



REAL ESTATE

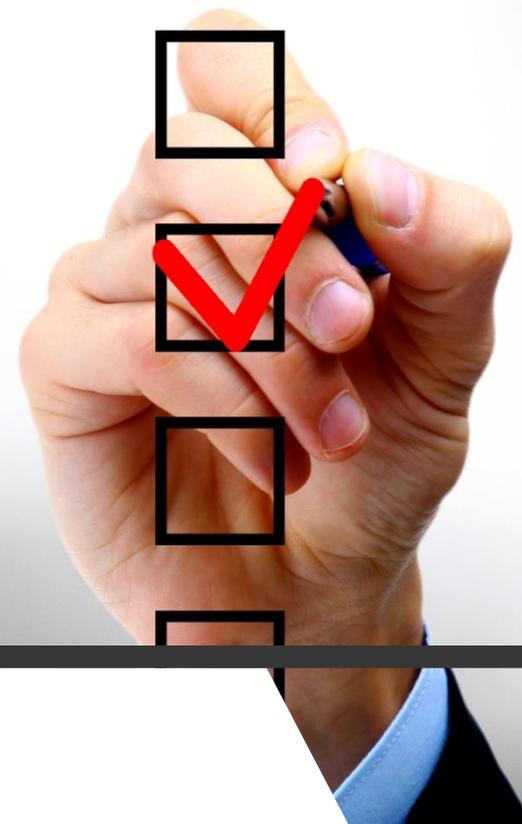


For updated information, please visit www.ibef.org

January 2018

Table of Content

- ▶ Executive Summary.....3
- ▶ Advantage India.....4
- ▶ Market Overview and Trends.....6
- ▶ Porters Five Forces Analysis.....14
- ▶ Strategies Adopted.....15
- ▶ Growth Drivers.....17
- ▶ Opportunities.....25
- ▶ Case Studies.....29
- ▶ Key Industry Organisations.....32
- ▶ Useful Information.....34

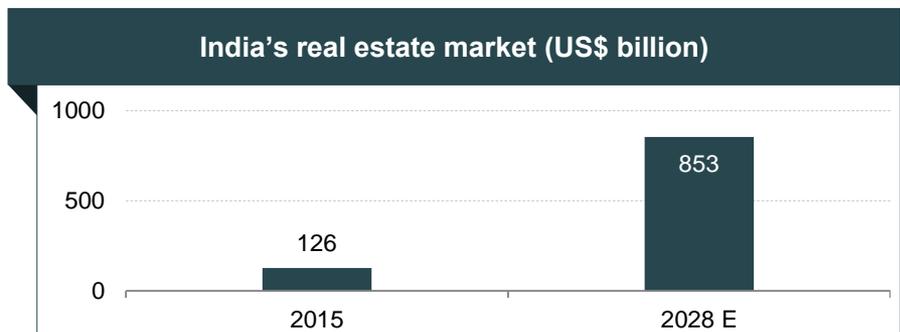
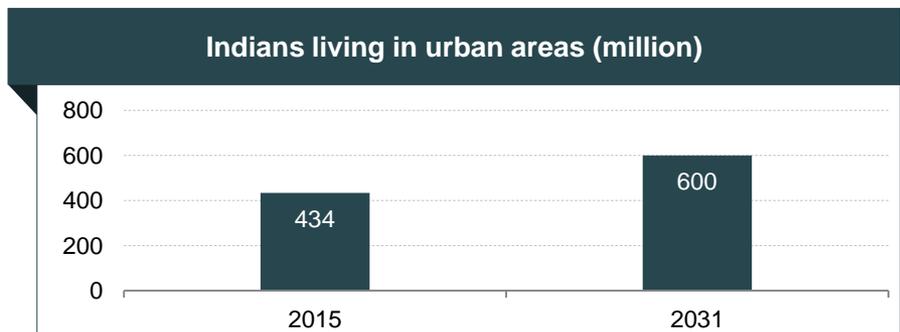
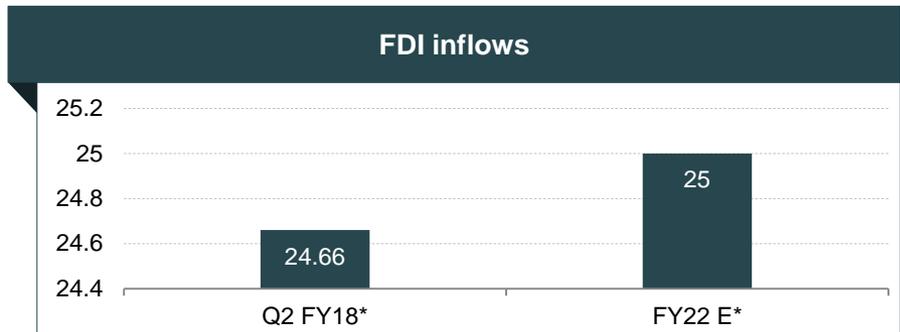


EXECUTIVE SUMMARY

- 4th largest sector in terms of FDI inflows. FDI in the sector stood at US\$ 24.66 billion from April 2000 to September 2017.
- FDI in the sector is estimated to grow to US\$ 25 billion by FY22

- Rapid urbanisation bodes well for the sector
- The number of Indians living in urban areas will increase from 434 million in 2015 to about 600 million by 2031.
- More than 70 per cent of India's GDP will be contributed by the urban areas by 2020.

- By 2028, India's real estate market size is expected to increase by 7 times
- By 2028, India's real estate market size is expected to reach US\$ 853 billion, increasing from US\$ 126 billion in 2015

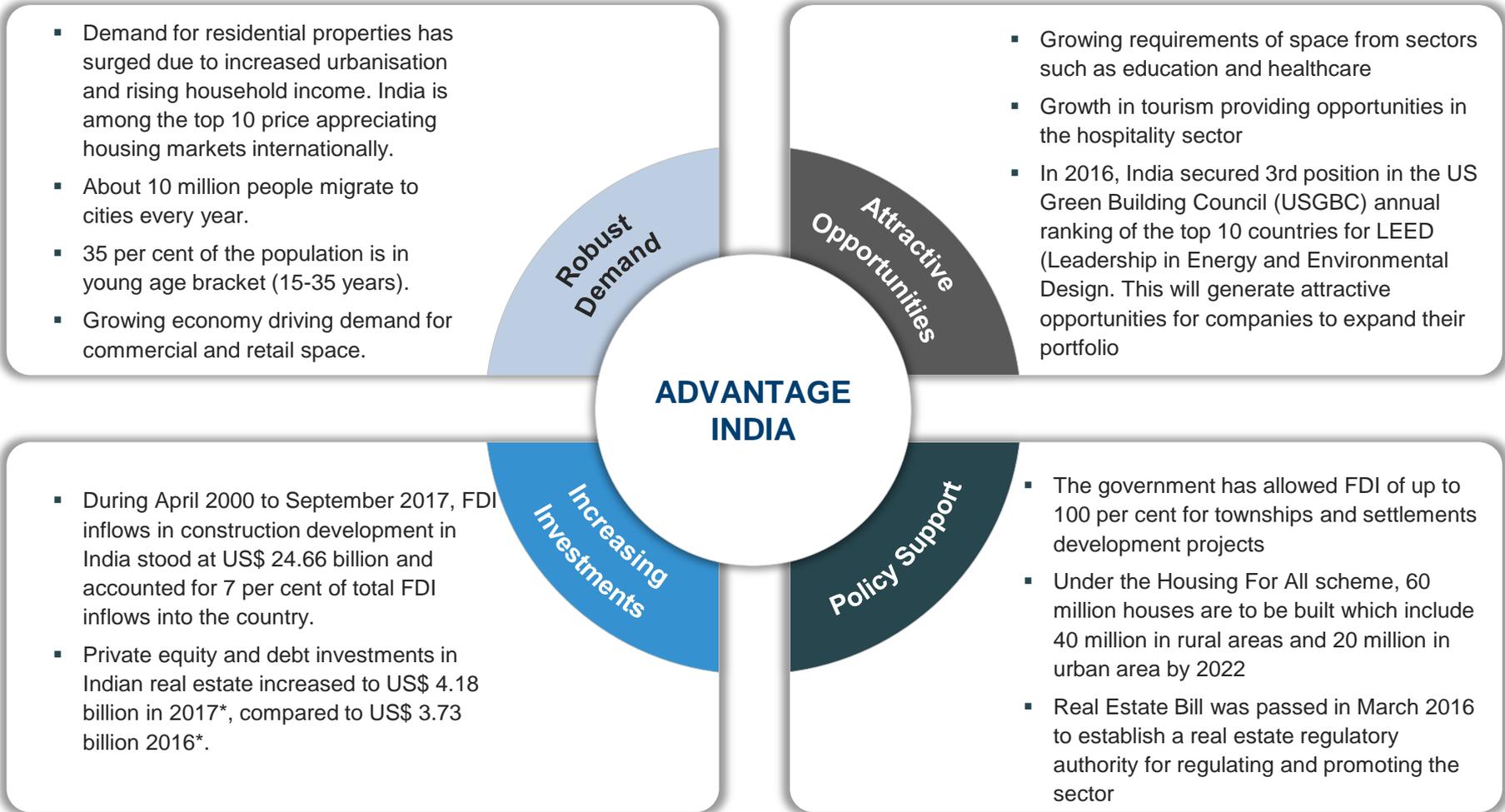


Notes: E – estimated; * from April 2000

Source: Ministry of Tourism, KPMG, World Bank, Census 2011, EY – India's Growth Paradigm 2017

