VALUATION REPORT

Tower A, First India Place

Mehrauli Gurgaon Road, Gurgaon, Haryana

TCG Urban Infrastructure Holdings Pvt. Ltd.

Date of Valuation: September 30th, 2015

Report Date: October 13th, 2015

CBRE

Tower A, First India Place

Mehrauli Gurgaon Road, Gurgaon, Haryana

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Valuation Certificate

Property: Tower A, First India Place, Mehrauli Gurgaon Road, Gurgaon , Haryana

Client: TCG Urban Infrastructure Holdings Pvt. Ltd.

Purpose: Secured lending purposes

Interest Valued: Freehold rights of the subject property

Basis of Valuation: Market Value

Land Area: NA

Town Planning: As per information provided by the Client, it is understood that the subject property is zoned for 'commercial use'. The same has been adopted by CBRE for the purpose of this valuation exercise

Brief Description: The subject property comprises of one tower (viz. Tower A) of a commercial development christened as 'First India Place'. The said development is located towards the north – eastern part of Gurgaon City along the Mehrauli Gurgaon Road (MG Road), which is the central business district (CBD) of Gurgaon

The subject micro – market (viz. MG Road) is an established real estate vector of Gurgaon housing various commercial, residential and retail developments. Further, the subject region is located in close proximity to other established real estate vectors of Gurgaon such as DLF City Phase II, DLF City Phase III, Golf Course Road, DLF Cyber City, Sushant Lok, etc. The subject property is located at a distance of less than 0.5 km from MG Road metro station, approx. 4 – 5 km from DLF Cyber City, approx. 6 – 7 km from Rajiv Chowk, approx. 13 – 14 km from Indira Gandhi International Airport (Delhi) and approx. 25 – 27 km from Connaught place (CBD of Delhi)

Leasable / Saleable Area (sft): As per the rent roll provided by the Client, we understand that the total leasable / saleable area of the subject property admeasures approx. 37,118 sft. The leasable / saleable area at the subject property is spread across ground and three upper floors. Further, it is understood that ground, first and third floor at the subject development are currently leased out and the second floor is presently vacant. The table below highlights floor – wise tenant and area details of the subject property:

Floor	Tenant	Area (sft)
Ground	HDFC Bank Ltd.	4,250
Ground	HDFC Bank Ltd.	1,521
Ground	Housing Development Finance Corporation Ltd.	2,604
First	Vertex Customer Management India Pvt. Ltd.	9,619
Second	Vacant	9,593
Third	HH Print Management India Pvt. Ltd.	6,359
Third	TCG Digital Solutions Pvt. Ltd.	3,172
	Total	**37,118**

Source: Client

Valuation Approaches: Discounted Cash Flow Methodology (adopting Rental Reversion Approach) and Direct Comparison Approach

Date of Valuation: September 30th, 2015

Date of Inspection: September 24th, 2015

Date of Report: October 13th, 2015

Assessed Value :	Discounted Cash Flow Methodology (adopting Rental Reversion Approach): The value of the of the subject property using this approach is **INR 520 Mn** Direct Comparison Approach: The value of the of the subject property using this approach is **INR 524 Mn**
Final Conclusion:	Average Value: INR 522 Mn
Assumptions, Disclaimers, Limitations & Qualifications	*This valuation report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report which are made in conjunction with those included within the Assumptions, Disclaimers, Limitations & Qualifications section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property*

Assumptions, Disclaimers, Limitations & Qualifications

Valuation Subject To Change:	Premise 1 - The subject appraisal exercise is based on prevailing market dynamics as on the date of appraisal and does not take into account any unforeseeable developments which could impact the same in the future
Our Investigations:	Premise 2 - We are not engaged to carry out all possible investigations in relation to the subject property. Further, in our report we identify certain limitations to our investigations, which is to enable the reliant party to instruct further investigations where considered appropriate or where we recommend as necessary prior to reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations
Assumptions:	Premise 3 - Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The reliant party accepts that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation
Information Supplied By Others:	Premise 4 - This appraisal is based on the information provided by the Client. The same has been assumed to be correct and has been used for appraisal exercise. Where it is stated in the report that another party has supplied information to CBRE, this information is believed to be reliable but CBRE can accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of the records and examination of documents or by inquiry from the Government or other appropriate departments
Future Matters:	Premise 5 - To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct
Map and Plans:	Premise 6 – Any sketch, plan or map in this report is included to assist reader while visualizing the property and assume no responsibility in connection with such matters
Site Details:	Premise 7 - Based on information provided by the Client and site visit, we understand that the subject property comprises of one tower (viz. Tower A) of an operational commercial development christened as 'First India Place'. The said development is located along the MG Road in close proximity to the MG Road metro station. The subject development is spread across two levels of basement, ground floor and three upper floors. Further, CBRE has assumed that the subject property is free from any encroachments and is available as on the date of the appraisal
Property Title:	Premise 8 - For the purpose of this appraisal exercise, we have assumed that the subject property has a clear title and is free from any encumbrances, disputes and claims. CBRE has made no further enquiries with the relevant local authorities in this regard and does not certify the property as having a clear and marketable title. Further, no legal advice regarding the title and ownership of the subject property has been obtained for the purpose of this appraisal exercise. It has been assumed that the title deeds are clear and marketable
Environmental Conditions:	Premise 9 – We have assumed that the subject property is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried out on the property are regulated by environmental legislation and are properly licensed by the appropriate authorities
Town Planning:	Premise 10 - The current zoning of the subject property has been provided by the Client and the same has been considered for the purpose of this appraisal exercise. Further, it has been assumed that the existing / future development on the subject property adheres / will adhere to the building regulations as prescribed by the relevant authorities. CBRE has not made any enquiries with the relevant development authorities to validate the legality of the same
Area:	Premise 11 – Based on information provided by Client, it is understood that the total leasable / saleable area of the subject property admeasures approx. 37,118 sft. The information has not been cross - verified with the actual records
Condition & Repair:	Premise 12 - In the absence of any information to the contrary, we have assumed that there are no abnormal ground conditions, nor archaeological remains present which might adversely affect the current or future occupation, development or value of the property; the property is free from rot, infestation, structural or latent defect; no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts
Valuation Methodology:	Premise 13 – For the purpose of this valuation exercise, the valuation methodologies used are **Discounted Cash Flow Methodology (adopting Rental Reversion Approach) and Direct Comparison Approach** The **Discounted Cash Flow Methodology with rental reversion** is based upon an estimation of future results. The methodology begins with a set of assumptions as to the projected income and expenses of the property. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The result is the best estimate of value CBRE can produce, but it is an estimate and not a guarantee and it is fully dependent upon the accuracy of the assumptions as to income, expense and market conditions. This methodology use market derived assumptions, including discount rates, obtained from analysed transactions. In the **Direct Comparison Approach**, the subject property is compared to similar properties that have actually been sold in arms-length transactions or are offered for sale. This technique demonstrates what buyers have historically been willing to pay (and sellers/landlords willing to accept) for similar properties in an open and competitive market and is

	particularly useful in estimating the value of land that is typically traded as open plots or with structures thereon. Where reliance has been placed upon external sources of information in applying the valuation methodologies, unless otherwise specifically instructed by the Client and/or stated in the valuation, CBRE has not independently verified that information and CBRE does not advice nor accept it as reliable. The person or entity to whom the report is addressed acknowledges and accepts the risk that if any of the unverified information in the valuation is incorrect, then this may have an effect on the valuation
Not a Structural Survey:	Premise 14 - We state that this is a valuation report and not a structural survey
Other:	Premise 15 - All measurements, areas and ages quoted in our report are approximate
Legal:	Premise 16 - We have not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the subject property. CBRE is not required to give testimony or to appear in court by reason of this appraisal report, with reference to the property in question, unless arrangement has been made thereof
Additional:	Premise 17 - Please note that all the factual information such as leasable / saleable area, lease details such as lease rent, fit – out rent, lease commencement and lease end date, lock – in period, escalation terms, insurance premium, etc. pertaining to the subject development is based on the rent roll provided by the Client and the same has been adopted for the purpose of this appraisal exercise. Any change in the information will have an impact on the assessed value and in that case CBRE will have to relook at the assessed values

1 Introduction

1.1 Instruction

CBRE has been instructed by **TCG Urban Infrastructure Holdings Pvt. Ltd.** (the '**Client**') to advice upon the Market Value (MV) of a commercial development located along the Mehrauli Gurgaon Road (MG Road), Gurgaon, Haryana. Based on Client's inputs, we understand that the total leasable / saleable area of the subject property ademasures approx. 37,118 sft.

1.2 Purpose

We understand that the appraisal is required by the Client for secured lending purposes.

1.3 Scope of Appraisal

The appraisal has been undertaken to ascertain the Market Value of the subject property given the prevalent market conditions. In consideration of the same, a detailed assessment of the site and surroundings has been undertaken with respect to the prevalent activities, change in dynamics impacting the values and optimal use of the subject property vis-à-vis the surrounding micro-markets and other associated attributes.

The primary catchment area for the purpose of this appraisal has been defined as the MG Road, Gurgaon, where the subject property is located. A primary research exercise has been undertaken in the catchment area to ascertain the prevalent activity levels in terms of built – up spaces available for sale / lease in commercial developments. This has been achieved through interactions with various market players such as local real estate brokers, local developers, etc.

1.4 Critical Assumptions

This appraisal exercise is based on the premise that the subject property has a clear title and is free from any encumbrances, disputes, claims, etc. CBRE has not made any inquiries in this regard with the relevant legal/statutory authorities.

1.5 Extension of Liability & Confidentiality

This valuation report is confidential in nature and is for the sole usage of **TCG Urban Infrastructure Holdings Pvt. Ltd.** (the '**Client**'), its affiliates, designates, assignees, rating agencies, auditors, prospective investors and investors and no other party shall have any right to rely on the appraisal provided by CBRE without prior written consent. Our liability is extended to the Client only and any other parties relying on our report may do so on their own accord. CBRE would not be liable nor answerable to them in any manner whatsoever.

Neither the whole nor any part of this appraisal and report or any reference to it may be included in any published document, circular or statement nor published in any way without the valuer's prior written approval of the form and context in which it may appear.

The valuer's responsibility in connection with this appraisal report is limited to the Client to whom it is addressed and to that Client only. The valuer disclaims all responsibility and will accept no liability to any other party.

The values assessed in this report are for the subject property and any allocation of values between parts of the property apply only in the terms of and for the purpose of this report. The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.

Where the values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or of tax costs involved in effecting sale / lease viz. stamp duties, registration charges, etc.

1.6 Valuer's Interest

We hereby certify that the valuer(s) is/are suitably qualified and authorised to practise as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the property (including the parties with whom our Client is dealing, including the lender or selling agent, if any); accepts instructions to value the property only from the instructing party.

1.7 Market Value Definition

As per RICS appraisal Manual, the Market Value (MV) is defined as:

'The estimated amount for which a property 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.'

