



Our Reference: SF-0001575276

19th June 2023

Krisumi Corporation Private Limited

CBRE Consulting and Valuation Advisory
CBRE South Asia Private Limited
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CBRE Consulting & Valuation
6th & 7th Floor, DLF Square
M Block, Jacaranda Marg
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www.cbre.co.in

CIN No. U74140DL1999PTC100244

For the attention of Krisumi Corporation Private Limited

Dear Sir,

Letter of Engagement and Scope of Services

Thank you for your request for a quotation to provide valuation services. This Letter of Engagement (as defined below) provides the scope of the valuation services to be provided and terms of the agreement between CBRE South Asia Private Limited ("**CBRE**") and the Instructing Party.

Letter of Engagement: The "Letter of Engagement" means and comprises the terms and conditions set out in this letter, the Acknowledgement and Acceptance of Terms and Conditions at Schedule 1, the Standard Terms and Conditions attached in Schedule 2 and the Valuation General Principles and Assumptions attached in Schedule 3 and Valuation Methodologies in Schedule 4. The valuation services to be provided will be subject to this Letter of Engagement. In the event of any conflict or inconsistency between the terms and conditions set out in this letter, the Standard Terms and Conditions and the Valuation General Principles and Assumptions, the term that imposes the stricter or higher obligation shall prevail.

The Property/Portfolio: Valuation of residential group housing project on a land parcel measuring 30.38 acres located at Sector 36A, Dwarka expressway, Gurgaon, Haryana

Instructing Party: Krisumi Corporation Private Limited

CBRE: CBRE South Asia Pvt. Ltd. ("**CBRE**")

Reliant Party /Reliance: Krisumi Corporation Private Limited

CBRE will extend reliance only to those parties nominated as reliant parties within this Letter of Engagement or as otherwise agreed by CBRE in writing (individually, "Reliant Party" and collectively, "Reliant Parties"). However, this extension of reliance is subject to the nominated Reliant Party signing a reliance letter agreeing to accept the applicable terms and conditions in this Letter of Engagement. The purpose of the reliance letter is to set forth terms on which CBRE will permit the Reliant Party to rely on the report. CBRE shall



not be held liable if any Reliant Party (whether nominated within this Letter of Engagement or not) does not agree in writing to the terms and conditions contained within the reliance letter.

The Instructing Party is expected to keep the valuation report to itself and not to disclose the report or any part of it to any of the Reliant Parties unless and until the Reliant Parties have signed the reliance letter. The Instructing Party is required to advise the Reliant Parties of CBRE's requirement with regards to our extension of reliance to them and to procure each Reliant Party to sign the reliance letter.

Market Volatility:

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a global pandemic on the 11th March 2020, is causing heightened uncertainty in both local and global market conditions. Our valuation is based on the information available to us at the date of valuation. You acknowledge that our reports may include clauses highlighting the heightened market uncertainty if appropriate, and we recommend our valuation is kept under frequent review.

Both governments and companies are initiating travel restrictions, quarantine and additional safety measures in response to the COVID-19 pandemic. If, at any point, our ability to deliver the services under this LOE are restricted due to the pandemic, we will inform you within a reasonable timeframe and work with you on how to proceed. Whilst we will endeavor to meet the required timeframe for delivery, you acknowledge any Government or company-imposed restrictions due to the virus may impede our ability to meet the timeframe and/or deliverables of this engagement, and delays may follow. Any delays or inability to deliver on this basis would not constitute a failure to meet the terms of this engagement.

*Material Valuation Uncertainty
from Novel Coronavirus:*

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on the 11th March 2020, is causing heightened uncertainty in both local and global market conditions. Global financial markets have seen steep declines since late February largely on the back of the pandemic over concerns of trade disruptions and falling demand. Many countries globally have implemented strict travel restrictions and a range of quarantine and "social distancing" measures.

Market activity is being impacted in most sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.



Conflicts of Interest:	As at the date of this Letter of Engagement, CBRE is not aware of any conflict of interest which would prevent CBRE from undertaking this engagement. Furthermore, you acknowledge that CBRE is a large, multi-national company providing a variety of services to clients globally. If either party becomes aware of an actual or potential conflict of interest, it will notify the other party as soon as is reasonably practicable thereafter, and the parties will work together to attempt to resolve any such actual or potential conflict
Date of Valuation:	31 st March 2023
Purpose of Valuation:	Impairment testing purposes
Valuation Standards:	All valuations will be conducted in accordance with RICS Valuation - Global Standards 2020 incorporating the IVSC International Valuation Standards (IVS) 2020.
Status of Valuer:	<p>We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuations competently and independently. We also confirm that we will undertake the valuations acting as an External Valuer, qualified for the valuation.</p> <p>We certify that the valuer(s) who will handle this valuation is competent and authorized to practice as a valuer. The valuer does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the property and is in a position to provide an objective and unbiased valuation</p>
Basis of Valuation:	<p>Market Value as defined in the International Valuation Standards (IVS) 2020 is as follows:</p> <p><i>'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'</i></p>
Special Assumptions:	There are no special assumptions made in relation to the valuation to be provided under this engagement. OR if special assumptions required to be made, the valuer to set out and explain all <u>special assumptions</u> in full and this must be expressly agreed and confirmed with the Instructing Party. These need to be realistic and credible and will need to be repeated in full in the final report.
Scope of Work:	<p>The scope of work is typical of a valuation engagement for this type of property, and is as follows:</p> <ul style="list-style-type: none">• Site and location analysis of subject property<ul style="list-style-type: none">• Accessibility and frontage of the subject property• Surrounding development profile• Review of the title documents to understand any limitations/ restrictions for sale, if any, for the subject property• Market commentary on relevant micro-markets<ul style="list-style-type: none">• Micro-market overview with respect to the relevant influence region,• Infrastructure initiatives and other factors that might affect the development at the subject property (on a best effort basis)• Market value assessment of the subject property through the Direct Comparison Approach or Discounted Cash Flow Approach• Post Tax Cashflow Assessment¹.

¹ Please note that CBRE would be appointing a sub-consultant to undertake the assessment of post-tax cashflow. CBRE will not be liable for the findings/conclusions mentioned in the sub-consultant's report/analysis.



