

**FAIR VALUATION OF PTCs (ISSUED BY INDIA RE
2019 TRUST) HELD BY PIRAMAL CAPITAL &
HOUSING FINANCE LIMITED (ACQUIRED FROM
ERSTWHILE DEWAN HOUSING FINANCE
CORPORATION LIMITED), AS AT JUNE 30, 2022
FOR INTERNAL MANAGEMENT REVIEW PURPOSE**

DATE: OCTOBER 04, 2022

Valuation
Investment Banking
Restructuring
Transaction Services
Transaction Tax
Advisory Services

Private & Confidential

Piramal Capital & Housing Finance Limited

Piramal Tower, A Wing, Ground Floor,
Peninsula Corporate Park, Ganpatrao Kadam Marg,
Lower Parel, Mumbai 400013

Dear Sir,

We refer to our engagement letter no. RBSA/MUMFAS/2021-22/NG/35 dated March 15, 2022, to carry out fair valuation of pass through certificates issued by India RE 2019 Trust and held by Piramal Capital & Housing Finance Limited which were acquired from erstwhile Dewan Housing Finance Corporation Limited (“Sahana PTCs”) as at June 30, 2022 (“Valuation Date”), for internal management review of Piramal Capital & Housing Finance Limited.

Piramal Capital & Housing Finance Limited (“PCHFL” or “Client”), wholly owned subsidiary of Piramal Enterprises Limited, is registered as a housing finance company with National Housing Bank (NHB) and is primarily engaged in various financial services businesses.

Dewan Housing Finance Corporation Limited (“DHFL” or the “Company”), established in 1984 was a deposit-taking housing finance company, headquartered in Mumbai with branches in major cities across India. DHFL was established primarily to enable access to affordable housing finance to the lower- and middle-income groups in semi-urban and rural parts of India.

DHFL had defaulted in the debt servicing in June 2019 and subsequently Hon’ble National Company Law Tribunal (NCLT), Mumbai Bench admitted the application filed by Reserve Bank of India to initiate Corporate Insolvency Resolution Process in respect of the Company in accordance with the Insolvency and Bankruptcy Code, 2016.

The Committee of Creditors of DHFL (“CoC”) on January 16, 2021 approved PCHFL’s bid to acquire DHFL. PCHFL is evaluating various options in connection with the Sahana PTCs (the “Proposed Transaction”).

In this connection, the management of PCHFL (the “Management”) has approached RBSA Valuation Advisors LLP (“RBSA”) to carry out fair valuation of Sahana PTCs as on June 30, 2022 for internal management review purpose.

Our valuation is based on generally accepted valuation methodologies. A potential investor/another valuer may use different methodologies or may arrive at different pricing using the same/other methodologies depending upon their perceptions and the parameters that they feel have a greater significance.

Considering the nature of the engagement, we have not interacted with the management of Amaryllis Realtors LLP and Gulmarg Realtors LLP (“Borrower Entities”) and the trustee of India RE 2019 Trust - Catalyst Trusteeship Limited (“Trustee”). Our valuation of the Sahana PTCs is subject to this premise.

This report (“Report”) has been prepared solely for PCHFL in connection with the purpose stated herein and should not be relied upon for any other purpose. RBSA accepts no responsibility or liability to any other party, in connection with this Report.

Our valuation is based on market, financial and other information provided by the Management as received from Trustee and other information that was publicly available or sourced from subscribed databases, which have been relied upon by us. In accordance with the terms of our engagement, we have carried out relevant analyses and evaluations through discussions, calculations and such other means, as appropriate. In accordance with the terms of our engagement letter and in accordance with the customary approach adopted in valuation exercises, our valuation does not constitute an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services and does not include verification or validation work. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. The Management had indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ conclusion. Accordingly, we assume no responsibility for any errors in the information provided by the Management as received from Trustee and their impact on the Report.

We have also relied on the data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and / or reproduced in its proper form and context.

As agreed, we have carried out fair valuation of Sahana PTCs as on the Valuation Date, considering analysis of the data/information provided by the Management as received from the Trustee, market analysis, discussion with Management and other factors set out in the Report. The value analysis is not intended for general circulation or publication and is not to be reproduced without our prior written consent or used for any purpose other than for the purposes stated above and cannot be relied upon by third parties.

By its very nature, valuation cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we normally express our assessment as falling within a likely range, considering the nature of the engagement we have provided a single point value estimate.

The outbreak of the Novel Coronavirus (“COVID-19”), declared by the World Health Organization as a “Global Pandemic” on March 11, 2020, has adversely affected the Global and Indian economy. Governments have announced various measures to combat COVID 19 pandemic and to support the economic and business activities. The outbreak of COVID 19 Pandemic has led to significantly higher uncertainties in the near to medium term and its impact is evolving. Considering the unprecedented set of circumstances, Value analysis is Reported on the basis of ‘material valuation uncertainty’ and accordingly, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case. It may be noted that the estimated value may change significantly and unexpectedly over a relatively short period of time based on the evolving conditions/uncertainties on account of COVID 19 pandemic.

Except to the extent specifically disclosed to us any matters related to legal title, ownership, charge creation on the collateral security with respect to the Sahana PTCs and enforceability of such charges are outside the purview and scope of this valuation exercise. The valuation may be significantly influenced by adverse contractual agreements, legal title, ownership or encumbrance related issues; we reserve our right to alter the conclusions should any such issues are brought to our knowledge later.

This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Report as a whole is taken into account.