1.8 Qualifications

This valuation is prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards and is in compliance with the International Valuation Standards (IVS).

The liability of CBRE and its directors and employees is limited to the addressee of this report only. No accountability, obligation or liability to any third parties is accepted.

Our maximum aggregate liability to any involved parties arising from, or in relation to, this appointment (in contract, tort, negligence or otherwise), howsoever arising shall not in any circumstances exceed the professional fee payable to CBRE for this specific mandate.

This valuation report is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this report and to those included within the Assumptions, Disclaimers, Limitations & Qualifications section of this report.

2 Site Details

2.1 Location

Situation: The address of the subject property is Tower A, First India Place, MG Road, Gurgaon, Haryana.

Location: The subject property is an operational commercial development located towards the north – eastern part of Gurgaon City along the MG Road. Further, the subject development is located in close proximity to other established vectors of Gurgaon such as National Highway – 8, DLF Cyber City, Golf Course Road, DLF City Phase II, DLF City Phase III, etc.

As highlighted earlier, the subject region (MG Road) is the Central Business District (CBD) of Gurgaon and is an established vector comprising of several commercial and retail developments along with various residential layouts present in the form of plots, group housing developments and independent bungalows. Some of the prominent commercial developments in the subject region include DLF Corporate Park, JMD Regent Square, Sewa Corporate Park, Time Tower, Unitech Global Business Park, ABW Towers, Salcon Platina, Vatika Triangle, Vatika First India Place (**'subject development'**), Vatika City Point, etc. The subject region also comprises of several retail malls such as MGF Metropolis, MGF Metropolitan, MGF Mega City, DLF City Center, Gurgaon Central, Sahara Mall, etc. In addition, various hospitality developments such as The Westin, The Bristol, Le Meridien, etc. are also located along the said corridor.

The subject property enjoys excellent connectivity with other parts of National Capital Region (NCR) by virtue of being accessible via the MG Road. The connectivity of the subject property is further enhanced by the presence of metro route along the MG Road (with MG Road metro station being the nearest metro station to the subject development).

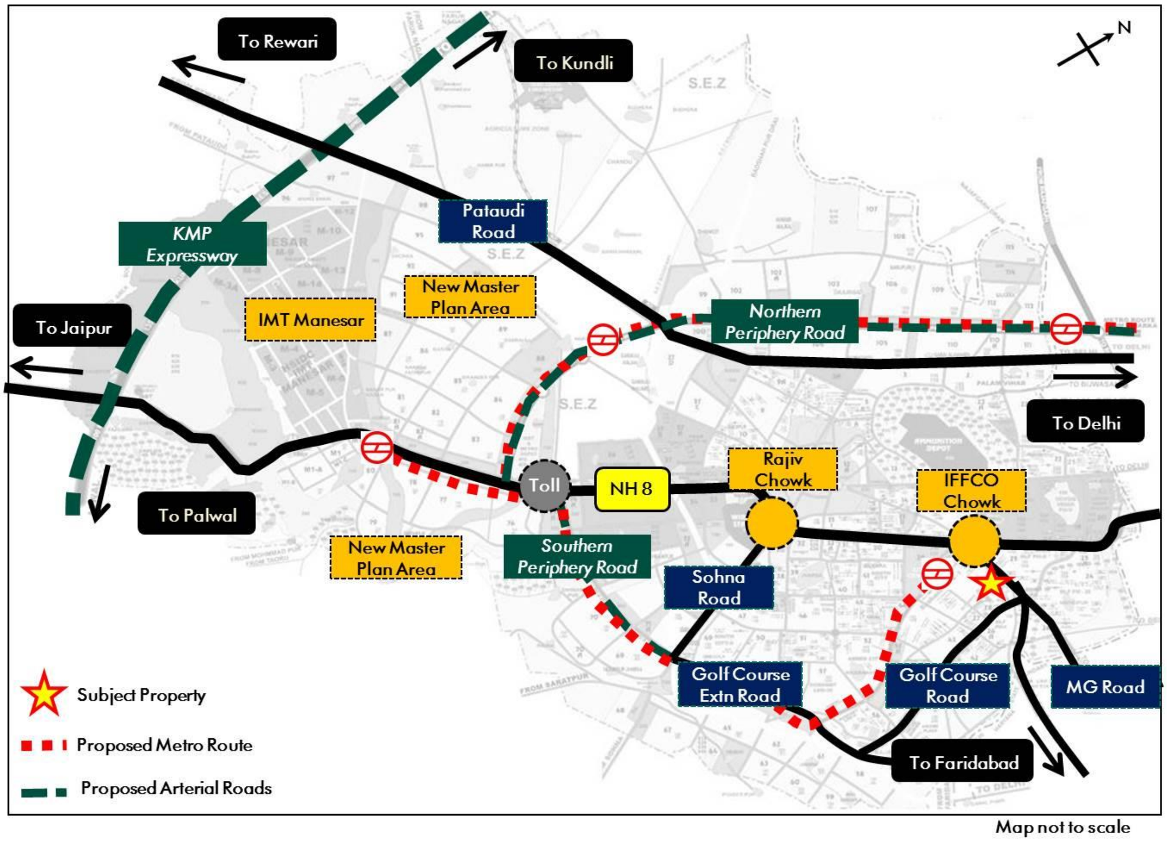
The distances from prominent landmarks to the subject property are mentioned as below:

Landmark	*Approx. Distance (km)*
MG Road Metro Station	< 0.5 km
NH – 8	1 – 1.5
DLF Cyber City	4 – 5
Rajiv Chowk	6 – 7
Indira Gandhi International Airport	13 – 14
Connaught Place (CBD of Delhi)	25 – 27

Source: CBRE Research

Surrounds:	As mentioned earlier, the subject location is an established commercial and retail hub of Gurgaon and is characterized by the presence of prominent developments such as Vatika City Point, Vatika Triangle, ABW Towers, Time Tower, JMD Regent Square, Sahara Mall, DLF City Center, MGF Metropolitan Mall, etc. The subject property is surrounded as follows: • **North:** Mehrauli Gurgaon (MG) Road (primary access road) • **South:** Saraswati Vihar (Residential Colony) • **East:** Saraswati Vihar (Residential Colony) • **West:** MGF Metropolis Mall
Potential changes in surroundings	As highlighted earlier, the subject property is situated in an established commercial vector of Gurgaon. The established nature of the subject micro market coupled with limited availability of developable land parcels restricts any potential change in the near future.
Suitability of existing use:	Based on the information provided by the Client and site inspection, it is understood that the subject property is an operational commercial development. Considering the nature of the development coupled with site, location and profile of surrounding developments, the current use of the subject property is opined to be in conformity with the existing development.

The following map indicates the location of the subject property:



Source: CBRE Research

2.2 Site & Services

Shape: Based on visual inspection, we understand that the subject property is developed on a rectangular shaped plot.

Topography: Based on site visit, it was observed that the subject property is located at the same level as the abutting access road.

Leasable / Saleable Area: As per the rent roll provided by the Client, we understand that the total leasable / saleable area of the subject property admeasures approx. 37,118 sft spread across ground and three upper floors. The table below highlights the floor – wise are of the subject property:

Floor	*Area (sft)*
Ground	8,375
First	9,619
Second	9,593
Third	9,531
Total	**37,118**

Source: Client

Accessibility / Frontage: Based on visual inspection, we understand that the subject property is accessible from its northern side via the Mehrauli Gurgaon (MG) Road with significant frontage along the same. By virtue of being accessible via the MG Road, the subject property enjoys excellent connectivity with other parts Delhi NCR.

Services: As per the site visit, we understand that the subject property is an operation commercial development with requisite building services such as water, electricity, sewerage, etc.

2.3 Legal Details

As per the information received from the Client, we understand that the subject property is a freehold property and is zoned for commercial use. This appraisal exercise is based on the premise that the subject property has a clear title and is free from any encumbrances, disputes, claims, etc. CBRE has not made any inquiries in this regard with the relevant legal/statutory authorities and does not certify the property having a clear and marketable title.

2.4 Town Planning & Statutory Assessments

Zoning: As per the information provided by the Client, we understand that the subject property is zoned for 'commercial' use. The permissible use for the subject property has been provided by the Client and the same has been adopted by CBRE for the purpose of this appraisal exercise. It must be noted that all factual data viz. leasable / saleable area, lease details such as lease rent, fit – out rent, lease commencement and lease end date, lock – in period, escalation terms, insurance premium, etc. pertaining to the subject development has been provided by the Client. Please note that CBRE has not validated the information provided by the Client from any local development authority.

Current Usage:	Based on visual inspection, we understand the subject property comprises of one tower (viz. Tower A) of an operational commercial development christened as 'First India Place' located along the MG Road.
Restrictions:	As per feedback received from the Client, there are no restrictions on the current use of the subject property. The same has been considered for the purpose of this valuation exercise.
Approvals:	For the purpose of this valuation exercise, we have assumed that all the necessary approvals and licenses for the development have already been obtained.

3 Improvements

3.1 Property Description

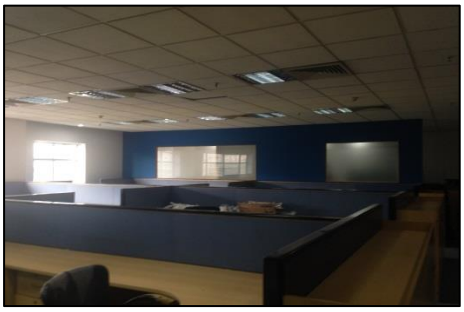
As highlighted earlier, the subject property comprises of one tower (viz. Tower A) of a commercial development christened as 'First India Place'. The said development is located towards the north – eastern part of Gurgaon City along the Mehrauli Gurgaon Road (MG Road) owing to which, it enjoys excellent visibility and connectivity with other parts of National Capital Region (NCR). The subject property is also located in close proximity to MG Road metro station, which further enhances its connectivity.

Based on site visit, it was observed that the subject property (viz. Tower A) comprises of two levels of basement, ground and three upper floors. Further, the subject property is an operational development housing multiple corporates such as HDFC Bank Ltd., HH Print Management India Pvt. Ltd., TCG Digital Solutions Pvt. Ltd., etc.