<i>Not Included in Scope</i>	CBRE will not carry out measured surveys; building surveys, deleterious materials investigations or tests of services; environmental surveys, ground condition or other site surveys; Energy Certificate surveys; detailed planning and highways enquiries; and detailed enquiries into covenant strength.
<i>Inspections²:</i>	We will carry out inspection of the property
<i>Floor/Site Areas:</i>	We will not measure the property, but as instructed, we will adopt the floor/site areas provided to us by the Instructing Party, the Instructing Party's nominated advisor or government agency which we would assume to be correct and comprehensive and which we assume have been calculated in accordance with local market practice. If, following our investigations, a material difference in floor/site areas is found or appears probable within the available sources, we will need to discuss whether a full re-referencing is required.
<i>Publication:</i>	Neither the whole nor any part of our report, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way nor disclosed orally or in communication to a third party, including the form and context in which it is to appear without CBRE's prior written consent, which shall not be unreasonably withheld.
<i>Provision of Information:</i>	<p>CBRE requires the full disclosure of all relevant information and matters applicable to the property to be valued that may have an impact upon the value and marketability of the property.</p> <p>Accordingly, the Letter of Engagement includes an Appendix listing the information which we will require in order to complete the assignment. Please note that this request is not exhaustive and can be amended or updated by CBRE from time to time. If you do not provide any part of the information requested for whatsoever reason, we may include special limiting conditions to our valuation service as necessary (including limitations on reliance).</p> <p>If the property under consideration is offered for sale / lease, please provide the details of the commercial terms and conditions of the offer or contract.</p>
<i>Reliance on Information Provided:</i>	We are to rely on information which will be provided to us by you and your professional advisers, as requested in the Appendix to this Letter of Engagement. Should this information not be forthcoming or available for any reason, we will qualify our report accordingly. We also reserve the right to amend our valuations if information comes to light after the report has been issued.

² Please note that owing to ongoing COVID-19 situation CBRE would only be able to undertake site inspections for a property, basis the directives issued by both Central and State Governments (and site inspections would only be undertaken under locations wherever possible or locations with no movement restrictions). Further, for the areas under Red Zone/ Containment Zone/ wherever restrictions are being imposed by competent government authorities, the site inspections could be undertaken on virtual basis (post agreement with the Client) or the same would be undertaken subsequently (depending on the future course of action taken by competent authorities). In absence of CBRE undertaking site visit, the study would be completed on desktop basis, based on the information shared by the Developer / Client. In such case, you have agreed for us to undertake this valuation on a "Desk-top" basis, no physical exterior or internal inspection of the Property will be carried out. The desk-top valuation will be carried out on the basis that there have been no additions or alterations to the property viz. on the vacant residential zoned land parcel, oral discussions with the owner, information received from the client and various online property data resources; unless otherwise advised. You have agreed for us to undertake this valuation based on an exterior inspection of the property only, no internal inspection will be carried out. The Instructing Party acknowledges and accepts the heightened and inherent uncertainty and risks when relying on a valuation undertaken with limited or no inspection of the property.



Report Format: Our report for this engagement will be in the detailed Valuation Report format. A sample copy of our full valuation report is available for your reference upon request.

Reporting Currency: The currency in which the valuation is to be expressed will be Indian Rupees.

Reporting Language: The valuation report would be written in English.

Deliverables: Final report in PDF by e-mail; one original and one copy report (if required). Additional reports are available upon request and may be subject to an additional fee.

Primary Contact Details: The contact details for our team are as follows:

Name	Position	Phone No Direct Dial	Email
Saurabh Khare	Senior Director and Head India Operations, Valuation Advisory Services	+91 124 4759700	saurabh.khare@cbre.co.in
Pankaj Tekchandani	Director & Head (North & East India)	+91 124 4659479	Pankaj.Tekchandani@cbre.co.in

We will endeavor to maintain the primary contact as detailed above for the duration of the appointment, but we reserve the right to make changes. We will nevertheless advise you of any changes in the key personnel and the reasons for the changes at the earliest opportunity.

Timing: Upon acceptance of this Letter of Engagement, we will endeavor to have the valuation completed according to the following timescales:

- Indicative numbers - within 3 weeks post receipt of all information;
- Draft report - 2-3 working days post submission of indicative numbers;
- Final report - 2-3 working days post receiving comments from the Instructing Party on the draft valuation report.

Our ability to meet the required time frame is subject to your co-operation to provide all information requested by CBRE and to respond to queries, draft numbers, draft report etc. in a timely manner. Any delays will not constitute a breach of our obligations and we will communicate with you on any revised date of completion.

Valuation Fees: **INR 225,000 (Indian Two Lakhs Twenty-Five Thousand only) + applicable GST. The same is inclusive of sub-consultant's fee of INR 50,000 + GST**

- As per Government of India regulations, the applicable taxes would be payable on the above-mentioned fee
- The above fees is inclusive of all out of pocket expenses
- The above-mentioned fee does not include any pay-outs to Legal, Tax, Master Planning, Consumer Research consultants or any other external service providers. In case such services are required (based on express request / approval from the Instructing Party) then the applicable fee would be charged additionally
- CBRE would be engaging a sub-consultant, viz. ARCNA (represented by Mr. Nitin Aggarwal) to independently provide an opinion on the post-tax adjustments in the cashflow generated by the subject property for the purpose of this assignment, however CBRE shall not be liable for the findings and / or value opinion provided by the sub-consultant. The sub-consultant shall remain liable for the findings of their study/value opinion



- Of the total fee mentioned above (viz. INR 2,25,000 + GST), CBRE South Asia Private Limited would be paying INR 50,000 + GST to ARCNA (represented by Mr. Nitin Aggarwal)

Pre-Payment of Fees: 50% of the Valuation Fees ("commissioning") to be paid upon acceptance of this Letter of Engagement. Balance 50% of fees ("Draft") to be paid upon issuance of the Draft Valuation Report. Please note that the Deposit is non-refundable. In case of non-recovery of fee from the developer entity before the submission of draft valuation report, we shall invoice the instructing party and the same would be addressed to '**Krisumi Corporation Private Limited**' or SPV of '**Krisumi Corporation Private Limited**'.

Payment of Fees: We will issue a 2 invoices invoices (Commissioning invoice and Draft invoice), each amounting to 50% of the total fee and the same would be addressed to the '**Krisumi Corporation Private Limited**' on acceptance of this Letter of Engagement.

