

Devarc Mall – Ahmedabad

Pankaj Jain*

Hemraj Verma**

Dr. Anil Khurana***

Introduction

Mr. Niral Shah, a graduate from a business school of United Kingdom, was associated with the Devarc Mall – Ahmedabad as a Mall Manager right from its Inception. His previous experience with Tesco, the second largest retail store of UK, was sufficient enough reason that the promoters of the Mall entrusted upon him, at a young age of 28 years, the responsibility of managing this newly constructed mall. On 7th Aug. 2010, Mr. Niral Shah was contemplating about the current situation of the Devarc Mall and wondering what could have he done better to change the situation. With almost 65-70% of the mall space lying vacant, he couldn't find appropriate set of tenants despite his best efforts since the downturn begun with the recession of Dec. 2008. For past 6 months he saw the significant decline in the footfalls due to this and was incurring 5-8 lakhs Rs. of losses on maintenance per month. His worries were not only for losses but also for the faith that the investors and promoters of the mall had in him. He was thinking how to cope up with growing number of competitors despite growing mall vacancy rates in last two quarters? How to deal with decreasing rental values as well as decreasing footfalls? Should he start selling off some part of the retail space rather managing the whole mall on leasing and generating revenue through rents? What could be the "right-tenant-mix" for Ahmedabad and how could he attract those retailers?

Organised Retail and Mall Business in India

For many decades the retail market in India remained comparatively less developed in comparison to the commercial office markets as the Indian government protected local retailing from foreign competition. Mom-n-pop Shops and local

street markets still dominate the Indian Retail Industry. By 2007, the organised sector contributed 7.5% of total retail market. And by 2010 organised retailing is expected to gain 20% market share of total retail market.

According to the 8th Annual Global Retail Development Index (GRDI) of AT Kearney, India retail industry was the most promising emerging market for investment. In 2007, the retail trade in India had a share of 8-10% in the GDP (Gross Domestic Product) of the country. As per Cushman & Wakefield report in Jan 2010, due to the increase in disposable income, favourable demographics, changing lifestyle and growth of middle class segment, the organised retail industry witnessed almost 34-35% CAGR over the last five years up until December 2008 when the share of organised retail market in India stood at around 6%. In 2008, the global financial crisis hit the retail industry hard along with several other industries. Organized retail penetration, which was expected to touch 16% by 2012 from the current 5%, is likely to trace 10.4% only. (See Exhibit 1 & 2).

Most of the key parameters of the retail industry like profitability, footfalls, cost of finance, working capital availability were largely adversely impacted while there were few parameters which maintained status quo or benefited due to financial crisis (See Exhibit 3). With the squeezed margins, growing costs most of the retailers simply pulled down the shutters or withdraw the expansions plans. As a result, mall supply across major cities came down drastically. As retailers pulled down the operations, the vacancy level grown significantly and rentals came down. As per the industry estimates over 6.57 million sq ft of mall space was lying vacant in India across 8 top cities (See Exhibit 4) and rentals dropped down almost by 40%.

Mall business, just a 10 year old business in India, was misunderstood as any other real estate business and many developers who jumped into this made many mistakes and suffered. Unlike commercial and residential projects, mall business required good understanding of demographics and buying behavior of the localities to design a "right tenant mix". As per the Cushman and Wakefield

*Sr. Lecturer Amity University Rajasthan

** Hemraj Verma, Assistant Professor -Dehradun Institute of Technology, Dehradun

*** Dr. Anil Khurana, Associate Professor – Deenbandhu Chhotu Ram University of Science and Technology, Sonapat

Research unlike India where malls and shopping centres are treated by developers like any other real estate and operate on develop-sell-exit model, malls and shopping centres are treated as assets internationally. These are owned and managed by real estate developers and they generate revenue through lease rentals.