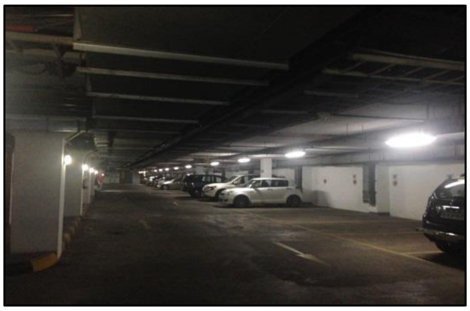
Please refer to the property photographs highlighted below:

External view of the subject property

External view of the subject property



View of the office space at the subject property



View of the basement at the subject property

View of MG Road (primary access road)

View of metro line from the subject property

3.2 Area Details

As per the rent roll provided by the Client, we understand that the total leasable / saleable area of the subject property admeasures approx. 37,118 sft. The leasable / saleable area at the subject property is spread across ground and three upper floors. Further, it is understood that ground, first and third floor at the subject development are currently leased out and the second floor is presently vacant. The table below highlights floor – wise tenant and area details of the subject property:

Floor	*Tenant*	*Area (sft)*
Ground	HDFC Bank Ltd.	4,250
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Third	TCG Digital Solutions Pvt. Ltd.	3,172
	Total	**37,118**

Source: Client

3.3 Construction, Services and Finishes

Based on the site inspection, it was observed that the subject property comprises of one building developed with reinforced cement concrete (RCC) framed structure. The internal finishing comprises of bare flooring (with carpet), plastered brick wall, aluminium / glass framed doors, windows and partitions, etc.

3.4 Age of existing structures

Based on information provided by the Client / Client's representative and our market study, we understand that the construction at the subject property was completed in the year 2001 and hence, the subject property is approx. 14 years old.

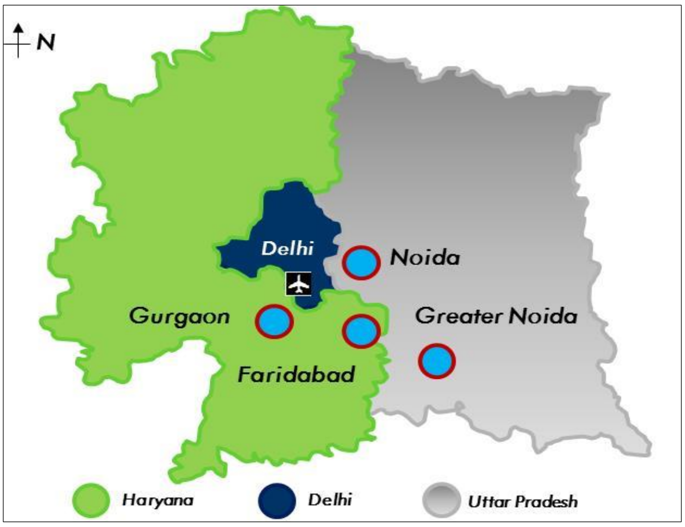
3.5 Condition & Repair

Based on site inspection, it is understood that the subject property is an operational commercial development. Further, we understand that the subject property is in good working condition with regular maintenance being undertaken.

4 City Overview

4.1 Macro Overview: Gurgaon

Gurgaon forms a part of the National Capital Region and is an extension of Delhi located towards the south-west side of the National Capital. With a population of approximately 1.5 mn[1], Gurgaon is located at a distance of approx. 25 km from New Delhi's Central Business District (CBD) i.e. Connaught Place and is situated in proximity to Indira Gandhi International Airport.



Macro Indicators – Gurgaon[2]

Population	1.5 mn
Area (sq. km)	1,253.07
Population Density (people per sq. km)	1,241
Decadal Growth rate	74 %
Per Capita Income (USD)	1,516
Literacy Rate	84.4%
Sex Ratio (No. of females per 1,000 males)	853

Gurgaon was initially developed as an industrial suburb to Delhi in early 1980s and it currently houses the manufacturing facilities of prominent players like Maruti Udyog, Delphi, Sona Koyo, KLG System, Rico, etc.

Till 1990s, the residential and commercial activity existed primarily as a support function to the existing industrial establishments located in the region. However, with the advent of IT/ITeS activity in 1990s and limited supply of commercial office space in the Central Business District (Connaught Place) and Secondary Business Districts (Nehru Place, Bhikaji Cama, etc.) of Delhi coupled with increasing rentals, Gurgaon emerged as an alternative commercial hub in NCR region. The growth in the commercial office space activity in the region also acted as a residential growth catalyst and helped Gurgaon emerge as a prominent residential hub of the NCR region.

Prominent companies that have set-up operations in Gurgaon include Alcatel, Accenture, Convergys, Dell, Genpact, Flextronics, Microsoft, Nokia, Motorola, Sapient, TCS, IBM-Daksh, ABN AMRO Bank, Canon India, etc. Further, companies such as NIIT, SmithKline Beecham, Unicorp, Coke, British Gas, GE, Hindustan Lever, Nestle, PepsiCo, etc. have relocated a major portion of their operations from Delhi to Gurgaon. BFSI (Banking, Financial Services and Insurance) segment and consulting companies have also set up their operations in the region. Further, the city has become an important hub for various Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO) centers in the National Capital Region (NCR).

[1] *As per Census 2011*
[2] *Source: Indicus City Skyline (2011-12)*

Growth Drivers for Gurgaon

- Proximity to Delhi ~ makes Gurgaon an organic growth center, with the city witnessing sustained migration (driven by the presence of substantial residential options and proximity to Indira Gandhi International Airport)
- Proposed infrastructure developments such as KMP Expressway, Northern Periphery Road, proposed MRTS network, etc. aimed towards improving connectivity which in turn would act a catalyst for growth of the region
- Sustained IT/ITeS demand coupled with large integrated IT/ITeS developments in the region are expected to catalyse growth for both commercial as well as residential segments in the city
- Heightened real estate development activity in the emerging vectors, namely, Golf Course Extension Road, Southern Periphery Road, Northern Periphery Road, etc. to further enhance the real estate profile of the city

4.2 Gurgaon Real Estate Market Overview

The proximity to the Indira Gandhi International Airport coupled with focused and phased development by government and private players (real estate developers) led to Gurgaon emerging as a preferred residential and commercial destination, with majority of the development happening towards the eastern side of National Highway (NH-8). Growth initiatives were taken by developers such as DLF, Unitech, Ansals, etc. and were backed by proactive government support for consolidation of their land banks for the development of integrated residential townships, residential and commercial developments. Later, the region witnessed entry of many other private developers leading to rapid real estate development of Gurgaon.

Given the above and surge in demand from the IT/ITeS segment space occupiers; Gurgaon has witnessed buoyant real estate activity levels in the recent past. Increasing level of commercial activity in the region has led to an upsurge in the activity levels of residential development along with Grade A retail space and other support infrastructure facilities thereby leading to an overall development of the region. The infrastructure initiatives such as completion of NH-8 as an access controlled expressway, under-construction expressways such as Northern Periphery Expressway (Dwarka Expressway) and Southern Periphery Road, proposed Mass Rapid Transit System (MRTS) along Dwarka Expressway and improved connectivity with Delhi through the existing metro rail, etc. are further expected to sustain the real estate development activity in the region.

Over the last few years, Gurgaon has emerged as one of the prominent suburban destinations in NCR region and has witnessed significant development activity across real estate segments. This coupled with the limited availability of licensed land for further development in this region had resulted in multifold increase in land prices during the period 2004-2007. Rising land costs in the established regions of Gurgaon coupled with an enhanced demand for residential and commercial developments has driven the real estate development activity to newer corridors such as Extended Golf Course Road, Dwarka Expressway, Southern Periphery Road and peripheral sectors in proximity to Manesar. These

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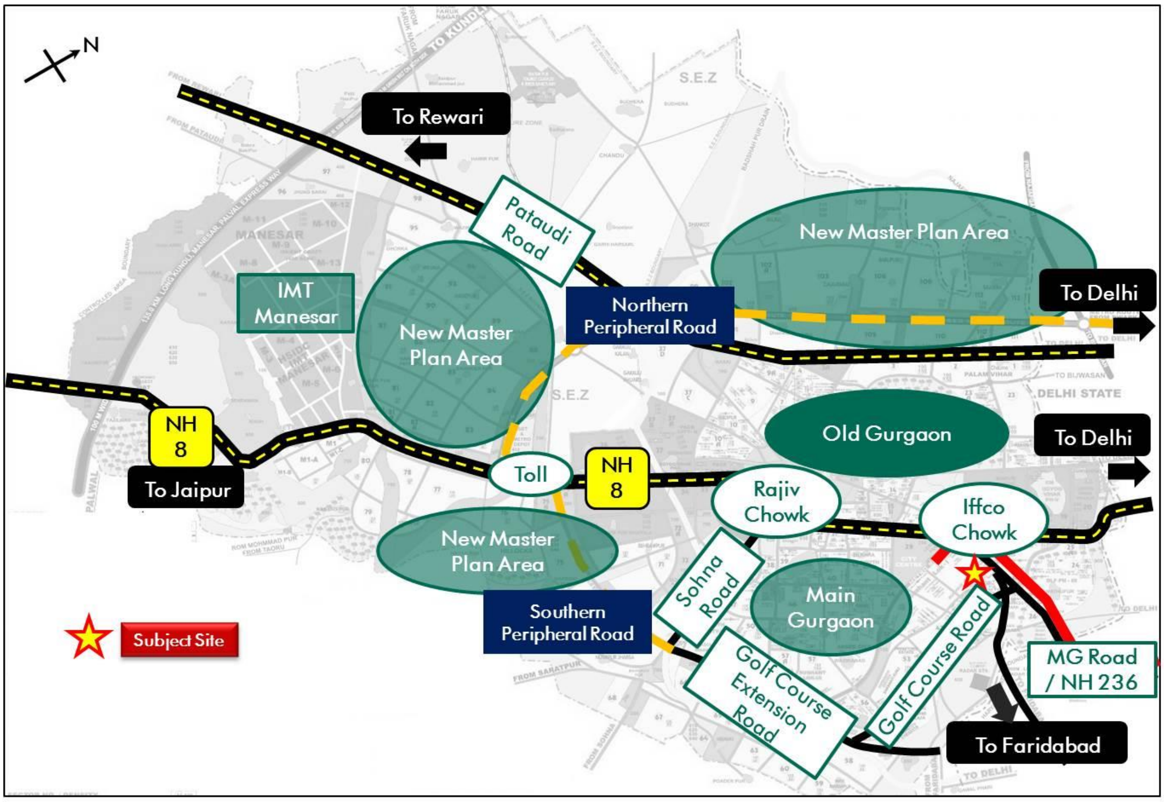
vectors are slated to be the next growth vectors and are expected to witness heightened real estate activity over the next few years.

The map below highlights the prominent growth vectors of Gurgaon:



Source: CBRE Research

4.3 Infrastructure Initiatives

The following development initiatives have been or are being undertaken in Gurgaon and are expected to enhance the real estate scenario of Gurgaon city:

1. **Metro Rail Connectivity:**
   a. **Existing Link**: Gurgaon has been connected with Metro Rail to Delhi and Noida up to HUDA City Centre. Further, the metro connectivity is expected to further expand within Gurgaon as part of proposed expansion plans (under the Phase IV to be executed by Delhi Metro Rail Corporation). Existing Delhi – Gurgaon Metro Link which terminates at HUDA City Centre is proposed to be extended up to Manesar via Sectors 43-44, 52-52A, 56-57, Southern Periphery Road and NH-8.
   b. **MRTS along Dwarka Expressway**: An additional Mass Rapid Transit Corridor (MRTS) has been planned along the 150 m wide Dwarka Expressway extending from Dwarka up to proposed Inter State Bus Terminal near Kherki Dhaula Village.

c. **MRTS along Old Gurgaon Road**: The proposed approx. 11 km high speed metro link between Sector 21, Dwarka and IFFCO Chowk, Gurgaon has got an approval from Union Ministry of Urban Development. The said corridor will be developed on a public private partnership (PPP) model. The proposed line is expected to have stations at Bijwasan, Palam Vihar and Maruti Suzuki factory between IFFCO Chowk and Sector 21, Dwarka. The new link is expected to reduce the travel time between Gurgaon and Dwarka. Post the completion; the subject site would have connectivity with all parts of Gurgaon, Manesar and Delhi. However, the development is currently proposed with no defined timelines available in public domain.