ADVANTAGE INDIA





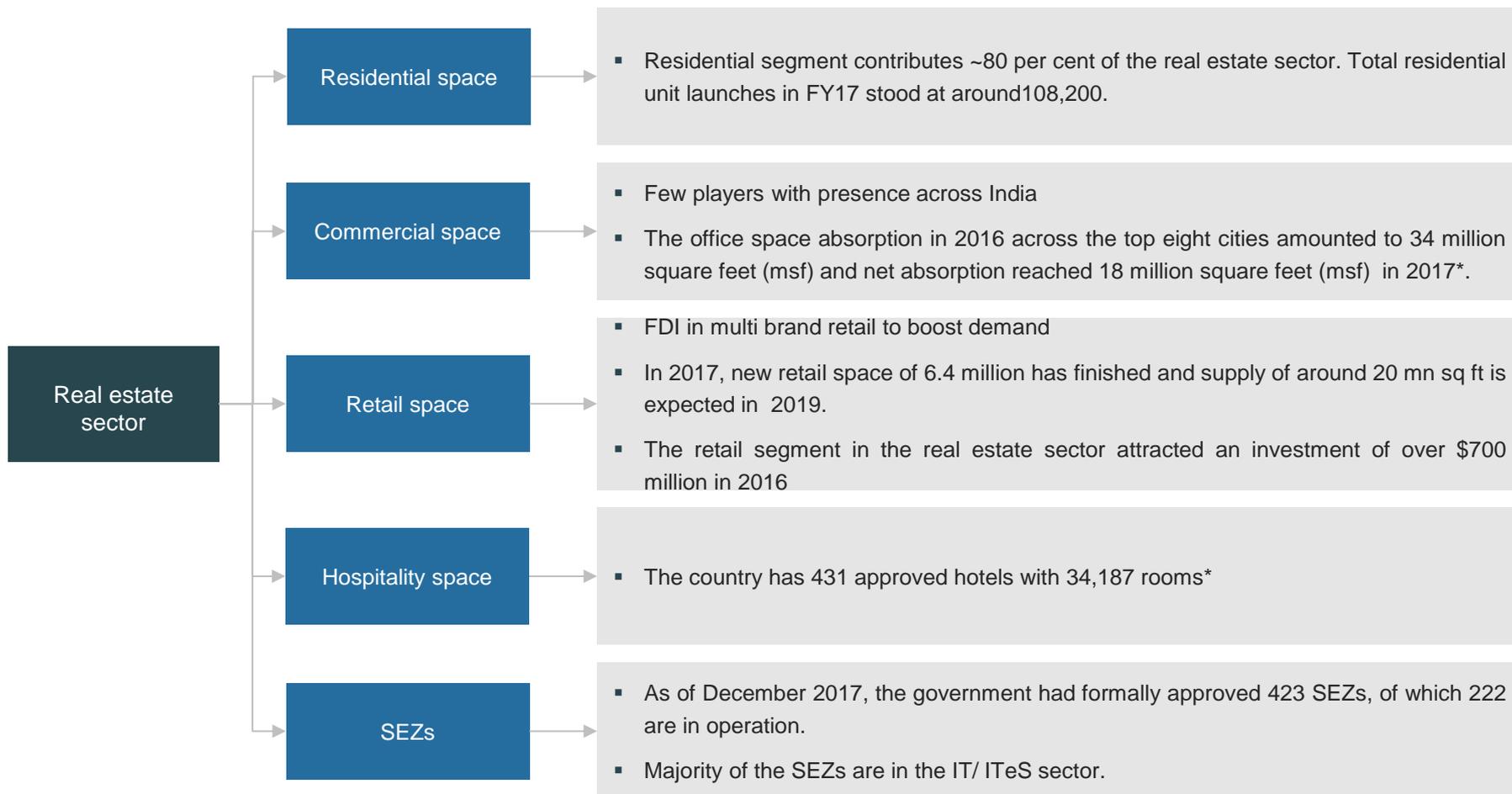
*Notes: KPMG, Report on Real Estate Sector in India – Corporate Catalyst India Pvt Ltd, Department of Industrial Policy and Promotion, *Calendar Year*

Source: FDI - Foreign Direct Investment, NHB: National Housing Bank, 2028E - Estimates for 2028; Figures mentioned are as per latest data available

MARKET OVERVIEW AND TRENDS



SEGMENTS IN THE INDIAN REAL ESTATE SECTOR



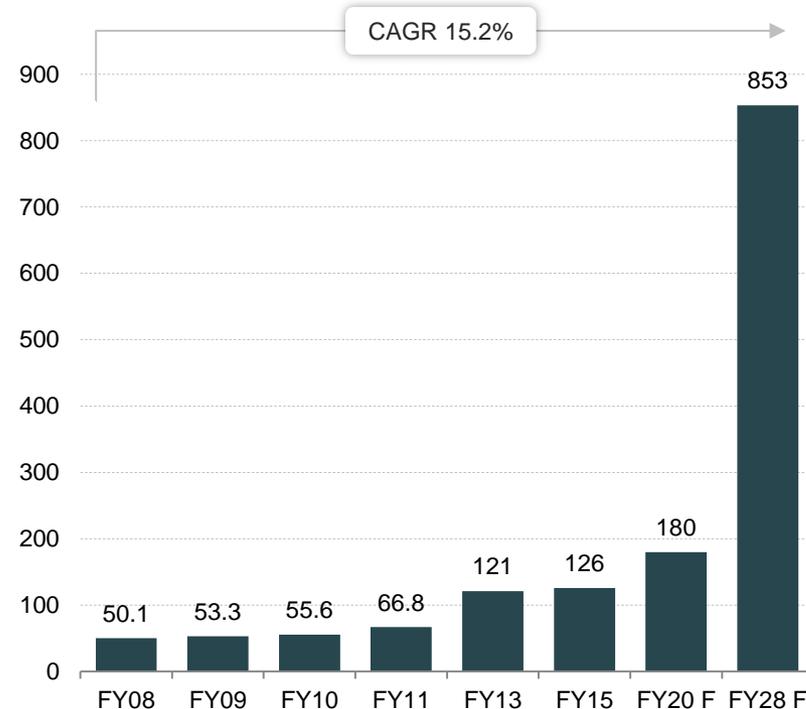
Notes: SEZ - Special Economic Zone. IT - Information Technology, ITeS - Information Technology Enabled Services, *as of Dec 20,2017

Source: KPMG Cushman and Wakefield, Knight Frank, CRISIL, www.sezindia.com, Ministry of Tourism, JLL India

INDIAN REAL ESTATE IS A LARGE, GROWING MARKET...

- Real estate contribution to India's GDP is estimated to increase to about 13 per cent by 2028
- The market size of real estate in India is expected to increase at a CAGR of 15.2 per cent during FY2008 – 2028E and is estimated to be worth US\$ 853 billion by 2028
- Increasing share of real estate in the GDP would be supported by increasing industrial activity, improving income level and urbanisation
- Mumbai and Bengaluru have been rated as the top real investment destinations in Asia
- The government also launched 10 key policies for real estate sector in 2016, namely:
 - Real Estate Regulatory Act
 - Benami Transactions Act
 - Boost to affordable housing construction
 - Interest subsidy to home buyers
 - Change in arbitration norms
 - Service tax exemption
 - Dividend Distribution Tax (DDT) exemption
 - Goods and Services Tax
 - Demonetisation
 - PR for foreign investors

Market size of real estate in India (US\$ billion)



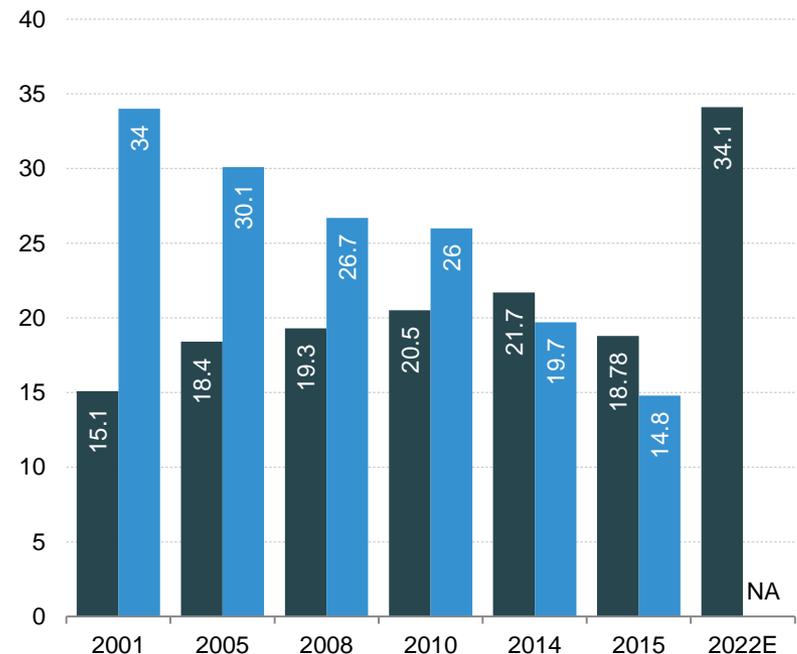
Notes: CAGR - Compounded Annual Growth Rate; F - Forecast, Information is as per latest data available

