

**Strictly Confidential
For Addressee Only**

**Valuation Report for Green
Towers, Begumpet, Hyderabad**

Report for

**SDNMKJ Realty Pvt Ltd
and
JMKGEC Realtors Pvt Ltd**

Report Date

04 November 2019

Executive Summary

Green Towers, Begumpet, Hyderabad		
Valuation Date	29 th October 2019	 External View of Subject Property  Villa in the Subject Property  Internal View of the Subject Property
Valuation Purpose:	Internal Purpose	
Location/Situation:	Subject property is situated at Begumpet main road, Hyderabad. The micro market is mainly known for high street retail market and smaller commercial office space buildings. Due to closer proximity to other traditional business centres such as Secunderabad, Punjagutta, Somajiguda, Ameerpet, Sanath Nagar it has witnessed tremendous commercial and retail developments over the years. Several well-known retail, social and hospitality developments including Shoppers Stop, Lifestyle, Begumpet Airport, Country Club, Vivanta By Taj, The Manahor, Green Park, Marigold, ITC Kakatiya are located in Begumpet. Micro market is well connected to other part of the cities through Rail, Road and Metro.	
Description:	The subject property comprises of fully operational office space building and residential villa. The office space building spread across total plot area of 3,310 Sq. Yrd with total built up area of 78,000 Sq.ft. The office space consists of 2 basements and 5 upper floors. The residential villa spread across total plot area of 1,770 Sq.yrd with total built up area of 3,000 Sq.ft. Currently property is fully occupied. The site has good frontage on Begumpet main road (100 ft wide road).	
Tenure:	Freehold (As informed by the Client)	

Market Value of Property	Area	Value	Value per Sq.ft. or Sq.Yrd.
Green Towers	78,000 Sq.ft.	INR 650 Million	INR 8,333 / Sq.ft.
Guest House (Villa)	1,770 Sq.Yrd.	INR 163 Million	INR 92,000 / Sq.Yrd
Total Value		INR 813 Million	
This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.			

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**To: SDNMKJ Realty Pvt Ltd and JMKGEC
Realtors Pvt Ltd**

**Property: Valuation Study of Green Towers, Begumpet,
Hyderabad**

Report Date: 04 November 2019

Valuation Date: 29th October 2019

I. **REPORT**

I **Instructions**

Appointment

We are pleased to submit our report, which has been prepared for the internal purposes of **SDNMKJ Realty Pvt Ltd and JMKGEC Realtors Pvt Ltd** (hereinafter referred to as “CLIENT”). The property and interests assessed are detailed in Part D of this report.

The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Part D 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 Study**

We understand from our discussion with CLIENT, that the basic intention of the exercise is to assess the TEV study for the proposed residential development in its current state (its condition on the date of the site visit).

4 **Assumptions, Departures and Reservations**

We have prepared our report on the basis of the assumptions within our instructions (Caveats & Limitations) detailed in Appendix 3 of this report. The total super built up area of the subject property, details regarding the hard option like option expiry date, lease / rent commencement date in the event that the option is exercised, lease expiry date, lock-in expiry date, escalation terms, rent free incentives and other details like Operations & Maintenance (O&M) cost and income, property taxes and insurance has been provided to us by Developer.

5 Inspection

The Property was inspected externally from ground level on 29th October 2019 by Mr. Sandesh B, Valuation Advisory, Hyderabad, India. 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 is generally gathered from various reliable sources. However, for the purpose of this study the information on comparable properties has been gathered from C&WI research team and internal brokers and local commercial brokers.

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

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 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.

14 Valuation

Market Value

The valuation is prepared in accordance with the definition of Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors ("RICS") "The Red Book¹". Market Value is defined as 'The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.' (VS 3.2 Redbook 7th Edition)

In our opinion, the Market Value of the freehold interest in the property, subject to the existing tenancy is:

Market Value of Property	Area	Value	Value per Sq.ft. or Sq.Yrd
Green Towers	78,000 Sq.ft.	INR 650 Million	INR 8,333 / Sq.ft.
Guest House (Villa)	1,770 Sq.Yrd.	INR 163 Million	INR 92,000 / Sq. Yrd.
Total Value		INR 813 Million	

Signed For and on Behalf of Cushman & Wakefield India Pvt. Ltd


Somy Thomas, MRICS

Managing Director, Valuation & Advisory


Joseph Ajith, CFA

Senior Manager, Valuation & Advisory


Sandesh Reddy

Associate, Valuation & Advisory



¹ The Redbook - RICS Valuation Standard book

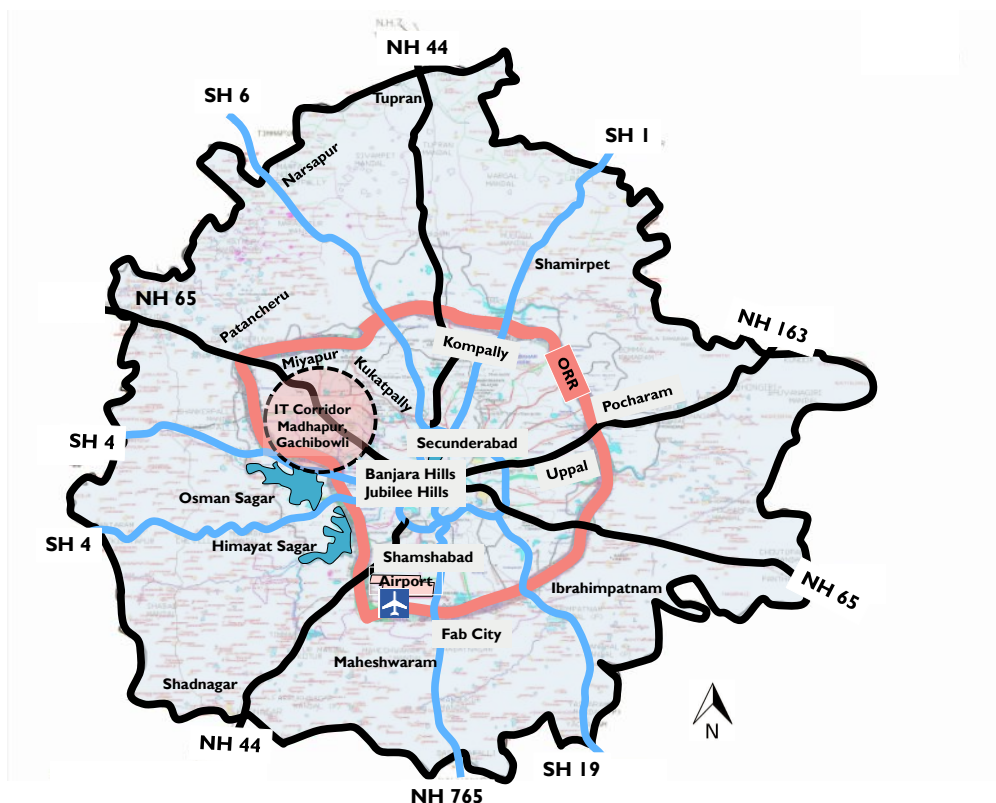
2. HYDERABAD CITY REPORT

2.1. Hyderabad City Overview

2.1.1. City Overview

Hyderabad, the capital city of both the states of Telangana and Andhra Pradesh, is an established IT/ITES, Pharmaceutical and Biotech destination. With the demand for separate State of Telangana for several years since independence, on 30th July 2013, the Central Government announced creation of Telangana state from existing State of Andhra Pradesh. June 2, 2014 had been declared as Telangana state formation day and from that date Telangana had come into an existence as 29th state of India. Hyderabad will be joint capital for both Telangana and erstwhile Andhra Pradesh for a period of 10 years.

The city of Hyderabad is spread over five districts viz. Hyderabad, Ranga Reddy, Medak, Nalgonda and Mahbubnagar. The Hyderabad Metropolitan area (under the jurisdiction of Hyderabad Metropolitan Development Authority (“HMDA”)) comprises nearly 7,229 Sq.km. Industrial activity in Hyderabad is quite broad based with sectors like IT/ITES, bio-technology, apparel parks, pharmaceuticals, construction etc. having presence in the city. IT/ITES and pharmaceutical & biotechnology industry are the dominant players and are expected to play an increasing role even in future.



Low cost of living as compared to other Indian metros, good quality of life, rapid pace of infrastructure development, a proactive government have led to increased corporate interest and enhanced investments in the city. With the growing competition amongst Indian states for attracting investments in various industries and service sector, the State with its proactive approach has taken several infrastructural initiatives to equip the city to handle mass flow expected in the city on account of the several large-scale projects and investments into the city. The population of Hyderabad as per 2011 census is 7.75 million

2.1.2. Planning/ Governing Agencies

Hyderabad Metropolitan Development Authority (HMDA) is the urban planning authority in Hyderabad. Hyderabad Metropolitan Development Authority (HMDA) was constituted vide G.O.Ms.No.570 MA dt: 25.08.2008 and the authorities such as Hyderabad Urban Development Authority (HUDA), Hyderabad Airport Development Authority (HADA), Cyberabad Development Authority (CDA) were dissolved.

