

**Strictly Confidential
For Addressee Only**

**Valuation study of property
located on Varthur Road,
Whitefield, Bangalore**

Report for

**Elbit Plaza India Management
Services Private Limited &
Plaza Centers N.V.**

Report Date

14 March 2019





Executive Summary

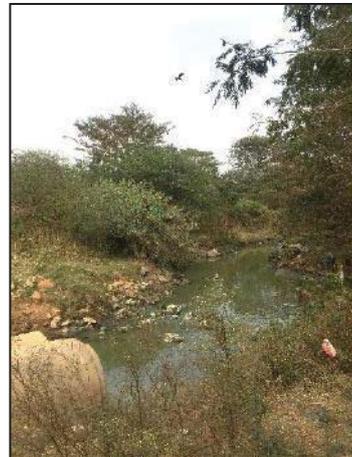
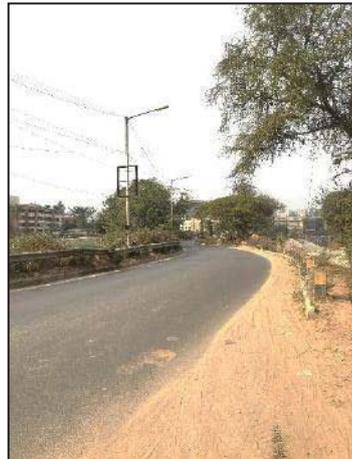
Property located on Varthur Main Road, Whitefield, Bangalore	
Valuation Date:	28 th January 2019
Valuation Purpose:	Financial Statements Reporting (IFRS)
Location / Situation:	The land parcel admeasuring 54.38 acres, located on Varthur Road, Whitefield (hereafter refer as 'the subject property'). The subject property is a part of Whitefield micro market. Sobha Dream acres, Prestige Ozone, Prestige lakeside Habitat, Brigade Cosmopolis are some of the prominent residential developments in the vicinity of the subject property. The subject micro market is self-sufficient in nature with a good mix of commercial, residential and hospitality developments and quality social infrastructure.
Description:	The subject property is currently at land stage admeasuring 54.38 acres. It is irregular in shape and has presence of drain and vegetation within the premises. The subject property currently has access through Varthur Main Road which lies towards west of the subject property. Varthur Lake also lies in the west of the subject property. The subject property enjoys good frontage (~1,100 ft.) as informed by the client. The permissible Building height is 72 m. as per area statement shared by the client.
Land Area:	54.38 acres
Tenure:	Freehold
Market Value	<p>Land Sale Comparison Method: INR 2,350 Million</p> <p>Discounted Cash Flow Method: INR 2,190 Million</p> <p>Mantri Deal Value: INR 2,267 Million (As of Valuation Date)</p>
	 <p>Internal view of the subject property</p>  <p>Internal View of the subject property</p>  <p>Access to the subject property</p>
<p><i>This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report</i></p>	



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Cushman & Wakefield (India) Pvt Ltd
4th Floor, Pine Valley, Embassy Golf Links
Business Park, Intermediate Ring Road,
Bangalore, India 560 071

To: Elbit Plaza India Management Services Private Limited & Plaza Centers N. V.

Assignment: Valuation of property located on Varthur Main Road, Whitefield, Bangalore

Valuation Date: 28 January 2019

Report Date: 14 March 2019

A VALUATION REPORT

I Instructions

Appointment

We are pleased to submit our report to **Elbit Plaza India Management Services Private Limited & Plaza Centers N. V.** which has been prepared for **Aayas Trade services private Limited** (Hereinafter referred to as “**Client**”), The properties and interests valued are detailed in Part E 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 Part E 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 the client, that the basic intention of the exercise is to assess the value of the subject property in its current state (their condition on the date of the site visit).



Therefore, the valuation of the property has been carried out using the 'Discounted Cashflow Method' and 'Land Comparable Method'.

4 Assumptions, Departures, and Reservations

We have prepared our report on the basis of the assumptions within our instructions (Caveats & Limitations) detailed in Part E of this report. The area details, the status of ownership, property address, development plan, the status of approval etc has been provided to us by the client.

5 Inspection

The subject property was inspected internally and externally from ground level on 28th January 2019 by Mr. Vishal Deore, Associate, Valuation & Advisory, Cushman & Wakefield (India) Pvt. Ltd. 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 for the purpose of this study has been gathered from CWI Research, real estate developers and property websites.

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 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.

10 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.

11 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 use by the 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.

12 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.

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 arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.' (VS 3.2 Red Book 7th Edition).

Market Value Assuming Vacant Possession

In our opinion, the market value of the proposed freehold interest in the property:

Market Value the Property	
Discounted Cash Flow Method	INR 2,190 Million
Land Comparable Method	INR 2,350 Million
Mantri Deal Value	INR 2,267 Million (As of Valuation Date)

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
Valuation & Advisory
India

Joseph Ajith
Senior Manager
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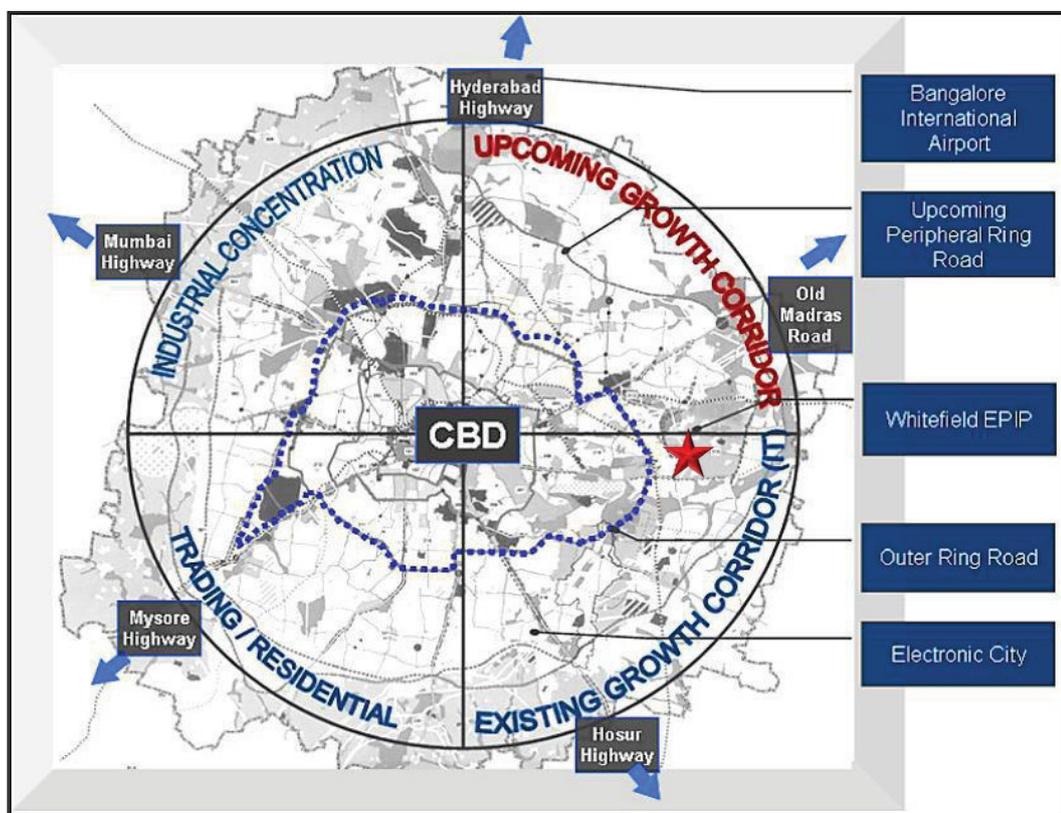
B BANGALORE CITY OVERVIEW



I Bangalore City overview

Bangalore is the capital of the State of Karnataka and is located in the south-east of the state. Greater Bangalore is spread over a total area of over 786 sq. km. (conurbation area)¹ with a population of around 9.5 Million (2011 census).

The city, known as Silicon Valley of India, has emerged as a favorite Information Technology / Information Technology Enables Services (“IT/ITeS”) destination over the last 10 years. Home to companies like Microsoft, Yahoo, Wipro, Infosys, IBM, GE, Google, Accenture, TCS etc., the city has been the front-runner in attracting technology companies.



★ Subject Property

Source: C&WI Research

Apart from successfully attracting IT/ITeS companies, Bangalore is considered to be a Biotech destination as well. Bangalore houses some of the most prominent biotechnology research institutions of India such as Indian Institute of Science and National Centre for Biological Resources. The other

¹ www.bdabangalore.org



industries in Bangalore are related to manufacturing of Aircraft, Earthmoving Equipment, Watches, Garments, Silk, and Machine Tools amongst others.

The city has the presence of prominent educational institutions such as Indian Institute of Management, Indian Institute of Science, National Law School and a number of engineering/medical colleges offering talent pool to the existing corporations.



2 Bangalore City Real Estate market overview

The real estate development has evolved from the center of the city, with the Core Business District (MG Road) located at the center of the city. The development pattern of the city is undergoing a significant shift with development shifting from the central areas to the peripheral areas, mainly along the south-eastern corridor owing to the IT/ITeS companies and the northern corridor due to the International Airport at Devanahalli. These corridors have witnessed large-scale commercial as well as residential developments.