2. **Rapid Metro:** Gurgaon has witnessed India's first metro rail network under the private partnership mode, called the Rapid Metro, connecting DLF Cyber City to Sikanderpur Metro Station. The project has been undertaken by a consortium of companies comprising of DLF and Infrastructure Leasing & Financial Services (IL&FS). The total length of the network is approx. 5.1 km. The corridor constitutes of six stations at Sikanderpur, DLF-II, Belvedere Tower, DLF-III, Gateway Tower touching NH-8 and Mall of India. Rapid metro commenced operations in Q4, 2013 and has improved connectivity within the city. Further, the extension for Rapid Metro from Sikanderpur towards Golf Course Road and further down to Sector 56-57 is currently under construction and would enhance the intercity connectivity within Gurgaon post completion.

3. **Northern Peripheral Road**: The approx. 150 m wide Northern Peripheral Road (NPR), also known as Dwarka Expressway is being developed under the PPP model. The approx. 18 km long stretch will connect Dwarka with NH-8 near Village Kherki Dhaula. It is being planned as an alternate link road between Delhi and Gurgaon and is expected to ease the traffic congestion at Delhi Gurgaon Expressway. Government of Haryana has awarded the construction contract of this road to Indiabulls Group. The construction work for approx.14 km stretch is currently under progress; the remaining 4 km is under litigation. Further, based on our interactions with local market players, we understand that the project is expected to be completed within next couple of years. However, please note that the timelines are still not certain and are dependent on the litigations which are sub-judice.

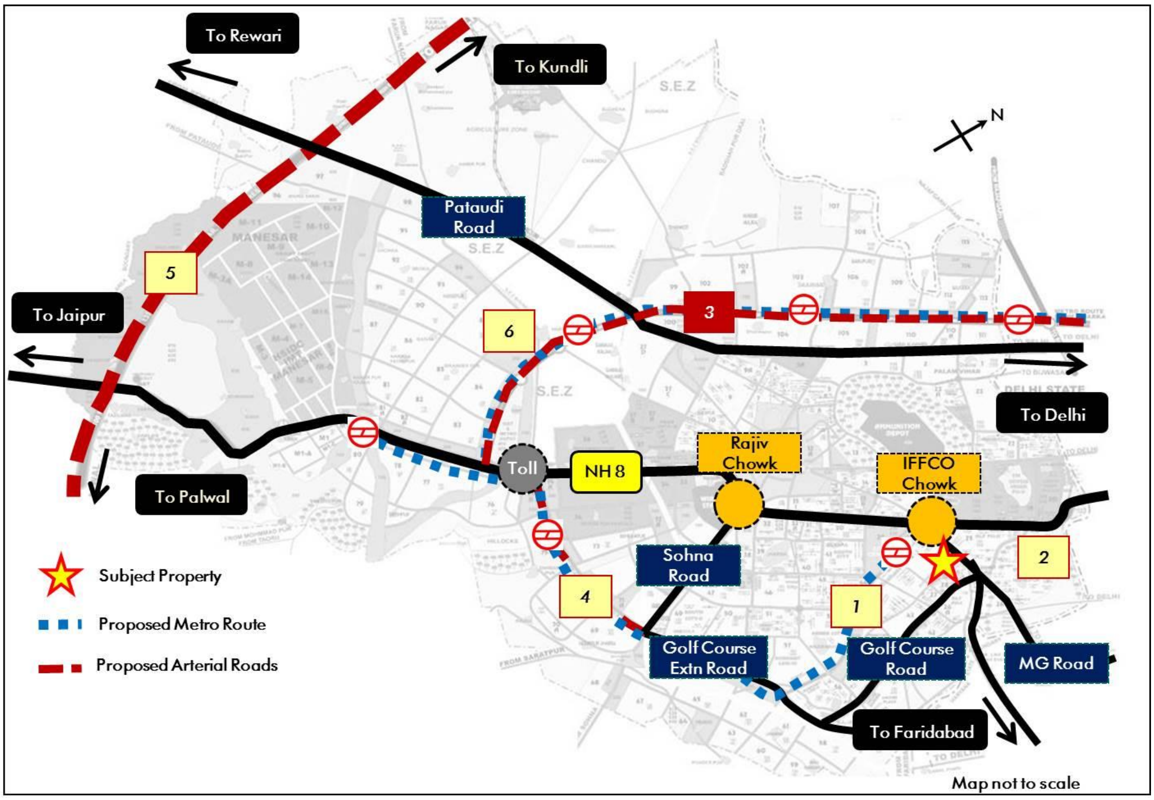
4. **Southern Peripheral Road**: The approx. 90 m wide Southern Peripheral Road (SPR) is being developed under the PPP model. It is expected to be an approx. 17 km long stretch which will connect Faridabad-Gurgaon Road with NH-8. The stretch from Faridabad Gurgaon Road to Sohna Road (which is formerly known as Extended Golf Course Road) is already constructed while the remaining stretch (i.e. from Sohna Road to NH-8) is under construction. Based on the interactions with local market players, we understand that approx. 1 km stretch near Sohna Road is under litigation and the same is resulting into a delay in completion of the road. Post completion, the Southern Periphery Road is expected to significantly improve connectivity and reduce traffic congestion within Gurgaon.

5. **Kundli Manesar Palwal (KMP) Expressway:** KMP Expressway, also known as Western Peripheral Expressway is an approx. 135 km long expressway and is divided into three sections of approx. 45

km each. The expressway, once completed, will be the largest Build Operate Transfer (BOT) project in the country and will provide a high-speed link between northern and southern districts of Haryana. The project is being implemented under the authority of Haryana State Industrial and Infrastructure Development Corporation Ltd (HSIIDC). The main aim of the expressway is to decongest the National Capital Region by providing a by-pass route to heavy vehicles. The same has witnessed limited progress due to ongoing land acquisition issues.

6. **Proposed ISBT near Village Kherki Dhaula:** Government of Haryana has proposed an ISBT (Inter State Bus Terminus) and a MRTS (Mass Rapid Transit System) depot near Village Kherki Dhaula in Gurgaon, spread across an area of approx. 162 hectares. This initiative is expected to considerably improve the situation of public transport in Gurgaon, which at present is a considerable constraint on account of infrastructure inefficiency in the region. The same is currently proposed with no definitive commencement and completion timelines available in the public domain.

The above mentioned infrastructure initiatives have been highlighted in the map below:



Source: CBBRE Research

4.4 Gurgaon Commercial Office Market Summary

Commercial activity in Gurgaon commenced in the form of industrial operations and the region now houses operations of several big names such as Maruti Udyog, Delphi, Rico, KLG Systel, etc. Owing to limited supply of Grade A office space in New Delhi, limited land availability and escalating office space rentals in main Delhi along with the advent of IT/ITeS activity, Gurgaon has become an alternative commercial hub to New Delhi and has witnessed an increased activity in the commercial segment. The region has attracted the interest of corporates on the back of availability of Grade A office space at relatively cheaper price.

Prominent companies that have set-up operations in Gurgaon include Alcatel, Accenture, Convergys, Dell, GENPACT, Flextronics, Microsoft, Nokia, Motorola, TCS, IBM-Daksh, ABN AMRO Bank, Canon India, Sapient, etc. Companies such as NIIT, SmithKline Beecham and Unicorp have shifted a major portion of their operations from Delhi to Gurgaon. Large business houses such as Coke, British Gas, GE, Hindustan Lever, Nestle and PepsiCo have also relocated their offices to Gurgaon. Gurgaon has also become an important hub for various Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO) centers in the NCR region.

Commercial activity primarily started in Gurgaon along the MG Road and NH-8 corridor (including the sector roads connecting to the NH-8) due to several reasons such as land positions being taken along these vectors early in the development cycle, proximity to Delhi, relatively affordable office space options, etc. With saturation of land in this belt especially in regions neighbouring Delhi, the development activity shifted towards DLF Cybercity (developed by DLF, comprising of SEZ (Special Economic Zones) as well as Non-SEZ developments, with primary focus on the IT / ITeS sector), further on NH-8 up to Rajiv Chowk (presence of developers such as BPTP, DLF, Unitech, JMD along this vector) as well as in other locations such as Udyog Vihar, South City Road, etc. Although initial activity was focused towards Build to Suit (BTS) developments for corporate houses & BPO units, various prominent multi tenanted buildings (MTB) emerged across these regions.

Rising land costs coupled with enhanced demand for quality space options from companies further fuelled commercial activity to newer corridors such as Golf Course Road. Golf Course Road is an established business destination of Gurgaon and is situated in proximity to CBD (M.G. Road and Cyber City) of Gurgaon. This market has witnessed significant commercial activity over the last 5-7 years. Prominent projects along this corridor include DLF Genpact, DLF Center-court, Golf View Towers, Masterpiece, Vatika Towers, Augusta Point, Suncity Business Towers, etc.

Limited availability of land in the above mentioned corridors has further led to the emergence of newer corridors of potential growth such as Golf Course Extension Road, Gurgaon – Sohna Road, Gurgaon Faridabad Road, Northern Periphery Road, Southern Periphery Road, Peripheral Sectors beyond Manesar Toll, etc. Currently, Golf Course Extension Road, Gurgaon Sohna Road and Gurgaon Faridabad Road are fast emerging as alternative commercial hubs (Secondary Business District) owing to their proximity to established commercial areas of Gurgaon. These vectors are witnessing significant real estate activity from prominent developers such as Bestech, Vatika, Unitech, BPTP, Emaar MGF, ILD, M3M, Orchid, Universal Group, etc. Majority of the developments in these areas are under various stages of construction with limited developments having commenced operations.

Owing to an increasing demand for commercial office space, the focus has further shifted towards the peripheral vectors forming part of the new master pan areas of Gurgaon as per the Gurgaon Manesar master plan 2031 such as Northern Periphery Road (connecting Dwarka in South West Delhi to Hero Honda Chowk on the expressway in Gurgaon), Southern Periphery Road and Peripheral Sectors beyond Manesar Toll. These vectors are the future growth vectors of Gurgaon with most developers in possession of commercially licensed land parcels with a few developers already having launched their commercial projects. The Southern Periphery Road is perceived to have a distinct advantage over other areas primarily on account of the proximity to established regions such as Golf Course Road, Sohna Road, etc. Some of the developers which have launched theirs commercial / retail projects in these areas include Bestech, Raheja, Unitech, SS Group, Vatika, DLF, Ansals, etc. Most of these developments are under various stages development. Further, a number of prominent developers have accumulated large land banks in these peripheral sectors and hence, a lot of supply is expected to be launched in the near future.