The jurisdiction of Hyderabad Metropolitan Development Authority extends to 55 Mandal's located in five districts viz. Hyderabad (all 16 Mandal's), Medak (Part) – 10 Mandal's, Ranga Reddy (Part) – 22 Mandal's, Mahbubnagar (Part) – 2 Mandal's and Nalgonda (Part) – 5 Mandal's.

The total Hyderabad Metropolitan Development Area covers an area of 7229 Sq.km of which the existing areas (MCH,GHMC,HUDA (Inside ORR), SCB,CDA ,HADA(Inside ORR) cover an area of 1264 Sq.km and 5965 Sq.km extended area of HMDA is added as per HMDA Master Plan -2031.

Hyderabad Metropolitan Development Authority (HMDA) Jurisdiction	
Jurisdiction	Area (In Sq.km)
Extended Area of HMDA	
ORR Growth Corridor	330
Part of Erstwhile HUDA-Outside ORR	432
Part of Erstwhile HADA-Outside ORR	185
Extended area of HMDA-Urban	733
Extended area of HMDA-Rural	4285
Existing Area of HMDA	
(MCH, GHMC, HUDA (Inside ORR), SCB, CDA, HADA (Inside ORR)	1264
Total HMDA Area	7229

Source: HMDA Master Plan 2031 (AP GO MS NO.33, 2013)

2.1.3. Connectivity

The city is well connected by all modes of transport – rail, road, and air.

Transport Mode	Details
Rail	Hyderabad has a robust rail network both for commuting inside and outside the city. The City has a combination of light rail transportation system known as the Multimodal Transport System (“MMTS”) which offers connectivity within the city. The Hyderabad Metro, another mode of rapid transport is under construction and part of the Phase-I is already in operation and balance is expected to be operational by end of 2019. Secunderabad, Nampally and Kachiguda railway stations are the major railway junctions in the city. These junctions provide connectivity via rail both within the city and to other parts of the country.
Road	Hyderabad is well connected to the rest of the country by National Highways – NH-7, NH-9 and NH-202. It is well connected to other parts of the State also through Srisailem Highway, Karimnagar Highway, Nagarjuna Sagar Highway, etc. Inner Ring Road and ORR are the major road networks present in Hyderabad which provide easier and faster connectivity across the city. The city has several flyovers which facilitate easy and quick connectivity. The city is well connected by bus network and its Mahatma Gandhi Bus Station (MGBS Bus Station) ranks third in the league of largest bus stations in Asia. The bus station consists of 72 platforms and has a capacity of housing about 89 buses at a time. The other most common means of commuting within the city are auto rickshaw and private cabs.
Air	The new state-of-the-art Rajiv Gandhi International Airport is well equipped to handle high passenger and cargo traffic. It commenced operations in March 2008. The present capacity of the airport is 12 million passengers per annum.

Source: C&W Research

2.1.4. Infrastructural development

Various transport infrastructure initiatives undertaken by the government are as under:

Infrastructural Projects	Present Status	Impact
Outer Ring Road (ORR) (158 km) • Phase I - INR 1610 million project of 22 kms stretching from Gachibowli to Shamshabad • Phase II - to be carried out in two sub-phases of A and B ○ Phase II-A from Shamshabad to Pedda Amber pet would be covering 62.3 Kms & ○ Phase II-B - the remaining distance of 77.7 km is of phase II-b from Pedda Amberpet to Gachibowli.	Operational	Expected to relieve congestion in the city area, facilitate development of satellite townships, and provide linkage to the proposed MMTS, MRTS and bus networks.
Inner Ring Road The project stretches from the following areas covering around 53 kms - Mettuguda to Uppal Junction to Katedan to Mettuguda	Operational	The project connects all the prominent areas around Hyderabad.
Metro Rail Transit System The project is proposed to cover approximately 71 kms	Line-1 (Red Line) Miyapur to L B Nagar is currently operational (30 Kms) Line-2 (Green Line) JBS to Falaknuma is under construction (15 Kms) Part of Line-3 (Blue Line) Nagole to Ameerpet is operational (17 Kms), Ameerpet to Hitech City (9 kms) is operational from 20 th March 2019 and Hitech City to Raidurg (1.3 Kms) is under construction.	Expected to improve the connectivity of various micro markets across the city.
Elevated expressway 12 km stretch from Shamshabad (International airport) to Mehdiapatnam.	Operational	Better connectivity of airport with the city
Strategic Road Development Plan (SRDP) Several Flyovers and Underpasses are proposed as part of the project throughout the city	Out of 11 flyovers and underpasses planned, 7 are already completed and 4 are under various stages of construction.	Expected to relieve congestion in the congested micro markets like Kukatpally, Madhapur, Uppal and will aid to the faster connectivity across the city.

2.1.5. Demographics and Socio- Economic Profile

The population of Hyderabad Metropolitan area was approximately 7.75 million as per 2011 provisional census. The population growth is reflected in the table as under:

Hyderabad Population Growth (In ' 000)		
S. No.	Year	Population
1.	1981	2,994
2.	1991	4,667
3.	2001	6,383
4.	2011	7,749
5.	2021 (projected)	11,945 - 13,664

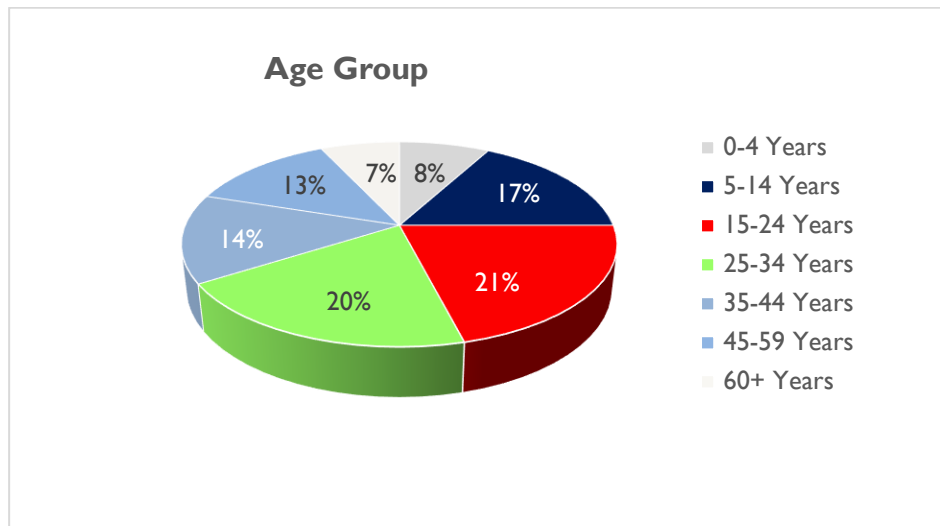
Source: Hyderabad Metropolitan Area (HMA) -2020 Draft plan

Demographics-Hyderabad	
Total Population-Hyderabad	7,749,000
Male/Female ratio (%)	0.51: 0.49
Average Literacy rate	82.92%
Male Literacy rate	86.14%
Female Literacy rate (%)	79.51%

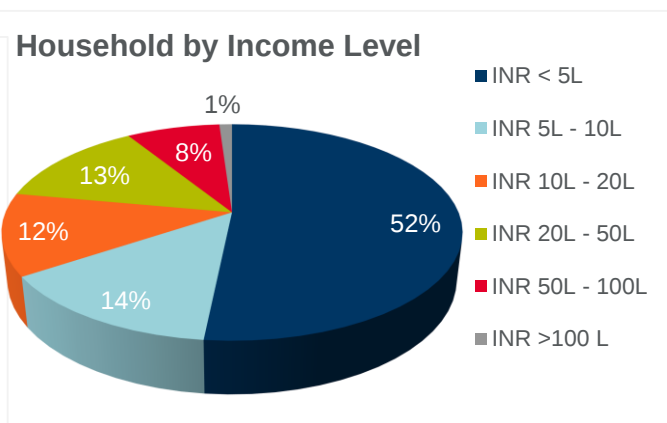
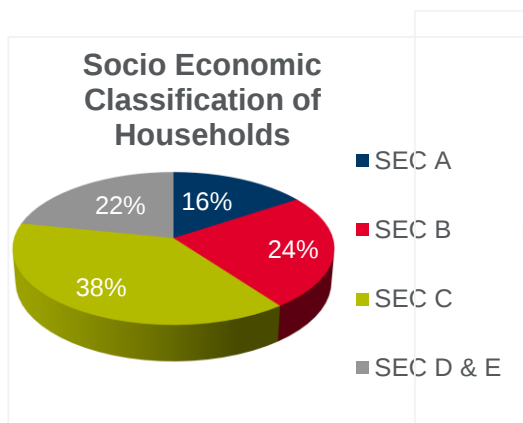
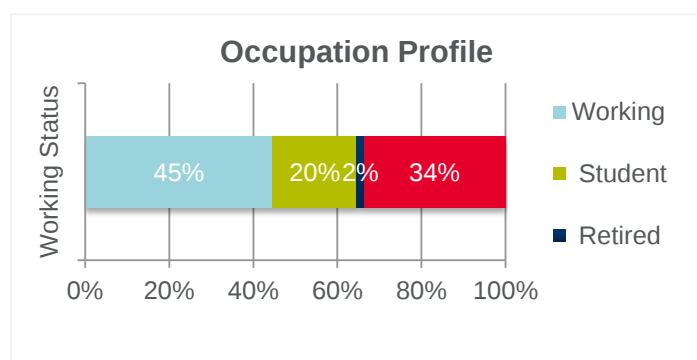
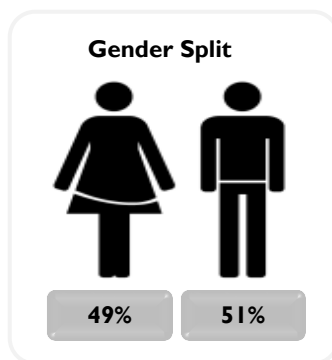
Source: Census 2011

Population Segmentation:

- Hyderabad has 47% of its population in the age bracket of 25-59 years – large working population with a propensity to buy homes.
- About 16% of the households in the capital city are classified as SEC A, with a higher purchasing power.
- 45% of Hyderabad's population is categorized as working class, and 22% of households (HH) have a annual household income of INR 2,000,000 and above.



