census and continued in the subsequent Censuses including Census of India 2011.
Economic Drivers of the City	IT /ITES, Auto ancillary, SEZs, Telecom, Medical Tourism
Factors Governing Growth of Real Estate	IT/ITES Sector, SEZ and Industrial development including Automobile and Auto ancillaries, New Infrastructure initiatives like the development of Chennai Bangalore Industrial Corridor (CBIC) , Smart city initiatives by the Central Government etc.
Gross State Domestic Product (Apr 2016- Mar 2017) (INR Crores)	1339000
Per Capita Income	INR 87000*
Household Size	~4
No. of Households (in Lakhs in Chennai Metropolitan Area Region)	16.19
Established Real Estate Markets	CBD/ Off CBD - Anna Salai, Mahatma Gandhi road, Cathedral Road, Radhakrishnan Road, TTK Road, T.Nagar

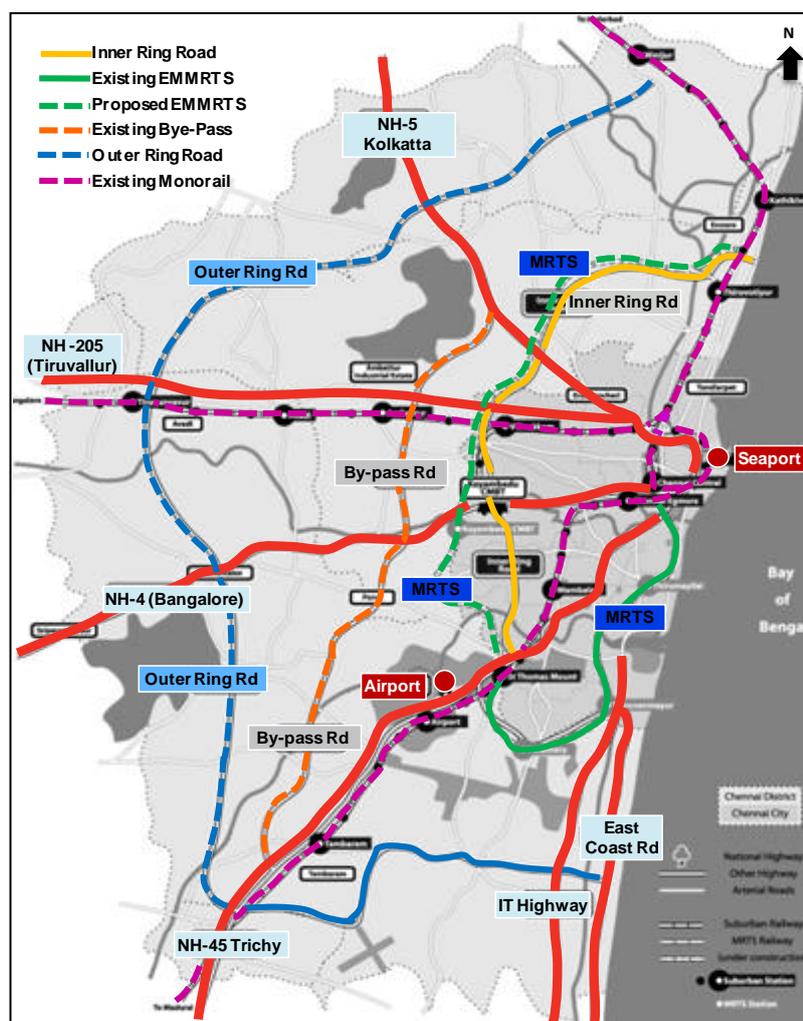


Parameter	Description
Future Growth Corridors	Grand Southern Trunk Road (GST road), Mount Poonamallee High Road, Old Mahabalipuram Road (OMR), Chennai Tiruvallur Highway, Grand Northern Trunk Road (GNT road), Pallavaram-Thoraipakkam Road (100ft road)

*Source: Census of India, 2011, \*Per Capita income of Chennai City. Source: www.devinfolive.info*



### 3 Chennai Infrastructure Overview



#### Existing Infrastructure

##### AIR CONNECTIVITY:

Chennai's airport provides both domestic and international connectivity and is located off GST Road, 16 km from the CBD. Chennai is currently serviced by 19 international and 10 domestic airlines.

##### COMMUNICATION:

Chennai is one of the four cities in India through which the country is connected with the rest of the world through undersea fiber-optic cables, the other three being Mumbai, Kochi, and Tuticorin. The city is the landing point of major submarine telecommunication cable networks such as SMW4 (connecting India with Western Europe, Middle East and Southeast Asia), i2i (connecting India with Singapore), TIC (connecting India with Singapore), and BRICS (connecting India with Russia, China, South Africa, Brazil



and the United States). The 3,175-km-long, 8-fiber-paired i2i has the world's largest design capacity of 8.4 terabits per second.

#### **ROAD CONNECTIVITY WITH NATIONAL HIGHWAYS:**

Road network in Chennai City is dominated by a radial pattern converging at George Town, which forms the Central Business District (CBD) of the entire Chennai Metropolitan Area. Road transport is the dominant mode of transportation in the city both for moving goods and passengers, assuming a pivotal role in development of the city.

As per Second Master Plan, the Chennai Municipal Corporation is maintaining about 2,875 km of road, of which 130 km are highway roads, 222 km are bus route roads and 2,475 km are the interior roads and by lanes with a per capita road length of 0.6 m per capita. In addition, the administrative jurisdiction of the Chennai Municipal Corporation had about 130 km of National Highways. Further, the city had about 158 bridges, 40 culverts, 15 subways and 9 over bridges to add on to the city road infrastructure.

#### **RAIL CONNECTION INSIDE THE CITY:**

**Beach to Tambaram (30km, 18 stations):** This section is parallel to but completely separate from the long-distance tracks of Indian Railways. The Trisulam station on this line is 100m from the Chennai International Airport terminal. The Chennai suburban, electrified rail line started its operation in 1930 with a track gauge of 1000mm. This has been eventually upgraded to 1676mm broad gauge line. There are other dedicated electrified 1676mm long-distance broad gauge tracks parallel to this line for passengers particularly during rush hours.

**Chennai Central to Pattabiram (25km, 15 stations):** This section is again parallel to but completely separate from long-distance tracks. Services run for a further 34km (14 stations) on this line on tracks shared with long-distance tracks. Services first began on this line in 1985. A separate pair of tracks was added from Pattabiram to Tiruvallur (17km, 5 stations) on 19 Sept 2004.

**Chennai Central - Gummidipoondi (48km, 16 stations) -** This line currently shares tracks with long-distance trains but there are plans to build exclusive tracks in the future. Services have been running on this line since 1985.