A securitization deal was done in June 2019, whereby –

- Term loans of Amaryllis Realtors LLP and Gulmarg Realtors LLP were assigned to India RE 2019 Trust (the “Trust”). The underlying security for these loans were cash flows to the extent of 20% receivable from the realization of net revenue from the real estate project named Three Sixty West at Worli (Mumbai).
- The Trust issued senior pass through certificates (“Senior PTCs”), pass through certificates – B series (“Series B-PTCs”) and junior pass through certificates (“Junior PTCs”), together hereinafter referred to as “PTCs”.
- The Senior PTCs were subscribed by S C Lowy Primary Investment Limited and erstwhile DHFL in equal proportion.
- The Series B-PTCs and Junior PTCs both were subscribed by erstwhile DHFL.

- As per the trust deed between Catalyst Trusteeship Limited and the holders of the PTCs dated June 04, 2019 (“Trust Deed”) –
 - a) Senior PTCs carry an interest rate of 25% p.a. currently.
 - b) Series B-PTCs are non-interest bearing and will not be paid/retired unless Senior PTCs are paid/retired.
 - c) Junior PTCs are non-interest bearing and will not be not paid/retired unless Senior PTCs and Series B-PTCs are paid/retired.

As on the Valuation Date, we understand from the Management that -

- The Borrower Entities have defaulted in the payment of scheduled cash flows as agreed upon in the Trust Deed. The last payment received by the Trustee was in November 2021.
- The promoters of the Borrower Entities have been under investigation by Central Bureau of Investigation (CBI). In June 2022, the CBI conducted searches on the premises of the promoters at 12 places in different parts of Mumbai. The underlying security for Sahana PTCs is cashflow from the realization of net revenue from the real estate project named Three Sixty West at Worli (Mumbai). If the project cash flows are attached by the regulators (CBI / Enforcement Directorate), the fair value of Sahana PTCs may be adversely impacted.
- Out of the total saleable carpet area of the project of ~13.52 lakhs SFT, as on the Valuation Date ~11.08 lakhs SFT is expected to be sold during the projected period.
- The amount receivable from the sale of units made till the Valuation Date is INR 384 Cr.

Based on the analysis of the information provided by the Management as received from the Trustee and other relevant factors, the fair value of the Sahana PTCs as on June 30, 2022 is as follows-

Particulars	Principal Outstanding #	(In INR Cr)
		Fair value
Senior PTCs	287.87	233.42
Junior PTCs and Series-B PTCs	1409.32	-
Total	1697.19	233.42

Before considering adjustments for fair valuation as on September 30, 2021

We reserve the right to alter our conclusions should any information that we are not aware of at the time of preparing this Report comes to light that has a material impact on the conclusions herein.

We take this opportunity to express our appreciation for the assistance and co-operation provided to us by the Management during the performance of our assignment.

For, RBSA Valuation Advisors LLP

Ravishu Vinod Shah
Partner

Sandesh Trivedi
Partner

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1. Instrument Summary



A securitization deal was done in June 2019, whereby –

- 1) Term loans of Amaryllis Realtors LLP and Gulmarg Realtors LLP were assigned to India RE 2019 Trust (the “Trust”). The underlying security for these loans were cash flows to the extent of 20% receivable from the realization of net revenue from the real estate project named Three Sixty West at Worli (Mumbai).
- 2) The Trust issued senior pass through certificates (“Senior PTCs”), pass through certificates – B series (“Series B-PTCs”) and junior pass through certificates (“Junior PTCs”), together hereinafter referred to as “PTCs”.
- 3) The Senior PTCs were subscribed by S C Lowy Primary Investment Limited and erstwhile DHFL in equal proportion.
- 4) The Series B-PTCs and Junior PTCs both were subscribed by erstwhile DHFL.

As per the trust deed between Catalyst Trusteeship Limited (“Trustee”) and the holders of the PTCs dated June 04, 2019 (“Trust Deed”) –

- 1) The Underlying Loans consist of a pool of two corporate loans denominated in INR originated by erstwhile DHFL , as follows:
 - a) Term loan facility aggregating to INR 1000 Cr provided on the terms and conditions provided in the loan executed by and between Gulmarg Realtors LLP and erstwhile DHFL; and
 - b) Term loan facility aggregating to INR 1000 Cr provided on the terms and conditions provided in the loan executed by and between Amaryllis LLP and erstwhile DHFL.
- 2) Thus, total receivables assigned to the Trust pool cash flow were INR 2000 Cr.
- 3) The terms applicable to Sahana PTCs are –

Senior PTCs-

- a) Each Senior PTC will have a face value of INR 100,000 and will be issued at par. The Senior PTCs will rank *Pari passu* to each other in all respects.
- b) The Senior PTCs will carry an interest, accruing on daily basis and in arrears, on the Senior PTC subscription amount at Senior PTC interest rate, from the deemed date of allotment to the actual date of redemption of all the Senior PTCs, both days inclusive.

Where, Senior PTC interest rate is –

- I. 21% p.a. compounded quarterly, which shall be increased by 1% p.a. after every 3 months from June 30, 2019 till the additional conditions precedents are satisfied in full by the seller (erstwhile DHFL) /borrower (Amaryllis Realtors LLP and Gulmarg Realtors LLP), provided it shall be subject to a maximum increase of 4% p.a. (i.e., up to 25% p.a., compounded quarterly). This rate of interest shall stand revised to 21% from date of fulfilment of additional conditions precedent; and