5 Micro-Market Overview

As highlighted earlier, the subject property is located along the MG Road, which is an established commercial vector of Gurgaon and hence, is characterized by the presence of various commercial and retail developments. Further, the subject vector is located towards the north – eastern part of the city in close proximity to other established real estate vectors of Gurgaon such as National Highway – 8, DLF Cyber City, Golf Course Road, DLF City Phase II, DLF City Phase III, Sushant Lok, etc.

The subject micro – market enjoys excellent connectivity with other parts of Gurgaon and NCR on account of well laid out road network and metro connectivity in the subject region. As highlighted earlier, the subject region enjoys excellent connectivity with other parts of National Capital Region (NCR) by virtue of being accessible via the MG Road. The proximity to NH – 8 and the presence of metro line along the MG Road further enhance the connectivity of the subject vector from the National Capital Territory of New Delhi and other parts of NCR.

Being an established commercial vector of the city, the subject region houses several commercial (office) developments such as Vatika City Point, ABW Towers, Time Tower, Vatika Triangle, Salcon Platina, Unitech Global Business Park, Vatika First India Place (**'subject development'**), DLF Corporate Park, Vipul Agora, JMD Regent Square, etc. Moreover, the subject region also comprises of several retail malls such as MGF Metropolis, MGF Metropolitan, MGF Mega City, DLF City Center, Gurgaon Central, Sahara Mall, etc. In addition, various hospitality developments such as The Westin, The Bristol, Le Meridien, etc. are also located along the said corridor. Other than the commercial / retail developments, the subject region also houses various residential layouts / developments such as DLF Beverly Park (I & II), Sahar Grace, Essel Towers, Heritage City, DLF City Phase II, DLF City Phase III, etc.

5.1 Commercial Market Summary

Based on our market study, we understand that the quoted capital and rental values for commercial spaces along the MG Road vary depending on various parameters such as accessibility, location, size, visibility, specifications offered, construction status / age of development, building condition, floor rise (ground floor / upper floors), type of space (i.e. type of fit-outs viz. bare shell, warm shell, fully fitted out spaces, etc.), etc. The table below presents the quoted capital / rental values in various developments that have been benchmarked for the purpose of this appraisal exercise:

Name of Development	*Year of Construction*	*Quoted Rental Value* (INR per sft per month)*	*Quoted Capital Value* (INR per sft)*
DLF Corporate Park	2000	GF: NA UF: 105 – 115	GF: NA UF: 18,000 – 20,000
JMD Regent Square	2001	GF: 130 – 140 UF: 90 – 100	GF: 20,000 – 22,000 UF: 16,000 – 18,000
Unitech Global Business Park	2002 – 2004	GF: NA UF: 110 – 120	GF: NA UF: 18,000 – 20,000

Name of Development	Year of Construction	Quoted Rental Value* (INR per sft per month)	Quoted Capital Value* (INR per sft)
ABW Towers	2009	GF: 170 – 190 UF: 110 – 120	GF: 25,000 – 35,000 UF: 18,000 – 20,000
Vatika City Point	2009	GF: NA UF: 110 – 120	GF: NA UF: 17,000 – 20,000
Time Tower	2009	GF: 180 – 200 UF: 125 – 135	GF: NA UF: 21,000 – 23,000
Salcon Platina	2015	GF: 150 – 190 UF: 115 – 125	GF: 25,000 – 30,000 UF: 17,000 – 20,000

Source: CBRE Research
** The quoted prices are for warm shell spaces. Further, the prices have not been adjusted for preliminary negotiation*
NA – Not Available, GF- Ground Floor, UF- Upper Floor(s)

As highlighted in the table above, the quoted rental values (for warm shell spaces) for spaces located on ground floor of commercial developments along the MG Road range from INR 150 – 200 per sft per month and the quoted rental values for upper floors are in the range of INR 90 – 125 per sft per month depending on the parameters highlighted above. Keeping the same in perspective along with factors such as location, visibility, accessibility, building condition, age, etc. of the subject development, following market rentals have been adopted for subject property as on the date of valuation for the purpose of this appraisal exercise:

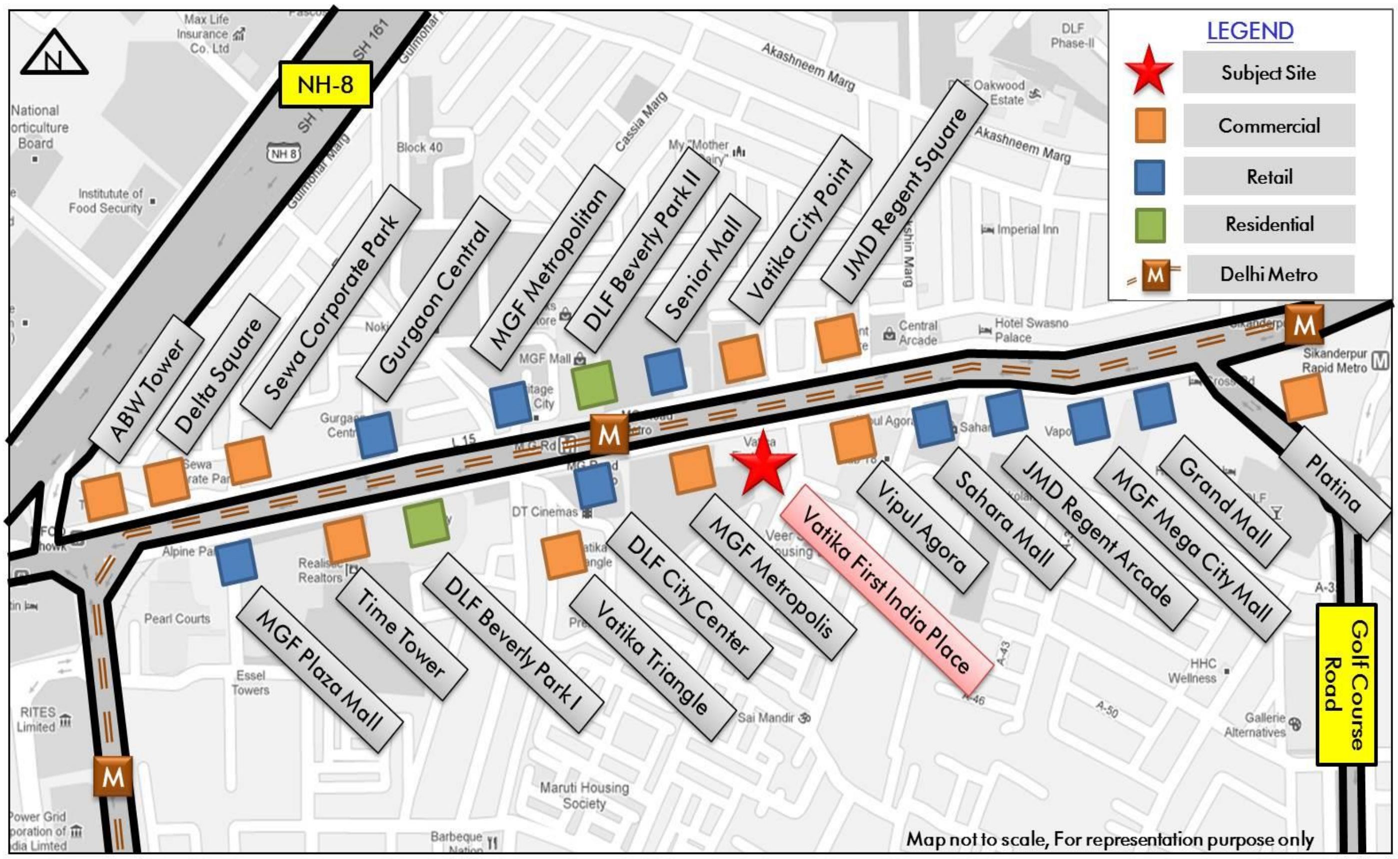
Floor	Market Rental (INR/sft/month)
Ground Floor	175
Upper Floors	100

Source: CBRE Research/ Assumption

In addition, the typical lease terms prevalent in the subject region involve a tenure of 9 (3+3+3) years with a lock – in period of 3 years and an escalation of 15% after every 3 years.

Further, the quoted capital values for spaces located on upper floors of commercial developments along the MG Road are in the range of INR 16,000 – 20,000 per sft whereas the quoted capital values for ground floor are in the range of INR 20,000 – 30,000 per sft. However, based on our market study, we understand that there is limited availability of commercial spaces located on ground floor of developments in the subject vector.

The map below highlights the prominent developments in the subject micro – market:



Source: CBRE Research

5.2 Marketability

Based on our market research and interactions with local market players such as brokers, developers, etc., we understand that the subject vector has witnessed limited transaction activity for large commercial spaces over the past few years. Further, there has been only one significant transaction witnessed in the subject micro – market in the past 2 – 3 years. The details of the same are highlighted in the table below:

Date of Transaction	Property	Area (sft)	Seller	Buyer	Capital Value (INR Mn)	Capital Value (INR per sft)
Q1, 2014	DLF Corprate Park (Building 3B)	37,000	PepsiCo	InterGlobe Enterprises	500	13,514

Source: CBRE Research

Considering the above and keeping the size of the subject property in perspective, we are of the opinion that the marketability of the subject property is low and hence, a timeframe of at least 15 – 18 months would be required to dispose the entire property.

6 Valuation Rationale

6.1 Scope of Valuation

The valuation exercise is aimed at the assessment of the Market Value (MV) of the subject property. In considering the value of the property, we have considered the guidelines laid out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS), U.K.

6.2 Market Value

The Market Value is defined as

'The estimated amount for which a property 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'.

6.3 Approach and Methodology

The purpose of this appraisal exercise is to estimate the Market Value (MV) of the subject property. This has been achieved by a systematic gathering, classification and analysis of data, which is required in the development of two basic approaches to appraisal, viz. the **Direct Comparison Approach** and the **Income Approach**, as discussed below.

6.3.1 Direct Comparison Approach

In **'Direct Comparison Approach'**, the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). This technique demonstrates what buyers have historically been willing to pay (and sellers/landlords willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of land that is typically traded as open plots or with structures thereon.

Post obtaining the values of property which have been transacted or are offered for sale, as discussed above, a fair transaction value is determined based on the prevailing market dynamics.