### MAJOR UPCOMING / PROPOSED INFRASTRUCTURE

The table below provides the infrastructure initiatives planned by the government and the impact of the same in the subject micro market:

Initiatives for Development	Present Status	Impact on Micro Market
<p><b>Metro Rail Corridor:</b></p> <p>A Detailed Project Report (DPR) relating to the Chennai Metro Rail Project was prepared and submitted by the Delhi Metro Rail Corporation Limited (DMRC). The DPR envisages the creation of 2 initial corridors under the proposed Chennai Metro Rail Project as shown below</p> <p><b>Corridor-1:</b> Washermenpet- Chennai Airport.</p> <p><b>Corridor-2:</b> Chennai Fort - St. Thomas Mount.</p> <p>Phase-II of the Chennai metro rail project will include Koyambedu to Light House (15.7 km), Moolakadai to SIPCOT (44.6 km) and Madhavaram to Perumbakkam (44.3 km), will be built at a cost of Rs. 44,000 crore and they will cover most parts of the city. The entire stretch of Phase-II would be underground.</p>	<p><b>Phase I</b></p> <p>The first stretch of Chennai Metro Rail, covering 7 stations from Koyambedu to Alandur over a distance of 10 kilometres in completed and operational since June 2015, while the St Thomas Mount and Airport section was opened in September 2016. The section from Nehru park to Chennai central and DMS - Little mount was opened on May 2018.</p> <p><b>Phase II</b></p> <p>Chennai Metro Rail Ltd (CMRL) has zeroed in on five corridors for the Phase-II development covering a stretch of 104 km. The soil testing is currently underway for the phase II.</p>	<p>The development of Metro Rail Corridor which runs through the micro market will have a significant impact on the market. The project once operational is likely to reduce congestion and improve connectivity to the micro market. The subject site will be well connected to other parts of the city and the Airport through the metro rail network.</p>
<p><b>Outer Ring Road (ORR):</b></p> <p>The Chennai Metropolitan Development Authority (CMDA) proposed to develop an Outer Ring Road alignment as an express way with Rapid Rail system from Vandalur to Minjur for a length of 60 km with interchange facilities at five major road crossing at an estimated cost of INR 4</p>	<p>A 17-km road from Vandalur to Nemilichery, part of the first phase, is ready for use. Phase II of the Chennai Outer Ring Road from Nemilichery to Minjur, in the northern periphery of the city is</p>	<p>The ORR upon its completion would reduce the time taken to commute from the micro market to various parts of the city by providing an alternative route for heavy vehicles which would otherwise pass through the city.</p>

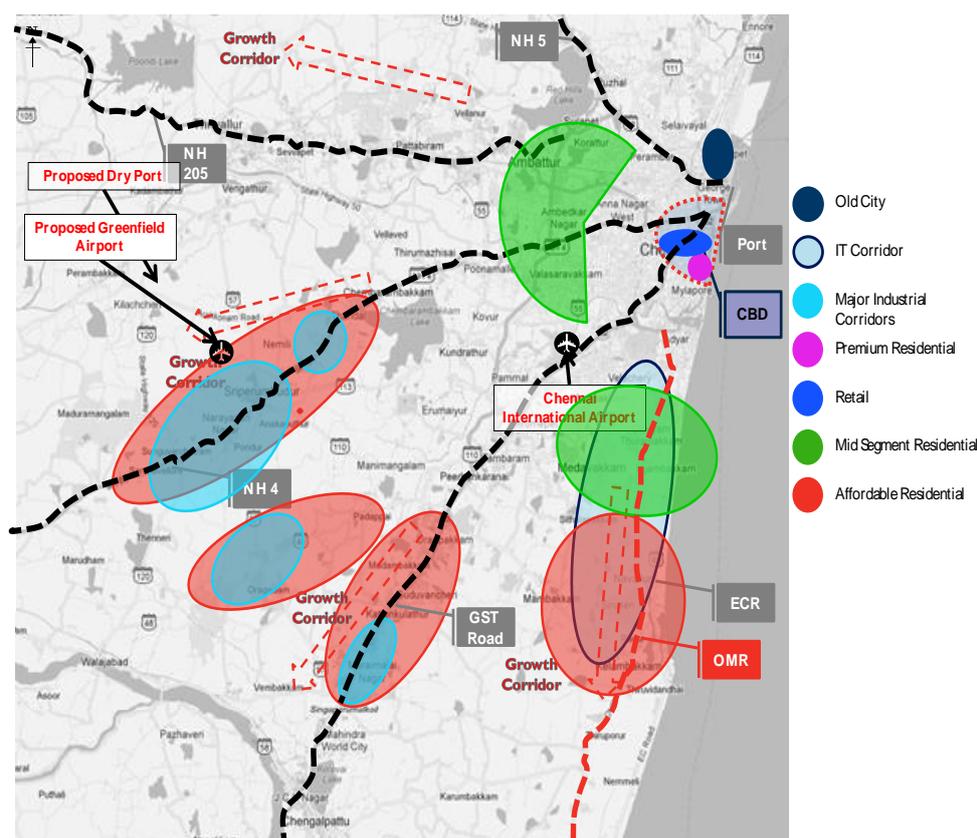


Initiatives for Development	Present Status	Impact on Micro Market
<p>billions. The project is being executed under BOT (Build, Operate and Transfer) concept over a period of 8 years with commercial exploitations along the transportation corridors. The width of the Outer Ring Road is approximately 122 meters comprising 36.36 meters width for necessary two-way transportation having six lanes and two service lanes.</p>	<p>underway and is expected completion by 2019.</p>	



#### 4 Real Estate Overview-Chennai

Anna Salai, Nungambakkam High Road, T.Nagar, Cathedral Road & Radhakrishnan Salai form the CBD area of Chennai comprising retail and commercial developments. Off-CBD areas like Nandanam, TTK Road, PH Road and Egmore are largely retail and commercial areas with residential development in the close vicinity. Boat Club, Poes Garden, East Coast Road, MRC Nagar, etc. are the prime residential areas preferred by the city's elite. Old Mahabalipuram Road is a government-declared IT corridor which is also generating growth in the residential sector in the surrounding areas. The following map gives an overview of the city with its major micro markets:



#### Growth Corridors

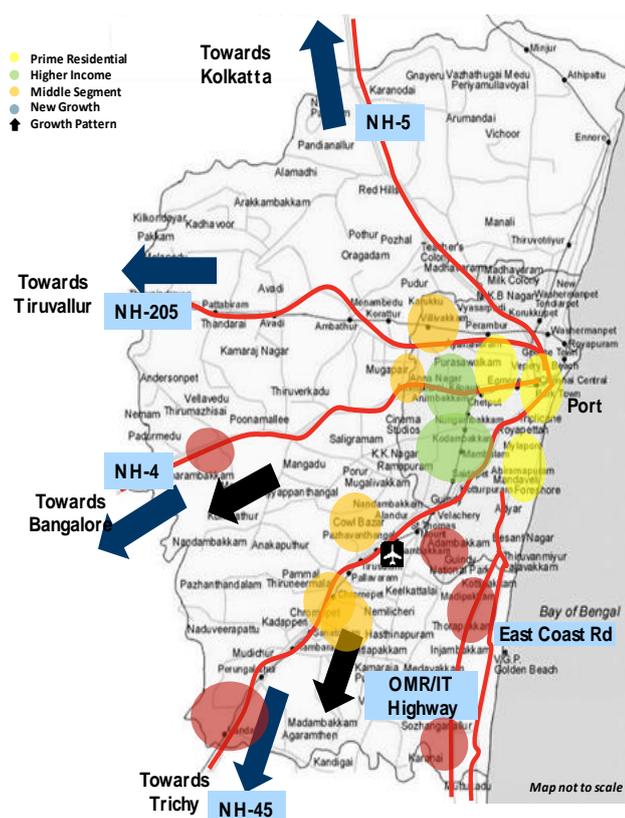
CBD areas viz., Anna Salai, Nungambakkam High Road and Radhakrishnan Salai have exhibited scarce supply whilst being a preferred destination for Corporate/Non-IT/ BFSI firms. The major part of the expansion of IT/ITeS firms continues along the IT corridor i.e. the Old Mahabalipuram Road (OMR). Local and national real estate developers are expanding operations into newer locations and improving development standards by forming joint ventures with other domestic and international developers, thus gaining access to their technical expertise and additional finance.



The trend for new developments/ projects is largely concentrated in the South/South-West precincts of the city, mainly along the following locations:

- **Along GST Road (NH 45):** Chennai has witnessed its growth along GST Road which connects the southern cities of Tamil Nadu. Maraimalai Nagar is located 40 km from the city where Ford India has operations along with large numbers of Auto Ancillary units. The other major developments are Mahindra World City SEZ, The Gateway (IT SEZ), Olympia Grande, Mahindra Nova by Mahindra Lifespaces, Sare Meadowville by Sare Homes. This corridor has adequate supply of trained and skilled manpower apart from a large number of educational and technical institutions. This corridor is well- connected by road and rail transport and has easy access to the international airport, Chennai Port and the Ennore port.
- **Along the Bangalore Highway (NH4) and Oragadam:** Bangalore Highway and Oragadam have been identified as the major growth corridors as they house many upcoming industrial establishments and residential townships. Sriperumbudur and Oragadam located approximately, 45 km from Chennai. These growth corridors are already an established industrial and auto ancillary destination. It houses major industries like Foxconn, Saint Gobain, Tussels, Yamaha and Hyundai, Renault Nissan, Daimler due to their good access to CBD, Airport and Sea Port with a well-developed road network. This micro market is also witnessing some residential townships by developers like HIRCO, ETA Star, Arun Excello, VGN, Casa Grande etc.
- **Old Mahabalipuram Road (IT Corridor):** Old Mahabalipuram Road, also termed as the IT Corridor, are located in the southern part of the city. The corridor extends from Tidel Park to Siruseri in the 1st Phase and extends up to Mahabalipuram in the 2nd Phase. Due to better connectivity with CBD, linkages with East Coast Road and GST Road this corridor provides a potential destination for new residential developments. The micro market has an established road infrastructure with a six lane highway and MRTS network connecting Phase 1 of the corridor.
- **Along NH 5 (Logistics and Warehousing Corridor):** The NH 5 is also known as the logistics and warehousing hub due to its proximity to the Chennai Port and Ennore Port in addition to its access to good road infrastructure. The corridor is home to first SIPCOT industrial park established – Gumudipoondi SIPCOT. Apart from the SIPCOT industrial park, the corridor also houses Thervai Kandigai SIPCOT Expansion, Sri City and a Medical science park – Frontier Mediville. A few large brands like Amazon, Pepsi have taken spaces for their Warehouses in the corridor.

Chennai's growth over the past several years, spurred by heavy migration to the city of skilled and educated work force in the services and manufacturing sector, has created significant demand for housing. In addition to this, proliferation of an upwardly mobile population and increasing number of nuclear family structures has driven the demand for residential apartments.



Prime Residential

- Locations like Poes Garden, Boat Club
- Preferred location by the elite group of Chennai & expatriates
- Dearth of availability of land

Higher Income

- Locations like Adayar, Kilpauk, Anna Nagar, Besant Nagar, Mylapore
- Ideal alternative to the prime location
- Preferred due to the proximity to social infrastructure & entertainment

Middle Segment

- Locations like Ashok Nagar, K.K. Nagar, Mogappair, Tambaram
- Catering to the middle & upper middle income group

New Growth

- Locations like OMR, GST, Sriperumbudur
- Proximity to the IT & manufacturing development promoting 'Walk to Work' culture
- Lower cost in comparison to the city

Broadly the residential activity in the city can be divided into four zones which are detailed below:

Micro market	Characteristic	Clusters/ Areas	Capital Values
Central Zone	<ul style="list-style-type: none"> <li>• High end housing</li> <li>• Home to industrialists and expats</li> <li>• Characterized by redevelopment projects</li> </ul>	Boat Club, Poes Garden, Nungambakkam, RA Puram, Alwarpet, Adyar, Besant Nagar, Egmore, Mylapore, T.Nagar	INR 16,000-25,000 per sq ft.
North Zone	<ul style="list-style-type: none"> <li>• Small projects with basic amenities while large investment grade projects remain few</li> <li>• Real estate driven by public sector enterprises and driven by traders and people employed in manufacturing sectors/ports</li> <li>• Characterised by small builder projects catering to surrounding catchments, predominantly low-mid income housing</li> </ul>	Kolathur, Villivakkam, Tondiarpet, Thiruvottiyur, Red Hills, Royapuram and Sembium	INR 4,000-6,000 per sq ft.
North West zone	<ul style="list-style-type: none"> <li>• Mostly low rise residential projects with basic amenities, including public housing projects</li> </ul>	Ambattur, Avadi and Padi	INR 3,500- 6,000 per sq ft



	<ul style="list-style-type: none"> <li>Significant redevelopment in recent years as the city expanded west of Annanagar</li> <li>Profile of residential projects changing with a number of large investment grade projects</li> </ul>		
West Zone	<ul style="list-style-type: none"> <li>Predominantly affordable, low rise housing projects near the industrial belt</li> <li>Buyers are mostly employed with the industrial units in this zone</li> <li>The areas along the NH4 around Poonamallee started to see residential projects.</li> </ul>	Porur, Ponamalle, Ayappanthal, Katupakkam	INR 4,500- 5,500 per sq ft
South west zone	<ul style="list-style-type: none"> <li>Mostly mid-end projects with a few high-end ones closer to the city along Arcot Road &amp; Mount Poonamallee Road</li> <li>Profile of the buyers vary from businessmen, professionals and investors</li> <li>The development of large offices in Guindy created demand for quality projects.</li> </ul>	Mount Poonamalle road, Thirumudivakkam, Oragadam-Sriperumdudur belt	INR 3,500- 6,500 per sqft
South Zone	<ul style="list-style-type: none"> <li>Residential projects across villas, high, mid and low end segments depending on location</li> <li>Buyers are mostly IT professionals employed in the region, NRIs and investors</li> <li>The zone has the largest residential stock in the city</li> </ul>	ECR from Thiruvanmiyur, Old Mahabalipuram Road, GST road	INR 4,500- INR 9,000 per sq.ft

## Outlook

Focus on improvement of public modes of transport has been one of the major highlights in Chennai. This is evident from the expansion of the existing highways, work on Chennai Metro and the Outer Ring Road. With in-progress infrastructure projects taking shape, the demand and capital values are expected to rise across all sectors. Also, growth in Chennai would not solely be determined by the IT/ITES sector, but also by the transport corridors of the above mentioned infrastructure projects. Chennai market is looking forward to the Extension of MRTS projects to give the city a new face in 2019.