1. Instrument Summary



- II. In the event of default by the borrowers under the underlying documents and a penal/default interest is charged to the borrowers, the said penal/default interest amount will be paid to Senior PTC holders at the rate of 5% p.a., compounded quarterly on the amount of the Senior PTCs outstanding for the default period. This would be in addition to the interest mentioned above.
- c) Any distributions or redemptions on the Senior PTCs in terms of the deed shall be applied pro-rata on all of the issued and outstanding Senior PTCs.
- d) The Senior PTCs may be redeemed by the Trust, in compliance with the cashflow waterfall at any time after the issuance of the Senior PTCs, for an amount equal to the Senior PTCs Redemption Value.
- e) Senior PTCs Redemption Value means, collectively the outstanding principal amount, the accrued and outstanding interest, the accrued and outstanding additional interest and all other outstanding amounts payable on the Senior PTCs from the deemed date of allotment of the Senior PTCs, till the date of actual redemption of the Senior PTCs, both days inclusive.
- f) No deductions or withholdings shall be made in respect of any payments to the Senior PTC holders. If any deductions or withholdings (whether due to any tax or otherwise) are required to be made under Applicable Law in respect of any payment to the Senior PTC holders, then the amount payable to the Senior PTC holders (including the interest, any other distributions on the Senior PTCs towards the Senior PTCs Redemption Value or scheduled principal payments), shall be grossed up, such that the net amount paid to the Senior PT Holders after deduction or withholding of tax would be equal to the amount the Senior PTC Holders would have received if no tax was deductible or withheld in relation to such payment.
- g) No payments or distributions, of any type or nature, shall be made on the Series B-PTCs and the Junior PTCs, until all of the Senior PTCs have been fully redeemed in terms of the deed including without limitation by way of payment of the Senior PTCs Redemption Value to the Senior PTC holders.
- h) The investor (S C Lowy Investments Limited) shall have the right to purchase the Senior PTCs from the Seller (erstwhile DHFL) at the Principal Amount at any time.

Series B-PTCs –

- a) Each Series B-PTCs will have face value of INR 100,000 and will be issued at par. The Series B-PTCs will rank *Pari passu* to each other in all respects.
- b) Any distributions or redemptions on the Series B-PTCs in terms of the deed shall be applied pro-rata on all of the issued and outstanding Series B-PTCs.
- c) The Series B-PTCs may be redeemed by the Trust, in compliance with the cashflow waterfall, for an amount equal to the Series B-PTCs Redemption Value.

1. Instrument Summary



- d) Series B-PTCs Redemption Value means:
 - I. If the approved transfer has not occurred prior to such redemption, an amount payable on pro-rata basis to the amount payable to the Junior PTCs; and
 - II. If the approved transfer has occurred prior to such redemption, an aggregate of the principal amount, the accrued and outstanding interest, the accrued and outstanding additional interest and all other outstanding amounts payable on the Series B-PTCs from the Approved Transfer Date, till the date of actual redemption of the Series B-PTCs, both days inclusive.
- e) No deductions or withholdings shall be made in respect of any payments to the Series B-PTCs holders. If any deductions or withholdings (whether due to any tax or otherwise) are required to be made under applicable law in respect of any payment to the Series B-PTCs holders, then the amount payable to the Series B-PTCs holders (including the interest, any other distributions on the Series B-PTCs towards the Series B-PTCs Redemption Value or scheduled principal payments), shall be grossed up, such that the net amount paid to the Series B-PTCs holders after deduction or withholding of tax, would be equal to the amount the Series B-PTCs holders would have received if no tax was deductible or withheld in relation to such payment.

Junior PTCs –

- a) Each Junior PTC will have face value of INR 100,000 and will be issued at par. The Junior PTCs will rank *Pari passu* to each other in all respects.
- b) The Junior PTCs and all payments under the Junior PTCs shall stand subordinated to the payments under the Senior PTCs and the Series B-PTCs as per the terms set out in the deed and shall not be made till all of the Senior PTCs and the Series B-PTCs have been fully redeemed in terms of the deed including without limitation by way of payment of the Senior PTCs Redemption Value to the Senior PTC holders and the Series B-PTCs Redemption Value to the Series B-PTC holders.
- c) The Junior PTCs shall be non-interest bearing and shall not have any fixed or floating return.
- d) No payments or distributions shall be made on the Junior PTCs until such time that all Senior PTCs and Series B-PTCs have been fully redeemed and repaid (including, the Trust having paid Senior PTCs Redemption Value and all costs and expenses payable to the Senior PTC holders; and Series B-PTCs Redemption Value and all costs and expenses payable to the Series B-PTCs holders), to the satisfaction of the Senior PTC holders and the Series B-PTCs holders, respectively. Accordingly, any distributions or payments on the Junior PTCs shall be subordinated to the Senior PTCs and the Series B-PTCs, and shall be made from the receivables of the Underlying Loans (if any) after all such receivables have been used towards applicable payments or distributions on the Senior PTCs and the Series B-PTCs, and the other priority payments specified in the cashflow waterfall, have been made.
- e) It is expressly acknowledged that the excess interest spread on the receivables, if any which would have been available to meet payments on Junior PTCs (assuming, the pool cashflows from the receivables were regular) shall form a part of the credit enhancement of the Senior PTCs, and will be applied in accordance with the cashflow waterfall.

2. Sources of Information



This Report is prepared *inter-alia* on the basis of the following sources of information provided by the Management as received from the Trustee, which has been relied upon by us:

- 1) Trust deed between Catalyst Trusteeship Limited as a trustee of India RE 2019 Trust and the holders of the PTCs dated June 04, 2019.
- 2) Distribution of cashflows received by the trust amongst Senior PTC holders.
- 3) Details of collateral security for the loan account including underlying property, its unsold area, balance receivables from sold area, percentage of completion, etc.
- 4) Discussions with the Management.