In one case, 500,000 sq ft Vasant Square Mall, promoted by Suncity Projects, in Delhi failed due to lack of cinema hall. As a cinema hall or multiplex attracts the footfalls, most of the retailer moved to other malls which had this facility. "If I had a cinema I could have got better footfalls", says Gaurav Bansal, director, Suncity Projects. There was another problem with the malls regarding with their design. Some of the malls didn't even have the parking facility as they were built in congested residential areas. On deciding moving out of Ashoka mall in Hyderabad, Kishore Biyani, CEO of Pantaloon explained: "The mall went wrong in its design and, therefore, we had to move out." Since the economy was on boom prior to recession, it was thought that luxury retail segment will succeed; however it turned a myth during recession as the luxury segment was overhyped in Indian segment. (See exhibit-5)

Consumption pattern and consumer behavior were another significant factors which were largely missed by the developers while launching the projects. In the time of recession, the impulse buying trend was particularly affected causing decrease in demand of high-end luxury purchases such as fashion apparel, accessories and life style products. On the other hand, daily usage commodities such as Food and Beverages, consumer durables and home furniture did not affect much due to recession. Apart from facing these problems, Malls were also responsible for Common Area Maintenance (CAM), energy costs, service taxes, facilities management, marketing costs etc. on a sharing basis. These generally tend to inflate the cost of a mall outlet by about 10-15%.

About Devarc Mall

The Devarc Mall was situated on famous the Sarkhej Gandhinagar Highway (SG Road) of Ahmedabad. The mall came into operations on 19th April 2008 for a grand opening by inviting Kajol, the famous Bollywood actress, followed by a fashion show & by Mock tail party. For this event a total spend of Rs. 40 lakhs was incurred. The mall was appropriately called a mega mall with an area of 3.5 lakhs. Sq. ft. spanning around 3 storeys & ground floor and included 6 +2 lifts, 12 escalators and the

largest parking space among malls in Gujarat with a capacity of approx 1,400 cars).

Devarc mall provided an atmosphere for variety of shopping, recreation, entertainment and dining experiences, all at one place. Almost, entire mall space got booked before the operations started. The mall was anchored with 6 retail giants such as Cinemax with an area of 50,000 sq. Feet (4Screen Multiplex offering exclusive Bollywood premiers and the largest variety of hits), Magnet hypermarket (area of 1,00,000 sq. ft.), Indiabulls Megastore, Marks & Spencer, Stanton Food court & Giggles Gaming Zone with Bowling Valley. Other major brands at the mall were Bose, Gotti, Zodiac, Thomas Scott, Monte Carlo, D'cot & Cantabil. Most of these retail brands for the mall were captured through a specialist consultant. The Mall was started with a lifestyle positioning & targeted young & affluent Gujaratis who were brand conscious and looked out for friendly places to spend their leisure time in air-conditioned environment while shopping, eating and having fun under one roof. The entire mall was divided into 4 zones namely Luxury Zone at Ground Floor (like shoes, accessories, stationary, imitation, jewelleryes), Men's Zone at First Floor (like high segment & value segment both), Ladies & kids on second floor, and Entertainment Zone (Theatre and Gaming) on third floor. Apart from this, the mall entrance opened to a central atrium with a space for indoor cricket, a stage for centralized event & other small kiosks.

For promoting the mall to increase & maintain the footfall, tie ups with Media, advertisements on radio announcement, website promotion, hoardings, etc were carried out from time to time. Bollywood stars were specifically approached to visit the mall through Cinemax to pull the crowd to mall. Some of the big names included Mr. Amitabh Bachaan, Mr. Shahrukh Khan, Mr. Salman Khan and Mr. Abhishek Bachaan & Mrs. Aishwarya Rai Bachaan. Although, entire mall space had already been sold out to the investors but the Mall management was the responsibility of Devgroup Builders.

Promoters of Devarc Mall

Devarc Mall had been a venture of Devgroup Builders, an eminent name in the real estate industry of Gujarat, that possess the prowess and a vision to Establish the Real World Class Town Ships, Residential and Commercial Projects, Retail Businesses, Corporate Parks and Complexes etc. Devgroup was headed by, Mr. Sanjay Thakkar, owner & the Chairman of the group and Mr. Deepak

Thakkar, Mr. Rakesh Thakkar, as group team of Directors. They were backed by various heads of design, technical, Project and other departmental heads. Some of the successfully developed projects of Devgroup were Dev 94 plotting scheme in Guma, Devnandan in Ghalodia, Devgrand Mall in Anand, & Devarc Commercial Complex, Devnandan shops and flats, Dev Vatika, Dev Archan, Dev Kutir-ii, Devcomplex, Devdeep, Devsatya, Devansh Banglo, Devteerath Flats etc. in Ahmedabad.

Vision

The Group aims to contribute significantly to building the commercial capital of India Gujarat with its real estate initiative.