Source: C&W Analysis and Neilson Survey, 2016



Source: C&W Analysis and Neilson Survey, 2016

2.1.6. Economic Drivers

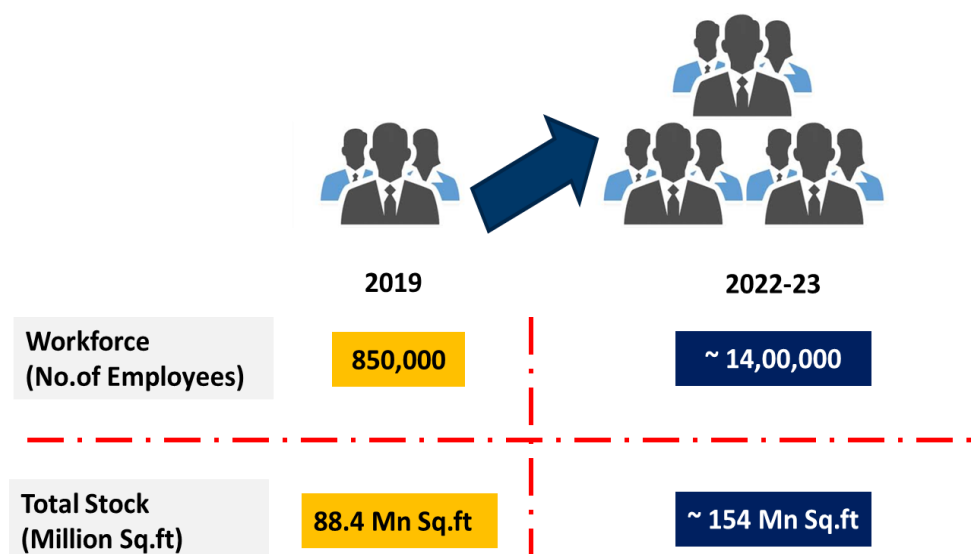
Hyderabad is the economic and financial capital of Telangana. Industrial activity in Hyderabad is quite broad based with sectors like information technology, bio-technology, electronic goods manufacturing, apparel parks, pharmaceuticals, construction etc. having their presence in the city. Pharmaceutical & Biotechnology industry is one of the dominant players and is expected to play an increasing role even in future in the export of pharmaceutical products. Hyderabad is considered as the "bulk drug" capital of the country due to the presence of many bulk drug units and accounts for about 30-35% of the total production in the country currently.

Primary growth drivers in the city are:

- IT/ ITES services
- Pharmaceutical & bio-technology manufacturing, research and development.
- Scientific research and development (R & D)

IT/ITES is the major employment generator in the city in last 15-20 years. Madhapur and Gachibowli is the established commercial IT/ITES corridor in the city, houses approximately 60-70% of the office space in the city. Currently IT/ITES sector provides direct employment of approximately 650,000 people.

The current stock of commercial office space in Hyderabad is approximately 88 million sq.ft. Approximately 60 million sq. ft of office space supply is expected to come up by 2022-23. The average absorption of office space in the city was in the range of 5-6 million sq. ft per year in last 4-5 years.



With the expected higher supply over next 5-6 years is expected to boost the demand for residential as well as the retail space in micro markets located closer to Madhapur and Gachibowli.

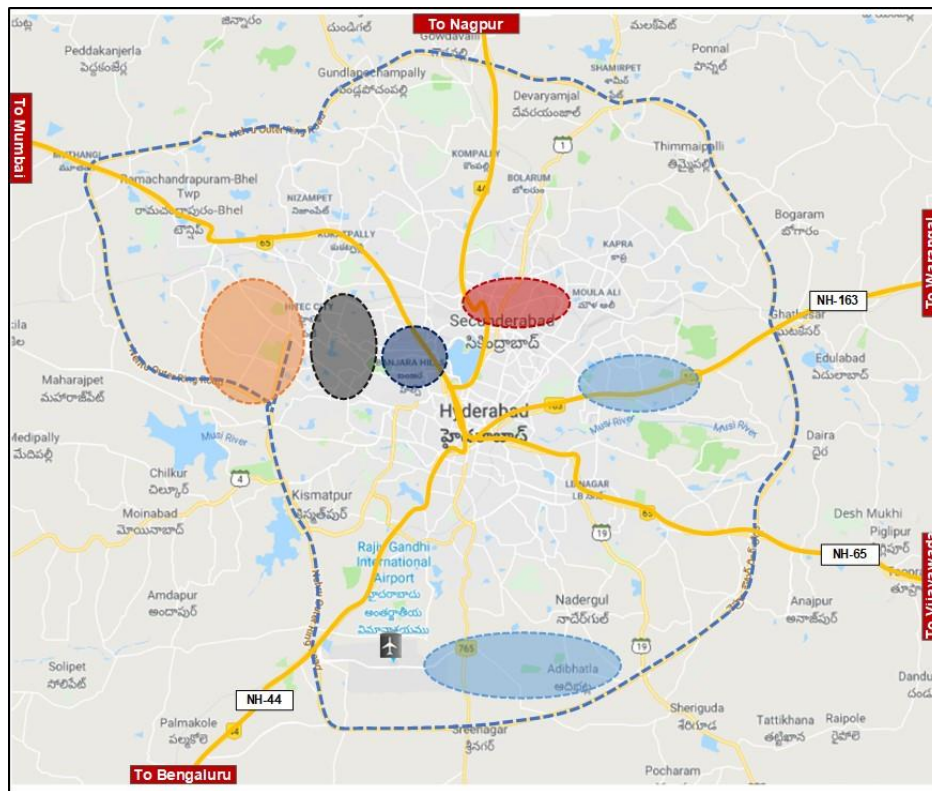
2 Hyderabad Real Estate Market

The city has over the last few years started witnessing expansion both in terms of its area and population. The growth in Hyderabad city's economic base (primarily establishment of IT/ITeS industry) has altered the real estate dynamics in the city. There has been development of all segments of real estate (office space, residential, retail and hospitality) in the city. The entry of leading national and international developers to the city has accelerated real estate development in the city.

With the presence of IT/ITeS majors like Infosys, Microsoft, TCS, Mahindra Satyam, IBM, etc and biotech and pharmaceutical leaders like Dr. Reddy Labs, Aurobindo Pharma, Matrix Labs, Du Pont etc. Hyderabad has evolved into an established IT/ITeS, biotech and pharmaceutical destination. Hyderabad is also home to several Financial Services companies like Wells Fargo, GE, Deloitte, UBS, etc. The establishment of these industries has triggered the growth of the commercial office market in Hyderabad.