Our bank details are as follows:

Account Name:	CBRE South Asia Private Limited
Bank	The Hongkong & Shanghai Banking Corporation Limited 25, Barakhamba Road New Delhi 110 001
Account No.	051 615417001
NEFT / RTGS - IFSC Code	HSBC0110002

Additional Fees: Any additional advice or consultation beyond the agreed scope of this Letter of Engagement will require the Instructing Party's written request and our written acceptance and will incur an additional fee. The same would be discussed with the Instructing Party.

Please note that additional fees may be chargeable in the following situations:

- Any significant change in scope and/or property information presented by the Instructing Party after this Letter of Engagement has been signed and accepted and/or during the valuation process.
- Any significant change in valuation assumptions after presenting the draft valuation numbers or report to the Instructing Party.

Abortive Fees: Should the appointment be aborted by the Instructing Party; the entire fee shall become payable by the Client.

Absolute Right to Fees: The payment of fees is not contingent upon the Instructing Party utilizing our valuation for the stipulated purpose. Our ability to issue the final valuation cannot be unreasonably withheld or interfered. If the Instructing Party requests CBRE not to issue the final report, the Instructing Party agrees that CBRE's work is completed and CBRE may issue the invoice per the amount of the fee as stated in this Letter of Engagement, disbursements and any other fees as incurred.

Limitation of Liability: In recognition of the relative risks and benefits of this engagement to the Instructing Party, the Reliant Parties and CBRE, the risks have been allocated such that:

- i. the Instructing Party agrees; and
- ii. the Instructing Party shall procure that the Reliant Party agree,

to the fullest extent permitted by law, the total liability, in the aggregate, of CBRE and its professionals, officers, directors, employees, agents and sub-consultants, for any and all claims, losses, costs, expenses or damages of any nature whatsoever arising out of, resulting from or in any way related to this Letter of Engagement; including but not limited



to the negligence, professional errors or omissions, strict liability, breach of contract or warranty (express or implied), of CBRE or its professionals, officers, directors, employees, agents or sub-consultants shall be limited to total fees received by CBRE under this Letter of Engagement.

CBRE shall not be liable for any indirect, special, punitive or consequential loss or damage howsoever caused, whether in contract, tort or otherwise, arising from or in connection with this Letter of Engagement.

Indirect loss includes, without limitation, any financial loss or expenses including where caused by loss of use or of goodwill, loss of data or delay in the performance of any obligation together with any expenses incurred in connection with that loss or in litigation or attempted litigation of that loss.

This provision is standard with engagements of this nature and is not provided to waive our professional responsibility but as a mechanism to appropriately reflect the risk and benefits of the parties to this engagement. Nothing in this Section intends to exclude or limit our liability for actual fraud, death or personal injury caused by CBRE's negligence.

CBRE's Right to Terminate: Notwithstanding anything else contained in the Letter of Engagement, CBRE reserves its right to terminate the engagement in its absolute discretion where it considers that:

- a conflict of interest arises (notwithstanding the clause 'Conflict of Interest', above);
- any terms are changed by the Instructing Party or Reliant Party that CBRE considers substantially changes the engagement; or
- any other reason that CBRE is unable to continue carrying out the engagement.

Such termination will be notified in writing to the Instructing Party (or any other party as necessary).

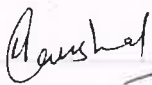
Sub-consultant:

The Instructing Party acknowledges and agrees that CBRE would utilize the sub-consultant services of ARCNA (represented by Mr. Nitin Aggarwal) to provide an opinion on the post-tax adjustments in the cashflow generated by the subject property for the purpose of this assignment. However, CBRE shall not be liable for the findings and / or data as provided by such consultant(s) appointed.

This Letter of Engagement forms the basis of CBRE's engagement with you as the Instructing Party. If this is acceptable to you, please complete and return **Schedule 1** as your acknowledgement and acceptance of the terms and conditions of this engagement. Please note that it is CBRE's policy that no work can be commenced until the engagement is formalized. Please also note that the offer contained in this Letter of Engagement is valid for 30 days from the date of this letter, after which, such offer lapses automatically.

We thank you for the opportunity of providing you with a quotation for our services.

Yours sincerely
For and on behalf of
CBRE South Asia Pvt. Ltd.



Rami Kaushal, MRICS
Managing Director, Consulting and Valuation

Schedules



CBRE

Schedule 1 - Acknowledgement and Acceptance of Terms and Conditions - Instructing Party

Schedule 2 - CBRE Valuation & Advisory Services - Conditions

Schedule 3 - CBRE Valuation & Advisory Services - Assumptions, Disclaimers, Limitations, Qualifications and Recommendations for Reporting

Schedule 4 - Valuation Methodology



SCHEDULE 1**Acknowledgement and Acceptance of Letter of Engagement – Instructing Party**

Please complete, sign, and return Schedule 1 as your acknowledgement of the terms and conditions of this Letter of Engagement.

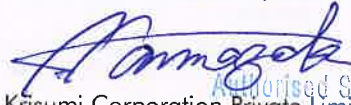
Our Reference SF-0001575276

Letter of Engagement Date 19th June 2023

Property Valuation of residential group housing project on a land parcel measuring 30.38 acres located at Sector 36A, Dwarka expressway, Gurgaon, Haryana

SIGNATURE:

Name (Instructing Party) Krisumi Corporation Private Limited
Name (Developer) Krisumi Corporation Private Limited


Authorized Signatory

Authorized Representative

Name _____

Title _____

Date _____

ACCEPT TERMS

We confirm that we have read and understand the terms and conditions of this Letter of Engagement including the listed Schedules and Appendixes and acknowledge our acceptance of these terms and conditions.

Return to VAS, CBRE by Email:

Attention: **Rami Kaushal, MRICS**
Managing Director, Consulting and
Valuation
Fax No:
Email: +011 - 42390200
rami.kaushal@cbre.co.in

PLUS Post the signed original document to:

VAS Administration Team
CBRE South Asia Pvt. Ltd.
CBRE Consulting
6th & 7th Floor, DLF Square
M Block, Jacaranda Marg
DLF City Phase II, Gurgaon -122002

SCHEDULE 2**CBRE Standard Terms and Conditions**

This document contains the standard terms and conditions and shall be incorporated into and form an integral part of the Letter of Engagement (as defined in the letter to which these standard terms and conditions are attached) ("LOE") entered into between CBRE South Asia Private Limited ("CBRE"), the Instructing Party.