## 5 Micro market overview

Siruseri and Thalambur, wherein the property is situated, are the villages situated on OMR corridor of Chennai. The Old Mahabalipuram Road (OMR) connects the city of Chennai to Mahabalipuram. The micro-market comprises regions flanking the arterial road and is characterized by presence of developments across all segments of real estate. OMR has transformed into a sought after real estate market.

Rajiv Gandhi Salai, previously known as Old Mahabalipuram Road (OMR) or IT Corridor is an important road in suburban Chennai starting from Madhya Kailash temple and going southward till Mahabalipuram terminating in East Coast Road. Some of the major localities on OMR are Perungudi, Thoraipakkam, Karapakkam, Sholinganallur, Navalur, Egattur, Padur, Siruseri, Kelambakkam, It is home to the almost all major IT/ITES companies like HCL Technologies, Tata Consultancy Services, Accenture India, Wipro Technologies, Cognizant Technology Solutions, Photon Infotech, Polaris Software Lab and Infosys to name a few. The micro-market is located within DTCP Area limits towards south of Chennai city. It is located at a distance of approximately 30 km from Central Business District of Chennai (viz. Anna Salai, Nungambakkam, etc..) approximately 30 km from Chennai Airport and approximately 34 km from Chennai Central Railway Station.



Besides, Small Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) has developed an IT Park, spread over 2000 acres (8 km<sup>2</sup>) in Siruseri, abutting the IT Corridor.

The emergence of the IT/ITES hub has also supplemented the growth of various residential developments around the area. Most of these developments cater to the captive working



population, in the recent times has also become the launch pad for various premium and villa developments. These mostly cater to the senior management of these captive companies and the NRIs.

Several residential projects under construction by developers such as DLF, Mantri, Hiranandhani, ETA, TVH, Olympia and Puruvankara. The aggregation of these residential developments are dictated through the two tolls on OMR. Currently there are two tolls, one at Perungudi and the other one at Navalur. There is more clustering around the stretch of Madhya Kailash to Peurngudi. In a similar case scenario the captive population of Siruseri prefer staying around the Siruseri belt before the Navalur toll

In addition to proximity to work place and connectivity to other micro markets, the residential characteristic of OMR has been further augmented by presence of a sound social and civic infrastructure. While presence of star category hotels (Asiana and Fortune), and AKDR Golf Village cater to leisure and entertainment requirement of residents in the OMR, educational institutes (Sathyabama University and Hindustan College) provide the necessary social infrastructure.

A list of proposed infrastructure projects initiatives on Old Mahabalipuram Road:

- Flyover connecting OMR and ECR (connecting the Tidel park Junction, LB Road Bridge and ECR); and
- Development of three new bridges at Neelankarai, Palavakkam and Kotivakkam

### **Residential Market Overview**

Due to the presence of a number of campuses in Siruseri, the adjoining areas after Siruseri have contributed to the overall transformation of the micro market. The residential supply pipelines around the 5km belt have contributed to more than 20%-30% of the residential development on OMR.

The micro market has large number of apartments along OMR. At present, the micro market has residential developments offered by Purvankara, Jain Housing, Hiranandhani, TVH, Pacifica Developers, etc. These various projects are under different stages of construction.

The average capital value of a residential villa project ranges between INR 4,000 per sq.ft – INR 5,500 per sq.ft. The difference in capital values can be attributed to factors like location, stage of construction, amenities provided and reputation of the developer.

Some of the prominent residential developments and the sales velocity in the micro market are indicated in the table below:



Project Name	Developer Name	Type	Location	Total No of Units	Launch Year	Total absorption	Absorption per month	Current Price
Codefield	Isha	Villas	Pudupakkam	36	2018	24	6	4250
Humming Gardens	Alliance	Villas	Kelambakkam	700	2018	65	7	5000
Pacifica Aurum	Pacifica	Villas	Padur	374	2013	342	6	5030
Wing Haven Gardens	ETA	Plots	Thalambur	500	2015	420	10	2900

As seen in the table above the average sales velocity for the plots is between 10-12 units per month and the average velocity for the villas are between 6-7 units per month.



## **C      PROPERTY REPORT**



## 1 Vacant land located at Thalambur and Siruseri, Chennai

The subject property was visited and inspected on 15<sup>th</sup> February, 2019 by Ashwin Thenappan P, Valuation & Advisory Services, Cushman and Wakefield India Private Limited, Chennai.

### 1.1 Location

#### General

The subject property is a vacant land admeasuring approximately 74.73 acres. The subject property is located off Old Mahabalipuram Road (OMR) which is home to a number of IT and SEZ establishments. The access to the subject property is through a panchayat road. The subject property is irregular in shape. The immediate neighborhood of the subject property comprises of residential development and commercial developments. Some of the commercial developments in nearby vicinity includes Siruseri SIPCOT IT park which houses companies such as TCS, CTS, Capgemini, Hexaware etc. Besides these commercial developments, some of the residential developments in the close proximity of the subject property are Isha Codefield, Greenwood city, Roomscapes the village etc.

#### Communications

The Subject Property is well connected to major locations in the city via road and railway networks. The distance of the subject project from major developments in its vicinity is as follows:

- Approximately 10 km from Sholinganallur Junction
- Approximately 7 km from ETA Techno Park
- Approximately 36 km from Chennai Central Railway Station
- Approximately 30 km from Chennai International Airport

The location map of the subject property is attached in Appendix 1.

### 1.2 Site details

#### Area

<b>Total Land Area (Acres)</b>	74.73
--------------------------------	-------



### Description & Layout

The subject property is vacant land admeasuring 74.73 acres of land. The subject property is located off OMR (also known as the IT corridor) and can be accessed through a Panchayat Road. The subject site is proposed to be a residential development comprising of plots and villas.

The shape of the subject property is irregular. The topography of the land is such that there are high tension power lines passing through the property. Moreover the property has water bodies like ponds and lakes on the North and West. The access to the property is through thalambur village, the property does not have an designated access road. The site was accessed by through an open land with mud road having haphazard settlement on it.

The photographs of the property is attached in Appendix 2

### Ground Conditions

There is no evidence of adverse ground conditions at the property or immediate vicinity.

### 1.3 Environmental Considerations

We have not carried out any investigations or tests or been supplied with any information from Client or from any relevant expert that determines the presence or otherwise of pollution or contaminative substances in the subject or any other land (including any ground water).