Source: KPMG, Report on Real Estate Sector in India – Corporate Catalyst India Pvt Ltd, CBRE

... WITH SIGNIFICANT ROOM FOR FURTHER GROWTH

- The urban housing shortage in India is estimated at around 10 million units* which is being addressed through Pradhan Mantri Awas Yojana (PMAY), Urban, under which 1,427,486 houses have been sanctioned in 2017-18.
- Total rural housing shortage in India stood at 14.8 million as of 2015 and is estimated to have grown to 48.8 million during XII plan period (2012-2017)
- Significant increase in real estate activity in cities like Indore, Raipur, Ahmedabad, Jaipur and other 2-tier cities; this has opened new avenues of growth for the sector
- Relaxation in the FDI norms for real estate sector has been done to boost the real estate sector
- Government's plan to build 100 smart cities would reduce the migration of people to metro and other developed cities
- In 2017¹, M&A US\$ 3.26 billion worth of deals have been made in India's real estate sector.
- In March 2017, the State Bank of India (SBI) and the Confederation of Real Estate Developers' Association of India (CREDAI) signed an MoU for three years to work towards the development of real estate sector.

Urban-rural housing shortage (million)



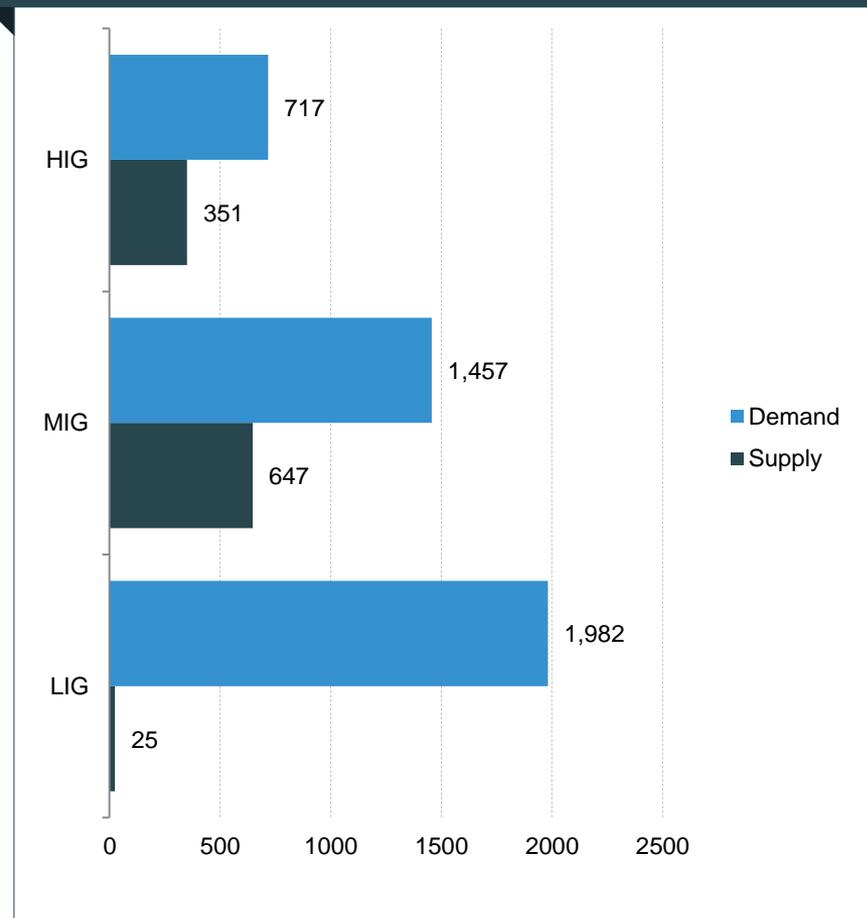
Notes: : E – Estimates, * As of November 2017, ¹ till December 08, 2017, M&A – Mergers & Acquisitions

Source: : Ministry of Housing and Urban Poverty Alleviation, RBI, CRISIL

DEMAND FOR RESIDENTIAL SPACE EXPECTED TO GROW SHARPLY

Scenario	<ul style="list-style-type: none"> A localised, fragmented market presents opportunities for consolidation with only few large, pan-India players such as DLF and Unitech More foreign players might enter the market as FDI norms have eased Furthermore, norms on land acquisitions is expected to be relaxed
Key Drivers	<ul style="list-style-type: none"> Rapid urbanisation Growth in population Rise in the number of nuclear families Easy availability of finance Repatriation of NRIs and HNIs Rise in disposable income
Notable Trends	<ul style="list-style-type: none"> NCR is expected to generate maximum demand in MIG and HIG category followed by Bengaluru Developers now focussing on affordable and mid-range categories to meet the huge demand During the period January-June 2016, residential sector commanded the largest share of PE investments with a total value of US\$ 1.29 billion (44 per cent) India jumped 13 spots in Knight Frank's Global House Price Index to reach 9th position in Q2 2017.

Cumulative Housing Demand-Supply in Top 8 Cities ('000 units) 2016-20



Notes: LIG – Low Income Group, MIG - Middle Income Group, HIG - High Income Group

Source: : Cushman and Wakefield

METROS DRIVING DEMAND FOR COMMERCIAL SPACE

Scenario

- Few large developers with a pan-India presence dominate the market
- Operating model has shifted from sales to a lease and maintenance

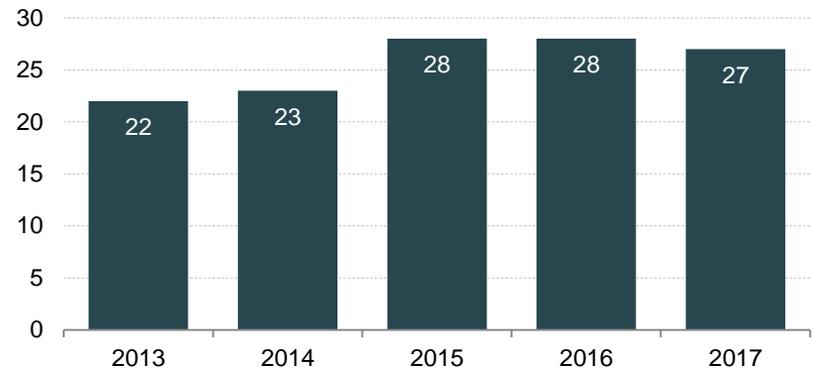
Key Drivers

- Rapid growth in services sectors: IT/ITeS, BFSI and Telecom
- Rising demand from MNCs
- Demand for office space in Tier 2 cities

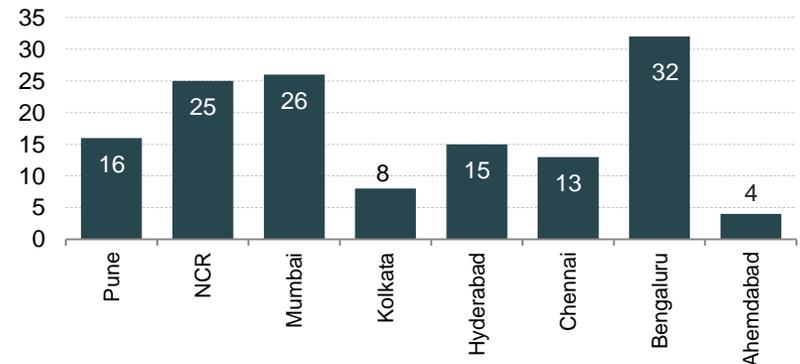
Notable Trends

- Mumbai, NCR and Bengaluru account for 60 per cent of total office space demand in India as of 2017
- The office space absorption in 2016 across the top eight cities amounted to 34 million square feet (msf) with Bengaluru recording the highest net absorption during the year.
- Business activity shifting from CBDs to SBDs, Tier 1 to Tier 2 cities

Demand for commercial space in top 8 cities (million sq ft)