SCOPE OF SERVICES

Services will be provided solely for the benefit and use of the Instructing Party by our qualified valuer. The report and valuations may not be used for any other purpose other than the expressly intended purpose as mentioned in the LOE and the report. They are not to be used, circulated, quoted or otherwise referred to for any other purpose, nor are they to be filed with or referred to in whole or in part in any document without the prior written consent of CBRE where such consent to be given at the absolute, exclusive discretion of CBRE. Where they are to be used with the CBRE's written consent, they shall be used only in their entirety and no part shall be used without referring to the whole report unless otherwise expressly agreed in writing by CBRE.

CBRE does not purport to provide a site or structural survey in respect of the property to be valued. CBRE does not purport to be suitably qualified to provide professional advice in respect of building or site contamination. The Reliant Party should seek independent advice on these issues.

The Services are provided on the basis that the Instructing Party has disclosed to CBRE all information which may affect the Services. All opinions of value expressed by CBRE or its employees are subject to the statement of valuation policies and any conditions contained in the CBRE's written valuation report. The LOE sets out the full scope of services that shall be covered by the valuation report.

INSTRUCTING PARTY'S OBLIGATION TO ASSIST

The Instructing Party agrees to provide all reasonable assistance to CBRE to allow CBRE to complete this instruction including all relevant documents and/or information the Instructing Party knows or ought reasonably to know will so assist CBRE, at its own cost and in a timely fashion, including but not limited to:

- all information which CBRE requests from time to time for the performance of the Services; and

FEES AND DISBURSEMENTS

All disbursements, including travelling and other reasonable expenses incurred by CBRE in the provision of the Services are fully recovered from the Instructing Party as and when incurred unless otherwise stated in the LOE.

All invoices are payable within 30 days of the date of invoice, unless otherwise stated in the LOE. Interest payable on any unpaid amount that has become due and payable shall be at the rate of 2% per month.

All legal and debt recovery costs which CBRE may incur in recovering overdue account balances from the Instructing Party shall be fully recoverable from the Instructing Party as and when incurred.

As part of its environmental stewardship policy, CBRE is committed to reducing paper usage and therefore, for any extra copy of report requested by the Instructing Party other than the number of copies of the report stated in the LOE, we reserve the right to charge for the extra administrative cost.

SUSPENSION OF SERVICES

CBRE has the right to suspend its engagement where the Instructing Party fails to pay any invoiced fees and disbursements within the required time frame, by giving the Instructing Party seven (7) days' notice in writing. Should the engagement be suspended by CBRE, all obligations by CBRE to the Instructing Party cease to exist and, furthermore, all intellectual property that CBRE receives from the Instructing Party prior to the engagement being suspended becomes the property of CBRE and, unless otherwise agreed, CBRE shall be free to use this information and value the property for any other party.

RETURN OF DOCUMENTS

CBRE reserves the right to retain possession of all papers and documents owned by the Instructing Party until all outstanding amounts payable by the Instructing Party have been received. Once the Services provided to the Instructing Party have been finalised and all outstanding invoices have been paid, CBRE will, upon written request by the Instructing Party, return documents owned by the Instructing Party within a reasonable time. Provided always that CBRE shall be entitled to retain a copy of the report and all related documents thereto for its compliance and record purposes and or as required by law.

ELECTRONIC COMMUNICATION

If the Instructing Party asks CBRE to send any documents by email, the Instructing Party will be deemed to have accepted the risk of (and CBRE will have no responsibility for) the message being intercepted, not being received or not being viewed by the recipient. If the Instructing

Party asks CBRE to provide the Instructing Party with a copy of a document by any electronic means such as e-mails or CD- Rom, CBRE will do so on the basis that CBRE does not warrant that the disk or email communication will be virus or defect free and on the basis that:

- CBRE will not be responsible for any loss or damage sustained by the computer system which reads the disk or email; and
- precaution will be taken by the Instructing Party to ensure that the disk or email does not cause any loss or damage.

COPYRIGHT

Copyright in any written work, drawing, compilation, table, graph and similar works created by or on behalf of CBRE remains with CBRE.

Neither the whole nor any part of any valuation report or any reference to the same, may be included in any document, circular or statement published by or on behalf of the Reliant Party without CBRE's written approval as to the form and content in which it may appear. Such reproduction by the Reliant Party of any part of any valuation report without consent will constitute a breach of copyright.

VARIATION

The engagement conditions can only be varied in writing by mutual agreement between the Instructing Party and CBRE.

CONFIDENTIALITY

Any confidential information collected and held by CBRE in the course of providing the Services will only be used for purposes relating to the provision of the Services.

LIMITATION OF LIABILITY

Without limiting the generality of the "Limitation of Liability" provisions in the letter to which these Standard Terms and Conditions are attached, the following specific and/or supplemental limitation of liability applies:

- CBRE accepts no responsibility or liability whatsoever for the valuation services unless full disclosure of all information and matters that may have an impact upon the value and marketability of the property has been made by the Instructing Party.
- CBRE will provide the valuation services exercising due care and skill but does not accept any liability arising from negligence or otherwise to any person (including but not limited to the Instructing Party) in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the property.
- Subject to the provisions of this clause and despite any implication arising from any other clauses within this LOE, CBRE is not liable in contract or in tort for or in respect of any indirect loss or damage suffered by the Instructing/Reliant Party or any other person arising out of any breach or other act or omission in connection with its engagement.
- Indirect loss includes, without limitation, any financial loss or expenses including where caused by loss of use or of goodwill, loss of data or delay in the performance of any obligation together with any expenses incurred in connection with that loss or in litigation or attempted litigation of that loss.
- the valuation report is to be read and construed in its entirety and reliance on the valuation report are strictly subject to the disclaimers and limitations on liability set out herein and in the valuation report
- CBRE's liability is extended to the Client only and any other parties relying on the valuation report may do so on their own accord without any liability on CBRE to such parties

None of our employees, directors or consultants individually has a contract with the Instructing Party nor the Reliant Party or owes them a duty of care. The Instructing Party agrees, and shall procure the Reliant Party to agree, that neither the Instructing Party nor the Reliant Party (as the case may be) will bring any claim against such individuals personally in connection with our services.

The liability of CBRE is limited to the Instructing Party and (to the extent the Reliant Party has signed the reliance letter in the form set out in the relevant Schedule attached to the LOE) the Reliant Party only. No accountability, obligation or liability to any third parties is accepted.