Mission

To built a superlative real-estate concept across Gujarat with the highest standard of professionalism, ethics, quality and customer services.

Devarc's Journey So Far

Devarc Mall had a great success in the first six months of its launch with an average weekend footfall to the mall reaching 25000-30000 and 10000-15000 in weekdays. Conversion ratio too had started picking up. These were the times when real estate all over the world including India witnessed a sharp increase. However, this period of great going for Devarc & other competitors (most of the malls probably in India) came to an abrupt end when entire world experienced one of the worst recessions in 2008 causing most of the retailers to halt their expansion plans. All this coupled with high inflation made Indian consumer defensive in their spending which hurt the Malls & retailers most. For Devarc too, this was a very difficult time but could do hardly anything when two of its anchor brands i.e. Indiabulls and Magnet Hyper market withdrew their all India operations thus vacating almost 50% of the total occupied space. The mall could not fix up any other anchor brand since then. Soon Indulge Foodmart too followed the suite, making other brands to rethink their strategy. After this, the situation for Devarc worsened with many other brands too closing down their operations leaving almost 65% of the total available space unoccupied.

Ahmedabad City & its People

Ahmedabad is the seventh largest metropolitan city in India, with a population of approximately 5.4 million with a Male-female ratio of 1000: 886. The city is located on the banks of the River Sabarmati, and was the capital of Gujarat from 1960 to 1970 which later on was shifted to Gandhi Nagar. It is the second largest city of western India after Mumbai. The literacy rate of the city is around 79.89% with male literacy ratio 87.81% and female literacy ratio 71.12%. Ahmedabad is known for Textile industries. But due to recession, that industry is in dying stages. However, the infrastructural developing is taking at very fast pace in the city. Since, it is very close to capital of the state and well connected with rail, road and air network, it is becoming a major hub for investors and industries.

Ahmedabad is the home of large population of Vaniyas (Hindu) and Jain people. People of the city are known for their love for food and most of the families, from middle class to rich, like to have dinner outside on weekends. There are number of eating joints, restaurants serving Indian Muglai, Punjabi, Gujarati, South Indian, and Chinese Cuisine. The most popular form of a meal is a typical Gujarati thali which consists of rotis, daal, rice, shaak along with pickles and roasted papads. After meal, gujaratis love to have Paan for digestion. There are many paanwala shops around restaurants and food outlets. Pizza is also becoming a choice of young generation and hence restaurants like Pizza Huts have opened their branches here. The first all-veg Pizza Hut in the opened in Ahmedabad as vegetarianism is religiously maintained by Hindus and Jain communities.

As Ahmedabad is the 7th largest metropolitan city in India, it attracted lot of retailers and developers and was a dream retail destination. But with the financial crisis hitting down the retail industry, Ahmedabad witnessed the highest mall vacancy rate (30%) in the 2Q of 2010. It rose significantly as compared to the 1Q (Jan - March) when the vacancy level stood on 27%. Malls in National Capital Region are on the second position with 27%. As compared to vacancy level in other metropolitan cities in Indian like Mumbai and Kolkata (less than 6%) Chennai and Bangalore (Less than 1%), the vacancy level in Ahmedabad is much higher even after it carries the lowest rental values among Metros and Tier II cities. As par the Cushman & Wakefield report, the low rental values in Ahmedabad were a result of one of the highest mall rental corrections in Ahmedabad. The decline in

mall rental values, over previous quarter, in Ahmedabad was as follows:

- Sarkhej Gandhinagar (SG) Highway , 39 per cent
- Vastrapur, 23 per cent
- Satellite Road, 21 per cent

The only micro market which was least impacted by this correction in rental values was the main street of CG Road as it is the most sought after retail location of the city.

Malls in Ahmedabad

Devarc Mall situated at SG road faced stiff competition right from the beginning as the SG highway had a congregation of malls like of Gallops, Fun Republic, Iscon Mall, Kshitiz Mall, Chroma etc. Apart from this there was Big Bazaar right opposite to Devarc Mall, which was one the main crowd puller. Some of the main competitors of Devarc mall were as follows:

Gallops

Gallops, came up a little more than 2 years ago as the first mall in the west Ahmedabad city. Spread over 2.25 lakhs sq.ft. shopping area & a parking capacity of 750 four wheelers, it offered the first fully air-conditioned shopping experience with the brands like Wills Lifestyle, Max, Globus and Shoe factory. Also, it had 12 outlets in its Food Court offering Indian, Continental and Mexican food. The key strategy of the mall was to provide its customers an interesting environment right through the day with focus on ease, comfort, convenience and safety. In initial years of operations the foot fall ratio was 30,000 to 40,000 but dropped to 5,000 to 6,000 people

per day within 2 years of operations. Conversion ratio too dropped to 40 to 50 per cent from 60 to 80 per cent.