City-Wise Commercial Space Demand (million sq ft) 2013-17

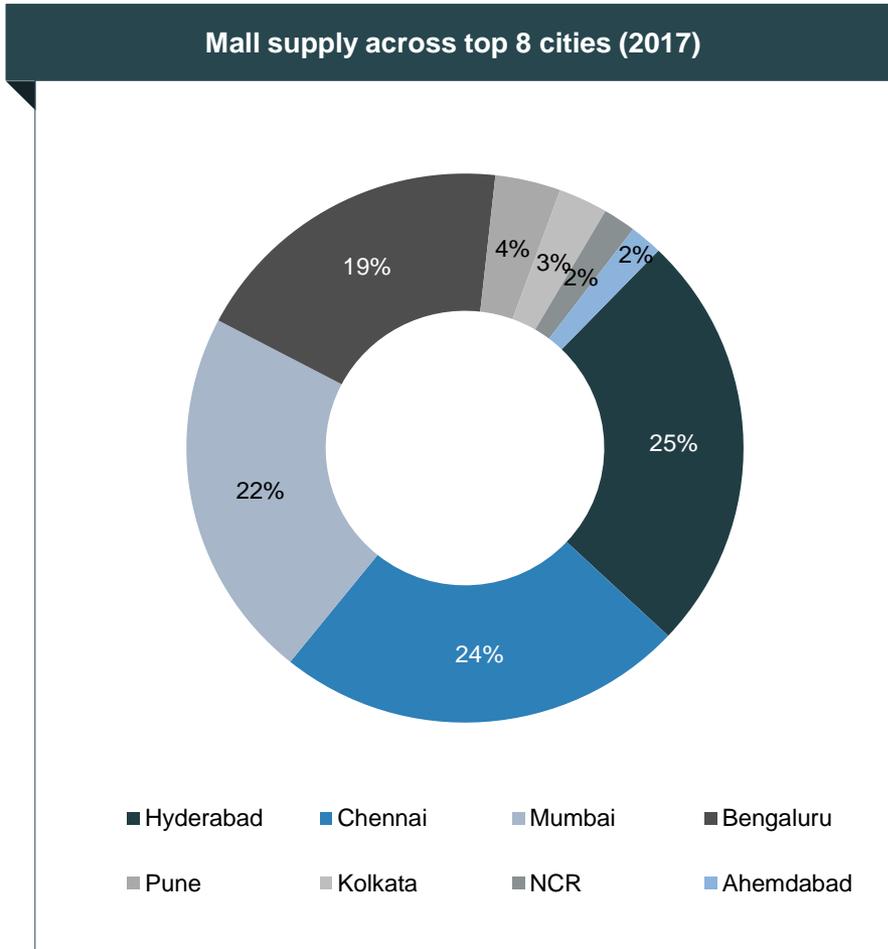


Notes: MNC - Multinational Corporation, BFSI - Banking, Financial and Insurance Services, CBD - Central Business District, SBD - Special Business District, NCR - National Capital Region

Source: Cushman and Wakefield

RETAIL SPACE LIKELY TO SEE STRONG GROWTH

Scenario	<ul style="list-style-type: none"> Currently, retail accounts for a small portion of the Indian real estate market Organised retailers are few and the organised retail space is mostly developed by residential/office space developers
Key Drivers	<ul style="list-style-type: none"> Booming consumerism in India Organised retail sector growing 25-30 per cent annually Entry of MNC retailers India's population below 30 years of age having exposure to global retail are expected to drive demand for organised retail
Notable Trends	<ul style="list-style-type: none"> NCR accounts for about 49 per cent of the total upcoming mall supply Retail projects in Indian tier 2 and tier 3 cities received investments of US\$ 6,192 million between 2006-17. Total mall vacancy is 14.1 per cent across 8 cities Total 213 malls are operational in India and 34 new malls are expected to become operational in top 8 cities by 2020. Demand for retail space on high streets is quite high, as well as increase in FDI limit for multi-brand retail will lead to significantly higher demand for retail space



Source: : Cushman and Wakefield

HOSPITALITY MARKET TO WITNESS LARGE INCREMENTAL CAPACITY

Scenario

- NCR and Mumbai are by far the biggest hospitality markets in India, followed by Bengaluru, Hyderabad and Chennai
- Besides hotels, the hospitality market comprises serviced apartments and convention centres

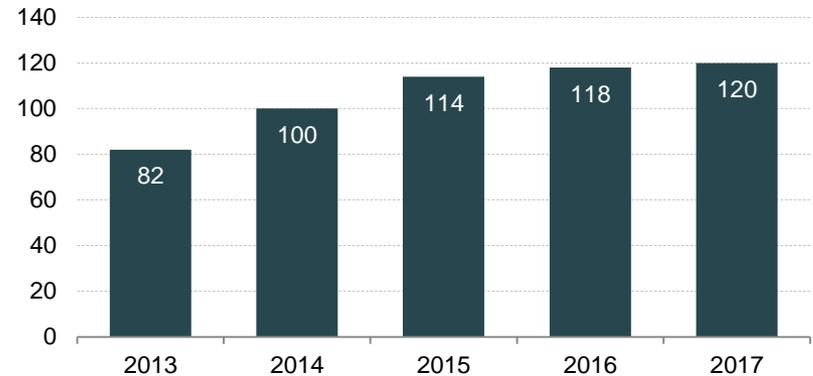
Key Drivers

- A robust domestic tourism industry
- The increasingly global nature of Indian businesses boosting business travel
- Tax incentives for hotels and higher FSI
- Expansion of physical infrastructure during the 12th Five Year Plan

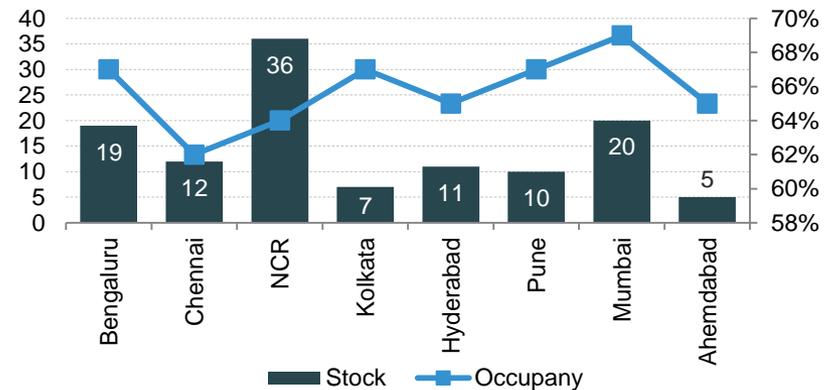
Notable Trends

- Serviced apartments appear particularly attractive within the hospitality space
- Government initiatives to promote tourism in Tier 2 and Tier 3 cities is generating significant demand for hotels in such cities, especially for budget hotels

Trend analysis (stock - no of rooms) ('000)



Occupancy Vs. Stock (2017E)



Notes: FSI - Floor Space Index, E - estimates

Source: : Cushman and Wakefield

PORTER'S FIVE FORCES FRAMEWORK ANALYSIS

Threat of Substitutes ●

- No specific substitutes available
- Substitutes are mainly government-provided housing, mostly limited to the economically backward class

Bargaining Power of Suppliers ●

- Large real estate firms have good bargaining power against customers
- Unregulated and badly managed land banks make land acquisition difficult for realty companies

Competitive Rivalry ●

- Strong rivalry due to large number of players operating in India
- Limits a seller's ability to set the prices for goods and services
- An absence of competitive neutrality due to unequal provisioning of policy concessions

Bargaining Power of Buyers ●

- Due to a large variety of quality players, the customers have many options to choose from
- They are also becoming more discerning and demanding better quality