Eastern corridor comprising Whitefield, Outer Ring Road (Sarjapur – Marathahalli) and south-eastern corridor comprising Hosur Road represents the largest clusters of IT/ITeS companies in Bangalore. These peripheral areas have accounted for approximately 60% - 70% of the aggregate leasing in the city. The CBD and Off CBD locations lose out to the suburban and peripheral locations because of the lack of large contiguous spaces.

The International Airport at Devanahalli has led to a spurt in development along the northern quadrant of Bangalore. Numerous residential and commercial projects are under development in this micro market.

The western and north-western corridors of Bangalore city have been concentrated with industries. The major industrial presence is represented by Peenya Industrial Area along Bangalore-Tumkur road (NH – 4). The south-western corridor has been a trading and residential hub with industrial presence being mainly represented by the Bidadi Industrial Development Area along the Bangalore-Mysore state highway.

The development of Ring Roads is expected to boost real estate developments in the city. The development of the Outer Ring Road has contributed to the connectivity of the peripheral areas of the city. Further, a Peripheral Ring Road (“PRR”) of about 110 km is proposed around Bangalore at a radial distance between 2.80 to 11.50 km from the existing Outer Ring Road and 14 to 22 km from the city center. The south-west corridor of the PRR of about 41 km is already operational. The PRR will link major highways at Tumkur Road, Mysore Road, Old Madras Road, and the Hosur Road.



3 Connectivity

Bangalore being the IT/ITeS hub of India has good connectivity to other cities of the country. It has good connectivity through all the three modes (rail, road, and air) of inland transportation.

Infrastructure	Description
<p>Airport</p>	<p>The Kempegowda International Airport (earlier known as Bangalore International Airport) located at Devanahalli started operations since May 2008. The airport currently has a capacity to handle 22 million passengers every year. The movement of the airport to North Bangalore has resulted in the development of this section as the new growth corridor of the city.</p> <p>On 14th December 2013, another terminal - Terminal IA spread over 150,500 sq. m. has become operational, which has increased the capacity of the airport to approximately 22 million passengers every year from 12 million passengers. The renaming of the international airport took place on 14th December 2013, along with the opening of the new terminal.</p> <p>The second runway which is currently under construction will have an advanced instrument landing system of the CAT-III (B) specification and is expected to be operational by December 2019.</p>
<p>Roads & Highways</p>	<p>Bangalore is connected to various locations in Karnataka and other states via state and national highways respectively.</p> <p>National Highways connecting Bangalore to-</p> <ul style="list-style-type: none"> ▪ NH 4 - Maharashtra ▪ NH 7- Tamil Nadu in the south and Andhra Pradesh in the north ▪ NH 48- Andhra Pradesh via Doddaballapur ▪ NH 207- Tamil Nadu via Anekal in the south and to Andhra Pradesh via Hoskote in the north ▪ NH 209- Coimbatore in Tamil Nadu via Kanakapura <p>State Highways connecting Bangalore to-</p> <ul style="list-style-type: none"> ▪ SH 17- Mysore ▪ SH 82- Andhra Pradesh ▪ SH 96 – Kolar



Infrastructure	Description
Railways	Bangalore is one of the well-connected cities in southern India via rail. It has both meter gauge and broad gauge rail services. In all, the city has four railway stations i.e. Bangalore City railway station, Bangalore Cantonment railway station, KR Puram railway station and Yeshwanthpur railway station.
Elevated Expressway	NHAI has constructed approximately 22 km long, elevated, six-lane expressway, connecting Hebbal to Trumpet Loop Junction near Kempegowda International Airport. The travel time from Hebbal to the International Airport is reduced to approximately 30 minutes from 1 hour due to the expressway.

Source: C&W Research



4 Infrastructure Initiatives

The government of Karnataka has initiated various infrastructure projects which are expected to have a significant impact on the growth of Bangalore city. At present, some of these projects are still in the planning stage. The projects are aimed at introducing international standard infrastructure into the city, which is also a key necessity for the balanced growth of the city. The same has been highlighted in the table below.

Projects	Description	Impact on the Subject property
Metro Rail Project	<p>The project is to be developed in two phases covering a total distance of approx. 114.4 km across the city. The first phase comprising approx. 42.3 km consists of two corridors of double lines- the east-west corridor and the north-south corridor while the second phase is planned to be of approx. 72 km.</p> <p>The first leg of the first phase of the project stretches 6.7 km (from MG Road to Byappanahalli) and has been operational from 20 October 2011. Another 9.9 km stretch of metro line connecting Sampige Road to Peenya Industrial Area became operational from 1st March 2014. On 30th April 2016, the east-west corridor (Byappanahalli to Mysore Road) became fully operational.</p> <p>Three new lines under Phase II viz. RV Road to Bommasandra and Gottigere-IIM-B to Nagavara got cabinet approval. The RV Road to Bommasandra line is under construction and is proposed to have 16 stations. The second line between Gottigere-IIM-B and Nagavara is proposed to have 18 stations with six elevated and 12 underground stations. The third line connecting the KR Puram to Silk Board Junction passes along the Outer Ring Road</p>	<p>The completion of the second phase of the Metro will improve the connectivity of the subject property as the nearest Metro station would be located approximately 4 km from the subject property.</p>
Peripheral Ring Road	<p>A Peripheral Ring Road (PRR) of about 110 km length is proposed around Bengaluru at a radial distance between 2.80 to 11.50 km from the existing Outer Ring Road and 14 to 22 km from the city center. The PRR will link major highways at Tumkur Road, Bellary Road (NH 7), Old Madras Road,</p>	<p>The PRR is expected to improve connectivity to other parts of the city.</p>



Projects	Description	Impact on the Subject property
	<p>Hosur Road and Mysore Road. The project is at land acquisition stage. Due to development of a tolled road by Nandi Infrastructure Corridor Enterprise (“NICE”) on PPP basis close to the PRR, we understand that the state government is in discussion to develop the northern segment of PRR only since the demand for the southern segment is expected to be met by the NICE road.</p>	
<p>High Speed Rail Link (HSRL)</p>	<p>The government of Karnataka has proposed a High-Speed Rail Link (HSRL) project connecting CBD area to the airport. This will cover approximately 33 km with four stations at Cubbon Road (Terminal Station), Hebbal, Yelahanka, and International Airport (Terminal Station). The Cubbon Road station is proposed as a City Air Terminal (CAT) station with facilities for baggage and flight check-in, and the Terminal Station at the airport is proposed to be an underground station at the forecourt of Passenger Terminal Building. The HSRL will run parallel to the under-construction expressway.</p>	<p>The HSRL would not have direct impact on the subject property.</p>
<p>Widening of NH 7</p>	<p>The Government has proposed widening of the existing highway from Hebbal. The same is at planning / land acquisition stage.</p>	<p>The widening of NH 7 would not have direct impact on subject property.</p>

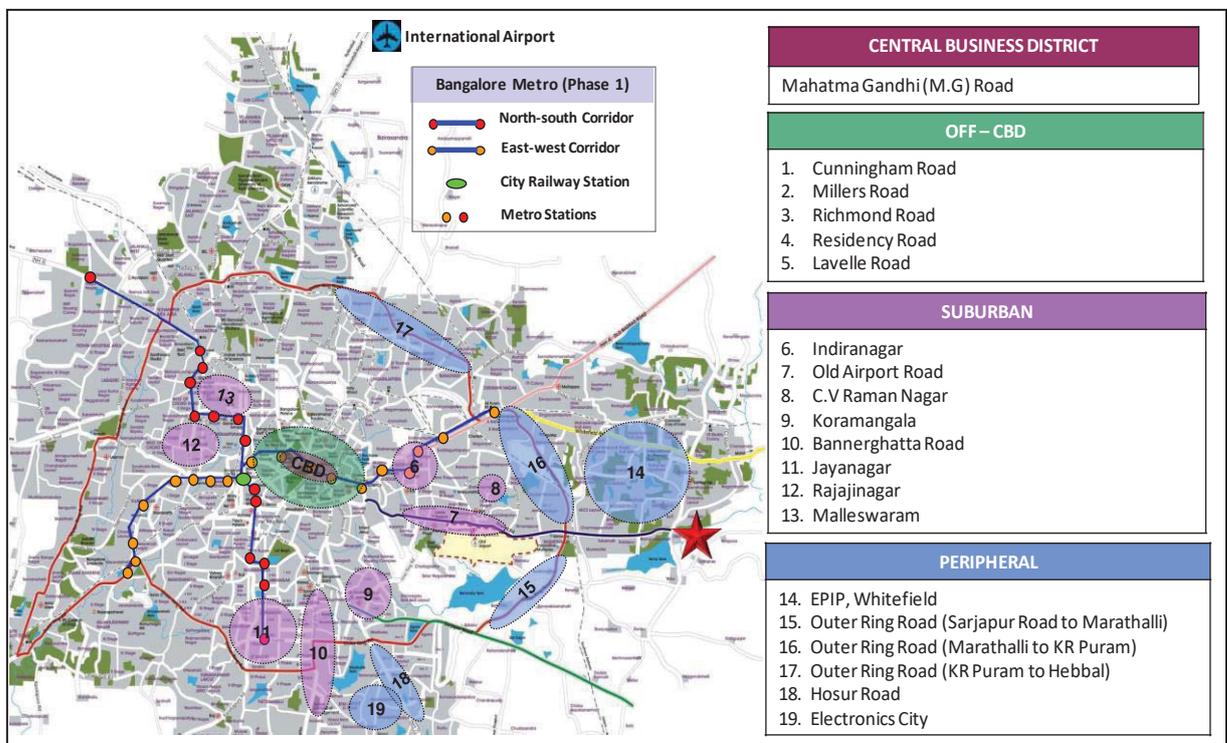
Source: C&WI Research



5 Bangalore City commercial market overview

There are primarily four commercial clusters in the city – namely ‘Central Business District’ (CBD), Off CBD, Suburban and Peripheral region as can be seen in the map below. Peripheral segment is the largest segment for the city and can be sub divided into –

- Whitefield
- ORR (Sarjapur Road – K. R. Puram)
- ORR (Hebbal) & North Bangalore
- Electronic City, Hosur and Mysore Road



 Subject Property



The following table provides the classification of the locations in Bangalore into CBD / Off CBD, Suburban Business District and Peripheral Business District.