### 1.4 Town Planning and Statutory Considerations

We have not made formal search, but have generally relied on verbal enquiries and any informal information received from the Local Planning Authority. Our Report is on current use/ current state basis of the property and we have not considered any government proposals for road widening or Compulsory Purchase/ Acquisition, or any other statute in force that might affect the subject property.

### 1.5 Title

<b>a. Address</b>	Thalambur and Siruseri, Chennai
<b>b. Nature of Use of property</b>	Residential

Unless disclosed to us to the contrary and recorded in the Property Report – Part C, our report is on the basis that the property in the subject location possesses a good and marketable title and is free from any unusually onerous encumbrances. We have not checked and verified the title of the subject property.



## 1.6 Valuation Methodology and Commentary

- a. **Market Value:** For the purpose arriving at the Market Value we have adopted Discounted Cash Flow Method to arrive at the Market Value of the property. Detailed below is the methodology:
  - a. **Sales Comparable Method:** The sales comparison approach examines the price or price per unit area of similar properties being sold in the marketplace. The sales of properties similar to the subject property are analysed and the sale prices adjusted to account for differences in the comparables to the subject to determine the value of the subject. This approach is generally considered the most reliable if adequate comparable sales exist.
  - b. **Discounted Cash Flow Method:** The most commonly used technique for assessing Market Value within the Income Approach is Discounted Cash-flow. This is a financial modelling technique based on explicit assumptions regarding the prospective cash-flow to a property or business and the costs associated with being able to generate the income. To this assessed cash-flow is applied a market-derived discount rate to establish a present value of the income stream. This Net Present Value ("NPV") is an indication of Market Value.



## 1.7 Valuation Calculation

### a) Sales Comparable Method

The following quotes/ transactions have been identified to arrive at the market value of the property using sales comparable method:

Capital Values – Land				
Comparable	Location	Land Area (in acres)	Quoted Price (INR Mn /acre)	Quote /Transaction
Comparable 1	Pudupakkam	50	40	Quoted
Comparable 2	Siruseri	40	40	Quoted
Comparable 3	Pudupakkam	30	35	Quoted

The following adjustments have been made to the above comparables:

- Accessibility** - A good accessibility facilitates commercial and residential development. Therefore a property with better accessibility trades at a premium in the market. Currently, there is no direct access to the subject property. The proposed access to the subject property is through a 30ft village road that pass through Navalur villages. In order to obtain this access, client has to go through a long process with the local bodies since there are around 200 meters of “promboke” land. Comparable 1 has dual accessibility when compared to subject property and comparable 2 is accessible through untarred/unlaid 60 ft road , therefore a discount of 12.5% and 5% has been given to the subject property to account of the same. Further Comparable 3 is similar to the subject property currently doesnt have access to the comparable but can be extended from the current 40ft road hence no premium or discount has been adopted on the subject property.
- Shape of the property** - Typically a regular shape property and a contiguous land parcel commands a premium over an irregular shaped property. The subject property is irregular as compared to 1, 2 and 3. We also understand that the land is non-contiguous with parcels of land inside the property yet to be acquired by the owner. Hence a discount of 20% has been provided to the comparable 1,2 and 3 over the subject property.
- FSI** - Typically a higher FSI will draw higher floor area in the development which commands a premium over a lesser FSI. Comparable 1 and 3 have similar FSI when compared to subject property, therefore no premium or discount has been given.



Comparable 2 has a higher FSI hence a discount of 10% has been given to the subject property on account of the same.

- **Location and Neighbourhood Profile** - Proximity of the property to benchmark sites, view facets, etc. determine the attractiveness of the location. Neighbourhood profile is determined by the presence of irregular / unorganized activities around the subject property. The neighbourhood profile and location of the comparable 2 and 3 is similar to the subject property, therefore no premium/discount has been given to the subject property on account of the same. The neighbourhood profile and location of comparable 1 is superior to the subject property on account of located closer to SIPCOT siruseri IT Park and developed establishments, hence a discount of 5% has been given to the subject property.
- **Size** - A larger property due to its ticket size trades at a discount as compared to a smaller property. The comparables 1,2 & 3 are smaller in size than subject property, therefore the subject property has been discounted by 10%, 10% and 15% respectively on account of the same.
- **Negotiation** - Typically, the quoted prices in the market have a negotiation margin of 0% - 10% incorporated (based on our discussion with brokers). The prices of the comparables 1,2 and 3 are quoted in nature, therefore the subject property has been discounted by 5% to account for the negotiation margin in the price for all the comparables.
- **Zoning & Conversion** - Conversion of a property involves time and cost and therefore a property which is already converted for the intended use, trades at a premium vis-a-vis a property which is not converted. Comparable 1,2 and 3 are inferior to that of subject property, hence a premium of 5% has been accounted for the same.
- **Topography** - Property which is regular commands higher premium over a property with irregular topography. The Comparables 1, 2 and 3 are premium in nature. The subject property is bounded by water bodies and ponds hence a discount of 5% has been provided to the comparables 1, 2 and 3 over the subject property as this will impact the buyers' sentiment as observed post the Chennai floods in 2015 for lands close to water bodies.
- **Time of Transaction** - Typically if an old transaction is taken into consideration a margin of 5% - 15% is incorporated (based on the market scenario). The subject site and comparables 1,2 and 3 are all new in the market therefore, no premium or discounting has been given.



- **Additional cost to be incurred at the site due to illegal excavation** - Additional costs need to be spent on the subject property due to illegal excavation at the site. Hence a discount of 5% has been provided to the comparables 1, 2 and 3 over the subject property on account of the same.



Detailed workings for the Sales Comparable Method are given below:

Particulars	Subject property	Comparable -1	Comparable-2	Comparable 3
Location	Thalambur, Off OMR	Pudupakkam	Siruseri	Pudupakkam
Land size (Acres)	74.7	50.0	40.0	30.0
Distance from the subject property	N/A	3-4 kms	2-3 kms	4-5 kms
Accessibility/Abutting Road width **	** See below	40 Feet road	60 Feet road	40 Feet road
Land Use	Residential	Dry Argicultural	Dry Argicultural	Dry Argicultural
Conversion	Converted	Not Converted	Not Converted	Not Converted
Frontage sq ft (approx)		100 ft	60 ft	80 ft
FSI permissible	2	2	3.25	2
Shape of the property	Irregular	Regular	Regular	Regular
Tenure	Freehold	Freehold	Freehold	Freehold
Transacted/ Quote		Quoted Feb, 2019	Quoted Feb, 2019	Quoted Feb, 2019
Capital Rate INR million/acre		40.0	40.0	35.0
Premium/discount on account of				
**Accessibility		-12.5%	-5%	0%
*Discount for shape & Contiguity		-20%	-20%	-20%
FSI		0%	-10%	0%
Location and Neighbourhood Profile		-5%	0%	0%
Size		-10%	-10%	-15%
Negotiation		-5%	-5%	-5%
Conversion		5%	5%	5%
Topography		-5%	-5%	-5%
Time of Transaction		0%	0%	0%
Additional cost to be incurred at the site due to illegal excavation^		-5%	-5%	-5%
Total		-58%	-55%	-45%
		17.00	18.00	19.25
Applicable Land Value INR million/acre	18.08	0	0	0
Total land value INR Mn	1,351			