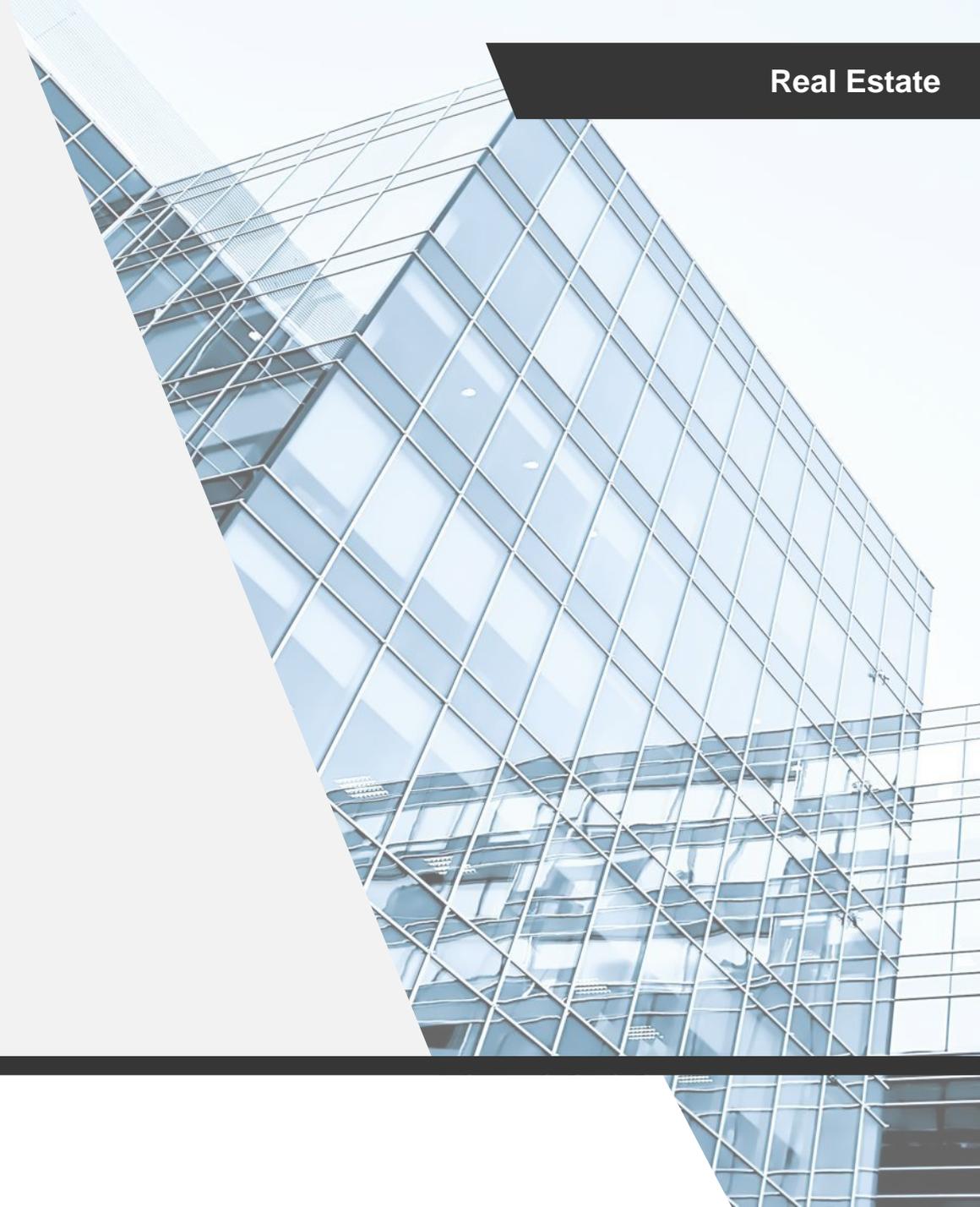
Threat of New Entrants ●

- Uncertain investment timeline due to long gestation period
- High cost of land and land use restrictions act as a natural barrier
- Brand value of the incumbent player for the consumers

- Positive Impact
- Neutral Impact
- Negative Impact

Source: Aranca Research

STRATEGIES ADOPTED



STRATEGIES ADOPTED

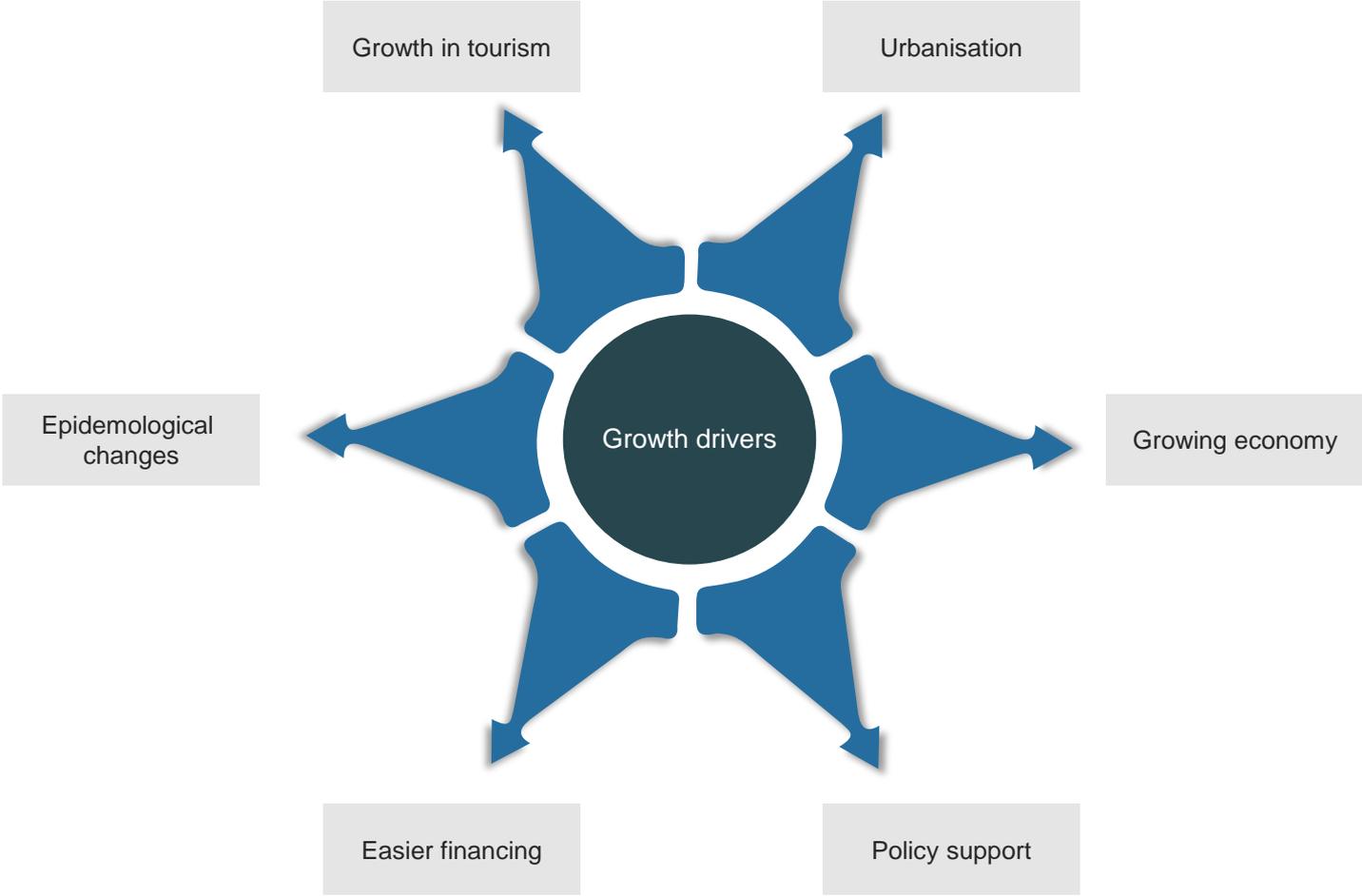
Diversified portfolio	<ul style="list-style-type: none">▪ Having a diverse portfolio of residential, commercial and township developments▪ Companies have projects in various strategic geographic locations in order to diversify risks▪ Focus on the growth of lease business▪ Housing finance companies and private equity companies have started focusing on affordable housing.
Backward integration	<ul style="list-style-type: none">▪ An architectural, structural and interior studio and a metal and glazing factory▪ Interiors and wood working factory and a concrete block making plant
Merger and Acquisitions	<ul style="list-style-type: none">▪ In 2016, Quickr India Pvt Ltd acquired rental start-up – Grabhouse, at an estimated value of US\$ 10 million▪ In January 2017, Proptiger.com and housing.com in India merged to become India’s largest online real estate service company.▪ In November 2017, Singapore's sovereign wealth fund GIC’s acquisition of a 33.34 per cent stake in DLF Cyber City Developers for Rs 9,000 crore(US\$ 1.4 billion) was approved by the Competition Commission of India.
Risk management in land sourcing	<ul style="list-style-type: none">▪ Joint Venture with land owners instead of amassing land banks. For e.g.: Oberoi Realty, Mumbai based realty firm adopted this strategy while entering the NCR region▪ Revenue, area and profit sharing agreement with the land owner
Superior execution	<ul style="list-style-type: none">▪ Outsourced support functions▪ Focus on delivery capability▪ Development of world class infrastructure▪ Rationalising costs