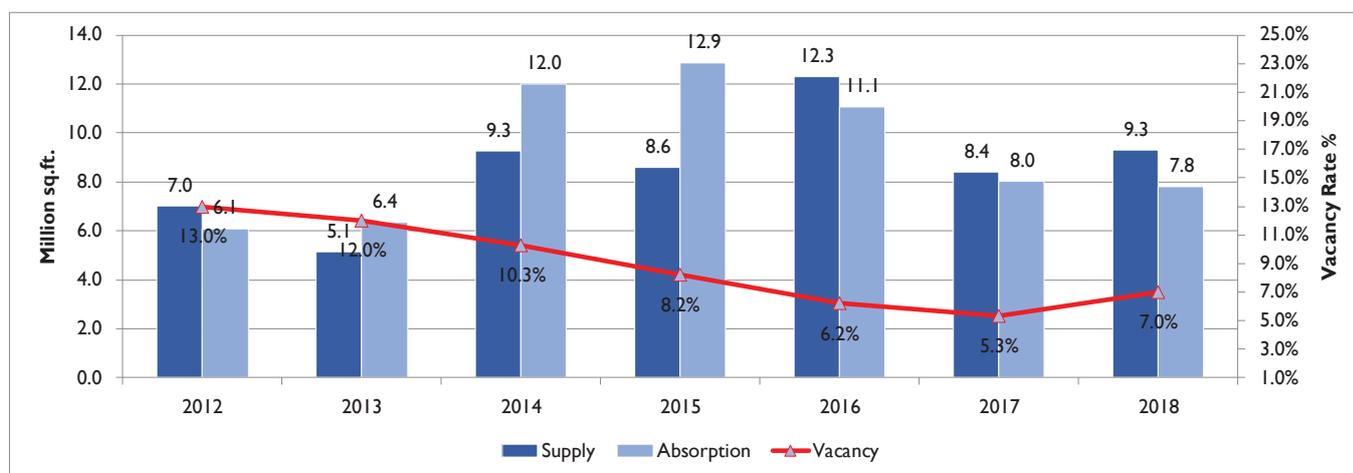
Micro-market	Locations included	Nature
Central Business District (CBD) and Off Central Business District (Off CBD)	MG Road, Lavelle Road, Infantry Road, Vittal Mallya Road, Palace Road, Residency Road, Millers Road, Richmond Road, Queens Road, Cunningham Road, Ulsoor Road, Kasturba Road, Victoria Road, Brigade Road, Murphy Road.	Being the foremost commercial business district of Bangalore, it houses major banks, financial institutes, insurance companies, few corporate and IT/ITeS companies. As on 2018, the CBD and Off-CBD market has a total Grade A commercial stock of approximately 5.8 million sq. ft. The vacancy rate as on 2018 is approximately 17.6%. During 2018, the Grade A weighted average quoted rentals in the CBD / Off CBD market was INR 120 /sq. ft. / month.
Suburban Business District (SBD)	Koramangala including Adugodi (Hosur Road), Bannerghatta Road up to Outer Ring Road, Indiranagar, Hosur Road (till Silk Board Junction) Airport road including Intermediate Ring Road, CV Ramannagar, JP Nagar, Jayanagar and Old Madras Road.	Located at a distance of 5 – 7 km from the CBD, these locations house many medium sized IT/ITeS companies. As on 2018, the stock of Grade A commercial space in suburban markets is approximately 89.9 million sq. ft. Vacancy in the suburban markets as on 2018 is approximately 2.8%. During 2018, the Grade A weighted average quoted rentals in the suburban markets market were in the range of INR 70-90 /sq. ft. / month.
Peripheral Business District (PBD)	Whitefield, Electronic City, Outer Ring Road (Hebbal Flyover – Sarjapur Road), Hosur Road (From Silk Board Junction – Electronic City), Hebbal and Bellary Road (including Yelahanka & Jakkur)	Peripheral locations currently account for 60 – 70% of the city's absorption due to availability of large contiguous spaces. The total Grade A commercial stock in these markets is approximately 38.5 million sq. ft. as on 2018. Vacancy in these markets as on 2018 is approximately 11%. During 2018, the Grade A weighted average quoted rentals in the peripheral markets market were in the range of INR 48-65 /sq. ft. / month.



Supply, absorption and vacancy Trends –

There has been steady addition and absorption of office spaces in Bangalore and in the micro market since 2006. In the last 6-7 years, as compared to the major cities in India like, Mumbai, Delhi, Pune, Kolkata, Chennai & Hyderabad, Bangalore has witnessed the highest quantum of office space absorption. The below chart represents the supply, absorption and vacancy trends for the city since 2012.

Grade A – Supply, absorption and vacancy



A snapshot of the supply, absorption and vacancy trend (only **Grade A**) for the city is as below –

The total stock of non - captive commercial office space in Bangalore as of Q4 2018 is approximately 134.36 million sq. ft.

- The total gross absorption of commercial office space in Bangalore during 2017 has been approximately 11.1 million sq. ft. and as of Q4 2018 the city witnessed a gross absorption of approximately 15.47 million sq. ft.
- The supply of commercial office space during the calendar year 2017 was approximately 8.4 million sq. ft. and as of Q4 2018 there was a supply of approximately 9.3 million sq. ft.
- The expected commercial office space supply in Bangalore in the next 2 – 3 years is expected to be approximately 26 million sq. ft.
- The vacancy level for office space in Bangalore as of Q4 2018 was approximately 7.0%.



6 Bangalore City residential market overview

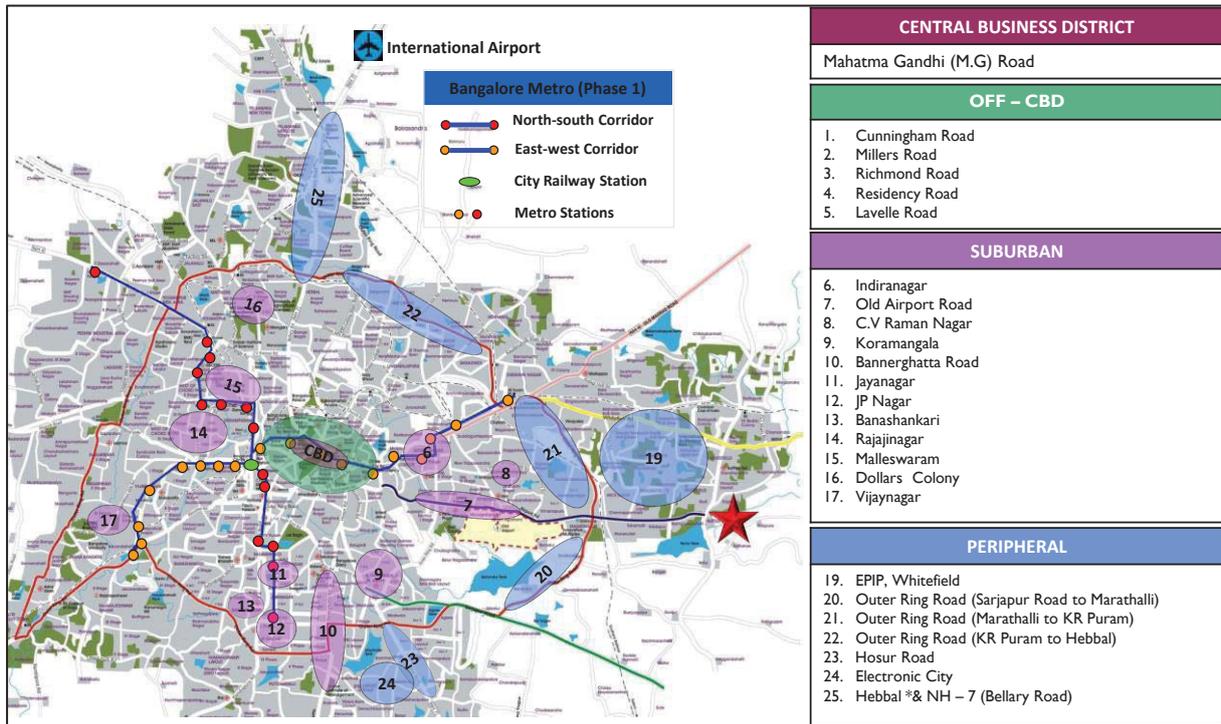
Bangalore is a favoured IT/ITES destination in India. A combination of various factors has led to the current high economic activity levels in the city – the government initiatives to attract investments, significant improvement in the quality of real estate developments and the favourable business environments especially for the IT/ITES sector.