3. Procedures



The procedures used in our valuation included such substantive steps as we considered necessary under the circumstances, including, the following:

- 1) Considered trust deed between Catalyst Trusteeship Limited as a trustee of India RE 2019 Trust and the holders of the PTCs dated June 04, 2019.
- 2) Considered distribution of cashflows received by the trust amongst Senior PTC holders.
- 3) Considered details of collateral security for the loan account including underlying property, its unsold area, balance receivables from sold area, percentage of completion, etc.
- 4) Discussions and correspondence with the Management.
- 5) Such other analyses, reviews and inquiries, as we considered necessary.

4. Methodology of Valuation



- Collateralized debt instruments are valued considering the value of underlying collateral, the risk of converting the collateral into cash, and the time required to convert the collateral into cash.
- Fair value of the underlying security is estimated based market, income or cost approach as found appropriate considering the data provided by the borrower company.
- The underlying security in case of the PTCs is the expected cash flow from the realization of net revenue from the real estate project named Three Sixty West at Worli (Mumbai) to the extent of 20%.
- However, Junior PTCs and Series-B PTCs are subordinate to the Senior PTCs and no payments will be made on the Junior PTCs and Series-B PTCs until such time that all Senior PTCs have been fully redeemed and repaid (including, the Trust having paid Senior PTCs Redemption Value to the senior PTC holders), to the satisfaction of the Senior PTC holders.
- Considering the aforementioned, we have adopted the value based on underlying collateral method for valuation of Sahana PTCs.

5. Valuation Analysis

Current status of the instrument:

As on the Valuation Date, we understand from the Management that -

- The Borrower Entities have defaulted in the payment of scheduled cash flows as agreed upon in the Trust Deed. The last payment received by the Trustee was in November 2021.
- The promoters of the Borrower Entities have been under investigation by Central Bureau of Investigation (CBI). In June 2022, the CBI conducted searches on the premises of the promoters at 12 places in different parts of Mumbai. The underlying security for Sahana PTCs is cashflow from the realization of net revenue from the real estate project named Three Sixty West at Worli (Mumbai). If the project cash flows are attached by the regulators (CBI / Enforcement Directorate), the fair value of Sahana PTCs may be adversely impacted.
- The amount receivable from the sale of units made till the Valuation Date is INR 384 Cr.
- The total saleable carpet area expected to be sold during the projected period is as per table below:

Particulars as at June 30, 2022	Area in SFT
	Residential Apartments
Sale Area	13 52 321
Total Saleable Area (Carpet)	13 52 321
Saleable Area sold (Carpet)	2 43 951
Balance Saleable area available for sale (Carpet)	11 08 370

Source: Information provided by the Management as received from Trustee

The table below depicts applicable interest rate to SC Lowy and PCHFL as on the Valuation Date:

Particulars	SC Lowy	PCHFL
Interest rate applicable to Senior PTCs as per the Trust Deed	25%	25%
Gross up factor on account of applicable withholding tax	1.28	1.43
Gross interest applicable to Senior PTCs	31.9%	35.7%

Source: Information provided by the Management as received from Trustee

5. Valuation Analysis

Based on the expected cashflows attributable to various classes of the PTC holders, following value has been ascribed to the Sahana PTCs-

Particulars	Principal Outstanding #	(In INR Cr)
		Fair value
Senior PTCs	287.87	233.42
Junior PTCs and Series-B PTCs	1409.32	-
Total	1697.19	233.42

Before considering adjustments for fair valuation as on September 30, 2021

Note:

No value ascribed to Junior PTCs and Series-B PTCs since in the waterfall structure, the cashflows from the underlying security are not sufficient to repay the principal amount due to Senior PTC holders.

(1) Valuation of collateral security of the PTCs :

Year ending	(In INR Cr)											
	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Total
Income from Operations (a)	47	80	127	137	267	304	319	335	351	312	298	2577
Total Expenditure (b)	2	4	6	7	13	15	16	17	18	16	15	129
Cashflow during the year (a-b)	45	76	121	130	253	288	303	318	334	297	283	2448

Note: For detailed working of the valuation of collateral security of the PTCs refer Annexure

5. Valuation Analysis



(2) Valuation of Senior PTCs based on cash flows

(In INR Cr)

Particulars		Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33
Estimated cash flow from the underlying security #		45	76	121	130	253	288	303	318	334	297	283
Less: Amount payable to Senior PTCs												
Interest Payment @												
- Interest payment : SC Lowy Share	32.0%	-21	-36	-57	-62	-120	-136	-143	-150	-158	-140	-134
- Interest payment: PCHFL Share	35.7%	-24	-40	-64	-69	-134	-152	-160	-168	-176	-156	-149
Principal Repayment												
- Principal Repayment: SC Lowy share		0	0	0	0	0	0	0	0	0	0	0
- Principal Repayment: PCHFL share		0	0	0	0	0	0	0	0	0	0	0
Balance available for distribution to Series B PTC and Junior PTCs		0	0	0	0	0	0	0	0	0	0	0
<i>@ After considering gross up factor for income tax</i>												
<i># For Details, refer annexure</i>												

(In INR Cr)

Particulars	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Total
Cashflow attributable to PCHFL	24	40	64	69	134	152	160	168	176	156	149	1291
Present Value of cash flows @35%	20	26	30	24	35	29	23	18	14	9	6	0
Total Present Value of cash flows	233.42											

Assumed that –

- 1) The tenure of Senior PTCs would be extended beyond March 31, 2024.
- 2) Expenses of debenture trustee, legal etc. would not be material in nature & hence, not considered in the cashflows.
- 3) Tax rates / interest rates for the Senior PTC holders (grossed up) have been considered same as per the file provided by debenture trustee.
- 4) Currency risk to be borne by investor & not the issuer.