Source: Aranca Research, Livemint, Economic Times

GROWTH DRIVERS

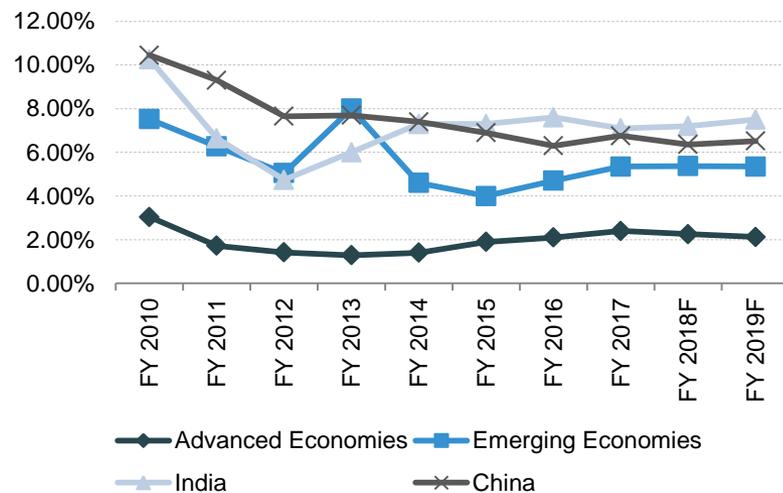


REAL ESTATE BEING DRIVEN BY POLICIES AND GROWING ECONOMY



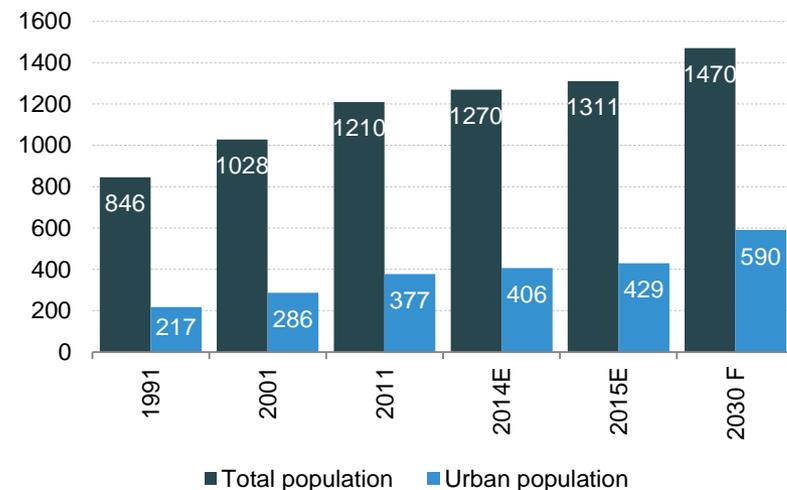
ECONOMIC GROWTH ALONG WITH GROWING URBANISATION IS BOOSTING REAL ESTATE DEMAND

Real GDP growth rates of major economies



- The Indian economy experienced robust growth in the past decade and is expected to be one of the fastest growing economies in the coming years
- Demand for commercial property is being driven by the country's economic growth
- By 2022, real estate and construction sector in India is expected to generate 75 million jobs and emerge as the largest employer in the country.

Population breakdown of India (million)



- India's urban population as a percentage of total population was around 32.7 per cent in 2015 and is expected to rise to 40 per cent by 2030
- Better wages and better standard of living is expected to result in an increase in urban population in India to above 600 million by 2031 from 429 million in 2015
- Government initiatives such as various urban development policies and programmes (e.g., JNNURM) are expected to contribute to enhanced urbanisation.

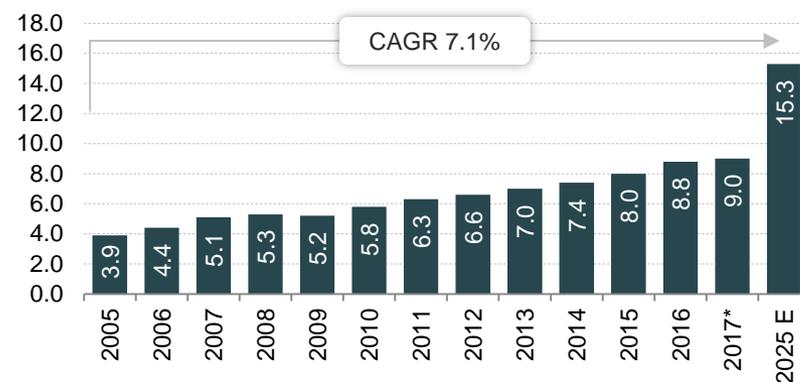
Notes: E – Estimate, F – Forecast, JNNURM: Jawaharlal Nehru National Urban Renewal Mission

Source: IMF World Economic Outlook Database, Indian Census, World Bank, Mckinsey estimates, Cushman and Wakefield, Aranca Research

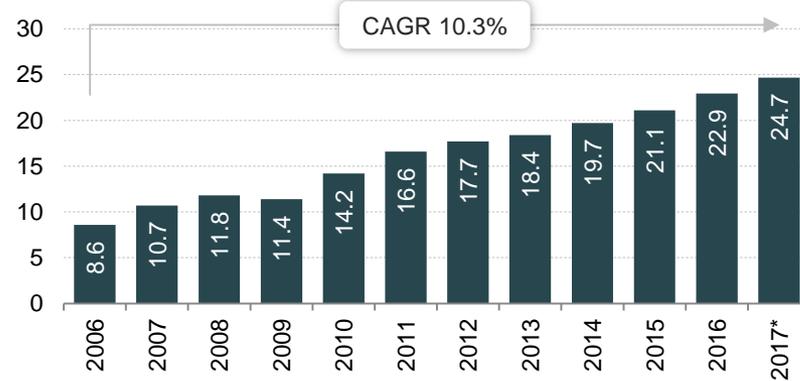
RISING TOURIST NUMBERS BOOSTING THE HOSPITALITY SECTOR

- The number of FTAs in November 2017 rose 14.4 per cent y-o-y to 1,005,000.
- The number of foreign tourists arriving in India is expected to increase at a CAGR of 7.1 per cent during 2007–25E
- India’s tourism and hospitality industry is anticipated to touch US\$ 418.9 billion by 2022
- As per the Union Budget 2017-18:
 - Government allocated US\$ 58.92 billion for infrastructure sector.
 - By 2019, the government plans to construct one crore houses in rural areas
 - US\$ 3.42 billion were allocated for Pradhan Mantri Awas Yojana
- In November 2017, India earned US\$ 2.566 billion from the tourism sector registering a growth of 21.6 per cent from November 2016.
- The growing inflows from tourists is expected to provide a fillip to the hospitality sector
- Medical tourism sector in India is gaining momentum, with a target of attracting 8 million medical tourists into the country by 2020.

Foreign tourists arriving in India (million)



India’s foreign exchange earnings from tourism (USD billion)



Notes: CAGR: Compound Annual Growth Rate; 2017*- Till November 2017

Source: Ministry of Tourism, World Travel and Tourism Council’s Economic Impact 2015, Aranca Research

MAJOR ACQUISITIONS IN REAL ESTATE

Major acquisitions in real estate sector in India

- A joint venture between Dutch asset manager APG Asset Management and real estate asset platform Virtuous Retail, has acquired a portfolio of three shopping malls for US\$ 300 million, and has committed an additional US\$ 150 million as equity capital to expand the portfolio.
- Emaar Properties, which entered India in 2005 with largest FDI in the realty sector, has invested about US\$ 126.96 billion in Indian real estate market, through its JV firm Emaar MGF.
- In April 2016, Blackstone Group announced its plans to acquire a majority stake in Mphasis Ltd. The deal would be the largest acquisition by Blackstone in the country.
- Maruti Suzuki is planning to acquire land for dealership expansion plans at key strategic locations across the country

Target	Acquirer	Value (US\$ million)	Year
Cowtown Land Dvlp Pvt Ltd	Lodha Group	513.6	2011
Compact Disc Film City	Jeff Morgan	320	2011
Oceanus Real Estate	Warburg Pincus	318	2011
Indiabulls Properties Pvt Ltd	Indiabulls Property Invest Trust	223.1	2012
Embassy Property	Blackstone	200	2012
Farallon Capital	Indiabulls Real Estate Ltd	187	2013
Candor Investments Inc	Brookfield Asset Management Inc	337.4	2014
GIC and Ascendas	Ascendas India Growth Programme	600	2014
Realty Business Intelligence	Housing.com	1.7	2015
Quickr India Pvt Ltd	Indian Realty Exchange	-	2015
Grabhouse	Quickr India Pvt Ltd	10	2016
Phoenix MarketCity, Bangalore (49 per cent stake)	Canadian Pension Plan Investment Board (CPPIB)	-	2016
DLF Cyber City Developers (33.34 % stake)	GIC	1,399.9	2017

Source: Corporate Catalyst India , Business Standard, The Economic Times

- RBI proposed to allow banks to invest in real estate investment trusts and infrastructure investment trusts, attracting more institutional investors to such assets. Indian Banks, which are allowed to invest about 20 per cent of their net-owned funds in equity-linked mutual funds, venture capital funds and stocks, could invest in these trusts within this limit
- As of April 2017, Lodha Developers and Indiabulls Real Estate are in the process of initiating numerous projects in London, after they bought prime properties overseas.
- In April 2017, HDFC Property Fund decided to launch a US\$ 500 million offshore fund. The fund will invest up to 40 per cent in office spaces and the rest in residential projects with a focus on affordable housing.
- KKR India Asset Finance invested over US\$ 500 million in residential projects in India in 2017.
- Private equity and debt investments in Indian real estate increased to US\$ 4.18 billion in 2017*, compared to US\$ 3.73 billion 2016*.