The rapid economic and commercial development driven by IT/ITES sector has created large sized middle and upper middle level social group with high disposable income level. The emergence of this social group (higher disposable income) has triggered demand for residential properties. This increasing local and expatriate population in the city has necessitated the development of a large number of residential developments around the city. Developers have sensed the demand and thus it has resulted in large scale residential development. These developments can be segregated into multi – storied apartment developments, plotted developments, independent bungalows and villa development.

Due to limitation of space and increasing capital values in the CBD/Off CBD/Suburban areas, new residential developments have been witnessed in the peripheral regions. This is a parallel development with shifting away of commercial development from Central Bangalore towards peripheral locations. The peripheral areas have the availability of land for lifestyle developments in terms theme-based projects. Demand for residential space in the peripheral areas has increased during the last few years, primarily due to the preference of immigrating IT/ITES professionals for proximity to work places and lesser expensive accommodation as compared to central areas of the city.



The classification of residential market of Bangalore is as under:



 Subject Property



In the current scenario the walk-to-work concept has been gaining relevance specially to overcome the traffic difficulties of the city. Large integrated developments have been planned in the city to cater to such demand.

The residential developments in Bangalore can be categorized as under:

Micro-market	Profile	Capital Value (INR / sq. ft.) (as on Q1 2019)
Central Business District (CBD) and Off Central Business District (Off CBD)	The central and Off Central part of Bangalore includes micro markets of Mahatma Gandhi (M.G) Road, Lavelle Road, Residency Road, Palace Cross Road, Cunningham Road and Off Cunningham Road, Millers Road, Ulsoor Road, Richmond Road and Sankey's Road. The above micro market are some of the oldest developed micro markets of Bangalore and comprises a mix of independent bungalows, low rise apartment projects and few new apartment projects with limited amenities. Residential developments in these micro markets are relatively old owing to the paucity in availability of land parcels to facilitate any new development.	High-End Segment: INR 18,000 – 30,000 Mid Segment: 9,500 – 13,000
Suburban Business District (SBD)	Micro markets like Indiranagar, Old Airport Road, C. V Raman Nagar, Kormangala, Bannerghatta Road, Jayanagar, JP Nagar, Banashankari, Rajajinagar, Malleswaram, Dollars Colony, and Vijaynagar. The micro market comprises of majorly of independent houses and apartment projects. Due to movement of some industrial facilities to peripheral regions of the city and unlocking of values by some landlords, these micro-markets have witnessed new residential projects with amenities like swimming pool, clubhouse, jogging tracks etc.	High-End Segment: INR 9,000 – 12,000 Mid Segment: INR 6,500 – 10,000
Peripheral Business District (PBD)	Areas like Outer Ring Road, Whitefield, Electronic City and Hebbal form the prominent residential market where currently major residential developments are being witnessed in the city. The micro markets comprises of mid end and high end apartment, villas and plots developments offering lifestyle projects to the buyers. Subject Property is located in the PBD micro market.	High-End Segment: 7,000 -12,000 Mid Segment: 4,000 – 6,500



C MICRO-MARKET OVERVIEW



I **Micro-market Overview**

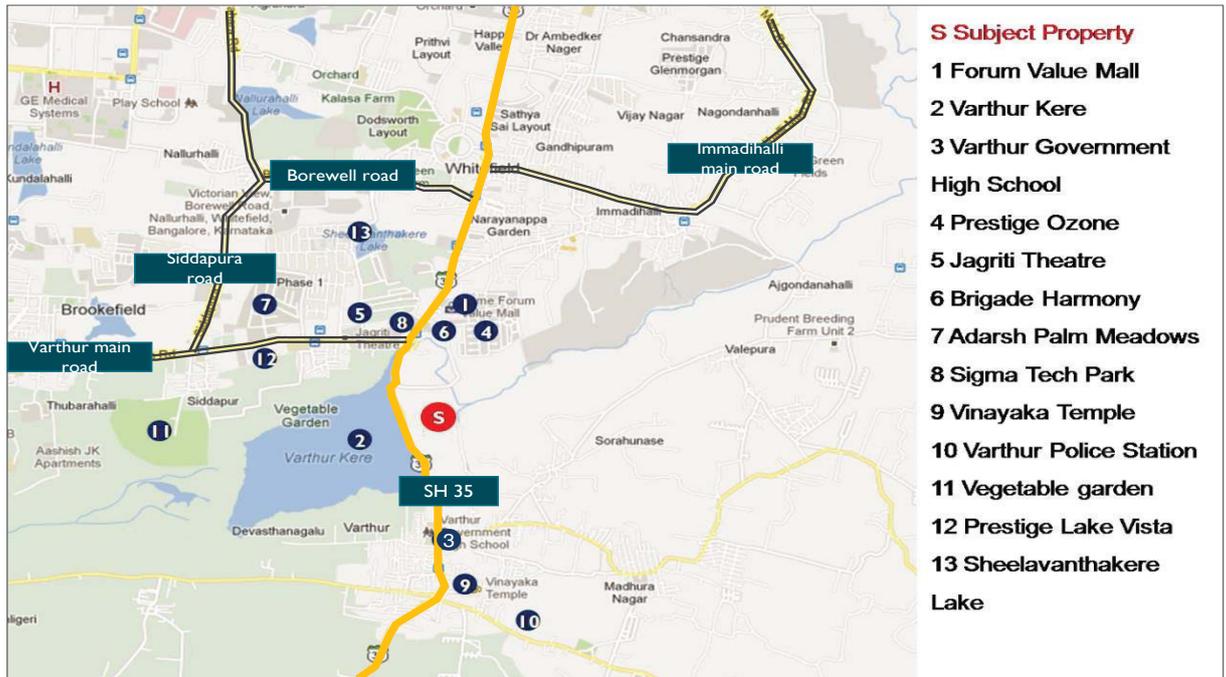
Whitefield located in East Bangalore has the presence of the Export Promotion Industrial Park zone (Approximately 650 Acres) with the existence of companies in the field of IT/ITES and manufacturing. The area houses over 400 companies, prominent amongst which are Oracle, SAP, TCS, Cap Gemini, GM, Nipuna, GE, HUL, iGate, Aviva, 24*7, HCL Perot Systems, Intel etc. Development in Whitefield was initiated by Karnataka Industrial Area Development Board (KIADB) by forming a consortium with Singapore based developer Ascendas to develop International Tech Park Limited (ITPL), which is now known as International Tech Park Bangalore (ITPB). ITPB was the first Grade A office space development in the country. Since then the micro-market has been one of the most prominent commercial micro-markets of the city, accounting for as high as 40 – 50% of city's commercial absorption during the initial period.

In terms of commercial development, the micro market has campus style developments and standalone commercial establishments. The campus style developments are both captive and non-captive in nature. Some of the prominent commercial developments in the micro market are HM Tech Park, Kalyani Platina Tech Park, Sigma Soft Tech Park, International Tech Park Bangalore (ITPB), RMZ NXT, and GR Tech Park among others.

The commercial development led to a series of residential, retail and hospitality developments. The residential development includes a mix of villas, plotted development and apartments by both big and small developers like Brigade, Sobha, Prestige, Adarsh, Citilight, Kristal and Golden Nest among others in mid and high end segment. Some of the prominent development in the micro market would include Veracious Rosedale, Veracious Lansdale, Brigade Harmony, Brigade Cosmopolis, Habitat Crest, Sobha Habitech, Adarsh Palm Meadows, Prestige Park view and Alembic Urban forest among others.

In terms of retail, the micro-market has a mix of standalone developments and malls (at various stages of development). Currently the micro-market is self-sufficient, with the presence of good social infrastructure of schools, colleges and hospitals.

The micro market also has a number of hospitality developments in both 4 and 5 star segment. Some of the prominent hospitality developments in the micro market are Holiday Inn & suites, Sherwood Suites Hotel, Oakwood Residences, MGM Mark and Royal Orchid Suites among others. Whitefield is connected to the major parts of the city through Old Airport Road and Outer Ring Road. The connectivity of the micro market is slated to improve after the construction of the Peripheral Ring Road.