The Instructing Party agrees to indemnify and hold CBRE harmless against and from any losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys' fees, to which CBRE may become the subject and/or which CBRE has suffered or incurred in connection with the LOE. The Instructing Party's obligation for indemnification and reimbursement shall extend to any of CBRE's director, officer, employee, subcontractor, affiliate or agent providing services in connection with the LOE.



SCHEDULE 2 (cont.)

CBRE Valuation & Advisory Services Conditions

In the event CBRE is subject to any liability in connection with this engagement, the aggregate liability arising out of, or in connection with this engagement, whether arising from negligence, breach of contract, or any other cause whatsoever, shall be limited to the professional fee payable to CBRE for this mandate.

ENTIRETY OF TERMS OF ENGAGEMENT

The LOE and these Conditions, subject to any qualifications, conditions, assumptions, and reservations set out in any report or opinion furnished to the Instructing Party:

- a) constitutes the entire understanding and agreement of the parties relating to the matters dealt with;
- b) supersedes and extinguishes all prior agreements, statements, representations and understandings whether verbal or written between us relating to the matters dealt with in any engagement proposal or quotations, and
- c) may be varied at any time by mutual agreement between CBRE and the Instructing Party in writing.

CBRE COMPLIANCE WITH LAWS

CBRE fully complies with the provisions of the Foreign Corrupt Practices Act of 1977, as amended by the Omnibus Trade and Competitiveness Act of 1988 (FCPA), the UK Bribery Act and relevant local anti-corruption and bribery, and anti-money laundering and counter-terrorist financing, laws and regulations ("Local Laws") and their purposes and will take no action and make no payment in violation of, or which might cause CBRE or the Instructing Party to be in violation of, the FCPA, UK Bribery Act and Local Laws.

Notwithstanding anything to the contrary, if CBRE is requested or under pressure to take any action that could constitute a violation of the FCPA, UK Bribery Act or Local Laws, CBRE may, at its sole option, immediately terminate the services and LOE and are entitled to collect full compensation for all services rendered and any additional costs incurred due to early termination.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with laws of India.

COMPLAINTS PROCEDURE

If there are any complaints with regards to the services provided under this Agreement, please notify the following:

Region Head: Pankaj Tekchandani	Country Head: Saurabh Khare
Pankaj.tekchandani@cbre.co.in	saurabh.khare@cbre.co.in
Senior Associate Director - Valuations Advisory Services	Senior Director & Head - India Valuation Advisory Services

ARBITRATION

Any dispute arising out of or in connection with the LOE, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the relevant courts in India

PRIVACY ACT OR REGULATIONS

Any personal information collected and held by CBRE in the course of providing the Services will only be used for purposes relating to the provision of Services. More information about the manner in which CBRE handles personal information is described in its privacy policy.

GENERAL

If at any time during the term of The LOE, any of the terms and conditions in the LOE is held to be or becomes void or otherwise unenforceable or for any reason by a court of competent jurisdiction to be illegal, invalid or unenforceable in any respect under the law of any jurisdiction, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in the LOE but without invalidating any of the remaining provisions of this Agreement. Any provision held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. The parties shall then use all reasonable endeavours to replace the invalid or unenforceable provision(s) by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.



SCHEDULE 3

CBRE Valuation & Advisory Services - General Principles & Assumptions adopted in the preparation of Valuations and Reports

Set out below are the general principles upon which our valuations and reports are prepared and which will apply unless specifically mentioned otherwise in the body of the report. These General Principles and Assumptions should be read in conjunction with and shall form an integral part of the Letter of Engagement ("LOE") entered into between CBRE South Asia Private Limited ("CBRE") and the Instructing Party.

VALUATION STANDARDS

All valuations will be conducted in accordance with RICS Valuation - Global Standards 2020 incorporating the IVSC International Valuation Standards (IVS) 2020. All valuations will be undertaken by appropriately qualified valuers therein.

VALUATION BASIS

In accordance with the International Valuation Standards (IVS) 2020, the definition of 'Market Value' is: "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."

It should be noted that the interpretive commentary of the Valuation Standards makes it clear that, amongst other things, the valuation assumes that the appropriate marketing period had occurred prior to the Valuation Date and that simultaneous exchange and completion of the sale took place on the Valuation Date. Our valuations are, therefore, based upon the facts and evidence available as at the Valuation Date.

We would also draw your attention to the fact that we are required to assume that the buyer will purchase in accordance with the realities of the current market – and with current market expectations – and that the seller will sell the property at market terms for the best price attainable in the open market after proper marketing, whatever that price may be.

The valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realization – nor for taxation which might arise in the event of a disposal. No account has been taken of any inter-company leases or arrangements, or of any mortgages, debentures or other charge. No account has been taken of the availability or otherwise of capital based Government grants.

CONFIDENTIALITY

Any valuation service is confidential as between CBRE and the Reliant Party as specifically stated in the LOE and valuation advice/report. No responsibility will be accepted or assumed to any third party who may use or rely on the whole or any part of the content of our valuation or report.

TRANSMISSION

Only an original valuation report received by the Reliant Party(ies) directly from CBRE without any third party intervention can be relied upon.

PUBLICATION:

Neither the whole nor any part of our report, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way nor disclosed orally or in communication to a third party, including the form and context in which it is to appear without CBRE's prior written approval, which shall not be unreasonably withheld.

FUTURE CHANGE IN VALUE

All valuations are current as at the date of valuation only. The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE does not accept liability for losses arising from subsequent changes in value. As values can vary from time to time, CBRE recommends the valuation be reviewed periodically in the future to ascertain any changes in value.

FUTURE MATTERS

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 valuation. CBRE does not warrant that such statements are accurate or correct.

VALUATION AND REPORT RELIANCE WINDOW

Without limiting the generality of this statement, we do not assume any responsibility or accept any liability, nor should the valuation be relied upon, after the expiration of 3 months (as specified in the report/s) from the date of valuation, or such earlier date if the Reliant Party becomes aware of any factors that may have an effect on the valuation and has not disclosed such information to CBRE.

MATTERS WHICH AFFECT OR MAY AFFECT THE VALUATION

If the Reliant Party becomes aware of any matters which affect or may affect the valuation, then CBRE must be advised of those matters, and reliance must not be placed on the valuation/s under any circumstance.