2.1 Commercial micro markets

Based on areas of commercial developments, Hyderabad can be divided into the following established commercial micro markets:



Central Business District

- Banjara Hills Road # 1, 2, 10 & 12

Off CBD

- Begumpet, Somajiguda
- Rajbhavan Road, SP Road

Prime Suburban Locations

- Rest of Banjara Hills
- Jubilee Hills

Suburban Locations

- Madhapur
- Gachibowli (Includes Nanakramguda, Manikonda & Raidurg)
- Kukatpally

Peripheral Locations

- Shamshabad
- Pocharam
- Uppal

There are primarily five commercial clusters in the city. With the exception of suburban areas of Madhapur and Gachibowli, all clusters are a mix of commercial and retail developments. The five commercial corridors identified are:

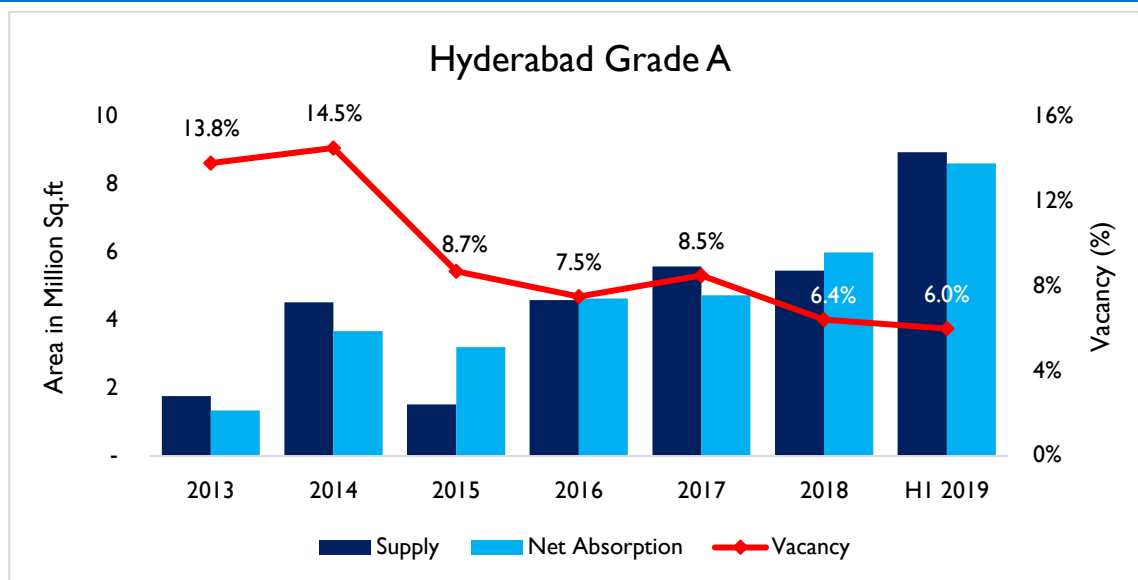
Cluster	Locations	Nature
Central Business District	Banjara Hills Road no. 1, 2, 10 & 12	Located in the heart of the city, this commercial micro market comprises largely of corporate offices of infrastructure/ construction, real estate, IT, biotech and pharmaceutical companies. It is the prime commercial micro market of the city. The developments are a mix of commercial and retail developments. Prominent companies that have presence in this micro market are Broadridge, Cbay, Karvy, HSBC, IVR Prime, Aparna Constructions, Nuziveedu Seeds, Essar, Nectar, Uninor, etc
Off CBD areas	Begumpet, Somajiguda,	Located on the eastern and southern periphery of the CBD, this micro market has regional/sales/marketing offices of companies of various industries. The developments in this micro market are a mix of commercial and retail developments. Prominent companies in this micro

Cluster	Locations	Nature
	Rajbhavan road & S P Road	market are Aptuit Laurus, Schneider Electric, Aurobindo Pharma, GVK Bioscience, DRL, Aircell, Airtel etc
Prime Suburban areas	Rest of Banjara Hills & Jubilee Hills	Located on the northern and western periphery of the CBD, this micro market has corporate offices of companies of various industries. Most of the developments in this micro market are also a mix of commercial and retail developments. Companies that have presence here are Madhucon, Seaways Shipping, Prajay Construction etc.
Suburban areas	Madhapur, Gachibowli, Nanakramguda, Raidurg and Kukatpally	Located in the western quadrant of the city and approximately 5-7 km north-west of the CBD of Hyderabad, this micro market largely houses offices of IT/ITeS and financial services companies. These recent developments comprise large scale Grade A commercial developments. Companies like Infosys, TCS, IBM, Accenture, UBS, Deloitte, Wells Fargo etc have presence in this micro market. Among all the commercial micro markets, this micro market is currently witnessing maximum activity.
Peripheral areas	Pocharam, Shamshabad and Uppal	Located in periphery of the city this micro market is the upcoming commercial hub of Hyderabad. Existing and upcoming commercial developments are mostly IT/ITeS focussed. Significant leasing in this micro market is yet to gain momentum.

2.2.1 Supply, Absorption and Vacancy trends of the City

The commercial grade A office space absorption in Hyderabad has been approximately 4-6.5 million sq. ft. per year in last five years. The net absorption in H1 2019, Hyderabad witnessed the highest absorption of 8.63 million sq. ft. with the recovery from economic slowdown and with stable political situation in Hyderabad. Suburban areas of Madhapur, Gachibowli, Kondapur and Raidurg accounted for almost 97% of the total city's absorption during H1 2019.

The below chart represents the supply, absorption and vacancy trend for the city since 2013



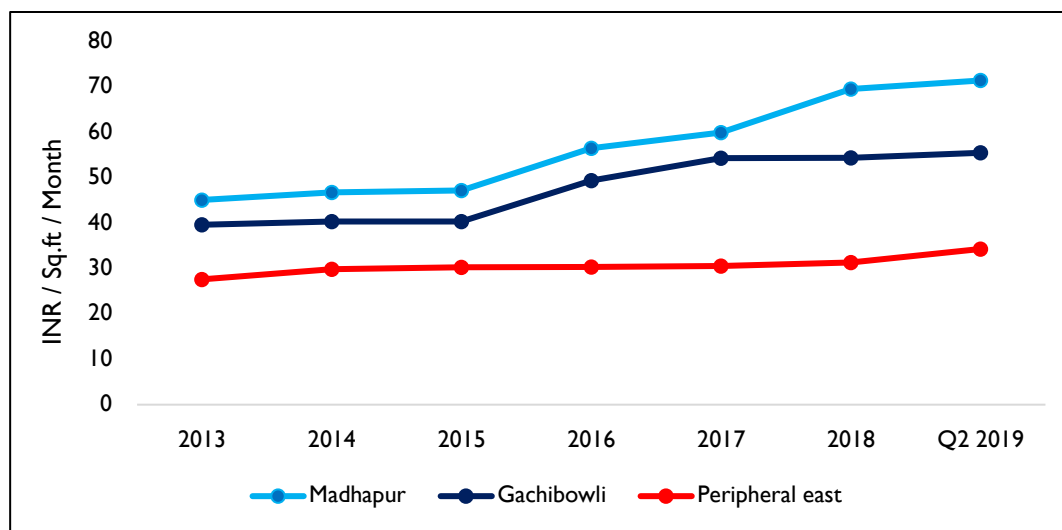
A snapshot of the supply, absorption and vacancy trend for the city is as below (as per C&W research)

- As of Q2 2019, the total commercial office stock in Hyderabad has been approximately 57.46 million sq. ft. (Grade A), while total commercial office space in 2018 was approximately 48.50 million sq. ft.
- The total net absorption of commercial grade A office space in Hyderabad for HI 2019 has been approximately 8.63 million sq. ft. The total net absorption of commercial office space during 2018 was 6.01 million sq. ft.
- The supply of commercial grade A office space for HI 2019 has been at approximately 8.97 million sq. ft. The supply during 2018 was 5.47 million sq. ft.
- The vacancy level for commercial grade A office space in Hyderabad as on June 2019 was approximately 6.0%.

2.2 Rental Trends

With limited supply over last 4-5 years and improved absorption due to the expansion of existing tenants and entry of new tenants to Hyderabad, there was improved rental growth especially in the micro markets of Madhapur and Gachibowli.

The CAGR rental growth from 2013-IH 2019 for Madhapur is ~ 11%, while it is ~ 8% for Gachibowli and ~ 7% for Pocharam and Uppal (Peripheral East).



2.3 Upcoming Supply

It is estimated that approximately 48 million sq. ft. of additional grade A commercial space is expected to come up by 2022. Approximately 98% of the upcoming supply is expected to come up in suburban areas of Madhapur, Gachibowli and Raidurg.

2.4 Expected Absorption

Based on the pre-committed office space, market enquiries and request for proposals for office space, it is estimated that the absorption will be in the range of 0.9 to 1 million sq.ft in H2 2019 and 9-10 million per year in 2020 and 2021.

2.5 Future Outlook

Demand for office space is expected to increase moderately in the next two years driven by improved economic conditions and stable political scenario in the state. The rentals are expected to rise in suburban micro market, due to the limited vacant commercial space and remain stable in the short term for the other micro markets.