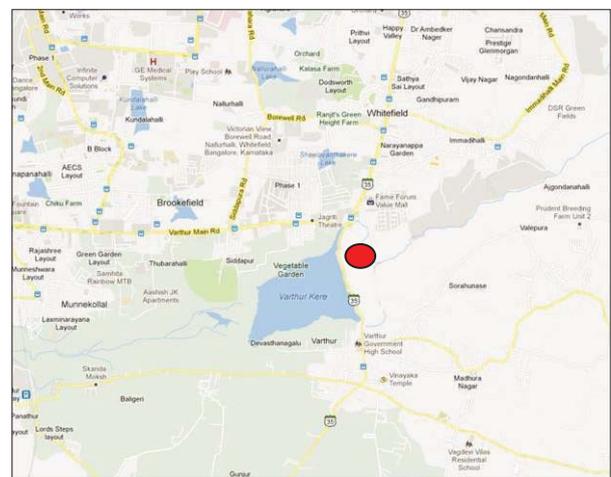
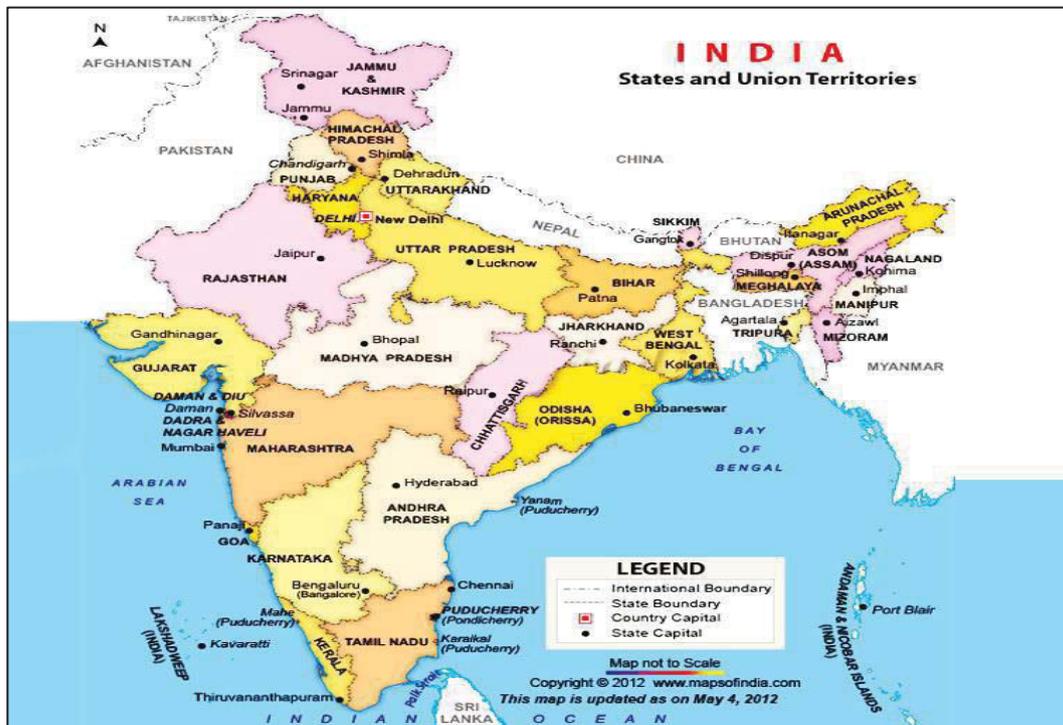


D PROPERTY REPORT



I Property located on Whitefield Road, Bangalore

The subject property was visited and inspected on 28th January 2019 by Mr. Vishal Deore, Associate, Valuation & Advisory, Cushman & Wakefield (India) Pvt. Ltd.



I.1 Location

General

The land parcel admeasuring 54.38 acres, located on Varthur Road, Whitefield (hereafter refer as 'the subject property'). The subject property is a part of Whitefield micro market. Sobha Dream acres, Prestige Ozone, Prestige lakeside Habitat, Brigade Cosmopolis are some of the prominent residential developments in the vicinity of the subject property. The subject micro market is self-sufficient in



nature with a good mix of commercial, residential and hospitality developments and quality social infrastructure.

Communications

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

- Approximately 18 km from MG Road
- Approximately 23 km from Kempegowda Bus Stand
- Approximately 23 km from Bangalore City Railway Station
- Approximately 39 km from Kempegowda International Airport (earlier known as Bangalore International Airport)

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

1.2 Site Details

Area

According to the information supplied to us by the client, the area details of the subject property are as following:

Land Area	54.38 acres
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Description & Layout

The subject property is currently at land stage admeasuring 54.38 acres. It is irregular in shape and has presence of drain and vegetation within the premises. The subject property currently has access through Varthur Main Road which lies towards west of the subject property. Varthur Lake also lies in the west of the subject property. The subject property enjoys good frontage (~1,100 ft.) as informed by the client.

Services

The site is connected to roads, electricity and sewerage services.

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 property 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 subject 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

a. Address	Property located on Varthur Main Road, Whitefield, Bangalore
b. Tenure	Freehold
c. Nature of use & Zoning	Residential Zone

Unless disclosed to us to the contrary and recorded in the Property Report – Part D, our report is on the basis that the subject property 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 Strength and Weakness Analysis

The Strength and Weakness matrix below (for the subject property) is aimed at capturing the essence of the general site and location features.

Strengths	Weaknesses
<ul style="list-style-type: none"> The subject micro market has a good blend of commercial, residential and retail segments of real estate Established commercial micro market of the city hence witnessing positive residential demand and price appreciation 	<ul style="list-style-type: none"> Subject property is located opposite to Varthur lake and has presence of Nalas, thus limiting the development due to the buffer zone as defined in Revised Master Plan (RMP) 2015
Opportunity	Threats
<ul style="list-style-type: none"> Connectivity to micro market is slated to improve after the completion of Peripheral Ring Road and second phase of Metro line 	<ul style="list-style-type: none"> Increasing residential competition in the micro market



E VALUATION METHODOLOGY AND COMMENTARY



I Valuation Methodology and Commentary

Subject property spread across total land extent of 54.38 acres is currently a vacant land and for the purpose of arriving at the value of the property, we have adopted the Land Sale Comparison Method and Discounted Cash Flow Method.

Discounted Cash Flow Method (DCF): This method has been used to arrive at the indicative value of the project. The cash flow associated with the project, for a certain period, are determined based on the supply and demand for the property in the subject micro market and the net cash flow derived are discounted at an appropriate discount rate to arrive at the Net Present Value (NPV) of the project. The project is being evaluated on an as-is where-is basis and the valuation is based on NPV of total revenue net of all operating expenses and profit margin.

Based on the information provided by client, a residential apartment development with total saleable area of 5.45 million Sq. ft is proposed on the subject property post accounting for the RMP 2015 buffer zone norms and we have considered the same to arrive at the market value using the discounted cashflow. We are of the opinion that the proposed apartment development will be the highest and best use of the property after accounting for the RMP 2015 buffer zone norms.

Further as per the information provided by client the total permissible height in the subject property is 72 metres. Considering the above-mentioned saleable area of 5.45 million sq. ft, the resultant height to be achieved is 66 metres and the same is within the permissible limit.

Land Sale Comparison Method: Current market value of land is arrived by benchmarking the subject land parcel with comparable land parcels quoted or transacted in that subject location. The sale price of comparable properties similar to the subject property is analyzed and the sale prices adjusted to account for differences in the comparables to the subject property to determine the value of the subject land parcel. The premiums and discounts are based on our interaction with various stake holders in the industry and our past experience of undertaking valuations and not on any scientific methods.



Summery & Conclusion – Land sale comparison method

We have compared the site to other comparable lands in the subject micro market. Basis the premium and discount on parameters like accessibility, frontage, location, neighbourhood profile, contiguous land parcel, FSI, shape and topography etc. we have arrived at the land value of INR 5,222 Million (INR 96 Million per acre).

The subject property also has presence of Rajkulewas (Nalas) and as per Revised Master Plan (RMP) 2015 the buffer zone of 50m from the centre of the primary Rajkulewas, 25m from the centre in the case of secondary Rajkulewas and 15m from the centre in the case of tertiary Rajkulewas has to be maintained.

As there are multiple setback areas due to the presence of lake and Rajkulewas (Nalas), it is important to understand the extent of area that will be affected by the presence of lakes and Rajkulewas. We have considered two scenarios. Scenario 1, we have assumed that the subject property is plain land parcel and there is no buffer zone applicable on account of RMP 2015 buffer zone norms. Scenario 2, subject property has impacted by presence of drain and lake and setback as per RMP 2015 buffer zone norms are applicable. As per the layout map and area statement shared by client, in scenario 1, total FAR area is 7,262,541 sq. ft. and in scenario 2 total FAR area is 5,451,600 sq. ft. hence we understand that ~25% of saleable area is getting reduced on account of RMP 2015 buffer zone norms.

Scenario	Unit	Area
FAR area without any buffer	Sq. ft.	7,262,541
FAR area with RMP 2015 buffer norms	Sq. ft.	5,451,600

We have not done any measurement or survey to verify the same and we have completely relied on information provided by client. However, based on our market experience, we are of the opinion that the information provided by client, reasonably accounts for the buffer zone requirements as per RMP 2015 buffer zone norms. Accordingly, we have taken the discount of 25% to account for the impact of RMP 2015 buffer zone norms. Hence the land value is arrived INR 3,917 Million (INR 72 Mn per acre).

As informed by the client, Mantri Developers Private Limited is the minority stakeholder in the project having 10% undivided interest in the subject property. This scenario of having minority stakeholder in the project is very case specific and there may not be market benchmarks to arrive at a discount. The transaction value will entirely depend on the negotiation between the two parties and interest level of the buyer.



To arrive at the value of subject property, a discount of 20% is applied on account of the following -

- 10% discount on account of proportionate reduction in the land area
- 10% discount to be applied to account for the presence of minority stakeholder in the project.

As highlighted, the discount applied can vary depending on each situation and it is difficult to put an exact number, however we believe this is an indicative discount percentage which can be used. Post applying the discount of 20%, the land value is arrived at INR 3,133 Million (INR 58 Mn per acre).

As per 2015 master plan the subject property is under yellow / residential zone. However as per the Revised Master plan for Bangalore - 2031 (Draft), the subject property falls under Open Space/ Parks/ Recreation zone. We understand that there will be cost, time and effort involved to get the subject property converted to yellow zone again. In case of transaction in the present condition, if we offer a discount of 5-10%, there will be a limited buyers, who will be willing to purchase the property on current state and convert the same to residential, However, if we offer discount in the range of 20-25%, there will be enough buyers to purchase the land and get it converted, as it sufficiently incentivises them for their time and effort. Hence to account for the same and considering the subject property location and present site characteristics, we have used the discount rate of 25% to arrive at the value. In the usual transactions

Hence the land value is arrived at INR 2,350 Million (INR 43 Mn per acre).