PRUDENT LENDING CLAUSE

Our valuation will be provided on the assumption that the Reliant Party may rely on the valuation for first mortgage security purposes, and the Reliant Party complies with its own lending guidelines as well as prudent finance industry lending practices, and considers all prudent aspects of credit risks for the potential borrower, including the borrower's ability to service and repay any mortgage loan. The valuation/s will be provided on the assumption that the Reliant Party will provide mortgage financing at a conservative and prudent loan to value ratio. No responsibility will be accepted for this valuation nor should any reliance be placed on this valuation if the Reliant Party relies solely upon this valuation to advance any loan.

ASSUMPTIONS

An assumption is a supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, do not need to be verified by the valuer as part of the valuation process. Typically, an assumption is made where specific investigation by the valuer is not required in order to prove that something is true.

Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigations or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

The Reliant Party accepts that the valuation/s contains assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect or inaccurate, then this may have an effect on the valuation.

Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required will be made. We also recommend that you check the validity of the assumptions we have adopted in our report.

INSPECTIONS

We undertake such inspections and investigations as unless instructed by the Client not to, in our opinion, necessary to produce a valuation which is professionally adequate for its purpose.

OUR INVESTIGATIONS

We are not engaged to carry out all possible investigations in relation to the Property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.

INFORMATION SUPPLIED BY OTHERS

We have assumed that where any information relevant to our valuation is supplied by you, or by any third party at your instigation, it is correct and comprehensive, and can be safely relied upon by us in preparing our valuation.

VERIFICATION OF INFORMATION

We would recommend that before any financial transaction is entered into based on the valuations, you obtain verification of any third-party information provided. We also recommend that you check the validity of the assumptions we have adopted in our report (where we have been unable to verify the facts through our own observations or experience).

FLOODING RISK

We will assume that either there is no flooding risk or, if there is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.

SITE SURVEY

We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Reliant Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.



SCHEDULE 3 (cont.)

CBRE Valuation & Advisory Services – General Principles & Assumptions adopted in the preparation of Valuations and Reports

SITE CONDITIONS

We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise). Furthermore, we assume in such circumstances that no unusual costs will be incurred in the demolition and removal of any existing structure on the property.

ENVIRONMENTAL CONTAMINATION

In preparing our valuation we assume that no contaminative or potentially contaminative use is, or has been, carried out at the property. We do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists. Should it, however, be subsequently established that such contamination exists at the property or on any adjoining land or that any premises have been or are being put to contaminative use, this may have a detrimental effect on the value reported.

ASBESTOS RISK

Unless otherwise noted, we have assumed that the improvements are free of Asbestos and Hazardous Materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We assume the site is free of subsoil asbestos and have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of the presence of any asbestos/hazardous materials on site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.

HAZARDOUS & DELETERIOUS MATERIALS

Unless specifically instructed, we do not carry out investigations to ascertain whether any building has been constructed or altered using deleterious materials or methods. Unless specifically notified, our valuation assumes that no such materials or methods have been used. Common examples include high alumina cement concrete, calcium chloride, asbestos and wood wool slabs used as permanent shuttering.

DOCUMENTATION AND TITLE

We have relied on the land title certificates or lease agreements provided by the client. Otherwise, if instructed by the Client/Instructing Party(ies) or the Reliant Part(ies), we will conduct a brief title search at the local Land Department office and will rely on the land title certificates or the lease agreements from the local Land Department office. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.

We do not read legal documentation. Where legal documentation is provided to us, we will have regard to the matters therein but recommend that reliance should not be placed on our interpretation thereof without prior verification by your legal advisors. Unless disclosed to us, we assume that there are no outstanding statutory breaches or impending litigation in respect of the property. We further assume that all documentation is satisfactorily drawn and that unless disclosed to us, there are no unusual or onerous restrictions, easements, covenants or other outgoing which would adversely affect the value of the relevant interest(s). In respect of leasehold property, we will assume that your landlord will give any necessary consents to an assignment. Unless notified to the contrary we assume that each property has a good and marketable title and is free from any pending litigation.

LIEN / CAVEATS

We have disregarded the presence of any mortgage or other financial liens, or any caveats pertaining to the property.

UNREGISTERED INTERESTS

We have assumed that there are no unregistered interests or interests not captured by the applicable Regulatory Authority in the country which services are to be carried out which may affect market value. In the event that the Reliant Party becomes aware of any further or pending easements, encumbrances or unregistered interests, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation/s.

TENANT'S COVENANT STRENGTH

Unless specifically requested, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgement of the market's perception of them. Any comments on covenant strength should therefore be read in this context. Furthermore, we assume, unless otherwise advised, that the tenant is capable of meeting its financial obligations under the lease and that there are no arrears of rent or other payments or undisclosed breaches of covenant.

PERMIT OF OCCUPANCY & USE

Unless otherwise stated in the report, we have not sighted a copy of the relevant Certificate of Occupation Permit and latest approved building plans for the subject property. Accordingly, our valuation/s assumes that the property complies with all requirements of the Local Authorities /Government Bodies responsible for the issue of the said Permit/Certificate and that there are no outstanding matters, orders or requisitions.

TOWN PLANNING AND OTHER STATUTORY REGULATION

Unless specifically instructed, we do not normally undertake enquiries to obtain town planning and highway information from the relevant Local Authority. We assume that the Property is not adversely affected by town planning or road proposals. Our valuations are prepared on the assumption that the premises comply with all relevant statutory enactments and Building Acts and Regulations, that a valid and up-to-date Fire Certificate has been issued. We assume that all necessary consents, licences and authorisations for the use of the property and the process carried out therein have been obtained and will continue to subsist and are not subject to any onerous conditions.

In the event that a legal requisition or other relevant planning information or document is obtained and the information therein is found to be materially different to the town planning information in the report, the valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation/s.

MEASUREMENT

We will not measure the property but will rely upon the floor areas provided to us by the Instructing Party and/or Instructing Party's advisor which we would assume to be correct and comprehensive, and which we assume have been calculated in accordance with the local market practise. We recommend that the person or entity relying upon this report should obtain a survey to determine whether the areas provided differ from the guidelines. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.

VALUATION APPROACHES AND METHODS

CBRE employs industry recognized valuation approaches and methodologies using market-derived inputs or information in estimating the market value of a property.

Our report will make reference to the approach or approaches adopted, the key inputs used and the principal reasons for the conclusions reached. Where different valuation approaches and assumptions are required for different property, this will be separately identified and reported.

Valuers are responsible for adopting, and as necessary justifying, the valuation approach(es) and the valuation methods used to fulfil individual valuation engagements. These will however have regard to; the nature of the property; the purpose, intended use and context of the particular assignment and any statutory or other mandatory requirements applicable in the jurisdiction concerned.