## 1.8 Valuation Calculation – Discounted Cash Flow Method

### Assumptions:

SPATIAL ASSUMPTIONS				
Component	Unit	Plots	Villas	Total/Average
Land Area	Acres	31.8	31.8	<b>63.52</b>
Land Area (Developable)	sq. ft.	1,383,476	1,383,476	<b>2,766,953</b>
FSI	#	0.65	1.25	<b>0.95</b>
Built-up area	sq. ft.	899,260	1,124,075	<b>2,023,334</b>
Load Factor	%	0.0%	0.0%	
Saleable area	sq. ft.	899,260	1,124,075	<b>2,023,334</b>
Area per Unit	sq. ft.	1,200	1,500	<b>1,350</b>
# of Units	#	749	749	<b>1,499</b>

On the total land area of 74.73 acres about 10% has been reserved for OSR and 5% has been earmarked for the roads for landowners whose land is locked and for illegal excavation at the site. Hence the remaining land area for development is 63.52 acres.

Development Mix: Based on the information provided by the client, the product mix assumed is plots and villas.

No. of Apartments: The Average size of a plot and villa are assumed at 1,200 Sq. ft. and 1,500 Sq.ft. This translates to a total of 749 units each in villas and plots.

REVENUE ASSUMPTIONS				
Component	Unit	Plots	Villas	Total/Average
Current Sale Rate	INR/sq. ft./month	2,250	4,050	<b>3,250</b>
% Rise in Saleprice YoY	%	5%	5%	<b>5%</b>
Other charges	INR/Unit	50.00	100.00	<b>78</b>
Initial deposit	% of sale value	25%	25%	<b>25%</b>
Average selling price	INR/sq. ft. (Saleable)	2,546	5,271	<b>4060</b>

The revenue assumption for residential apartments is based on current prices being quoted by comparable projects located within the micro-market. We are of the opinion that the selling price for plots and villas at the subject property should be INR 2,250 per sq. ft. on saleable area and INR 4,050 per sq. ft. on saleable area respectively.



COST ASSUMPTIONS				
Component	UNIT	Plots	Villas	Total/Average
Cost of Building approvals	INR/sq. ft of Saleable area	50	50	<b>50</b>
Cost of Land Development	INR/sq. ft. of land area	250	100	<b>167</b>
Base cost of Construction	INR/sq. ft. (Saleable)	-	2,100	<b>1,167</b>
Overheads	% of Base Cost	1.0%	1.0%	<b>1%</b>
Professional Fees	% of Base Cost	0.0%	0.0%	<b>0%</b>
Yearly escalation in cost	% of Base Cost	3.0%	3.0%	<b>3%</b>
Total construction cost	INR Million	407	2,927	<b>1,807</b>
Wt avg construction cost	INR/sq. ft.	452	2,604	<b>1,648</b>
Administration / Marketing costs	% of Base Cost / INR/sq. ft.	1%	1%	<b>1%</b>
Space transacted through agents	%	50%	50%	<b>50%</b>
Brokerage payable on sale	% of sale consideration	1%	1%	<b>1%</b>
Total Operating Cost	INR Million	16	57	<b>38.87</b>
Total Project Cost	INR Million	<b>422</b>	<b>2,984</b>	<b>3,407</b>

The construction cost for the apartment development has been taken at INR 2,100 per Sq. ft. for villas and cost of land development for plots has been assumed at 250 rs per sq.ft.

In India, the expected return on equity for a real estate project at land stage ranges between 20%-25% depending on the status of approvals, scale of development tenure of the project, type of development, etc. Since the subject project is in land stage without any approvals we have considered Discount rate at 25%

Discount Rate	
Component	
Discount Rate	25.0%



### Construction and Sales Schedule:

SCHEDULING	Period		0	1	2	3	4	5	6	7
	million sq. ft.	Year	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
<b>CONSTRUCTION</b>										
Plots			0%	0%	50%	50%	0%	0%	0%	0%
Phase I	0.90		0%	0%	50%	50%	0%	0%	0%	0%
<b>Total</b>	<b>0.90</b>		-	-	<b>0.45</b>	<b>0.45</b>	-	-	-	-
Villas			0%	0%	0%	10%	20%	20%	25%	25%
Phase I	1.12		0%	0%	0%	10%	20%	20%	25%	25%
<b>Total</b>	<b>1.12</b>		-	-	-	<b>0.11</b>	<b>0.22</b>	<b>0.22</b>	<b>0.28</b>	<b>0.28</b>
<b>PROJECT TOTAL</b>	<b>100%</b>	<b>%</b>	0%	0%	22%	28%	11%	11%	14%	14%
<b>PROJECT TOTAL</b>	<b>2.02</b>	<b>million sq. ft.</b>	-	-	<b>0.45</b>	<b>0.56</b>	<b>0.22</b>	<b>0.22</b>	<b>0.28</b>	<b>0.28</b>

SCHEDULING	Period		0	1	2	3	4	5	6	7	8
	million sq. ft.	Year	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26
<b>SALES</b>											
Plots	0.90	%	0%	0%	25%	25%	25%	25%	0%	0%	0%
Phase I	0.90		0%	0%	25%	25%	25%	25%	0%	0%	0%
<b>Total</b>	<b>Million Sq.ft</b>		<b>0.000</b>	<b>0.000</b>	<b>0.225</b>	<b>0.225</b>	<b>0.225</b>	<b>0.225</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Villas	1.12	%	0%	0%	0%	0%	15%	15%	20%	20%	30%
Phase I	1.12		0%	0%	0%	0%	15%	15%	20%	20%	30%
<b>Total</b>	<b>Million Sq.ft</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.169</b>	<b>0.169</b>	<b>0.225</b>	<b>0.225</b>	<b>0.337</b>
<b>PROJECT TOTAL</b>	<b>100%</b>	<b>%</b>	0%	0%	11%	11%	19%	19%	11%	11%	17%
<b>PROJECT TOTAL</b>	<b>2.02</b>	<b>million sq. ft.</b>	-	-	<b>0.22</b>	<b>0.22</b>	<b>0.39</b>	<b>0.39</b>	<b>0.22</b>	<b>0.22</b>	<b>0.34</b>

We have assumed the velocity for the villas in the initial years have been assumed at 9 units per month and the average sales velocity for the plots at 15 units per month.