Comparable Method	Subject Property	Comparable 1	Premium (+)/ Discount (-)	Comparable 2	Premium (+)/ Discount (-)	Comparable 3	Premium (+)/ Discount (-)
Name of the Project	Near Varthur Lake	Near Chaitanya Sharan		Near MVR Residency		Nera Vagdevi Vilas School	
Location and Address	Varthur Main Road	Varthur Main Road		Varthur Main Road		Halasahalli Main Road	
Land Area (in Acre)	54.38	23		6		10	
Distance from the Subject Property	N/A	3.5 km		4.3 km		2.8 km	
Land Use	Residential	Residential		Residential		Residential	
Conversion	Converted	Converted		Converted		Converted	
Abutting Road Width	40 feet	30 feet		30 feet		30 feet	
Accessibility	SH 35	Internal Road		SH 35		Halasahalli Main Road	
Frontage (approx.)	1100 feet	500 feet		400 feet		500 feet	
Shape of Property	Irregular	Irregular		Regular		Regular	
FSI permissible	3.25	2		2.25		2	
Freehold/Leasehold	Freehold	Freehold		Freehold		Freehold	
Quoted/Transacted		Quoted Q4 2018		Quoted Q4 2018		Quoted Q4 2018	
Capital Rate (INR Mn/ Acre)		131		150		78	
Premium / Discount							
Freehold/Leasehold	Freehold	Freehold	0%	Freehold	0%	Freehold	0%
Frontage (approx.)	1100 feet	500 feet	5.0%	400 feet	5%	500 feet	5.0%
Accessibility	SH 35	Internal road	0.0%	SH 35	0.0%	Halasahalli Main Road	20%
FSI permissible	3.25	2.00	10.0%	2.25	10%	2.00	10%
Location and Neighbourhood profile	Opposite to Varthur Lake	Near Chaitanya Sharan	0%	Near MVR Residency	0%	Nera Vagdevi Vilas School	20%
Contiguous Land Parcel	Non Contiguous	Non Contiguous	0%	Contiguous	-5%	Contiguous	-5%
Size	54.38	23.0	-20%	6.0	-25%	10.0	-20%
Land Use	Residential	Residential	0%	Residential	0%	Residential	0%
Negotiation (Trans/Quote)		Quoted Q4 2018	-15.0%	Quoted Q4 2018	-15.0%	Quoted Q4 2018	-15.0%
Total Premium/ Discount			-20.0%		-35.0%		10.0%
Approximate Value (INR Million/Acre)		105		98		86	
Applicable Land Value (INR Mn /acre)							96
Total land value (INR Mn)							5,222
Discount on account of RMP 2015 Buffer zone norms (%)							25%
Land Value after discount for RMP 2015 Buffer zone norms (INR Mn / acre)							72
Presence of minority share holder (Mantri Developers Pvt. Ltd.) in the project							20%
Applicable Land Value after discount (INR Mn /acre)							58
Total land value (INR Mn)							3,133
Discount on account of change of Zoning from Open Space / Parks to Residential							25%
Total land value (INR Mn)							2,350



The following parameters have been considered to arrive at the land value of the subject property.

- **Freehold/ Leasehold:** A freehold property commands a premium over a leasehold property. The subject property and all the comparables are freehold in nature, therefore no premium/ discount has given to the subject property to account the same.
- **Frontage** – Property with a higher frontage commands a premium vis-a-vis a property with lower frontage. The subject property has a frontage of approximately 1,100 feet and the comparable 1, 2 and 3 have approximately the frontage of 500 feet, 400 feet and 500 feet respectively which is less than the half as compared to the subject property, therefore a premium of 5% has been given to the subject property to the account of the same.
- **Accessibility** - A good accessibility facilitates commercial and residential development. Therefore, a property with better accessibility trades at a premium in the market. Comparables 1 and 2 has similar access to the subject property, therefore no premium or discount has been given to the subject property. Comparable 3 is located on Halasahalli road however, the subject property has better accessibility hence it enjoys premium of 20% over comparable 3
- **FSI** – Typically a higher FSI will draw higher floor area in the development which commands a premium over a lesser FSI. As per the BDA Revised Master Plan-2015² and information shared by the client, we understand that the proposed width of road abutting the subject property is 45 m. and hence the FSI of 3.25 is applicable. However, comparables 1, 2 and 3 has lesser FSI hence the subject property has given premium of 10% 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 3 is inferior to the subject property, therefore a premium of 20% has been given to the subject property on account of the same. The neighbourhood profile and location of comparables 1 and 2 is similar to the subject property hence, no premium/ discount has given to the subject property.

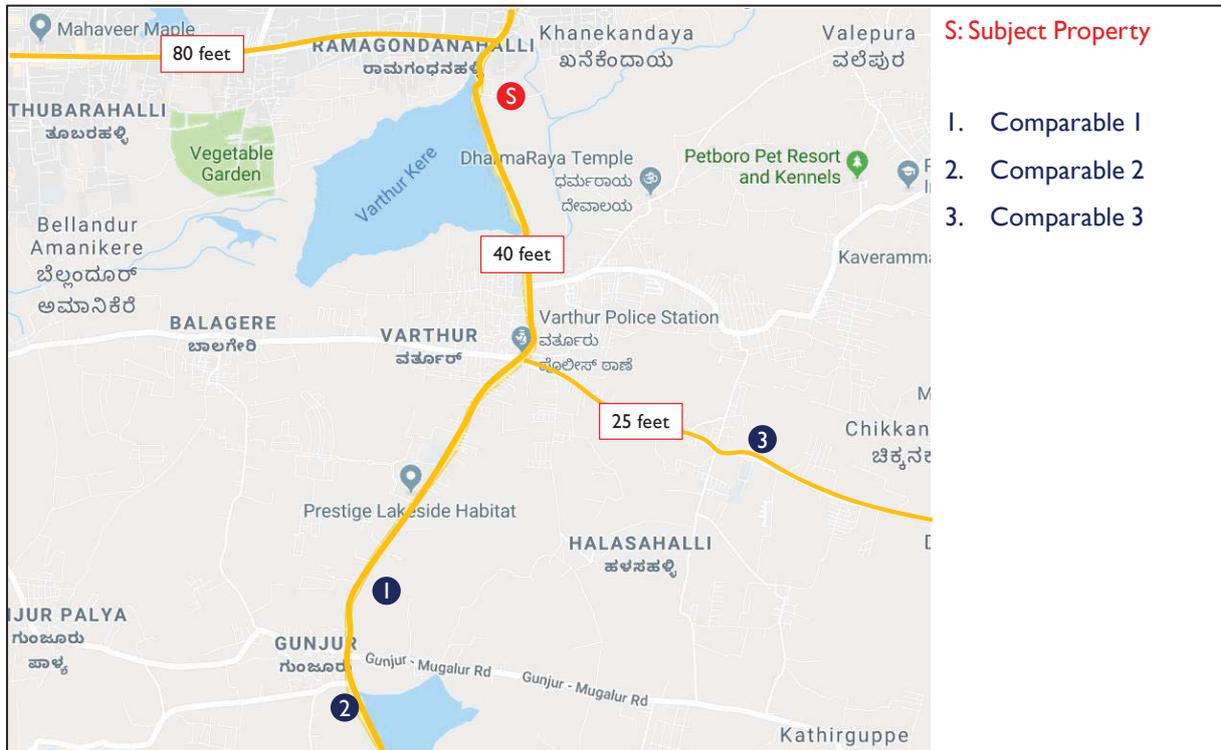
² Please find attached the Map in Appendix I



- **Contiguous Land Parcel- A** contiguous property trades at a premium as compared to a non-contiguous property. Comparables 2 and 3 are contiguous while the subject property is non-contiguous, therefore the subject property has been discounted by 5% on account of the same. Comparable 1 is non-contiguous hence no premium/ discount has given to the subject property.
- **Size** - A larger property due to its ticket size trades at a discount as compared to a smaller property. All the comparables are smaller in size than subject property, therefore the subject property has been discounted by 20%, 25%, 20% respectively on account of the same.
- **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. The subject property and comparables 1, 2 and 3 are having same land use hence no adjustment has been done.
- **Negotiation** - Typically, the quoted prices in the market have a negotiation margin of 10% - 15% 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 15% to account for the negotiation margin in the price for all the comparables.



Land Comparable Map:





Summery & Conclusion - Discounted Cash Flow Method

To arrive at the market value of the subject property using the DCF method, we have made the following assumptions -

- As per area statement and layout map shared by the client, the subject property is spread over a total of 54.38 acres of which total area of 14 acres and 38.8 guntha fall under buffer zone.
- As per area statement shared by the client, the subject property will have apartment development with total saleable are 5,451,600 sq. ft.
- The FSI of the land which is falling under buffer zone (14 acres and 38.8 guntha) is loaded on to the apartment development.
- As informed by the client, permissible FSI is 3.25 (considering the widening of the existing access road), however, FSI of 2.44 is achieved after accounting for the RMP 2015 Buffer zone requirements.
- As informed by the client, the minority share of the developer is 10% of the share of the total saleable area and the same is accounted in the current valuation.
- As per the Revised Master plan for Bangalore - 2031 (Draft), the subject property falls under Open Space/ Parks/ Recreation zone. We understand that there will be cost, time and effort involved to get the subject property converted to yellow zone again. To account for the same, we have used the discount rate of 25% to arrive at the value.
- Basis the assumptions mentioned above and elaborated further in the report, the Net Present Value for Owner is arrived at INR 2,190 Million.