Iscon Mall

Iscon Mega mall, Ahmedabad was also located on SG highway with one of the largest mall with over 450000 sq ft of retail space with 2 huge central atriums. It had a capacity of 610 cars and 795 two wheeler parking. Parking was free and Escalators and travelators from parking to all level of mall were available, hence customers did not hesitate to park their vehicles inside the mall. Reliance Mega Mart with 165,000 sq. ft. shopping area was the major anchor brand. Brands like Arrow, Van Westside, Ritu Kumars, Huesen, Weekender, Gini and Jony, Lilliput, Ruf & Tuf, Liberty, Biba, Samsonite, Body Shop, United Colors of Benetton, Espirit, Remanika etc. had opened their showrooms in the Iscon mall. For small children Kid zone had been specially created with wide variety of swings. In other words, Iscon Mall was the major competitor of the Devarc. It had almost similar positioning to that of Devarc except a value based reliance mart at its basement.

Himalaya Mall

Himalaya mall was situated in the prime location of Ahmedabad city having almost all big brands for apparels, shoe, accessories, jewellery and electronic goods stores. It also had Crossword Bookstore and Café Coffee Day for coffee lovers. Apart from the above major competitors of Dev Arc Mall, Ahmedabad also had other malls like Pyramid Mall, R3 The Mall, Parsvnath Mall, 10 Acres the Ahmedabad City Mall, APM Shopping Mall, SRS Shittal Varsha-3 of around 40,000 square feet and Gulmohar Park of around 2.20 lacs square feet.

Brief Profile of Malls in West Ahmedabad

Central Mall	Gallops Mall	Pyramid Mall
<ul style="list-style-type: none"> • Spread over 130000 sq. ft. located at CG Road • 500 National & International Brands of Men, Women, Kids, Ethnic wear, Youth wear, Sportswear, Eye wear, footwear, Cosmetics & Fragrances, Jewelry etc. • Premier destination to shop, eat n celebrate in the heart of city • Presence of Food bazaar, Planet M, Saloon @central, Café Coffee day, Reliance Time out, Ethnicity, Planet Sports • Free Makeovers, Wi-fi service & Live D.J. 	<ul style="list-style-type: none"> • Spread over 2.25 lakhs sq.ft. shopping area • Parking capacity of 750 four wheelers, • Offered the first fully air-conditioned shopping experience with the brands like Wills Lifestyle, Max, Globus and Shoe factory • 12 outlets in its Food Court offering Indian, Continental and Mexican food • focus on Customer ease, comfort, convenience and safety 	<ul style="list-style-type: none"> • Situated at another key shopping hub called C.G. Road, a favorite destinations amongst the locals of the city • It consisted of many stores and shops of popular brands. • It also had restaurants and coffee shops where you could enjoy during your shopping.

Fun Republic Mall	Iscon Mall	Acropolis Mall
<ul style="list-style-type: none"> • First Shopping cum entertainment Mall • Located at SG highway with a built up area of 1.75 lakhs sq. ft. across 5 storeys • In 2005 it had footfall of 1 lac plus on weekends but has decreased significantly today 	<ul style="list-style-type: none"> • located on SG highway with one of the largest mall with over 450000 sq ft of retail space • Free Parking facility for 610 cars and 795 two wheeler • Reliance Mega Mart with 165,000 sq. ft. shopping area was the major anchor brand • international and domestic brands in categories of garments, electronics, cosmetics, accessories, shoes etc under one roof • Positioning of a Luxury Mall 	<ul style="list-style-type: none"> • One of the biggest Mall in Ahmedabad situated at SG Road • Spread over 4.5 Lakhs sq.ft. with Low rise ground plus three structure • Parking for 650 cars • Had Multiplex PVR, the one of the Most successful multiplex brand in India • Restaurant, Hometown,
Gulmohar Park	Parsavnath Mall	Himalaya Mall
<ul style="list-style-type: none"> • Launched in 16th October, 2008 & Situated at satellite road, SG Highway • Had stores selling apparels, footwear, kids' wear, home accessories etc. With brands such as Pantaloons, Chemistry, Adidas, Puma and Mainland China for Chinese food. 	<ul style="list-style-type: none"> • A shopping mall cum multiplex, it offered an excellent combination of shopping, entertainment and leisure facilities. 	<ul style="list-style-type: none"> • Situated in the prime location • Having almost all big brands for apparels, shoe, accessories, jewelry and electronic goods stores • Presence of Crossword Bookstore and Café Coffee Day, Big Bazaar, Adlabs Media, McDonald, etc.