However, the RICS under the clause 'Evidence of Market Transactions' indicates that:

'Generally, market valuations are based on evidence of market transactions of similar properties. A valuation, however, is an exercise in judgment and should represent the valuer's opinion of the price which would have been obtained if the property had been sold at the valuation date on the terms of the definition of Market Value. The valuer is not bound to follow evidence of market transactions unquestioningly, but should take account of trends in value and the market evidence available to him, whether or not of directly comparable transactions, adjusting such evidence to reflect the MV definition and attaching more weight to some pieces of evidence than others, according to the valuer's judgment. It is seldom that a valuer has evidence of contemporaneous transactions of precisely similar properties to that being valued. The art of valuation often involves subjective adjustments to evidence of transactions, which are not wholly comparable together with interpretation of trends in value. A valuer must exercise skill, experience and judgment in valuing and in making such adjustments and comparisons, even to the extent of making a market valuation (of a property for which it is thought there would have been a market) in the absence of any direct transaction evidence.'

6.3.2 Income Approach

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, income capitalization and discounted cash flow (DCF).

A. Income Capitalization Method

Income capitalization involves capitalizing a 'normalized' single - year net income estimated by an appropriate market based yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

B. Discounted Cash Flow Method

Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income associated with the property. These future financial benefits are then discounted to a present day value at an appropriate discount rate.

In our opinion, it is a more accurate determinant of value than the direct capitalization method when valuing income producing/ development properties in unstabilized markets. This method allows for explicit modelling of income associated with the development of the property.

6.4 Methodology Adopted

We acknowledge that the approaches to valuation differ considerably and that for a particular purpose alternative approaches to valuation can be utilized subject to Client's consultations and giving due consideration to Client's requirements. For the purpose of this valuation exercise we have adopted the **Discounted Cash Flow Method** (**with rent reversion**) and **Direct Comparison Approach** to ascertain the market value of the subject property.

6.5 Discounted Cash Flow Approach (using rent reversion)

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase the attractiveness of the property to prospective tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well. Hence, in order to arrive at a unit value for these tenancies, we have considered the impact of such leases (sub/ above market leases) on the valuation of the subject property.

For the purpose of this valuation exercise, we have analyzed the tenancy details provided by the Client to identify variances vis-à-vis prevailing market rentals. The variance thresholds adopted for the purpose of this valuation exercise are as follows:

- Variance of 15% for leases higher than market rentals: This is based on the premise that tenants would consider the cost of fit-outs, moving out expenses, etc. before they decide to move out of the existing space. Based on the empirical evidence, we are of the opinion that leases which are above 15% as compared to the prevailing market rentals will either consider renegotiation or moving out of the premise at the time of lock-in expiry, first escalation, second escalation, etc. whichever is earlier from the date of valuation.

- Variance of 0% for the leases lower than market rentals: This is based on the premise that the leases which are below the prevailing market rentals rental would continue till the expiry of the term as the developer legally cannot terminate the lease.

Further, we have projected future cash flows from the property based on existing lease terms till the expiry of the leases or re-negotiation (using the variance analysis defined above), whichever is earlier. Post which, the lease terms have been aligned with those prevalent in the market. These cash flows have been projected upto a duration of 10 years from the date of valuation. These future financial benefits are then discounted to a present day value at an appropriate discount rate.

6.6 General Assumptions

6.6.1 Development Assumptions

As per the rent roll provided by the Client, we understand that the total leasable / saleable area of the subject property admeasures approx. 37,118 sft. The leasable / saleable area at the subject property is spread across ground and three upper floors. Further, it is understood that ground, first and third floor at the subject development are currently leased out and the second floor is presently vacant. The table below highlights floor – wise tenant and area details of the subject property:

Floor	*Tenant*	*Area (sft)*
Ground	HDFC Bank Ltd.	4,250
Ground	HDFC Bank Ltd.	1,521

Floor	Tenant	Area (sft)
Ground	Housing Development Finance Corporation Ltd.	2,604
First	Vertex Customer Management India Pvt. Ltd.	9,619
Second	Vacant	9,593
Third	HH Print Management India Pvt. Ltd.	6,359
Third	TCG Digital Solutions Pvt. Ltd.	3,172
	Total	**37,118**

Source: Client

6.6.2 Revenue Assumptions

6.6.2.1 *Lease Rent Assumptions*

For the purpose of this appraisal exercise, the lease rental adopted for the area already leased is based on the rent roll shared by the Client. Further, CBRE has undertaken an in-depth market research exercise to assess the prevailing rental values in the subject micro-market. The same has been adopted for the vacant space for the purpose of this valuation exercise.

As highlighted in earlier sections, the rentals in the subject vector vary significantly between ground and upper floors. In consideration of the same, following market rentals have been adopted for the ground floor and upper floors at the subject development for the purpose of this valuation exercise:

Floor	Market Rental (INR/sft/month)
Ground Floor	175
Upper Floors	100

Source: CBRE Research/ Assumption

Based on the above, the lease rentals adopted for the subject development as on the date of valuation have been tabulated below:

Component	Average Rental (INR/sft/month)
Leased Area	116
Vacant Area	100

Source: Client; CBRE Research/Assumption

6.6.2.2 *Fit-out Rentals*

As per the rent roll provided by the Client, we have adopted fit – out rentals at the subject property which are highlighted in the table below:

Floor	*Tenant*	*Area (sft)*	*Fit – out Rental (INR per sft per month)*
Ground	HDFC Bank Ltd.	4,250	0*
Ground	HDFC Bank Ltd.	1,521	0*
Ground	Housing Development Finance Corporation Ltd.	2,604	0*
First	Vertex Customer Management India Pvt. Ltd.	9,619	0*
Second	Vacant	9,593	5**
Third	HH Print Management India Pvt. Ltd.	6,359	20*
Third	TCG Digital Solutions Pvt. Ltd.	3,172	0*
	Total	**37,118**	

** Client input*
*** CBRE Assumption*

Based on the above, we understand that in addition to the lease rentals, area admeasuring approx. 15,952 sft commands a weighted average fit-out rental of approx. INR 10.98 per sft per month. The same has been adopted for the purpose of this valuation exercise till the respective lease periods.

6.6.2.3 *Rent Escalation*

Based on the analysis of rent roll received from the Client, we understand that the typical escalation clause witnessed in the subject development is approx. 15% after every three years, which is in-line with the subject micro-market. The same has been adopted by CBRE for the vacant area.

6.6.3 Expense Side Assumptions

As highlighted earlier, the subject property is an operational office development and has been operational since 2001. Hence, there is no pending cost of construction pertaining to the subject property. The same has been considered for this valuation exercise. Further, based on the information provided by the Client, we have incorporated the payment towards insurance premium of INR 119,254 per annum in our valuation workings.

6.6.4 Other Assumptions

Revenue escalation ~ We have assumed an average annual escalation of 5% in the market rent.

Rent – free period ~ Based on the trend prevalent in the subject micro – market, we have considered a rent free period of 3 months for the subject property from the lease commencement date (for future / new leases).

6.6.5 Capitalization Rates

The market value of the subject property using the discounted cash flow approach has been calculated by capitalizing the annual rental income stream for the subject property for one full year of operation. To estimate the exit valuation, this annual rental income has been capitalized using prevalent / expected market yields for institutional sale of commercial properties in the market.

Given the lack of depth in institutional property sales, we have compiled some of the notable transactions in the past few quarters across developed markets in India and utilized the prevailing yields for capitalization of the net operating income stream. Additionally, based on our interactions with the investors in the institutional segment, we understand that the subject development would attract similar yields.

City/Location	*Date of Transaction*	*Property*	*Area (sft)*	*Capital Value (INR per sft)*	*Lease rent (INR per sft per month)*	*Implied Yield**
Chennai	Q2, 2015	SP Infocity	2,700,000	5,193	50	11.55%
Mumbai	Q2, 2015	247 Business Park	1,120,000	9,375	75	9.60%
Noida	Q2, 2015	Green Boulevard	708,000	3,814	35	11.00%
Noida	Q4, 2014	3C Oxygen SEZ	1,450,000	6,250#	34	11.00% - 11.25%
Gurgaon	Q1, 2014	DLF Corprate Park (Building 3B)	37,000	13,514	105	9.32%
Bangalore	Q1, 2014	Vrindavan Tech Village	2,100,000	6,000	53	10.60%
Delhi	Q3, 2013	Jeevan Deep Building	36,000	34,722	300	10.40%
Mumbai	Q2, 2013	First India Financial Centre	297,000	32,997	320	11.60%
Chennai	Q2, 2013	The Futura	566,570	3,591	30	10.00%
Gurgaon	Q1, 2013	BPTP Crest	625,000	5,760	55	11.50%
Chennai	Q1, 2013	Leela IT Park	220,000	7,732	70	11.00%
Noida	Q1, 2013	Logix Cyber Park	1,229,040	4,882	42	10.30%
Chennai	Q1, 2013	Varalakshmi IT Park	400,000	3,750	37	11.80%
Hyderabad	Q1, 2013	aVance 3	690,520	4,055	37	10.90%
Mumbai	Q1, 2013	Voltas International House	27,000	14,815	140	11.00%
Mumbai	Q3 2012	Grande Palladium	60,000	21,667	180	9.97%

Source: CBRE Research

** The Yields mentioned in the table are exclusive of interest on security deposits*

 # The total proceeds (transaction value) includes payments towards vacant land area admeasuring approx.11 acres

Considering the above yield comparables across established markets and superior location of the subject property, we have adopted a **capitalization rate of 9.5%** for the subject development. In addition, transaction cost of 1% on the entire proceeds has been considered for the purpose of this appraisal.

6.6.6 Financial Assumptions

To arrive at the market value of the subject property, an appropriate discounting rate has been calculated for discounting the cash flows projected for the next few years. The discount Rate adopted for the purpose of this valuation exercise is based on the prevailing Yield (Capitalization Rate) + Growth Rate (CAGR). The table below highlights the details of the same:

Component	*Workings*
Yield (Capitalization Rate)	9.50%
Growth Rate (CAGR)	4.75%*
Discount Rate for Future Cash Flows	14.25%

Source: CBRE Research

** The same is based on a growth rate of 15% every 3 years, which is the typical escalation clause prevalent in the market and across existing leases at the subject property*

6.6.7 Value of the Subject Property

Based on DCF analysis (using rent reversion), the market value of the subject property as on the date of valuation at a discount rate 14.25% is as follows:

Description	*Discount Rate (%)*	*Market Value (INR mn)*
Tower A, First India Place	14.25%	520

6.7 Direct Comparison Approach

As highlighted earlier, the subject property has also been valued using the **Direct Comparison Approach**.

Under this approach, the market value of the subject property has been assessed based on similar properties that have actually been sold in an arm's-length transaction or are offered for sale in the subject micro-market. However, there is limited transacted / quoted evidence of similar comparable properties and the value of the subject property has been estimated after taking into consideration the premium/ discount for location, size, access, floor rise, specifications, etc.