### Project Cash Flows:

CASHFLOWS	Period		0	1	2	3	4	5	6	7	8
	Year		Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26
<b>CAPEX</b>											
<b>Plots</b>											
Total Construction Costs	INR Million		-	-	-	-	-	-	-	-	-
Cost of land development	INR Million		-	(178.1)	(183.5)	-	-	-	-	-	-
Cost of approvals	INR Million		(45.0)	-	-	-	-	-	-	-	-
<b>Villas</b>											
Total Construction Costs	INR Million		-	-	(250.4)	(515.9)	(531.4)	(684.1)	(704.7)	-	-
Cost of land development	INR Million		-	-	(14.7)	(30.2)	(31.1)	(40.1)	(41.3)	-	-
Construction Overheads	INR Million		-	-	(2.5)	(5.2)	(5.3)	(6.8)	(7.0)	-	-
Contingency	INR Million		-	-	-	-	-	-	-	-	-
Professional fees	INR Million		-	-	-	-	-	-	-	-	-
Cost of approvals	INR Million		-	(56.2)	-	-	-	-	-	-	-
<b>OPEX</b>											
<b>Plots</b>											
Marketing and Admin cost	INR Million		-	(1.0)	(1.1)	(1.1)	(1.1)	-	-	-	-
Brokerage on sales through	INR Million		-	(2.7)	(2.8)	(2.9)	(3.1)	-	-	-	-
<b>Apartments</b>											
Marketing and Admin cost	INR Million		-	-	-	-	-	-	-	-	-
Brokerage on sales through	INR Million		-	-	-	-	-	-	-	-	-
<b>Villas</b>											
Marketing and Admin cost	INR Million		-	-	-	(3.9)	(4.0)	(5.5)	(5.6)	(8.7)	-
Brokerage on sales through	INR Million		-	-	-	(4.0)	(4.2)	(5.8)	(6.1)	(9.6)	-
<b>TOTAL OUTFLOW</b>	<b>INR Million</b>		-	(45.0)	(238.0)	(454.9)	(563.1)	(580.2)	(742.4)	(764.7)	(18.3)
<b>DEPOSITS</b>											
Plots	INR Million		-	-	132.8	139.4	146.4	153.7	-	-	-
Apartments	INR Million		-	-	-	-	-	-	-	-	-
Villas	INR Million		-	-	-	-	197.6	207.5	290.5	305.0	480.4
<b>Revenue</b>											
Plots	INR Million		-	-	199.2	628.7	450.4	472.4	-	-	-
Villas	INR Million		-	-	-	-	177.9	429.8	957.5	1,436.9	1,441.3
<b>TOTAL INFLOW</b>	<b>INR Million</b>		-	-	332.0	768.1	972.3	1,263.4	1,248.0	1,741.9	1,921.7
<b>NET CASHFLOWS</b>	<b>INR Million</b>		-	(45.0)	93.9	313.1	409.2	683.3	505.7	977.2	1,903.4
<b>Land Value</b>	<b>INR Million</b>		<b>1233</b>								



## 1.9 Valuation

### a. Market Value

Market Value is defined as 'The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.' (PS 3.2 Redbook 7th Edition)

#### Market Value

In our opinion, the Market Value of the property is:

**As per Sales Comparable Method**

**INR 1,351 Million**

**(Indian Rupees One thousand three hundred and fifty one million only)**

**As per Discounted Cashflow method**

**INR 1,233 Million**

**(Indian Rupees One thousand two hundred and thirty three million only)**

It may be noted that this is approximate value estimation. Actual achievable value may vary in the range of +/- 5 % depending on space usage, buyer profiles, and case-to-case transaction peculiarities.



**Appendix 1: Property Location Map**





**Appendix 2: Property Photographs**



Picture 1: Subject property



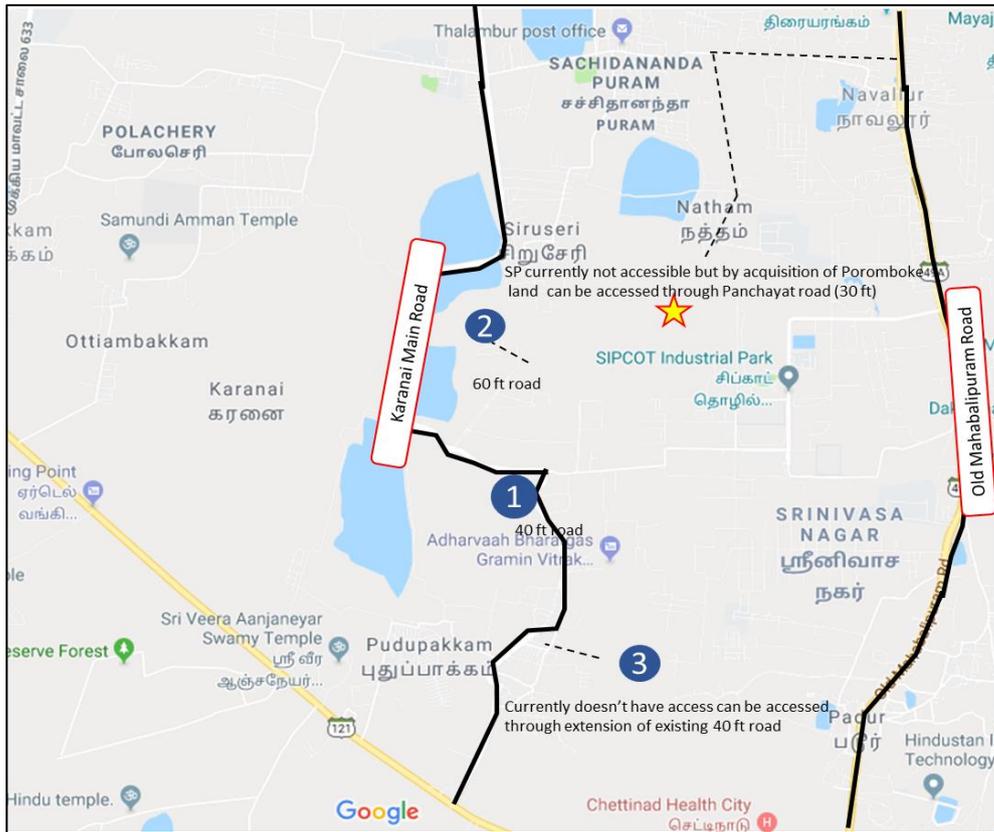
Picture 2: Subject Property



Picture 3: Subject Property



**Appendix 3: Comparable Map**





## Appendix 5: Pricing Benchmarks for Villas and Plots

### Plots

Comparable Method	Subject Property	Comparable 1	Premium(+)/Discount(-)	Comparable 2	Premium(+)/Discount(-)	Comparable 3	Premium(+)/Discount(-)
Name of Development		Wing Haven Gardens		Greenwood City		Engineers Park	
Developer		ETA Star		Arihant Foundations		Premier Housing	
Plot Size (sq. ft.)		1,000-7,000		1,800-5,182		570-3658	
Base Rate(INR/sq. ft.)		2,900		3,350		2,850	
Quote/Transacted		T		T		T	
<b>Parameters to arrive at premium(+)/discount(-)</b>							
Accessibility and Location	Panchayat Road	Perumbakkam Kelambakkam Road	-5%	Panchayat Road	-5%	30 ft tar Road	-5%
Neighbourhood Profile	Near Sipcot	Residential	5%	Near ETA Technopark	0%	Near Sipcot	0%
Size	74.73	55	0%	40	-5%	4.5	-15%
Approvals	Not Available	Approved Layouts	-5%	Approved Layouts	-5%	Approved Layouts	-5%
Infrastructure within the site	Not Available	Developed Site	-5%	Developed Site	-5%	Developed Site	-5%
Construction status	Project yet to commence	Ready to Occupy	-5%	Ready to Occupy	-5%	UC	-3%
Brand Name		Prominent Developer	0%	Prominent Developer	0%	Local Promoter	10%
Access Road	Poor	Good	-5%	Good	-5%	Good	-5%
Total premium/discount			<b>-20%</b>		<b>-30%</b>		<b>-28%</b>
Approximate Capital value (INR/ sq. ft.) for subject property			2,320		2,345		2,066
Average Capital value (INR/ sq. ft.)	2,250						