Local Markets in Ahmedabad

One of the major features for development of these local markets was the proximity to residential locations. Traditionally these markets served particular localities and acted as convenience stores. These evolved faster than street markets and grew with the increase with the number of residential in that area. As they largely served the daily needs of localities, key occupants in these markets were local grocers, stationers, laundry services, beauty salons, small pharmacies, fruits and vegetable vendors along with several local food and beverage outlets. Some of the markets also enjoyed the presence of local branches of banks and ATMs. These markets enjoyed the many advantages over high street markets and malls such as low cost of operations, fairly favourable conversions rate, better accessibility, more convenience (free home delivery and credit facilities) and customer loyalty born out of mutual trust and respect.

High Street Markets

There high street market in Ahmedabad had also flourished with time. CG Road, Satellite Road, Ashram Road, Vastrapur market, Navrangpura, Meetha Khali & Mani Nagar market were amongst the main shopping destination for localities. These markets were quite popular amongst locals. Many popular brands like Addidas, Reebok, Arrow, Allen

Sully etc. had found it more profitable to retail in these areas due to their unique set of characteristics. These were near to residential areas and cater to almost all kinds of customers by offering a large variety of product categories ranging from branded apparels to footwear to food & Jewellery items. As commented by one industry expert, these markets enjoy the most footfalls and highest share of conversion rates along with higher visibility and lower marketing expenses. On the other side, the disadvantages of these markets, as compared to malls, were convenience and safety due to lack of parking and other infrastructure issues. Also because of the different nature of these street markets, it was hard for marketers to go for promotional events in these markets.

The Issue of Maintenance for DEV ARC Mall

By spring of 2010, the footfall had dropped significantly to 2000-3000 from earlier 8000-10000 on weekdays and 8000-10000 from earlier 26000 on weekends. Due to this trend, the last of the anchor brand, Mark and Spencer, too, closed its operations in Devarc on 31st July 2010.

In its effort to turn the tide, Mr. Niral Shah tried almost every trick of the trade like reducing the fixed rental from an average price of Rs. 55-60 per sq. ft. to Rs.20 to 25 per sq ft. and sharing revenue with

tenants (instead of charging fixed rentals) for first 3-6 months. (See exhibit - 7) However, nothings worked for well for Devarc Mall which put huge pressure on the maintenance cost. Devarc charged mall maintenance fee of Rs.4-5 per sq. ft. from retailers for facilities such as centralized AC, Escalators, Lift, Security personnel, Toilets, cleaning etc.

On 7th Aug. 2010, the mall had only 25% of an occupied area which meant Devarc had to bear a large part of maintenance cost itself. Since the facilities were common, therefore it had to provide these services. All this was resulting in an average monthly loss of Rs. 8-10 lakhs for the mall.

Challenges Ahead

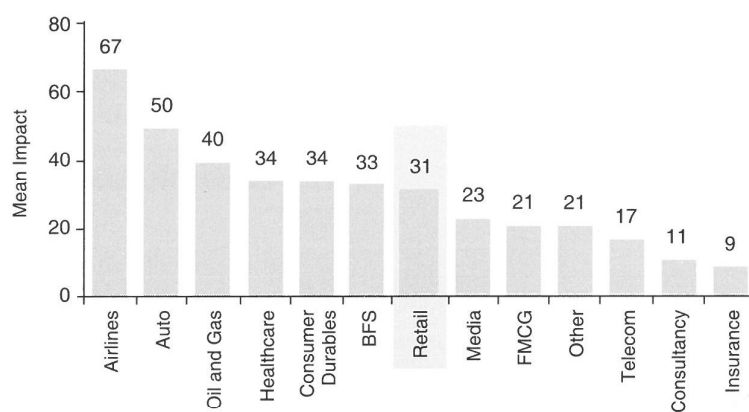
As per industry news, nearly 5 million square feet of mall space with 11 new malls in the pipeline was scheduled to come up in Ahmedabad in next 5-6 months. This would take the total mall count in the city to 24. The time had come for Mr. Niral Shah to take a decision to change the fortunes of Devarc mall. He had seen tough times & had been brave enough to face it well. His attempt to bring Shoppers Stop & other lifestyle brands had not materialized. For Big Bazaar, he opined that its value based Positioning would be a mismatch to the lifestyle positioning of the Mall, so he did not approach Big Bazaar actively. Moreover, was wary of the fact that