The capital values in the subject micro-market vary depending on factors such as location, accessibility, size of the property, current status of the property (leased / vacant), profile of development, visibility, specifications offered, construction status / age of development, building condition, floor rise (ground floor / upper floors), etc. Based on our interactions with market players in the subject micro-market, it is understood that the capital values for commercial spaces in the subject region are primarily governed by parameters which are as follows:

- **Size of the property** ~ based on our market study, it was observed that smaller commercial spaces would command a premium as compared to larger spaces in the same micro-market. This is attributed to limited demand for larger spaces on account of large ticket size; as a consequence, larger spaces require significantly more time frame for marketing / effecting a transaction vis-à-vis smaller spaces

- **Location / Accessibility** ~ based on our market study, it was observed that commercial spaces in developments located along the MG Road would command higher capital values in comparison to developments located off the MG Road / along internal roads

- **Visibility** ~ based on our market research, we understand that commercial spaces enjoying superior visibility attributes (such as visibility from MG Road) were observed to command higher capital values vis-à-vis commercial spaces with inferior visibility attributes

- **Floor** ~ based on the market research, it was observed that commercial spaces located on the ground floor would trade at a premium as compared to commercial spaces situated on upper floors

- **Specifications, age and condition of the building** ~ based on our market study, it was observed that new developments in better working condition and offering superior specifications would command higher capital values as compared to relatively older developments

- **Status of the property** ~ based on the market research, it was observed that leased out commercial spaces would command higher capital values as compared to vacant / unleased spaces

6.7.1 Direct Comparison Approach ~ Ground Floor (Area admeasuring approx. 8,375 sft)

The table below exhibits a few quoted instances of commercial spaces in the subject region:

Comparable	*Saleable Area (sft)*	*Development*	*Floor*	*Negotiated Price (INR / sft)**	*Property Description*
C-1 (Quoted)	10,000	ABW Towers	7th Floor	16,200	• C1 is a vacant space located on 7th floor of ABW Towers at a distance of approx. 1 – 2 km from the subject property • The building was constructed in the year 2009 • Similar size vis-à-vis the subject property • Similar locational and accessibility attributes vis-à-vis the subject property • Inferior visibility attributes vis-à-vis the subject property
C-2 (Quoted)	4,000	Vatika City Point	2nd Floor	15,300	• C2 is a vacant space located on 2nd floor of Vatika City Point at a distance of less than 1 km from the subject property • The building was constructed in the year 2009 • Similar size vis-à-vis the subject property • Similar locational and accessibility attributes vis-à-vis the subject property • Inferior visibility attributes vis-à-vis the subject property
C-3 (Quoted)	11,000	Salcon Platina	2nd Floor	15,300	• C3 is a vacant space located on 2nd floor of Salcon Platina at a distance of approx. 1 – 2 km from the subject property • The building was constructed in the year 2015 • Similar size vis-à-vis the subject property • Similar locational and accessibility attributes vis-à-vis the subject property • Inferior visibility attributes vis-à-vis the subject property

Source: CBRE research
**The prices mentioned above have been adjusted for preliminary negotiation*

Comparable 1 (C1): C1 is a vacant space situated on 7th floor of a commercial development christened as 'ABW Towers', which is located along the MG Road. The said development is located at a distance of approx. 1 – 2 km from the subject property and was constructed in the year 2009.

Based on the market research and interactions with local market players such as brokers, developers, etc., we understand that the subject property (SP) is similar to C1 in terms of size, location and accessibility attributes. Further, the SP was constructed in the year 2001 whereas C1 was constructed in

2009. Hence, the SP is relatively inferior in terms of age and has older furnishing and specifications as compared to C1, owing to which the SP would attract a discount vis-à-vis C1. However, the SP is located on the ground floor and hence, enjoys excellent visibility from MG Road whereas C1 is located on 7th floor with inferior visibility attributes. Hence, the SP would trade at a significant premium as compared to C1. The SP would further command a premium over C1 by virtue of being a leased out space whereas C1 is currently a vacant / unleased space.

Thus, considering the aforementioned factors, it is opined that the subject property would command an overall premium of approx. 70% - 75% vis-à-vis C1.

Comparable 2 (C2): C2 is a vacant space situated on 2nd floor of a commercial development christened as 'Vatika City Point', which is located along the MG Road. The said development is located at a distance of less than a km from the subject property and was constructed in the year 2009.

Based on the market research and interactions with local market players such as brokers, developers, etc., we understand that the subject property (SP) is similar to C2 in terms of size, location and accessibility attributes. Further, the SP was constructed in the year 2001 whereas C2 was constructed in 2009. Hence, the SP is relatively inferior in terms of age and has older furnishing and specifications as compared to C2, owing to which the SP would attract a discount vis-à-vis C2. However, the SP is located on the ground floor and hence, enjoys excellent visibility from MG Road whereas C2 is located on 2nd floor with inferior visibility attributes. Hence, the SP would trade at a significant premium as compared to C2. The SP would further command a premium over C2 by virtue of being a leased out space whereas C2 is currently a vacant / unleased space.

Thus, considering the aforementioned factors, it is opined that the subject property would command an overall premium of approx. 70% - 75% vis-à-vis C2.

Comparable 3 (C3): C3 is a vacant space situated on 2nd floor of a commercial development christened as 'Salcon Platina', which is located along the MG Road. The said development is located at a distance of approx. 1 – 2 km from the subject property and was constructed in the year 2015.

Based on the market research and interactions with local market players such as brokers, developers, etc., we understand that the subject property (SP) is similar to C3 in terms of size, location and accessibility attributes. Further, the SP was constructed in the year 2001 whereas C3 was constructed in 2015. Hence, the SP is relatively inferior in terms of age and has older furnishing and specifications as compared to C3, owing to which the SP would attract a discount vis-à-vis C3. However, the SP is located on the ground floor and hence, enjoys excellent visibility from MG Road whereas C3 is located on 2nd floor with inferior visibility attributes. Hence, the SP would trade at a significant premium as compared to C3. The SP would further command a premium over C3 by virtue of being a leased out space whereas C3 is currently a vacant / unleased space.

Thus, considering the aforementioned factors, it is opined that the subject property would command an overall premium of approx. 65% - 70% vis-à-vis C3.

Based on the above analysis, CBRE is of the opinion that the market value of the ground floor of the subject property admeasuring approx. 8,375 sft, as on the date of valuation would range from **INR 25,551 – 27,864 per sft; say INR 26,708 per sft;** thus, translating into an average value of **INR 224 Mn**. However, as highlighted earlier, we understand that the subject micro – market has witnessed limited transaction activity for large commercial spaces over the past 2 – 3 years. Hence, keeping the size of the subject property in perspective, we are of the opinion that in order to effect a transaction, a marketing timeframe of at least 10 – 12 months is required for the SP. Thus, the subject property is attributed an additional discount of approx. 15% on account of the same.

Based on the above analysis, the value of the ground floor of the subject property admeasuring approx. 8,375 sft as on the date of valuation would be **INR 22,701 per sft, thereby translating into a value of INR 190 Mn.**

6.7.2 Direct Comparison Approach ~ Upper Floors (Area admeasuring approx. 28,743 sft)

The table below exhibits a few quoted instances of commercial spaces in the subject region:

Comparable	*Saleable Area (sft)*	*Development*	*Floor*	*Negotiated Price (INR / sft)**	*Property Description*
C-1 (Quoted)	10,000	ABW Towers	7th Floor	16,200	• C1 is a vacant space located on 7th floor of ABW Towers at a distance of approx. 1 – 2 km from the subject property • The building was constructed in the year 2009 • Similar size vis-à-vis the subject property • Similar locational, accessibility and visibility attributes vis-à-vis the subject property
C-2 (Quoted)	4,000	Vatika City Point	2nd Floor	15,300	• C2 is a vacant space located on 2nd floor of Vatika City Point at a distance of less than 1 km from the subject property • The building was constructed in the year 2009 • Similar size vis-à-vis the subject property • Similar locational, accessibility and visibility attributes vis-à-vis the subject property
C-3 (Quoted)	11,000	Salcon Platina	2nd Floor	15,300	• C3 is a vacant space located on 2nd floor of Salcon Platina at a distance of approx. 1 – 2 km from the subject property • The building was constructed in the year 2015 • Similar size vis-à-vis the subject property

Comparable	Saleable Area (sft)	Development	Floor	Negotiated Price (INR / sft)*	Property Description
					• Similar locational, accessibility and visibility attributes vis-à-vis the subject property

Source: CBRE research
**The prices mentioned above have been adjusted for preliminary negotiation*

Comparable 1 (C1): C1 is a vacant space situated on 7th floor of a commercial development christened as 'ABW Towers', which is located along the MG Road. The said development is located at a distance of approx. 1 – 2 km from the subject property and was constructed in the year 2009.

Based on the market research and interactions with local market players such as brokers, developers, etc., we understand that the subject property (SP) is similar to C1 in terms of size, location, visibility, floor rise and accessibility attributes. Further, the SP was constructed in the year 2001 whereas C1 was constructed in 2009. Hence, the SP is relatively inferior in terms of age and has older furnishing and specifications as compared to C1, owing to which the SP would attract a discount vis-à-vis C1. However, the SP would further command a premium over C1 by virtue of having majority of the space leased out whereas C1 is currently a vacant / unleased space.

Thus, considering the aforementioned factors, it is opined that the subject property would attract an overall discount of approx. 5% - 10% vis-à-vis C1.

Comparable 2 (C2): C2 is a vacant space situated on 2nd floor of a commercial development christened as 'Vatika City Point', which is located along the MG Road. The said development is located at a distance of less than a km from the subject property and was constructed in the year 2009.

Based on the market research and interactions with local market players such as brokers, developers, etc., we understand that the subject property (SP) is similar to C2 in terms of size, location visibility, floor rise and accessibility attributes. Further, the SP was constructed in the year 2001 whereas C2 was constructed in 2009. Hence, the SP is relatively inferior in terms of age and has older furnishing and specifications as compared to C2, owing to which the SP would attract a discount vis-à-vis C2. However, the SP would further command a premium over C2 by virtue of having majority of the space leased out whereas C2 is currently a vacant / unleased space.

Thus, considering the aforementioned factors, it is opined that the subject property would attract an overall discount of approx. 5% - 10% vis-à-vis C2.

Comparable 3 (C3): C3 is a vacant space situated on 2nd floor of a commercial development christened as 'Salcon Platina', which is located along the MG Road. The said development is located at a distance of approx. 1 – 2 km from the subject property and was constructed in the year 2015.

Based on the market research and interactions with local market players such as brokers, developers, etc., we understand that the subject property (SP) is similar to C3 in terms of size, location visibility, floor rise and accessibility attributes. Further, the SP was constructed in the year 2001 whereas C3 was constructed in 2015. Hence, the SP is relatively inferior in terms of age and has older furnishing and specifications as compared to C3, owing to which the SP would attract a discount vis-à-vis C3. However, the SP would further command a premium over C3 by virtue of having majority of the space leased out whereas C3 is currently a vacant / unleased space.

Thus, considering the aforementioned factors, it is opined that the subject property would attract an overall discount of approx. 10% - 15% vis-à-vis C3.