Top PE deals in Indian real estate sector in 2017

Investor	Investee	Investment (US\$ million)
KKR and Co. L.P.	Sunteck Realty Ltd	22.4
Apollo Global Management	Logix Group	59.5
Piramal Fund Management Pvt. Ltd	Lodha Group	63.2
KKR and Co. L.P.	Mantri Developers Pvt Ltd	21.5
Goldman Sachs	Piramal Enterprises Ltd	150
Government of Singapore Investment Corporation (GIC)	Nirlon	328.3
The Blackstone Group	3C Company	104.2
Clearwater Capital Partners and SSG Capital Management	Lotus Greens Developers Pvt Ltd	75.0
KKR and Co. LP	Bhartiya City Developers Pvt Ltd; Signature Global; Prince Foundations Ltd	148.73
Cerestra Advisors Ltd	Alexandria Knowledge Park at Genome Valley in Hyderabad	61.1

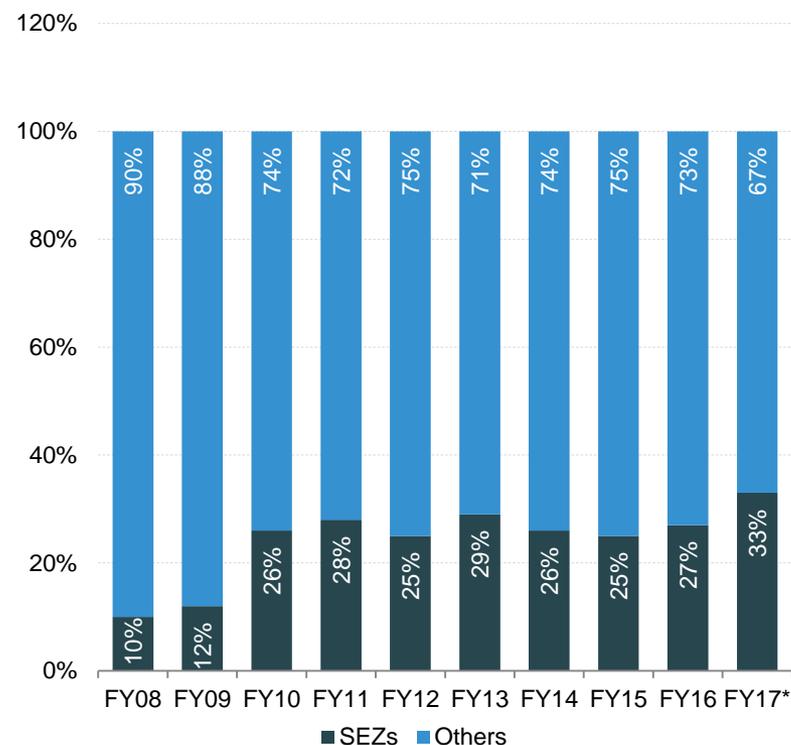
*Note: * Calendar Year*

Source: Grant Thornton, Cushman and Wakefield, Thomson Banker OneVenture Intelligence

SEZs EMERGING AS AN EXTENSION OF REAL ESTATE BUSINESS

- 100 per cent FDI permitted in real estate projects within Special Economic Zone (SEZ)
- 100 per cent FDI permitted for developing townships within SEZs with residential areas, markets, playgrounds, clubs, recreation centres, etc.
- In FY16, exports from SEZs accounted for 27 per cent of total exports.
- Exports from SEZs reached Rs 5.24 trillion (US\$ 78.1 billion) in FY17 and Rs 1.35 trillion (US\$ 20.9 billion) in Q1 FY18.
- Industry players, including realtors and property analysts, are rooting for the creation of "Special Residential Zones" (SRZs), along the lines of SEZs
- Minimum land requirement has been brought down from 1000 hectares to 500 hectares for multi-product SEZ and for sector-specific SEZs to 50 hectares
- In 2016, the government approved six proposals from four developers to set up new special economic zones (SEZs) across 3 states in areas such as IT and biotechnology.
- In May 2017, Xander, a private equity group, signed two property deals worth US\$ 446.22 million in India. The company bought a functioning special economic zone in Chennai for US\$ 340.77 million from Sriram Properties.

Share of SEZ exports in total exports of India



Source: * includes exports from SEZs and Export Oriented Units (EOUs)
Source: Ministry of Commerce and Industry, SEZ website

GOVERNMENT POLICIES ARE HELPING THE REAL ESTATE SECTOR PROSPER

Ease in housing finances

- A deduction for additional interest of US\$ 746.8 per annum for loans upto US\$ 0.05 million was sanctioned during 2016-17, in case of first time home buyers, where the cost of house is less than US\$ 0.07 million
- Increase in exemption limit from US\$ 3317 to US\$ 4147 will help in household savings

Housing for economically weaker sections

- During June 2016 to March 2019, 100 per cent deduction for profits would be approved for undertaking housing project of flats upto 30 sq. metres in 4 metro cities and 60 sq. metres in other cities
- As per section 80GG, increase the limit of deduction of rent paid from US\$ 358 to US\$ 896 per annum, was allowed for the people living on rent.
- Under Union Budget 2017-18, allocation of Rs 23,000 crore (US\$ 3.57 billion) has been made for Pradhan Mantri Awaas Yojana – Gramin, with a target to complete 10 million houses in rural areas by 2019.

FDI

- The government has allowed 100 per cent FDI for townships and settlements development projects
- Provision for reduction in minimum capitalisation for FDI investment from US\$ 10 million to US\$ 5 million which would help in boosting urbanisation
- In January 2018, Government of India allowed 100 per cent FDI in single-brand retail trading and construction development without any government approvals.

Widening the scope of real estate market

- SEBI released draft guidelines for investments by Real Estate Investment Trusts (REITs) in non-residential segment and Infrastructure Investment Trusts. REIT will open channels for both commercial and infrastructure sector

Land Acquisition Bill

- In December 2014, the government passed an ordinance amending the Land Acquisition Bill
- This ordinance would help speeding up the process for industrial corridors, social infra, rural infra, housing for the poor and defence capabilities

Source: Union Budget 2016 – 17

OPPORTUNITIES



NICHE SECTORS EXPECTED TO PROVIDE GROWTH OPPORTUNITIES

Education	<ul style="list-style-type: none">▪ NCR is expected to have the highest incremental demand from the education sector amidst the period of 2015-19▪ The rising young population of India is expected to drive this space
Healthcare	<ul style="list-style-type: none">▪ The healthcare market reached US\$ 372 billion by 2022.▪ India requires additional 1.1 million beds▪ India needs to add 2 million hospital beds to meet the global average of 2.6 for every 1,000 people
Senior Citizen Housing	<ul style="list-style-type: none">▪ Emergence of nuclear families and growing urbanisation have given rise to several townships that are developed to take care of the elderly▪ A number of senior citizen housing projects have been planned; the segment is expected to grow significantly in future
Service Apartments	<ul style="list-style-type: none">▪ Growth in the number of tourists has resulted in demand for service apartments.▪ In 2016, number of foreign tourist arrivals in India was recorded at 8.8 million▪ This demand is likely to be on uptrend and presents opportunities for the unorganised sector
Hotels	<ul style="list-style-type: none">▪ FTAs in India is expected to reach 15.3 million by 2025, which is expected to lead to an increase in demand for hotels.

Notes: NCR – National Capital Region

Source: Cushman and Wakefield, Fitch Ratings, Report on Healthcare, Telemedicine and Medical Tourism In India – ASA and Associates LLP, Ministry of Tourism

TOURISM MARKET SET TO SURGE; HOTELS TO INCREASE CAPACITY

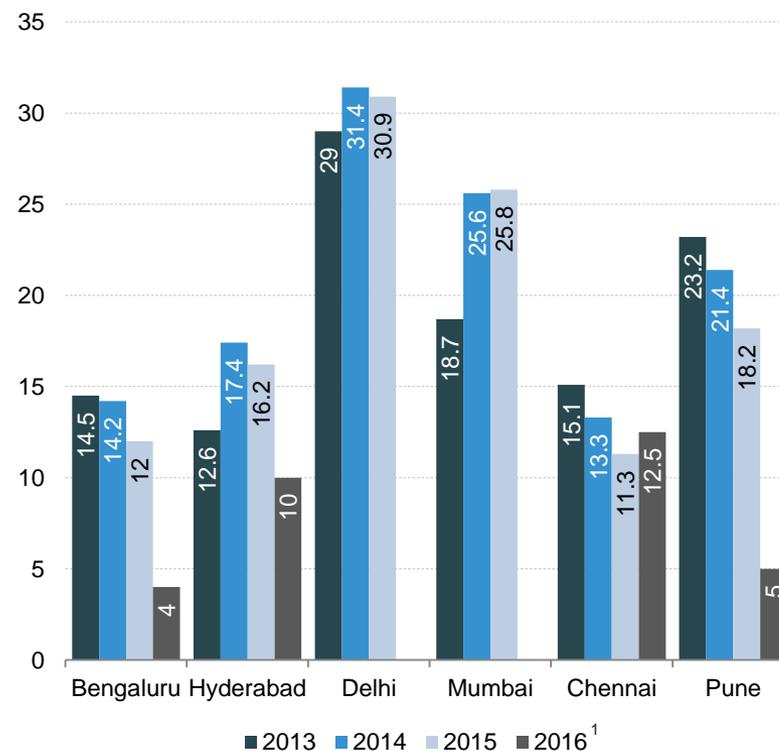
Ahmedabad	<ul style="list-style-type: none">▪ Upcoming office space likely to boost hospitality segment
Bengaluru	<ul style="list-style-type: none">▪ Corporate clients expected to provide steady growth to room demand
Chennai	<ul style="list-style-type: none">▪ Emerging as promising commercial destination with Chennai Bengaluru Industrial Corridor, likely to witness strong demand
Hyderabad	<ul style="list-style-type: none">▪ Room demand is expected to be driven by commercial and office space projects in the city
Kolkata	<ul style="list-style-type: none">▪ Projects like Light Rail Transport System, Mono Rail, Eco-Park, Airport expansion etc. are likely to boost travel which would result in increase in demand for hotel industry▪ Government of West Bengal announced its plans to spend US\$ 96.68 million to conserve rivers, develop parks and vast green spaces, on installing LED lights, safe transport system in the state along with increasing the green cover under the Green City Mission 2017.
Mumbai	<ul style="list-style-type: none">▪ Improved infrastructure, new airport terminal and upcoming airport in Navi Mumbai expected to provide growth to hotel industry
NCR	<ul style="list-style-type: none">▪ Higher Floor Space index, inclusion of hotel projects in infra lending lists provide a positive outlook to hotel market in NCR
Pune	<ul style="list-style-type: none">▪ IT parks are attracting global players and increasing traffic. New business units are likely to increase business conferences, events which in turn would boost hotel demand