5. Valuation Analysis

(3) Rational for Discount Rate:

Particulars	Discount Rate
SC Lowy gross up factor	1.28
Interest due	25%
Effective Interest rate for SC Lowy	32%
Additional spread due to increase in risk of cashflows since the developer has not been cooperating	3%
Discount rate for Cash flows	35%

6. Scope and Limitations



- RBSA has been appointed by the Management to carry out fair valuation of Sahana PTCs as on the Valuation Date for internal management review purpose.
- RBSA has carried out analysis of the financial information and other information provided by the Management as received from the Trustee for the valuation of the Sahana PTCs. During the course of this exercise we have relied upon the hardcopy, softcopy, email, documentary and verbal information provided by/ on behalf of the Management without further verification. We have assumed that the information provided to us is reliable, accurate and complete in all respects. We reserve our right to alter our conclusions at a later date, if it is found that the information provided to us was not reliable, accurate or complete.
- The outbreak of the Novel Coronavirus (“COVID-19”), declared by the World Health Organization as a “Global Pandemic” on March 11, 2020, has adversely affected the Global and Indian economy. Governments have announced various measures to combat COVID 19 pandemic and to support the economic and business activities. The outbreak of COVID 19 Pandemic has led to significantly higher uncertainties in the near to medium term and its impact is evolving. Considering the unprecedented set of circumstances, Value analysis is Reported on the basis of ‘material valuation uncertainty’ and accordingly, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case. It may be noted that the estimated value may change significantly and unexpectedly over a relatively short period of time based on the evolving conditions/ uncertainties on account of COVID 19 pandemic.
- Our valuation is primarily from a business perspective and does not consider various legal and other corporate structures beyond the limited information provided to us by the Management. The valuation outcome is based on market dynamics prevailing as on the Valuation Date and does not take into account any unforeseeable developments which could impact the same in the future. The value analysis recommendation is not intended to represent the value at any time other than the date that is specifically stated in the Report.
- The realization of the cash flows based on which the value of Sahana PTCs have been arrived at, is dependent on the continuing validity of the assumptions on which they are based. The Report cannot be directed to provide an assurance on the achievability of these cash flows. Since these cash flows relate to the future, actual results may be different from the forecast and the differences could be material. We express no opinion as to how closely the actual results will correspond to the projected cash flows.

6. Scope and Limitations



- It is inappropriate to use this Report for any purpose other than the purpose mentioned above. We are not responsible for the unauthorized use of this Report. We shall not assume any responsibility to any third party to whom the Report is disclosed or otherwise made available. Unless required by law, it shall not be provided to any third party without our prior written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the Report is disclosed or otherwise made available.
- Our valuation is based on the market, financial and other information provided by the Management as received from Trustee and other information that was publicly available or sourced from subscribed databases, which have been relied upon by us. In accordance with the terms of our engagement, we have carried out relevant analyses and evaluations through discussions, calculations and such other means, as appropriate. In accordance with the terms of our engagement letter and in accordance with the customary approach adopted in valuation exercises, our valuation does not constitute as an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services and does not include verification or validation work. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. The Management had indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ conclusion. Accordingly, we assume no responsibility for any errors in the information provided by the Management as received from Trustee or obtained from public domain/ subscribed databases and their impact on the Report.
- By its very nature, valuation cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we normally express our assessment as falling within a likely range, considering the nature of the engagement we have provided a single point value estimate.
- In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Company/ PCHFL, their group companies, promoters, directors, employees or agents. In no circumstances shall the liability of RBSA, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report exceed the amount paid to RBSA in respect of the fees charged by it for these services.

6. Scope and Limitations

- The value achieved, in case of a transaction, may be different than our concluded value depending upon the circumstances and timing of the transaction, if any. The knowledge, negotiability and motivations of the buyers and sellers will also affect actual price achieved. Accordingly, our value analysis will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree considering inter-alia their own assessment of the transaction and inputs from other advisors
- Any matters related to legal title, ownership, charge creation on the collateral security with respect to the Sahana PTCs and enforceability of such charges are outside the purview and scope of this valuation exercise. Further, no legal advice regarding the title and ownership of the assets has been obtained by us while conducting this valuation exercise. The value analysis recommendation is not intended to represent the value at any time other than the date that is specifically stated in the Report. The Client may take an appropriate legal opinion on the matter while taking any decision on the basis of this Report. Valuation may be significantly influenced by adverse contractual agreements, legal title or ownership or encumbrance related issues; we reserve our right to alter the conclusions should any such issues are brought to our knowledge later.
- We are not responsible to any other person / party for any decision of such person / party based on this Report. Any person / party intending to provide finance / invest / divest in the shares / business of Client / their holding companies / subsidiaries / associates / investee companies / other group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person / party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to Valuer. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.
- This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Report as a whole is taken into account.
- Other observations, assumptions and limiting conditions, as appropriate, are also mentioned in respective sections of this Report and annexures.
- This Report is further governed by our standard terms and conditions of our letter of engagement.
- The numbers in tables may not add up due to rounding off.