### Villas

Comparable Method	Subject Property	Comparable 1	Premium(+)/Discount(-)	Comparable 2	Premium(+)/Discount(-)	Comparable 3	Premium(+)/Discount(-)
Name of Development		Codefield		Gayathri		The Village	
Developer		Isha		Darshan		Roomscapes	
Base Rate(INR/sq. ft.)		4,250		4,500		4,500	
Quote/Transacted		T		T		T	
<b>Parameters to arrive at premium(+)/discount(-)</b>							
Location	Thalambur	Pudupakkam	5%	Siruseri	0%	Thalambur	0%
Neighbourhood Profile	Near Sipcot	Residential	0%	Residential	0%	Residential	0%
Approvals & Infrastructure inside the site	Not Available	Approval obtained	-5%	Approval obtained	-5%	Approval obtained	-5%
Access Road	Poor	Good	-5%	Good	-5%	Good	-5%
Total premium/discount			<b>-5%</b>		<b>-10%</b>		<b>-10%</b>
Approximate Capital value (on carpet area) (INR/ sq. ft.) for subject property			4,038		4,050		4,050
Average Capital value (INR/ sq. ft.)	4,050						



## Appendix 5: Instructions (Caveats & Limitations)

1. The Valuation Report (hereafter referred to as “Report”) will not be based on comprehensive market research of the overall market for all possible situations. Cushman & Wakefield India (hereafter referred to as “C&WI”) will cover specific markets and situations, which will be highlighted in the Report. C&WI will not be carrying out comprehensive field research based analysis of the market and the industry given the limited nature of the scope of the assignment. In this connection, C&WI will rely solely on the information supplied to C&WI and update it by reworking the crucial assumptions underlying such information as well as incorporating published or otherwise available information.
2. In conducting this assignment, C&WI will carry out analysis and assessments of the level of interest envisaged for the property (ies) under consideration and the demand-supply for the commercial sector in general. C&WI will also obtain other available information and documents that are additionally considered relevant for carrying out the exercise. The opinions expressed in the Report will be subject to the limitations expressed below.
  - a. In the absence of mandatory statutory valuation standards under the Indian laws for evaluating a property, C&WI has adopted valuation method based on its own expertise and knowledge and endeavors to develop forecasts on demand, supply and pricing on assumptions that would be considered relevant and reasonable at that point of time. All of these forecasts will be in the nature of likely or possible events/occurrences and the Report will not constitute a recommendation to **Kadavanthara Builders Pvt Ltd** (hereafter referred to as the “Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which forecasts have been generated and is not recommended as an input to a financial decision.
  - b. It should be noted that C&WI's value assessments will be based upon the facts and evidence available at the date of assessment. It is therefore recommended that the value assessments be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented at the stated effective date. C&WI assumes no responsibility for changes in such external conditions.
  - d. In the absence of a detailed field survey of the market and industry (as and where applicable), C&WI will rely upon secondary sources of information for a macro-level analysis. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis.
  - e. The services provided will be limited to assessment and will not constitute an audit, a due diligence, tax related services or an independent validation of the projections. Accordingly,



C&WI will not express any opinion on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report will be prepared solely for the purpose stated, and should not be used for any other purpose.

- f. While the information included in the Report will be believed to be accurate and reliable, no representations or warranties, expressed or implied, as to the accuracy or completeness of such information is being made. C&WI will not undertake any obligation to update, correct or supplement any information contained in the Report.
  - g. In the preparation of the Report, C&WI will rely on the following information:
    - i. Information provided to us by the Client and its affiliates and subsidiaries and third parties;
    - ii. Recent data on the industry segments and market projections;
    - iii. Other relevant information provided to us by the Client and its affiliates and subsidiaries at C&WI's request;
    - iv. Other relevant information available to C&WI; and
    - v. Other publicly available information and reports.
3. The Report will reflect matters as they currently exist. Changes may materially affect the information contained in the Report.
  4. All assumptions made in order to determine the Valuation of the identified property(ies) will be based on information or opinions as current. In the course of the analysis, C&WI would be relying on information or opinions, both written and verbal, as current obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which would be accepted as accurate in bona-fide belief. No responsibility is assumed for technical information furnished by the third party organizations and this is bona-fidely believed to be reliable.
  5. Information on comparable properties are generally gathered from various reliable sources (public and private auctions, sub broker of C&WI, local real estate agents), discussions with local residents, and media (newspaper articles, property websites, etc). However, for the purpose of this study, information on comparable properties has been gathered from local real estate agents and sales offices of projects.
  6. No investigation of the title of the assets will be made and owners' claims to the assets will be assumed to be valid. No consideration will be given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
  7. C&WI's total aggregate liability to the Client including that of any third party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum not exceeding the total fees paid for each instructions accepted. C&WI shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case



whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.

8. C&WI endeavors to provide services to the best of ability and in bona-fide good faith. The proposed services and/or work product of C&WI shall be only for the use of the Client. If the Client allows any third party to use or rely thereon the work product of C&WI, it shall be at the sole risk of the Client and there shall be no liability on C&WI (including its Directors, and employees) towards any third party claim for damages, economic loss or damage suffered arising out of or in connection with the services proposed to be rendered, direct or indirect due to whatsoever reasons and however the loss or damage is caused. The Client shall assist and cooperate with C&WI to defend any third party claim before any court of law or authorities, and indemnify C&WI of the cost of such proceedings.
9. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from C&WI for any purpose without prior written consent from C&WI and should take all reasonable precautions to protect such information from any sort of disclosure. The information or data, whether oral or in written form (including any negotiations, discussion, information or data) forwarded by C&WI to the Client may comprise confidential information and the Client undertakes to keep such information strictly confidential at all times unless prior written consent from C&WI has been obtained.
10. In the event of any party wants to disclose any information it shall take prior written consent of C&WI and shall make only such disclosures as allowed by the C&WI. However, the non-disclosure condition shall not apply to any information that is already in the public domain or required by any court of law or authorities under any law. In such an event the disclosing party shall intimate the other party before making such disclosure.
11. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.