Big Bazaar would be a crowd puller but customer in that case would come for Big Bazaar not for Devarc. During past two years, his wait for appropriate tenant had been futile as most of the renowned lifestyle brands had already been patronized by other competing malls.

Recently, He had been negotiating with National Handlooms, a unit of Rational Handloom Co. Pvt. Ltd. but the deal was yet to be finalized. National Handloom, a value based (low priced products) regional retailer dealing in home furnishings, kitchenware, cosmetics, Kolhapuri Chappal, Rajasthani Jooti, kids wear, young wear, menswear and women suit and saree, brass and copper furnishings, idols of Gods and Goddess, gift items, grocery items, fruits and vegetables etc. has shown interest to buy space in Dev Arc mall.

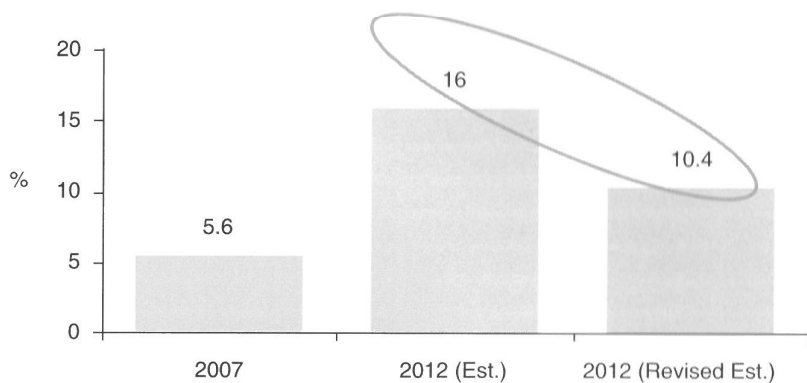
Now, Mr. Niral Shah, the mall manager of Devarc Mall is in dilemma whether to accept the offer of National Handlooms or not as it is in conflict with the initially intended positioning strategy of Devarc Mall. Also, he has to decide whether to sell the space or rent it on lease as per the current revenue model of the Devarc Mall. While taking decision on above issues, Mr. Shah is also pondering what went wrong which lead to this situation. What should he do now to revive the mall from this tough condition? What would be the right tenant mix and does national handloom fits the tenant mix well?

Exhibit 1: Industry-wise impact



Source: Cartesian Economic Meltdown Survey, Dec 2008
 An impact score of 0-15 indicates low impact
 An impact score of 16-50 indicates moderate impact
 An impact score of > 50 indicates high impact

Exhibit 2: Organized Retail Penetration



Source: KPMG Analysis and Retailers Association of India

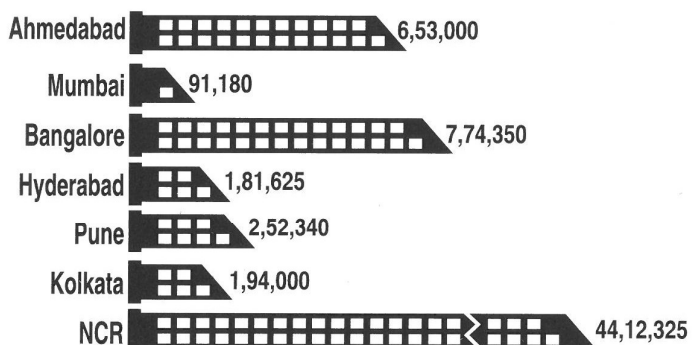
Exhibit 3: Impact of slowdown on key parameters