The profile of the residential real estate market in the south western quadrant is largely mid income housing. While the existing residential micro markets mostly comprise of independent houses and midrise apartments, the upcoming residential micro markets have a mix of villas and apartment

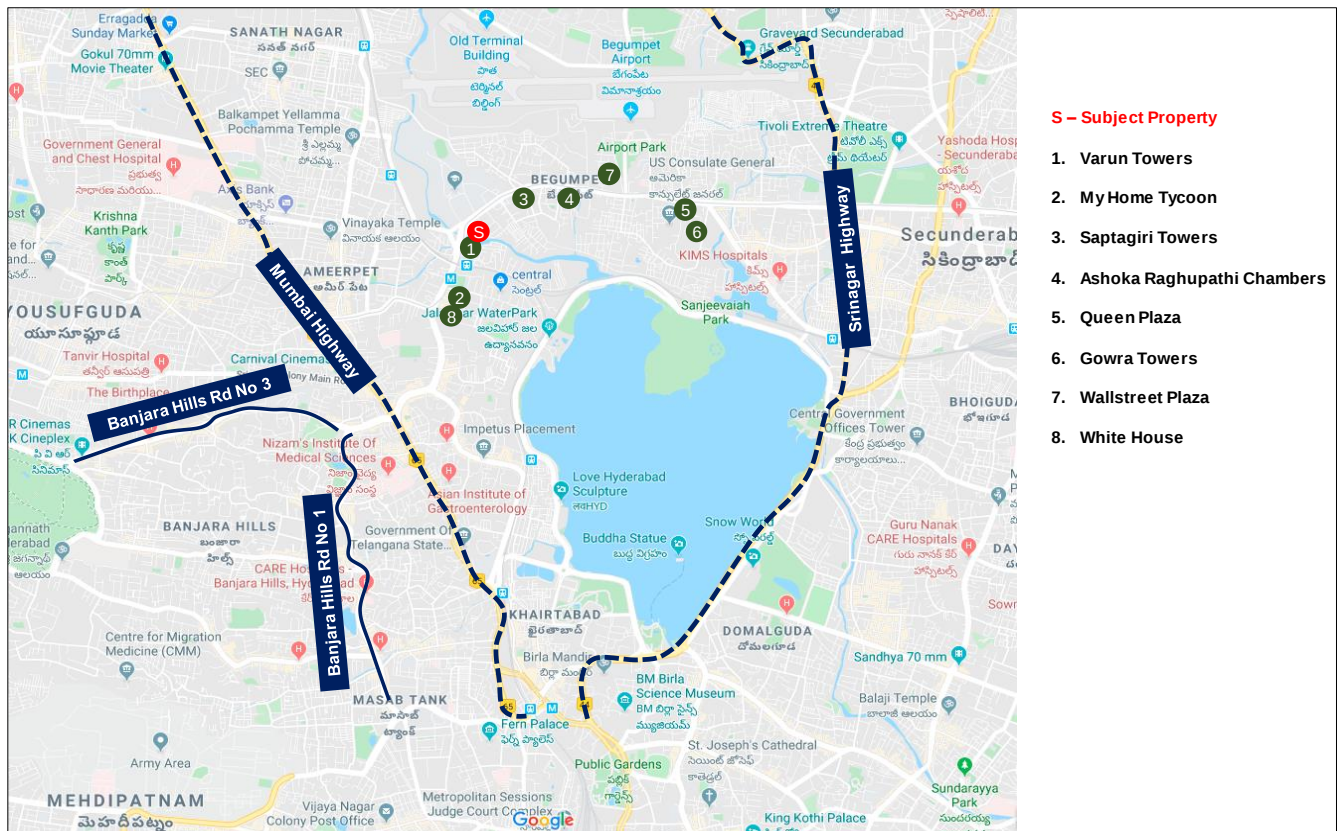
3. BEGUMPET MICRO MARKET OVERVIEW

3.1. Begumpet micro market overview

Begumpet is a well-established commercial and residential micro market located in the centre of Hyderabad. Due to closer proximity to other traditional business centres such as Secunderabad, Punjagutta, Somajiguda, Ameerpet, Sanath Nagar it has witnessed tremendous commercial and retail developments over the years. The micro market is located in the central northern quadrant of the city and is well connected to other prominent areas of the city through road network, Metro Rail, MMTS. Jubilee Bus station is one of the biggest bus terminal is in the near vicinity of the micro market.

Several well-known retail, social and hospitality developments including Shoppers Stop, Lifestyle, Begumpet Airport, Country Club, Vivanta By Taj, The Manahor, Green Park, Marigold, ITC Kakatiya are located in Begumpet.

Few established Commercial office buildings in micro market are shown below:



(Map not to scale: for representation purpose only)

They have a good mix of residential, commercial office, retail and hospitality developments supported by superior physical and social infrastructure facilities. Major commercial and retail developments in micro market are Grade B in nature.

3.1.1. Infrastructure Developments

The micro market is well connected to other regions through road network. There are several 80-100 ft roads in the subject micro market thereby providing easy accessibility. Presence of Begumpet railway station, Jubilee bus station in the near vicinity of the micro market provide access to other parts of the city.

The Hyderabad Metro Rail connecting Nagole to Hitech city passes through the micro market providing easy accessibility to other major parts of the city.

Several educational institutions/schools Hyderabad Public School, Gitanjali Primary school, Kendriya Vidyalaya High school, Niraj Public school are located in the micro market. Several star hotels like Vivanta By Taj, Green Park, Marigold, ITC Kakatiya, have their presence in the micro market.

3.1.2. Social Infrastructure:

Being one of the prime residential localities in Hyderabad, Begumpet has witnessed several social infrastructural developments like schools, hospital, educational institutions, parks, hotels and shopping centres.

3.1.3. Recent Transactions

The following table presents a listing of the commercial leasehold transactions in Begumpet:

Building Name	Tenant Name	Grade (A/B/C)	Leasable Area (Sq.ft)	Base Rent (INR/Sq.ft/Month)
Roxana Sanai	4Life India	C	3,000	50
Ashoka My Home	Toppr	C	6,644	55
K-Square (Kura Homes)	Reliance Capital	B	49,000	40
Splendid Towers	Waters (India) Private Limited	B	9,500	62
Center Point	Randstad	B	15,000	45
Ashoka Janardhan Chambers	Mahindra Hotels & Resorts	B	6,400	58
Ashoka Janardhan Chambers	Encureit	B	3,400	55

4. PROPERTY REPORT

1 Green Towers, Begumpet, Hyderabad, Telangana

The property was visited and inspected on 29th October 2019 by Mr. Sandesh Reddy, Associate, Valuation & Advisory, India.

1.1 Location

General

Subject property is situated at Begumpet main road, Hyderabad. The micro market is mainly known for high street retail market and smaller commercial office space buildings. Due to closer proximity to other traditional business centres such as Secunderabad, Punjagutta, Somajiguda, Ameerpet, Sanath Nagar it has witnessed tremendous commercial and retail developments over the years. Several well-known retail, social and hospitality developments including Shoppers Stop, Lifestyle, Begumpet Airport, Country Club, Vivanta By Taj, The Manahor, Green Park, Marigold, ITC Kakatiya are located in Begumpet. Micro market is well connected to other part of the cities through Rail, Road and Metro.

Subject property is bounded by the following:

North	Residential Property
South	Varun Motors
West	Begumpet Main Road
East	Residential Property

Communications

The subject project is well connected to major locations in the city via road and railway networks:

- Approximately 5 km from Jubilee Bus Station
- Approximately 5 km from Secunderabad Railway Station
- Approximately 1 km from Begumpet Metro rail.
- Approximately 32 km from Shamshabad International Airport

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

I.2 Site details

Area

According to the information supplied to us by the client, the site area is

Green Towers - Leasable Area	78,000 Sq.ft.
Guest House (Villa)	1,770 Sq.Yrd.

Description & Layout

The subject property comprises of fully operational office space building and residential villa. The office space building spread across total plot area of 3,310 Sq. Yrd with total built up area of 78,000 Sq.ft. The office space consists of 2 basements and 5 upper floors. The residential villa spread across total plot area of 1,770 Sq.yrd with total built up area of 3,000 Sq.ft. Currently property is fully occupied. The site has good frontage on Begumpet main road (100 ft wide road).

The photographs of the property are attached in Appendix 2.

Services

The subject property is well connected from all locations of Hyderabad. It is also connected to electricity, water and sewerage services.

Ground Conditions

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

I.3 Environmental Considerations

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

I.4 Town Planning and Statutory Considerations

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

I.5 Title

a. Address	I-10-176, Begumpet, Hyderabad
b. Tenure	Freehold
Proposed Development	Commercial

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

2 VALUATION METHODOLOGY & COMMENTARY

Income Capitalization Method: Income Capitalization is a valuation method appraisers and real estate investors use to estimate the value of income producing real estate. It is based upon the premise of anticipation i.e., the expectation of future benefits. This method of valuation relates value to two things: [1] the "market rent" that a property can be expected to earn and, [2] the "reversion" (resale) when a property is sold. This is further divided into the following two methods:

Direct capitalization Method: Direct capitalization is the used when income is not expected to vary significantly over time. This method is used to value properties that produce a consistent annual operating income.

Discounted Cash Flow: This method is used when the income generated by the property is expected to vary over a period of time. The projected cash flows are discounted at an appropriate discount rate to arrive at the present value of the property.

As the subject property is an operational and fully leased property Discounted Cash Flow method have been used to evaluate the value of the subject property.

2.1 Valuation

2.1.1 Green Towers, Begumpet, Hyderabad

Valuation Calculations - DCF Method

Property Details	Unit	Details
Area Leased	sq.ft.	78,000
Leased	%	100.00%
Vacant Area	Sft	-
Vacancy	%	0%
Stabilized Vacancy	%	2.0%
Further leasing	Sft	-
Existing Lease rollovers	%	98.0%
Total 4W parking slots	Number	-

- The leasable area of the subject property as provided by the Client is 78,000 sq.ft.
- The stabilised vacancy for the property has been based on the micro-market dynamics i.e existing stock and supply in the micro-market, historic leasing trend of the property and existing lease terms. Based on these, the stabilised vacancy has been assumed to be 2%.