Special Assumptions

SPATIAL ASSUMPTIONS		
Component	Unit	Apartments
% age composition	%	100%
Land Area	Acres	54.00
Land Area (Developable)	sq. ft.	2,352,240
FSI	#	3.25
Total Developable area	sq. ft.	5,451,600
Total Developable area	sq. ft.	5,451,600
Minority Share of Mantri	%	10.0%
Net Saleable BUA - Owner	sq. ft.	4,906,440
# of Units	#	3,802
No. of units	#	3,802
Built Up Area per Unit	sq. ft.	1,291
Car parkings	Total No.of Car parks	5,702

Cost Assumptions

COST ASSUMPTIONS		
Component	UNIT	Apartments
Base cost of Construction	INR/sq. ft. (Saleable)	2,700
Overheads	% of Base Cost	5.0%
Contingency	% of Base Cost	5.0%
Professional Fees	% of Base Cost	2.0%
Yearly escalation in cost	% of Base Cost	3.0%
Total construction cost	INR Million	17,782
Wt avg construction cost	INR/sq. ft. (Saleable)	3,624
Administration / Marketing costs	% of sale consideration	2%
Total Operating Cost	INR Million	932
Total Project Cost	INR Million	18,714

Revenue Assumptions

REVENUE ASSUMPTIONS		
Component	Unit	Apartments
Current Sale Rate	INR/sq. ft.	5,200
% Rise in Saleprice YoY	%	5%
Parking Sale Value	INR/Unit	150,000
Club House and other charges	INR/unit	250,000
Initial deposit	% of sale value	20%
Average selling price	INR/sq. ft. (Saleable Area)	6,333



Discount Rate

Discount Rate	
Component	
Discount Rate	25.0%

Cash Flow

CASHFLOWS	Period Year	0	1	2	3	4	5	6	7	8	9	10	11	TOTAL
		Jan-19	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28	Jan-29	Jan-30	
CAPEX														
Apartments	INR Million	-	-	(764.1)	(1,574.1)	(1,621.3)	(1,669.9)	(1,720.0)	(1,771.6)	(1,824.8)	(1,879.5)	(1,935.9)		(15,788.1)
OPEX														
Apartments	INR Million	-	-	(65.6)	(68.9)	(88.9)	(102.0)	(102.6)	(119.7)	(125.7)	(118.8)	(110.8)	(29.1)	(932.2)
TOTAL OUTFLOW	INR Million	-	-	(829.8)	(1,643.0)	(1,710.2)	(1,772.0)	(1,822.6)	(1,891.3)	(1,950.4)	(1,998.3)	(2,046.7)	(29.1)	(16,720.3)
DEPOSITS														
Apartments	INR Million	-	-	437.6	459.5	592.8	680.3	684.0	797.9	837.8	791.8	739.0	194.0	6,214.8
Revenue														
Apartments	INR Million	-	-	420.8	1,877.4	1,717.9	2,886.1	2,291.5	3,014.1	2,159.3	2,988.0	3,887.4	3,197.7	25,863.4
TOTAL INFLOW	INR Million	-	-	858.5	2,336.9	2,310.7	3,566.4	2,975.5	3,812.0	2,997.2	3,779.8	4,626.4	3,391.7	32,078.1
NET CASHFLOWS	INR Million	-	-	28.7	693.9	600.5	1,794.5	1,152.9	1,920.7	1,046.7	1,781.5	2,579.6	3,362.6	15,357.8
PROJECT CASHFLOWS	INR Million	-	-	28.7	693.9	600.5	1,794.5	1,152.9	1,920.7	1,046.7	1,781.5	2,579.6	3,362.6	15,357.8
NPV	INR Million	2920												
TOTAL PROJECT VALUE	INR Million	2920												
Discount on account of change of Zoning from Open Space / Parks to Residential	%													25%
Land Value	INR Million	2190												



Scheduling

SCHEDULING	Period		0	1	2	3	4	5	6	7	8	9	10	11
	million sq. ft.	Year	Jan-19	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28	Jan-29	Jan-30
CONSTRUCTION														
Apartments			0%	0%	5%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Phase I	1.23		0%	0%	20%	40%	20%	15%	5%	0%	0%	0%	0%	0%
Phase II	1.23		0%	0%	0%	0%	20%	25%	35%	20%	0%	0%	0%	0%
Phase III	1.23		0%	0%	0%	0%	0%	0%	0%	20%	25%	25%	25%	5%
Phase IV	1.23		0%	0%	0%	0%	0%	0%	0%	0%	15%	15%	15%	35%
Total	4.91		-	-	0.25	0.49								
PROJECT TOTAL	100%	%	0%	0%	5%	10%	10%	10%	10%	10%	10%	10%	10%	10%
PROJECT TOTAL	4.91	million sq. ft.	-	-	0.25	0.49								
SALES														
Apartments	4.91		0%	0%	8%	8%	10%	11%	10%	11%	11%	10%	9%	2%
Phase I	1.23		0%	0%	35%	35%	13%	17%	0%	0%	0%	0%	0%	0%
Phase II	1.23		0%	0%	0%	0%	30%	30%	15%	20%	5%	0%	0%	0%
Phase III	1.23		0%	0%	0%	0%	0%	0%	30%	30%	15%	15%	10%	0%
Phase IV	1.23		0%	0%	0%	0%	0%	0%	0%	0%	30%	30%	30%	10%
Total	4.91		0.00	0.00	0.43	0.43	0.53	0.58	0.55	0.61	0.61	0.55	0.49	0.12
PROJECT TOTAL	4.91	million sq. ft.	-	-	0.43	0.43	0.53	0.58	0.55	0.61	0.61	0.55	0.49	0.12



Apartment sale price analysis

Comparable Method	Subject Property	Comparable 1	Premium(+)/Discount(-)	Comparable 2	Premium(+)/Discount(-)	Comparable 3	Premium(+)/Discount(-)
Name of Development		Prestige Lakeside Habitat		Brigade Cosmopolis		Sobha Dream Acre	
Developer		Prestige		Brigade Group		Sobha	
Base Rate(INR/sq. ft.)		6,355		7,400		6,345	
Quote/Transacted		Quote		Quote		Quote	
Parameters to arrive at premium(+)/discount(-)							
Location	Opp Varthur Lake	Gunjur	10%	Whitefield	0.0%	Varthur	0%
Neighbourhood Profile	Residential	Residential	0%	Residential	0%	Residential	0%
Quote/Sale/Lease			-5.0%		-5.0%		-5.0%
Ready/ Under Construction	Under Planning	Under Construction	-10.0%	Ready	-15.0%	Under Construction	-10%
Developer Grade	Grade A	Grade A	0%	Grade A	0%	Grade A	0%
Quality of Development	Good	Good	0%	Good	0%	Good	0%
Approvals & Infrastructure inside the site	Not Available	Approval obtained	-10.0%	Approval obtained	-15.0%	Approval obtained	-10.0%
Access Road	Good	Good	0%	Good	0.0%	Average	10%
Total premium/discount			-15.0%		-35.0%		-15.0%
Approximate Capital value (on carpet area) (INR/ sq. ft.) for subject property			5,402		4,810		5,393
Average Capital value (INR/ sq. ft.)	5,200						

The following parameters have been considered to arrive at the Villas value of the subject property:

- Location** - A good location facilitates commercial and residential development. Comparables 1 is located farther away from the commercial developments in the micro market compared to subject property, therefore a premium of 10% has been given to the subject property over comparable 1. Comparables 2 & 3 are located close to commercial developments, therefore, no premium or discount has been assigned to subject property over these comparables.
- 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 of comparable 1, 2 and 3 is similar to the subject property, hence no adjustment has been made to it.
- Quote / Sale / Lease** - Generally a negotiation is available on the quoted price for properties. Since, all the comparables are quoted in nature, we have given a 5% discount on the quoted price.
- Ready / Under Construction** - Generally, ready to move in properties command a premium over under construction properties. Comparables 1 & 3 are under construction properties,



therefore, a discount of 10% is assigned to the subject property over these comparables. Comparable 2 is a ready to move in resale option, therefore, a discount of 15% is given to the subject property over this comparable.

- **Developer Grade** - Projects by established Grade A developers command a premium over projects by Grade B developers in the same location. Comparables 1, 2 and 3 are projects by a reputed Grade A developer, therefore, no premium or discount is assigned to the subject property over these comparables as we have assumed the subject property to be developed by a Grade A developer.
- **Quality of Development** - Projects with better quality of construction and the fit and finish of the units command a premium over projects with lower quality. Comparables 1, 2 and 3 have good quality and we expect a similar product in the subject property, therefore, no premium or discount is assigned to the subject property over these comparables.
- **Approvals & Infrastructure**– Obtaining approvals for development of a property involves time and cost and therefore a property which is already approved by authorities for the intended use, can command a premium as there might not be any delays in the project completion due to approvals. Comparable 2 has already gotten approvals, hence a discount of 15% has been provided to the subject property over comparable 2. Comparables 1 & 3 are yet to receive all the approvals, therefore, a discount of 10% is assigned to the subject property over these comparables.
- **Access road & Frontage** – The subject property has good frontage and the access road. Comparables 1, 2 and the subject property have a good access road, therefore, no premium or discount has been assigned to the subject property on account of the same. Comparable 3 has narrow access road hence premium of 10% has given to the subject property on account of the same.