Top Line/Sales Turnover	Bottom Line/Profitability	Cost Competitiveness	Cost of Finance
●	●	●	●
Stock Turns/Rotations	Working Capital Availability	Real Estate Availability	Real Estate Cost
●	●	●	●
Store Expansion	Footfalls	Tier II/III Expansion	Advertising Spends
●	●	●	●
Attrition	Headcount/Recruitment	Investments in IT	Intensity of Consumer Promotions
●	●	●	●

Positive Impact
 No Impact/Status Quo
 Adverse Impact

Source: KPMG Retail Survey, March 2009

Exhibit 4: Mall Vacancy as of Q4 2009



Source: KPMG Analysis and Retailers Association of India

Exhibit 5: Myths about retail sector

Bursting Retail Myths		
Common Assumptions	Myth	Reality
Luxury retail is an over-hyped segment in the Indian context		●
Highway malls will be successful in India	●	
Discount formats should be located outside city limits	●	
Organised F&G retail is challenged by India's traditional home delivery system		●
Mega malls and huge stores are best for Indian consumers	●	
More developer-retailer collaborations are required in India		●
India's tier-III towns will experience a major boom	●	

Source: Cushman & Wakefield Research

Exhibit 6: Details of Malls in Ahmedabad

Sr. No.	Mall Name	Site Location	Zone	Total Area in million sq.ft. (Approx.)	Status
1	10 Acres	Kankaria	South	0.5	Operational
2	Central Mall	Ambawadi	West	0.2	Operational
3	City Gold Mall	Satellite	West	0.2	Operational
4	Dev Mall	S G Road	West	0.4	Operational
5	Fun Republic	Satellite	West	0.3	Operational
6	Gallops Mall	S G Road	West	0.1	Operational
7	Himalaya Mall	Gurukul	West	0.5	Operational
8	Himalaya Exotica	Wadaj	North	0.1	Operational
9	Iscon Mall	S G Road	West	0.5	Operational
10	Kshitij Mall	Satellite	West	0.5	Operational
11	R 3 Mall	Gurukul	West	0.4	Operational
12	Acropolis	Thaltej	West	0.5	Completed
13	SRS Shital Versa 3	Vijay Char Rasta	Central	0.3	Completed
14	JBR Mall	Science City	West	0.2	Proposed
15	Balaji Mall	Chandkheda	North	0.2	Under Construction
16	City Centre	Vastrapur	West	0.4	Under Construction
17	Ganesh Meridian	S G Road	West	0.8	Under Construction
18	Kalasagar	Satadhar	West	0.4	Under Construction
19	Kunj Grand	Nikol	East	0.1	Under Construction
20	Kunj Mall	Nikol	East	0.1	Under Construction
21	Parsvnath Mall	Prahladnagar	West	1	Under Construction
22	Regency Centre	Satellite	West	0.3	Under Construction
23	Shapath V	S G Road	West	0.2	Under Construction
24	SRS Shital Versa 5	Nehrunagar	West	0.2	Under Construction
25	Venus Square	C G Road	Central	0.3	Under Construction

Source: KPMG Analysis and Retailers Association of India

Exhibits 7: Rent Rate in Ahmedabad city

PRIME MALL RENTS AS OF 4Q 2009

Location	Average Achievable Rent Net of Carpet Area			% Change from (Local Currency)		6 mth Outlook
	INR	€	US\$	3	1	
	/sq.ft. /mth	/sq.ft. /mth	/sq.ft. /mth	mth ago	yr ago	
Vastrapur	75	1.1	1.6	-17%	-52%	→
Sarkhej Gandhinagar Highway	55	0.8	1.2	-0%	-54%	→
Drive-in road	65	1.0	1.4	-8%	-24%	→
Kankaia Lake	40	0.6	0.9	-0%	-43%	→

PRIME MAIN STREET RENTS AS OF 4Q 2009

Location	Average Achievable Rent Net of Carpet Area			% Change from (Local Currency)		6 mth Outlook
	INR	€	US\$	3	1	
	/sq.ft. /mth	/sq.ft. /mth	/sq.ft. /mth	mth ago	yr ago	
C.G Road	130	2.0	2.8	-18%	-16%	→
Law Garden	80	1.2	1.7	-14%	-24%	→
Satellite Road	65	1.0	1.4	-18%	-24%	→
Sarkhej Gandhinagar Highway	57	0.9	1.2	-14%	-24%	→

Legend
 Market Rising ↗ Market Stable → Market Falling ↘

Source: KPMG Analysis and Retailers Association of India