7. Conclusion



Based on the analysis of the information provided by the Management as received from the Trustee and other relevant factors, the fair value of the Sahana PTCs as on June 30, 2022 is as follows:

Particulars	(In INR Cr)	
	Principal Outstanding #	Fair value
Senior PTCs	287.87	233.42
Junior PTCs and Series-B PTCs	1409.32	-
Total	1697.19	233.42

Before considering adjustments for fair valuation as on September 30, 2021

ANNEXURE

Property Summary



General Information:

Property Details	Borrower's share in under-construction project known as 'Three Sixty West'
Location	C.S. no 286 pt of Lower Parel Division and final plot no 1078 of TPS IV of Mahim Division, Dr Annie Besant Road, Next to Old Passport Office, Hanuman Nagar, Worli, Mumbai, Maharashtra 400025.
Name of Owner / Developer	M/s. Oasis Realty
RERA Registration Details	P51900012115
Plot Area	Details not available
Total Saleable Area	As per data provided by the Management as received from Trustee, the total carpet area of residential units located in the subject project is 13,52,321 SFT.
Mortgaged Area	As per data provided by the Management as received from Trustee, the total mortgaged carpet area is 13,52,321 SFT.
Purpose of Valuation	To estimate the Fair Value of the subject property for internal management review.
Date of Valuation	30 th June 2022
Date of Inspection	25 th August 2022

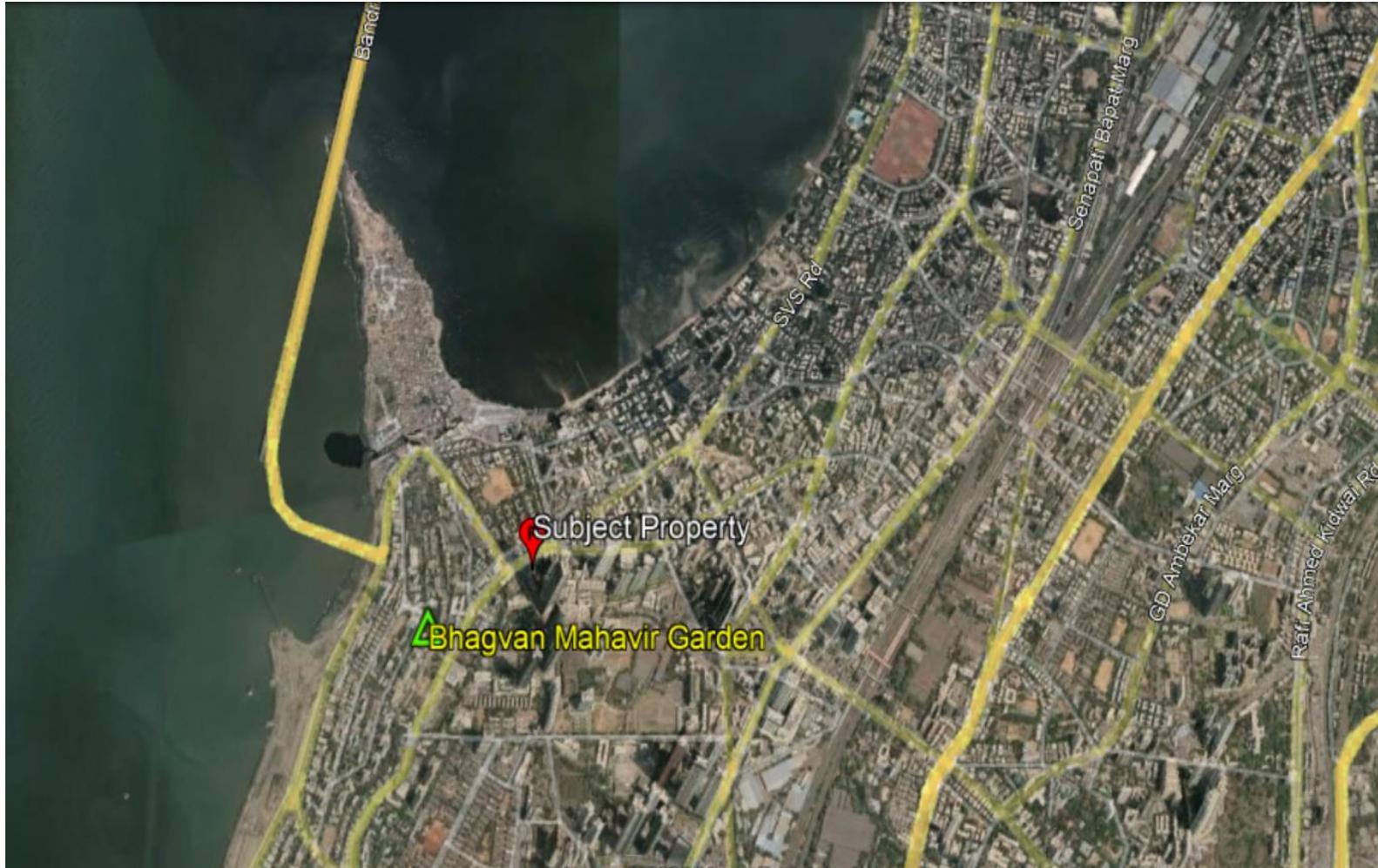
Description of the Locality:

Locality	The subject property is located in Worli, one of the most popular residential and commercial locality in Central Mumbai.
Land Mark	Next to Old Passport Office
Amenities	All the basic amenities like hospital, post-office, market place are available in the vicinity of subject property.
Railway Station	1.8 Km (Prabhadevi Railway station)
Bus Stop	1.0 Km (Worli Bus Depot)
Airport	14.0 Km (Chhatrapati Shivaji International Airport, Mumbai)

Location

Location:

Location Link <https://goo.gl/maps/Cmd9BRkqEHQvXumz8>



Satellite Image of Subject Property

Observations, Assumptions and Limiting Conditions



The following Observations, assumptions and limiting conditions also form the basis of this valuation exercise:

- This valuation is completed on external site inspection basis. For the purpose of this valuation, we have relied upon the ownership and area details provided to us by the client. Further, we have assumed that the possession of the subject property is with the owner. Any variation in this would affect the value reported.
- As per information provided to us by client, the total share of the borrower is limited to 20% of the total revenue generated from the subject project. Further, based on data provided to us, we have assumed that the borrower is not liable for any balance cost to be incurred for the completion of the subject project. We have considered the same for the purpose of this valuation exercise. Any deviation in this will affect the value reported.
- By and under the 'Architect's Certificate' dated 29th June 2022 issued by 'Sanjay Neve & Associates', the Architect certifies that "Three Sixty West having MahaRERA Registration Number P51900012115 is complete as per agreement of sale (Bare shell only)". We have considered the same for the purpose of this valuation exercise.
- We have not been provided with the details of land cost, FSI cost, cost pertaining to Rehab component like Corpus fund, etc. We have assumed that the developer has undertaken all necessary procedures and payments towards the same. Any variation in this would affect the value reported.
- The Approved Building Plans by Local Government Authorities could not be verified, as the copy of it has not been provided to us. We have assumed that the subject property is constructed as per Sanctioned building plan for this valuation exercise.
- The Real Estate market in India lacks transparency; the market is largely fragmented with limited availability of authentic, credible and reliable data with respect to market transactions. The actual transaction value may be significantly different from the value that is documented in official transactions. We believe that the market survey amongst actual sellers, brokers, developers and other market participants would give a fair representation of market trends. This valuation is therefore based on our verbal market survey of the real estate market in the subject area.
- Valuation may be significantly influenced by adverse legal, title or ownership, encumbrance issues; we reserve our right to alter the conclusions should any such issues are brought to our knowledge at a later date. Transaction costs like stamp duty, registration charges, brokerage etc., pertaining to the sale/purchase of this property have not been considered while estimating the value.

Observations, Assumptions and Limiting Conditions



The following Observations, assumptions and limiting conditions also form the basis of this valuation exercise:

- Any environmental due diligence or study is outside the scope of this Engagement; therefore no such due diligence or study has been carried out by us. We have assumed that the subject asset complies with all environmental laws and regulations, and that there are no substances, environmental or pollution related encumbrances / issues which may adversely affect its value, utility or marketability. We have not carried out any due diligence with respect to any asset retirement obligations (ARO). Any such liability would have to be adjusted against the valuation.
- We have not carried out any structural design or stability study; we have also not carried out any physical tests to assess structural integrity & strength.
- In the course of this exercise we have relied upon data provided by the Management as received from Trustee without further verification. We have assumed that the information provided to us is reliable, accurate and complete in all respects. We reserve our right to alter our conclusions at a later date, if it is found that data provided to us by management was not reliable, accurate or complete.
- Transaction Costs like Stamp Duty, Registration Charges, Brokerage etc., pertaining to the sale/purchase of this property and income tax liability if any, which may arise on sale of property have not been considered while estimating at the Fair Value.
- The subject valuation exercise is based on prevailing market dynamics as on the date of the valuation and does not take into account any unforeseeable developments which could impact the same in the future.
- We have estimated the Fair Value of the subject property based on the facts known to us, information provided by the Management as received from Trustee and the assumptions and limiting conditions mentioned herewith. Should there be any reason, fact and information not known at time of preparing this report which adversely affects the marketability/title of the property under valuation, then this valuation stands null and void.
- The satellite images shown in the report along with boundary area of the property under valuation are approximate and it does not indicate the actual area of the property.