Source: Cushman and Wakefield

OFFICE MARKET OVERVIEW – RENTS SET TO GROW

- The office space absorption in 2016 across the top eight cities amounted to 34 million square feet (msf). The net absorption across these cities was 18 million square feet (msf) in 2017¹.
- Investments in India's office space sector are expected to hit peak in 2017. As of September 2017, India's commercial real estate has received more than US\$ 2 billion in foreign investment. The first real estate investment trust (REIT) in India is expected to be launched by 2017 end.
- During Q3 2017, office leasing in India reached 10 million sq ft.
- Office market has been driven mostly by growth in ITeS/IT, BFSI, consulting and manufacturing
- Moreover, many new companies are planning a foray into Indian markets due to huge potential and recently relaxed FDI norms
- Supply for prime office space was recorded at 11.9 million sq. ft. in 2016.
- Rental rates likely to see a gradual upward trend in Bengaluru
- Supply will exceed demand and hence increase vacancies In Hyderabad
- In 2015, with a share of more than 83 per cent, majority of transactions in Mumbai was driven by commercial office sector
- Moderate demand, high vacancy and an increased preference for suburban market with low rentals could pressure the core areas in Pune.

Percentage vacancy levels



Notes: ITeS - Information Technology Enabled Service, 1 – 2016 data available only for the cities of Bengaluru, Hyderabad, Chennai and Pune, ¹Till September 2017

Source: Cushman and Wakefield, Jones Lang LaSalle, Livemint, Colliers International

CASE STUDIES



DLF: INDIA'S LARGEST REAL ESTATE COMPANY BY VALUE

- DLF has nearly 70 years of track record of sustained growth, customer satisfaction, and innovation. The company has 264 msf of development potential with 22.5 msf of projects under construction.
- DLF's primary business is development of residential, commercial and retail properties. The company has a unique business model with earnings arising from development and rentals.
- Its exposure across businesses, segments and geographies, mitigates any down-cycles in the market. From developing 22 major colonies in Delhi, DLF is now present across 15 states-24 cities in India.

- 1985 – development of DLF city Gurgaon
- 1996 – Ventured into group housing projects
- 1999 – Ventured into Grade A Office Spaces
- 2002 – Ventured into Retail complexes

- Entered Capital Market with listing in BSE and NSE with largest IPO of US\$ 2.25 billion, largest of its time.

- Launched 8.3km expressway project in partnership with HUDA, First real estate company to set up 3 fire stations, Launched CyberHub- India's first integrated Food-Entertainment destination



- 1946 - DLF was founded by Chaudhary Raghvendra Singh
- By 1964 – developed 22 urban colonies in Delhi

- Development of DLF Cybercity Gurgaon, premium residential complexes, IT Parks and next generation malls, hotels and large townships

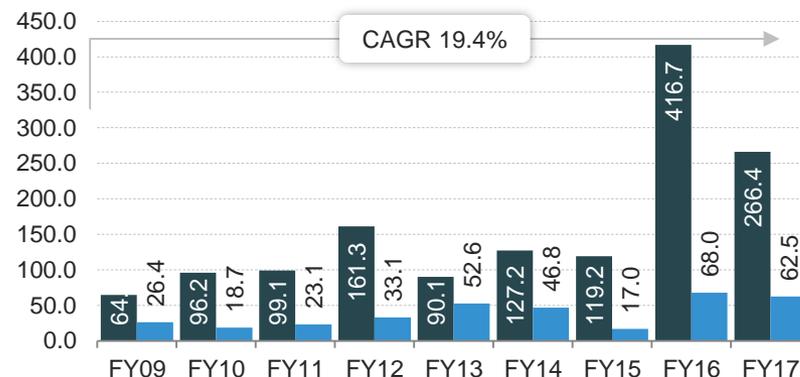
- Development of India's first luxury mall – Emporio, Residential plots launched in Gurgaon creating a new suburb – New Gurgaon, developed Delhi's first automated multilevel car parking, Launched township - Gardencity, Gurgaon.

- Consolidated revenues reach Rs 1,751 crore (US\$ 272.36 million) in Q2 FY18.

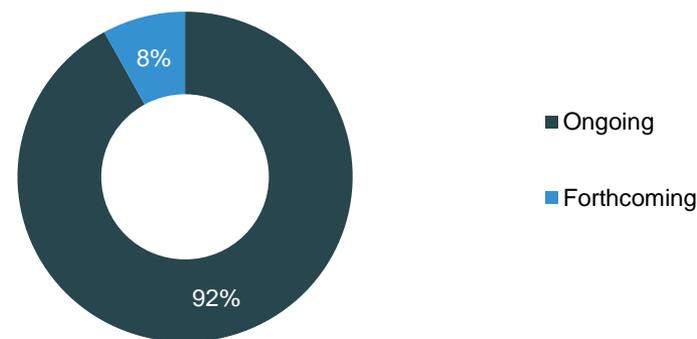
GODREJ PROPERTIES – UNIQUE ASSET-LIGHT BUSINESS MODEL

- Started its first project in Mumbai in 1990.
- National real estate developer with presence across 12 cities.
- Differentiated joint development business model resulted in a debt-equity ratio of less than one.
- The current potential developable area stands at 108.0 million sq. ft.
- In 2016, Godrej Properties signed deals for 2 developing housing projects, 1 in Devanhalli, Bengaluru and another in Panvel, Navi Mumbai.
- During 2012-16, real estate worth US\$ 2.1 billion have been sold.
- During Q1 FY18, total income reached Rs 464.83 crore (US\$ 72.11 million).

Revenue and EBITDA (US\$ million)



Distribution of ongoing and forthcoming projects (FY16)



Source: Company website

KEY INDUSTRY ORGANISATIONS

The Confederation of Real Estate Developers' Associations of India (CREDAI)

National Secretariat, 703, Ansal Bhawan,
16, Kasturba Gandhi Marg, New Delhi – 110 001
Tel: (011) 43126262/43126200
Fax: 91 11 43126211
E-mail: info@credai.org
Website: www.credai.org

Builders' Association of India (BAI)

G-1/G-20, Commerce Centre, J. Dadajee Road,
Tardeo, Mumbai – 400034
Tel: 91 22 23514134, 23514802, 23520507
Fax: 91 22 23521328
E-mail: bai@vsnl.com, baihq.mumbai@gmail.com
Website: www.baionline.in

USEFUL INFORMATION



- BFSI: Banking, Financial Services and Insurance
- CAGR: Compound Annual Growth Rate
- CBD: Central Business District
- FDI: Foreign Direct Investment
- FSI: Floor Space Index
- HNI: High Net-worth Individual
- GOI: Government of India
- INR: Indian Rupee
- IT/ITeS: Information Technology/Information Technology enabled Services
- MNC: Multinational Corporation
- NRI: Non Resident Indian
- SBD: Special Business District
- SEZ: Special Economic Zone
- US\$: US Dollar
- Wherever applicable, numbers have been rounded off to the nearest whole number

EXCHANGE RATES

Exchange Rates (Fiscal Year)

Year INR	INR Equivalent of one US\$
2004-05	44.81
2005-06	44.14
2006-07	45.14
2007-08	40.27
2008-09	46.14
2009-10	47.42
2010-11	45.62
2011-12	46.88
2012-13	54.31
2013-14	60.28
2014-15	61.06
2015-16	65.46
2016-17	67.09
Q1 2017-18	64.46
Q2 2017-18	64.29
Q3 2017-18	64.74

Exchange Rates (Calendar Year)

Year	INR Equivalent of one US\$
2005	43.98
2006	45.18
2007	41.34
2008	43.62
2009	48.42
2010	45.72
2011	46.85
2012	53.46
2013	58.44
2014	61.03
2015	64.15
2016	67.21
2017	65.12

Source: Reserve bank of India, Average for the year

DISCLAIMER

India Brand Equity Foundation (IBEF) engaged Aranca to prepare this presentation and the same has been prepared by Aranca in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of Aranca and IBEF's knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

Aranca and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither Aranca nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.