BUILDING SURVEYS

We do not undertake building surveys, nor do we inspect those parts that are covered, unexposed or inaccessible, or test any of the electrical, heating, drainage or other services. Any readily apparent defects or items of disrepair noted during our inspection will, unless otherwise stated, be reflected in our valuation, but no assurance is given that any property is free from defect. We assume that those parts which have not been inspected would not reveal material defects which would cause us to alter our valuation.

We assume that the services and any associated controls or software are in working order and free from defect.

HIGH VOLTAGE ELECTRICITY SUPPLY APPARATUS

Where there is high voltage electricity supply apparatus within close proximity to the property, unless otherwise stated we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.



SCHEDULE 3 (cont.)**CBRE Valuation & Advisory Services – General Principles & Assumptions adopted in the preparation of Valuations and Reports****PLANT & MACHINERY, FIXTURES AND FITTINGS**

Our valuation includes those items usually regarded as forming part of the building and comprising landlord's fixtures, such as boilers, heating, lighting, sprinklers and ventilation systems and lifts but generally exclude process plant, machinery and equipment and those fixtures and fittings normally considered to be the property of the tenant. Where the property is valued as a fully equipped operational entity our valuation includes trade fixtures and fittings and equipment necessary to generate the turnover and profit. Valuations for investment purposes will include the landlord's fixtures and fittings but not the trade fixtures and the trade inventory where the tenant owns these.

DEVELOPMENT VALUATION

The valuation method adopted for development valuations is very sensitive to changes in key inputs. Slight changes in variables such as sales volumes or build costs will have a disproportionate effect on land value. Site values can therefore be susceptible to considerable variances because of changes in market conditions. In preparing our valuations, we will undertake a residual appraisal or Discount Cashflow of the proposed / consented scheme, making the necessary allowances to reflect the market and associated planning risks.

AGGREGATION

In the valuation of portfolios, each property is valued separately and not as part of the portfolio. Accordingly, no allowance, either positive or negative, is made in the aggregate value reported to reflect the possibility of the whole or part of the portfolio being put on the market at any one time

LIASING WITH LAWYERS

Where it is appropriate to do so we will liaise direct with your lawyers. However, they will be directly responsible to you for all legal work carried out by them. We will have no responsibility

for their work. In particular, we will not be liable for anything contained in the legal documentation prepared by the lawyers unless we specifically state in writing that the lawyers may rely on our advice in relation to any relevant issue.

MAP & PLANS

All maps and plans quoted in our report are solely for illustration purposes only. While they are extracted from public sources, they may be not to scale. CBRE does not warrant that such dimensions shown are accurate

CURRENT MARKET CRISIS

The recent asset liability mismatch for some NBFCs and banks in India has resulted in a liquidity crisis as banks, investors and NBFCs have (or are likely) to become more cautious about their current loans and are focusing on fulfilling payment obligations. This may result in a period of uncertainty and may lead to increased cost of credit, slowdown in release of credit facilities, etc.

The impact of these changes is yet to be qualified and it is possible that values could go through a period of heightened volatility whilst the market absorbs/reacts to this decision. This inherent risk factor should be considered before relying on our valuation. Caution is advised in this regard. We would, therefore, recommend that the valuation is kept under regular review and that specific market advice is obtained should you wish to effect a future transaction.

DIRECTOR'S CLAUSE

The reviewer of report verifies that the report is genuine and endorsed by CBRE however the opinion of value expressed has been arrived at by the valuer or valuers.



SCHEDULE 4

CBRE Valuation & Advisory Services – Valuation Methodologies

Market Value as defined in the International Valuation Standards (IVS) 2020 is as follows:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'

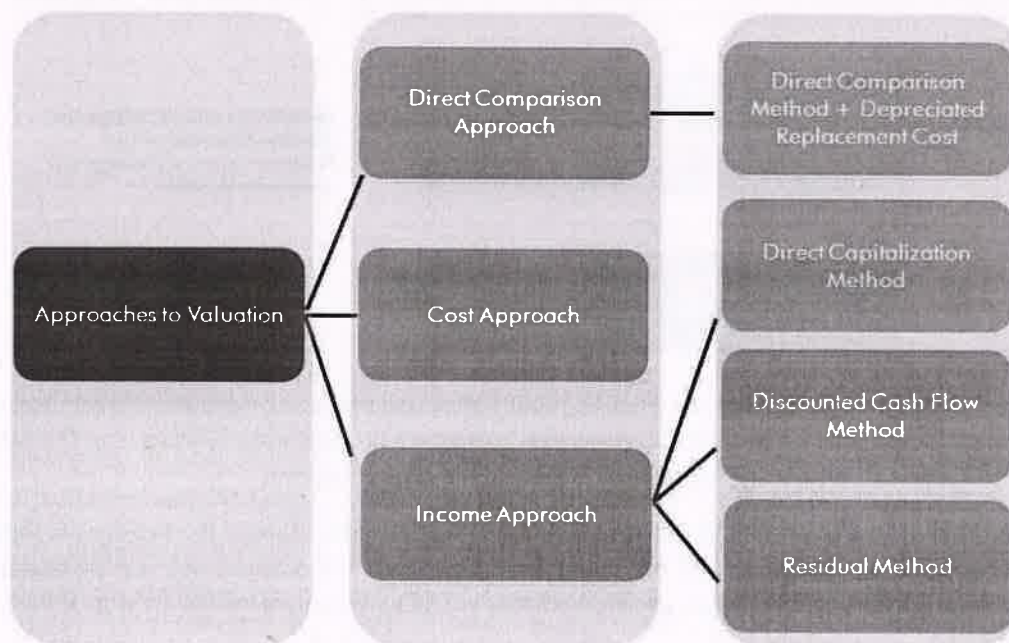
The valuation assumes that the completion of a sale of the interest in the property took place on the valuation date and would then list further facts and assumptions made in relation to the hypothetical sale.

We acknowledge that the approaches to valuation differ considerably and that for a particular purpose, alternative approaches to the valuation can be utilized.

Considering the objective of the exercise and the nature of asset involved, the value of the asset can be undertaken using the Direct Comparison Approach (for land component) and Depreciated Replacement Cost Method (for built up component, plant & machinery and furniture & fixtures) or Income Approach, whichever is applicable.

The various approaches to valuations have been explained in the following sections of this document.