Valuation of cash flow from sale of CCD to developer

Date	up to 28 Jan 2019	31-Jan-19	28-Feb-19	31-Mar-19	30-Apr-19	31-May-19	30-Jun-19	31-Jul-19	31-Aug-19
Payment by MDPL- As per the Agreement	707.5	152.5	60	60	100	100	100	100	2123.1
Discount Rate	18%								
NPV (INR Million)	2,519								
Discount for Presence of minority stakeholder in the property	10%								
NPV (INR Million)	2,267								

- As per the Restated Amendment Agreement dated 16th March 2018 provided to us by the client, the developer Mantri Developers Private Ltd (MDPL) has agreed to purchase from the client CCDs. The scheduled dates for purchasing the CCDs along with the amount to be paid for purchasing the CCDs is mentioned in the agreement.
- As informed by the client, the developer has agreed to pay a total of INR 3,503.1 Million through the purchase of CCDs for acquiring the 90% stake the client holds in the SPV. INR 707.5 Million is already paid by the developer as of 28th January 2019, and the remaining INR 2,795.6 Million has to be paid as per the payment schedule in the agreement.
- We have assumed that the developer will pay the remaining amount on the corresponding dates as in the agreement. Since these cashflows are spread over a period of time, we have discounted the future cashflows using a suitable discount rate.
- As per our discussion with market participants, we believe that lending rate to developers for acquisition of land varies from 16% - 18%. Therefore, we have assumed a discount rate of 18% for this deal to arrive at the NPV of the future cashflows to be received by the client from the developer.
- Further, we have given a discount of 10% due to the presence of minority shareholding in the SPV keeping in mind the reservations of a third-party buyer to deal with such a structure.
- Based on these above assumptions, the fair value of the proposed interest in the SPV considering the structuring of the agreement signed with Mantri Developers Pvt Ltd. is INR 2,267 Million.



1.1 Valuation

Market Value Assuming Vacant Possession

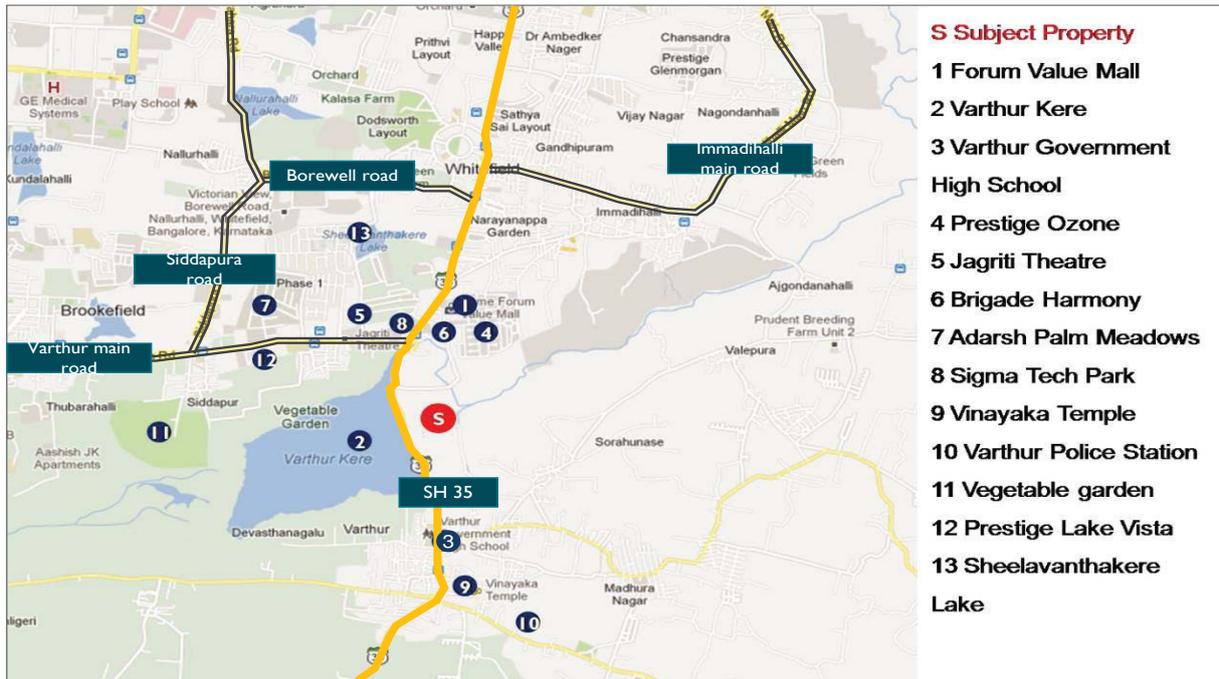
In our opinion, the market value of the proposed freehold interest in the property:

Market Value the Property	
Discounted Cash Flow Method	INR 2,190 Million
Land Comparable Method	INR 2,350 Million
Mantri Deal Value	INR 2,267 Million

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 I: Property Location Map

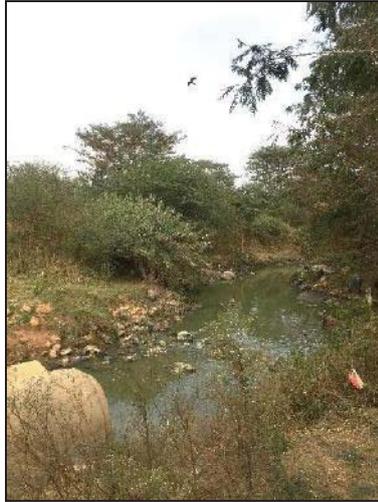


Revised Master Plan 2015- Proposed land use map – Planning district 316 (Varthur)





Appendix 2: Property Photographs



Internal view of the subject property



Internal view of the subject property



Access road to the subject property

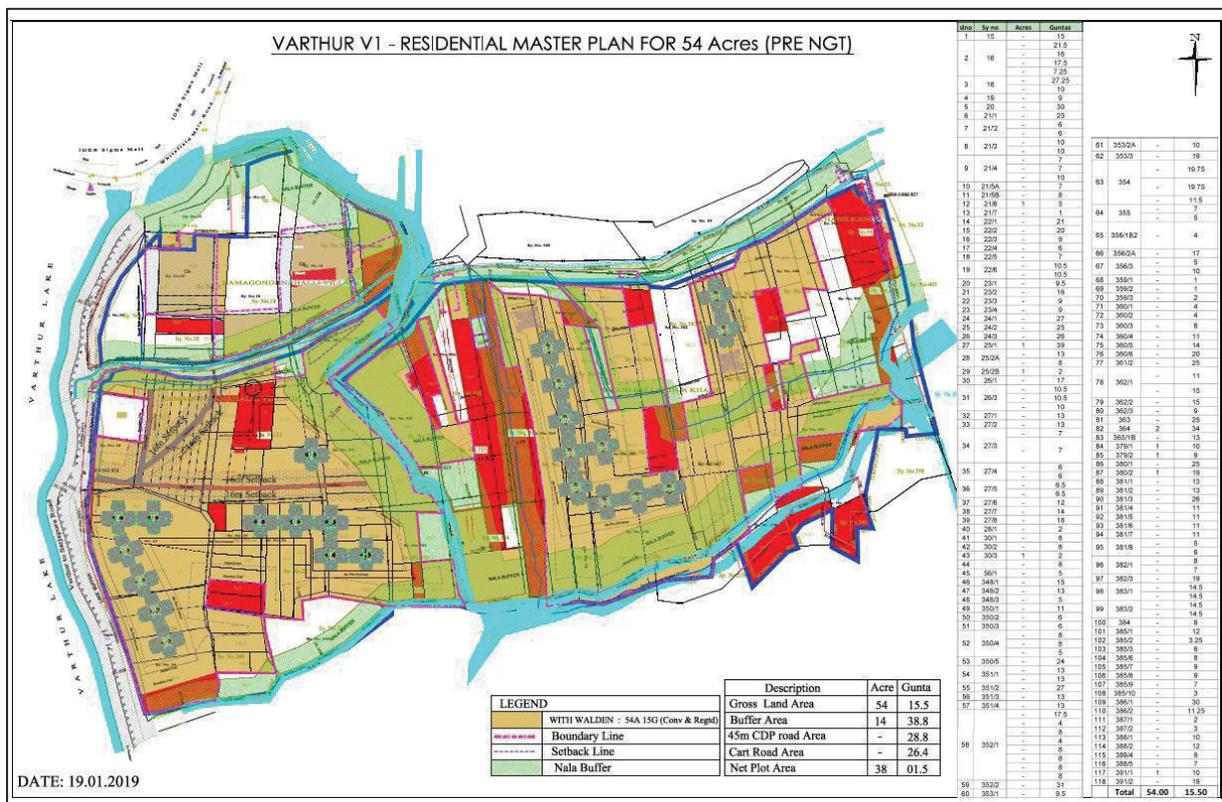


Appendix 3: Information Supplied

We have been supplied with the following information by the client:

Sr. No	Information	Source
1	Area Statement	Client
2	Property Address	Client
3	Property Layout Map	Client

Property Layout Map as per Revised Master Plan (RMP) 2015 Buffer Zone Norms





Appendix 4: 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 hospitality / retail / land / 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. C&WI has adopted valuation method based on its own expertise and knowledge and endeavours 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 **Aayas Trade services private Limited**. (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. No investigation of the title of the assets will be been 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.
6. 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