Revenue Assumptions

Revenue Assumptions	Unit	Details
Market Rent - Office	Per sq.ft./month	INR 60.00
Market Rent - Retail	Per sq.ft./month	
Market 4 W Parking Rent	Per slot/month	INR 0.00
Market 2W Parking rent	Per slot/month	INR 0.00
Cafeteria Income	Per sq.ft./month	INR 0.00
Other income	Per sq.ft./month	INR 0.00
Market Rent growth rate	% p.a.	3%
Parking Parking income growth rate	% p.a.	3%
Normal Market lease tenure	years	5 years
Normal market escalation at end of every	years	3 years of lease tenure
Market escalation at end of escalation period	%	15%
CAM/O&M Income prevailing in the market	Per sq.ft./month	7.00

- The market rent for office space and the parking charges along with the normal market lease tenure, escalation period and escalation rate has been taken as per the prevailing rate in the

market. Based on the subject property type and size we have considered market rental of INR 60/sq.ft./month for office space and INR 20/sq.ft./month for Residential Villa.

- Based on the subject property type we have considered a 3% annual growth in rentals.

Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (New Lease)	# Months	2 Month Rent
Brokerage cost (Renewal/Release)	# Months	1 Month Rent
Current CAM/ O&M cost	Per sq.ft./month	INR 7.00
Property Tax	Per sq.ft./month	INR 2.52
Insurance	Per sq.ft./month	INR 0.01
Signage licence fees	Per sq.ft./month	INR 0.00
Other Costs	Per sq.ft./month	INR 0.00
Cost escalation	% p.a.	3%
Transaction cost on sale	% of Terminal Value	1.0%

- The details of operating expenses, property tax and insurance cost are based on information provided by the client and also in line with the market practise.
- Cost escalation has been assumed at 3% and the same is in line with the current market trends.

Financial Assumptions

Discounting Assumptions	Unit	Details
Current Cap rate	% of Net Operating Income	8.00%
Terminal Cap rate	% of Net Operating Income	8.00%
Discount Rate	%	11.00%

- Discount rate = Capitalization rate + growth rate. For a ready asset (fully leased asset) the required return would comprise of income return and capital appreciation. Thus, discount rate has been derived as a summation of the capitalization rate and the constant rental growth rate.

October 2019

Cashflow

		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Oct-19 29-Oct-20	30-Oct-20 29-Oct-21	30-Oct-21 29-Oct-22	30-Oct-22 29-Oct-23	30-Oct-23 29-Oct-24	30-Oct-24 29-Oct-25	30-Oct-25 29-Oct-26	30-Oct-26 29-Oct-27	30-Oct-27 29-Oct-28	30-Oct-28 29-Oct-29	30-Oct-29 29-Oct-30
OPERATING INCOME												
Lease Rentals	INR Million	56.7	60.1	63.7	62.1	61.9	61.9	70.4	71.2	71.8	71.8	71.8
Parking Income	INR Million	-	-	-	-	-	-	-	-	-	-	-
O&M income	INR Million	6.9	7.3	7.7	7.3	7.4	7.7	7.9	8.1	8.4	8.6	8.9
Total Income	INR Million	63.5	67.4	71.4	69.4	69.4	69.6	78.3	79.4	80.1	80.4	80.7
Total Income from occupancy	INR Million	63.5	67.4	71.4	69.4	69.4	69.6	78.3	79.4	80.1	80.4	80.7
OPERATING COSTS												
O&M cost	INR Million	(6.9)	(7.3)	(7.7)	(7.3)	(7.4)	(7.7)	(7.9)	(8.1)	(8.4)	(8.6)	(8.5)
Insurance Cost	INR Million	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.0)
Property Taxes	INR Million	(2.5)	(2.5)	(2.6)	(2.7)	(2.8)	(2.9)	(2.9)	(3.0)	(3.1)	(3.2)	(3.0)
Brokerage Expenses	INR Million	-	-	-	(5.2)	-	-	-	-	(6.0)	-	(1.2)
Total Operating Costs	INR Million	(9.4)	(9.9)	(10.4)	(15.1)	(10.2)	(10.5)	(10.9)	(11.2)	(17.5)	(11.9)	(12.7)
Net operating Income	INR Million	54.2	57.5	61.0	54.3	59.2	59.1	67.5	68.2	62.6	68.6	68.0
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	849.8	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(8.5)	-
Total Net income		54.2	57.5	61.0	54.3	59.2	59.1	67.5	68.2	62.6	909.9	68.0
Net Cashflows	INR Million	54.2	57.5	61.0	54.3	59.2	59.1	67.5	68.2	62.6	909.9	-
Discount Rate	11.00%											
Warmshell Property Value												
NPV INR Million	650											
INR/ sq.ft.	8,333											

2.2 Valuation Summary

In our opinion, the Market Value of the freehold interest in the property, subject to the existing tenancy is:

Market Value of Property	Area	Value	Value per Sq.ft. or Sq.Yrd
Green Towers	78,000 Sq.ft.	INR 650 Million	INR 8,333 / Sq.ft.
Guest House (Villa)	1,770 Sq.Yrd.	INR 163 Million	INR 92,000 / Sq. Yrd.
Total Value		INR 813 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.

2.3 Circle Rate:

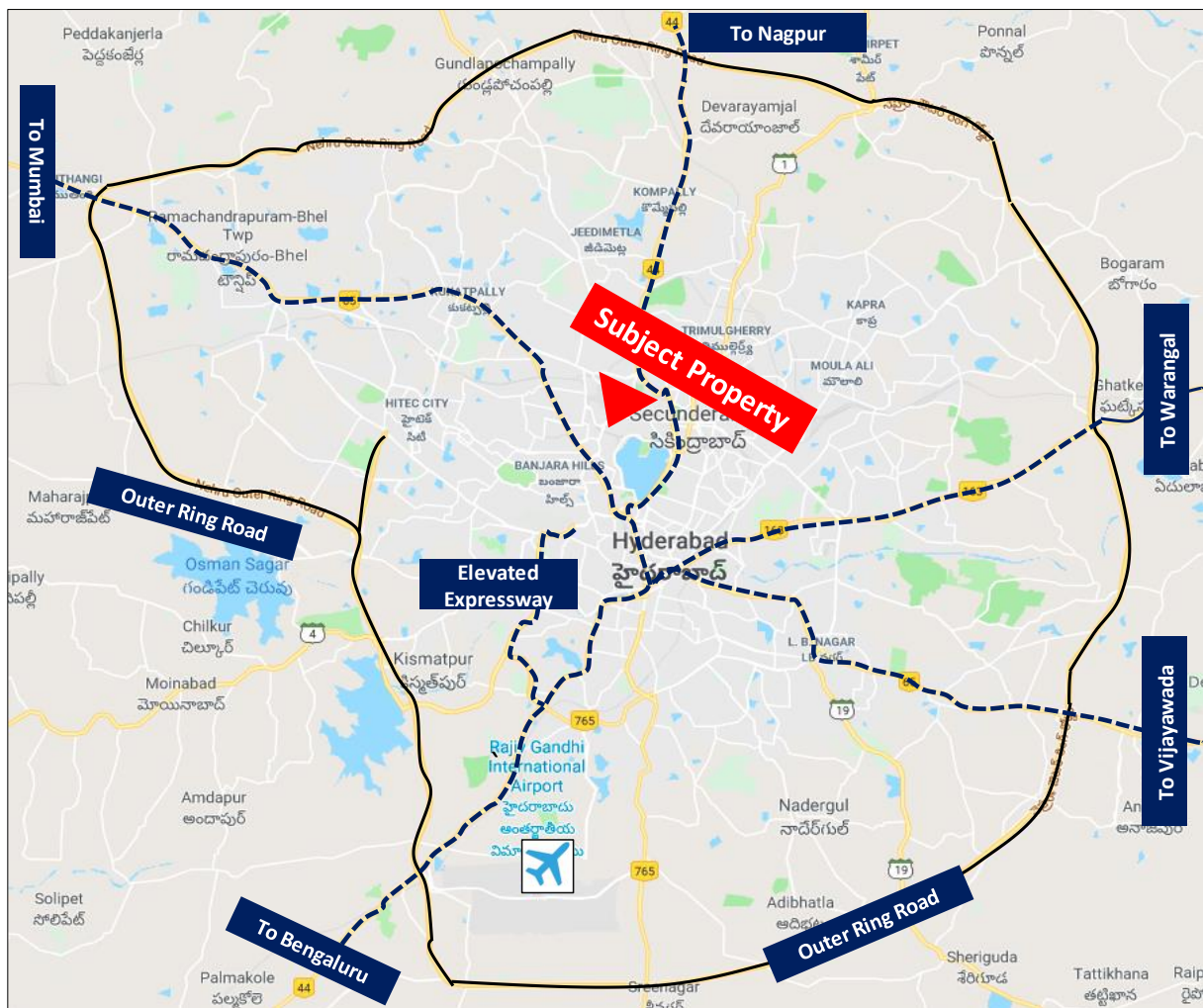
As per the Registration Department, Government of Telangana, the circle rate for the subject property is as below:

Land Rate	INR 51,000 per Sq.Yrd.
Composite Rate	Ground Floor – INR 4,400 per Sq.ft. First Floor – INR 3,700 per Sq.ft. Other Floors – INR 3,400 per Sq.ft.