VALUATION METHODS

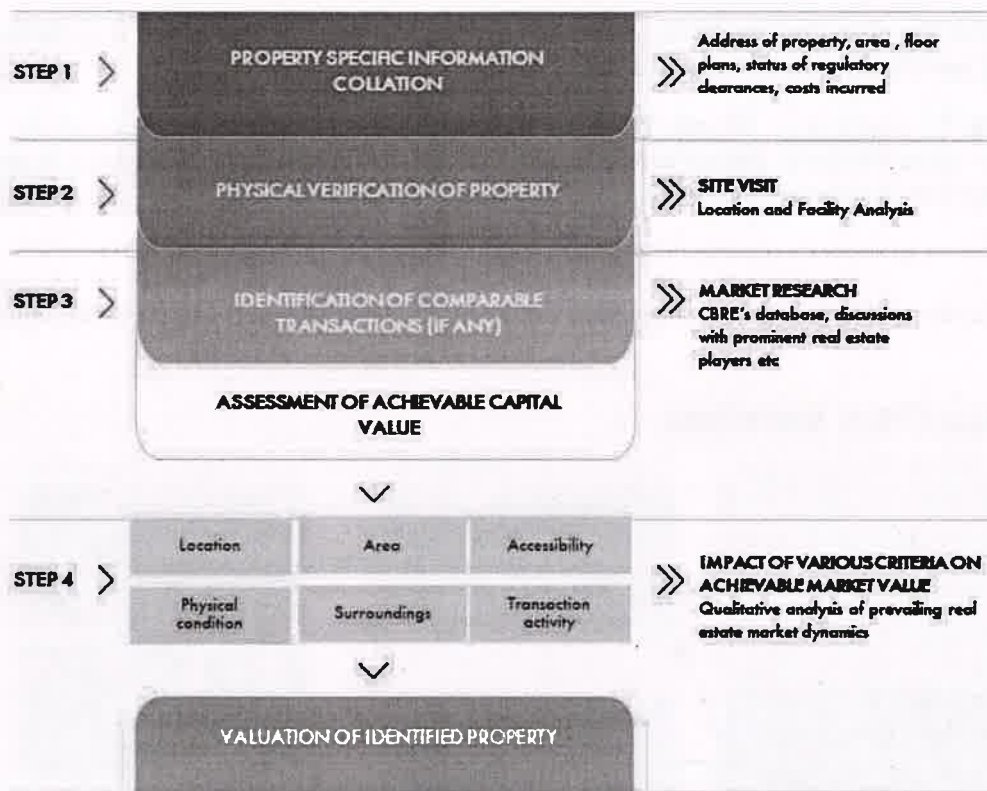


SCHEDULE 4

CBRE Valuation & Advisory Services – Valuation Methodologies

Direct Comparison Approach

The Direct Comparison Approach involves a comparison of the property being valued to similar properties that have actually been sold in arms – length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in a competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. The process adopted while undertaking the valuation under this approach are detailed below:




To ascertain the comparable transactions / quotes, CBRE would undertake an on-ground market research exercise involving interactions with local market players such as real estate brokers, accumulators, etc. The data would be collated with respect to the general transaction activity in the subject regions.

Post establishing the prevalent values in the subject micro markets, the value of the subject property would be ascertained through an adjustment of the comparables collated. The diagram overleaf highlights the value adjustment matrix detailing the various adjustments that would be considered while arriving at the value of the subject property.



SCHEDULE 4

CBRE Valuation & Advisory Services – Valuation Methodologies

COMPARABLE TRANSACTIONS ADJUSTMENT MATRIX			
LIKELY IMPACT ON MARKET VALUE (VALUE ENHANCER/VALUE SUPPRESSANT) VIZ. COMPARABLE TRANSACTIONS	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Location of property	↑	↓	↑
Area of property	↔	↔	↔
Surrounding developments	↔	↑	↑
Physical condition of property	↔	↓	↓
Date of reported transaction	↓	↔	↑
Ancillary facilities provided	↑	↓	↔
Others (describe)	↑	↔	↑
			
ASSESSED VALUE			

Depreciated Replacement Cost Approach

The depreciated replacement cost method involves assessing the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization. Depreciation refers to adjustments made to the cost of an equivalent asset to reflect any comparative obsolescence (such as physical deterioration, functional or economic obsolescence) that affects the subject asset over the remaining life of the subject asset at the valuation date with its expected total life (economic life of the property).

The physical life is how long the asset, ignoring any potential for refurbishment or reconstruction, could be used before the asset would be completely worn out or beyond economic repair. The economic life is how long it is anticipated that the asset could generate returns or provide a financial benefit.

Income Approach

The income approach is based on the premise that the value of an income - producing asset is a function of future benefits and income that can be derived from that asset. The commonly used method is discounted cash flow method, explained below.

Direct capitalization method

This method involves capitalizing (dividing) a "normalized" single - year net income estimate by an appropriate yield. This approach is best utilized for stable revenue producing assets, whereby there is little volatility in the net income. A variation of this method consists of using a three-year average of the net income. A variation of the Direct Capitalization is the 'term and reversion' approach which adjusts the passing rentals to market rents upon expiry/ renewal.



SCHEDULE 4

CBRE Valuation & Advisory Services – Valuation Methodologies

Discounted cash flow method

Discounted cash flow method ~ this method involves forecasting future cash flows from the property (being valued) based on precisely stated market based assumptions. This method allows for explicit modelling of income associated with the development of the property. These future financial benefits then are discounted to a present-day value by adopting an appropriate discount rate. The valuation process and the assumptions for valuation adopted while undertaking the valuation under this approach are detailed below:



SCHEDULE 4

CBRE Valuation & Advisory Services – Valuation Methodologies

Residual Approach

The residual method involves assessment of the value of the project as completed and deduction of the costs of development (including developer’s profit) to arrive at the underlying land value. For a defined scheme/product mix, a residual valuation can be expressed as the following equation:

(Value of completed development) – (development costs + developers profit) = Land value

- The **value of completed development** is termed as the Market Value of the proposed development assessed on the special assumption that the development is complete as at the date of valuation in the market conditions prevailing at that date (Gross Development Value-GDV).
- **Development costs** would include the construction costs, approval costs, site development costs, fees and expenses, interest on financing costs and holding costs, in any.

Developers profit expectation would depend on the nature of the development and prevalent market norms and can be expressed as profit margin or rate of return