Based on the above analysis, CBRE is of the opinion that the market value of the upper floors of the subject property admeasuring approx. 28,743 sft, as on the date of valuation would range from **INR 13,701 – 15,317 per sft; say INR 14,509 per sft;** thus, translating into an average value of **INR 417 Mn**. However, as highlighted earlier, we understand that the subject micro – market has witnessed limited transaction activity for large commercial spaces over the past 2 – 3 years. Hence, keeping the size of the subject property in perspective, we are of the opinion that in order to effect a transaction, a marketing timeframe of at least 15 – 18 months is required for the SP. Thus, the subject property is attributed an additional discount of approx. 20% on account of the same.

Based on the above analysis, the value of the upper floors of the subject property admeasuring approx. 28,743 sft as on the date of valuation would be **INR 11,607 per sft, thereby translating into a value of INR 334 Mn**.

6.7.3 Value of the Subject Property

Based on Direct Comparison Approach, the market value of the subject property as on the date of valuation is as follows:

Description	*Saleable Area (sft)*	*Market Value (INR per sft)*	*Market Value (INR mn)*
Ground Floor	8,375	22,701	190
Upper Floors	28,743	11,607	334
Total	**37,118**	**14,110**	**524**

7 Valuation Conclusion

The date of appraisal is **September 30th, 2015**.

We verify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct, and have been verified wherever possible
- All possible factors affecting the value of the subject property were considered
- The analysis, opinions and conclusions reported herein are unbiased views and are limited only by the Underlying Assumptions and Limiting Conditions and other qualifications contained herein
- We have no past, present or contemplated (prospective) future interest in the real estate that is the subject of this report and we have no personal interest or bias with respect to the parties involved
- These appraisals and the procedures related thereto follow the Codes of Ethics and the Standards of Professional Practice of the professional institution noted
- CBRE South Asia Pvt. Ltd. has inspected the property on **September 24th, 2015**

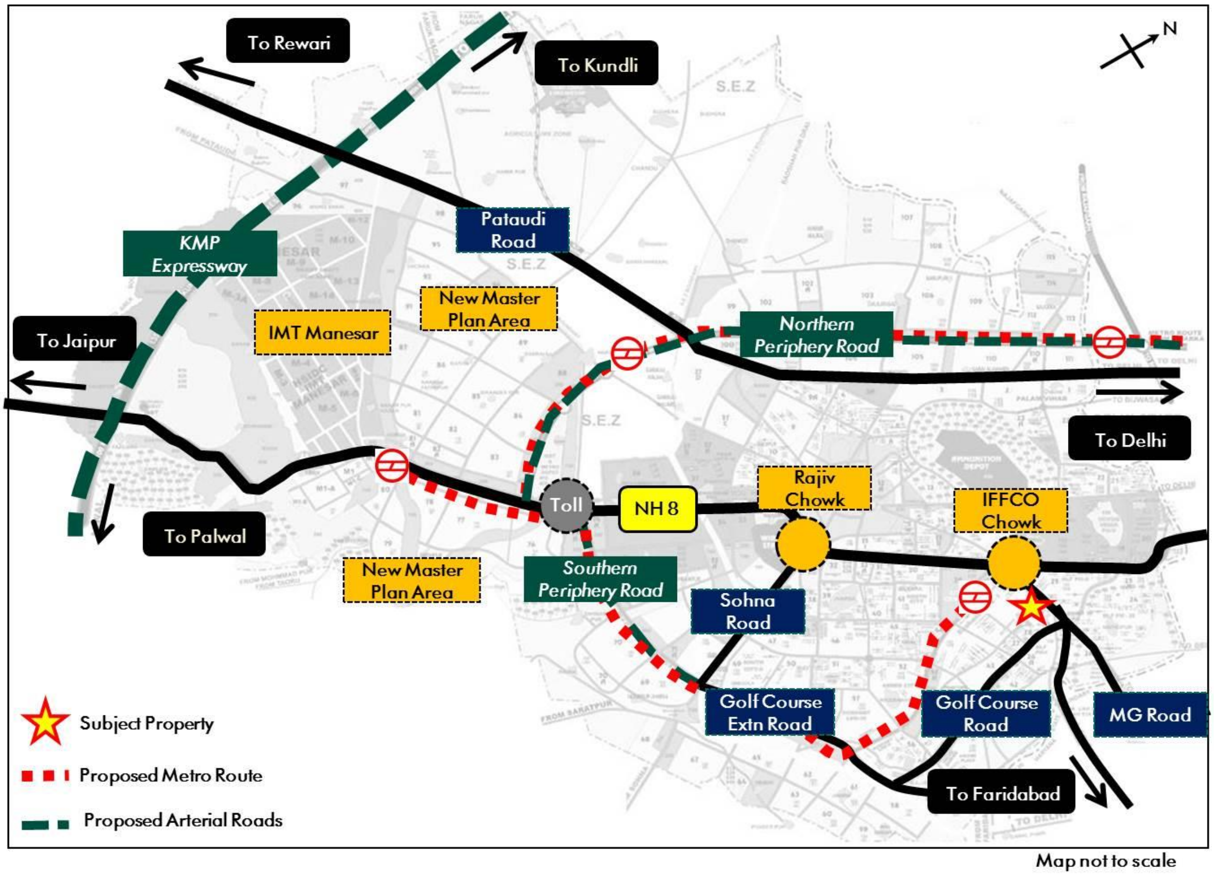
Based on the site visit of the subject property, subsequent market analysis, economic interests and configuration (size and location) of the subject property, CBRE opinion on the achievable market value for the subject property as on the date of valuation is highlighted in the table below:

Particular	*Methodology*	*Market Value (INR Mn)*
Tower A, First India Place	Discounted Cash Flow (adopting Rent Reversion)	520
	Direct Comparison	524
	Average Value	**522**

Appendices

1. Location Map
2. Financial Workings

1. Location Map



Source: CBRE Research

2. Financial Workings

Area Breakup

Area Sheet	
Component	**Saleable / Leasable Area (sq. ft)**
Office	37,118
First India Place (Tower A)	37,118
Total	**37,118**

Assumptions

Area Statement	
Total Leasable Area	**37,118**
Leased	27,525
Vacant	9,593

Exit Assumptions	
Capitalization Rate - % (completed Space)	9.50%
Transaction Cost on Exit (%)	1.00%
Discount Rate for future cash flows (%)	14.25%

Market rental for ground floor (MR)	175.00
Market rental for upper floors (MR)	100.00

Lease Details

			Lease Details		Lease Terms					
Building name, "tenant code"	Floor	Status	BUA as per agreements (sft)	Rental as on date of signing	Lease commencement date	Rent commencement date	Lease end date	Escalation due (months)	Escalation %age	Lock-in period (in years)
Tower A, HDFC Bank Ltd	GF	Leased	4,250	175	10-Oct-12	10-Oct-12	9-Oct-21	36 Months	15%	0.00
Tower A, HDFC Bank Ltd	GF	Leased	1,521	175	10-Aug-14	10-Aug-14	9-Oct-21	36 Months	15%	0.00
Tower A, Housing Development Finance Corporation Ltd	GF	Leased	2,604	178	1-Sep-14	1-Sep-14	31-Aug-20	36 Months	15%	0.00
Tower A, Vertex Customer Management India Pvt Ltd	FF	Leased	9,619	95	14-May-15	14-Aug-15	13-May-24	36 Months	15%	3.00
Tower A, HH Print Management India Pvt Ltd	TF	Leased	6,359	80	1-May-15	1-May-15	30-Apr-24	36 Months	15%	3.00
Tower A, TCG Digital Solutions Pvt Ltd	TF	Leased	3,172	94	1-Sep-15	1-Sep-15	31-Aug-24	36 Months	15%	4.00
Tower A, --	SF	Vacant	9,593	100	1-Jan-16	1-Apr-16	31-Dec-24	36 Months	15%	3.00

Fit – out Rent Details

Tenant Name	Leasable Area (sft)	Current Rent (INR/sft/month)	Date of commencement	Lease end date	Escalation due	Escalation on first term
Tower A, HDFC Bank Ltd	4,250	0	10-Oct-12	9-Oct-21	36 Months	15%
Tower A, HDFC Bank Ltd	1,521	0	10-Aug-14	9-Oct-21	36 Months	15%
Tower A, Housing Development Finance Corporation Ltd	2,604	0	1-Sep-14	31-Aug-20	36 Months	15%
Tower A, Vertex Customer Management India Pvt Ltd	9,619	0	14-May-15	13-May-24	36 Months	15%
Tower A, HH Print Management India Pvt Ltd	6,359	20	1-May-15	30-Apr-24	36 Months	15%
Tower A, TCG Digital Solutions Pvt Ltd	3,172	0	1-Sep-15	31-Aug-24	36 Months	15%
Tower A, --	9,593	5	1-Apr-16	31-Dec-24	36 Months	15%

Annual Revenue

Tenanat Name	Annual Revenues (INR Mn)											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
	Year 2015	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
Tower A, HDFC Bank Ltd	-	2.45	10.26	10	11	12	12	9	12	12	12	14
Tower A, HDFC Bank Ltd	-	0.88	3.67	4	4	4	4	3	4	4	4	5
Housing Development Finance Corpor	-	1.39	5.57	6	6	6	5	7	7	7	8	8
A, Vertex Customer Management India	-	2.74	10.97	11	12	13	13	14	15	15	12	18
wer A, HH Print Management India Pvt L	-	1.53	6.10	6	7	7	7	8	8	8	8	12
Tower A, TCG Digital Solutions Pvt Ltd	-	0.89	3.58	4	4	4	4	4	5	5	4	6
Tower A, --	-	-	8.63	12	12	13	13	13	15	15	15	14
Fit out rental		0	2	2	2	2	2	3	3	3	1	-

Consolidated Cash Flows

Financial Years	Sep-15 Yr 0	Dec-15 Yr 1	Dec-16 Yr 2	Dec-17 Yr 3	Dec-18 Yr 4	Dec-19 Yr 5	Dec-20 Yr 6	Dec-21 Yr 7	Dec-22 Yr 8	Dec-23 Yr 9	Dec-24 Yr 10	Dec-25 Yr 11
Gross Rental Income	-	10	49	52	55	59	58	58	66	66	63	75
Total Rental Income (net of vacancy)	**-**	**10**	**49**	**52**	**55**	**59**	**58**	**58**	**66**	**66**	**63**	**75**
Other Expenses												
Insurance		(0.03)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)
Net Annual Cash Flow	**-**	**10**	**49**	**52**	**54**	**59**	**58**	**58**	**66**	**66**	**63**	**75**
Capitalisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**834**
Fitouts rental		0	2	2	2	2	2	3	3	3	1	-
Cash Flow from Project	**-**	**10**	**51**	**54**	**57**	**62**	**60**	**60**	**68**	**69**	**65**	**909**

Assessed Value

WACC rate	**14.25%**
Date of Valuation	30-Sep-15
Value of the property (INR Mn)	520

CBRE