Source (www.registration.telangana.gov.in/ts/UnitRateMV.do)

The screen shot of Circle Rate is attached in Appendix 4.

Appendix I: Subject Property Location



Appendix 2: Subject Property Photographs



External View of Subject Property



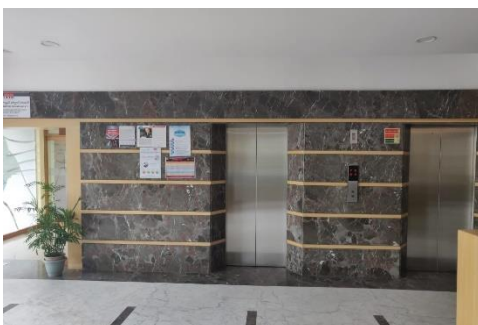
Internal View of Subject Property



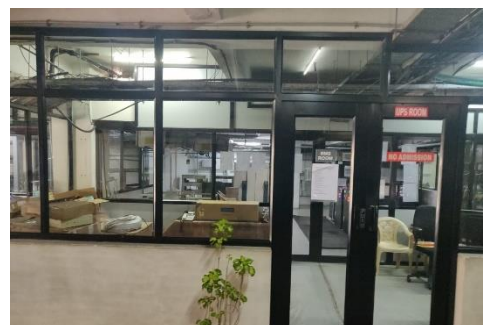
Villa in the Subject Property



External View of Subject Property



Internal View of Subject Property



Internal View of Subject Property

Appendix 3: 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 **SDNMKJ Realty Pvt Ltd and JMKGEC Realtors Pvt Ltd** (hereafter referred to as the “Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which forecasts have been generated and is not recommended as an input to a financial decision.
 - b. It should be noted that C&WI's value assessments will be based upon the facts and evidence available at the date of assessment. It is therefore recommended that the value assessments be periodically reviewed.
 - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented at the stated effective date. C&WI assumes no responsibility for changes in such external conditions.
 - d. In the absence of a detailed field survey of the market and industry (as and where applicable), C&WI will rely upon secondary sources of information for a macro-level analysis. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis.

- e. The services provided will be limited to assessment and will not constitute an audit, a due diligence, tax related services or an independent validation of the projections. Accordingly, C&WI will not express any opinion on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report will be prepared solely for the purpose stated, and should not be used for any other purpose.
 - f. While the information included in the Report will be believed to be accurate and reliable, no representations or warranties, expressed or implied, as to the accuracy or completeness of such information is being made. C&WI will not undertake any obligation to update, correct or supplement any information contained in the Report.
 - g. In the preparation of the Report, C&WI will rely on the following information:
 - i. Information provided to us by the Client and its affiliates and subsidiaries and third parties;
 - ii. Recent data on the industry segments and market projections;
 - iii. Other relevant information provided to us by the Client and its affiliates and subsidiaries at C&WI's request;
 - iv. Other relevant information available to C&WI; and
 - v. Other publicly available information and reports.
3. The Report will reflect matters as they currently exist. Changes may materially affect the information contained in the Report.
4. All assumptions made in order to determine the Valuation of the identified property(ies) will be based on information or opinions as current. In the course of the analysis, C&WI would be relying on information or opinions, both written and verbal, as current obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which would be accepted as accurate in bona-fide belief. No responsibility is assumed for technical information furnished by the third party organizations and this is bona-fidely believed to be reliable.
5. No investigation of the title of the assets will be made and owners' claims to the assets will be assumed to be valid. No consideration will be given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
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 sum not

exceeding the total fees paid for each instructions accepted. C&WI shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.

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

Appendix 4: Circle Rate

 Registration & Stamps Department Government of Telangana Toll Free No for Enquiries 1800 599 4788									
Home About Us Organization Acts&Rules FAQ's RTI Act DOWNLOADS Citizen's Charter Know Your Stamp Duty EODB Department Login									
Unit Rates - Locality Wise									
District Name HYDERABAD									
S.No.	Ward-Block	Locality	Land Rate Rs. per Sq.Yard	Composite Rate (Rs. per Sq.Ft)			Classification	Effective Date (dd/mm/yyyy)	Door No. Wise Details - Rates
				Ground Floor	First Floor	Other Floors			
1.	1 - 11	BEGUMPET	20,000	2,500	2,500	2,500	01(Residential)	01/04/2013	Get
2.	1 - 11	BEGUMPET-1	20,000	6,000	4,000	3,500	02(Commercial)	01/04/2013	Get
3.	1 - 11	BEGUMPET COMM-2	20,000	6,000	4,000	3,500	02(Commercial)	01/04/2013	Get
4.	1 - 11	BEGUMPET MAIN ROAD-2	50,000	6,000	4,000	3,500	02(Commercial)	01/04/2013	Get
5.	1 - 11	BEGUMPET MAIN ROAD-3	50,000	3,500	3,500	3,500	01(Residential)	01/04/2013	Get
6.	1 - 11	BEGUMPET SLUM	20,000	2,500	2,500	2,500	01(Residential)	01/04/2013	Get
7.	1 - 11	BEGUMPET SLUM COMM-2	20,000	6,000	4,000	3,500	02(Commercial)	01/04/2013	Get
8.	6 - 3	BEGUMPET-1	34,000	2,500	2,500	2,500	01(Residential)	01/04/2013	Get
9.	7 - 1	BEGUMPET-1	34,000	2,500	2,500	2,500	01(Residential)	01/04/2013	Get
10.	1 - 10	BEGUMPET FLY OVER TO PATIGUDDA NTR STATUE-2	51,000	4,400	3,700	3,400	02(Commercial)	01/04/2013	Get
11.	1 - 10	BEGUMPET-1	30,000	2,300	2,300	2,300	01(Residential)	01/04/2013	Get
12.	1 - 10	BEGUMPET SP ROAD TO VARUN TOWERS-2	51,000	4,400	3,700	3,400	02(Commercial)	01/04/2013	Get
13.	1 - 8	BEGUMPET FLY OVER TO PATIGUDDA NTR STATUE-2	51,000	4,400	3,700	3,400	02(Commercial)	01/04/2013	Get
14.	1 - 8	BEGUMPET TO PATIGADDA NTR STATUE-2	51,000	4,400	3,700	3,400	02(Commercial)	01/04/2013	Get
15.	1 - 10	BEGUMPET TO PATIGADDA NTR STATUE-2	51,000	4,400	3,700	3,400	02(Commercial)	01/04/2013	Get
16.	1 - 8	BEGUMPET SP ROAD TO PARADISE-2	51,000	4,400	3,700	3,400	02(Commercial)	01/04/2013	Get
17.	1 - 10	BEGUMPET SP ROAD TO PARADISE-2	51,000	4,400	3,700	3,400	02(Commercial)	01/04/2013	Get
18.	1 - 10	BEGUMPET SP ROAD TO VARUN TOWERS-2	51,000	4,400	3,700	3,400	02(Commercial)	01/04/2013	Get

Appendix 5: Valuation Method and Commentary – Green Towers.

Sales Comparable Method: The sales comparison approach examines the price or price per unit area of similar properties being sold in the marketplace. The sales of properties similar to the subject property is analysed and the sale prices adjusted to account for differences in the Comparables to the subject to determine the value of the subject. This is the primary approach used for the valuation of the land.

Depreciated Cost Method: The present value of the building and all the structures present in the subject property is derived from the “Depreciated Replacement Cost Method”.

The Cost method is sometimes called the summation approach. The theory is that the value of a property can be estimated by summing the land value and the depreciated value of any improvements. It is the land value, plus the cost to reconstruct any improvements, less the depreciation on those improvements.

Particulars	Subject property	Comparable -1	Comparable -2
Location	Green Towers	Shopperstop	Adj rasoolpura Flyover
Land size (Sq.Yrd)	3,310	3,000	7,000
Conversion	Converted	Converted	Converted
Abutting road width (feet)	100	100	100
Accessibility	100' road connecting Begumpet-SD Road	100' road connecting Begumpet-SD Road	100' road connecting Begumpet-SD Road
Frontage ft- Approximate	112	130	300
Shape of the property	Regular	Regular	Regular
Terrain	Plain	Plain	Plain
Tenure	Freehold	Freehold	Freehold
Transacted/ Quote		Quoted (October, 2019)	Quoted (October, 2019)
Capital Rate INR / Sqyd		1,45,000	1,50,000
Premium/discount on account of			
Freehold/ Leasehold		0.0%	0.0%
Accessibility		0.0%	0.0%
Location and Neighbourhood profile		0.0%	0.0%
Zoning		0.0%	0.0%
Size		0.0%	5.0%
Negotiation		-15.0%	-20.0%
Conversion		0.0%	0.0%
Other Factors		0.0%	0.0%
Shape and Topography		0.0%	0.0%
Total		-15.0%	-15.0%
Applicable Land Value INR / Sqyd	125375.0	123250.0	127500.0
Total land value INR Mn	415		



(Map Not to Scale)

The Following adjustments have been made to the above Comparables:

- **Freehold/leasehold:** No premium or discount has been assigned to subject property as compared to comparables, as the subject property and the comparables are freehold properties.
- **Accessibility:** No premium or discount has been assigned to subject property as compared to comparables, as the subject property and the comparables are accessible through Begumpet-SD Road.
- **Location/Surrounding Development:** No premium or discount has been assigned to subject property as compared to comparables, as the subject property and the comparables are in the same Locality.
- **Zoning:** No premium or discount has been assigned to subject property as compared to comparables 1 and 2 as the subject property and comparable are covered under same zoning regulations.