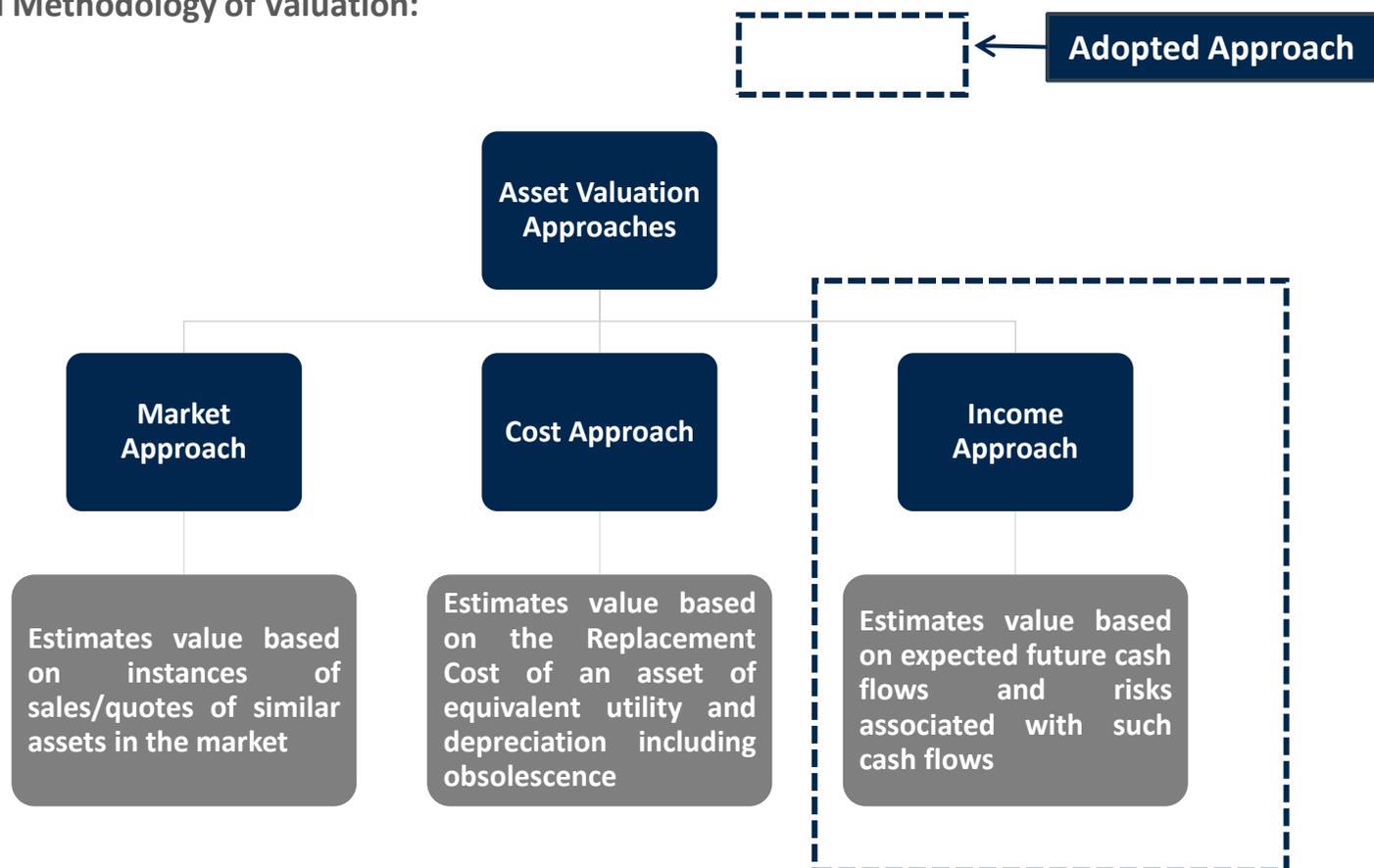
Basis and Methodology of Valuation

Basis of Valuation:

The 'Fair Value' basis of valuation is adopted as per the framework and guidelines provided in International Valuation Standards. The definition of Fair Value as per the International Valuation Standards is as under:

"Fair Value is the estimated amount for which a property should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Approach and Methodology of Valuation:



Basis and Methodology of Valuation

Valuation of subject property by Discounted Cash Flow Method:

- Under the Income Approach, the value of an asset is determined by reference to the value of income, cashflow or cost savings generated by the asset.
- Wherever sale instances of Comparable Land is not available in the vicinity of subject property or where the highest and best use of Land could be different from the existing use or where the Land may have a significant redevelopment potential – the appropriate method for Valuation of Land could be Discounted Cash Flow Method – Hypothetical Development Method.
- This method is also considered a part of Income Approach wherein the residual value of Land is estimated by assuming a future development of Land, the prospective costs required to be incurred for such development, the estimated Sales realization from Sale of such developed property, reasonable development profits and risks associated with such a development venture, cost of capital etc.



Analysis



a) **Method:**

The subject property comprises of residential units located in an under construction hotel cum residential project. Therefore, Discounted Cash Flow Method (Income Approach) has been adopted.

b) **Market Survey & Comparable:**

Our inquiries amongst property owners, property developers, estate managers of similar properties, and real estate agents has revealed that similar residential flats are available in the range of INR 55,000/- to INR 95,000/- per SFT on carpet area basis In the vicinity of the subject property depending upon the size, location, amenities, usage, frontage, frontage to depth ratio, marketability, distance & access from the main road, demand & supply of similar premises etc.

c) **Area Verification:**

Particulars as at June 30, 2022	Area in SFT
	Residential Apartments
Sale Area	13 52 321
Total Saleable Area (Carpet)	13 52 321
Saleable Area sold (Carpet)	2 43 951
Balance Saleable area available for sale (Carpet)	11 08 370
Total Sales Value of sold units (INR crore)	2464.05
Amount Received from sold units (INR crore)	2080.05
Balance Receivable Amount from sold units (INR crore)	384.00

Source: Information provided by the Management as received from Trustee

d) **Assumptions:**

DISCOUNT RATE	23%
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KEY ASSUMPTIONS

Revenue	Residential Apartments
	INR per SFT
Estimated Market rate	90 000
Revenue Share of Sahana	20%

Analysis



Escalation in Market Rates	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Residential Apartments	0%	2%	3%	3%	3%	5%	5%	5%	5%	5%	5%

Phasing of Sales (in %)

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Residential Apartments	2%	3%	4%	6%	12%	13%	13%	13%	13%	11%	10%

Phasing of Revenue (in %)

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Revenue pertaining to sold units	30%	30%	30%	10%	0%	0%	0%	0%	0%	0%	0%
Residential Apartments											
Revenue pertaining to Year 1 Bookings	60%	20%	20%	0%	0%	0%	0%	0%	0%	0%	0%
Revenue pertaining to Year 2 Bookings	0%	80%	20%	0%	0%	0%	0%	0%	0%	0%	0%
Revenue pertaining to Year 3 Bookings	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%
Revenue pertaining to Year 4 Bookings	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%
Revenue pertaining to Year 5 Bookings	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
Revenue pertaining to Year 6 Bookings	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
Revenue pertaining to Year 7 Bookings	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%
Revenue pertaining to Year 8 Bookings	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%
Revenue pertaining to Year 9 Bookings	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%
Revenue pertaining to Year 10 Bookings	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%
Revenue pertaining to Year 11 Bookings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%

Construction Area	Area in SFT
	Residential Apartments
Total Built-up Area for Construction	13 52 321

Construction Cost	INR Per SFT
	Residential Apartments
Construction Rate	5 000
Cost incurred till date	3 509
Balance Cost to incur	1 491
Cost share of Sahana	0%

Other Costs	In %	As Percentage of
Sales, General & Administrative	1%	Revenue

Analysis



INR in Crores	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Income from Operations	46.98	79.86	127.07	137.21	266.83	303.54	318.72	334.66	351.40	312.21	298.02
Total Expenditure	2.35	3.99	6.35	6.86	13.34	15.18	15.94	16.73	17.57	15.61	14.90
Net pre-tax Operational cash flow	44.63	75.87	120.71	130.35	253.49	288.36	302.79	317.93	333.83	296.60	283.12

PHOTOGRAPHS



View of subject property



View of subject property