- **Size:** A premium of 5% has been assigned to subject property as compared to comparable 2 as the extent of comparable is more than the subject property.
- **Negotiation margin:** A negotiation margin of around 10 - 20% is generally included in the quoted prices. Based on our discussion with the brokers in the market we have assigned a discount of 15% and 20% respectively to the subject property as compared to comparables- 1 and 2.
- **Conversion:** No premium or discount has been assigned to subject property as compared to comparables 1 and 2 as the subject property and comparables are already converted.
- **Shape and Topography:** No premium or discount has been assigned to subject property as compared to comparables 1 and 2 as comparables and subject property are in regular in shape.

Depreciated Replacement Cost Method

We have used the Depreciated Replacement Cost method to arrive at the building value of the subject property

We have taken the following assumptions while arriving the depreciated replacement cost of the structures.

- Cost of construction of the commercial building as INR 3000 Rs/Sq. ft. The same are in line with the current market trends.
- We have not considered the movable furniture, machineries & fixtures for the purpose of this valuation exercise.
- We have assumed age of building and Life of building to be 15 years and 50 years respectively.

Green Towers- Depreciation, Replacement Cost Method		
Land Area	Sq.Yrd	3,310
Built Up Area	Sq.ft.	78000
Land Cost	INR / Sq.Yrd	1,25,375
Total Land Cost	INR Millions	415
Constructed Area	Sq.ft.	78,000
Replacement Cost	INR / Sq.ft.	3000
Age of the Building	Years	15
Life of Building	Years	50
Scrap Value (% of Replacement Cost)	%	5%
Depreciation	%	29%
Depreciated Value	INR / Sq.ft.	2,145
Building Value	INR Million	167
Total Value	INR Million	582

Appendix 6: Valuation Method and Commentary – Guest House (Villa)

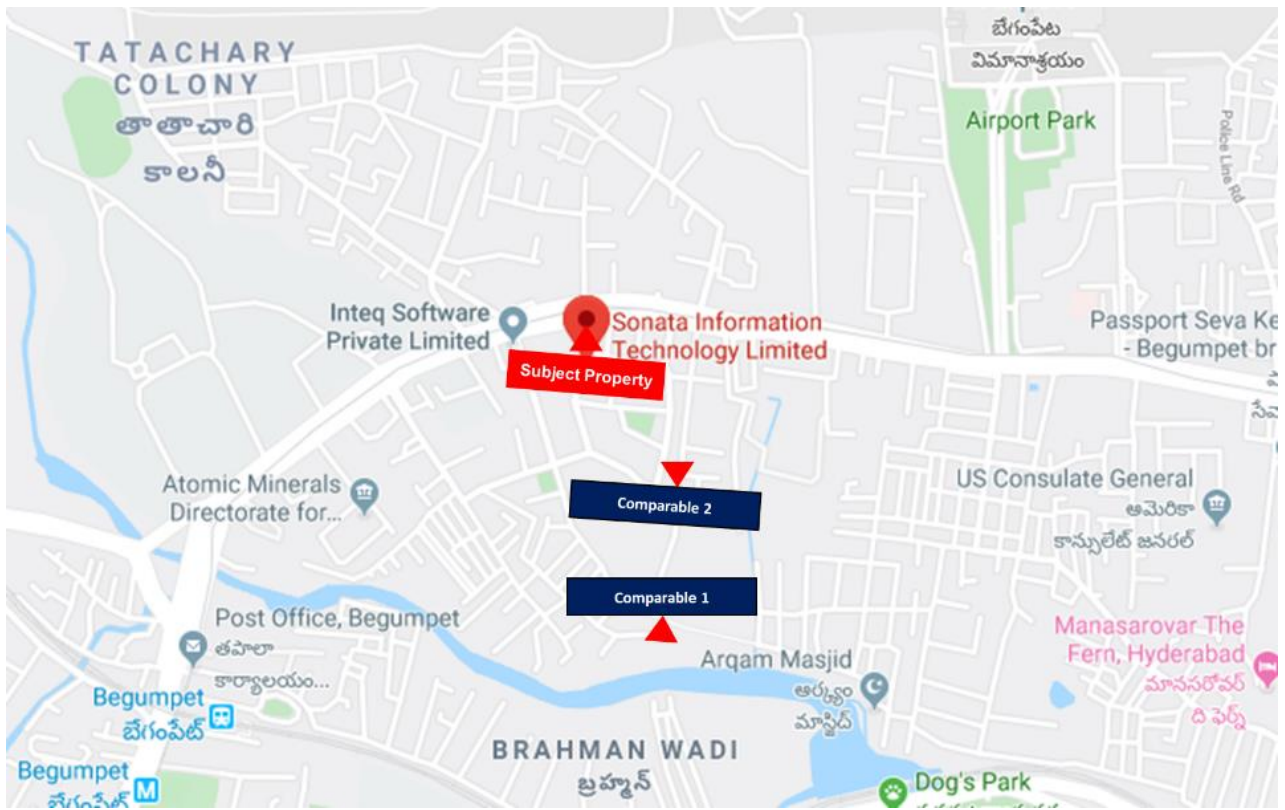
Sales Comparable Method: The sales comparison approach examines the price or price per unit area of similar properties being sold in the marketplace. The sales of properties similar to the subject property is analysed and the sale prices adjusted to account for differences in the Comparables to the subject to determine the value of the subject. This is the primary approach used for the valuation of the land.

Particulars	Subject property	Comparable -1	Comparable -2
Location	Green Towers-Guest House	Mayuri Marg	Chakoti Garden
Land size (Sqyds)	1770.00	300	657
Conversion	1770.00	300	657
Zoning	Converted	Converted	Converted
Accessibility	Green Towers	30	30
Shape of the property	Regular	Regular	Regular
Terrain	Plain	Plain	Plain
Tenure	Freehold	Freehold	Freehold
Transacted/ Quote		Quoted (October, 2019)	Quoted (October, 2019)
Capital Rate INR / Sqyd		100,000	110,000
Premium/discount on account of			
Freehold/ Leasehold		0.0%	0.0%
Accessibility		0.0%	0.0%
Location and Neighbourhood profile		0.0%	0.0%
Zoning		0.0%	0.0%
Size		-5.0%	0.0%
Negotiation		-10.0%	-10.0%
Conversion		0.0%	0.0%
Other Factors		0.0%	0.0%
Shape and Topography		0.0%	0.0%
Total		-15.0%	-10.0%
Applicable Land Value INR / Sqyd	92000.0	85000.0	99000.0
Total land value INR Mn	163		

The Following adjustments have been made to the above Comparables:

- **Freehold/leasehold:** No premium or discount has been assigned to subject property as compared to comparables, as the subject property and the comparables are freehold properties.
- **Accessibility:** No premium or discount has been assigned to subject property as compared to comparables, as the subject property and the comparables are accessible through Begumpet-SD Road.

- **Location/Surrounding Development:** No premium or discount has been assigned to subject property as compared to comparables, as the subject property and the comparables are in the same Locality.
- **Zoning:** No premium or discount has been assigned to subject property as compared to comparables 1 and 2 as the subject property and comparable are covered under same zoning regulations.
- **Size:** No premium or discount has been assigned to subject property as compared to comparables 1 and 2 as comparables and the subject property are of similar size.
- **Negotiation margin:** A negotiation margin of around 10 - 20% is generally included in the quoted prices. Based on our discussion with the brokers in the market we have assigned a discount of 10% to the subject property as compared to comparables- 1 and 2.
- **Conversion:** No premium or discount has been assigned to subject property as compared to comparables 1 and 2 as the subject property and comparables are already converted.
- **Shape and Topography:** No premium or discount has been assigned to subject property as compared to comparables 1 and 2 as comparables and subject property are in regular in shape.



(Map Not to Scale)

Appendix 7: Commercial Rental benchmarking

Following are the list of rental values in the peripheral locations of the respective cities

City	Rental Value (INR/Sq. ft/Month)			
	Peripheral East	Peripheral North	Peripheral South	Peripheral West
Banglore	62.75	72.35	62.78	-
Mumbai	66.00	72.00	94.50	109.00
Pune	64.00	-	54.00	-
Delhi	52.24	-	52.65	-
Chennai	-	45.00	51.00	61.00
Hyderabad	37.00	-	-	65.00

Appendix 8: Information Supplied

We have been supplied with the following information

Sr. No	Information	Source
1	Rent roll	Client
2	Property tax, Insurance information and other property details	Client